United Gulf Holding Company B.S.C.

Interim Condensed Consolidated Financial Statements
for the nine-month period ended 30 September 2026 (Reviewed)

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Commercial registration number	114160
Board of directors	Sheikha Adana Naser Sabah A. Al Sabah *(w.e.f 31 March 2026)* Masaud Hayat H.E. Abdelkarim Alawi Saleh Kabariti *(w.e.f 31 March 2026)* Moustapha Samir Chami *(w.e.f 31 March 2026)* Mubarak Al Maskati Mohammed Haroon Naveen Rajanala *(w.e.f 20 October 2026)* Samer Mohamad Abbouchi *(till 20 October 2026)* Sadoun Ali *(w.e.f 31 March 2026)* Faisal Al Ayyar *(till 31 March 2026)* Khaled Al Sharrad *(till 31 March 2026)* Sunny Bhatia *(till 31 March 2026)* Mazen Hawwa *(till 31 March 2026)* Bader Al Awadhi *(till 31 March 2026)*
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Report on review of interim condensed consolidated financial statements

To the Board of Directors of United Gulf Holding Company B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of United Gulf Holding Company B.S.C. (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2026, and the related interim condensed consolidated statements of income and other comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and explanatory notes. The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

RSM

RSM Bahrain
Partner's registration no. 286
Manama, Kingdom of Bahrain
12 November 2026

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United Gulf Holding Company B.S.C.
Interim condensed consolidated statement of financial position
As at 30 September 2026 (in US Dollars '000)

	Note	30 September 2026 (Reviewed)	31 December 2025 (Audited)	30 September 2025 (Reviewed)
Assets				
Demand and call deposits with banks	3	49,422	38,867	23,944
Placements with banks	3	121,116	98,133	101,914
Investments at fair value through profit or loss		359,695	445,437	389,030
Investments at fair value through other comprehensive income		176,284	181,337	181,639
Investments carried at amortised cost		28,043	40,304	40,333
Loans and receivables		591,652	522,552	441,730
Other assets		35,236	46,129	43,376
Investment in associates		853,776	827,976	830,147
Investment property		22,872	23,667	23,651
Property and equipment		24,485	24,849	24,129
Intangible assets		2,547	3,026	3,014
Assets of disposal group classified as held-for-sale	5	-	-	66,699
Total assets		**2,265,128**	**2,252,277**	**2,169,606**
Liabilities and equity				
Liabilities				
Due to banks and other financial institutions		278,663	279,736	191,949
Deposits from customers		825,482	846,134	807,779
Loans payables		838,625	787,524	779,948
Loans from parent	7	98,000	98,000	98,000
Other liabilities		46,675	38,495	44,385
Liabilities directly associated with disposal group classified as held for sale	5	-	-	38,532
Total liabilities		**2,087,445**	**2,049,889**	**1,960,593**
Equity				
Share capital	6	219,547	219,547	219,547
Treasury shares		(320)	(320)	(320)
Treasury share reserve		(1,518)	(1,518)	(1,518)
Statutory reserve		3,285	3,285	3,285
Fair value reserve		(83,204)	(85,362)	(81,240)
Foreign currency translation reserve		(25,460)	(20,041)	(22,517)
Retained earnings		27,777	49,651	54,792
Equity attributable to the shareholders of the Parent		**140,107**	**165,242**	**172,029**
Non-controlling interests		37,576	37,146	36,984
Total equity		**177,683**	**202,388**	**209,013**
Total liabilities and equity		**2,265,128**	**2,252,277**	**2,169,606**

These interim condensed consolidated financial statements were approved by the Board of Directors on 12 November 2026 and signed on its behalf by:

Sheikha Adana Naser Sabah A. Al Sabah	Masaud Hayat	Hussain Lalani
Chairperson	Vice Chairman	Chief Executive Officer

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

United Gulf Holding Company B.S.C.
Interim condensed consolidated statement of income
For the nine-month period ended 30 September 2026 (in US Dollars '000)

	Note	*Three-month period ended 30 September*		*Nine-month period ended 30 September*	
		2026	**2025**	**2026**	**2025**
		(Reviewed)	*(Reviewed)*	*(Reviewed)*	*(Reviewed)*
Continuing operations					
Interest income		23,392	20,237	68,068	62,487
Fees and commissions (expenses) / income - net		(319)	314	(1,114)	(542)
Foreign currency (losses) / gains - net		(1,466)	2,119	(1,629)	841
Share of results of associates		3,490	12,346	9,601	22,566
Investment loss - net		(4,651)	(1,689)	(5,750)	(3,143)
Total income		**20,446**	**33,327**	**69,176**	**82,209**
Interest expense		(18,738)	(16,904)	(54,266)	(56,375)
Operating income from continuing operations before expenses, provisions and tax		**1,708**	**16,423**	**14,910**	**25,834**
Salaries and benefits		(7,377)	(6,996)	(20,564)	(19,683)
General and administrative expenses		(4,881)	(5,040)	(14,647)	(13,823)
Operating (loss) / income from continuing operations before provisions and tax		**(10,550)**	**4,387**	**(20,301)**	**(7,672)**
Net impairment loss on investments		-	17	-	-
(Provisions) / Reversal of provisions - net		(43)	104	412	(1,248)
Net (loss) / profit from continuing operations before tax		**(10,593)**	**4,508**	**(19,889)**	**(8,920)**
Tax expense		(200)	(1,696)	(1,690)	(2,988)
Net (loss) / profit for the period from continuing operations		**(10,793)**	**2,812**	**(21,579)**	**(11,908)**
Discontinued operations:					
Net profit after tax from discontinued operations	5	-	-	-	3,880
Net (loss) / profit for the period		**(10,793)**	**2,812**	**(21,579)**	**(8,028)**
Net (loss) / profit attributable to:					
Shareholders of the parent:					
Continuing operations		(11,268)	2,590	(22,798)	(11,983)
Discontinued operations		-	-	-	870
		(11,268)	**2,590**	**(22,798)**	**(11,113)**
Non-controlling interest		**475**	**222**	**1,219**	**3,085**
		(10,793)	**2,812**	**(21,579)**	**(8,028)**
Basic and diluted (loss) / profit per share attributable to shareholders of the Parent (US cents)					
Continuing operations		(2.57)	0.59	(5.19)	(2.74)
Discontinued operations		-	-	-	0.20
		(2.57)	**0.59**	**(5.19)**	**(2.54)**

These interim condensed consolidated financial statements were approved by the Board of Directors on 12 November 2026 and signed on its behalf by:

Sheikha Adana Naser Sabah A. Al Sabah	Masaud Hayat	Hussain Lalani
Chairperson	Vice Chairman	Chief Executive Officer

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

United Gulf Holding Company B.S.C.
Interim condensed consolidated statement of other comprehensive income
For the nine-month period ended 30 September 2026 (in US Dollars '000)

	Three-month period ended 30 September		*Nine-month period ended 30 September*	
	2026	**2025**	**2026**	**2025**
	(Reviewed)	*(Reviewed)*	*(Reviewed)*	*(Reviewed)*
Net (loss) / profit for the period	**(10,793)**	**2,812**	**(21,579)**	**(8,028)**
Other comprehensive income:				
Items that may be reclassified to profit or loss in subsequent periods:				
Foreign currency translation adjustments	(199)	(5,323)	(6,633)	8,581
Net share of other comprehensive loss of associates	(12,163)	(2,141)	(17,502)	(4,132)
Net change in fair value of debt investments measured at FVTOCI	(1,774)	59	(620)	1,079
Net change in cash flow hedges	(32)	(407)	(240)	(1,275)
	(14,168)	**(7,812)**	**(24,995)**	**4,253**
Items that will not be reclassified to profit or loss in subsequent periods:				
Net change in fair value of equity investments measured at FVTOCI	(986)	425	21	1,317
	(986)	**425**	**21**	**1,317**
Other comprehensive (loss) / income for the period	**(15,154)**	**(7,387)**	**(24,974)**	**5,570**
Total comprehensive loss for the period	**(25,947)**	**(4,575)**	**(46,553)**	**(2,458)**
Total comprehensive (loss) / income attributable to:				
- Shareholders of the Parent	**(26,007)**	**(4,467)**	**(47,322)**	**(5,734)**
Continuing operations	(26,007)	(4,467)	(47,322)	(10,241)
Discontinued operations	-	-	-	4,507
- Non-controlling interests	**60**	**(108)**	**769**	**3,276**
	(25,947)	**(4,575)**	**(46,553)**	**(2,458)**

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

	Attributable to equity holders of the Parent Company										
	Share Capital	**Treasury Shares**	**Treasury Share reserve**	**Statutory reserve**	**Fair value reserve**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Perpetual Additional Tier 1 Capital**	**Non-Controlling interests**	**Total equity**
As at 1 January 2026	**219,547**	**(320)**	**(1,518)**	**3,285**	**(85,362)**	**(20,041)**	**49,651**	**165,242**	**-**	**37,146**	**202,388**
Net (loss) / profit for the period	-	-	-	-	-	-	(22,798)	**(22,798)**	-	1,219	**(21,579)**
Other comprehensive loss	-	-	-	-	(19,105)	(5,419)	-	**(24,524)**	-	(450)	**(24,974)**
Total comprehensive (loss) / income for the period	**-**	**-**	**-**	**-**	**(19,105)**	**(5,419)**	**(22,798)**	**(47,322)**	**-**	**769**	**(46,553)**
Other equity movements of associates	-	-	-	-	21,263	-	928	**22,191**	-	-	**22,191**
Other movements in non-controlling interests	-	-	-	-	-	-	(4)	**(4)**	-	(339)	**(343)**
As at 30 September 2026 (Reviewed)	**219,547**	**(320)**	**(1,518)**	**3,285**	**(83,204)**	**(25,460)**	**27,777**	**140,107**	**-**	**37,576**	**177,683**
As at 1 January 2025	**219,547**	**(320)**	**(1,518)**	**3,285**	**(106,850)**	**(30,735)**	**88,857**	**172,266**	**33,000**	**151,672**	**356,938**
Net (loss) / profit for the period	-	-	-	-	-	-	(11,113)	**(11,113)**	-	3,085	**(8,028)**
Other comprehensive (loss) / income	-	-	-	-	(2,839)	8,218	-	**5,379**	-	191	**5,570**
Total comprehensive (loss) / income for the period	**-**	**-**	**-**	**-**	**(2,839)**	**8,218**	**(11,113)**	**(5,734)**	**-**	**3,276**	**(2,458)**
Transfer upon disposal of equity investments carried at FVTOCI	-	-	-	-	988	-	(988)	**-**	-	-	**-**
Other equity movements of associates	-	-	-	-	5,021	-	1,212	**6,233**	-	-	**6,233**
Acquisition of non-controlling interest	-	-	-	-	(14)	-	(722)	**(736)**	-	(616)	**(1,352)**
Other movements in non-controlling interests	-	-	-	-	-	-	-	**-**	-	2,553	**2,553**
Disposal of subsidiaries	-	-	-	-	22,454	-	(22,454)	**-**	(33,000)	(119,901)	**(152,901)**
As at 30 September 2025 (Reviewed)	**219,547**	**(320)**	**(1,518)**	**3,285**	**(81,240)**	**(22,517)**	**54,792**	**172,029**	**-**	**36,984**	**209,013**

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

	Note	*Nine-month period ended 30 September*	
		2026	**2025**
		(Reviewed)	*(Reviewed)*
Cash flows from operating activities:			
Net loss before tax from continuing operations		(19,889)	(8,920)
Net profit before tax from discontinued operations	5	-	4,002
Net loss before tax for the period		(19,889)	(4,918)
Adjustments for non-cash items:			
Depreciation and amortisation		2,693	3,155
Share of results of associates		(9,601)	(26,313)
Provisions - net		412	1,338
Loss / (gain) on investments at FVTPL		1,805	(9,616)
Loss on disposal of discontinued operations	5	-	2,919
Interest income		(68,068)	(63,610)
Interest expense		54,266	59,748
Dividend income		(201)	-
Changes in operating assets and liabilities:			
Demand and call deposits with banks		145	-
Placements with banks		(12,742)	(846)
Investments at FVTPL		83,937	(107,770)
Investments at FVTOCI		4,454	16,299
Investments carried at amortised cost		12,261	(38,333)
Loans and receivables		(69,428)	(91,498)
Other assets		4,246	(69,339)
Due to banks and other financial institutions		(1,073)	(82,737)
Deposits from customers		(20,652)	159,168
Other liabilities		1,753	76,056
Interest received		67,745	65,664
Interest paid		(51,334)	(75,354)
Dividends received		201	-
Net cash used in operating activities		**(19,070)**	**(185,987)**
Cash flows from investing activities:			
Payment for property and equipment - net		(731)	(2,791)
Investment in associates - net		(13,669)	(119,759)
Payments for intangible assets		-	(768)
Proceeds from sale of subsidiary	5	-	58,698
Net cash used in investing activities		**(14,400)**	**(64,620)**
Cash flows from financing activities:			
Loans payable - net		51,101	(9,603)
Movement in non-controlling interests		-	(1,691)
Net cash provided by / (used in) financing activities		**51,101**	**(11,294)**
Foreign currency translation adjustments		3,310	1,264
Net change in cash and cash equivalents		**20,941**	**(260,637)**
Cash and cash equivalents as at the beginning of the period	3	118,215	364,334
Cash and cash equivalents as at the end of the period	3	**139,156**	**103,697**

Notes 1 to 18 form an integral part of these interim condensed consolidated financial statements.

1. Incorporation and principal activities

United Gulf Holding Company B.S.C. ("the Company" or "UGH") is a joint stock company incorporated in the Kingdom of Bahrain on 28 June 2017 under Commercial Registration number 114160 and is listed on the Bahrain Bourse. The Company's registered office is situated at UGB Tower, Diplomatic Area, P.O. Box 5565, Manama, Kingdom of Bahrain.

The principal activities of the Company and its subsidiaries (together the "Group") comprise of commercial banking including extending loans and other credit facilities, accepting deposits and current accounts from corporate and institutional customers.

The Company's parent and ultimate holding company is Kuwait Projects Company (Holding) K.S.C. ("KIPCO"), a company incorporated in the State of Kuwait and listed on the Kuwait Stock Exchange (Boursa Kuwait). As at 30 September 2026, KIPCO owned 89.9% of the Company's outstanding shares (31 December 2025: 89.9%).

These interim condensed consolidated financial statements were authorised for issue by the Company's Board of Directors on 12 November 2026.

2. Basis of preparation and material accounting policies

2.1. Basis of preparation

The interim condensed consolidated financial statements of the Group for the nine-month period ended 30 September 2026 have been prepared in accordance with IAS 34 - Interim Financial Reporting. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2025.

2.2. Presentation and functional currency

The interim condensed consolidated financial statements have been presented in United States Dollars (USD), which is also the functional currency of the Company, and are rounded to the nearest USD thousands, unless otherwise indicated.

2.3. New and amended standards and interpretations adopted by the Group

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in previous year, except for the adoption of the following new and amended standards and interpretation applicable to the Group, which are effective for annual periods beginning on or after 1 January 2026. The adoption of the below new and amended standards and interpretations did not have any significant impact on the Group's interim condensed consolidated financial statements.

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
- Annual improvements to IFRS accounting standards – Volume 11

2.4. Basis of consolidation

These interim condensed consolidated financial statements include the interim condensed financial statements of the Company and its subsidiaries as at and for the nine-month period ended 30 September 2026. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The basis of consolidation used in these interim condensed consolidated financial statements of the Group is consistent with the basis of consolidation used and disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2025.

The principal subsidiaries of the Company are as follows:

Name of the subsidiary	Country of incorporation	Ownership % at 30 September 2026	Ownership % at 31 December 2025	Year of incorporation
Held directly				
FIMBank Group [FIMBank]	Malta	80%	80%	1994
Hatoon Real Estate Company	Kuwait	100%	100%	2008
Syria Gulf Investment Company	Syria	99%	99%	2007
United Gulf Financial Services Company North Africa [UGFS-NA]	Tunisia	77%	77%	2008
Held through FIMBank				
India Factoring and Finance Solutions Private Limited	India	100%	100%	2010
London Forfaiting Company Limited	U.K.	100%	100%	2009
London Forfaiting International Limited	U.K.	100%	100%	2009
London Forfaiting Americas Inc.	U.S.A.	100%	100%	2009
London Forfaiting do Brasil Ltd.	Brazil	100%	100%	2009
FIM Factors B.V.	Netherlands	100%	100%	2009
FIM Property Investment Limited	Malta	100%	100%	2010
The Egyptian Company for Factoring S.A.E.	Egypt	100%	100%	2016
Held through UGFS-NA				
United Gulf Advisory Services UGAS	Tunisia	100%	100%	2010

3. Cash and cash equivalents

	30 September 2026	31 December 2025	30 September 2025
	(Reviewed)	*(Audited)*	*(Reviewed)*
Demand and call deposits with banks	49,422	38,867	23,944
Placements with banks	121,116	98,133	101,914
	170,538	**137,000**	**125,858**

Reconciliation to cash and cash equivalents at the end of the financial period / year

The above figures are reconciled to cash and cash equivalents at the end of the financial period / year as shown in the interim condensed consolidated statement of cash flows as follows:

Time deposits with original maturities of more than ninety days	(23,729)	(10,998)	(15,363)
Mandatory reserves	(7,792)	(7,937)	(8,007)
Expected credit losses	139	150	185
Cash and cash equivalents directly associated with assets of disposal group classified as held-for-sale	-	-	1,024
Cash and cash equivalents as per interim condensed consolidated statement of cash flows	**139,156**	**118,215**	**103,697**

4. Movement in expected credit losses (ECL)

The movement in the expected credit losses is as follows:

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2026	4,957	4,918	7,900	**17,775**
Transfer between stages	(125)	108	17	**-**
Net remeasurement of loss allowances	(34)	(967)	589	**(412)**
Written-off during the period as uncollectible	-	-	(3,326)	**(3,326)**
Foreign exchange and other adjustments	(37)	(2)	291	**252**
As at 30 September 2026 (Reviewed)	**4,761**	**4,057**	**5,471**	**14,289**

	Stage 1	Stage 2	Stage 3	Total
As at 1 January 2025	3,271	4,551	10,254	**18,076**
Transfer between stages	(479)	27	452	**-**
Net remeasurement of loss allowances	889	444	(1,209)	**124**
Written-off during the period as uncollectible	-	-	(456)	**(456)**
Foreign exchange and other adjustments	(13)	-	8	**(5)**
Transfer to disposal group classified as held for sale	(901)	(439)	(307)	**(1,647)**
As at 30 September 2025 (Reviewed)	**2,767**	**4,583**	**8,742**	**16,092**

5. Discontinued operations

5.1 Disposal of subsidiaries

On 25 August 2024, the Central Bank of Bahrain approved the acquisition of United Gulf Bank BSC (c) ("UGB") by Burgan Bank KPSC ("Burgan") and allowed a period of one year, from the date of this approval, to complete the transaction. Burgan received the final approval from the Central Bank of Kuwait on 17 December 2024 and the Company entered into a Share Purchase Agreement (SPA) dated 14 January 2025 to execute the transfer. The transaction was closed on 28 February 2025 and accordingly, the Group has deconsolidated UGB as of that date.

The results of UGB for the period ended 28 February 2025 are as below:

	Two-month period ended 28 February 2025
	(Reviewed)
Income	19,978
Expenses	(13,057)
Operating income before tax	**6,921**
Tax expense	(122)
Profit for the period	**6,799**
Loss on sale of the discontinued operations	(2,919)
Net profit for the period from discontinued operations	**3,880**

The net cash flows generated from the sale of UGB are, as follows:

	Amount
Cash received from sale of the discontinued operations	190,000
Cash sold as a part of discontinued operations	(131,302)
Net cash inflow on date of disposal	**58,698**

The net cash flows of UGB for the comparative period are, as follows:

	Two-month period ended 28 February 2025
	(Reviewed)
Operating activities	(29,590)
Investing activities	568
Financing activities	(2,263)
Foreign currency translation adjustments	665
Net change in cash and cash equivalents from discontinued operations, net of inter-company	**(30,620)**

5.2 Disposal group classified as held for sale

During September 2025, the Group commenced a sale process for its 100% shareholding in The Egyptian Company for Factoring S.A.E. ("Egypt Factors"), a subsidiary of FIMBank. Following negotiations and the receipt of bids from a potential buyer, the sale was considered highly probable and Egypt Factors was classified as a disposal group held for sale under IFRS 5.

The assets and liabilities of Egypt Factors classified as held-for-sale as at 30 September 2025 are as follows:

	30 September 2025
	(Reviewed)
Assets	
Demand and call deposits with banks	1,024
Loans and receivables	65,327
Other assets	83
Property and equipment	265
Assets of disposal group classified as held-for-sale	**66,699**
Liabilities	
Due to banks and other financial institutions	36,405
Deposits from customers	677
Other liabilities	1,450
Liabilities directly associated with disposal group classified as held	**38,532**

In December 2025, the management reconsidered the sale of Egypt Factors and concluded that it will be maintained as subsidiary and it is hence no longer available for immediate sale. Accordingly, Egypt Factors business has been reclassified as part of continuing operations, and its assets and liabilities as at 31 December 2025 and 30 September 2026 have been transferred from "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale" to their respective statement of financial position line items.

6. Share capital

	30 September 2026	31 December 2025	30 September 2025
	(Reviewed)	*(Audited)*	*(Reviewed)*
Authorised share capital:			
Number of shares (in thousands)	505,400	505,400	505,400
Par value (USD)	0.50	0.50	0.50
	252,700	**252,700**	**252,700**
Issued and fully paid up share capital:			
Number of shares (in thousands)	439,094	439,094	439,094
Par value (USD)	0.50	0.50	0.50
	219,547	**219,547**	**219,547**

7. Loans from parent

	Note	30 September 2026	31 December 2025	30 September 2025
		(Reviewed)	*(Audited)*	*(Reviewed)*
Subordinated debt	7.1	61,000	61,000	61,000
Loan	7.2	37,000	37,000	37,000
		98,000	**98,000**	**98,000**

7.1 This facility is interest free with a maturity date of 31 December 2026 and is repayable in the form of shares, owned by the Group in an affiliate, that is equivalent to the outstanding liability.

7.2 This facility is an interest free unsecured loan which is repayable on 31 December 2026.

8. Taxation

In 2021, OECD's Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) had agreed to a two-pillar solution in order to address tax challenges arising from digitalization of the economy. Under Pillar 2, multinational entities (MNE Group) whose revenue exceeds EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15% in each jurisdiction they operate. The jurisdictions in which the Group operates including the Kingdom of Bahrain and the State of Kuwait have joined the IF.

The Group's revenue does not exceed EUR 750 million threshold but is exposed to the global minimum tax by virtue of the Ultimate Parent Company ("UPE") which is domiciled and operating in the State of Kuwait. The Group's earnings in certain jurisdictions, primarily in Bahrain & Kuwait, are currently subject to a lower effective tax rate compared to the proposed global minimum tax.

The Kingdom of Bahrain issued Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a Domestic Minimum Top-up Tax ("DMTT"). This law is applicable to Multi National Enterprises (MNEs) with consolidated annual revenues equal to or exceeding Euro 750 million during 2 of the previous 4 years. MNEs in scope of the law will be subject to a tax of 15% on their profits generated in the Kingdom of Bahrain for fiscal years commencing on or after 1 January 2025.

The Company is registered with the National Bureau for Revenue, Kingdom of Bahrain and is the Filing Constituent Entity for all of KIPCO's group entities registered in the Kingdom of Bahrain. For the period ended 30 September 2026, the Company was not subject to a top-up tax, since its Bahrain-based operations are loss-making. Accordingly, no provisions for DMTT tax have been made for the current period.

9. Segmental Information

Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the management, which is responsible for allocating resources to the reportable segments and assessing their performance. All operating segments reported by the Group meet the definition of a reportable segment under IFRS 8.

For management purposes, the Group is organized into business units based on the nature of their operations and services. The Group has two reportable operating segments being 'asset management and investment banking' and 'commercial banking'.

Asset management and investment banking (AMIB / Other)	Undertaking asset portfolio management, corporate finance, advisory, investments in quoted and private equity/funds, real estate, capital markets, international banking, treasury activities and holding companies' expenses.
Commercial banking	Loans and other credit facilities, deposit and current accounts from corporate and institutional customers.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Transactions between segments are generally recorded at estimated market rates.

9.1. Segment information of interim condensed consolidated statement of income for the nine-month periods ended 30 September 2026 and 30 September 2025 was as follows:

	AMIB / Other	Commercial banking	Eliminations	Consolidated
2026 (Reviewed)				
Income from external customers	1,849	65,860	(2,384)	**65,325**
Investment loss - net	(4,606)	(884)	(260)	**(5,750)**
Share of results of associates	1,030	8,571	-	**9,601**
Total income	**(1,727)**	**73,547**	**(2,644)**	**69,176**
Interest expense	(32,357)	(24,553)	2,644	**(54,266)**
Salaries and benefits	(651)	(19,913)	-	**(20,564)**
General and administrative expenses	(1,894)	(12,753)	-	**(14,647)**
Operating (loss) / profit from continuing operations before provisions and tax	**(36,629)**	**16,328**	**-**	**(20,301)**
Reversal of provisions - net	-	412	-	**412**
Taxation - net	(23)	(1,667)	-	**(1,690)**
Net (loss) / profit for the period	**(36,652)**	**15,073**	**-**	**(21,579)**
Loss attributable to equity shareholders of the Parent				(22,798)
Profit attributable to non-controlling interests				1,219
Net loss for the period				**(21,579)**
2025 (Reviewed)				
Income from external customers	1,815	62,552	(1,581)	**62,786**
Investment income / (loss) - net	681	(3,451)	(373)	**(3,143)**
Share of results of associates	111	22,455	-	**22,566**
Total income	**2,607**	**81,556**	**(1,954)**	**82,209**
Interest expense	(34,484)	(23,845)	1,954	**(56,375)**
Salaries and benefits	(421)	(19,262)	-	**(19,683)**
General and administrative expenses	(1,602)	(12,221)	-	**(13,823)**
Operating (loss) / profit before provisions and tax	**(33,900)**	**26,228**	**-**	**(7,672)**
Provisions - net	-	(1,248)	-	**(1,248)**
Taxation - net	(160)	(2,828)	-	**(2,988)**
Net (loss) / profit from continuing operations	**(34,060)**	**22,152**	**-**	**(11,908)**
Net profit from discontinued operations	**3,880**	**-**	**-**	**3,880**
Net (loss) / profit for the period	**(30,180)**	**22,152**	**-**	**(8,028)**
Loss attributable to equity shareholders of the Parent				(11,113)
Profit attributable to non-controlling interests				3,085
Net loss for the period				**(8,028)**

9.2. Segment information of interim condensed consolidated statement of financial position as at 30 September 2026 and for the year ended 31 December 2025 was as follows:

	AMIB / Other	Commercial banking	Eliminations	Consolidated
2026 (Reviewed)				
Investments in associates	62,510	791,266	-	**853,776**
Segment total assets	330,916	2,138,424	(204,212)	**2,265,128**
Segment total liabilities	981,417	1,159,519	(53,491)	**2,087,445**
2025 (Audited)				
Investments in associates	61,638	766,338	-	**827,976**
Segment total assets	327,029	2,127,679	(202,431)	**2,252,277**
Segment total liabilities	927,176	1,177,381	(54,668)	**2,049,889**

10. Related party transactions and balances

Related parties represent the parent, ultimate parent, associates and joint ventures, directors and key management personnel and entities which are controlled, jointly controlled or significantly influenced by any of the above mentioned parties.

10.1. The income and expenses in respect of related parties transactions during the period and included in the interim condensed consolidated financial statements are as follows:

	Parent	Associates	Other related parties	Total
Nine-month period ended 30 September 2026 (Reviewed)				
Investment (loss) - net	-	(4,665)	(38)	**(4,703)**
Fees and commissions - net	-	-	(996)	**(996)**
Dividend income	-	-	201	**201**
Interest income	-	255	190	**445**
Interest expense	-	(18,076)	(3,288)	**(21,364)**
General and administrative expenses	-	-	(186)	**(186)**
Nine-month period ended 30 September 2025 (Reviewed)				
Investment (loss) - net	-	(66)	(38)	**(104)**
Fees and commissions - net	167	243	(1,052)	**(642)**
Dividend income	-	-	162	**162**
Rental income	176	-	(5)	**171**
Interest income	-	-	1,160	**1,160**
Interest expense	-	(22,046)	(5,607)	**(27,653)**
General and administrative expenses	(3)	(739)	(285)	**(1,027)**

All related party transactions are on terms that are mutually agreed between the counterparties.

10.2. The period-end balances in respect of related parties included in the interim condensed and annual consolidated financial statements are as follows:

	Parent	Associates	Other related parties	Total
As at 30 September 2026 (Reviewed)				
Demand and call deposits with banks	-	48	6,167	**6,215**
Placements with banks	-	7	-	**7**
Investments at FVTOCI	-	-	76,290	**76,290**
Loans and receivables	-	7,009	-	**7,009**
Other assets	-	172	93	**265**
Due to banks and other financial institutions	-	-	(20,182)	**(20,182)**
Deposits from customers	-	(3)	(1,326)	**(1,329)**
Loans payable	-	(489,312)	(25,400)	**(514,712)**
Loans from parent	(98,000)	-	-	**(98,000)**
Other liabilities	-	(9,737)	(739)	**(10,476)**
As at 31 December 2025 (Audited)				
Demand and call deposits with banks	-	52	9,101	**9,153**
Investments at FVTOCI	-	-	76,268	**76,268**
Loans and receivables	-	6,998	242	**7,240**
Other assets	3,318	188	1,012	**4,518**
Due to banks and other financial institutions	-	(10,000)	(20,000)	**(30,000)**
Deposits from customers	-	(3)	(1,486)	**(1,489)**
Loans payables	-	(436,812)	(25,900)	**(462,712)**
Loans from parent	(98,000)	-	-	**(98,000)**
Other liabilities	-	(5,414)	(944)	**(6,358)**

All related party exposures are performing and are free of any provision for expected credit losses.

10.3. The Parent has committed to acquire an FVTOCI investment of the Group at its carrying value of USD 65.7 million or higher (2025: USD 65.7 million).

10.4. Pursuant to the disposal of UGB to Burgan Bank, the Service Level Agreement ("SLA") between UGH and UGB was terminated effective 30 June 2026. Under the terms of the SLA, UGH has utilised the skills, expertise and resources of UGB personnel and systems for the management and operation of the Company.

10.5. Compensation of key management personnel was as follows:

	Nine-month period ended 30 September	
	2026	**2025**
	(Reviewed)	*(Reviewed)*
Short-term employee benefits	304	413
Long-term employee benefits	22	45
	326	**458**

11. Commitments and contingencies

Credit-related commitments

Credit-related commitments include commitments to extend credit, standby letters of credit, guarantees and acceptances which are designed to meet the requirements of the Group's customers.

Letters of credit, guarantees (including standby letters of credit) and acceptances committed by the Group to make payments on behalf of customers if certain conditions are met under the terms of the contract.

Investment-related commitments
Investment related commitments are Group's commitment to invest in private equity funds representing the uncalled capital by the investment managers (general partners) of various private equity funds in which the Group has made investments. The capital can be called at the investment manager's discretion.

The Group has the following credit and investment related commitments:

	30 September 2026	31 December 2025
	(Reviewed)	*(Audited)*
Credit-related commitments:		
Undrawn credit facilities	99,596	126,656
Letters of credit	64,840	35,680
Letters of guarantee	30,663	26,677
	195,099	**189,013**
Investments related commitments	-	11,894
	195,099	**200,907**

12. Derivatives

In the ordinary course of business the Group enters into various types of transactions that involve derivative financial instruments.

The table below shows the positive and negative fair values of derivative financial instruments. The notional amount is that of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at period / year end and are not indicative of either market or credit risk.

	Positive fair value	Negative fair value	Notional amount
As at 30 September 2026 (Reviewed)			
Derivatives held for trading			
Forward foreign exchange contracts	2,409	(6,266)	**17,478**
Derivatives used as cash flow hedges			
Interest rate swaps	56	-	**20,000**
As at 31 December 2025 (Audited)			
Derivatives held for trading			
Forward foreign exchange contracts	4,162	(2,843)	**19,532**
Derivatives used as hedge of net investments in foreign operations			
Forward foreign exchange contracts	3,830	-	**514,485**
Derivatives used as cash flow hedges			
Interest rate swaps	296	-	**82,500**

Fair value gains / (losses) on mark-to-market valuation of hedging instruments are booked in other assets (other liabilities) as of 30 September 2026 and 31 December 2025.

The Group uses foreign currency denominated borrowings and forward currency contracts to manage some of its transaction exposures and changes in value of its investments in foreign operations. The Group is exposed to variability in interest cash flows on liabilities which bear interest at a variable rate. The Group uses interest rate swaps as cash flow hedges of these interest rate risks.

Forward foreign exchange contracts are contractual agreements to either buy or sell a specified currency, at a specific price and date in the future, and are customized contracts transacted in the over-the-counter market.

Swaps are contractual agreements between two parties to exchange interest or foreign currency differentials based on a specific notional amount. For interest rate swaps, counterparties generally exchange fixed and floating rate interest payments based on a notional value in a single currency.

13. Financial assets and liabilities

The table below summarises the accounting classification of the Group's financial assets and financial liabilities:

	At FVTPL	At FVTOCI	At Amortised cost	Total
As at 30 September 2026 (Reviewed)				
Demand and call deposits with banks	-	-	49,422	**49,422**
Placements with banks	-	-	121,116	**121,116**
Investments at FVTPL	359,695	-	-	**359,695**
Investments at FVTOCI	-	176,284	-	**176,284**
Investments carried at amortised cost	-	-	28,043	**28,043**
Loans and receivables	-	-	591,652	**591,652**
Other assets	-	56	14,633	**14,689**
Total financial assets	**359,695**	**176,340**	**804,866**	**1,340,901**
Due to banks and other financial institutions	-	-	278,663	**278,663**
Deposits from customers	-	-	825,482	**825,482**
Loans payables	-	-	838,625	**838,625**
Loans from parent	-	-	98,000	**98,000**
Other liabilities	3,857	-	37,470	**41,327**
Total financial liabilities	**3,857**	**-**	**2,078,240**	**2,082,097**
As at 31 December 2025 (Audited)				
Demand and call deposits with banks	-	-	38,867	**38,867**
Placements with banks	-	-	98,133	**98,133**
Investments at FVTPL	445,437	-	-	**445,437**
Investments at FVTOCI	-	181,337	-	**181,337**
Investments carried at amortised cost	-	-	40,304	**40,304**
Loans and receivables	-	-	522,552	**522,552**
Other assets	1,319	4,126	20,602	**26,047**
Total financial assets	**446,756**	**185,463**	**720,458**	**1,352,677**
Due to banks and other financial institutions	-	-	279,736	**279,736**
Deposits from customers	-	-	846,134	**846,134**
Loans payables	-	-	787,524	**787,524**
Loans from parent	-	-	98,000	**98,000**
Other liabilities	-	-	32,997	**32,997**
Total financial liabilities	**-**	-	**2,044,391**	**2,044,391**

The fair values of financial instruments carried at amortised cost are not significantly different from their carrying values included in the interim and annual consolidated financial statements.

14. Fair value measurement

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values of quoted securities are derived from quoted market prices in active markets, if available. For unquoted securities, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

The fair values of the funds that are listed on active markets are determined by reference to their quoted bid prices. The fair values of unlisted funds are based on net asset values which are determined by the fund manager using the quoted market prices of the underlying assets, if available, or other acceptable methods such as a recent price paid by another investor or the market value of a comparable company.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

The Group uses the following hierarchy for determining and disclosing the fair value of the Group's assets and liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

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

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Fair value measurement using			
	Level 1	**Level 2**	**Level 3**	**Total**
As at 30 September 2026 (Reviewed)				
Assets measured at fair value				
Investments carried at FVTPL				
Forfaiting assets	-	-	347,298	**347,298**
Equities	-	52	-	**52**
Managed funds	-	-	12,345	**12,345**
Investments at FVTOCI				
Equities	136	-	76,059	**76,195**
Debt securities	99,819	-	-	**99,819**
Managed funds	238	32	-	**270**
Investment property	-	-	22,872	**22,872**
Derivatives				
Interest rate swaps	-	56	-	**56**
	100,193	**140**	**458,574**	**558,907**
Liabilities measured at fair value				
Derivatives				
Forward foreign exchange contracts	-	3,857	-	**3,857**
	-	**3,857**	**-**	**3,857**

	Fair value measurement using			
	Level 1	**Level 2**	**Level 3**	**Total**
As at 31 December 2025 (Audited)				
Assets measured at fair value				
Investments carried at FVTPL				
Forfaiting assets	-	-	432,382	**432,382**
Equities	-	52	-	**52**
Managed funds	-	-	13,003	**13,003**
Investments at FVTOCI				
Equities	129	-	75,605	**75,734**
Debt securities	104,901	-	-	**104,901**
Managed funds	660	42	-	**702**
Investment property	-	-	23,667	**23,667**
Derivatives				
Forward foreign exchange contracts	-	5,149	-	**5,149**
Interest rate swaps	-	296	-	**296**
	105,690	**5,539**	**544,657**	**655,886**

Transfers between Level 1, Level 2 and Level 3

During the nine-month period ended 30 September 2026 and 30 September 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurement.

The table below gives a reconciliation of fair value measurement of investments in Level 3 of the fair value hierarchy:

	As at 1 January	**Net purchases, sales, transfers and settlement**	**Movement recorded in the interim condensed consolidated statement of income**	**Movement recognised in OCI**	**As at 30 September**
As at 30 September 2026 (Reviewed)					
Investments at FVTPL					
Forfaiting assets	432,382	(86,825)	1,741	-	**347,298**
Managed funds	13,003	-	(658)	-	**12,345**
	445,385	**(86,825)**	**1,083**	**-**	**359,643**
Investments at FVTOCI					
Equities	75,605	-	-	454	**76,059**
	75,605	**-**	**-**	**454**	**76,059**
Investment property	**23,667**	**-**	**(795)**	**-**	**22,872**
As at 30 September 2025 (Reviewed)					
Investments at FVTPL					
Forfaiting assets	264,345	93,052	18,190	-	**375,587**
Managed funds	14,813	112	(1,534)	-	**13,391**
	279,158	**93,164**	**16,656**	**-**	**388,978**
Investments at FVTOCI					
Equities	75,052	-	-	548	**75,600**
	75,052	**-**	**-**	**548**	**75,600**
Investment property	**20,926**	**-**	**2,725**	**-**	**23,651**

15. Sale of FIMBank

In 2025, the Company entered into discussions regarding the potential sale of its 80.4% stake in the subsidiary, FIMBank p.l.c. (FIMBank Group), to Jordan Kuwait Bank (JKB). The proposed sale of FIMBank group is conditional on completing the necessary valuations, studies and obtaining relevant regulatory approvals from authorities in Jordan and Malta, including the Central Bank of Jordan (CBJ), the Malta Financial Services Authority (MFSA), and the European Central Bank (ECB).

The assets and liabilities of FIMBank and its subsidiaries have not been classified as held for sale in these interim condensed consolidated financial statements, since the criteria under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations of being available for immediate sale in its present condition has not been met as at the period end.

16. Regional geopolitical events

During the period ended 30 September 2026, ongoing geopolitical developments in the Middle East have contributed to heightened instability and uncertainty in the region, including Kingdom of Bahrain and volatility in global and regional financial markets.

Management has considered the potential implications of these developments in preparing these interim condensed consolidated financial statements in accordance with IAS 34. The situation is fast evolving, and the effect of the escalations is subject to significant levels of uncertainty. Given the evolving nature of the situation, management continues to monitor developments and will assess the potential impact on the Group's financial position, financial performance and cash flows.

Based on the information available as of the issuance date, the Group's operations have not been materially disrupted and no material impact has been identified requiring adjustments to these interim condensed consolidated financial statements.

17. Comparative figures

Certain comparatives figures have been regrouped or reclassified where necessary for the purpose of comparison and better presentation. The following reclassifications have been made during the period and have no effect on the financial results of the Group:

Consolidated statement of financial position	Reported 30 September 2025	Adjustment	30 September 2025
Assets			
Demand and call deposits with banks	24,562	(618)	23,944
Investments carried at amortised cost	40,947	(614)	40,333
Loans and receivables	443,013	(1,283)	441,730
Other assets	40,861	2,515	43,376
Liabilities			
Due to banks and other financial institutions	192,617	(668)	191,949
Deposits from customers	811,344	(3,565)	807,779
Other liabilities	40,152	4,233	44,385

18. Subsequent events

No matter or circumstance has arisen since 30 September 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs.