

Kuwait International Bank K.S.C.P. and its Subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information
30 September 2026 (Unaudited)

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait International Bank K.S.C.P. (the "Bank") and its subsidiaries (collectively the "Group") as at 30 September 2026, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three and nine-month periods then ended, and the related interim condensed consolidated statements of changes in equity and 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 accompanying 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 violation of the Companies Law No. 1 of 2016, and its Executive Regulations, as amended, or of the Bank's Memorandum of Incorporation and the Articles of Association, as amended, during the nine-month period ended 30 September 2026 that might have had a material effect on the business of the Bank or on its financial position.

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT INTERNATIONAL BANK K.S.C.P. (CONTINUED)

Report on Other Legal and Regulatory Requirements (continued)

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 violation 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 2026 that might have had a material effect on the business of the Bank or on its financial position.

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

22 October 2026
Kuwait

ERNST & YOUNG
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
Period ended 30 September 2026

KD 000's

	Notes	*Three months ended*		*Nine months ended*	
		30 September 2026	*30 September 2025*	***30 September 2026***	*30 September 2025*
Financing income		**54,927**	53,973	**161,026**	149,339
Finance costs and estimated distribution to depositors	3	**(37,487)**	(36,651)	**(110,201)**	(99,515)
Net financing income		**17,440**	17,322	**50,825**	49,824
Net fee and commission income	20	**3,334**	2,592	**10,250**	7,700
Net gain from foreign exchange		**1,025**	594	**2,875**	1,576
Net investment income		**1,143**	1,384	**4,473**	4,302
Other income		**234**	752	**601**	1,288
TOTAL OPERATING INCOME		**23,176**	22,644	**69,024**	64,690
Staff costs		**(8,192)**	(7,946)	**(25,569)**	(23,643)
General and administrative expenses	20	**(4,708)**	(3,341)	**(10,790)**	(8,588)
Depreciation		**(1,408)**	(1,319)	**(4,204)**	(3,874)
TOTAL OPERATING EXPENSES		**(14,308)**	(12,606)	**(40,563)**	(36,105)
Profit from operations before provisions and impairment losses		**8,868**	10,038	**28,461**	28,585
Provisions and impairment losses	4	**729**	(4,093)	**(342)**	(6,957)
PROFIT FROM OPERATIONS		**9,597**	5,945	**28,119**	21,628
Provision for:					
Kuwait Foundation for the Advancement of Sciences (KFAS)		**(93)**	(53)	**(286)**	(193)
National Labor Support Tax (NLST)		**(245)**	(154)	**(720)**	(558)
Zakat		**(183)**	(62)	**(373)**	(222)
PROFIT FOR THE PERIOD		**9,076**	5,676	**26,740**	20,655
Attributable to:					
Shareholders of the Bank		**9,025**	5,578	**26,566**	20,414
Non-controlling interests		**51**	98	**174**	241
		9,076	5,676	**26,740**	20,655
Basic and diluted earnings per share attributable to shareholders of the Bank	5	**5.19 fils**	3.21 fils	**13.51 fils**	9.98 fils

The accompanying notes from 1 to 21 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
Period ended 30 September 2026

KD 000's

	Three months ended		*Nine months ended*	
	30 September 2026	*30 September 2025*	***30 September 2026***	*30 September 2025*
Profit for the period	**9,076**	5,676	**26,740**	20,655
Other comprehensive (loss)/ income:				
Items that are or may be reclassified subsequently to consolidated statement of profit or loss:				
- Change in fair value of debt instruments at FVOCI	**(14,249)**	5,804	**(19,764)**	13,663
- Foreign currency translation adjustments	**(26)**	(90)	**724**	(930)
Items that will not be reclassified to consolidated statement of profit or loss in subsequent periods:				
- Change in fair value of equity investments at FVOCI	**(360)**	2,101	**(355)**	953
Other comprehensive (loss)/ income for the period	**(14,635)**	7,815	**(19,395)**	13,686
Total comprehensive (loss)/ income for the period	**(5,559)**	13,491	**7,345**	34,341
Attributable to:				
Shareholders of the Bank	**(5,614)**	13,377	**7,164**	34,070
Non-controlling interests	**55**	114	**181**	271
Total comprehensive (loss)/ income for the period	**(5,559)**	13,491	**7,345**	34,341

The accompanying notes from 1 to 21 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 September 2026

KD 000's

	Notes	***30 September 2026***	*31 December 2025 (Audited)*	*30 September 2025*
ASSETS				
Cash and balances with banks	6	**122,390**	145,340	96,570
Placements with the Central Bank of Kuwait		**135,582**	218,381	166,689
Due from banks		**201,727**	173,439	200,458
Financing receivables	7	**3,482,322**	3,319,169	3,213,292
Investment securities	16	**582,690**	568,927	520,483
Investment in associates	8	**22,647**	22,166	1,855
Investment properties		**67,216**	75,534	75,430
Other assets	9	**72,624**	67,124	47,655
Property and equipment		**49,149**	49,161	46,745
TOTAL ASSETS		**4,736,347**	4,639,241	4,369,177
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		**426,631**	350,792	269,711
Due to financial institutions		**392,013**	401,556	411,378
Depositors' accounts		**3,079,400**	3,218,039	3,033,006
Sukuk issued	10	**242,936**	91,106	91,487
Other liabilities	11	**125,400**	98,674	90,327
TOTAL LIABILITIES		**4,266,380**	4,160,167	3,895,909
EQUITY				
Share capital		**187,797**	178,855	178,855
Share premium		**66,623**	66,623	66,623
Treasury shares		**(45,161)**	(45,161)	(45,161)
Statutory reserve		**49,443**	49,443	46,222
Other reserves		**114,947**	133,045	124,513
Equity attributable to shareholders of the Bank		**373,649**	382,805	371,052
Perpetual Tier 1 Sukuk	18	**92,400**	92,400	92,400
Non-controlling interests		**3,918**	3,869	9,816
TOTAL EQUITY		**469,967**	479,074	473,268
TOTAL LIABILITIES AND EQUITY		**4,736,347**	4,639,241	4,369,177

Mohammed Jarrah Al-Sabah
Chairman

Raed Jawad Bukhamseen
Vice Chairman and Chief Executive Officer

The accompanying notes from 1 to 21 form an integral part of this interim condensed consolidated financial information.

Kuwait International Bank K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period ended 30 September 2026

KD 000's

	Equity attributable to shareholders of the Bank												*Perpetual Tier 1 Sukuk*	*Non-controlling interests*	*Total equity*
					Other reserves										
	Share capital	*Share premium*	*Treasury shares*	*Statutory reserve*	*Voluntary reserve*	*Treasury shares reserve*	*Retained earnings*	*Fair value reserve*	*Revaluation surplus*	*Foreign currency translation adjustments*	*Total other reserves*	*Total*			
Balance as at 1 January 2026	178,855	66,623	(45,161)	49,443	43,360	4,811	46,149	25,483	14,022	(780)	133,045	382,805	92,400	3,869	479,074
Profit for the period	-	-	-	-	-	-	26,566	-	-	-	26,566	26,566	-	174	26,740
Other comprehensive (loss)/ income	-	-	-	-	-	-	-	(20,126)	-	724	(19,402)	(19,402)	-	7	(19,395)
Total comprehensive income/ (loss)	-	-	-	-	-	-	26,566	(20,126)	-	724	7,164	7,164	-	181	7,345
Cash dividends (Note 12)	-	-	-	-	-	-	(13,251)	-	-	-	(13,251)	(13,251)	-	-	(13,251)
Bonus shares issuance (Note 12)	8,942	-	-	-	-	-	(8,942)	-	-	-	(8,942)	-	-	-	-
Transfer due to disposals of investment at FVOCI	-	-	-	-	-	-	(86)	86	-	-	-	-	-	-	-
Profit paid on Perpetual Tier 1 Sukuk (Note 18)	-	-	-	-	-	-	(3,069)	-	-	-	(3,069)	(3,069)	-	-	(3,069)
Dividends paid by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(132)	(132)
Balance as at 30 September 2026	**187,797**	**66,623**	**(45,161)**	**49,443**	**43,360**	**4,811**	**47,367**	**5,443**	**14,022**	**(56)**	**114,947**	**373,649**	**92,400**	**3,918**	**469,967**
Balance as at 1 January 2025	170,338	66,623	(45,161)	46,222	40,139	4,811	34,902	18,298	11,726	30	109,906	347,928	92,400	3,656	443,984
Profit for the period	-	-	-	-	-	-	20,414	-	-	-	20,414	20,414	-	241	20,655
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	14,586	-	(930)	13,656	13,656	-	30	13,686
Total comprehensive income/ (loss)	-	-	-	-	-	-	20,414	14,586	-	(930)	34,070	34,070	-	271	34,341
Cash dividends (Note 12)	-	-	-	-	-	-	(7,887)	-	-	-	(7,887)	(7,887)	-	-	(7,887)
Bonus shares issuance (Note 12)	8,517	-	-	-	-	-	(8,517)	-	-	-	(8,517)	-	-	-	-
Transfer due to disposals of investment at FVOCI	-	-	-	-	-	-	(78)	78	-	-	-	-	-	-	-
Profit paid on Perpetual Tier 1 Sukuk (Note 18)	-	-	-	-	-	-	(3,059)	-	-	-	(3,059)	(3,059)	-	-	(3,059)
Movement on non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	6,074	6,074
Dividends paid by subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(185)	(185)
Balance as at 30 September 2025	178,855	66,623	(45,161)	46,222	40,139	4,811	35,775	32,962	11,726	(900)	124,513	371,052	92,400	9,816	473,268

The accompanying notes from 1 to 21 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
Period ended 30 September 2026

KD 000's

	Notes	*Nine months ended*	
		30 September 2026	*30 September 2025*
OPERATING ACTIVITIES			
Profit for the period		**26,740**	20,655
Adjustments for:			
Net gain from foreign exchange		**(2,875)**	(1,576)
Dividend income		**(1,938)**	(1,963)
Change in fair value of financial assets at FVTPL		**(76)**	(265)
Realised gain from sale of financial assets at FVTPL		**(17)**	-
Realised gain from sale of debt instruments at FVOCI		**(118)**	(427)
Share of results from associates	8	**(1,291)**	(2)
Gain from sale of investment properties		**(247)**	(905)
Rental income from investment properties		**(786)**	(740)
Depreciation		**4,204**	3,874
Provisions and impairment losses	4	**342**	6,957
		23,938	25,608
Changes in operating assets and liabilities:			
Placements with the Central Bank of Kuwait		**82,799**	(53,466)
Due from banks		**3,404**	5,530
Financing receivables		**(169,274)**	(374,409)
Other assets		**(22,214)**	(3,619)
Due to banks		**75,839**	115,335
Due to financial institutions		**(9,543)**	22,564
Depositors' accounts		**(138,639)**	278,574
Other liabilities		**27,339**	1,875
Net cash (used in)/ from operating activities		**(126,351)**	17,992
INVESTING ACTIVITIES			
Purchase of investment securities		**(206,218)**	(244,748)
Proceeds on redemption/ sale of investment securities		**179,118**	253,029
Purchase of investment properties		**-**	(8,543)
Proceeds from sale of investment properties		**24,255**	12,401
Purchase of property and equipment		**(3,320)**	(5,821)
Dividend income received		**1,938**	1,963
Dividend received from an associate	8	**810**	-
Rental income received		**786**	740
Net cash (used in)/ from investing activities		**(2,631)**	9,021
FINANCING ACTIVITIES			
Net proceeds from issue of Senior Sukuk	10	**153,325**	-
Profit paid on Perpetual Tier 1 sukuk	18	**(3,069)**	(3,059)
Movement on non-controlling interests		**-**	6,074
Dividends paid by subsidiary to non-controlling interests		**(132)**	(185)
Cash dividends paid		**(13,127)**	(7,906)
Net cash from/ (used in) financing activities		**136,997**	(5,076)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**8,015**	21,937
Effect of foreign currency translation		**724**	(930)
Cash and cash equivalents at the beginning of the period		**286,512**	249,793
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	**295,251**	270,800

The accompanying notes from 1 to 21 form an integral part of this interim condensed consolidated financial information.

1. INCORPORATION AND ACTIVITIES

Kuwait International Bank K.S.C.P. (the "Bank") is a Kuwaiti public shareholding company incorporated in the State of Kuwait on 13 May 1973 as a specialised bank and is regulated by the Central Bank of Kuwait (the "CBK"). The Bank's shares are listed on Boursa Kuwait (Premier Market).

In June 2007, the CBK licensed the Bank to operate in accordance with Islamic Sharia'a from 1 July 2007. From that date, all activities are conducted in accordance with Islamic Sharia'a, as approved by the Bank's Sharia'a Supervisory Board.

The Bank is engaged principally in providing Islamic banking services, the purchase and sale of properties, leasing, and other trading activities. Trading activities are conducted on the basis of purchasing various commodities and selling them on Murabaha at agreed profit margin which can be settled in cash or on installment credit basis.

The registered office of the Bank is at West Tower - Joint Banking Center, P.O. Box 22822, Safat 13089, Kuwait.

The Bank owns 73.6% of issued share capital of Al Dawli Takaful Insurance Company KSCC ("KIB Takaful"), KIB Takaful is engaged in providing Shariaá compliant insurance services and 99.9% of issued share capital of KIB Invest Investment Company KSCC ("KIB Invest"), KIB Invest is engaged in Islamic investment activities. In addition, the Bank beneficially owns 100% of issued share capital of KIB Tier 1 Sukuk 2 Limited and KIB Sukuk Limited, incorporated as special purpose vehicles with limited liability in the Cayman Islands.

The interim condensed consolidated financial information of the Bank and its Subsidiaries (together the "Group") for the period ended 30 September 2026 were authorised for issue by the Bank's Board of Directors on 8 October 2026.

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 has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', except as noted below. The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025.

The annual consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (CBK) in the State of Kuwait. These regulations require banks and other financial institutions regulated by CBK to adopt the International Financial Reporting Standards ("IFRS Accounting Standards") with an amendment for measuring the expected credit loss ("ECL") on credit facilities at the higher of ECL computed under IFRS 9 – 'Financial Instruments' in accordance with the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

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

The ECL for credit facilities as at 30 September 2026 is lower than the provision for impairment of credit facilities required by CBK (Note 7).

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards as adopted for use by the State of Kuwait, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional currency of the Bank and its subsidiaries, rounded to the nearest thousand Kuwaiti Dinars, except when otherwise stated.

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 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Certain amendments and improvements to international accounting standards apply for the first time in 2026, but do not have an impact on the interim condensed consolidated financial information of the Group.

3. FINANCE COSTS AND ESTIMATED DISTRIBUTION TO DEPOSITORS

The management of the Bank has estimated distribution to depositors and profit attributable to Bank's shareholders based on the results for the nine-month period ended 30 September 2026. The actual distribution to depositors for deposits of tenures exceeding 6 months could be different from the amounts presented in the interim condensed consolidated statement of profit or loss. The actual profit to be distributed to these depositors will be determined by the Board of Directors of the Bank in accordance with the Bank's articles of association, based on the annual audited results for the financial year ending 31 December 2026.

4. PROVISIONS AND IMPAIRMENT LOSSES

KD 000's

	Three months ended		*Nine months ended*	
	30 September 2026	*30 September 2025*	***30 September 2026***	*30 September 2025*
Provision on financing receivables (Note 7)	**3,452**	4,641	**8,084**	7,796
Provision for expected credit losses for other financial assets	**(249)**	(238)	**250**	(41)
Provision for impairment on non-cash credit facilities	**241**	(32)	**182**	131
Provision no longer required	**(3,082)**	(278)	**(8,805)**	(929)
Other provisions	**(1,091)**	-	**631**	-
	(729)	4,093	**342**	6,957

5. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are computed by dividing profit for the period attributable to the shareholders of the Bank adjusted for profit paid (if any) on Perpetual Tier 1 Sukuk by the weighted average number of shares outstanding during the period, net of treasury shares, as follows:

	Three months ended		*Nine months ended*	
	30 September 2026	*30 September 2025*	***30 September 2026***	*30 September 2025*
Profit for the period attributable to the shareholders of the Bank (KD 000's)	**9,025**	5,578	**26,566**	20,414
Less: profit paid on Perpetual Tier 1 Sukuk (KD 000's)	**-**	-	**(3,069)**	(3,059)
	9,025	5,578	**23,497**	17,355
Weighted average number of shares outstanding, net of treasury shares (shares '000)	**1,739,182**	1,739,182	**1,739,182**	1,739,182
Basic and diluted earnings per share	**5.19 fils**	3.21 fils	**13.51 fils**	9.98 fils

Basic and diluted earnings per share for the current and comparative period presented has been adjusted to reflect the effect of bonus shares for the year ended 2025 (Note 12).

6. CASH AND CASH EQUIVALENTS

KD 000's

	30 September 2026	*31 December 2025 (Audited)*	*30 September 2025*
Cash	**19,226**	15,413	15,077
Balances with banks	**13,446**	29,642	4,973
Balances with CBK	**89,720**	100,291	76,521
	122,392	145,346	96,571
Less: Expected credit losses	**(2)**	(6)	(1)
Cash and balances with banks	**122,390**	145,340	96,570
Placements with banks (contractual maturity of 90 days or less) – Net	**172,861**	141,172	174,230
Cash and cash equivalents	**295,251**	286,512	270,800

7. FINANCING RECEIVABLES

KD 000's

	30 September 2026	*31 December 2025 (Audited)*	*30 September 2025*
Financing receivables	**3,566,732**	3,400,619	3,286,057
Provision for credit losses as per CBK instructions	**(84,410)**	(81,450)	(72,765)
	3,482,322	3,319,169	3,213,292

Movement in provision for credit facilities as per CBK instructions:

KD 000's

	2026			2025		
	Specific provision	**General provision**	**Total**	Specific provision	General provision	Total
As at 1 January	**8,840**	**72,610**	**81,450**	8,062	61,324	69,386
Provision charged (Note 4)	**6,303**	**1,781**	**8,084**	5,646	2,151	7,797
Amounts (written off)/recovery	**(5,124)**	**-**	**(5,124)**	(4,886)	468	(4,418)
As at 30 September	**10,019**	**74,391**	**84,410**	8,822	63,943	72,765

Provision on non-cash credit facilities of KD 4,518 thousand as at 30 September 2026 (31 December 2025: KD 4,336 thousand, 30 September 2025: KD 4,241 thousand) is included under other liabilities (Note 11).

Expected credit losses on credit facilities determined under IFRS 9 according to CBK guidelines amounted to KD 63,239 thousand as at 30 September 2026 (31 December 2025: KD 53,620 thousand; 30 September 2025: KD 56,932 thousand), which is lower than the provision for credit facilities under the CBK instructions of KD 88,928 thousand (31 December 2025: KD 85,786 thousand; 30 September 2025: KD 77,006 thousand).

7. FINANCING RECEIVABLES (continued)

An analysis of the carrying amounts of credit facilities (financing receivables, contingent liabilities and commitments), and the corresponding expected credit losses based on the staging criteria under IFRS 9 in accordance with CBK regulations.

KD 000's

30 September 2026	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Financing receivables	**3,354,953**	**156,947**	**54,832**	**3,566,732**
Contingent liabilities	**521,865**	**33,849**	**13,606**	**569,320**
Commitments	**611,222**	**4,276**	**-**	**615,498**

KD 000's

31 December 2025 (Audited)	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financing receivables	3,179,193	174,559	46,867	3,400,619
Contingent liabilities	556,662	18,101	11,758	586,521
Commitments	656,631	11,527	-	668,158

KD 000's

30 September 2025	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Financing receivables	3,050,966	180,218	54,873	3,286,057
Contingent liabilities	522,285	19,312	11,638	553,235
Commitments	561,745	11,469	-	573,214

An analysis of the changes in the expected credit losses in relation to credit facilities (financing receivables, contingent liabilities and commitments):

KD 000's

	Stage 1	***Stage 2***	***Stage 3***	***Total***
ECL allowance as at 1 January 2026	**6,566**	**11,322**	**35,732**	**53,620**
Transfer to Stage 1	**657**	**(262)**	**(395)**	**-**
Transfer to Stage 2	**(84)**	**422**	**(338)**	**-**
Transfer to Stage 3	**(16)**	**(553)**	**569**	**-**
(Reversal)/ charge of ECL allowance for the period	**(207)**	**74**	**9,752**	**9,619**
ECL allowance as at 30 September 2026	**6,916**	**11,003**	**45,320**	**63,239**

KD 000's

	Stage 1	*Stage 2*	*Stage 3*	*Total*
ECL allowance as at 1 January 2025	4,741	12,616	44,330	61,687
Transfer to Stage 1	1,046	(634)	(412)	-
Transfer to Stage 2	(54)	297	(243)	-
Transfer to Stage 3	(2)	(354)	356	-
Charge/ (reversal) of ECL allowance for the year	835	(603)	(8,299)	(8,067)
ECL allowance as at 31 December 2025 (Audited)	6,566	11,322	35,732	53,620

KD 000's

	Stage 1	*Stage 2*	*Stage 3*	*Total*
ECL allowance as at 1 January 2025	4,741	12,616	44,330	61,687
Transfer to Stage 1	1,055	(653)	(402)	-
Transfer to Stage 2	(4)	331	(327)	-
Transfer to Stage 3	(1)	(447)	448	-
Charge/ (reversal) of ECL allowance for the period	920	(551)	(5,124)	(4,755)
ECL allowance as at 30 September 2025	6,711	11,296	38,925	56,932

8. INVESTMENT IN ASSOCIATES

	Ownership %			KD 000's		
	30 September 2026	*31 December 2025 (Audited)*	*30 September 2025*	***30 September 2026***	*31 December 2025 (Audited)*	*30 September 2025*
Associate of KIB Invest						
Credit One Kuwait Holding Company KSCC	**20.25%**	20.25%	-	**22,647**	22,166	-
Associate of KIB Takaful						
Partners Properties Company W.L.L.	-	-	25.5%	**-**	-	1,855
				22,647	22,166	1,855

The movement in the investment in associates is as follows:

	KD 000's		
	30 September 2026	*31 December 2025 (Audited)*	*30 September 2025*
Balance at beginning of the period/ year	**22,166**	1,853	1,853
Acquisition	**-**	11,179	-
Reclassification from investments at FVOCI (Note 16)	**-**	10,900	-
Share of results	**1,291**	86	2
Dividend received	**(810)**	-	-
Disposal	**-**	(1,852)	-
Balance at end of the period/ year	**22,647**	22,166	1,855

The goodwill was recorded at provisional amount pending completion of the Purchase Price Allocation ("PPA") exercise which is expected to be completed within 12 months from the date of the acquisition.

9. OTHER ASSETS

	KD 000's		
	30 September 2026	*31 December 2025 (Audited)*	*30 September 2025*
Prepayments and refundable deposits	**4,246**	1,953	5,822
Transactions in progress	**16,651**	12,754	11,209
Clearing and under settlement accounts	**12,320**	9,450	5,596
Accrued income	**8,950**	6,369	7,131
Due from sale of investment properties	**-**	15,854	-
Right of use assets - Net	**4,051**	3,633	3,727
Others	**26,406**	17,111	14,170
	72,624	67,124	47,655

10. SUKUK ISSUED

The Bank on 16 October 2025 through its USD 1.5 Billion Trust Certificate Issuance Programme issued USD denominated subordinated Tier 2 Sukuk amounting to USD 300 million. The Tier 2 Sukuk bears a profit rate of 5.535% per annum, payable semi-annually in arrears until the First Call Date subject to terms of the issue. After that, the expected profit rate will be reset based on prevailing 5-year US Treasury plus a margin of 1.75% per annum. The Sukuk is listed on the International Securities Market of the London Stock Exchange.

These Wakala Sukuk are unsecured and callable in whole at the option of the Bank on 16 October 2030 and each periodic distribution date thereafter, subject to certain conditions and regulatory approvals.

The Tier 2 Sukuk issued in November 2020 were fully redeemed on 30 November 2025 by way of exercising the sukuk Call Option amounting to USD 300 million at a price of 100% of their nominal value.

The Bank on 10 September 2026 through its USD 1.5 Billion Trust Certificate Issuance Programme issued a 5-year senior unsecured Sukuk of USD 500 million maturing on 10 September 2031. The senior Sukuk bears a fixed profit rate of 5.502% per annum to be paid semi-annually, on each periodic distribution date, in accordance with the terms of the issue. The Sukuk is listed on the International Securities Market of the London Stock Exchange.

11. OTHER LIABILITIES

KD 000's

	30 September 2026	*31 December 2025 (Audited)*	*30 September 2025*
Depositors' profit payable	**14,689**	17,019	13,345
Provision on non-cash credit facilities (Note 7)	**4,518**	4,336	4,241
Accrued staff benefits	**19,225**	17,733	16,416
Payables and purchase orders	**28,117**	22,848	24,648
Dividend payable	**1,506**	1,382	1,399
Accrued expenses	**5,134**	6,301	5,007
Taxes and other dues	**1,093**	1,851	780
KFAS payable	**286**	290	193
Lease liability	**3,988**	3,704	3,696
Others	**46,844**	23,210	20,602
	125,400	98,674	90,327

12. SHAREHOLDERS' MEETINGS

On 16 March 2026, the Ordinary Annual General Assembly meeting ("AGM") of the Bank's shareholders approved the distribution of dividends for the year ended 31 December 2025 as follows:

a. Cash dividends of 8 fils per share (31 December 2024: 5 fils per share) amounting to KD 13,251 thousand (31 December 2024: KD 7,887 thousand) to the eligible shareholders as detailed in the schedule approved by Annual General Assembly, after excluding treasury shares; and

b. Bonus shares of 5% (31 December 2024: 5%) to the eligible shareholders as detailed in the schedule approved by Annual General Assembly.

The Extraordinary General Assembly meeting ("EGM") of the Bank's shareholders held on 16 March 2026 approved to increase the authorised, issued and paid-up capital from KD 178,854,731 to KD 187,797,467 by issuing 89,427,365 shares as bonus shares amounted to KD 8,942,736. The notation in the commercial register was on 2 April 2026 regarding to the capital increase.

The approved bonus shares and cash dividend were distributed to the shareholders registered in the Bank's records as at the entitlement date.

13. COMMITMENTS AND CONTINGENT LIABILITIES

KD 000's

	30 September 2026	*31 December 2025 (Audited)*	*30 September 2025*
Acceptances	**148,793**	120,413	101,294
Letters of credit	**17,599**	63,272	68,355
Letters of guarantee	**402,928**	402,836	383,586
	569,320	586,521	553,235

The Group also has revocable commitments to extend credit amounting to KD 615,498 thousand (31 December 2025: KD 668,158 thousand, 30 September 2025: KD 573,214 thousand).

14. RELATED PARTY TRANSACTIONS

These are transactions with certain related parties (major shareholders, associate, directors and executive officers of the Group, close members of their families and companies in which they are principal owners or over which they are able to exert significant influence) who were customers of the Group in the ordinary course of business. Such transactions were made on substantially the same terms including profit rates and collateral as those prevailing at the same time for comparable transactions with unrelated parties and did not involve more than a normal amount of risk. Transactions with subsidiaries are eliminated in full and hence not disclosed.

The transactions and balances with related parties included in the interim condensed consolidated financial information are as follows:

KD 000's

					Total		
	Major shareholders	***Associate***	***Other related parties***	***Directors and Executive officers***	***30 September 2026***	*31 December 2025 (Audited)*	*30 September 2025*
Balances							
Financing receivables	**-**	**27,638**	**50,255**	**163,036**	**240,929**	253,036	258,175
Credit cards	**-**	**-**	**-**	**97**	**97**	105	85
Deposits	**990**	**480**	**46,348**	**7,069**	**54,887**	72,635	50,729
Commitments and contingent liabilities	**1,031**	**11,857**	**106,940**	**1,078**	**120,906**	85,937	72,862
Collaterals against credit facilities	**586**	**-**	**2,185**	**216,868**	**219,639**	243,853	240,855
Transactions							
Financing income	**-**	**840**	**1,712**	**5,705**	**8,257**	11,547	8,385
Net fee and commissions income	**8**	**-**	**117**	**1**	**126**	270	175
Estimated distribution to depositors	**12**	**-**	**1,039**	**43**	**1,094**	1,185	881
Other expenses	**-**	**17**	**370**	**-**	**387**	622	484
Gain on sale of investment in an associate	-	-	-	-	-	1,157	-
Acquisition of investment property	-	-	-	-	-	7,060	-
Acquisition of investment in an associate	-	-	-	-	-	11,179	-

	30 September 2026		*31 December 2025 (Audited)*		*30 September 2025*	
	No. of Directors and Executive officers	***KD 000's***	*No. of Directors and Executive officers*	*KD 000's*	*No. of Directors and Executive officers*	*KD 000's*
Directors						
Financing receivables	**5**	**161,531**	5	159,920	5	161,503
Credit cards	**-**	**-**	4	2	-	-
Deposits	**10**	**5,025**	9	1,531	9	2,147
Commitments and contingent liabilities	**5**	**928**	5	898	5	1,078
Collaterals against credit facilities	**5**	**216,868**	5	221,214	5	217,677
Executive officers						
Financing receivables	**31**	**1,505**	29	1,204	29	1,214
Credit cards	**42**	**97**	41	103	40	85
Deposits	**47**	**2,044**	44	1,918	44	1,963
Commitments and contingent liabilities	**44**	**150**	42	111	42	119

Key management personnel compensation:

KD 000's

	Three months ended		*Nine months ended*	
	30 September 2026	*30 September 2025*	***30 September 2026***	*30 September 2025*
Short-term benefits	**1,164**	1,140	**3,330**	3,201
Post-employment benefits	**109**	105	**314**	297
Chairman, board committees and representation remuneration (included in general and administrative expenses)	**63**	59	**202**	193

15. SEGMENT INFORMATION

The Group's operating segments are determined based on the reports reviewed by the Chief Executive Officer 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:

Commercial, Real Estate and International Banking	:	Comprising of a range of banking services and investment products to corporate customers providing commodity and real estate Murabaha finance, Ijara and Wakala facilities, including investment properties and their management.
Retail Banking	:	Comprising of a range of banking services and investment products primarily to individual customers, providing commodity Murabaha finance, Ijara, Wakala and Musawama facilities.
Treasury and Investment Banking	:	Comprising of liquidity management, correspondent banking, clearing, Murabaha investments, exchange of deposits with banks and financial institutions, debt instruments (Sukuk) and investment in funds.
Others	:	Comprising of those which is not directly pertaining to the above segments and includes those relating to other investments including subsidiaries and investment in an associate.

Management monitors the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. The Bank measures the performance of operating segments through measure of segment operating income and results in management and reporting systems. Segment assets principally comprise all assets and segment liabilities comprise all liabilities that are attributable to the segment.

The following table presents operating income, results for the period, total assets and total liabilities information regarding the Group's reportable segments.

KD 000's

	Commercial, Real Estate and International Banking	*Retail Banking*	*Treasury and Investment Banking*	*Others*	*Total*
30 September 2026					
Segment operating income/(loss)	**104,242**	**(8,593)**	**(31,783)**	**5,158**	**69,024**
Segment result	**44,144**	**3,093**	**4,734**	**(25,231)**	**26,740**
Segment assets	**3,118,890**	**439,325**	**998,695**	**179,437**	**4,736,347**
Segment liabilities	**841,326**	**1,172,847**	**2,142,835**	**109,372**	**4,266,380**
31 December 2025 (Audited)					
Segment assets	2,997,736	407,805	1,064,429	169,271	4,639,241
Segment liabilities	1,001,005	1,163,762	1,906,176	89,224	4,160,167
30 September 2025					
Segment operating income/(loss)	103,717	(13,417)	(29,365)	3,755	64,690
Segment result	38,379	581	4,597	(22,902)	20,655
Segment assets	2,920,711	388,887	928,148	131,431	4,369,177
Segment liabilities	822,207	1,175,399	1,835,528	62,775	3,895,909

The Group operates from the State of Kuwait only.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments that are carried at fair value:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;

Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3: inputs are unobservable inputs for the asset or liability.

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

KD 000's

	Level 1	*Level 2*	*Level 3*	*Total*
30 September 2026				
Investment securities				
Financial assets at fair value through profit or loss:				
Quoted equity securities	**2,197**	**-**	**-**	**2,197**
Investment in fund	**-**	**1,575**	**-**	**1,575**
Quoted sukuk	**1,188**	**-**	**-**	**1,188**
Financial assets at fair value through other comprehensive income:				
Investment in fund	**-**	**-**	**308**	**308**
Unquoted equity securities	**-**	**-**	**30,293**	**30,293**
Quoted sukuk	**547,129**	**-**	**-**	**547,129**
	550,514	**1,575**	**30,601**	**582,690**
31 December 2025 (Audited)				
Investment securities				
Financial assets at fair value through profit or loss:				
Quoted equity securities	2,167	-	-	2,167
Investment in fund	-	644	-	644
Quoted sukuk	1,159	-	-	1,159
Financial assets at fair value through other comprehensive income:				
Investment in fund	-	-	305	305
Unquoted equity securities	-	-	27,523	27,523
Quoted sukuk	537,129	-	-	537,129
	540,455	644	27,828	568,927
30 September 2025				
Investment securities				
Financial assets at fair value through profit or loss:				
Quoted equity securities	2,183	-	-	2,183
Quoted sukuk	1,137	-	-	1,137
Financial assets at fair value through other comprehensive income:				
Unquoted equity securities	-	-	37,471	37,471
Quoted sukuk	479,692	-	-	479,692
	483,012	-	37,471	520,483

There has been no change in valuation techniques as compared to prior periods. During the period ended 30 September 2026, there were no transfers between the levels.

16. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The movement in Level 3 of financial instrument are as follows:

KD 000's

	30 September 2026	*31 December 2025 (Audited)*	*30 September 2025*
Financial assets at fair value through other comprehensive income:			
Opening balance	**27,828**	36,546	36,546
Additions	**6,842**	305	-
Disposals	**(3,722)**	(2,226)	-
Exchange rate movements	**1**	-	(1)
Reclassification (Note 8)	**-**	(10,900)	-
Change in fair value	**(348)**	4,103	926
Closing balance	**30,601**	27,828	37,471

17. DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business, the Bank enters into currency swaps, profit rate swaps, FX Wa'ad ("Islamic derivative financial instruments") to mitigate foreign currency and profit rate risk. The FX Wa'ad is based on Wa'ad (promise) structure between two parties to buy a specified currency at an agreed price on the relevant date in future. It is a conditional promise to purchase a currency through unilateral purchase undertaking. For profit rate swaps, counterparties generally exchange fixed and floating rate profit payments based on a notional value in a single currency. For currency swaps, fixed or floating payments as well as notional amounts are exchanged in different currencies.

Derivatives held for hedging purposes

The Bank has adopted a comprehensive system for the measurement and management of risk.

As part of its asset and liability management, the Bank uses derivatives for hedging purposes in order to reduce its exposure to currency and profit rate movements. This is achieved by hedging specific financial instruments.

In addition, the Bank uses profit rate swaps to hedge against the profit rate risk arising from specifically identified, fixed profit rate investments. The Bank also uses profit rate swaps to hedge against the cash flow risks arising on certain fixed rate Sukuk issued by the bank. In all such cases the hedging relationship and objective, including details of the hedged item and hedging instrument, are formally documented and the transactions are accounted for as derivatives held for hedging purposes.

Hedging of profit rate risk is also carried out by monitoring the duration of assets and liabilities and entering into profit rate swaps to hedge net profit rate exposures.

17. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair value of Islamic derivative financial instruments included in the financial records, together with their notional amounts is summarised as follows:

KD 000's

	Positive fair value	Negative fair value	Notional amount
30 September 2026			
Profit rate swaps (held as fair value hedges)	**4,035**	**(2,908)**	**213,802**
Forward foreign exchange contracts	**-**	**(7)**	**1,815**
	4,035	**(2,915)**	**215,617**
31 December 2025 (Audited)			
Profit rate swaps (held as fair value hedges)	192	(62)	34,968
Forward foreign exchange contracts	1	(47)	10,126
	193	(109)	45,094
30 September 2025			
Profit rate swaps (held as fair value hedges)	106	(124)	34,923
Cross currency swaps	5	-	69,877
Forward foreign exchange contracts	4	(4)	11,888
	115	(128)	116,688

All of the above Islamic derivative financial instruments are fair valued based on observable market inputs and are included in Level 2 of fair value.

18. PERPETUAL TIER 1 SUKUK

On 1 May 2024, the Bank through a Sharia'a compliant Sukuk arrangement issued RegS Tier 1 Sukuk amounting to USD 300 million. Tier 1 Sukuk is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, deeply subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. The Tier 1 Sukuk is listed on the London Stock Exchange and is callable by the Bank after 5 years period ending 1 May 2029 (the "First Call Date") with a six months par call window, before being reset on 1 November 2029 (the "First Reset Date") or any profit payment date thereafter subject to certain redemption conditions including prior regulatory approvals.

The net proceeds from Tier 1 Sukuk are invested by way of Mudaraba with the Bank (as "Mudareb") on an unrestricted basis, by the Bank in its general business activities carried out through the general Mudaraba pool. Tier 1 Sukuk bears a profit rate of 6.625% per annum to be paid semi-annually in arrears until the First Reset Date subject to terms of the issue. After that, the expected profit rate will be reset based on then prevailing 5 years US Treasury plus a margin of 1.953% per annum.

At the issuer's sole discretion, it may elect not to make any Mudaraba distributions expected and in such event, the Mudaraba profit will not be accumulated and will not constitute a default event. During the current period, the Bank paid profit amounting to KD 3,069 thousand (30 September 2025: KD 3,059 thousand).

19. FIDUCIARY ASSETS

As at 30 September 2026, the aggregate value of assets held in trust or fiduciary capacity by the Group amounted to KD 345,116 thousand (31 December 2025: KD 97,044 thousand, 30 September 2025: KD 72,339 thousand). The related management fees income amounted to KD 147 thousand for the period ended 30 September 2026 (30 September 2025: KD 21 thousand) included in the net fee and commission income.

20. RECLASSIFICATION OF COMPARATIVE INFORMATION

During the period, the Group changed the presentation of fee and commission expense, which was previously presented within general and administrative expenses, to present it within net fee and commission income, being fee and commission income net of the related fee and commission expense. Management considers that this presentation provides more relevant information, as fee and commission expense is directly attributable to the Group's fee-generating services. Comparative amounts in the interim condensed consolidated statement of profit or loss have been reclassified to conform to the current period presentation.

The reclassification had no effect on the previously reported profit for the period, earnings per share, other comprehensive income, equity or the interim condensed consolidated statement of financial position.

21. IMPACT OF GEOPOLITICAL RISK AND RELATED UNCERTAINTY

Geopolitical events in the Middle East that commenced in late February 2026 have affected GCC countries, including Kuwait where the Group operates, resulting in regional disruptions such as airspace closures, flight cancellations, supply chain delays and heightened uncertainty. These developments continue to evolve and have created increased business and economic uncertainties.

In response to address the crisis, the CBK implemented various measures targeted at reinforcing the banking sector’s ability to play a vital role in the economy, including but not limited to the expansion of financing capacity, strengthening financing capabilities and in the provision of liquidity to customers. Some of the important measures are given below:

- Reducing the Liquidity Coverage Ratio (LCR) from 100% to 80%
- Reducing the Net Stable Funding Ratio (NSFR) from 100% to 80%
- Reducing the regulatory Liquidity Ratio from 18% to 15%
- Increasing the permissible negative cumulative liquidity gap
- Increasing the maximum lending limit (MLL) from 90% to 100%
- Releasing 1.0% of risk weighted assets from the Capital Conservation Buffer (CET1), reducing the capital adequacy requirement from 13% to 12%

Expected Credit Loss (ECL) estimates

The Group considered the potential impact of the uncertainties caused by the ongoing geopolitical event in its estimation of ECL requirements for the period ended 30 September 2026. The Group has also given specific consideration on the relevant quantitative and qualitative factors when determining any significant increase in credit risk (SICR) and in assessing indicators of impairment for exposures to potentially affected sectors.

Notwithstanding the above, ECL requirement for credit facilities estimated as at 30 September 2026 continues to be lower than the provisions required as per CBK instructions. In accordance with Group accounting policy, the higher amount, being the provision required as per CBK instructions, is therefore recognized as the provision requirement for credit losses on credit facilities.

Fair value measurement of financial and non-financial assets

The Group considered the potential impact of the current economic volatility on the reported amounts of the Group’s fair value of the financial and non-financial assets. The reported amounts best represent management's assessment of the fair values based on observable information. Markets, however, remain volatile and asset carrying values remain sensitive to market fluctuations. The impact of the highly uncertain economic environment remains judgmental, and the Group will accordingly continue to reassess its position and the related impact on a regular basis.

Management continues to monitor the situation and assess potential impacts on the Group. As of the date of authorization of these interim condensed consolidated financial information, the financial effects cannot be reliably estimated due to the evolving nature of the events.