

**KUWAIT FINANCE HOUSE K.S.C.P. AND
ITS SUBSIDIARIES**

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

31 March 2026



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with confidence

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Finance House K.S.C.P. (“the Bank”) and its subsidiaries (collectively “the Group”) as at 31 March 2026 and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months 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.

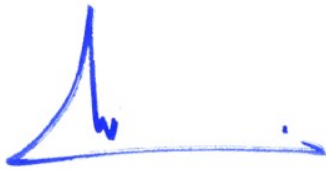
Report on Other Legal and Regulatory Requirements

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 violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank's Memorandum of Incorporation and Articles of Association, as amended, during the three-month period ended 31 March 2026 that might have had a material effect on the business of the Bank or on its financial position.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT FINANCE HOUSE 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 violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, during the three-month period ended 31 March 2026 that might have had a material effect on the business of the Bank or on its financial position.



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LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS



BADER A. AL-WAZZAN
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21 April 2026
Kuwait

Kuwait Finance House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 31 March 2026

		<i>KD 000's</i>	
		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	<i>2026</i>	<i>2025</i>
INCOME			
Financing income		864,794	751,435
Finance cost and estimated distribution to depositors	3	(532,822)	(432,579)
Net financing income		331,972	318,856
Fees and commissions income		127,323	102,011
Fees and commissions expense		(68,846)	(52,242)
Net fees and commission income		58,477	49,769
Investment income		18,118	54,782
Net gain from foreign currencies		59,731	16,676
Other income		28,073	28,045
TOTAL OPERATING INCOME		496,371	468,128
OPERATING EXPENSES			
Staff costs		(90,579)	(92,079)
General and administrative expenses		(44,087)	(43,588)
Depreciation and amortisation		(21,067)	(23,538)
TOTAL OPERATING EXPENSES		(155,733)	(159,205)
NET OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENT AND NET MONETARY LOSS		340,638	308,923
Provisions and impairment	5	(34,145)	(32,530)
Net monetary loss	18	(32,174)	(42,081)
OPERATING PROFIT BEFORE TAXATION		274,319	234,312
Taxation	6	(55,225)	(44,911)
PROFIT FOR THE PERIOD		219,094	189,401
Attributable to:			
Shareholders of the Bank		176,519	168,109
Non-controlling interests		42,575	21,292
		219,094	189,401
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK	4	9.59 fils	9.13 fils

The attached notes 1 to 18 form part of the interim condensed consolidated financial information.

Kuwait Finance House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2026

	KD 000's	
	<i>Three months ended</i>	
	<i>31 March</i>	
	2026	2025
Profit for the period	219,094	189,401
<i>Items that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
Revaluation (loss) gain on equity instruments at fair value through other comprehensive income	(2,696)	1,161
Net change in pension fund reserve	1,734	(45)
<i>Items that are or may be reclassified subsequently to the interim condensed consolidated statement of income:</i>		
Investment in debt securities at fair value through other comprehensive income:		
Net change in fair value during the period	(70,581)	(6,824)
Net transfer to interim condensed consolidated statement of income	866	(3,067)
Net loss on investment in debt securities at fair value through other comprehensive income	(69,715)	(9,891)
Net change in fair value of cash flow hedges	16	(100)
Exchange differences on translation of foreign operations	(36,432)	(51,645)
Other comprehensive loss for the period	(107,093)	(60,520)
Total comprehensive income for the period	112,001	128,881
Attributable to:		
Shareholders of the Bank	90,969	136,126
Non-controlling interests	21,032	(7,245)
	112,001	128,881

The attached notes 1 to 18 form part of the interim condensed consolidated financial information.

Kuwait Finance House K.S.C.P. and Subsidiaries

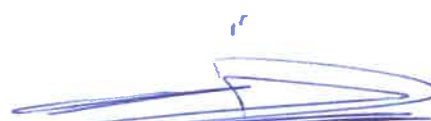
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2026

		<i>KD 000's</i>		
		<i>(Audited)</i>		
	<i>Notes</i>	<i>31 March 2026</i>	<i>31 December 2025</i>	<i>31 March 2025</i>
ASSETS				
Cash and balances with banks and financial institutions	8	4,655,696	4,998,746	4,014,523
Due from banks		3,753,950	3,446,833	1,838,306
Financing receivables	9	21,830,196	21,817,004	19,278,137
Investment in debt securities		7,973,417	7,577,615	6,964,162
Investments		308,144	291,430	262,740
Investment in associates and joint ventures		252,798	252,482	252,724
Trading and Investment properties		478,696	464,843	453,067
Other assets		1,529,587	1,148,267	1,030,367
Goodwill and intangible assets		2,323,840	2,328,566	2,339,594
Property and equipment		448,884	434,026	427,892
TOTAL ASSETS		43,555,208	42,759,812	36,861,512
LIABILITIES				
Due to banks		6,484,842	6,971,768	4,576,367
Due to financial institutions		4,946,236	4,738,107	3,103,597
Sukuk payables and term financing	10	1,733,610	1,414,401	1,557,215
Depositors' accounts		21,435,395	21,029,418	19,475,799
Other liabilities		2,183,763	1,761,249	1,755,389
TOTAL LIABILITIES		36,783,846	35,914,943	30,468,367
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK				
Share capital	11	1,847,712	1,847,712	1,847,712
Share premium		4,267,447	4,267,447	4,267,447
Proposed issue of bonus shares	11	129,340	129,340	-
Treasury shares		(822,159)	(822,159)	(822,159)
Reserves	7	204,661	83,934	195,663
Proposed cash dividends	11	5,627,001	5,506,274	5,488,663
		-	240,868	-
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK		5,627,001	5,747,142	5,488,663
Perpetual Tier 1 Capital Securities and Sukuks	12	644,667	641,257	504,580
Non-controlling interests		499,694	456,470	399,902
TOTAL EQUITY		6,771,362	6,844,869	6,393,145
TOTAL LIABILITIES AND EQUITY		43,555,208	42,759,812	36,861,512



HAMAD ABDOUL MOHSEN AL-MARZOUQ
(CHAIRMAN)



KHALED YOUSEF ALSHAMLAN
(GROUP CHIEF EXECUTIVE OFFICER)

The attached notes 1 to 18 form part of the interim condensed consolidated financial information.

Kuwait Finance House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2026

KD 000's

	<i>Attributable to shareholders of the Bank</i>							<i>Perpetual Tier 1 Capital Securities and Sukuks</i>	<i>Non- controlling interests</i>	<i>Total equity</i>	
	<i>Share capital</i>	<i>Share premium</i>	<i>Proposed issue of bonus shares</i>	<i>Treasury shares</i>	<i>Reserves (Note 7)</i>	<i>Subtotal</i>	<i>Proposed cash dividends</i>	<i>Subtotal</i>			
Balance at 1 January 2026	1,847,712	4,267,447	129,340	(822,159)	83,934	5,506,274	240,868	5,747,142	641,257	456,470	6,844,869
Profit for the period	-	-	-	-	176,519	176,519	-	176,519	-	42,575	219,094
Other comprehensive loss	-	-	-	-	(85,550)	(85,550)	-	(85,550)	-	(21,543)	(107,093)
Total comprehensive income	-	-	-	-	90,969	90,969	-	90,969	-	21,032	112,001
Cash dividends (Note 11)	-	-	-	-	-	-	(240,868)	(240,868)	-	-	(240,868)
Net movement on Perpetual Tier 1 Capital Securities and Sukuks	-	-	-	-	(3,410)	(3,410)	-	(3,410)	3,410	-	-
Impact of application of IAS 29 (Note 18)	-	-	-	-	33,168	33,168	-	33,168	-	24,207	57,375
Change in ownership of subsidiary without loss of control	-	-	-	-	-	-	-	-	-	(2,903)	(2,903)
Net other changes in non- controlling interests	-	-	-	-	-	-	-	-	-	888	888
Balance at 31 March 2026	1,847,712	4,267,447	129,340	(822,159)	204,661	5,627,001	-	5,627,001	644,667	499,694	6,771,362

The attached notes 1 to 18 form part of the interim condensed consolidated financial information.

Kuwait Finance House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 31 March 2026

KD 000's

	<i>Attributable to shareholders of the Bank</i>										
	<i>Share capital</i>	<i>Share premium</i>	<i>Proposed issue of bonus shares</i>	<i>Treasury shares</i>	<i>Reserves (Note 7)</i>	<i>Subtotal</i>	<i>Proposed cash dividends</i>	<i>Subtotal</i>	<i>Perpetual Tier 1 Capital Securities and Sukuks</i>	<i>Non-controlling interests</i>	<i>Total Equity</i>
Balance at 1 January 2025	1,710,844	4,267,447	136,868	(822,159)	34,823	5,327,823	191,165	5,518,988	504,059	394,853	6,417,900
Profit for the period	-	-	-	-	168,109	168,109	-	168,109	-	21,292	189,401
Other comprehensive loss	-	-	-	-	(31,983)	(31,983)	-	(31,983)	-	(28,537)	(60,520)
Total comprehensive income (loss)	-	-	-	-	136,126	136,126	-	136,126	-	(7,245)	128,881
Issue of bonus shares (Note 11)	136,868	-	(136,868)	-	-	-	-	-	-	-	-
Cash dividends (Note 11)	-	-	-	-	-	-	(191,165)	(191,165)	-	-	(191,165)
Net movement on Perpetual Tier 1 Capital Securities and Sukuks	-	-	-	-	(405)	(405)	-	(405)	521	-	116
Impact of application of IAS 29 (Note 18)	-	-	-	-	25,301	25,301	-	25,301	-	18,464	43,765
Payment to non-controlling interest on capital redemption of a subsidiary	-	-	-	-	-	-	-	-	-	(4,433)	(4,433)
Sale of a subsidiary	-	-	-	-	(182)	(182)	-	(182)	-	(902)	(1,084)
Net other changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(835)	(835)
Balance at 31 March 2025	1,847,712	4,267,447	-	(822,159)	195,663	5,488,663	-	5,488,663	504,580	399,902	6,393,145

The attached notes 1 to 18 form part of the interim condensed consolidated financial information.

Kuwait Finance House K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 31 March 2026

	Notes	<i>KD 000's</i>	
		<i>Three months ended</i>	
		<i>31 March</i>	<i>31 March</i>
		<i>2026</i>	<i>2025</i>
OPERATING ACTIVITIES			
Profit for the period		219,094	189,401
Adjustments to reconcile profit to net cash flows:			
Depreciation and amortisation		21,067	23,538
Provisions and impairment		34,145	19,330
Gain on sale of investments		(8,837)	(41,197)
Dividend income		(1,990)	(1,309)
Share of results of associates and joint ventures		(1,347)	(1,526)
Loss (gain) on sale of investment properties		82	(2,386)
Net monetary loss	18	32,174	42,081
		294,388	227,932
Changes in operating assets and liabilities			
<i>Decrease (increase) in operating assets:</i>			
Financing receivables and due from banks		147,277	284,906
Investment in debt securities		(459,383)	(83,461)
Other assets		(381,320)	28,652
Statutory deposit with Central Banks		(123,198)	(53,478)
<i>Increase (decrease) in operating liabilities:</i>			
Due to banks and financial institutions		(278,797)	(994,217)
Depositors' accounts		405,977	255,857
Other liabilities		89,567	88,854
Net cash flows used in operating activities		(305,489)	(244,955)
INVESTING ACTIVITIES			
Investments, net		(12,943)	(24,307)
Additions/purchase of investment properties		(122)	(241)
Proceeds from sale of investment properties		1,499	3,384
Purchase of property and equipment		(11,624)	(62,261)
Proceeds from sale of property and equipment		4,835	476
Intangible assets, net		1,535	1,506
Purchase/ Capital injection of investment in associates and joint ventures		(104)	-
Proceeds from sale/redemption of investment in associates and joint ventures		128	145,317
Dividend received		1,990	1,363
Proceeds from sale of subsidiary		-	4,219
Payment to non-controlling interest on capital redemption of a subsidiary		-	(4,433)
Net cash flows (used in) from investing activities		(14,806)	65,023
FINANCING ACTIVITIES			
Movement in Sukuk payables and term financing		319,209	570,576
Net cash flows from financing activities		319,209	570,576
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,086)	390,644
Cash and cash equivalents at 1 January		5,996,465	3,445,682
CASH AND CASH EQUIVALENTS AT 31 MARCH	8	5,995,379	3,836,326

The attached notes 1 to 18 form part of the interim condensed consolidated financial information.

At 31 March 2026

1 INCORPORATION AND REGISTRATION

The interim condensed consolidated financial information of Kuwait Finance House K.S.C.P. (“the Parent Company” or “the Bank”) and subsidiaries (collectively “the Group”) for the three months period ended 31 March 2026 were authorised for issue by the Bank’s Board of Directors on 8 April 2026.

The shareholders’ annual ordinary general assembly held on 30 March 2026 approved the audited consolidated financial statements of the Group for the year ended 31 December 2025.

The Bank is a public shareholding company incorporated in Kuwait on 23 March 1977 and is registered as an Islamic bank with the Central Bank of Kuwait. The Bank is listed in Kuwait Boursa and Bahrain Bourse and is engaged in all Islamic banking activities for its own account as well as for third parties, including financing, purchase and sale of investments, leasing, project construction and other trading activities without practising usury. The Bank’s registered head office is at Abdulla Al-Mubarak Street, Murqab, Kuwait.

All activities are conducted in accordance with Islamic Shari’a, as approved by the Bank’s Fatwa and Shari’a Supervisory Board.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

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 and basis of presentation 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 were 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 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 to 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 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 and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

Further, results for the three months period ended 31 March 2026, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The Group maintains established risk management, business continuity and operational resilience frameworks, aligned with applicable Central Bank of Kuwait requirements, to support the continuity of critical banking services and enhance resilience across material risks, including those arising from current geopolitical developments in the Middle East.

Management continues to monitor regional developments and assess their potential impact on the Group’s operations, customers, counterparties, liquidity, funding and broader risk profile. Based on the assessment performed up to the date of approval of these consolidated financial statements, the Group’s core operations have continued without material disruption.

The situation remains evolving, and the Group will continue to monitor developments closely and update its assumptions, estimates and disclosures, as appropriate, in future reporting periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)**New standards, interpretations and amendments and accounting policies 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 applies for the first time in 2026, but do not have an impact on the interim condensed consolidated financial information of the Group.

3 FINANCE COST 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 three months period ended 31 March 2026. The actual distribution to depositors and profit attributable to Bank's shareholders could be different from the amounts presented in the interim condensed consolidated statement of income.

The actual profit to be distributed to all parties concerned 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 year ending 31 December 2026.

4 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Bank after profit payment on Perpetual Tier 1 Capital Securities and Sukuks, by the weighted average number of ordinary shares outstanding during the period after adjusting for treasury shares held by the Group.

	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>
Basic and diluted earnings per share:		
Profit for the period attributable to shareholders of the Bank (thousand KD)	176,519	168,109
Weighted average number of shares outstanding during the period, net of treasury shares (thousand shares)	18,409,222	18,409,222
Basic and diluted earnings per share attributable to the shareholders of the Bank	9.59 fils	9.13 fils

The weighted average number of shares outstanding for the current and comparative period have been adjusted to reflect the bonus shares issuance, approved during the period (Note 11).

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2026

5 PROVISIONS AND IMPAIRMENT

	<i>KD 000's</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>
Impairment on financing receivables	41,310	37,153
Recovery of written-off debts	(23,734)	(18,300)
Impairment (reversal of impairment) of non-cash facilities	2,805	(1,472)
	<hr/>	<hr/>
Total financing provision	20,381	17,381
Expected credit losses (reversal) for investment in debt securities	2,789	(6,654)
Other provisions and impairment	10,975	21,803
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	34,145	32,530
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6 TAXATION

	<i>KD 000's</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	1,629	1,563
BEPS Pillar 2	14,357	12,864
Taxation related to subsidiaries	39,239	30,484
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	55,225	44,911
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Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

7 RESERVES

The movement of reserves is analysed as follows:

	<i>31 March 2026</i>							<i>KD 000's</i>
	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Retained earnings</i>	<i>Treasury shares reserve</i>	<i>Fair value reserve</i>	<i>Foreign exchange translation reserve</i>	<i>Other reserves</i>	<i>Total</i>
Balance at 1 January 2026	592,368	292,466	254,922	17,715	40,875	(1,034,118)	(80,294)	83,934
Profit for the period	-	-	176,519	-	-	-	-	176,519
Other comprehensive (loss) income	-	-	-	-	(61,860)	(24,732)	1,042	(85,550)
Total comprehensive income (loss)	-	-	176,519	-	(61,860)	(24,732)	1,042	90,969
Perpetual Tier 1 Sukuk foreign currency translation adjustment	-	-	(3,410)	-	-	-	-	(3,410)
Impact of application of IAS 29 (Note 18)	-	-	33,168	-	-	-	-	33,168
Balance at 31 March 2026	592,368	292,466	461,199	17,715	(20,985)	(1,058,850)	(79,252)	204,661

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

7 RESERVES (continued)

	<i>31 March 2025</i>							<i>KD 000's</i>
	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Retained earnings</i>	<i>Treasury shares reserve</i>	<i>Fair value reserve</i>	<i>Foreign exchange translation reserve</i>	<i>Other reserves</i>	<i>Total</i>
Balance at 1 January 2025	528,433	269,553	261,173	17,715	(25,660)	(927,343)	(89,048)	34,823
Profit for the period	-	-	168,109	-	-	-	-	168,109
Other comprehensive loss	-	-	-	-	(4,955)	(26,883)	(145)	(31,983)
Total comprehensive income (loss)	-	-	168,109	-	(4,955)	(26,883)	(145)	136,126
Perpetual Tier 1 Sukuk foreign currency translation adjustment	-	-	(405)	-	-	-	-	(405)
Impact of application of IAS 29 (Note 18)	-	-	25,301	-	-	-	-	25,301
Sale of a subsidiary	-	-	(8,590)	-	(354)	(182)	8,944	(182)
Balance at 31 March 2025	<u>528,433</u>	<u>269,553</u>	<u>445,588</u>	<u>17,715</u>	<u>(30,969)</u>	<u>(954,408)</u>	<u>(80,249)</u>	<u>195,663</u>

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

8 CASH AND CASH EQUIVALENTS

	<i>KD 000's</i>		
	<i>31 March 2026</i>	<i>(Audited) 31 December 2025</i>	<i>31 March 2025</i>
Cash	216,347	227,569	198,127
Balances with Central Banks	2,587,633	3,276,663	2,751,809
Balances with banks and financial institutions – current accounts	1,851,716	1,494,514	1,064,587
Cash and balances with banks and financial institutions	4,655,696	4,998,746	4,014,523
Due from banks maturing within 3 months of contract date	2,961,057	2,495,895	1,022,671
Less: Statutory deposits with Central Banks	(1,621,374)	(1,498,176)	(1,200,868)
Cash and cash equivalents	<u>5,995,379</u>	<u>5,996,465</u>	<u>3,836,326</u>

9 FINANCING RECEIVABLES

Financing receivables principally comprises of murabaha, wakala, leased assets, istisna'a balances and other financing receivables and advances, and is stated net of impairment as follows:

	<i>KD 000's</i>		
	<i>31 March 2026</i>	<i>(Audited) 31 December 2025</i>	<i>31 March 2025</i>
Financing receivables, net of deferred and suspended profit	22,816,146	22,762,941	20,240,693
Less: Provision for impairment	(985,950)	(945,937)	(962,556)
	<u>21,830,196</u>	<u>21,817,004</u>	<u>19,278,137</u>

The available provision balance on non-cash facilities of KD 43,644 thousand (31 December 2025: KD 41,216 thousand and 31 March 2025: KD 41,315 thousand) is included under other liabilities.

Total provision for ECL is accounted as per CBK regulation which require ECL to be measured at the higher of the ECL computed under IFRS 9 in accordance with CBK or the provision required by CBK instructions. Total provision for credit losses recorded as per CBK instructions for utilized and unutilized cash and non-cash financing facilities as at 31 March 2026 is KD 1,029,594 thousand (31 December 2025: KD 987,153 thousand and 31 March 2025: KD 1,003,871 thousand) which exceeds the ECL for financing receivables under IFRS 9 in accordance with CBK, by KD 526,180 thousand (31 December 2025: KD 526,631 thousand and 31 March 2025: KD 551,850 thousand).

An analysis of the gross amounts of credit facilities, and the corresponding ECL provision based on the staging criteria under IFRS 9 in accordance with CBK regulations is as below:

<i>31 March 2026</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Financing receivables	19,363,220	2,903,623	549,303	22,816,146
Financing commitments and contingent liabilities (Note 14)	2,852,947	618,303	25,158	3,496,408
ECL provision for credit facilities	74,072	130,727	298,615	503,414

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

At 31 March 2026

9 FINANCING RECEIVABLES (continued)

<i>31 December 2025</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Financing receivables	19,519,316	2,734,630	508,995	22,762,941
Financing commitments and contingent liabilities (Note 14)	2,781,367	605,208	27,365	3,413,940
ECL provision for credit facilities	71,075	124,627	264,820	460,522
 <i>31 March 2025</i>	 <i>Stage 1 KD 000's</i>	 <i>Stage 2 KD 000's</i>	 <i>Stage 3 KD 000's</i>	 <i>Total KD 000's</i>
Financing receivables	17,295,531	2,434,814	510,348	20,240,693
Financing commitments and contingent liabilities (Note 14)	2,481,513	473,092	33,501	2,988,106
ECL provision for credit facilities	60,255	102,737	289,029	452,021

An analysis of the changes in the expected credit losses in relation to credit facilities (cash and non-cash facilities) computed under IFRS 9 in accordance to the CBK guidelines is detailed below:

<i>31 March 2026</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
ECL allowance as at 1 January 2026	71,075	124,627	264,820	460,522
Transfer between stages:				
Transfer from / to Stage 1	1,565	(263)	(1,302)	-
Transfer from / to Stage 2	(1,116)	3,300	(2,184)	-
Transfer from / to Stage 3	(119)	(5,710)	5,829	-
Net increase in ECL for the period	4,857	10,256	31,068	46,181
Amounts written off	-	-	(507)	(507)
Foreign exchange adjustments	(2,190)	(1,483)	891	(2,782)
At 31 March 2026	74,072	130,727	298,615	503,414
 <i>31 March 2025</i>	 <i>Stage 1 KD 000's</i>	 <i>Stage 2 KD 000's</i>	 <i>Stage 3 KD 000's</i>	 <i>Total KD 000's</i>
ECL allowance as at 1 January 2025	62,364	95,589	280,416	438,369
Transfer between stages:				
Transfer from / to Stage 1	3,659	(819)	(2,840)	-
Transfer from / to Stage 2	(3,031)	7,179	(4,148)	-
Transfer from / to Stage 3	(47)	(4,391)	4,438	-
Net (decrease) increase in ECL for the period	(6,097)	13,977	17,948	25,828
Amounts written off	-	-	(13,584)	(13,584)
Foreign exchange adjustments	3,407	(8,798)	6,799	1,408
At 31 March 2025	60,255	102,737	289,029	452,021

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

10 SUKUK PAYABLES

On 6 January 2026, the Parent Company concluded the third issuance of a 5-year senior unsecured Sukuk of USD 1,000,000 thousand which is listed on the London Stock Exchange. The Sukuk bears a profit rate of 4.563% per annum to be paid semi-annually, on each periodic distribution date, in accordance with the terms of the issue.

11 SHARE CAPITAL, ISSUE OF BONUS SHARES AND CASH DIVIDENDS

The authorized, issued, and fully paid share capital as at 31 March 2026 comprise of 18,477,123,275 shares (31 December 2025: 18,477,123,275 and 31 March 2025: 18,477,123,275) shares of 100 fils each.

The ordinary general assembly of the Bank's shareholders held on 30 March 2026 approved to distribute bonus shares of 7% (2024: 8%) of the issued and fully paid share capital, and final cash dividends of 14 fils per share (2024: 12 fils per share) to the Bank's shareholders, in addition to the interim cash dividend of 10 fils per share (2024: 10 fils per share) which was paid during the year ended 31 December 2025.

The Extra-ordinary general assembly of the Bank's shareholders held on 30 March 2026 also approved to increase the authorized, issued, and paid share capital to be comprised of 19,770,521,904 shares (31 December 2025: 18,477,123,275 and 31 March 2025: 18,477,123,275) shares of 100 fils each. The increase in share capital was duly registered in the Commercial Register on 7 April 2026.

12 PERPETUAL TIER 1 CAPITAL SECURITIES AND SUKUKS

	<i>KD 000's</i>		
	<i>31 March 2026</i>	<i>(Audited) 31 December 2025</i>	<i>31 March 2025</i>
Perpetual Tier-1 Sukuk issued by the Bank	644,667	641,257	385,846
Perpetual Tier I Capital securities issued by KFH Bahrain	-	-	118,734
	644,667	641,257	504,580

13 DIRECTOR'S REMUNERATION

The ordinary general assembly meeting of the shareholders of the Bank for the year ended 31 December 2025 held on 30 March 2026 approved the directors' remuneration proposed for the year ended 31 December 2025 of KD 1,460 thousand (2024: KD 1,317 thousand).

14 CONTINGENCIES AND COMMITMENTS

At the reporting date there were outstanding contingencies and commitments entered into in the ordinary course of business in respect of the following:

	<i>KD 000's</i>		
	<i>31 March 2026</i>	<i>(Audited) 31 December 2025</i>	<i>31 March 2025</i>
Acceptances and letters of credit	749,980	686,950	473,869
Letters of guarantee	2,746,428	2,726,990	2,514,237
Contingencies	3,496,408	3,413,940	2,988,106
Capital commitments and others	2,149,412	1,572,082	989,286

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

15 RELATED PARTY TRANSACTIONS

Certain related parties (major shareholders, directors and executive employees, officers of the Bank, their immediate relatives and companies of which they are the principal owners in addition to associates and joint ventures of the group) are depositors and financing facilities 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.

The balances included in the interim condensed consolidated statement of financial position are as follows:

	<i>KD 000's</i>						
	<i>Major shareholders</i>	<i>Associates</i>	<i>Board members and executive officers</i>	<i>Other related parties</i>	<i>Total</i>		
					<i>31 March 2026</i>	<i>31 December 2025</i>	<i>31 March 2025</i>
Related parties							
Financing receivables and due from banks	-	410	1,212	1	1,623	822	39,085
Due to banks and financial institutions	2,018,464	14,700	-	-	2,033,164	1,898,584	1,328,762
Depositors' accounts	-	1,936	13,043	5,237	20,216	21,129	18,457
Contingencies and commitments	1,793	6,526	-	-	8,319	10,689	12,626

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	<i>KD 000's</i>					
	<i>Major shareholders</i>	<i>Associates</i>	<i>Board members and executive officers</i>	<i>Other related parties</i>	<i>Total</i>	
					<i>31 March 2026</i>	<i>31 March 2025</i>
Financing income	-	-	5	-	5	5
Fee and commission income	-	87	-	-	87	136
Finance cost and estimated distribution to depositors	17,178	20	11	16	17,225	15,243

Salaries, allowances and bonuses of key management personnel, and termination benefits of key management personnel of the Bank are as follows:

	<i>KD 000's</i>	
	<i>Three months ended</i>	
	<i>31 March 2026</i>	<i>31 March 2025</i>
Salaries, allowances and bonuses of key management personnel	1,184	1,102
Termination and long term benefits of key management personnel	174	834

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

15 RELATED PARTY TRANSACTIONS (continued)

Details of the interests of the Group's Board Members, Executive Officers and their immediate relatives are as follows:

	<i>KD 000's</i>								
	<i>The number of Board Members or Executive Officers</i>			<i>The number of related parties (Relatives of Board Members or Executive Officers)</i>			<i>Values</i>		
	<i>(Audited)</i>			<i>(Audited)</i>			<i>(Audited)</i>		
	<i>31 March 2026</i>	<i>31 December 2025</i>	<i>31 March 2025</i>	<i>31 March 2026</i>	<i>31 December 2025</i>	<i>31 March 2025</i>	<i>31 March 2026</i>	<i>31 December 2025</i>	<i>31 March 2025</i>
Board Members									
Finance facilities and credit cards	2	3	3	1	3	4	964	9	31
Depositors' accounts	10	10	9	30	38	35	12,661	12,962	11,330
Collateral against finance facilities	1	1	1	-	-	-	2,203	1	1
Executive Officers									
Finance facilities and credit cards	5	10	8	1	2	4	249	333	381
Depositors' accounts	12	13	11	21	21	22	5,619	6,086	3,672
Collateral against finance facilities	1	2	2	-	-	-	668	689	749

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

16 SEGMENTAL ANALYSIS

Primary segment information

For management purposes, the Group is organized into four major business segments. The principal activities and services under these segments are as follows:

Treasury:	Liquidity management, Murabaha investments, investment in debt securities, exchange of deposits with banks and financial institutions and international banking relationships.
Retail and Private Banking:	Consumer banking provides a diversified range of products and services to individual. Private banking provides comprehensive range of customised and innovative banking services to high net worth individuals.
Corporate Banking:	Providing a range of banking services and investment products to corporates, providing commodity and real estate murabaha finance, local leasing, wakala and istisna'a facilities.
Investment:	Managing direct equity and real estate investments, non-banking Group entities, associates and joint ventures.

	<i>KD 000's</i>				
	<i>Treasury</i>	<i>Retail and private banking</i>	<i>Corporate banking</i>	<i>Investment</i>	<i>Total</i>
31 March 2026					
Total assets	<u>17,790,981</u>	<u>8,063,281</u>	<u>13,617,140</u>	<u>4,083,806</u>	<u>43,555,208</u>
Total liabilities	<u>14,088,948</u>	<u>14,733,829</u>	<u>6,629,958</u>	<u>1,331,111</u>	<u>36,783,846</u>
Operating income	<u>64,806</u>	<u>153,599</u>	<u>181,295</u>	<u>96,671</u>	<u>496,371</u>
Profit for the period before net monetary loss	<u>52,975</u>	<u>87,680</u>	<u>106,735</u>	<u>3,878</u>	<u>251,268</u>
Net monetary loss					<u>(32,174)</u>
Profit for the period					<u>219,094</u>

	<i>KD 000's</i>				
	<i>Treasury</i>	<i>Retail and private banking</i>	<i>Corporate banking</i>	<i>Investment</i>	<i>Total</i>
31 March 2025					
Total assets	<u>13,483,701</u>	<u>7,434,273</u>	<u>12,016,411</u>	<u>3,927,127</u>	<u>36,861,512</u>
Total liabilities	<u>9,961,549</u>	<u>14,334,798</u>	<u>5,157,046</u>	<u>1,014,974</u>	<u>30,468,367</u>
Operating income	<u>33,507</u>	<u>154,572</u>	<u>181,634</u>	<u>98,415</u>	<u>468,128</u>
Profit for the period before net monetary loss	<u>33,638</u>	<u>60,804</u>	<u>98,690</u>	<u>38,350</u>	<u>231,482</u>
Net monetary loss					<u>(42,081)</u>
Profit for the period					<u>189,401</u>

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

17 FAIR VALUES

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

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

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 31 March 2026:

	<i>KD 000's</i>			
Financial assets measured at fair value:	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Venture capital at fair value profit and loss	-	15,791	-	15,791
Equities at FVTPL	25,670	126,016	18,818	170,504
Equities at FVOCI	46,775	14,017	61,057	121,849
Debt securities at FVTPL	295,600	-	-	295,600
Debt securities at FVOCI	5,154,607	52,501	-	5,207,108
<i>Derivative financial assets:</i>				
Forward contracts	-	10,195	-	10,195
Profit rate swaps	-	106,351	-	106,351
Currency swaps	-	43,633	-	43,633
Others	-	3	-	3
	<u>5,522,652</u>	<u>368,507</u>	<u>79,875</u>	<u>5,971,034</u>
	<u><u>5,522,652</u></u>	<u><u>368,507</u></u>	<u><u>79,875</u></u>	<u><u>5,971,034</u></u>
	<i>KD 000's</i>			
Financial liabilities measured at fair value:	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
<i>Derivative financial liabilities:</i>				
Forward contracts	-	5,082	-	5,082
Profit rate swaps	-	82,720	-	82,720
Currency swaps	-	202,639	-	202,639
Others	-	1,364	-	1,364
	<u>-</u>	<u>291,805</u>	<u>-</u>	<u>291,805</u>
	<u><u>-</u></u>	<u><u>291,805</u></u>	<u><u>-</u></u>	<u><u>291,805</u></u>

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

17 FAIR VALUES (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 31 December 2025:

Financial assets measured at fair value:	<i>KD 000's</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Venture capital at fair value profit and loss	-	15,791	-	15,791
Equities at FVTPL	30,004	110,306	19,170	159,480
Equities at FVOCI	43,017	12,939	60,203	116,159
Debt securities at FVTPL	232,856	-	-	232,856
Debt securities at FVOCI	4,748,739	62,153	1,148	4,812,040
<i>Derivative financial assets:</i>				
Forward contracts	-	13,581	-	13,581
Profit rate swaps	-	75,966	-	75,966
Currency swaps	-	141,200	-	141,200
Others	-	4	-	4
	5,054,616	431,940	80,521	5,567,077
	5,054,616	431,940	80,521	5,567,077

Financial liabilities measured at fair value:	<i>KD 000's</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
<i>Derivative financial liabilities:</i>				
Forward contracts	-	6,417	-	6,417
Profit rate swaps	-	68,653	-	68,653
Currency swaps	-	37,736	-	37,736
Others	-	2,269	-	2,269
	-	115,075	-	115,075
	-	115,075	-	115,075

The following table provides the fair value measurement hierarchy of the Group financial assets and financial liabilities as at 31 March 2025:

Financial assets measured at fair value:	<i>KD 000's</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
Venture capital at fair value profit and loss	-	15,247	-	15,247
Equities at FVTPL	24,744	89,851	18,967	133,562
Equities at FVOCI	31,651	15,836	66,444	113,931
Debt securities at FVTPL	186,911	-	-	186,911
Debt securities at FVOCI	4,186,246	121,503	6,277	4,314,026
<i>Derivative financial assets:</i>				
Forward contracts	-	19,003	-	19,003
Profit rate swaps	-	119,483	-	119,483
Currency swaps	-	47,017	-	47,017
Others	-	47	-	47
	4,429,552	427,987	91,688	4,949,227
	4,429,552	427,987	91,688	4,949,227

Kuwait Finance House K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 31 March 2026

17 FAIR VALUES (continued)

Financial liabilities measured at fair value:	<i>KD 000's</i>			
	<i>(Level 1)</i>	<i>(Level 2)</i>	<i>(Level 3)</i>	<i>Total</i>
<i>Derivative financial liabilities:</i>				
Forward contracts	-	11,968	-	11,968
Profit rate swaps	-	51,654	-	51,654
Currency swaps	-	30,979	-	30,979
Others	-	896	-	896
	-	95,497	-	95,497

No transfers have been made between the levels of hierarchy.

Level 3 investments included unquoted Sukuk of KD Nil (31 December 2025: KD 1,148 thousand and 31 March 2025: KD 6,277 thousand) and unquoted equity investments of KD 79,875 thousand (31 December 2025: KD 79,373 thousand and 31 March 2025: KD 85,411 thousand). Unquoted equity investments are fair valued using valuation technique that is appropriate in the circumstances. Valuation techniques include discounted cash flow models, observable market information of comparable companies, recent transaction information and net asset values. Significant unobservable inputs used in valuation techniques mainly include discount rate, terminal growth rate, revenue and profit estimates. The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of income or the interim condensed consolidated statement of changes in equity would be immaterial if the relevant risk variables used for fair value estimates to fair value the unquoted equity investments were altered by 5%.

The following table below shows a reconciliation of the opening and the closing balance of level 3 financial assets measured at fair value:

	<i>KD 000's</i>	
	<i>2026</i>	<i>2025</i>
As at 1 January	80,521	80,569
Fair value re-measurement (Disposal) purchase, net	701 (1,347)	972 10,147
As at 31 March	79,875	91,688

18 HYPERINFLATION ACCOUNTING

The subsidiary Kuwait Turkish Participation Bank (“KTPB”) has banking operations in Turkey. The Turkish economy was assessed as a hyperinflationary economy based on cumulative inflation rates over the previous three years, in April 2022. The Group determined the Consumer Price Index (“CPI”) provided by the Turkish State Institute of Statistics to be the appropriate general price index to be considered in the application of IAS 29, *Financial Reporting in Hyperinflationary Economies* on the subsidiary’s financial statements. The level and movement of the price index during the current and previous reporting periods is as below:

<i>Reporting period</i>	<i>Index</i>	<i>Conversion factor</i>
31 March 2026	119.16	1.089
31 December 2025	109.42	1.311
31 March 2025	90.59	1.085