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

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 June 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 30 June 2026 and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income, for the three-months and six-months periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-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 six-month period ended 30 June 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 six-month period ended 30 June 2026 that might have had a material effect on the business of the Bank or on its financial position.

BADER A. AL-ABDULJADER	BADER A. AL-WAZZAN
LICENCE NO. 207 A	LICENCE NO. 62A
EY	DELOITTE & TOUCHE
AL AIBAN, AL OSAIMI & PARTNERS	AL-WAZZAN & CO.

22 July 2026

Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 June 2026

					KD 000's
		Three months ended 30 June		*Six months ended 30 June*	
	Notes	***2026***	*2025*	***2026***	*2025*
INCOME					
Financing income		**900,414**	711,077	**1,765,208**	1,462,512
Finance cost and estimated distribution to depositors	3	**(582,941)**	(422,628)	**(1,115,763)**	(855,207)
Net financing income		**317,473**	288,449	**649,445**	607,305
Fees and commissions income		**148,937**	120,304	**276,260**	222,315
Fees and commissions expense		**(79,852)**	(60,043)	**(148,698)**	(112,285)
Net fees and commission income		**69,085**	60,261	**127,562**	110,030
Investment income		**77,573**	32,664	**95,691**	87,446
Net gain from foreign currencies		**18,396**	17,803	**78,127**	34,479
Other income		**11,616**	33,806	**39,689**	61,851
TOTAL OPERATING INCOME		**494,143**	432,983	**990,514**	901,111
OPERATING EXPENSES					
Staff costs		**(93,060)**	(85,386)	**(183,639)**	(177,465)
General and administrative expenses		**(35,371)**	(44,671)	**(79,458)**	(88,259)
Depreciation and amortisation		**(18,499)**	(19,975)	**(39,566)**	(43,513)
TOTAL OPERATING EXPENSES		**(146,930)**	(150,032)	**(302,663)**	(309,237)
NET OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENT AND NET MONETARY LOSS		**347,213**	282,951	**687,851**	591,874
Provisions and impairment	5	**(49,023)**	(6,508)	**(83,168)**	(39,038)
Net monetary loss	18	**(30,574)**	(29,122)	**(62,748)**	(71,203)
OPERATING PROFIT BEFORE TAXATION		**267,616**	247,321	**541,935**	481,633
Taxation	6	**(52,654)**	(50,956)	**(107,879)**	(95,867)
PROFIT FOR THE PERIOD		**214,962**	196,365	**434,056**	385,766
Attributable to:					
Shareholders of the Bank		**186,535**	174,040	**363,054**	342,149
Non-controlling interests		**28,427**	22,325	**71,002**	43,617
		214,962	196,365	**434,056**	385,766
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK	4	**9.27 fils**	8.84 fils	**18.86 fils**	17.98 fils

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2026

	Three months ended 30 June		Six months ended 30 June	*KD 000's*
	2026	*2025*	***2026***	*2025*
Profit for the period	**214,962**	196,365	**434,056**	385,766
Items that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:				
Revaluation gain on equity instruments at fair value through other comprehensive income	**3,291**	2,333	**595**	3,494
Net change in pension fund reserve	**(593)**	(40)	**1,141**	(85)
Items that are or may be reclassified subsequently to the interim condensed consolidated statement of income:				
Investment in debt securities at fair value through other comprehensive income:				
Net change in fair value during the period	**13,505**	(19,317)	**(57,076)**	(26,141)
Net transfer to interim condensed consolidated statement of income	**(16,328)**	7,026	**(15,462)**	3,959
Net loss on investment in debt securities at fair value through other comprehensive income	**(2,823)**	(12,291)	**(72,538)**	(22,182)
Net change in fair value of cash flow hedges	**-**	(114)	**16**	(214)
Exchange differences on translation of foreign operations	**(14,648)**	(77,240)	**(51,080)**	(128,885)
Other comprehensive loss for the period	**(14,773)**	(87,352)	**(121,866)**	(147,872)
Total comprehensive income for the period	**200,189**	109,013	**312,190**	237,894
Attributable to:				
Shareholders of the Bank	**191,864**	106,510	**282,833**	242,636
Non-controlling interests	**8,325**	2,503	**29,357**	(4,742)
	200,189	109,013	**312,190**	237,894

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2026

	Notes	*30 June 2026*	*(Audited) 31 December 2025*	*30 June 2025*
				KD 000's
ASSETS				
Cash and balances with banks and financial institutions	8	**4,159,423**	4,998,746	3,857,125
Due from banks		**2,195,923**	3,446,833	2,015,558
Financing receivables	9	**22,783,669**	21,817,004	20,429,676
Investment in debt securities		**7,801,436**	7,577,615	7,424,323
Investments		**371,020**	291,430	306,126
Investment in associates and joint ventures		**297,467**	252,482	250,174
Trading and Investment properties		**463,149**	464,843	447,948
Other assets		**1,352,535**	1,148,267	1,008,679
Goodwill and intangible assets		**2,331,947**	2,328,566	2,329,631
Property and equipment		**458,502**	434,026	428,483
TOTAL ASSETS		**42,215,071**	42,759,812	38,497,723
LIABILITIES				
Due to banks		**5,231,676**	6,971,768	6,157,947
Due to financial institutions		**4,785,007**	4,738,107	3,153,389
Sukuk payables and term financing	10	**1,744,256**	1,414,401	1,507,421
Depositors' accounts		**21,592,132**	21,029,418	19,730,422
Other liabilities		**2,083,770**	1,761,249	1,589,873
TOTAL LIABILITIES		**35,436,841**	35,914,943	32,139,052
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK				
Share capital	11	**1,977,052**	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	-
Treasury shares		**(822,159)**	(822,159)	(822,159)
Reserves	7	**193,819**	83,934	100,331
		5,616,159	5,506,274	5,393,331
Proposed cash dividends	11	**184,092**	240,868	172,049
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK		**5,800,251**	5,747,142	5,565,380
Perpetual Tier 1 Sukuks	12	**461,715**	641,257	381,661
Non-controlling interests		**516,264**	456,470	411,630
TOTAL EQUITY		**6,778,230**	6,844,869	6,358,671
TOTAL LIABILITIES AND EQUITY		**42,215,071**	42,759,812	38,497,723

HAMAD ABDULMOHSEN ALMARZOUQ
(CHAIRMAN)

KHALED YOUSEF ALSHAMLAN
(GROUP CHIEF EXECUTIVE OFFICER)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2026

KD 000's

	Attributable to shareholders of the Bank										
	Share capital	*Share premium*	*Proposed issue of bonus shares*	*Treasury shares*	*Reserves (Note 7)*	*Subtotal*	*Proposed cash dividends*	*Subtotal*	*Perpetual Tier 1 Sukuks*	*Non-controlling interests*	*Total equity*
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	-	-	-	-	**363,054**	**363,054**	-	**363,054**	-	**71,002**	**434,056**
Other comprehensive loss	-	-	-	-	**(80,221)**	**(80,221)**	-	**(80,221)**	-	**(41,645)**	**(121,866)**
Total comprehensive income	-	-	-	-	**282,833**	**282,833**	-	**282,833**	-	**29,357**	**312,190**
Issue of bonus shares (Note 11)	**129,340**	-	**(129,340)**	-	-	-	-	-	-	-	-
Cash dividends (Note 11)	-	-	-	-	-	-	**(240,868)**	**(240,868)**	-	-	**(240,868)**
Proposed interim cash dividend (Note 11)	-	-	-	-	**(184,092)**	**(184,092)**	**184,092**	-	-	-	-
Zakat	-	-	-	-	**(11,010)**	**(11,010)**	-	**(11,010)**	-	-	**(11,010)**
Perpetual Tier 1 Sukuk foreign currency translation adjustment	-	-	-	-	**(4,930)**	**(4,930)**	-	**(4,930)**	**4,930**	-	-
Profit payment on Perpetual Tier 1 Sukuks	-	-	-	-	**(15,915)**	**(15,915)**	-	**(15,915)**	-	-	**(15,915)**
Net movement on Perpetual Tier 1 Sukuks (Note 12)	-	-	-	-	**(16,479)**	**(16,479)**	-	**(16,479)**	**(384,472)**	-	**(400,951)**
Issuance of Perpetual Tier 1 Sukuks (Note 12)	-	-	-	-	**(332)**	**(332)**	-	**(332)**	**200,000**	-	**199,668**
Impact of application of IAS 29 (Note 18)	-	-	-	-	**59,810**	**59,810**	-	**59,810**	-	**43,649**	**103,459**
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	**(11,703)**	**(11,703)**
Change in ownership of subsidiary without loss of control	-	-	-	-	-	-	-	-	-	**(4,139)**	**(4,139)**
Net other changes in non-controlling interests	-	-	-	-	-	-	-	-	-	**2,630**	**2,630**
Balance at 30 June 2026	**1,977,052**	**4,267,447**	-	**(822,159)**	**193,819**	**5,616,159**	**184,092**	**5,800,251**	**461,715**	**516,264**	**6,778,230**

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

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

For the period ended 30 June 2026

KD 000's

	Attributable to shareholders of the Bank										
	Share capital	*Share premium*	*Proposed issue of bonus shares*	*Treasury shares*	*Reserves (Note 7)*	*Subtotal*	*Proposed cash dividends*	*Subtotal*	*Perpetual Tier 1 Sukuks*	*Non-controlling interests*	*Total equity*
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	-	-	-	-	342,149	342,149	-	342,149	-	43,617	385,766
Other comprehensive loss	-	-	-	-	(99,513)	(99,513)	-	(99,513)	-	(48,359)	(147,872)
Total comprehensive income (loss)	-	-	-	-	242,636	242,636	-	242,636	-	(4,742)	237,894
Issue of bonus shares (Note 11)	136,868	-	(136,868)	-	-	-	-	-	-	-	-
Cash dividends (Note 11)	-	-	-	-	-	-	(191,165)	(191,165)	-	-	(191,165)
Proposed interim cash dividend (Note 11)	-	-	-	-	(172,049)	(172,049)	172,049	-	-	-	-
Zakat	-	-	-	-	(41,633)	(41,633)	-	(41,633)	-	-	(41,633)
Perpetual Tier 1 Sukuk foreign currency translation adjustment	-	-	-	-	3,780	3,780	-	3,780	(3,780)	-	-
Profit payment on Perpetual Tier 1 Sukuks	-	-	-	-	(11,236)	(11,236)	-	(11,236)	-	-	(11,236)
Net movement on Perpetual Tier 1 Sukuks	-	-	-	-	(4,580)	(4,580)	-	(4,580)	(118,618)	-	(123,198)
Impact of application of IAS 29 (Note 18)	-	-	-	-	48,772	48,772	-	48,772	-	35,594	84,366
Payment to non-controlling interest on capital redemption of a subsidiary	-	-	-	-	-	-	-	-	-	(4,433)	(4,433)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(11,668)	(11,668)
Sale of a subsidiary	-	-	-	-	(182)	(182)	-	(182)	-	(902)	(1,084)
Net other changes in non-controlling interests	-	-	-	-	-	-	-	-	-	2,928	2,928
Balance at 30 June 2025	1,847,712	4,267,447	-	(822,159)	100,331	5,393,331	172,049	5,565,380	381,661	411,630	6,358,671

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2026

	Notes	KD 000's Six months ended 30 June 2026	 30 June 2025
OPERATING ACTIVITIES			
Profit for the period		**434,056**	385,766
Adjustments to reconcile profit to net cash flows:			
Depreciation and amortisation		**39,566**	43,513
Provisions and impairment	5	**83,168**	39,038
Gain on sale of investments		**(27,149)**	(58,276)
Dividend income		**(4,092)**	(2,811)
Share of results of associates and joint ventures		**(2,845)**	(2,308)
Gain on sale of investment properties		**(40,591)**	(6,863)
Net monetary loss	18	**62,748**	71,203
		544,861	469,262
Changes in operating assets and liabilities			
Decrease (increase) in operating assets:			
Financing receivables and due from banks		**(879,565)**	(840,426)
Investment in debt securities		**(274,661)**	(549,782)
Other assets		**(204,268)**	50,341
Statutory deposit with Central Banks		**3,668**	(200,658)
Increase (decrease) in operating liabilities:			
Short term due to banks and financial institutions		**(540,039)**	(224,651)
Depositors' accounts		**562,714**	510,480
Other liabilities		**169,619**	4,842
Net cash flows used in operating activities		**(617,671)**	(780,592)
INVESTING ACTIVITIES			
Investments, net		**(73,743)**	(69,078)
Additions/purchase of investment properties		**(9,136)**	(155)
Proceeds from sale of investment properties		**50,563**	6,213
Purchase of property and equipment		**(25,396)**	(71,166)
Proceeds from sale of property and equipment		**6,327**	2,719
Intangible assets, net		**(526)**	3,022
Purchase/ Capital injection of investment in associates and joint ventures		**(197)**	-
Proceeds from sale/redemption of investment in associates and joint ventures		**128**	145,317
Dividend received		**4,092**	2,865
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		**(47,888)**	19,523
FINANCING ACTIVITIES			
Profit payment on perpetual Tier-1 Sukuks		**(15,915)**	(11,236)
Payment on settlement of perpetual Tier-1 Sukuks	12	**(400,951)**	(123,198)
New Issuance Perpetual Tier 1 Sukuks	12	**199,668**	-
Movement in Sukuk payables and term financing		**329,855**	520,782
Net movement in due to banks and financial institutions		**(1,153,152)**	861,806
Cash dividends paid		**(240,868)**	(191,165)
Dividends paid to non-controlling interest		**(11,703)**	(11,668)
Zakat paid		**(11,010)**	(7,664)
Net cash flows (used in) from financing activities		**(1,304,076)**	1,037,657
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(1,969,635)**	276,588
Cash and cash equivalents at 1 January		**5,996,465**	3,445,682
CASH AND CASH EQUIVALENTS AT 30 JUNE	8	**4,026,830**	3,722,270

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

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 six months period ended 30 June 2026 were authorised for issue by the Bank's Board of Directors on 9 July 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 six months period ended 30 June 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 geopolitical and regional risk.

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 six months period ended 30 June 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 Sukuks, by the weighted average number of ordinary shares outstanding during the period after adjusting for treasury shares held by the Group.

	Three months ended		*Six months ended*	
	30 June 2026	*30 June 2025*	***30 June 2026***	*30 June 2025*
Basic and diluted earnings per share:				
Profit for the period attributable to shareholders of the Bank (thousand KD)	**186,535**	174,040	**363,054**	342,149
Less: Profit payment on Perpetual Tier 1 Sukuks (thousand KD)	**(15,915)**	(11,236)	**(15,915)**	(11,236)
Profit for the period attributable to shareholders of the Bank after profit payment on Perpetual Tier 1 Sukuks (thousand KD)	**170,620**	162,804	**347,139**	330,913
Weighted average number of shares outstanding during the period, net of treasury shares (thousand shares)	**18,409,222**	18,409,222	**18,409,222**	18,409,222
Basic and diluted earnings per share attributable to the shareholders of the Bank	**9.27 fils**	8.84 fils	**18.86 fils**	17.98 fils

The comparative basic and diluted earnings per share have been restated for bonus shares issued (Note 11).

5 PROVISIONS AND IMPAIRMENT

				KD 000's
	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
Impairment (reversal of impairment) on financing receivables	**19,097**	(7,959)	**60,407**	29,194
Recovery of written-off debts	**(6,843)**	(4,979)	**(30,577)**	(23,279)
(Reversal of impairment) impairment of non-cash facilities	**(7,571)**	606	**(4,766)**	(866)
Total financing provision charge (reversal)	**4,683**	(12,332)	**25,064**	5,049
Expected credit losses (reversal) for investment in debt securities	**134**	6,653	**2,923**	(1)
Other provisions and impairment	**44,206**	12,187	**55,181**	33,990
	49,023	6,508	**83,168**	39,038

6 TAXATION

				KD 000's
	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	**1,754**	1,588	**3,383**	3,151
Domestic minimum top-up tax (DMTT)	**17,592**	17,886	**31,949**	30,750
Taxation related to subsidiaries	**33,308**	31,482	**72,547**	61,966
	52,654	50,956	**107,879**	95,867

7 RESERVES

The movement of reserves is analysed as follows:

	30 June 2026							
								KD 000's
	Statutory reserve	*Voluntary reserve*	*Retained earnings*	*Treasury shares reserve*	*Fair value reserve*	*Foreign exchange translation reserve*	*Other reserves*	*Total*
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	**-**	**-**	**363,054**	**-**	**-**	**-**	**-**	**363,054**
Other comprehensive (loss) income	**-**	**-**	**-**	**-**	**(56,463)**	**(24,435)**	**677**	**(80,221)**
Total comprehensive income (loss)	**-**	**-**	**363,054**	**-**	**(56,463)**	**(24,435)**	**677**	**282,833**
Proposed interim cash dividend (Note 11)	**-**	**-**	**(184,092)**	**-**	**-**	**-**	**-**	**(184,092)**
Zakat	**-**	**(10,396)**	**(614)**	**-**	**-**	**-**	**-**	**(11,010)**
Perpetual Tier 1 Sukuks foreign currency translation adjustment	**-**	**-**	**(4,930)**	**-**	**-**	**-**	**-**	**(4,930)**
Profit payment on Perpetual Tier 1 Sukuks	**-**	**-**	**(15,915)**	**-**	**-**	**-**	**-**	**(15,915)**
Net movement in Perpetual Tier 1 Sukuks	**-**	**-**	**(16,479)**	**-**	**-**	**-**	**-**	**(16,479)**
Issuance cost of Perpetual Tier 1 Sukuks	**-**	**-**	**(332)**	**-**	**-**	**-**	**-**	**(332)**
Impact of application of IAS 29 (Note 18)	**-**	**-**	**59,810**	**-**	**-**	**-**	**-**	**59,810**
Balance at 30 June 2026	**592,368**	**282,070**	**455,424**	**17,715**	**(15,588)**	**(1,058,553)**	**(79,617)**	**193,819**

7 RESERVES (continued)

	30 June 2025							
								KD 000's
	Statutory reserve	*Voluntary reserve*	*Retained earnings*	*Treasury shares reserve*	*Fair value reserve*	*Foreign exchange translation reserve*	*Other reserves*	*Total*
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	-	-	342,149	-	-	-	-	342,149
Other comprehensive loss	-	-	-	-	(13,021)	(86,193)	(299)	(99,513)
Total comprehensive income (loss)	-	-	342,149	-	(13,021)	(86,193)	(299)	242,636
Proposed interim cash dividend (Note 11)	-	-	(172,049)	-	-	-	-	(172,049)
Zakat	-	(41,022)	(611)	-	-	-	-	(41,633)
Transfer of fair value reserve of equity investment at FVOCI	-	-	580	-	(580)	-	-	-
Perpetual Tier 1 Sukuk foreign currency translation adjustment	-	-	3,780	-	-	-	-	3,780
Profit payment on Perpetual Tier 1 Sukuks	-	-	(11,236)	-	-	-	-	(11,236)
Net movement in Perpetual Tier 1 Sukuks	-	-	(4,580)	-	-	-	-	(4,580)
Impact of application of IAS 29 (Note 18)	-	-	48,772	-	-	-	-	48,772
Sale of a subsidiary	-	-	(8,590)	-	(354)	(182)	8,944	(182)
Balance at 30 June 2025	528,433	228,531	459,388	17,715	(39,615)	(1,013,718)	(80,403)	100,331

8 CASH AND CASH EQUIVALENTS

			KD 000's
	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*
Cash	**211,828**	227,569	213,444
Balances with Central Banks	**2,570,021**	3,276,663	2,630,187
Balances with banks and financial institutions – current accounts	**1,377,574**	1,494,514	1,013,494
Cash and balances with banks and financial institutions	**4,159,423**	4,998,746	3,857,125
Due from banks maturing within 3 months of contract date	**1,361,915**	2,495,895	1,213,193
Less: Statutory deposits with Central Banks	**(1,494,508)**	(1,498,176)	(1,348,048)
Cash and cash equivalents	**4,026,830**	5,996,465	3,722,270

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:

			KD 000's
	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*
Financing receivables, net of deferred and suspended profit	**23,776,755**	22,762,941	21,349,179
Less: Provision for impairment	**(993,086)**	(945,937)	(919,503)
	22,783,669	21,817,004	20,429,676

The available provision balance on non-cash facilities of KD 36,000 thousand (31 December 2025: KD 41,216 thousand and 30 June 2025: KD 41,686 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 30 June 2026 is KD 1,029,086 thousand (31 December 2025: KD 987,153 thousand and 30 June 2025: KD 961,189 thousand) which exceeds the ECL for financing receivables under IFRS 9 in accordance with CBK, by KD 503,953 thousand (31 December 2025: KD 526,631 thousand and 30 June 2025: KD 494,078 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:

30 June 2026	***Stage 1 KD 000's***	***Stage 2 KD 000's***	***Stage 3 KD 000's***	***Total KD 000's***
Financing receivables	**20,413,534**	**2,783,364**	**579,857**	**23,776,755**
Financing commitments and contingent liabilities (Note 14)	**2,991,326**	**648,286**	**26,800**	**3,666,412**
ECL provision for credit facilities	**80,883**	**134,767**	**309,483**	**525,133**

9 FINANCING RECEIVABLES (continued)

31 December 2025	*Stage 1 KD 000's*	*Stage 2 KD 000's*	*Stage 3 KD 000's*	*Total KD 000's*
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

30 June 2025	*Stage 1 KD 000's*	*Stage 2 KD 000's*	*Stage 3 KD 000's*	*Total KD 000's*
Financing receivables	18,358,747	2,455,343	535,089	21,349,179
Financing commitments and contingent liabilities (Note 14)	2,577,998	476,309	34,033	3,088,340
ECL provision for credit facilities	76,608	103,415	287,088	467,111

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:

30 June 2026	***Stage 1 KD 000's***	***Stage 2 KD 000's***	***Stage 3 KD 000's***	***Total KD 000's***
ECL allowance as at 1 January 2026	**71,075**	**124,627**	**264,820**	**460,522**
Transfer between stages:				
Transfer from / to Stage 1	**4,883**	**(1,034)**	**(3,849)**	**-**
Transfer from / to Stage 2	**(1,542)**	**3,519**	**(1,977)**	**-**
Transfer from / to Stage 3	**(173)**	**(8,637)**	**8,810**	**-**
Net increase in ECL for the period	**8,841**	**18,640**	**60,742**	**88,223**
Amounts written off	**-**	**-**	**(16,703)**	**(16,703)**
Foreign exchange adjustments	**(2,201)**	**(2,348)**	**(2,360)**	**(6,909)**
At 30 June 2026	**80,883**	**134,767**	**309,483**	**525,133**

30 June 2025	*Stage 1 KD 000's*	*Stage 2 KD 000's*	*Stage 3 KD 000's*	*Total KD 000's*
ECL allowance as at 1 January 2025	62,364	95,589	280,416	438,369
Transfer between stages:				
Transfer from / to Stage 1	8,121	(4,060)	(4,061)	-
Transfer from / to Stage 2	(3,308)	8,085	(4,777)	-
Transfer from / to Stage 3	(218)	(5,749)	5,967	-
Net increase in ECL for the period	7,209	22,276	50,885	80,370
Amounts written off	-	-	(45,473)	(45,473)
Foreign exchange adjustments	2,440	(12,726)	4,131	(6,155)
At 30 June 2025	76,608	103,415	287,088	467,111

10 SUKUK PAYABLES AND TERM FINANCING

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 30 June 2026 comprise of 19,770,521,904 shares (31 December 2025: 18,477,123,275 and 30 June 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 30 June 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.

The Board of Directors approved distribution of an interim cash dividend 10 fils per share on the outstanding shares as of 30 June 2026 (30 June 2025: 10 fils per share). The interim cash dividend shall be payable to shareholders after obtaining necessary regulatory approvals.

12 PERPETUAL TIER 1 SUKUKS

During the period, the Bank exercised its call option and redeemed in full its USD 750 million Perpetual Tier 1 Sukuk and USD 600 million Basel III-compliant Additional Tier 1 Sukuk, upon obtaining the required regulatory approvals and satisfying the applicable redemption conditions. Accordingly, both Sukuk issuances were no longer outstanding as at 30 June 2026.

During the period, the Bank, through a Sharia-compliant Mudaraba Sukuk arrangement, issued a KWD 200 million Additional Tier 1 Sukuk. The Sukuk is a perpetual security callable by the Bank in November 2031 (the "First Call Date") and bears a profit rate of 5.5% per annum, payable in accordance with the terms of the issue. The Sukuk was issued during May 2026 and qualifies as Additional Tier 1 capital in accordance with the applicable regulatory requirements.

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:

			KD 000's
	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*
Acceptances and letters of credit	**758,254**	686,950	491,648
Letters of guarantee	**2,908,158**	2,726,990	2,596,692
Contingencies	**3,666,412**	3,413,940	3,088,340
Capital commitments and others	**2,118,335**	1,572,082	1,041,654

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:

							KD 000's
					Total		
	Major shareholders	*Associates*	*Board members and executive officers*	*Other related parties*	***30 June 2026***	*(Audited) 31 December 2025*	*30 June 2025*
Related parties							
Financing receivables and due from banks	**-**	**407**	**1,191**	**15**	**1,613**	822	39,068
Due to banks and financial institutions	**2,056,399**	**8,246**	**-**	**-**	**2,064,645**	1,898,584	1,210,698
Depositors' accounts	**-**	**1,919**	**10,907**	**5,944**	**18,770**	21,129	19,838
Contingencies and commitments	**1,793**	**7,114**	**-**	**-**	**8,907**	10,689	6,032

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

						KD 000's
					Total	
					Six months ended	
	Major shareholders	*Associates*	*Board members and executive officers*	*Other related parties*	***30 June 2026***	*30 June 2025*
Financing income	**-**	**-**	**8**	**-**	**8**	10
Fee and commission income	**1**	**161**	**-**	**-**	**162**	256
Finance cost and estimated distribution to depositors	**35,393**	**51**	**20**	**25**	**35,489**	28,788

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

		KD 000's
	Six months ended	
	30 June	
	2026	*2025*
Salaries, allowances and bonuses of key management personnel	**2,311**	2,211
Termination and long term benefits of key management personnel	**299**	931

15 RELATED PARTY TRANSACTIONS (continued)

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

KD 000's

	The number of Board Members or Executive Officers			*The number of related parties (Relatives of Board Members or Executive Officers)*			*Values*		
	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*	***30 June 2026***	*(Audited) 31 December 2025*	*30 June 2025*	***30 June 2026***	*(Audited) 31 December 2025*	*30 June 2025*
Board Members									
Finance facilities and credit cards	**2**	3	3	**2**	3	3	**978**	9	11
Depositors' accounts	**10**	10	9	**34**	38	34	**12,110**	12,962	11,989
Collateral against finance facilities	**1**	1	1	**-**	-	-	**2,203**	1	1
Executive Officers									
Finance facilities and credit cards	**6**	10	10	**-**	2	1	**228**	333	390
Depositors' accounts	**12**	13	12	**21**	21	16	**4,741**	6,086	5,369
Collateral against finance facilities	**1**	2	2	**-**	-	-	**644**	689	749

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.

KD 000's

	Treasury	***Retail and private banking***	***Corporate banking***	***Investment***	***Total***
30 June 2026					
Total assets	**15,465,899**	**8,310,968**	**14,360,187**	**4,078,017**	**42,215,071**
Total liabilities	**12,774,217**	**14,750,882**	**6,701,195**	**1,210,547**	**35,436,841**
Operating income	**128,866**	**313,890**	**410,950**	**136,808**	**990,514**
Profit for the period before net monetary loss	**84,776**	**154,962**	**238,308**	**18,758**	**496,804**
Net monetary loss					**(62,748)**
Profit for the period					**434,056**

KD 000's

	Treasury	*Retail and private banking*	*Corporate banking*	*Investment*	*Total*
30 June 2025					
Total assets	14,201,916	7,537,704	12,836,918	3,921,185	38,497,723
Total liabilities	11,571,300	14,283,459	5,339,528	944,765	32,139,052
Operating income	46,328	311,162	407,120	136,501	901,111
Profit for the period before net monetary loss	34,783	124,638	256,869	40,679	456,969
Net monetary loss					(71,203)
Profit for the period					385,766

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 30 June 2026:

				KD 000's
Financial assets measured at fair value:	***(Level 1)***	***(Level 2)***	***(Level 3)***	***Total***
Venture capital at fair value profit and loss	**-**	**15,791**	**-**	**15,791**
Equities at FVTPL	**27,170**	**190,824**	**18,907**	**236,901**
Equities at FVOCI	**50,108**	**13,545**	**54,675**	**118,328**
Debt securities at FVTPL	**432,228**	**-**	**-**	**432,228**
Debt securities at FVOCI	**4,960,472**	**54,511**	**-**	**5,014,983**
Derivative financial assets:				
Forward contracts	**-**	**14,171**	**-**	**14,171**
Profit rate swaps	**-**	**75,338**	**-**	**75,338**
Currency swaps	**-**	**17,049**	**-**	**17,049**
Others	**-**	**21**	**-**	**21**
	5,469,978	**381,250**	**73,582**	**5,924,810**

				KD 000's
Financial liabilities measured at fair value:	***(Level 1)***	***(Level 2)***	***(Level 3)***	***Total***
Derivative financial liabilities:				
Forward contracts	**-**	**20,091**	**-**	**20,091**
Profit rate swaps	**-**	**32,898**	**-**	**32,898**
Currency swaps	**-**	**220,058**	**-**	**220,058**
Others	**-**	**1,057**	**-**	**1,057**
	-	**274,104**	**-**	**274,104**

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:

				KD 000's
Financial assets measured at fair value:	*(Level 1)*	*(Level 2)*	*(Level 3)*	*Total*
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
Derivative financial assets:				
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

				KD 000's
Financial liabilities measured at fair value:	*(Level 1)*	*(Level 2)*	*(Level 3)*	*Total*
Derivative financial liabilities:				
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

The following table provides the fair value measurement hierarchy of the Group financial assets and financial liabilities as at 30 June 2025:

				KD 000's
Financial assets measured at fair value:	*(Level 1)*	*(Level 2)*	*(Level 3)*	*Total*
Venture capital at fair value profit and loss	-	15,247	-	15,247
Equities at FVTPL	26,271	119,598	18,868	164,737
Equities at FVOCI	44,500	16,202	65,440	126,142
Debt securities at FVTPL	174,592	-	-	174,592
Debt securities at FVOCI	4,657,109	134,220	6,621	4,797,950
Derivative financial assets:				
Forward contracts	-	9,637	-	9,637
Profit rate swaps	-	100,912	-	100,912
Currency swaps	-	29,023	-	29,023
Others	-	38	-	38
	4,902,472	424,877	90,929	5,418,278

17 FAIR VALUES (continued)

				KD 000's
Financial liabilities measured at fair value:	*(Level 1)*	*(Level 2)*	*(Level 3)*	*Total*
Derivative financial liabilities:				
Forward contracts	-	13,633	-	13,633
Profit rate swaps	-	87,885	-	87,885
Currency swaps	-	35,333	-	35,333
Embedded precious metals	-	1,056	-	1,056
Others	-	31	-	31
	-	137,938	-	137,938

No transfers have been made between the levels of hierarchy.

Level 3 investments included unquoted Sukuks of KD Nil (31 December 2025: KD 1,148 thousand and 30 June 2025: KD 6,621 thousand) and unquoted equity investments of KD 73,582 thousand (31 December 2025: KD 79,373 thousand and 30 June 2025: KD 84,308 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:

	KD 000's	
	2026	*2025*
As at 1 January	**80,521**	80,569
Fair value re-measurement	**(5,640)**	317
(Disposal) purchase, net	**(1,299)**	10,043
As at 30 June	**73,582**	90,929

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:

Reporting period	***Index***	***Conversion factor***
30 June 2026	**128.72**	**1.176**
31 December 2025	109.42	1.311
30 June 2025	97.06	1.163