

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

30 SEPTEMBER 2025 (UNAUDITED)

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

For the period from 1 January 2025 to 30 September 2025

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Bank K.S.C.P. (the “Bank”) and its subsidiaries (collectively “the Group”) as at 30 September 2025, and the related interim condensed consolidated statement of profit or loss, statement of other comprehensive income for the three months and nine months period then ended, statement of changes in equity and statement of cash flow for the nine months period then ended. Management is responsible for the preparation and fair 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 accounts 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 Articles of Association and Memorandum of Incorporation, as amended, during the nine months period ended 30 September 2025 that might have had a material effect on the business of the Bank or on its financial position.

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

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EY
AL AIBAN, AL OSAIMI & PARTNERS

BADER A. AL-WAZZAN
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AL-WAZZAN & CO.

21 October 2025
Kuwait

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period from 1 January 2025 to 30 September 2025

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2025	2024	2025	2024
		KD'000's	KD'000's	KD'000's	KD'000's
Income					
Murabaha and other Islamic financing income		127,095	117,852	366,215	339,190
Finance cost and distribution to depositors		(73,152)	(66,008)	(209,456)	(191,819)
Net financing income		53,943	51,844	156,759	147,371
Net investment income	3	5,056	3,191	13,785	10,267
Net fees and commission income		5,110	5,106	19,823	20,305
Net foreign exchange gain		2,537	1,394	6,984	5,039
Other income		-	-	547	-
Operating income		66,646	61,535	197,898	182,982
Staff costs		(17,763)	(17,237)	(52,503)	(51,909)
General and administrative expenses		(10,647)	(10,214)	(30,507)	(27,526)
Depreciation		(4,860)	(4,328)	(14,201)	(12,440)
Operating expenses		(33,270)	(31,779)	(97,211)	(91,875)
Operating profit before provision for impairment		33,376	29,756	100,687	91,107
Provision for impairment	4	(3,873)	(4,600)	(10,860)	(14,622)
Operating profit before deductions		29,503	25,156	89,827	76,485
Taxation charged	5	(3,772)	(1,103)	(11,891)	(3,340)
Net profit for the period		25,731	24,053	77,936	73,145
Attributable to:					
Equity holders of the Bank		25,404	23,917	77,705	73,527
Non-controlling interests		327	136	231	(382)
Net profit for the period		25,731	24,053	77,936	73,145
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	6	5.08	4.74	16.25	15.30

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the period from 1 January 2025 to 30 September 2025

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	KD'000's	KD'000's	KD'000's	KD'000's
Net profit for the period	25,731	24,053	77,936	73,145
Other comprehensive income/ (loss):				
Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
Change in fair value of debt investments at fair value through other comprehensive income	4,133	(1,318)	1,912	(1,995)
Foreign currency translation adjustments	(8)	1,144	1,199	789
Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
Change in fair value of equity investments at fair value through other comprehensive income	(48)	519	(38)	(147)
Other comprehensive income/ (loss) for the period	4,077	345	3,073	(1,353)
Total comprehensive income for the period	29,808	24,398	81,009	71,792
Attributable to:				
Equity holders of the Bank	29,583	23,269	79,263	71,397
Non-controlling interests	225	1,129	1,746	395
Total comprehensive income for the period	29,808	24,398	81,009	71,792

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2025

	Notes	30 September 2025	(Audited) 31 December 2024	30 September 2024
		KD'000's	KD'000's	KD'000's
Assets				
Cash and balances with banks	7	596,086	495,501	459,279
Deposits with Central Bank of Kuwait		297,498	125,056	174,826
Deposits with other banks		86,603	244,705	39,027
Islamic financing to customers	8	7,586,469	6,923,895	6,819,669
Investment in Sukuk	9	1,049,776	1,063,896	1,044,825
Other investment securities	9	216,363	187,996	154,448
Investment properties		91,361	68,370	79,349
Other assets		100,524	99,026	132,204
Property and equipment		182,716	168,123	163,635
Total assets		10,207,396	9,376,568	9,067,262
Liabilities and equity				
Liabilities				
Due to banks		362,782	286,437	176,765
Depositors' accounts		8,060,703	7,424,166	7,148,956
Medium term financing	10	521,701	445,512	501,917
Other liabilities		144,635	134,393	177,463
Total liabilities		9,089,821	8,290,508	8,005,101
Equity				
Share capital	19	441,082	420,078	420,078
Share premium		316,942	316,942	316,942
Proposed bonus shares	19	-	21,004	-
Treasury shares	12	(54)	(54)	(54)
Statutory reserve		65,407	65,407	55,233
Voluntary reserve		15,327	15,327	15,327
Other reserves	13	3,528	(238)	(1,560)
Retained earnings		101,866	32,428	82,334
Proposed cash dividends	19	-	42,002	-
Equity attributable to equity holders of the Bank		944,098	912,896	888,300
Perpetual Tier 1 Sukuk	18	150,385	150,385	150,385
Non-controlling interests		23,092	22,779	23,476
Total equity		1,117,575	1,086,060	1,062,161
Total liabilities and equity		10,207,396	9,376,568	9,067,262


Abdulaziz Abdullah Dakheel Al-Shaya
 Chairman


Adel Abdul Wahab Al Majed
 Vice Chairman & Group Chief Executive Officer

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period from 1 January 2025 to 30 September 2025

	Share capital	Share premium	Proposed bonus shares	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (note 13)	Retained earnings	Proposed cash dividends	Equity attributable to equity holders of the Bank	Perpetual tier 1 Sukuk	Non-controlling interests	Total equity
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
Balance at 1 January 2025	420,078	316,942	21,004	(54)	65,407	15,327	(238)	32,428	42,002	912,896	150,385	22,779	1,086,060
Profit for the period	-	-	-	-	-	-	-	77,705	-	77,705	-	231	77,936
Other comprehensive income	-	-	-	-	-	-	1,558	-	-	1,558	-	1,515	3,073
Total comprehensive income for the period	-	-	-	-	-	-	1,558	77,705	-	79,263	-	1,746	81,009
Dividends paid (note 19)	-	-	-	-	-	-	-	-	(42,002)	(42,002)	-	-	(42,002)
Issue of bonus shares (note 19)	21,004	-	(21,004)	-	-	-	-	-	-	-	-	-	-
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,433)	(1,433)
Realised loss on equity securities at fair value through other comprehensive income	-	-	-	-	-	-	2,208	(2,208)	-	-	-	-	-
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(6,059)	-	(6,059)	-	-	(6,059)
Balance at 30 September 2025	441,082	316,942	-	(54)	65,407	15,327	3,528	101,866	-	944,098	150,385	23,092	1,117,575
Balance at 1 January 2024	396,300	316,942	23,778	(54)	55,233	15,327	299	15,127	31,700	854,652	150,385	23,798	1,028,835
Profit/(loss) for the period	-	-	-	-	-	-	-	73,527	-	73,527	-	(382)	73,145
Other comprehensive (loss) / income	-	-	-	-	-	-	(2,130)	-	-	(2,130)	-	777	(1,353)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(2,130)	73,527	-	71,397	-	395	71,792
Dividends paid (note 19)	-	-	-	-	-	-	-	-	(31,700)	(31,700)	-	-	(31,700)
Issue of bonus shares (note 19)	23,778	-	(23,778)	-	-	-	-	-	-	-	-	-	-
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(717)	(717)
Realised loss on equity securities at fair value through other comprehensive income	-	-	-	-	-	-	271	(271)	-	-	-	-	-
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(6,049)	-	(6,049)	-	-	(6,049)
Balance at 30 September 2024	420,078	316,942	-	(54)	55,233	15,327	(1,560)	82,334	-	888,300	150,385	23,476	1,062,161

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the period from 1 January 2025 to 30 September 2025

		Nine months ended 30 September	
	Notes	2025 KD'000's	2024 KD'000's
OPERATING ACTIVITIES			
Net profit for the period		77,936	73,145
Adjustments for:			
Provision for impairment	4	10,860	14,622
Depreciation		14,201	12,440
Dividend income	3	(7,917)	(5,298)
Net gain from financial assets at fair value through profit or loss	3	(1,701)	(1,552)
Net gain from sale of debt investments at FVOCI	3	-	(77)
Realized gain on sale of investment properties		(1,079)	-
Profit on Medium Term Financing		15,078	15,866
Share of results of associates	3	(43)	(207)
Operating profit before changes in operating assets and liabilities		107,335	108,939
Changes in operating assets and liabilities:			
Deposits with Central Bank of Kuwait		(152,328)	31,174
Deposits with other banks		110,813	12,180
Islamic financing to customers		(678,575)	(528,676)
Other assets		(22,534)	(48,964)
Due to banks		76,345	(9,592)
Depositors' accounts		636,950	691,586
Other liabilities		(77)	60,421
Net cash generated from operating activities		77,929	317,068
INVESTING ACTIVITIES			
Purchase of investment securities		(144,191)	(214,973)
Proceeds from sale/redemption of investment securities		136,861	66,081
Proceeds from redemption of investment in associates		-	250
Proceeds from sale of investment properties		3,895	2,699
Purchase of investment properties		(6,533)	(7,256)
Purchase of property and equipment		(28,794)	(26,859)
Dividend income received	3	7,917	5,298
Net cash used in investing activities		(30,845)	(174,760)
FINANCING ACTIVITIES			
Profit distribution on perpetual Tier 1 Sukuk		(6,059)	(6,049)
Proceeds from other medium term financing		307,529	-
Redemption and profit paid on medium term financing		(234,180)	(98,173)
Net movement of non-controlling interest		(1,433)	(717)
Dividends paid		(42,002)	(31,700)
Net cash generated from/ (used in) financing activities		23,855	(136,639)
Net change in cash and cash equivalents		70,939	5,669
Foreign currency translation adjustments		1,670	(3,169)
Cash and cash equivalents at beginning of the period		685,717	563,708
Cash and cash equivalents at end of the period	7	758,326	566,208

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January 2025 to 30 September 2025

1. INCORPORATION AND ACTIVITIES

Boubyan Bank K.S.C.P. ("the Bank") is a Kuwaiti public shareholding company incorporated on 21 September 2004, in accordance with the Commercial Companies Law in the State of Kuwait, by Amiri Decree No. 88 published on April 18th 2004, in accordance with the rules and regulations of the Central Bank of Kuwait ("CBK") (Law No. 30 of 2003).

The Bank's shares were listed on the Kuwait Stock Exchange on 15 May 2006.

The Bank was licensed by the Central Bank of Kuwait to do business on 28 November 2004.

The Bank is principally engaged in providing banking services, in accordance with Codes of the Islamic Sharia'a, as approved by the Bank's Sharia'a Supervisory Board. The Bank's Memorandum of Incorporation and Articles of Association were amended by adding a new activity, namely, offering securities or selling the same for their issuer, its affiliate or obtaining securities from the issuer or its affiliate for remarketing (issuance management). In addition to the activity of purchase and sale of land plots and all types of real estate properties for their financing purposes as per the provisions of Law no. 32 of 1968 Concerning Currency, the Central Bank of Kuwait, and Organization of the Banking Business.

The Bank is a subsidiary of National Bank of Kuwait S.A.K.P ("the Parent Company").

This interim condensed consolidated financial information as at and for the nine months period ended 30 September 2025 incorporates the financial information of the Bank and its principal operating subsidiaries, BLME Holdings plc, Boubyan Takaful Insurance Company K.S.C. (Closed) and Boubyan Capital Investment Company K.S.C. (Closed), (together referred to as "the Group") and the Group's interests in associates.

The address of the Bank's registered office is P.O. Box 25507, Safat 13116, State of Kuwait.

This interim condensed consolidated financial information was authorised for issue by the Board of Directors on 8 October 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

- (a) The interim condensed consolidated financial information of the Group for period ended 30 September 2025 has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', as amended for point (b) below:
- (b) The interim condensed consolidated financial information 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 IFRS - Accounting Standards as issued by International Accounting Standards Board (IASB) with the following amendment:
 - Expected credit loss ("ECL") to be measured at the higher of ECL provision on credit facilities computed under IFRS 9 in accordance with CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is herein after 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 full 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 2024. Further, results for the nine months period ended 30 September 2025, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 2024. Amendments to IFRS – Accounting Standards which are effective for annual accounting period starting from 1 January 2025 did not have any material impact on the accounting policies, financial position or performance of the Group.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

For the period from 1 January 2025 to 30 September 2025

3. NET INVESTMENT INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	KD'000's	KD'000's	KD'000's	KD'000's
Dividend income	2,529	1,531	7,917	5,298
Net rental income from investment properties	920	1,065	2,837	3,133
Net gain from financial assets at fair value through profit or loss	1,632	542	1,701	1,552
Net gain from sale of debt investments at FVOCI	-	26	-	77
Net gain from investment properties	(37)	-	1,287	-
Share of results of associates	12	27	43	207
	5,056	3,191	13,785	10,267

4. PROVISION FOR IMPAIRMENT

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	KD'000's	KD'000's	KD'000's	KD'000's
Provision charge for Islamic financing to customers	5,427	4,557	9,152	14,052
ECL – Other financial assets	(1,526)	-	(426)	(470)
Impairment loss on investments and other assets	(28)	43	2,134	1,040
	3,873	4,600	10,860	14,622

5. TAXATION

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	KD'000's	KD'000's	KD'000's	KD'000's
Domestic Minimum Top-up Tax	3,532	-	10,438	-
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	262	225	800	693
National Labour Support Tax ("NLST")	-	633	-	1,966
Zakat (Based on Zakat law no: 46/2006)	-	256	-	795
Overseas tax	(22)	(11)	653	(114)
	3,772	1,103	11,891	3,340

Pillar 2 Income Taxes

The State of Kuwait issued Law Number 157 of 2024 on 31 December 2024 (the Law) introducing domestic minimum top-up tax (DMTT) effective from the year 2025 on entities which are part of MNE Group with annual revenues of EUR 750 million or more. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate of all constituent entities of the MNE Group operating within Kuwait. The taxable income and effective tax rate are computed in accordance with the Executive regulations which were issued through ministerial resolution no. 55 of 2025. The Law effectively replaces the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January 2025 to 30 September 2025

6. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into shares.

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
Net profit for the period attributable to the equity holders of the Bank (KD'000)	25,404	23,917	77,705	73,527
Less: profit payment on Perpetual Tier 1 Sukuk (KD'000)	(3,017)	(3,013)	(6,059)	(6,049)
	22,387	20,904	71,646	67,478
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	4,410,173	4,410,235	4,410,183	4,410,246
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	5.08	4.74	16.25	15.30

Earnings per share for the prior period were 4.98 and 16.07 fils before retroactive adjustment to the number of shares following the bonus shares issuance (note 19).

7. CASH AND CASH EQUIVALENTS

	30 September 2025	(Audited) 31 December 2024	30 September 2024
	KD'000's	KD'000's	KD'000's
Cash and balances with banks	596,086	495,501	459,279
Placements with banks maturing within seven days	162,240	190,216	106,929
	758,326	685,717	566,208

8. ISLAMIC FINANCING TO CUSTOMERS

	30 September 2025	(Audited) 31 December 2024	30 September 2024
	KD'000's	KD'000's	KD'000's
Islamic financing to customers	7,810,539	7,151,563	7,042,957
Provision for impairment	(224,070)	(227,668)	(223,288)
	7,586,469	6,923,895	6,819,669

The available provision for impairment on non-cash facilities of **KD 7,985** thousands (31 December 2024: KD 4,052 thousands, 30 September 2024: KD 3,814 thousands) is included under other liabilities. The total provision for cash and non-cash credit facilities in accordance with CBK guidelines amounted to **KD 232,055** thousand as at 30 September 2025 (31 December 2024: KD 231,720 thousand, 30 September 2024: KD 227,102 thousand).

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to **KD 119,143** thousand as at 30 September 2025 (31 December 2024: 98,490 thousand, 30 September 2024: KD 91,578 thousand). CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January 2025 to 30 September 2025

8. ISLAMIC FINANCING TO CUSTOMERS (continued)

An analysis of the carrying amounts of Credit Facilities, and the corresponding Expected Credit Losses based on the staging criteria under IFRS 9 in accordance with CBK regulations. For contingent liabilities, the amounts in the table represent the amounts committed or guaranteed, respectively.

	Stage 1 KD'000's	Stage 2 KD'000's	Stage 3 KD'000's	Total KD'000's
30 September 2025				
Islamic financing to customers	7,453,967	267,512	89,060	7,810,539
Contingent liabilities (Note 14)	574,199	37,848	19,695	631,742
Commitments (revocable and irrevocable) to extend credit	1,647,539	26,589	454	1,674,582
31 December 2024 (Audited)				
Islamic financing to customers	6,795,485	283,465	72,613	7,151,563
Contingent liabilities (Note 14)	447,942	65,898	1,492	515,332
Commitments (revocable and irrevocable) to extend credit	1,562,911	79,012	429	1,642,352
30 September 2024				
Islamic financing to customers	6,718,537	251,858	72,562	7,042,957
Contingent liabilities (Note 14)	371,310	80,703	2,742	454,755
Commitments (revocable and irrevocable) to extend credit	1,580,555	109,597	6,729	1,696,881

An analysis of the changes in the expected credit losses that related to the credit facilities based on the staging criteria under IFRS 9 in accordance with CBK regulations is as follows:

	Stage 1 KD 000's	Stage 2 KD 000's	Stage 3 KD 000's	Total KD 000's
30 September 2025				
ECL allowance as at 1 January 2025	19,895	36,711	41,884	98,490
Impact due to transfer between stages				
Transfer from Stage 1	(758)	601	157	-
Transfer from Stage 2	5,807	(26,036)	20,229	-
Transfer from Stage 3	2,392	333	(2,725)	-
(Release)/additional ECL for the period	(2,407)	4,415	28,538	30,546
Amounts written off and recoveries	-	-	(10,232)	(10,232)
Foreign currency translation	15	132	192	339
At 30 September 2025	24,944	16,156	78,043	119,143
30 September 2024				
ECL allowance as at 1 January 2024	22,134	16,935	32,022	71,091
Impact due to transfer between stages				
Transfer from Stage 1	(1,282)	529	753	-
Transfer from Stage 2	1,532	(2,232)	700	-
Transfer from Stage 3	3,935	231	(4,166)	-
(Release)/additional ECL for the period	(5,799)	16,507	5,541	16,249
Amounts written off and recoveries	-	-	4,049	4,049
Foreign currency translation	21	33	135	189
At 30 September 2024	20,541	32,003	39,034	91,578

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9. INVESTMENT SECURITIES

	30 September 2025	(Audited) 31 December 2024	30 September 2024
	KD'000's	KD'000's	KD'000's
Investment in Sukuk	1,049,776	1,063,896	1,044,825
Other investment securities			
Financial assets at fair value through profit or loss	195,202	165,644	132,570
Financial assets at fair value through other comprehensive income	20,750	21,992	21,344
Investment in associates	411	360	534
	216,363	187,996	154,448
	1,266,139	1,251,892	1,199,273

	30 September 2025	(Audited) 31 December 2024	30 September 2024
	KD'000's	KD'000's	KD'000's
Investment in Sukuk			
Investment in Sukuk- FVOCI	1,047,062	1,044,249	1,025,844
Investment in Sukuk- FVTPL	2,714	19,647	18,981
	1,049,776	1,063,896	1,044,825
Financial assets at fair value through profit or loss			
Investment in unquoted funds	192,990	163,563	130,570
Managed securities portfolio	2,212	2,081	2,000
	195,202	165,644	132,570
Financial assets at fair value through other comprehensive income			
Investment in unquoted equity securities	13,644	14,077	13,495
Investment in quoted equity securities	7,106	7,915	7,849
	20,750	21,992	21,344

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10. MEDIUM TERM FINANCING

	30 September 2025	(Audited) 31 December 2024	30 September 2024
	KD'000's	KD'000's	KD'000's
Global Medium Term Sukuk ("GMTN programme")*	307,293	383,509	379,597
Other medium term financing**	214,408	62,003	122,320
	521,701	445,512	501,917

* The Bank established a USD 1 billion Global Medium Term Sukuk programme ("GMTN programme") in 2019, which had been subsequently revised to USD 3 billion in 2022.

During the prior years, on 29 March 2022, the Bank issued senior unsecured Sukuk amounting to USD 500 million due in March 2027 under the GMTN programme through a wholly owned special purpose vehicle. This Sukuk was issued at 100 per cent of nominal value and carries a fixed profit rate at 3.389% per annum payable semi-annually in arrears.

During the prior years, on 18 February 2020, the Bank issued senior unsecured Sukuk amounting to USD 750 million due in February 2025 under the GMTN programme through a wholly owned special purpose vehicle. This Sukuk was issued at 100 per cent of nominal value and carries a fixed profit rate at 2.593% per annum payable semi-annually in arrears. This Sukuk was called on 18 February 2025.

On 4 June 2025, the Bank issued senior unsecured Sukuk amounting to USD 500 million due in June 2030 under the GMTN programme through a wholly owned special purpose vehicle. This Sukuk was issued at 100 percent of nominal value and carries a fixed profit rate at 4.973% per annum payable semi-annually in arrears.

** Other medium term financing has a tenor of three years and carry a profit rate in the range of 4.9% to 5.2% (31 December 2024: 5.2% to 5.6%, 30 September 2024: 5.8% to 6.2%).

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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11. RELATED PARTY TRANSACTIONS

Related parties comprise the major shareholders, board of directors, entities controlled by them or under their joint control, associates, key management personnel and their close family members and the Parent Company including their board member, key management personnel, branches, associates and subsidiaries. Balances with related parties arise from commercial transactions in the normal course of business and are included within the following financial information captions:

	Number of board members or executive officers			Number of related parties			(Audited)		
	30 September 2025	31 December 2024	30 September 2024	30 September 2025	31 December 2024	30 September 2024	30 September 2025	31 December 2024	30 September 2024
							KD'000's	KD'000's	KD'000's
Islamic financing to customers	15	10	10	8	8	8	82,956	83,020	70,524
Depositors' accounts	32	26	25	47	41	38	18,606	18,094	13,371
Letters of guarantee and letters of credit	1	-	-	3	3	3	2,515	1,910	2,913
Murabaha and other Islamic financing income							3,102	3,702	2,807
Finance cost and distribution to depositors							(292)	(290)	(205)
Collateral against Islamic finance to customers							101,940	121,570	96,390
Parent Company									
Due from banks							2,437	61,244	18,807
Due to banks							143,936	88,322	7,775
Islamic financing to customers							1,575	-	-
Depositors accounts							2,229	1,832	1,750
Letters of guarantee and letters of credit							7,809	-	-
Murabaha and other Islamic financing income							2,354	1,087	710
Finance cost and distribution to depositors							(1,865)	(1,901)	(1,346)
Collateral against Islamic finance to customers							2	-	-

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

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11. RELATED PARTY TRANSACTIONS (continued)**Compensation of key management personnel**

Details of compensation to key management comprise the following:

	Three months ended 30 September		Nine months ended 30 September	
	2025	2024	2025	2024
	KD'000's	KD'000's	KD'000's	KD'000's
Short-term benefits	972	842	2,887	2,571
Post-employment benefits	53	56	449	382
Deferred compensation	257	268	776	819
	1,282	1,166	4,112	3,772

12. TREASURY SHARES

The Bank held the following treasury shares:

	30 September 2025	(Audited) 31 December 2024	30 September 2024
Number of treasury shares	649,638	594,987	594,987
Treasury shares as a percentage of total issued shares - %	0.01473%	0.01416%	0.01416%
Cost of treasury shares – KD thousand	54	54	54
Market value of treasury shares – KD thousand	473	334	368
Weighted average of market value per share – KD	0.679	0.585	0.595

13. OTHER RESERVES

	Fair value reserve	Foreign currency translation reserve	Change in actuarial valuation reserve	Total
	KD'000's	KD'000's	KD'000's	KD'000's
Balance at 1 January 2025	13,146	(12,713)	(671)	(238)
Other comprehensive income/ (loss) for the period	1,873	(315)	-	1,558
Total comprehensive income/ (loss) for the period	1,873	(315)	-	1,558
Realised loss on equity securities at fair value through other comprehensive income	2,208	-	-	2,208
Balance at 30 September 2025	17,227	(13,028)	(671)	3,528
Balance at 1 January 2024	13,162	(12,825)	(38)	299
Other comprehensive (loss)/ income for the period	(2,142)	12	-	(2,130)
Total comprehensive (loss)/ income for the period	(2,142)	12	-	(2,130)
Realised loss on equity securities at fair value through other comprehensive income	271	-	-	271
Balance at 30 September 2024	11,291	(12,813)	(38)	(1,560)

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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14. CONTINGENCIES AND COMMITMENTS

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

	30 September 2025	(Audited) 31 December 2024	30 September 2024
	KD'000's	KD'000's	KD'000's
Letters of guarantee	504,184	409,551	357,709
Letters of credit and Acceptances	127,557	105,781	97,046
Capital commitments and irrevocable undrawn financing commitments	173,782	165,219	225,209
	805,523	680,551	679,964

15. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that are regularly reviewed by the decision makers in order to allocate resources to the segments and to assess their performance. The operating segments are divided as either business segments or geographical segments.

Business Segments

For management purposes, the Bank is organized into the following four major business segments:

Consumer banking: Provides a diversified range of products and services to individuals and institutional customers. The range includes consumer finance, credit cards, deposits and other branch related services.

Corporate banking: Provides Murabaha, Ijarah, trade service and other related services to business and corporate customers.

Investment banking and International operations: Principally handling direct investments, investment in associates, local and international real estate investment, asset and wealth management.

Treasury: Principally handling local and international Murabaha and other Islamic financing, primarily with banks, as well as the management of the Bank's funding operations.

Group centre: Includes other group activities and residual in respect of transfer pricing and inter segment allocation.

	Consumer banking	Corporate banking	Investment banking and International operations	Treasury	Group centre	Total
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
Nine months ended 30 September 2025						
Net financing income	93,880	33,674	8,815	15,746	4,644	156,759
Operating income	98,968	40,511	35,473	22,737	209	197,898
Net profit/(loss) for the period	57,573	36,990	13,359	21,808	(51,794)	77,936
Total assets	2,996,876	4,284,613	815,011	1,936,313	174,583	10,207,396
Total liabilities	5,296,599	606,816	604,754	1,978,952	602,700	9,089,821
Nine months ended 30 September 2024						
Net financing income	85,472	30,566	9,759	15,754	5,820	147,371
Operating income/(loss)	95,068	37,793	30,991	20,801	(1,671)	182,982
Net profit/(loss) for the period	56,045	29,146	3,426	19,904	(35,376)	73,145
Total assets	2,687,183	3,799,442	790,233	1,624,918	165,486	9,067,262
Total liabilities	4,973,333	561,209	616,085	1,288,439	566,035	8,005,101

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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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 transactions between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models or other models as appropriate.

Fair value hierarchy

The table below analyses financial instruments measured at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: input other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	KD'000's	KD'000's	KD'000's	KD'000's
30 September 2025				
Financial assets at fair value through profit or loss	2,212	192,990	-	195,202
Investment in Sukuk	1,049,776	-	-	1,049,776
Financial assets at fair value through other comprehensive income	7,106	-	13,644	20,750
	1,059,094	192,990	13,644	1,265,728
31 December 2024 (Audited)				
Financial assets at fair value through profit or loss	2,081	163,563	-	165,644
Investment in Sukuk	1,063,896	-	-	1,063,896
Financial assets at fair value through other comprehensive income	7,915	-	14,077	21,992
	1,073,892	163,563	14,077	1,251,532
30 September 2024				
Financial assets at fair value through profit or loss	2,000	130,570	-	132,570
Investment in Sukuk	1,044,825	-	-	1,044,825
Financial assets at fair value through other comprehensive income	7,849	-	13,495	21,344
	1,054,674	130,570	13,495	1,198,739

Fair values of all financial instruments are not materially different from their carrying values.

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

	At 1 January	Change in fair value	Amortization	Additions	Sale/ redemption	Exchange rate movements	At 30 September
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
30 September 2025:							
Assets measured at fair value							
Financial assets at fair value through other comprehensive income	14,077	-	-	453	(862)	(24)	13,644
	14,077	-	-	453	(862)	(24)	13,644
30 September 2024:							
Assets measured at fair value							
Financial assets at fair value through other comprehensive income	13,534	-	-	-	(25)	(14)	13,495
	13,534	-	-	-	(25)	(14)	13,495

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of profit and loss and other comprehensive income would be immaterial if the relevant risk variables used to fair value the securities classified under level 2 and level 3 were altered by 5 percent.

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17. DERIVATIVES

In the ordinary course of business, the Bank enters into various types of transactions that involve Sharia'a approved derivative financial instruments such as currency swaps, profit rate swaps and forward foreign exchange contracts to mitigate foreign currency and profit rate risk. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price of one or more underlying financial instruments, reference rate or index.

Currency swaps

Currency swaps is a contractual agreement between two parties to buy a Sharia'a compliant asset at an agreed price on the relevant future date in different currencies. The fixed or floating payments as well as notional amounts are exchanged in different currencies.

Profit rate swaps

Profit rate swaps are contractual agreements between two counter-parties to exchange fixed and floating payments based on a notional value in a single currency.

Forward foreign exchange contracts

Forward foreign exchange contracts are agreements to buy or sell currencies at a specified rate and at a future date.

The notional amount, disclosed gross, is the amount of a derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year-end and are neither indicative of the market risk nor credit risk.

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

	30 September 2025			31 December 2024 (Audited)			30 September 2024		
	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional
	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s
Profit rate swaps (held as fair value hedges)	8,875	(9,035)	952,668	17,590	(7,350)	796,284	10,200	(13,915)	802,011
Cross currency swaps	-	(1,684)	441,951	9,006	(1,205)	458,103	3,422	(1,416)	542,720
Forward foreign exchange contracts	97	-	83,250	20	(225)	46,515	10	(2)	17,149
	8,972	(10,719)	1,477,869	26,616	(8,780)	1,300,902	13,632	(15,333)	1,361,880

All of the above Islamic derivative financial instruments are included in Level 2 of fair value hierarchy as at 30 September 2025, 31 December 2024 and 30 September 2024.

18. PERPETUAL TIER 1 SUKUK

During the previous years on 1 April 2021, the Bank has issued "Tier 1 Sukuk – 2021", through a Sharia's compliant Sukuk arrangement amounting to USD 500 million which was fully allocated. Tier 1 Sukuk -2021 is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. The Tier 1 Sukuk – 2021 is callable by the Bank on 1 October 2026 and bears an expected profit rate of **3.95%** per annum to be paid semi-annually in arrears. The expected profit rate will be reset on 1 April 2027 based on then prevailing 6 years US Treasury Rate plus initial margin of **2.896%** per annum. The net proceeds are invested by way of Mudaraba with the Bank (as Mudareb) on an unrestricted co-mingling basis, by the Bank in its general business activities carried out through the general Mudaraba pool. Mudaraba profit will not be accumulated and the event is not considered an event of default.

19. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly meeting of the shareholders held on 16 March 2025 approved the consolidated financial statements for the year ended 31 December 2024, **5%** bonus shares (2023: 6%) and a cash dividend of **10 fils** per share (2023: 8 fils per share) for the year ended 31 December 2024.

The cash dividend paid amounted to **KD 42,002 thousand** (2023: KD 31,700 thousand) and the bonus shares increased the number of issued and fully paid up shares by **210,039,181** shares (2023: 237,780,205 shares) and increase in share capital by **KD 21,004 thousand** (2023: KD 23,778 thousand). The approved bonus shares and cash dividends were distributed on 15 April 2025.