

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

31 MARCH 2025 (UNAUDITED)

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

For the period from 1 January 2025 to 31 March 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 31 March 2025, and the related interim condensed consolidated statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flow for the three 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 three months period ended 31 March 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 three months period ended 31 March 2025 that might have had a material effect on the business of the Bank or on its financial position.

ABDULKARIM ALSAMDAN
LICENCE NO. 208 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

BADER A. AL-WAZZAN
LICENCE NO. 62A
DELOITTE & TOUCHE
AL-WAZZAN & CO.

21 April 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 31 March 2025

		Three months ended 31 March	
		2025	2024
	Notes	KD'000's	KD'000's
Income			
Murabaha and other Islamic financing income		116,626	108,993
Finance cost and distribution to depositors		(67,126)	(62,120)
Net financing income		49,500	46,873
Net investment income	3	3,931	3,719
Net fees and commission income		9,891	9,244
Net foreign exchange gain		2,091	1,789
Operating income		65,413	61,625
Staff costs		(16,260)	(16,690)
General and administrative expenses		(9,716)	(9,255)
Depreciation		(4,593)	(3,940)
Operating expenses		(30,569)	(29,885)
Operating profit before provision for impairment		34,844	31,740
Provision for impairment	4	(3,433)	(5,950)
Operating profit before deductions		31,411	25,790
Taxation	5	(4,354)	(1,169)
Net profit for the period		27,057	24,621
Attributable to:			
Equity holders of the Bank		26,481	24,992
Non-controlling interests		576	(371)
Net profit for the period		27,057	24,621
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	6	5.31	4.98

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 31 March 2025

	Three months ended 31 March	
	2025	2024
	KD'000's	KD'000's
Net profit for the period	27,057	24,621
Other comprehensive (loss) / income:		
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	(1,514)	2,945
Foreign currency translation adjustments	616	(167)
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	(468)	19
Other comprehensive (loss) / income for the period	(1,366)	2,797
Total comprehensive income for the period	25,691	27,418
Attributable to:		
Equity holders of the Bank	24,493	27,892
Non-controlling interests	1,198	(474)
Total comprehensive income for the period	25,691	27,418

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 31 March 2025

	Notes	31 March 2025 KD'000's	(Audited) 31 December 2024 KD'000's	31 March 2024 KD'000's
Assets				
Cash and balances with banks	7	640,716	495,501	561,885
Deposits with Central Bank of Kuwait		60,236	125,056	167,354
Deposits with other banks		65,087	244,705	68,007
Islamic financing to customers	8	7,272,064	6,923,895	6,464,289
Investment in Sukuk	9	1,094,731	1,063,896	934,143
Other investment securities	9	208,078	187,996	155,515
Investment properties		69,151	68,370	71,942
Other assets		136,470	99,026	98,023
Property and equipment		174,151	168,123	151,967
Total assets		9,720,684	9,376,568	8,673,125
Liabilities and equity				
Liabilities				
Due to banks		217,183	286,437	156,296
Depositors' accounts		7,881,330	7,424,166	6,845,765
Medium term financing	10	367,205	445,512	499,257
Other liabilities		188,292	134,393	150,269
Total liabilities		8,654,010	8,290,508	7,651,587
Equity				
Share capital		420,078	420,078	396,300
Share premium		316,942	316,942	316,942
Proposed bonus shares	19	21,004	21,004	23,778
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	(2,226)	(238)	3,199
Retained earnings		55,867	32,428	37,083
Proposed cash dividends	19	-	42,002	-
Equity attributable to equity holders of the Bank		892,345	912,896	847,808
Perpetual Tier 1 Sukuk	18	150,385	150,385	150,385
Non-controlling interests		23,944	22,779	23,345
Total equity		1,066,674	1,086,060	1,021,538
Total liabilities and equity		9,720,684	9,376,568	8,673,125



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 31 March 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
Net profit for the period	-	-	-	-	-	-	-	26,481	-	26,481	-	576	27,057
Other comprehensive (loss) / income	-	-	-	-	-	-	(1,988)	-	-	(1,988)	-	622	(1,366)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(1,988)	26,481	-	24,493	-	1,198	25,691
Dividends payable (note 19)	-	-	-	-	-	-	-	-	(42,002)	(42,002)	-	-	(42,002)
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33)	(33)
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(3,042)	-	(3,042)	-	-	(3,042)
Balance at 31 March 2025	420,078	316,942	21,004	(54)	65,407	15,327	(2,226)	55,867	-	892,345	150,385	23,944	1,066,674
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
Net profit/(loss) for the period	-	-	-	-	-	-	-	24,992	-	24,992	-	(371)	24,621
Other comprehensive income / (loss)	-	-	-	-	-	-	2,900	-	-	2,900	-	(103)	2,797
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	2,900	24,992	-	27,892	-	(474)	27,418
Dividends payable	-	-	-	-	-	-	-	-	(31,700)	(31,700)	-	-	(31,700)
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	21	21
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(3,036)	-	(3,036)	-	-	(3,036)
Balance at 31 March 2024	396,300	316,942	23,778	(54)	55,233	15,327	3,199	37,083	-	847,808	150,385	23,345	1,021,538

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 31 March 2025

	Notes	Three months ended 31 March	
		2025	2024
		KD'000's	KD'000's
OPERATING ACTIVITIES			
Net profit for the period		27,057	24,621
Adjustments for:			
Provision for impairment	4	3,433	5,950
Depreciation		4,593	3,940
Dividend income	3	(2,185)	(1,719)
Net gain from financial assets at fair value through profit or loss	3	(548)	(670)
Net (gain) / loss from sale of debt investments at FVOCI	3	-	(25)
Profit on Medium Term Financing		4,190	6,190
Share of results of associates	3	(11)	(213)
Operating profit before changes in operating assets and liabilities		36,529	38,074
Changes in operating assets and liabilities:			
Deposits with Central Bank of Kuwait		9,921	8,866
Deposits with other banks		55,020	17,580
Islamic financing to customers		(349,850)	(143,008)
Other assets		(48,358)	5,265
Due to banks		(69,254)	(30,607)
Depositors' accounts		452,521	360,765
Other liabilities		9,937	6,710
Net cash generated from operating activities		96,466	263,645
INVESTING ACTIVITIES			
Purchase of investment securities		(70,374)	(204,086)
Proceeds from sale/redemption of investment securities		27,662	154,332
Proceed from redemption of investment in associates		-	250
Proceeds from sale of investment properties		-	1,424
Purchase of property and equipment		(10,621)	(6,691)
Dividend income received	3	2,185	1,719
Net cash used in investing activities		(51,148)	(53,052)
FINANCING ACTIVITIES			
Profit distribution on perpetual Tier 1 Sukuk		(3,042)	(3,036)
Redemption and profit paid on medium term financing		(234,180)	(95,061)
Proceeds from medium term financing		154,203	-
Net movement of non-controlling interest		(33)	21
Net cash used in financing activities		(83,052)	(98,076)
Net change in cash and cash equivalents		(37,734)	112,517
Foreign currency translation adjustments		2,837	(3,650)
Cash and cash equivalents at beginning of the period		685,717	563,708
Cash and cash equivalents at end of the period	7	650,820	672,575

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 31 March 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 Articles of Incorporation 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 three months period ended 31 March 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 April 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

- (a) The interim condensed consolidated financial information of the Group for period ended 31 March 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 three months period ended 31 March 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 31 March 2025

3. NET INVESTMENT INCOME

	Three months ended 31 March	
	2025	2024
	KD'000's	KD'000's
Dividend income	2,185	1,719
Net rental income from investment properties	979	1,092
Net gain from financial assets at fair value through profit or loss	548	670
Net gain from sale of debt investments at FVOCI	-	25
Gain from investment properties	208	-
Share of results of associates	11	213
	3,931	3,719

4. PROVISION FOR IMPAIRMENT

	Three months ended 31 March	
	2025	2024
	KD'000's	KD'000's
Provision charge for Islamic financing to customers	3,243	5,709
ECL – Other financial assets	(3)	(92)
Impairment loss on investments and other assets	193	333
	3,433	5,950

5. TAXATION

	Three months ended 31 March	
	2025	2024
	KD'000's	KD'000's
Domestic Minimum Tax	3,787	-
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	275	236
National Labour Support Tax ("NLST")	-	657
Zakat (Based on Zakat law no: 46/2006)	-	266
Overseas tax	292	10
	4,354	1,169

Pillar 2 Income Taxes

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

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 shall be computed in accordance with the Executive regulations which will be issued within six months from the date of issue of the Law. 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 31 March 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 31 March	
	2025	2024
Net profit for the period attributable to the equity holders of the Bank (KD'000)	26,481	24,992
Less: profit payment on Perpetual Tier 1 Sukuk	(3,042)	(3,036)
	23,439	21,956
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	4,410,198	4,410,256
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	5.31	4.98

Earnings per share for the prior period were 5.23 fils before retroactive adjustment to the number of shares following the bonus shares issued in 2024 (note 19).

7. CASH AND CASH EQUIVALENTS

	(Audited)		
	31 March 2025	31 December 2024	31 March 2024
	KD'000's	KD'000's	KD'000's
Cash and balances with banks	640,716	495,501	561,885
Placements with banks maturing within seven days	10,104	190,216	110,690
	650,820	685,717	672,575

8. ISLAMIC FINANCING TO CUSTOMERS

	(Audited)		
	31 March 2025	31 December 2024	31 March 2024
	KD'000's	KD'000's	KD'000's
Islamic financing to customers	7,504,737	7,151,563	6,674,805
Provision for impairment	(232,673)	(227,668)	(210,516)
	7,272,064	6,923,895	6,464,289

The available provision for impairment on non-cash facilities of **KD 3,997 thousands** (31 December 2024: KD 4,052 thousands, 31 March 2024: KD 3,508 thousands) is included under other liabilities.

The total provision for impairment of cash and non-cash Islamic finance to customers in accordance with CBK guidelines is higher than the Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines

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.

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 31 March 2025

8. ISLAMIC FINANCING TO CUSTOMERS (continued)

	Stage 1 KD'000's	Stage 2 KD'000's	Stage 3 KD'000's	Total KD'000's
31 March 2025				
Islamic financing to customers	7,157,744	270,569	76,424	7,504,737
Contingent liabilities (Note 14)	494,230	73,652	1,148	569,030
Commitments (revocable and irrevocable) to extend credit	1,629,539	80,208	454	1,710,201
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
31 March 2024				
Islamic financing to customers	6,389,663	218,263	66,879	6,674,805
Contingent liabilities (Note 14)	326,802	61,210	2,734	390,746
Commitments (revocable and irrevocable) to extend credit	1,461,969	63,859	1,820	1,527,648

An analysis of the Expected Credit Losses 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
31 March 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	(718)	529	189	-
Transfer from Stage 2	2,927	(4,823)	1,896	-
Transfer from Stage 3	1,807	311	(2,118)	-
(Reversal) / charge of ECL for the period	(2,262)	5,266	2,263	5,267
Amounts written off and recoveries	-	-	956	956
Foreign currency translation	11	15	72	98
At 31 March 2025	21,660	38,009	45,142	104,811
31 March 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	(1,125)	324	801	-
Transfer from Stage 2	1,206	(2,167)	961	-
Transfer from Stage 3	2,647	415	(3,062)	-
(Reversal) / charge of ECL for the period	(5,791)	12,364	2,560	9,133
Amounts written off and recoveries	-	-	406	406
Foreign currency translation	6	(11)	(4)	(9)
At 31 March 2024	19,077	27,860	33,684	80,621

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 31 March 2025

9. INVESTMENT SECURITIES

	(Audited)		
	31 March	31 December	31 March
	2025	2024	2024
	KD'000's	KD'000's	KD'000's
Investment in Sukuk	1,094,731	1,063,896	934,143
Other investment securities			
Financial assets at fair value through profit or loss	186,149	165,644	132,437
Financial assets at fair value through other comprehensive income	21,553	21,992	21,863
Investment in associates	376	360	1,215
	208,078	187,996	155,515
	1,302,809	1,251,892	1,089,658

	(Audited)		
	31 March	31 December	31 March
	2025	2024	2024
	KD'000's	KD'000's	KD'000's
Investment in Sukuk			
Investment in Sukuk- FVOCI	1,092,009	1,044,249	915,767
Investment in Sukuk- FVTPL	2,722	19,647	18,376
	1,094,731	1,063,896	934,143
Financial assets at fair value through profit or loss			
Investment in unquoted equity funds	184,063	163,563	132,437
Managed securities portfolio	2,086	2,081	-
	186,149	165,644	132,437
Financial assets at fair value through other comprehensive income			
Investment in unquoted equity securities	14,084	14,077	13,538
Investment in quoted securities	7,469	7,915	8,325
	21,553	21,992	21,863

10. MEDIUM TERM FINANCING

	(Audited)		
	31 March	31 December	31 March
	2025	2024	2024
	KD'000's	KD'000's	KD'000's
Global Medium Term Sukuk ("GMTN programme")*	150,589	383,509	375,943
Other medium term financing**	216,616	62,003	123,314
	367,205	445,512	499,257

* 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.

** Other medium term financing has a tenor of three years and carry a profit rate in the range of **5.14%** to **5.56%** (31 December 2024: 5.24% to 5.56% , 31 March 2024: 6.16% to 6.33%).

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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 on an arm's length basis and are included within the following financial information captions:

	Number of board members or executive officers (Audited)			Number of related parties (Audited)			(Audited)		
	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 December 2024	31 March 2024
							KD'000's	KD'000's	KD'000's
Islamic financing to customers	15	10	11	8	8	8	83,359	83,020	69,257
Depositors' accounts	31	26	25	46	41	42	21,609	18,094	14,028
Letters of guarantee and letters of credit	1	-	-	4	3	3	1,912	1,910	3,564
Murabaha and other Islamic financing income							1,022	3,702	932
Finance cost and distribution to depositors							(77)	(290)	(110)
Collateral against Islamic finance to customers							99,233	121,570	92,800
Parent Company									
Due from banks							642	61,244	14,679
Due to banks							82,318	88,322	55,412
Islamic financing to customers							1,807	-	-
Depositors accounts							2,011	1,832	1,646
Letters of guarantee and letters of credit							5,985	-	-
Murabaha and other Islamic financing income							323	1,087	120
Finance cost and distribution to depositors							(290)	(1,901)	(476)
Collateral against Islamic finance to customers							1,120	-	-

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 31 March	
	2025	2024
	KD'000's	KD'000's
Short-term benefits	966	831
Post-employment benefits	127	66
Deferred compensation	263	277
	1,356	1,174

12. TREASURY SHARES

The Bank held the following treasury shares:

	31 March 2025	(Audited) 31 December 2024	31 March 2024
Number of treasury shares	594,987	594,987	534,607
Treasury shares as a percentage of total issued shares - %	0.01416%	0.01416%	0.01349%
Cost of treasury shares – KD thousand	54	54	54
Market value of treasury shares – KD thousand	402	334	330
Weighted average of market value per share – KD	0.644	0.585	0.625

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 loss for the period	(1,982)	(6)	-	(1,988)
Total comprehensive loss for the period	(1,982)	(6)	-	(1,988)
Balance at 31 March 2025	11,164	(12,719)	(671)	(2,226)
Balance at 1 January 2024	13,162	(12,825)	(38)	299
Other comprehensive income / (loss) for the period	2,964	(64)	-	2,900
Total comprehensive income / (loss) for the period	2,964	(64)	-	2,900
Balance at 31 March 2024	16,126	(12,889)	(38)	3,199

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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:

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD'000's	KD'000's	KD'000's
Letters of guarantee	435,781	409,551	309,386
Letters of credit and Acceptances	133,249	105,781	81,360
Capital commitments and irrevocable undrawn financing commitments	239,867	165,219	249,452
	808,897	680,551	640,198

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
Three months ended 31 March 2025						
Net financing income	27,581	13,849	192	6,430	1,448	49,500
Operating income/(loss)	35,652	13,811	7,655	8,542	(247)	65,413
Net profit/(loss) for the period	20,706	13,214	(148)	8,276	(14,991)	27,057
Total assets	2,810,441	4,162,575	773,471	1,764,181	210,016	9,720,684
Total liabilities	5,402,891	547,014	621,872	1,642,067	440,166	8,654,010
Three months ended 31 March 2024						
Net financing income	25,385	11,923	651	6,240	2,674	46,873
Operating income	30,700	14,136	7,017	8,034	1,738	61,625
Net profit/(loss) for the period	18,149	10,972	(2,709)	7,859	(9,650)	24,621
Total assets	2,575,381	3,573,128	774,698	1,608,015	141,903	8,673,125
Total liabilities	4,443,573	538,853	609,356	1,537,428	522,377	7,651,587

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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
31 March 2025				
Financial assets at fair value through profit or loss	2,086	184,063	-	186,149
Investment in Sukuk	1,094,731	-	-	1,094,731
Financial assets at fair value through other comprehensive income	7,469	-	14,084	21,553
	1,104,286	184,063	14,084	1,302,433
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
31 March 2024				
Financial assets at fair value through profit or loss	-	132,437	-	132,437
Investment in Sukuk	934,143	-	-	934,143
Financial assets at fair value through other comprehensive income	8,325	-	13,538	21,863
	942,468	132,437	13,538	1,088,443

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/ transfers	Sale/ redemption	Exchange rate movements	At 31 March
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
31 March 2025:							
Assets measured at fair value							
Financial assets at fair value through other comprehensive income	14,077	-	-	-	-	7	14,084
	14,077	-	-	-	-	7	14,084
31 March 2024:							
Assets measured at fair value							
Financial assets at fair value through other comprehensive income	13,534	-	-	-	-	4	13,538
	13,534	-	-	-	-	4	13,538

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of profit or loss and statement of 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 period 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:

	31 March 2025			31 December 2024 (Audited)			31 March 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)	11,527	(8,429)	795,518	17,590	(7,350)	796,284	27,469	(13,961)	844,243
Cross currency swaps	6,451	(1,182)	707,418	9,006	(1,205)	458,103	10	(391)	202,301
Forward foreign exchange contracts	4	-	2,851	20	(225)	46,515	53	(101)	52,628
	17,982	(9,611)	1,505,787	26,616	(8,780)	1,300,902	27,532	(14,453)	1,099,172

All of the above Islamic derivative financial instruments are included in Level 2 of fair value hierarchy as at 31 March 2025, 31 December 2024 and 31 March 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 payable amounting to **KD 42,002 thousand** is included in other liabilities as at 31 March 2025.

The bonus shares will increase 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 will be distributed on 15 April 2025.