



The Commercial Bank of Kuwait Group

Interim Condensed Consolidated Financial Information

**31 March 2025
(Unaudited)**

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Bank of Kuwait K.P.S.C. ("the Bank") and its subsidiary (together called "the Group") as of 31 March 2025, and the related interim condensed consolidated statements of income, comprehensive income changes in equity, and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation 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 the 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 presentation 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 and its executive regulations, as amended, or of the Memorandum of Incorporation and Articles of Association of the Bank as amended, during the three-month 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 and to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the Organization of Banking Business, and its related regulations during the three-month period ended 31 March 2025, that might have had a material effect on the business of the Bank or on its financial position.



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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 March 2025 (Unaudited)

			<i>(Audited)</i>	
		31 March	31 December	31 March
		2025	2024	2024
	Note	KD 000's	KD 000's	KD 000's
ASSETS				
Cash and short term funds	4	908,267	1,024,854	814,381
Treasury and Central Bank bonds		85,680	86,461	177,451
Due from banks and other financial institutions	5	476,746	227,640	437,881
Loans and advances	6	2,785,613	2,806,909	2,614,820
Investment securities	7	496,086	423,166	267,868
Premises and equipment		29,029	28,698	29,757
Intangible assets		3,506	3,506	3,506
Other assets		91,406	64,667	59,031
TOTAL ASSETS		4,876,333	4,665,901	4,404,695
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		249,334	244,406	205,766
Due to other financial institutions		143,237	176,339	205,889
Customer deposits		2,643,907	2,489,763	2,291,924
Other borrowed funds	8	820,502	759,960	785,518
Other liabilities		245,530	249,707	228,277
TOTAL LIABILITIES		4,102,510	3,920,175	3,717,374
EQUITY				
Equity attributable to shareholders of the Bank				
Share capital		199,206	199,206	199,206
Proposed bonus shares		19,921	19,921	-
Treasury shares		(98,890)	(98,890)	(99,369)
Reserves		279,359	279,294	283,950
Retained earnings		302,180	274,161	258,456
Proposed dividend		71,755	71,755	44,823
Non-controlling interests		292	279	255
TOTAL EQUITY		773,823	745,726	687,321
TOTAL LIABILITIES AND EQUITY		4,876,333	4,665,901	4,404,695

Sheikh Ahmad Duaij Jaber Al Sabah
Chairman

Elham Y. Mahfouz
Elham Yousry Mahfouz
Chief Executive Officer

The attached notes 1 to 14 form an integral part of this interim condensed consolidated financial information.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**

Period ended 31 March 2025 (Unaudited)

	Note	Three months ended 31 March	
		2025 KD 000's	2024 KD 000's
Interest income		58,113	57,672
Interest expense		(28,922)	(28,208)
NET INTEREST INCOME		29,191	29,464
Fees and commissions		11,719	11,499
Net gain from dealing in foreign currencies		1,708	2,558
Net gain (loss) from investment securities		1	(3)
Dividend income		-	501
Other operating income		276	100
OPERATING INCOME		42,895	44,119
Staff expenses		(9,590)	(9,370)
General and administrative expenses		(5,826)	(6,131)
Depreciation and amortisation		(86)	(104)
OPERATING EXPENSES		(15,502)	(15,605)
OPERATING PROFIT BEFORE PROVISIONS		27,393	28,514
Net reversal of impairment and other provisions	9	1,976	1,176
PROFIT BEFORE TAXATION AND CONTRIBUTIONS		29,369	29,690
Taxation and contributions		(1,338)	(1,383)
NET PROFIT FOR THE PERIOD		28,031	28,307
Attributable to:			
Shareholders of the Bank		28,019	28,299
Non-controlling interests		12	8
		28,031	28,307
Basic and diluted earnings per share attributable to shareholders of the Bank (fils)	10	14.2	14.3

The attached notes 1 to 14 form an integral part of this interim condensed consolidated financial information.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 31 March 2025 (Unaudited)

	Three months ended 31 March	
	2025 KD 000's	2024 KD 000's
Net profit for the period	28,031	28,307
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not be reclassified subsequently to interim condensed consolidated statement of income		
Equity securities classified as fair value through other comprehensive income:		
Net changes in fair value	680	(2,204)
Items that are or may be reclassified subsequently to interim condensed consolidated statement of income		
Debt securities classified as fair value through other comprehensive income:		
Net changes in fair value	(614)	640
	66	(1,564)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	28,097	26,743
Attributable to:		
Shareholders of the Bank	28,084	26,734
Non-controlling interests	13	9
	28,097	26,743

The attached notes 1 to 14 form an integral part of this interim condensed consolidated financial information.


INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2025 (Unaudited)

	KD 000's													
	Atributable to shareholders of the Bank													
	Share Capital	Proposed Bonus Shares	Treasury Shares	Share Premium	Statutory Reserve	General Reserve	Reserves		Property Revaluation Reserve	Investment Valuation Reserve	Total Reserves	Retained Earnings	Proposed Dividend	Non-controlling Interests
Treasury Shares Reserve							Treasury Shares Reserve							
Balance at 1 January 2024	199,206	-	(99,369)	66,791	115,977	17,927	-	24,869	59,951	285,515	230,157	44,823	246	660,578
Total comprehensive (loss) income	-	-	-	-	-	-	-	-	(1,565)	(1,565)	28,299	-	9	26,743
Balance at 31 March 2024	199,206	-	(99,369)	66,791	115,977	17,927	-	24,869	58,386	283,950	258,456	44,823	255	687,321
Balance at 1 January 2025	199,206	19,921	(98,890)	66,791	115,977	17,927	49	24,100	54,450	279,294	274,161	71,755	279	745,726
Total comprehensive income for the period	-	-	-	-	-	-	-	-	65	65	28,019	-	13	28,097
Balance at 31 March 2025	199,206	19,921	(98,890)	66,791	115,977	17,927	49	24,100	54,515	279,359	302,180	71,755	292	773,823

Annual General Assembly of the shareholders held on 9 April 2025 approved to distribute final cash dividend of 40 fils per share (2023: 25 fils) and 10 bonus shares for every 100 shares held (2023: nil) for the year 2024.

Investment valuation reserve includes a loss of KD 5,535 thousand (31 December 2024: KD 5,530 thousand and 31 March 2024: KD 5,517 thousand) arising from foreign currency translation of the Bank's investment in a foreign associate.

The attached notes 1 to 14 form an integral part of this interim condensed consolidated financial information.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

Period ended 31 March 2025 (Unaudited)

	Note	Three months ended	
		31 March	
		2025	2024
		KD 000's	KD 000's
OPERATING ACTIVITIES			
Profit before taxation and contributions		29,369	29,690
Adjustments for:			
Net reversal of impairment and other provisions	9	(1,976)	(1,176)
Income from investment securities		(1)	(498)
Foreign exchange (gain) on investment securities		(1,222)	974
Depreciation and amortisation		86	104
Cash flow before changes in operating assets and liabilities		26,256	29,094
Changes in operating assets and liabilities:			
Treasury and Central Bank bonds		781	(564)
Due from banks and other financial institutions		(249,361)	6,825
Loans and advances		17,765	(182,097)
Other assets		(19,222)	2,492
Due to banks		4,928	44,612
Due to other financial institutions		(33,102)	15,119
Customer deposits		154,144	91,588
Other liabilities		(10,445)	2,379
Net cash (used in) from operating activities		(108,256)	9,448
INVESTING ACTIVITIES			
Proceeds from sale/maturity of investment securities		32,650	72,181
Acquisition of investment securities		(101,239)	(9,636)
Dividend income from investment securities		-	501
Acquisition of premises and equipment		(282)	(183)
Net cash (used in) from investing activities		(68,871)	62,863
FINANCING ACTIVITIES			
Other borrowed funds		60,542	45,422
Net cash from financing activities		60,542	45,422
Net (decrease) increase in cash and short term funds		(116,585)	117,733
Cash and short term funds at 1 January		1,024,865	696,699
Cash and short term funds at 31 March	4	908,280	814,432

The attached notes 1 to 14 form an integral part of this interim condensed consolidated financial information.

**1 CORPORATE INFORMATION**

The Commercial Bank of Kuwait K.P.S.C ("the Bank") is a public shareholding company incorporated in the State of Kuwait and is registered as a Bank with the Central Bank of Kuwait ("CBK") and listed on the Boursa Kuwait. The address of the Bank's registered office is P.O. Box 2861, 13029 Safat, State of Kuwait.

The Bank and its subsidiary are together referred to as ("the Group") in this interim condensed consolidated financial information.

The interim condensed consolidated financial information of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 10 April 2025.

The principal activities of the Group are explained in note 13.

2 MATERIAL ACCOUNTING POLICIES

a) The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' except for point (b) below. The accounting policies used in the preparation of these 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.

b) The interim condensed consolidated financial statements have been prepared in accordance with the regulations for financial services institutions as issued by the CBK in the State of Kuwait. These regulations, require banks and other financial institutions regulated by CBK to adopt the IFRS - Accounting Standards with the following amendments:

- i) Expected credit loss ("ECL") on credit facilities to be measured at the higher of ECL computed under IFRS 9 - Financial Instruments ("IFRS") 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 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, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. In the opinion of the Group's management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

New standards, interpretations and amendments adopted by the Group

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

Other new standards or amendments to existing standards which are effective for annual accounting period starting from 1 January 2025 did not have any material impact on financial position or performance of the Group.

3 SUBSIDIARY

Name of entity	Country of incorporation	Principal activities	% of ownership		
			31 March 2025	31 December 2024	31 March 2024
Al-Tijari Financial Brokerage Company K.S.C. (Closed)	Kuwait	Brokerage Services	98.16	98.16	98.16



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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4 CASH AND SHORT TERM FUNDS

	31 March 2025 KD 000's	(Audited) 31 December 2024 KD 000's	31 March 2024 KD 000's
Cash and cash items	76,729	63,739	227,986
Balances with the CBK	356,587	302,746	340,154
Deposits with banks maturing within seven days	474,964	658,380	246,292
	908,280	1,024,865	814,432
Less : Provision for impairment (ECL)	(13)	(11)	(51)
	908,267	1,024,854	814,381

Deposits with banks are classified as stage 1 at each reporting period. During the period, there were no movement between stages.

5 DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 March 2025 KD 000's	(Audited) 31 December 2024 KD 000's	31 March 2024 KD 000's
Placements with banks	367,826	121,067	246,439
Less: Provision for impairment (ECL)	(269)	(16)	(56)
	367,557	121,051	246,383
Loans and advances to banks	110,645	108,133	145,277
Amounts due from other financial institutions	-	-	48,000
Less: Provision for impairment	(1,456)	(1,544)	(1,779)
	109,189	106,589	191,498
	476,746	227,640	437,881

Due from banks and other financial institution are classified as stage 1 at each reporting period. During the period, there were no movement between stages.

6 LOANS AND ADVANCES

	31 March 2025 KD 000's	(Audited) 31 December 2024 KD 000's	31 March 2024 KD 000's
Loans and advances	3,002,605	3,016,049	2,805,244
Less: Provision for impairment	(216,992)	(209,140)	(190,424)
	2,785,613	2,806,909	2,614,820

Provision for expected credit losses (ECL) on credit facilities are the higher of ECL under IFRS 9, determined in accordance with the CBK guidelines and the provision required by the CBK rules on classification of credit facilities.

The available provision on non-cash facilities of KD 44,020 thousand (31 December 2024: KD 46,406 thousand and 31 March 2024: KD 50,947 thousand) is included under other liabilities. The total provision for cash and non cash credit facilities in accordance with CBK rules amounted to KD 261,012 thousand as at 31 March 2025 (31 December 2024: KD 255,546 and 31 March 2024: KD 241,371 thousand)


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

The ECL on credit facilities (cash and non cash) determined under IFRS 9 in accordance with the CBK guidelines amounted to KD 128,678 thousand as at 31 March 2025 (31 December 2024: KD 90,844 thousand and 31 March 2024: KD 96,917 thousand).

The provision required under CBK rules on classification of credit facilities is higher than ECL under CBK guidelines for IFRS 9.

An analysis of the gross amounts of credit facilities, and the corresponding ECL based on the staging criteria under IFRS 9 in accordance with CBK guidelines are as follows:

	31 March 2025			
	KD 000's			
	Stage 1	Stage 2	Stage 3	Total
Superior	656,418	7,382	-	663,800
Good	1,142,133	52,475	-	1,194,608
Standard	772,673	245,318	-	1,017,991
Past due but not impaired	104,989	11,397	83	116,469
Impaired	-	-	9,737	9,737
Cash credit facilities	<u>2,676,213</u>	<u>316,572</u>	<u>9,820</u>	<u>3,002,605</u>
Non cash credit facilities	<u>2,817,358</u>	<u>140,749</u>	<u>36,329</u>	<u>2,994,436</u>
ECL provision for credit facilities	<u>41,145</u>	<u>42,983</u>	<u>44,550</u>	<u>128,678</u>
	31 December 2024 (Audited)			
	KD 000's			
	Stage 1	Stage 2	Stage 3	Total
Superior	684,837	11,700	-	696,537
Good	1,124,838	103,636	-	1,228,474
Standard	713,262	255,946	-	969,208
Past due but not impaired	112,027	9,803	-	121,830
Impaired	-	-	-	-
Cash credit facilities	<u>2,634,964</u>	<u>381,085</u>	<u>-</u>	<u>3,016,049</u>
Non cash credit facilities	<u>2,642,261</u>	<u>163,268</u>	<u>37,855</u>	<u>2,843,384</u>
ECL provision for credit facilities	<u>29,318</u>	<u>23,974</u>	<u>37,552</u>	<u>90,844</u>
	31 March 2024			
	KD 000's			
	Stage 1	Stage 2	Stage 3	Total
Superior	403,996	5,600	-	409,596
Good	1,173,246	113,460	-	1,286,706
Standard	750,575	270,534	-	1,021,109
Past due but not impaired	78,636	9,197	-	87,833
Impaired	-	-	-	-
Cash credit facilities	<u>2,406,453</u>	<u>398,791</u>	<u>-</u>	<u>2,805,244</u>
Non cash credit facilities	<u>2,201,842</u>	<u>164,264</u>	<u>42,948</u>	<u>2,409,054</u>
ECL provision for credit facilities	<u>28,437</u>	<u>25,998</u>	<u>42,482</u>	<u>96,917</u>


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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8 OTHER BORROWED FUNDS

Other borrowed funds include securities sold under agreements to repurchase amounting to KD 221,174 thousand (31 December 2024: KD 223,714 thousand and 31 March 2024: KD 153,733 thousand). The Group enters into collateralised borrowing transactions (repurchase agreements) in the ordinary course of its financing activities. Collateral is provided in the form of securities held within the investment securities portfolio. At 31 March 2025, the fair value of investment securities that had been pledged as collateral under repurchase agreements was KD 255,990 thousand (31 December 2024: KD 252,815 thousand and 31 March 2024: KD 164,891 thousand). The collateralised borrowing transactions are conducted under standardised terms that are usual and customary for such transactions.

Other borrowed funds include Subordinated Tier 2 bonds for the period ended 31 March 2025 amounting to KD 100,000 thousand (31 December 2024: 100,000 thousand and 31 March 2024: KD 50,000 thousand). The bonds issued first tranche in September 2023 amounting to KD 50,000 thousand and second tranche in July 2024 amounting to KD 50,000 thousand with carrying an interest rate of 3% per annum over the CBK discount rate, subject to a floor of 5%. The bonds are unsecured, callable in whole and not in part at the option of the bank after 5 years from the date of issuance, subject to certain conditions and approval of CBK.

9 NET REVERSAL OF IMPAIRMENT AND OTHER PROVISIONS

Net reversal of impairment and other provisions for the period ended 31 March 2025 amounted to KD 1,976 thousand (31 March 2024: KD 1,176 thousand) which mainly represent specific, general and other provisions against loans and advances and other financial assets after recoveries amounting to KD 4,365 thousand (31 March 2024: KD 7,619 thousand).

Impairment and other provisions includes charge of ECL on financial assets other than loans and advances for the period ended 31 March 2025 amounting to KD 6 thousand (31 March 2024: release of KD 1 thousand).

10 EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit for the period attributable to shareholders of the Bank by the weighted average number of shares outstanding during the period.

	Three months ended 31 March	
	2025	2024
Net profit for the period attributable to shareholders of the Bank (KD 000's)	<u>28,019</u>	<u>28,299</u>
Weighted average of authorised and subscribed shares (numbers in 000's)	2,191,262	2,191,262
Less: Weighted average of treasury shares held (numbers in 000's)	(217,989)	(219,047)
	<u>1,973,273</u>	<u>1,972,215</u>
Basic and diluted earnings per share attributable to shareholders of the Bank (fils)	<u>14.2</u>	<u>14.3</u>

Earning per share calculation for the period ended 31 March 2024 have been adjusted to account of the bonus shares, which will be issued on 29 April 2025.


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

11 RELATED PARTY TRANSACTIONS

During the period, certain related parties (directors and officers of the Group, their families and companies of which they are principal owners) were customers of the Group in the ordinary course of business. The terms of these transactions are approved by the Group's management. The balances at the date of interim condensed consolidated financial position are as follows:

	31 March 2025			31 March 2024		
	Number of Directors/ Executives	Number of Related Members	Amount in KD 000's	Number of Directors/ Executives	Number of Related Members	Amount in KD 000's
Board of Directors						
Loans	2	-	78	3	2	270
Credit cards	3	1	15	5	2	20
Deposits	11	9	1,591	11	11	11,253
Contingent liabilities	4	2	276	5	3	957
Directors' remuneration	11	-	147	11	-	122
Executive Management						
Loans	32	5	1,464	44	4	1,784
Credit cards	30	-	46	46	1	52
Deposits	45	36	2,319	62	47	2,052
Contingent liabilities	37	2	137	45	2	146
Associates						
Deposits	1	-	13,683	1	-	13,640
Major Shareholders						
Deposits	1	-	53	1	-	94

Interest income and interest expense include KD 10 thousand (31 March 2024: KD 11 thousand) and KD 189 thousand (31 March 2024: KD 317 thousand) respectively on transactions with related parties.

The detail of compensation for key management personnel included in the interim condensed consolidated statement of income are as follows:

	Three months ended 31 March	
	2025 KD 000's	2024 KD 000's
Salaries and other short-term benefits	834	699
Post employment benefits	6	8
End of service benefits	69	63

12 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values of all financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, saving accounts without a specific maturity and variable rate financial instruments.

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

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

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

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Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities that are carried at amortised cost, are not materially different from their fair values as most of these financial assets and liabilities are of short term maturities or repriced immediately based on market movement in interest rates.

The method and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

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

	31 March 2025			
	KD 000's			
	Level 1	Level 2	Level 3	Total
Debt securities	432,749	10,630	-	443,379
Equities and other securities	31,927	20,780	-	52,707
	464,676	31,410	-	496,086

	31 December 2024 (Audited)			
	KD 000's			
	Level 1	Level 2	Level 3	Total
Debt securities	360,887	10,544	-	371,431
Equities and other securities	30,980	20,755	-	51,735
	391,867	31,299	-	423,166

	31 March 2024			
	KD 000's			
	Level 1	Level 2	Level 3	Total
Debt securities	200,262	10,840	-	211,102
Equities and other securities	32,709	24,057	-	56,766
	232,971	34,897	-	267,868

During the period ended 31 March 2025, 31 December 2024 and 31 March 2024, there were no transfers between level 1, level 2 and

13 SEGMENTAL ANALYSIS

The Group operates in banking, brokerage services and investment activities which are segmented between:

- Corporate and Retail banking provides a full range of lending, deposit and related banking services to domestic and international corporate and individual customers.
- Treasury and Investment banking comprises of money market, foreign exchange, treasury bonds, asset management and brokerage services.



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Management monitors the operating results of these segments separately for the purpose of making decisions based on key performance indicators.

	KD 000's					
	Corporate and Retail Banking		Treasury and Investment Banking		Total	
	Three months ended 31 March		Three months ended 31 March		Three months ended 31 March	
	2025	2024	2025	2024	2025	2024
Net interest income	23,971	22,949	5,220	6,515	29,191	29,464
Net non interest income	11,485	11,272	2,219	3,383	13,704	14,655
Operating income	35,456	34,221	7,439	9,898	42,895	44,119
Impairment and other provisions	(982)	7,643	2,958	(6,467)	1,976	1,176
Net profit (loss) for the period	27,203	33,733	828	(5,426)	28,031	28,307
Assets	2,926,552	2,737,004	1,949,781	1,667,691	4,876,333	4,404,695
Liabilities	1,936,481	1,801,756	2,166,029	1,915,618	4,102,510	3,717,374

14 OFF BALANCE SHEET ITEMS AND LEGAL CLAIMS

(a) Financial instruments with contractual amounts

In the normal course of business, the Group makes commitments to extend credit to customers. The contracted amounts represent the credit risk assuming that the amounts are fully advanced and that any collateral is of no value. The total contractual amount of the commitment does not necessarily represent the future cash requirement as in many cases these contracts terminate without being funded.

(i) Financial instruments with contractual amounts representing credit risk

	31 March 2025	(Audited) 31 December 2024	31 March 2024
	KD 000's	KD 000's	KD 000's
Acceptances	230,185	268,224	94,490
Letters of credit	200,986	140,027	178,870
Letters of guarantee	1,741,607	1,698,532	1,608,229
Undrawn lines of credit	777,638	690,195	476,518
	2,950,416	2,796,978	2,358,107

(ii) Financial instruments with contractual or notional amounts that are subject to credit risk

31 March 2025	KD 000's		
	Positive Fair Value	Negative Fair Value	Notional Amount
Forward foreign exchange contracts	121	4,440	396,096
Interest rate swaps (held as fair value hedges)	722	2,214	387,244
Interest rate swaps (others)	27,347	25,577	282,034
	28,190	32,231	1,065,374


NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

	KD 000's		
	Positive Fair Value	Negative Fair Value	Notional Amount
31 December 2024 (Audited)			
Forward foreign exchange contracts	2,293	503	224,222
Interest rate swaps (held as fair value hedges)	2,300	787	314,411
Interest rate swaps (others)	28,192	26,564	269,778
	<u>32,785</u>	<u>27,854</u>	<u>808,411</u>
	KD 000's		
	Positive Fair Value	Negative Fair Value	Notional Amount
31 March 2024			
Forward foreign exchange contracts	2,524	228	353,567
Interest rate swaps (held as fair value hedges)	3,155	231	174,138
Interest rate swaps (others)	31,080	29,300	281,461
	<u>36,759</u>	<u>29,759</u>	<u>809,166</u>

The amount subject to credit risk is insignificant and is limited to the current replacement value of instruments, which is only a fraction of the contractual or notional amounts used to express the volumes outstanding.

(b) Legal claims

At the reporting date certain legal claims existed against the Group for which KD 4,854 thousand (31 December 2024: KD 4,709 thousand and 31 March 2024: 3,907 thousand) have been provided.