

**GULF BANK GROUP**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**(UNAUDITED)**

**30 SEPTEMBER 2024**





Building a better  
working world

**ERNST & YOUNG**

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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Bank K.S.C.P. (the “Bank”) and its subsidiary (collectively the “Group”) as at 30 September 2024, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the nine months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of 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 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, as amended, and its executive regulations, as amended, or of the Bank’s Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended 30 September 2024 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 material 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 nine months period ended 30 September 2024 that might have had a material effect on the business of the Bank or on its financial position.

ABDULKARIM AL SAMDAN

LICENCE NO. 208 A

EY

AL AIBAN, AL OSAIMI & PARTNERS

ALI B. AL-WAZZAN

LICENCE NO. 246 A

DELOITTE & TOUCHE

AL-WAZZAN & CO.

29 October 2024  
Kuwait

**GULF BANK GROUP**  
**Interim Condensed Consolidated Statement of Income**  
**(Unaudited)**

PERIOD ENDED 30 SEPTEMBER 2024

	<i>3 months ended</i> <i>30 September</i> <i>2024</i> <i>KD 000's</i>	<i>3 months ended</i> <i>30 September</i> <i>2023</i> <i>KD 000's</i>	<i>9 months ended</i> <i>30 September</i> <i>2024</i> <i>KD 000's</i>	<i>9 months ended</i> <i>30 September</i> <i>2023</i> <i>KD 000's</i>
Interest income	102,974	94,963	303,862	270,381
Interest expense	63,308	56,233	186,551	159,995
<b>Net interest income</b>	<b>39,666</b>	<b>38,730</b>	<b>117,311</b>	<b>110,386</b>
Net fees and commissions	6,189	5,761	18,812	19,460
Net gains from dealing in foreign currencies and derivatives	2,714	3,033	7,757	8,078
Dividend income	210	120	601	556
Other income	388	225	1,564	1,645
<b>Operating income</b>	<b>49,167</b>	<b>47,869</b>	<b>146,045</b>	<b>140,125</b>
Staff expenses	13,080	13,290	39,867	40,542
Occupancy costs	737	773	2,109	2,183
Depreciation	2,101	1,838	5,871	5,406
Other expenses	7,193	6,042	19,560	16,753
<b>Operating expenses</b>	<b>23,111</b>	<b>21,943</b>	<b>67,407</b>	<b>64,884</b>
<b>OPERATING PROFIT BEFORE PROVISIONS / IMPAIRMENT LOSSES</b>	<b>26,056</b>	<b>25,926</b>	<b>78,638</b>	<b>75,241</b>
Charge (release) of provisions:				
- specific	32,636	8,213	70,103	29,327
- general	(17,360)	(119)	(45,622)	(384)
Loan recoveries, net of write-off	(1,787)	(1,004)	12,021	(10,046)
Net provision on other financial assets	(36)	(24)	(67)	(105)
<b>OPERATING PROFIT</b>	<b>12,603</b>	<b>18,860</b>	<b>42,203</b>	<b>56,449</b>
Directors' remuneration	30	30	90	90
Contribution to Kuwait Foundation for the Advancement of Sciences	127	189	423	565
National Labour Support Tax	312	467	1,045	1,398
Zakat	127	189	423	565
<b>PROFIT FOR THE PERIOD</b>	<b>12,007</b>	<b>17,985</b>	<b>40,222</b>	<b>53,831</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (Fils)</b>	<b>3</b>	<b>5</b>	<b>11</b>	<b>15</b>

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.



**GULF BANK GROUP**  
**Interim Condensed Consolidated Statement of Comprehensive Income**  
**(Unaudited)**

PERIOD ENDED 30 SEPTEMBER 2024

	<i>3 months ended</i> <i>30 September</i> <i>2024</i> <i>KD 000's</i>	<i>3 months ended</i> <i>30 September</i> <i>2023</i> <i>KD 000's</i>	<i>9 months ended</i> <i>30 September</i> <i>2024</i> <i>KD 000's</i>	<i>9 months ended</i> <i>30 September</i> <i>2023</i> <i>KD 000's</i>
<b>Profit for the period</b>	<b>12,007</b>	17,985	<b>40,222</b>	53,831
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of income :</i>				
Net changes in fair value of investment securities-equity	137	(1,335)	2,571	(1,811)
<b>Other comprehensive income (loss) for the period</b>	<b>137</b>	(1,335)	<b>2,571</b>	(1,811)
<b>Total comprehensive income for the period</b>	<b>12,144</b>	16,650	<b>42,793</b>	52,020

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.



**GULF BANK GROUP**  
**Interim Condensed Consolidated Statement of Financial Position**

		<i>(Unaudited)</i> 30 September 2024 KD 000's	<i>(Audited)</i> 31 December 2023 KD 000's	<i>(Unaudited)</i> 30 September 2023 KD 000's
<b>ASSETS</b>				
Cash and cash equivalents		1,184,204	1,093,757	1,130,113
Kuwait Government treasury bonds		2,500	16,500	16,500
Central Bank of Kuwait bonds		259,533	337,715	331,875
Deposits with banks and other financial institutions		166,992	180,981	74,261
Loans and advances	4	5,553,547	5,196,622	5,156,703
Investment securities		146,521	191,420	108,758
Other assets	5	120,193	118,154	113,755
Premises and equipment		40,998	39,483	38,842
<b>TOTAL ASSETS</b>		<b>7,474,488</b>	<b>7,174,632</b>	<b>6,970,807</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Due to banks		255,946	256,354	415,615
Deposits from financial institutions		956,154	1,148,583	855,337
Customer deposits		4,780,841	4,219,259	4,265,143
Other borrowed funds	6	498,739	570,062	540,116
Other liabilities		169,049	163,574	154,552
<b>TOTAL LIABILITIES</b>		<b>6,660,729</b>	<b>6,357,832</b>	<b>6,230,763</b>
<b>EQUITY</b>				
Share capital	7	380,250	362,143	336,056
Proposed bonus shares	8	-	18,107	-
Statutory reserve		60,538	60,538	53,052
Share premium		186,937	186,937	153,024
Property revaluation reserve		17,974	17,974	18,154
Fair valuation reserve		1,855	(716)	(262)
Retained earnings		168,582	171,817	180,020
Treasury shares	9	(2,377)	-	-
<b>TOTAL EQUITY</b>		<b>813,759</b>	<b>816,800</b>	<b>740,044</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,474,488</b>	<b>7,174,632</b>	<b>6,970,807</b>



**Bader Nasser Al Kharafi**  
(Chairman)



**Waleed Mandani**  
(Acting Chief Executive Officer)

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.



**GULF BANK GROUP**  
**Interim Condensed Consolidated Statement of Cash Flows**  
**(Unaudited)**

PERIOD ENDED 30 SEPTEMBER 2024

	<i>Notes</i>	<i>9 months ended 30 September 2024 KD 000's</i>	<i>9 months ended 30 September 2023 KD 000's</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period		40,222	53,831
Adjustments:			
Dividend income		(601)	(556)
Depreciation		5,871	5,406
Loan loss provisions		24,481	28,943
Net provision on other financial assets		(67)	(105)
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		<b>69,906</b>	<b>87,519</b>
<i>Decrease/(increase) in operating assets:</i>			
Kuwait Government treasury bonds		14,000	5,500
Central Bank of Kuwait bonds		78,182	5,828
Deposits with banks and other financial institutions		13,989	56,997
Loans and advances		(364,365)	(58,083)
Other assets		(5,359)	19,237
<i>(Decrease)/increase in operating liabilities:</i>			
Due to banks		(408)	(74,036)
Deposits from financial institutions		(192,429)	80,726
Customer deposits		561,582	18,306
Other liabilities		(11,566)	29,237
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>163,532</b>	<b>171,231</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of investment securities		(165,636)	(84,813)
Proceeds from sale/maturity of investment securities		216,493	104,648
Purchase of premises and equipment		(7,386)	(5,588)
Dividend income received		601	556
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>44,072</b>	<b>14,803</b>
<b>FINANCING ACTIVITIES</b>			
Net movement in other borrowed funds	6	(71,323)	46,190
Dividend paid	8	(43,457)	(32,005)
Purchase of treasury shares	9	(2,377)	-
Proceeds from sale of treasury shares		-	6
<b>NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>		<b>(117,157)</b>	<b>14,191</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>90,447</b>	<b>200,225</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>1,093,757</b>	<b>929,888</b>
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>		<b>1,184,204</b>	<b>1,130,113</b>
<b>Additional cash flows information</b>			
Interest received		301,288	266,493
Interest paid		184,221	139,269

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.



**GULF BANK GROUP**  
**Interim Condensed Consolidated Statement of Changes in Equity**  
(Unaudited)

PERIOD ENDED 30 SEPTEMBER 2024

	<b>RESERVES</b>										Total KD 000's
	Share capital KD 000's	Proposed bonus shares KD 000's	Statutory reserve KD 000's	Share premium KD 000's	Property revaluation reserve KD 000's	Fair valuation reserve KD 000's	Retained earnings KD 000's	Sub-total reserves KD 000's	Treasury shares KD 000's		
At 1 January 2023	320,053	16,003	53,052	153,024	18,154	1,549	158,188	383,967	-	-	720,023
Profit for the period	-	-	-	-	-	-	53,831	53,831	-	-	53,831
Other comprehensive loss for the period	-	-	-	-	-	(1,811)	-	(1,811)	-	-	(1,811)
Total comprehensive (loss) income for the period	-	-	-	-	-	(1,811)	53,831	52,020	-	-	52,020
Dividend paid (Note 8)	-	-	-	-	-	-	(32,005)	(32,005)	-	-	(32,005)
Issue of bonus shares (Note 8)	16,003	(16,003)	-	-	-	-	-	-	-	-	-
Profit on sale of treasury shares	-	-	-	-	-	-	6	6	-	-	6
At 30 September 2023	336,056	-	53,052	153,024	18,154	(262)	180,020	403,988	-	-	740,044
<b>At 1 January 2024</b>	<b>362,143</b>	<b>18,107</b>	<b>60,538</b>	<b>186,937</b>	<b>17,974</b>	<b>(716)</b>	<b>171,817</b>	<b>436,550</b>	<b>-</b>	<b>-</b>	<b>816,800</b>
Profit for the period	-	-	-	-	-	-	40,222	40,222	-	-	40,222
Other comprehensive income for the period	-	-	-	-	-	2,571	-	2,571	-	-	2,571
Total comprehensive income for the period	-	-	-	-	-	2,571	40,222	42,793	-	-	42,793
Dividend paid (Note 8)	-	-	-	-	-	-	(43,457)	(43,457)	-	-	(43,457)
Issue of bonus shares (Note 8)	18,107	(18,107)	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	(2,377)	(2,377)	(2,377)
<b>At 30 September 2024</b>	<b>380,250</b>	<b>-</b>	<b>60,538</b>	<b>186,937</b>	<b>17,974</b>	<b>1,855</b>	<b>168,582</b>	<b>435,886</b>	<b>(2,377)</b>	<b>(2,377)</b>	<b>813,759</b>

The attached notes 1 to 14 form part of the interim condensed consolidated financial information.



**GULF BANK GROUP**  
**Notes to the Interim Condensed Consolidated Financial Information**  
**(Unaudited)**  
30 September 2024

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**1. INCORPORATION AND REGISTRATION**

Gulf Bank K.S.C.P. (the "Bank") is a public shareholding company incorporated in Kuwait on 29 October 1960 and is registered as a bank with the Central Bank of Kuwait. The Bank's shares are listed on Boursa Kuwait. Its registered office is at Mubarak Al Kabir Street, P.O. Box 3200, 13032 Safat, Kuwait City.

During the year 2023, a 100% owned subsidiary, Gulf Capital Investment Company KSCC was incorporated with an authorized, issued and fully paid up capital of **KD 10,000 thousand** for engaging in securities activities. Approval from the Capital Markets Authority ("CMA") has been obtained and the subsidiary is in progress to fulfill other regulatory and operational requirements.

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 for the nine months period ended 30 September 2024 was authorised by the Board of Directors for issue on 14 October 2024.

The principal activities of the Group are described in Note 9.

**2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

**2.1 Basis of preparation**

This interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" except as noted below:

The annual consolidated financial statements for the year ended 31 December 2023 were prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") in the State of Kuwait. These regulations, require banks and other financial institutions regulated by CBK to adopt the International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB") with the following amendment:

- Expected credit loss ("ECL") on credit facilities to be measured at the higher of ECL computed under IFRS 9 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 full consolidated financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. Further, operating results for the nine months period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

This interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the Group's functional currency, rounded off to the nearest thousand (KD 000's), except when otherwise indicated.

**2.2 New standards, interpretations and amendments and accounting policies adopted by the Group**

The accounting policies used in the preparation of the 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 2023.

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





**GULF BANK GROUP**  
**Notes to the Interim Condensed Consolidated Financial Information**  
**(Unaudited)**  
30 September 2024

**3. BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share are based on the weighted average number of shares outstanding during the period, which is as follows:

	<i>3 months ended 30 September 2024 KD 000's</i>	<i>3 months ended 30 September 2023 KD 000's</i>	<i>9 months ended 30 September 2024 KD 000's</i>	<i>9 months ended 30 September 2023 KD 000's</i>
Profit for the period	<u>12,007</u>	<u>17,985</u>	<u>40,222</u>	<u>53,831</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of shares outstanding during the period, net of treasury shares	<u>3,793,352,099</u>	<u>3,553,679,425</u>	<u>3,798,579,822</u>	<u>3,553,679,425</u>
Basic and diluted earnings per share (Fils)	<u>3</u>	<u>5</u>	<u>11</u>	<u>15</u>

Earnings per share calculations for the period ended 30 September 2024 and 30 September 2023 have been adjusted to the account of bonus shares issued on 14 April 2024 (Note 8). Earnings per share calculations for the period ended 30 September 2023 have been adjusted to the account of the right shares issued during the year 2023.

**4. LOANS AND ADVANCES**

	<i>(Unaudited) 30 September 2024 KD 000's</i>	<i>(Audited) 31 December 2023 KD 000's</i>	<i>(Unaudited) 30 September 2023 KD 000's</i>
Gross loans and advances	<u>5,793,135</u>	<u>5,490,429</u>	<u>5,449,290</u>
Less: Provision for impairment	<u>(239,588)</u>	<u>(293,807)</u>	<u>(292,587)</u>
Loans and advances	<u>5,553,547</u>	<u>5,196,622</u>	<u>5,156,703</u>

Provision for non-cash facilities of **KD 35,122 thousand** (31 December 2023: KD 18,081 thousand and 30 September 2023: KD 18,263 thousand) is included under other liabilities.



**GULF BANK GROUP**  
**Notes to the Interim Condensed Consolidated Financial Information**  
**(Unaudited)**

30 September 2024

**4. LOANS AND ADVANCES (continued)**

**Comparison between total provisions and IFRS 9 ECL on credit facilities:**

	<i>(Unaudited)</i> 30 September 2024 KD 000's	<i>(Audited)</i> 31 December 2023 KD 000's	<i>(Unaudited)</i> 30 September 2023 KD 000's
Provision on cash facilities	239,588	293,807	292,587
Provision on non-cash facilities	35,122	18,081	18,263
<b>Total provisions on credit facilities</b>	<b>274,710</b>	<b>311,888</b>	<b>310,850</b>
IFRS 9 ECL on credit facilities	175,428	186,682	190,467
Excess of total provisions over IFRS 9 ECL on credit facilities	99,282	125,206	120,383
Excess provisions as a percentage of total provisions	36%	40%	39%

An analysis of the carrying amounts of Credit Facilities, and the corresponding ECL based on the staging criteria under IFRS 9 in accordance to the CBK guidelines is as follows:

**At 30 September 2024:**

	<i>Stage 1</i> KD 000's	<i>Stage 2</i> KD 000's	<i>Stage 3</i> KD 000's	<i>Total</i> KD 000's
Loans and advances	5,546,466	165,388	81,281	5,793,135
Contingent liabilities and commitments (Note 12)	2,957,519	102,949	36,616	3,097,084
IFRS 9 ECL on credit facilities	36,936	34,880	103,612	175,428

**At 31 December 2023:**

	<i>Stage 1</i> KD 000's	<i>Stage 2</i> KD 000's	<i>Stage 3</i> KD 000's	<i>Total</i> KD 000's
Loans and advances	5,167,737	254,783	67,909	5,490,429
Contingent liabilities and commitments (Note 12)	2,780,033	135,382	19,526	2,934,941
IFRS 9 ECL on credit facilities	36,635	75,216	74,831	186,682

**At 30 September 2023:**

	<i>Stage 1</i> KD 000's	<i>Stage 2</i> KD 000's	<i>Stage 3</i> KD 000's	<i>Total</i> KD 000's
Loans and advances	5,143,834	238,643	66,813	5,449,290
Contingent liabilities and commitments (Note 12)	2,647,311	154,083	18,425	2,819,819
IFRS 9 ECL on credit facilities	39,656	78,842	71,969	190,467



**GULF BANK GROUP**  
**Notes to the Interim Condensed Consolidated Financial Information**  
**(Unaudited)**

30 September 2024

**4. LOANS AND ADVANCES (continued)**

An analysis of the movement in the ECL in relation to credit facilities (cash and non-cash facilities) computed under IFRS 9 in accordance with the CBK guidelines:

**At 30 September 2024:**

	<i>Stage 1</i> <i>KD 000's</i>	<i>Stage 2</i> <i>KD 000's</i>	<i>Stage 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
ECL balance as at 1 January 2024	36,635	75,216	74,831	186,682
Impact due to transfer between stages	11,182	(20,858)	9,676	-
ECL (release)/charge for the period	(10,881)	(19,478)	80,764	50,405
ECL release on written off facilities	-	-	(61,659)	(61,659)
	<u>36,936</u>	<u>34,880</u>	<u>103,612</u>	<u>175,428</u>

**At 30 September 2023:**

	<i>Stage 1</i> <i>KD 000's</i>	<i>Stage 2</i> <i>KD 000's</i>	<i>Stage 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
ECL balance as at 1 January 2023	38,179	78,970	72,599	189,748
Impact due to transfer between stages	8,708	3,769	(12,477)	-
ECL (release)/charge for the period	(7,231)	(3,897)	43,361	32,233
ECL release on written off facilities	-	-	(31,514)	(31,514)
	<u>39,656</u>	<u>78,842</u>	<u>71,969</u>	<u>190,467</u>

**5. OTHER ASSETS**

	<i>(Unaudited)</i> <i>30 September</i> <i>2024</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD 000's</i>	<i>(Unaudited)</i> <i>30 September</i> <i>2023</i> <i>KD 000's</i>
Accrued interest receivable	35,596	33,022	29,877
Sundry debtors and others	15,933	16,468	15,214
Repossessed collaterals	68,664	68,664	68,664
	<u>120,193</u>	<u>118,154</u>	<u>113,755</u>

The fair value of the real estate properties was determined by approved valuers based on the market comparable approach (Level 3); and not materially different from their carrying values.



**GULF BANK GROUP**  
**Notes to the Interim Condensed Consolidated Financial Information**  
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**6. OTHER BORROWED FUNDS**

	<i>Effective interest rate</i>	<i>(Unaudited) 30 September 2024 KD 000's</i>	<i>(Audited) 31 December 2023 KD 000's</i>	<i>(Unaudited) 30 September 2023 KD 000's</i>
Subordinated Tier 2 bonds- KWD 2031 (Fixed tranche)	4.00%	25,000	25,000	25,000
Subordinated Tier 2 bonds- KWD 2031 (Floating tranche capped at 5%)	CBK+2.25%	25,000	25,000	25,000
Medium term borrowings-Floating	4.95% to 6.41%	448,739	520,062	490,116
		<u>498,739</u>	<u>570,062</u>	<u>540,116</u>

**7. SHARE CAPITAL**

	<i>(Unaudited) 30 September 2024 KD 000's</i>	<i>(Audited) 31 December 2023 KD 000's</i>	<i>(Unaudited) 30 September 2023 KD 000's</i>
Issued and fully paid 3,802,502,099 (31 December 2023: 3,621,430,571 and 30 September 2023: 3,360,561,006) shares of 100 fils each	<u>380,250</u>	<u>362,143</u>	<u>336,056</u>

The authorised share capital of the Bank comprises **4,860,561,006 shares** (31 December 2023: 4,860,561,006 shares and 30 September 2023: 4,860,561,006 shares) of 100 fils each. The Extraordinary General Assembly meeting of the Bank's shareholders held on 13 May 2023 approved to increase the Bank's authorised share capital from KD 336,056 thousand to KD 486,056 thousand and authorised the Board of Directors to decide on the amount and methods of issued share capital increase.

**8. DIVIDEND**

The shareholders at the Annual General Meeting (AGM) held on 23 March 2024 approved a cash dividend of **12 fils per share** (2022: 10 fils per share) and bonus shares of 5% amounting to **KD 18,107 thousand** (2022: KD 16,003 thousand) for the year ended 31 December 2023. The cash dividend amounting to **KD 43,457 thousand** was recorded and paid subsequently. The bonus shares were distributed on 14 April 2024.



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**9. TREASURY SHARES**

	<i>(Unaudited)</i> 30 September 2024	<i>(Audited)</i> 31 December 2023	<i>(Unaudited)</i> 30 September 2023
Number of treasury shares	9,150,000	-	-
Percentage of treasury shares	0.24%	0.00%	0.00%
Cost of treasury shares (KD 000's)	2,377	-	-
Weighted average market value of treasury shares (KD 000's)	2,608	-	-

**10. SEGMENTAL ANALYSIS**

**By Business Unit**

Commercial Banking	Acceptance of deposits from individuals, corporate and institutional customers and providing consumer loans, overdrafts, credit card facilities and funds transfer facilities to individuals; and other credit facilities to corporate and institutional customers and banks.
Treasury & Investments	Providing money market, trading and treasury services, as well as the management of the Group's funding operations by use of Kuwait Government treasury bonds, government securities, placements and acceptances with other banks. The proprietary investments of the Bank are managed by the Investments unit.

Segmental information for the nine months period ended 30 September is as follows:

	<b>Commercial Banking</b>		<b>Treasury &amp; Investments</b>		<b>Total</b>	
	2024 KD 000's	2023 KD 000's	2024 KD 000's	2023 KD 000's	2024 KD 000's	2023 KD 000's
Operating income (excluding unallocated income provided below)	98,816	104,374	10,702	2,984	109,518	107,358
Segment result	35,704	58,627	8,506	1,614	44,210	60,241
Unallocated income					36,527	32,767
Unallocated expense					(40,515)	(39,177)
<b>Profit for the period</b>					<b>40,222</b>	<b>53,831</b>
Segment assets	5,672,129	5,291,822	1,709,831	1,595,051	7,381,960	6,886,873
Unallocated assets					92,528	83,934
<b>Total Assets</b>					<b>7,474,488</b>	<b>6,970,807</b>
Segment liabilities	3,266,421	2,980,673	3,195,939	3,043,959	6,462,360	6,024,632
Unallocated liabilities and equity					1,012,128	946,175
<b>Total Liabilities and Equity</b>					<b>7,474,488</b>	<b>6,970,807</b>



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### 11. RELATED PARTY TRANSACTIONS

Certain related parties (major shareholder, Board members and executive management 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 were approved as per the Group's policies.

The transaction and balances included in the interim condensed consolidated statement of income and interim condensed consolidated financial information are as follows:

	<i>Number of Board Members or executive management</i>		<i>Number of related parties</i>		<i>(Audited)</i>		<i>(Audited)</i>	
	<i>30 September 2024</i>	<i>31 December 2023</i>	<i>30 September 2024</i>	<i>31 December 2023</i>	<i>30 September 2024</i>	<i>31 December 2023</i>	<i>30 September 2023</i>	<i>30 September 2023</i>
<b>Board members:</b>								
<b>Balances</b>								
Loans and advances	1	1	25	19	8	205,173	195,690	146,464
Credit cards	2	3	5	6	5	11	8	15
Deposits	7	8	93	93	83	1,115,484	863,223	788,281
<b>Commitments/derivatives</b>								
Guarantees / letters of credit	-	-	23	24	15	73,039	68,824	47,811
<b>Transactions</b>								
Interest income	1	1	47	29	16	8,406	8,914	6,153
Interest expense	5	4	23	21	16	38,841	13,589	2,791
Net fees and commissions	-	-	80	24	13	330	267	155
Other expenses	-	-	16	10	10	2,796	1,719	1,236
Purchase of equipment	-	-	3	2	2	259	317	266
<b>Executive management:</b>								
<b>Balances</b>								
Loans and advances	8	7	-	-	-	686	883	873
Credit cards	11	11	-	-	-	35	19	18
Deposits	16	14	-	-	-	2,925	2,612	2,655
<b>Transactions</b>								
Interest income	8	9	-	-	-	34	48	36
Interest expense	16	19	-	-	-	111	138	113

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## Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

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### 11. RELATED PARTY TRANSACTIONS (continued)

The loans issued to Board members and executive management are repayable within CBK regulatory limits and have interest rates of **4.75% to 6.75%** (2023: 5.25% to 6.25%) per annum. Some of the loans advanced to Board members and their related parties are collateralised. The fair value of these collaterals as of 30 September 2024 was **KD 99,631 thousand** (31 December 2023: KD 71,076 thousand and 30 September 2023: KD 66,098 thousand).

Compensation for key management, including executive management, comprises the following:

	<i>9 months ended</i> 30 September 2024	<i>9 months ended</i> 30 September 2023
	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and other benefits	3,458	2,896
End of service/termination benefits	177	404
	<u>3,635</u>	<u>3,300</u>

### 12. CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited)</i> 30 September 2024	<i>(Audited)</i> 31 December 2023	<i>(Unaudited)</i> 30 September 2023
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Guarantees	1,288,468	1,192,776	1,134,703
Letters of credit and acceptances	404,781	392,462	402,075
Undrawn irrevocable commitments	104,583	154,978	140,217
Undrawn revocable commitments	1,299,252	1,194,725	1,142,824
	<u>3,097,084</u>	<u>2,934,941</u>	<u>2,819,819</u>

The contractual terms entitle the Group to withdraw undrawn revocable facilities at any time.

### 13. DERIVATIVES

In the ordinary course of business the Group enters into various types of transactions that involve derivative financial instruments. 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.

The table below shows the positive and negative fair value of derivative financial instruments, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index 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 not indicative of either market or credit risk. All derivative contracts are fair valued based on observable market data.

At 30 September 2024:	<i>Positive</i> <i>fair value</i>	<i>Negative</i> <i>fair value</i>	<i>Notional</i> <i>amount</i> <i>total</i>	<i>Notional amounts by</i> <i>term to maturity</i>	
				<i>Within</i> <i>3 months</i>	<i>3-12</i> <i>months</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	136	(38)	135,683	135,683	-





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### 13. DERIVATIVES (continued)

At 31 December 2023:	<i>Notional amounts by term to maturity</i>				
	<i>Positive fair value KD 000's</i>	<i>Notional Negative fair value KD 000's</i>	<i>Notional amount total KD 000's</i>	<i>Within 3 months KD 000's</i>	<i>3-12 months KD 000's</i>
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	3	(1)	34,480	34,200	280

At 30 September 2023:	<i>Notional amounts by term to maturity</i>				
	<i>Positive fair value KD 000's</i>	<i>Notional Negative fair value KD 000's</i>	<i>Notional amount total KD 000's</i>	<i>Within 3 months KD 000's</i>	<i>3-12 months KD 000's</i>
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	46	(44)	3,877	3,877	-

### 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value 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), the carrying amounts approximate to their fair value and this applies to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

The methods 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:

At 30 September 2024:

	<i>Level 1 KD '000</i>	<i>Level 2 KD '000</i>	<i>Level 3 KD '000</i>	<i>Total KD '000</i>
<b><i>Financial assets at FVOCI:</i></b>				
Equity securities	13,628	121	21,292	35,041

The amortized cost and fair value of investment securities at amortised cost as at 30 September 2024 were **KD 111,480 thousand** (31 December 2023: KD 158,994 thousand; 30 September 2023: KD 75,296 thousand) and **KD 111,580 thousand** (Level 1) (31 December 2023: KD 158,831 thousand; 30 September 2023: KD 75,021 thousand) respectively.



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**14. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

At 31 December 2023:

	<i>Level 1</i> <i>KD '000</i>	<i>Level 2</i> <i>KD '000</i>	<i>Level 3</i> <i>KD '000</i>	<i>Total</i> <i>KD '000</i>
<i>Financial assets at FVOCI:</i>				
Equity securities	11,014	118	21,294	32,426

At 30 September 2023:

	<i>Level 1</i> <i>KD '000</i>	<i>Level 2</i> <i>KD '000</i>	<i>Level 3</i> <i>KD '000</i>	<i>Total</i> <i>KD '000</i>
<i>Financial assets at FVOCI:</i>				
Equity securities	11,162	838	21,462	33,462

The following table analyses the movement in level 3 of financial assets:

	At 1 January KD 000's	Change in fair value KD 000's	Additions/ disposals KD 000's	Exchange rate movements KD 000's	At 30 September KD 000's
<i>Financial assets at FVOCI:</i>					
Equity securities					
2024	21,294	2	-	(4)	21,292
2023	22,232	-	(788)	18	21,462

The fair value of the above investment securities classified under Level 1, Level 2 and Level 3 is categorised as per the policy on fair value measurement in note to the annual financial statements. During the period, there were no transfers between any of the fair value hierarchy levels.

The positive and negative fair values of forward foreign exchange contracts are valued using significant inputs of observable market data (Level 2). Refer Note 13.

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

