

GULF BANK GROUP
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

30 SEPTEMBER 2025



**Shape the future
with confidence**

Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
16-17th Floor, Burj Alshaya
Al Soor Street, Mirqab
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena

Deloitte.

**Deloitte & Touche
Al-Wazzan & Co.**

Ahmed Al-Jaber Street, Sharq
Dar Al-Awadi Complex, Floors 7 & 9
P.O. Box 20174, Safat 13062
Kuwait

Tel : + 965 22408844, 22438060
Fax: + 965 22408855, 22452080
www.deloitte.com

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 2025, and the related interim condensed consolidated statement of income and 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 month period ended 30 September 2025 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any 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 2025 that might have had a material effect on the business of the Bank or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

ALI B. AL-WAZZAN
LICENCE NO. 246 A
DELOITTE & TOUCHE
AL-WAZZAN & CO.

28 October 2025
Kuwait

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

PERIOD ENDED 30 SEPTEMBER 2025

	<i>Note</i>	<i>3 months ended 30 September 2025 KD 000's</i>	<i>3 months ended 30 September 2024 KD 000's</i>	<i>9 months ended 30 September 2025 KD 000's</i>	<i>9 months ended 30 September 2024 KD 000's</i>
Interest income		96,128	102,974	283,347	303,862
Interest expense		59,571	63,308	174,045	186,551
Net interest income		36,557	39,666	109,302	117,311
Net fees and commissions		7,562	6,189	20,494	18,812
Net gains from dealing in foreign currencies and derivatives		2,751	2,714	7,423	7,757
Dividend income		915	210	1,268	601
Other income		1,002	388	2,053	1,564
Operating income		48,787	49,167	140,540	146,045
Staff expenses		13,763	13,080	40,807	39,867
Occupancy costs		619	737	1,900	2,109
Depreciation		2,176	2,101	6,472	5,871
Other expenses		8,063	7,193	22,322	19,560
Operating expenses		24,621	23,111	71,501	67,407
OPERATING PROFIT BEFORE PROVISIONS / IMPAIRMENT LOSSES		24,166	26,056	69,039	78,638
Charge (release) of provisions:					
- specific		10,728	32,636	32,989	70,103
- general		(322)	(17,360)	1,749	(45,622)
Loan recoveries, net of write-off		(1,276)	(1,787)	(5,973)	12,021
Net provision on other financial assets		1	(36)	(10)	(67)
OPERATING PROFIT BEFORE DIRECTORS' REMUNERATION AND TAXATION		15,035	12,603	40,284	42,203
Directors' remuneration		40	30	120	90
Contribution to Kuwait Foundation for the Advancement of Sciences		150	127	403	423
National Labour Support Tax		369	312	995	1,045
Zakat		139	127	390	423
PROFIT FOR THE PERIOD		14,337	12,007	38,376	40,222
BASIC AND DILUTED EARNINGS PER SHARE (Fils)	3	4	3	10	10

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

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

PERIOD ENDED 30 SEPTEMBER 2025

	<i>3 months ended 30 September 2025 KD 000's</i>	<i>3 months ended 30 September 2024 KD 000's</i>	<i>9 months ended 30 September 2025 KD 000's</i>	<i>9 months ended 30 September 2024 KD 000's</i>
Profit for the period	14,337	12,007	38,376	40,222
Other comprehensive income				
<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	(9)	137	4,935	2,571
Other comprehensive (loss) income for the period	(9)	137	4,935	2,571
Total comprehensive income for the period	14,328	12,144	43,311	42,793

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

GULF BANK GROUP
Interim Condensed Consolidated Statement of Financial Position

		<i>(Unaudited)</i> 30 September 2025 KD 000's	<i>(Audited)</i> 31 December 2024 KD 000's	<i>(Unaudited)</i> 30 September 2024 KD 000's
	<i>Notes</i>			
ASSETS				
Cash and cash equivalents		1,114,883	1,387,876	1,184,204
Kuwait Government treasury bonds		162,500	2,500	2,500
Central Bank of Kuwait bonds		15,781	140,031	259,533
Deposits with banks and other financial institutions		217,172	135,468	166,992
Loans and advances	4	5,689,985	5,466,938	5,553,547
Investment securities		247,150	204,625	146,521
Other assets	5	108,174	101,762	120,193
Premises and equipment		39,932	40,948	40,998
TOTAL ASSETS		7,595,577	7,480,148	7,474,488
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		217,229	365,430	255,946
Deposits from financial institutions		871,020	944,513	956,154
Customer deposits		4,754,910	4,656,680	4,780,841
Other borrowed funds	6	757,070	519,824	498,739
Other liabilities		156,368	160,098	169,049
TOTAL LIABILITIES		6,756,597	6,646,545	6,660,729
EQUITY				
Share capital	7	399,263	380,250	380,250
Proposed bonus shares	7	-	19,013	-
Statutory reserve		66,862	66,862	60,538
Share premium		186,937	186,937	186,937
Property revaluation reserve		17,603	17,603	17,974
Fair valuation reserve		316	2,120	1,855
Retained earnings		170,376	163,195	168,582
		841,357	835,980	816,136
Treasury shares	8	(2,377)	(2,377)	(2,377)
TOTAL EQUITY		838,980	833,603	813,759
TOTAL LIABILITIES AND EQUITY		7,595,577	7,480,148	7,474,488



Ahmad Mohammad Ahmad AlBahar
(Chairman)



Sami Bakhos Mahfouz
(Acting Chief Executive Officer)

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

GULF BANK GROUP
Interim Condensed Consolidated Statement of Cash Flows
(Unaudited)
PERIOD ENDED 30 SEPTEMBER 2025

	<i>Notes</i>	9 months ended 30 September 2025 KD 000's	9 months ended 30 September 2024 KD 000's
OPERATING ACTIVITIES			
Profit for the period before directors' remuneration and taxation		40,284	42,203
Adjustments:			
Dividend income		(1,268)	(601)
Depreciation		6,472	5,871
Loan loss provisions		34,738	24,481
Net provision on other financial assets		(10)	(67)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES		80,216	71,887
<i>(Increase)/decrease in operating assets:</i>			
Kuwait Government treasury bonds		(160,000)	14,000
Central Bank of Kuwait bonds		124,250	78,182
Deposits with banks and other financial institutions		(81,708)	13,989
Loans and advances		(262,336)	(364,365)
Other assets		(1,743)	(5,359)
<i>(Decrease)/increase in operating liabilities:</i>			
Due to banks		(148,201)	(408)
Deposits from financial institutions		(73,493)	(192,429)
Customer deposits		98,230	561,582
Other liabilities		(1,087)	(13,547)
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		(425,872)	163,532
INVESTING ACTIVITIES			
Purchase of investment securities		(265,554)	(165,636)
Proceeds from sale/maturity of investment securities		223,309	216,493
Purchase of premises and equipment		(5,456)	(7,386)
Dividend income received		1,268	601
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		(46,433)	44,072
FINANCING ACTIVITIES			
Net proceeds from other borrowed funds	6	237,246	(71,323)
Dividend paid	7	(37,934)	(43,457)
Purchase of treasury shares	8	-	(2,377)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		199,312	(117,157)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(272,993)	90,447
CASH AND CASH EQUIVALENTS AT 1 JANUARY		1,387,876	1,093,757
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		1,114,883	1,184,204
Additional cash flows information			
Interest received		275,917	301,288
Interest paid		173,429	184,221

The attached notes 1 to 13 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 2025

	RESERVES							Treasury shares <i>KD 000's</i>	Total <i>KD 000's</i>
	<i>Share capital KD 000's</i>	<i>Proposed bonus shares KD 000's</i>	<i>Statutory reserve KD 000's</i>	<i>Share premium KD 000's</i>	<i>Property revaluation reserve KD 000's</i>	<i>Fair valuation reserve KD 000's</i>	<i>Retained earnings KD 000's</i>	<i>Subtotal reserves KD 000's</i>	
At 1 January 2024	362,143	18,107	60,538	186,937	17,974	(716)	171,817	436,550	- 816,800
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 7)	-	-	-	-	-	-	(43,457)	(43,457)	- (43,457)
Issue of bonus shares (Note 7)	18,107	(18,107)	-	-	-	-	-	-	- -
Purchase of treasury shares	-	-	-	-	-	-	-	-	(2,377) (2,377)
At 30 September 2024	380,250	-	60,538	186,937	17,974	1,855	168,582	435,886	(2,377) 813,759
At 1 January 2025	380,250	19,013	66,862	186,937	17,603	2,120	163,195	436,717	(2,377) 833,603
Profit for the period	-	-	-	-	-	-	38,376	38,376	- 38,376
Other comprehensive income for the period	-	-	-	-	-	4,935	-	4,935	- 4,935
Total comprehensive income for the period	-	-	-	-	-	4,935	38,376	43,311	- 43,311
Dividend paid (Note 7)	-	-	-	-	-	-	(37,934)	(37,934)	- (37,934)
Issue of bonus shares (Note 7)	19,013	(19,013)	-	-	-	-	-	-	- -
Realised gain on equity securities at FVOCI	-	-	-	-	-	(6,739)	6,739	-	- -
At 30 September 2025	399,263	-	66,862	186,937	17,603	316	170,376	442,094	(2,377) 838,980

The attached notes 1 to 13 form part of the interim condensed consolidated financial information.

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

30 September 2025

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.

Gulf Capital Investment Company KSCC is a 100% owned subsidiary, with an authorized, issued and fully paid up capital of **KD 10,000 thousand**, engaged in securities activities in the 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 for the nine months period ended 30 September 2025 was authorised by the Board of Directors for issue on 9 October 2025.

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 2024 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 Accounting Standards”) with an amendment for measuring the expected credit loss (“ECL”) on credit facilities at the higher of ECL computed under IFRS 9 – ‘Financial Instruments’ in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is hereinafter referred to as “IFRS Accounting Standards as adopted by CBK for use in 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 2024. Further, operating results for the nine months period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 2024.

Amendments to IFRSs 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.

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

30 September 2025

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 2025 KD 000's</i>	<i>3 months ended 30 September 2024 KD 000's</i>	<i>9 months ended 30 September 2025 KD 000's</i>	<i>9 months ended 30 September 2024 KD 000's</i>
Profit for the period	<u>14,337</u>	<u>12,007</u>	<u>38,376</u>	<u>40,222</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of shares outstanding during the period	<u>3,983,019,703</u>	<u>3,983,019,703</u>	<u>3,983,019,703</u>	<u>3,988,508,812</u>
Basic and diluted earnings per share (Fils)	<u>4</u>	<u>3</u>	<u>10</u>	<u>10</u>

Earnings per share calculations for the period ended 30 September 2025 and 30 September 2024 have been adjusted to the account of bonus shares issued on 15 April 2025 (Note 7). Earnings per share for the period ended 30 September 2024 was 11 fils per share before retroactive adjustment to account for the bonus shares.

4. LOANS AND ADVANCES

	<i>(Unaudited) 30 September 2025 KD 000's</i>	<i>(Audited) 31 December 2024 KD 000's</i>	<i>(Unaudited) 30 September 2024 KD 000's</i>
Gross loans and advances	<u>5,934,228</u>	<u>5,705,697</u>	<u>5,793,135</u>
Less: Provision for impairment	<u>(244,243)</u>	<u>(238,759)</u>	<u>(239,588)</u>
Loans and advances	<u>5,689,985</u>	<u>5,466,938</u>	<u>5,553,547</u>

Provision for non-cash facilities of **KD 26,935 thousand** (31 December 2024: KD 31,486 thousand and 30 September 2024: KD 35,122 thousand) is included under other liabilities.

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

30 September 2025

4. LOANS AND ADVANCES (continued)

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

	<i>(Unaudited)</i> 30 September 2025 KD 000's	<i>(Audited)</i> 31 December 2024 KD 000's	<i>(Unaudited)</i> 30 September 2024 KD 000's
Provision on cash facilities	244,243	238,759	239,588
Provision on non-cash facilities	26,935	31,486	35,122
Total provisions on credit facilities	<u>271,178</u>	<u>270,245</u>	<u>274,710</u>
IFRS 9 ECL on credit facilities	<u>171,801</u>	<u>176,737</u>	<u>175,428</u>
Excess of total provisions over IFRS 9 ECL on credit facilities	<u>99,377</u>	<u>93,508</u>	<u>99,282</u>
Excess provisions as a percentage of total provisions	<u>37%</u>	<u>35%</u>	<u>36%</u>

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 2025:

	<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	5,673,928	175,225	85,075	5,934,228
Contingent liabilities and commitments (Note 11)	2,882,194	73,013	29,256	2,984,463
IFRS 9 ECL on credit facilities	<u>52,220</u>	<u>21,397</u>	<u>98,184</u>	<u>171,801</u>

At 31 December 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	5,465,468	159,169	81,060	5,705,697
Contingent liabilities and commitments (Note 11)	2,795,706	96,738	34,463	2,926,907
IFRS 9 ECL on credit facilities	<u>46,051</u>	<u>32,559</u>	<u>98,127</u>	<u>176,737</u>

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 11)	2,957,519	102,949	36,616	3,097,084
IFRS 9 ECL on credit facilities	<u>36,936</u>	<u>34,880</u>	<u>103,612</u>	<u>175,428</u>

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

30 September 2025

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 2025:

	<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 2025	46,051	32,559	98,127	176,737
Impact due to transfer between stages	17,125	(2,335)	(14,790)	-
ECL (release) charge for the period	(10,956)	(8,827)	48,652	28,869
ECL release on written off facilities	-	-	(33,805)	(33,805)
ECL balance as at 30 September 2025	<u>52,220</u>	<u>21,397</u>	<u>98,184</u>	<u>171,801</u>

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)
ECL balance as at 30 September 2024	<u>36,936</u>	<u>34,880</u>	<u>103,612</u>	<u>175,428</u>

5. OTHER ASSETS

	<i>(Unaudited)</i> <i>30 September</i> <i>2025</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD 000's</i>	<i>(Unaudited)</i> <i>30 September</i> <i>2024</i> <i>KD 000's</i>
Accrued interest receivable	38,333	30,903	35,596
Sundry debtors and others	12,896	13,914	15,933
Reposessed collaterals	56,945	56,945	68,664
	<u>108,174</u>	<u>101,762</u>	<u>120,193</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
(Unaudited)

30 September 2025

6. OTHER BORROWED FUNDS

	<i>Effective interest rate</i>	<i>(Unaudited) 30 September 2025 KD 000's</i>	<i>(Audited) 31 December 2024 KD 000's</i>	<i>(Unaudited) 30 September 2024 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	4.85% to 5.86%	707,070	469,824	448,739
		<u>757,070</u>	<u>519,824</u>	<u>498,739</u>

7. EQUITY

Share Capital

	<i>(Unaudited) 30 September 2025 KD 000's</i>	<i>(Audited) 31 December 2024 KD 000's</i>	<i>(Unaudited) 30 September 2024 KD 000's</i>
Issued and fully paid 3,992,627,203 (31 December 2024: 3,802,502,099 and 30 September 2024: 3,802,502,099) shares of 100 fils each	399,263	380,250	380,250

The authorised share capital of the Bank comprises **4,860,561,006 shares** (31 December 2024: 4,860,561,006 shares and 30 September 2024: 4,860,561,006 shares) of 100 fils each.

Dividend

The shareholders at the Annual General Meeting (AGM) held on 22 March 2025 approved a cash dividend of **10 fils** per share (2023: 12 fils per share) and bonus shares of 5% amounting to **KD 19,013 thousand** (2023: KD 18,107 thousand) for the year ended 31 December 2024. The cash dividend amounting to **KD 37,934 thousand** was recorded and paid subsequently. The bonus shares were distributed on 15 April 2025.

8. TREASURY SHARES

	<i>(Unaudited) 30 September 2025</i>	<i>(Audited) 31 December 2024</i>	<i>(Unaudited) 30 September 2024</i>
Number of treasury shares	9,607,500	9,150,000	9,150,000
Percentage of treasury shares	0.24%	0.24%	0.24%
Cost of treasury shares (KD 000's)	2,377	2,377	2,377
Weighted average market value of treasury shares (KD 000's)	3,247	2,681	2,608

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

30 September 2025

9. 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:

	Commercial Banking		Treasury & Investments		Total	
	2025	2024	2025	2024	2025	2024
	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's
Operating income (excluding unallocated income provided below)	97,578	98,816	8,633	10,702	106,211	109,518
Segment result	40,528	35,704	5,649	8,506	46,177	44,210
Unallocated income					34,329	36,527
Unallocated expense					(42,130)	(40,515)
Profit for the period					38,376	40,222
Segment assets	5,783,941	5,672,129	1,732,193	1,709,831	7,516,134	7,381,960
Unallocated assets					79,443	92,528
Total Assets					7,595,577	7,474,488
Segment liabilities	3,315,378	3,266,421	3,194,928	3,195,939	6,510,306	6,462,360
Unallocated liabilities and equity					1,085,271	1,012,128
Total Liabilities and Equity					7,595,577	7,474,488

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

30 September 2025

10. RELATED PARTY TRANSACTIONS

Certain related parties (major shareholders, board members and executive management of the Bank, their families and companies of which they are principal owners) were customers of the Bank in the ordinary course of business. The terms of these transactions were approved as per the Bank'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 other related parties</i>					
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2024</i>
							<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Board members, major shareholders and other related parties:									
Balances									
Loans and advances	-	1	1	16	30	25	163,653	187,648	205,173
Credit cards	1	1	2	4	5	5	5	32	11
Deposits	4	7	7	38	91	93	750,999	825,947	1,115,484
Commitments/derivatives									
Guarantees / letters of credit	-	-	-	13	23	23	28,364	70,724	73,039
Forward foreign exchange contracts	-	-	-	1	-	-	259	-	-
Transactions									
Interest income	1	1	1	39	55	47	8,818	11,101	8,406
Interest expense	2	5	5	26	23	23	25,349	50,944	38,841
Net fees and commissions	5	-	-	92	89	80	255	473	330
Other expenses	-	-	-	17	17	16	2,075	3,896	2,796
Purchase of equipment	-	-	-	2	4	3	34	434	259
Executive management:									
Balances									
Loans and advances	8	9	8	-	-	-	670	782	686
Credit cards	8	11	11	-	-	-	31	42	35
Deposits	17	17	16	-	-	-	1,225	1,967	2,925
Transactions									
Interest income	10	10	8	-	-	-	27	44	34
Interest expense	19	18	16	-	-	-	92	131	111

GULF BANK GROUP

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

30 September 2025

10. RELATED PARTY TRANSACTIONS (continued)

The loans issued to board members and executive management are repayable within CBK regulatory limits and have interest rates of **4.50% to 6.50%** (31 December 2024: 4.75% to 6.75% and 30 September 2024: 4.75% to 6.75%) 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 2025 was **KD 5,200 thousand** (31 December 2024: KD 48,031 thousand and 30 September 2024: KD 99,631 thousand).

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

	<i>9 months ended 30 September 2025</i>	<i>9 months ended 30 September 2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and other benefits	2,778	3,458
End of service/termination benefits	644	177
Directors' remuneration and meeting attendance fee	241	90
	<u>3,663</u>	<u>3,725</u>

Directors' remuneration of **KD 120 thousand** (31 December 2024: KD 240 thousand and 30 September 2024: KD 90 thousand) and Directors' meeting attendance fee included in other expenses of **KD 121 thousand** (31 December 2024: KD Nil and 30 September 2024: KD Nil) are in accordance with local regulations and are subject to approval of the shareholders at the Annual General Meeting.

11. CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited) 30 September 2025</i>	<i>(Audited) 31 December 2024</i>	<i>(Unaudited) 30 September 2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Guarantees	1,329,191	1,363,359	1,288,468
Letters of credit and acceptances	473,917	394,924	404,781
Undrawn irrevocable commitments	100,511	54,485	104,583
Undrawn revocable commitments	1,080,844	1,114,139	1,299,252
	<u>2,984,463</u>	<u>2,926,907</u>	<u>3,097,084</u>

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

12. 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.

GULF BANK GROUP

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

30 September 2025

12. DERIVATIVES (continued)

At 30 September 2025:			Notional amounts by term to maturity		
	Positive fair value KD 000's	Negative fair value KD 000's	Notional amount total KD 000's	Within 3 months KD 000's	3-12 months KD 000's
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	6	(41)	32,673	32,673	-
At 31 December 2024:			Notional amounts by term to maturity		
	Positive fair value KD 000's	Negative fair value KD 000's	Notional amount total KD 000's	Within 3 months KD 000's	3-12 months KD 000's
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	308	(7)	99,353	99,353	-
At 30 September 2024:			Notional amounts by term to maturity		
	Positive fair value KD 000's	Negative fair value KD 000's	Notional amount total KD 000's	Within 3 months KD 000's	3-12 months KD 000's
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	136	(38)	135,683	135,683	-

13. 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 2025:

	Level 1 KD '000	Level 2 KD '000	Level 3 KD '000	Total KD '000
Financial assets at FVOCI:				
Equity securities	-	140	20,929	21,069
Financial assets at FVTPL:				
Managed funds	-	3,662	-	3,662

The amortized cost and fair value of investment securities at amortised cost as at 30 September 2025 were **KD 222,419 thousand** (31 December 2024: KD 169,302 thousand; 30 September 2024: KD 111,480 thousand) and **KD 223,390 thousand** (Level 1) (31 December 2024: KD 169,201 thousand; 30 September 2024: KD 111,580 thousand) respectively.

GULF BANK GROUP

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

30 September 2025

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

At 31 December 2024:

	<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	<u>13,932</u>	<u>116</u>	<u>21,275</u>	<u>35,323</u>

At 30 September 2024:

	<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	<u>13,628</u>	<u>121</u>	<u>21,292</u>	<u>35,041</u>

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					
2025	21,275	11	(355)	(2)	20,929
2024	21,294	2	-	(4)	21,292

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 consolidated 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 12.

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.