KUWAIT FINANCE HOUSE K.S.C.P. AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 June 2025

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Finance House K.S.C.P. ("the Bank") and its subsidiaries (collectively "the Group") as at 30 June 2025 and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income, for the three-months and six-months periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-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 preparation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of 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 six months period ended 30 June 2025 that might have had a material effect on the business of the Bank or on its financial position.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT FINANCE HOUSE K.S.C.P. (continued)

Report on Other Legal and Regulatory Requirements (continued)

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

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

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AL-WAZZAN & CO.

28 July 2025
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 June 2025

KD 000's

		Three months ended		*Six months ended*	
		30 June		*30 June*	
	Notes	***2025***	*2024*	***2025***	*2024*
INCOME					
Financing income		**711,077**	737,427	**1,462,512**	1,415,255
Finance cost and estimated distribution to depositors	4	**(422,628)**	(442,054)	**(855,207)**	(856,499)
Net financing income		**288,449**	295,373	**607,305**	558,756
Investment income		**32,664**	70,152	**87,446**	69,995
Fees and commission income		**60,261**	37,295	**110,030**	81,058
Net gain from foreign currencies		**17,803**	22,482	**34,479**	93,578
Other operating income		**21,874**	5,777	**36,719**	20,055
TOTAL OPERATING INCOME		**421,051**	431,079	**875,979**	823,442
OPERATING EXPENSES					
Staff costs		**(85,386)**	(88,190)	**(177,465)**	(172,893)
General and administrative expenses		**(44,671)**	(44,277)	**(88,259)**	(83,970)
Depreciation and amortisation		**(19,975)**	(20,746)	**(43,513)**	(41,117)
TOTAL OPERATING EXPENSES		**(150,032)**	(153,213)	**(309,237)**	(297,980)
NET OPERATING INCOME BEFORE PROVISIONS AND IMPAIRMENT AND NET MONETARY LOSS		**271,019**	277,866	**566,742**	525,462
Provisions and impairment		**5,424**	(10,929)	**(13,906)**	(6,358)
Net monetary loss	19	**(29,122)**	(35,253)	**(71,203)**	(86,779)
OPERATING PROFIT BEFORE TAXATION		**247,321**	231,684	**481,633**	432,325
Taxation	8	**(50,956)**	(46,041)	**(95,867)**	(78,484)
PROFIT FOR THE PERIOD		**196,365**	185,643	**385,766**	353,841
Attributable to:					
Shareholders of the Bank		**174,040**	178,333	**342,149**	341,178
Non-controlling interests		**22,325**	7,310	**43,617**	12,663
		196,365	185,643	**385,766**	353,841
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK	5	**9.46 fils**	9.71 fils	**19.23 fils**	19.19 fils

The attached notes 1 to 19 form part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2025

KD 000's

	Three months ended		*Six months ended*	
	30 June		*30 June*	
	2025	*2024*	***2025***	*2024*
Profit for the period	**196,365**	185,643	**385,766**	353,841
Items that will not be reclassified to the interim condensed consolidated statement of income in subsequent periods:				
Revaluation gain (loss) on equity instruments at fair value through other comprehensive income	**2,333**	(8,267)	**3,494**	(5,259)
Net change in pension fund reserve	**(40)**	29	**(85)**	1,316
Items that are or may be reclassified subsequently to the interim condensed consolidated statement of income:				
Investment in debt securities at fair value through other comprehensive income:				
Net change in fair value during the period	**(19,317)**	(21,298)	**(26,141)**	(56,920)
Net transfer to interim condensed consolidated statement of income	**7,026**	(3,430)	**3,959**	(10,217)
Net loss on investment in debt securities at fair value through other comprehensive income	**(12,291)**	(24,728)	**(22,182)**	(67,137)
Share of other comprehensive gain from associates and joint ventures	**-**	745	**-**	2,394
Net change in fair value of cash flow hedges	**(114)**	-	**(214)**	(21)
Exchange differences on translation of foreign operations	**(77,240)**	(49,615)	**(128,885)**	(202,314)
Other comprehensive loss for the period	**(87,352)**	(81,836)	**(147,872)**	(271,021)
Total comprehensive income for the period	**109,013**	103,807	**237,894**	82,820
Attributable to:				
Shareholders of the Bank	**106,510**	115,157	**242,636**	123,819
Non-controlling interests	**2,503**	(11,350)	**(4,742)**	(40,999)
	109,013	103,807	**237,894**	82,820

The attached notes 1 to 19 form part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2025

KD 000's

	Notes	30 June 2025	(Audited) 31 December 2024	30 June 2024
ASSETS				
Cash and balances with banks and financial institutions	10	**3,857,125**	3,695,324	3,356,460
Due from banks		**2,015,558**	2,227,173	3,057,679
Financing receivables	11	**20,429,676**	19,069,673	19,002,050
Investment in debt securities		**7,424,323**	6,864,854	6,083,573
Trading properties		**92,152**	92,168	96,525
Investments		**306,126**	241,618	297,756
Investment in associates and joint ventures		**250,174**	383,919	533,864
Investment properties		**355,796**	366,035	383,875
Other assets		**1,008,679**	1,059,019	912,756
Goodwill and intangible assets		**2,329,631**	2,328,003	2,337,934
Property and equipment		**428,483**	375,640	362,901
TOTAL ASSETS		**38,497,723**	36,703,426	36,425,373
LIABILITIES				
Due to banks		**6,157,947**	5,643,696	5,070,819
Due to financial institutions		**3,153,389**	3,030,485	3,309,707
Sukuk payables and term financing	7	**1,507,421**	986,639	964,272
Depositors' accounts		**19,730,422**	19,219,942	19,539,021
Other liabilities		**1,589,873**	1,404,764	1,375,501
TOTAL LIABILITIES		**32,139,052**	30,285,526	30,259,320
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK				
Share capital	12	**1,847,712**	1,710,844	1,710,844
Share premium		**4,267,447**	4,267,447	4,267,447
Proposed issue of bonus shares	12	**-**	136,868	-
Treasury shares		**(822,159)**	(822,159)	(822,159)
Reserves	9	**100,331**	34,823	30,344
		5,393,331	5,327,823	5,186,476
Proposed cash dividends	12	**172,049**	191,165	159,304
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK		**5,565,380**	5,518,988	5,345,780
Perpetual Tier 1 Capital Securities and Sukuks	13	**381,661**	504,059	501,691
Non-controlling interests		**411,630**	394,853	318,582
TOTAL EQUITY		**6,358,671**	6,417,900	6,166,053
TOTAL LIABILITIES AND EQUITY		**38,497,723**	36,703,426	36,425,373

HAMAD ABDOUL MOHSEN AL-MARZOUQ
(CHAIRMAN)

KHALED YOUSEF ALSHAMLAN
(GROUP CHIEF EXECUTIVE OFFICER)

The attached notes 1 to 19 form part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2025

KD 000's

	Attributable to shareholders of the Bank								*Perpetual Tier 1 Capital Securities and Sukuks*	*Non-controlling interests*	*Total equity*
	Share capital	*Share premium*	*Proposed issue of bonus shares*	*Treasury shares*	*Reserves (Note 9)*	*Subtotal*	*Proposed cash dividends*	*Subtotal*			
Balance at 1 January 2025	**1,710,844**	**4,267,447**	**136,868**	**(822,159)**	**34,823**	**5,327,823**	**191,165**	**5,518,988**	**504,059**	**394,853**	**6,417,900**
Profit for the period	**-**	**-**	**-**	**-**	**342,149**	**342,149**	**-**	**342,149**	**-**	**43,617**	**385,766**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(99,513)**	**(99,513)**	**-**	**(99,513)**	**-**	**(48,359)**	**(147,872)**
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**242,636**	**242,636**	**-**	**242,636**	**-**	**(4,742)**	**237,894**
Issue of bonus shares (Note 12)	**136,868**	**-**	**(136,868)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash dividends (Note 12)	**-**	**-**	**-**	**-**	**-**	**-**	**(191,165)**	**(191,165)**	**-**	**-**	**(191,165)**
Proposed interim cash dividend (Note 12)	**-**	**-**	**-**	**-**	**(172,049)**	**(172,049)**	**172,049**	**-**	**-**	**-**	**-**
Zakat	**-**	**-**	**-**	**-**	**(41,633)**	**(41,633)**	**-**	**(41,633)**		**-**	**(41,633)**
Perpetual Tier 1 Sukuk foreign currency translation adjustment	**-**	**-**	**-**	**-**	**3,780**	**3,780**	**-**	**3,780**	**(3,780)**	**-**	**-**
Profit payment on Perpetual Tier 1 Capital Securities and Sukuks	**-**	**-**	**-**	**-**	**(11,236)**	**(11,236)**	**-**	**(11,236)**	**-**	**-**	**(11,236)**
Net movement on Perpetual Tier 1 Capital Securities and Sukuks	**-**	**-**	**-**	**-**	**(4,580)**	**(4,580)**	**-**	**(4,580)**	**(118,618)**	**-**	**(123,198)**
Impact of application of IAS 29 (Note 19)	**-**	**-**	**-**	**-**	**48,772**	**48,772**	**-**	**48,772**		**35,594**	**84,366**
Sale of a subsidiary	**-**	**-**	**-**	**-**	**(182)**	**(182)**	**-**	**(182)**	**-**	**(902)**	**(1,084)**
Payment to non-controlling interest on capital redemption of a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(4,433)**	**(4,433)**
Dividends paid to non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11,668)**	**(11,668)**
Net other changes in non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,928**	**2,928**
Balance at 30 June 2025	**1,847,712**	**4,267,447**	**-**	**(822,159)**	**100,331**	**5,393,331**	**172,049**	**5,565,380**	**381,661**	**411,630**	**6,358,671**

The attached notes 1 to 19 form part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 30 June 2025

KD 000's

	Attributable to shareholders of the Bank								*Perpetual Tier 1 Capital Securities and Sukuks*	*Non-controlling interests*	*Total equity*
	Share capital	*Share premium*	*Proposed issue of bonus shares*	*Treasury shares*	*Reserves (Note 9)*	*Subtotal*	*Proposed cash dividends*	*Subtotal*			
Balance at 1 January 2024	1,476,445	3,611,765	141,262	(113,103)	53,499	5,169,868	146,042	5,315,910	502,381	345,048	6,163,339
Profit for the period	-	-	-	-	341,178	341,178	-	341,178	-	12,663	353,841
Other comprehensive (loss)	-	-	-	-	(217,359)	(217,359)	-	(217,359)	-	(53,662)	(271,021)
Total comprehensive income (loss)	-	-	-	-	123,819	123,819	-	123,819	-	(40,999)	82,820
Issuance of ordinary shares	93,137	655,682	-	-	-	748,819	-	748,819	-	-	748,819
Issue of bonus shares (Note 12)	141,262	-	(141,262)	-	-	-	-	-	-	-	-
Cash dividends (Note 12)	-	-	-	-	-	-	(146,042)	(146,042)	-	-	(146,042)
Proposed interim cash dividend (Note 12)	-	-	-	-	(159,304)	(159,304)	159,304	-	-	-	-
Zakat	-	-	-	-	(56,011)	(56,011)	-	(56,011)		-	(56,011)
Net movement in treasury shares	-	-	-	(709,056)	2,687	(706,369)	-	(706,369)	-	-	(706,369)
Perpetual Tier 1 Sukuk foreign currency translation adjustment	-	-	-	-	(165)	(165)	-	(165)	165	-	-
Net movement on Perpetual Tier 1 Capital Securities and Sukuks	-	-	-	-	-	-	-	-	(855)	-	(855)
Profit payment on Perpetual Tier 1 Capital Securities and Sukuks	-	-	-	-	(11,286)	(11,286)	-	(11,286)	-	-	(11,286)
Group's share of associate adjustments	-	-	-	-	(3,243)	(3,243)	-	(3,243)	-	-	(3,243)
Impact of application of IAS 29 (Note 19)	-	-	-	-	85,542	85,542	-	85,542	-	51,897	137,439
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(8,517)	(8,517)
Acquisition of non-controlling interest	-	-	-	-	(4,528)	(4,528)	-	(4,528)	-	(28,751)	(33,279)
Change in ownership of subsidiary without loss of control	-	-	-	-	(666)	(666)	-	(666)	-	12	(654)
Net other changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(108)	(108)
Balance at 30 June 2024	1,710,844	4,267,447	-	(822,159)	30,344	5,186,476	159,304	5,345,780	501,691	318,582	6,166,053

The attached notes 1 to 19 form part of the interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2025

	Notes	Six months ended 30 June 2025	Six months ended 30 June 2024
			KD 000's
OPERATING ACTIVITIES			
Profit for the period		**385,766**	353,841
Adjustments to reconcile profit to net cash flows:			
Depreciation and amortisation		**43,513**	41,117
Provisions and impairment		**13,906**	6,358
Gain on sale of investments		**(58,276)**	(107,873)
Dividend income		**(2,811)**	(2,469)
Share of results of associates and joint ventures		**(2,308)**	(11,069)
Gain on sale of investment properties		**(6,863)**	(7,517)
Net monetary loss	19	**71,203**	86,779
		444,130	359,167
Changes in operating assets and liabilities			
Decrease (increase) in operating assets:			
Financing receivables and due from banks		**(840,426)**	477,983
Investment in debt securities		**(549,782)**	873,451
Trading properties		**16**	8,742
Other assets		**50,341**	(9,518)
Statutory deposit with Central Banks		**(200,658)**	267,749
Increase (decrease) in operating liabilities:			
Due to banks and financial institutions		**637,155**	396,736
Depositors' accounts		**510,480**	(2,273,794)
Other liabilities		**29,974**	(283,774)
Net cash flows from (used in) operating activities		**81,230**	(183,258)
INVESTING ACTIVITIES			
Investments, net		**(69,078)**	90,573
Additions/purchase of investment properties		**(171)**	(16)
Proceeds from sale of investment properties		**6,213**	13,139
Purchase of property and equipment		**(71,166)**	(25,770)
Proceeds from sale of property and equipment		**2,719**	1,289
Intangible assets, net		**3,022**	(661)
Proceeds from sale/redemption of investment in associates and joint ventures		**145,317**	-
Dividend received		**2,865**	10,325
Proceeds from sale of subsidiary		**4,219**	100,466
Payment to non-controlling interest on capital redemption of a subsidiary		**(4,433)**	-
Net cash flows from investing activities		**19,507**	189,345
FINANCING ACTIVITIES			
Profit payment on perpetual Tier-1 Capital Securities and Sukuks		**(11,236)**	(11,286)
Payment on settlement of perpetual Tier-1 Sukuks		**(123,198)**	-
Movement in Sukuk payables and term financing		**520,782**	328,740
Net movement in treasury shares		**-**	9,171
Cash dividends paid		**(191,165)**	(146,042)
Dividends paid to non-controlling interest		**(11,668)**	(8,517)
Zakat paid		**(7,664)**	(1,493)
Net cash flows from financing activities		**175,851**	170,573
NET INCREASE IN CASH AND CASH EQUIVALENTS		**276,588**	176,660
Cash and cash equivalents at 1 January		**3,445,682**	3,048,291
CASH AND CASH EQUIVALENTS AT 30 JUNE	10	**3,722,270**	3,224,951

The attached notes 1 to 19 form part of the interim condensed consolidated financial information.

1 INCORPORATION AND REGISTRATION

The interim condensed consolidated financial information of Kuwait Finance House K.S.C.P. ("the Parent Company" or "the Bank") and subsidiaries (collectively "the Group") for the six months period ended 30 June 2025 were authorised for issue by the Bank's Board of Directors on 09 July 2025.

The shareholders' annual ordinary general assembly held on 16 March 2025 approved the audited consolidated financial statements of the Group for the year ended 31 December 2024.

The Bank is a public shareholding company incorporated in Kuwait on 23 March 1977 and is registered as an Islamic bank with the Central Bank of Kuwait. The Bank is listed in Kuwait Boursa and Bahrain Bourse and is engaged in all Islamic banking activities for its own account as well as for third parties, including financing, purchase and sale of investments, leasing, project construction and other trading activities without practising usury. The Bank's registered head office is at Abdulla Al-Mubarak Street, Murqab, Kuwait.

All activities are conducted in accordance with Islamic Shari'a, as approved by the Bank's Fatwa and Shari'a Supervisory Board.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The 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 accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024. 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 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 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 Accounting Standards and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

Further, results for the six months period ended 30 June 2025, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

New standards, interpretations and amendments and accounting policies adopted by the Group
The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but do not have an impact on the interim condensed consolidated financial information of the Group.

Lack of exchangeability - Amendments to IAS 21
The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

Lack of exchangeability - Amendments to IAS 21 (continued)
The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments had no impact on the Group's interim condensed consolidated financial information.

3 SALE OF KUWAIT FINANCE HOUSE (BAHRAIN) B.S.C. (C)

On 14 May 2024, the Parent Company and Al Salam Bank B.S.C. ('buyer') completed the agreement for the sale and purchase of the entire issued share capital of Kuwait Finance House (Bahrain) B.S.C. (C) ("KFH Bahrain") for a net consideration of KD 100,466 thousand, resulting in a net gain of KD 70,113 thousand recorded in comparative period.

4 FINANCE COST AND ESTIMATED DISTRIBUTION TO DEPOSITORS

The management of the Bank has estimated distribution to depositors and profit attributable to Bank's shareholders based on the results for the six months period ended 30 June 2025. The actual distribution to depositors and profit attributable to Bank's shareholders could be different from the amounts presented in the interim condensed consolidated statement of income.

The actual profit to be distributed to all parties concerned will be determined by the Board of Directors of the Bank in accordance with the Bank's Articles of Association, based on the annual audited results for the year ending 31 December 2025.

5 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Bank after profit payment on Perpetual Tier 1 Capital Securities and Sukuks, by the weighted average number of ordinary shares outstanding during the period after adjusting for treasury shares held by the Group.

	Three months ended		*Six months ended*	
	30 June 2025	*30 June 2024*	***30 June 2025***	*30 June 2024*
Basic and diluted earnings per share:				
Profit for the period attributable to shareholders of the Bank (thousand KD)	**174,040**	178,333	**342,149**	341,178
Less: Profit payment on Perpetual Tier 1 Capital Securities and Sukuks (thousand KD)	**(11,236)**	(11,286)	**(11,236)**	(11,286)
Profit for the period attributable to shareholders of the Bank after profit payment on Perpetual Tier 1 Capital Securities and Sukuks (thousand KD)	**162,804**	167,047	**330,913**	329,892
Weighted average number of shares outstanding during the period, net of treasury shares (thousand shares)	**17,204,881**	17,204,845	**17,204,881**	17,190,235
Basic and diluted earnings per share attributable to the shareholders of the Bank	**9.46 fils**	9.71 fils	**19.23 fils**	19.19 fils

The weighted average number of shares outstanding for the current and comparative period have been adjusted to reflect the bonus shares issuance, approved during the period (Note 12).

6 SALE OF ASSOCIATE

During the period, the Group has sold the entire 35% stake in their investment in associate, Ahli Bank SAOG (Ahli Bank – Oman) for a consideration of KD 129,592 thousand, thereby recognizing a gain on sale of the associate net of estimated tax of KD 20,269 thousand. The gain is recorded under 'investment income' in the interim condensed consolidated statement of income.

7 SUKUK PAYABLES

On 17 January 2024, the Parent Company concluded the issuance of a 5-year senior unsecured Sukuk of USD 1,000,000 thousand which is listed on the London Stock Exchange. The Sukuk bears an expected profit rate of 5.011% per annum to be paid semi-annually in arrears, on each periodic distribution date, in accordance with the terms of the issue.

On 7 January 2025, the Parent Company concluded the second issuance of a 5-year senior unsecured Sukuk of USD 1,000,000 thousand which is listed on the London Stock Exchange. The Sukuk bears an expected profit rate of 5.376% per annum to be paid semi-annually in arrears, on each periodic distribution date, in accordance with the terms of the issue.

On 27 March 2025, the Parent Company concluded the second issuance of a 10-year senior unsecured Sukuk of USD 500,000 thousand.

8 TAXATION

				KD 000's
	Three months ended		*Six months ended*	
	30 June 2025	*30 June 2024*	***30 June 2025***	*30 June 2024*
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	**(1,588)**	(1,686)	**(3,151)**	(3,213)
National Labour Support Tax (NLST)	**-**	(5,537)	**-**	(11,347)
Zakat (based on Zakat Law No. 46/2006)	**-**	(2,256)	**-**	(4,508)
Domestic minimum top-up tax (DMTT)	**(17,886)**	**-**	**(30,750)**	**-**
Taxation related to subsidiaries	**(31,482)**	(36,562)	**(61,966)**	(59,416)
	(50,956)	(46,041)	**(95,867)**	(78,484)

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) Pillar Two model rules, under which multinational entities (MNE Group) whose revenue exceeds EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15% in each jurisdiction they operate. Most of the jurisdictions in which the Group operates have enacted the Pillar 2 legislation, of which Kuwait and Bahrain were most impactful for the Group, since these countries were subject to a lower effective tax rate compared to the proposed global minimum tax.

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

9 RESERVES

The movement of reserves is analysed as follows:

	30 June 2025							
								KD 000's
	Statutory reserve	*Voluntary reserve*	*Retained earnings*	*Treasury shares reserve*	*Fair value reserve*	*Foreign exchange translation reserve*	*Other reserves*	*Total*
Balance at 1 January 2025	**528,433**	**269,553**	**261,173**	**17,715**	**(25,660)**	**(927,343)**	**(89,048)**	**34,823**
Profit for the period	**-**	**-**	**342,149**	**-**	**-**	**-**	**-**	**342,149**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(13,021)**	**(86,193)**	**(299)**	**(99,513)**
Total comprehensive income (loss)	**-**	**-**	**342,149**	**-**	**(13,021)**	**(86,193)**	**(299)**	**242,636**
Proposed interim cash dividend (Note 12)	**-**	**-**	**(172,049)**	**-**	**-**	**-**	**-**	**(172,049)**
Zakat	**-**	**(41,022)**	**(611)**	**-**	**-**	**-**	**-**	**(41,633)**
Transfer of fair value reserve of equity investment at FVOCI	**-**	**-**	**580**	**-**	**(580)**	**-**	**-**	**-**
Perpetual Tier 1 Sukuk foreign currency translation adjustment	**-**	**-**	**3,780**	**-**	**-**	**-**	**-**	**3,780**
Profit payment on Perpetual Tier 1 Capital Securities and Sukuks	**-**	**-**	**(11,236)**	**-**	**-**	**-**	**-**	**(11,236)**
Other Movement on Perpetual Tier 1 Capital Securities and Sukuks	**-**	**-**	**(4,580)**	**-**	**-**	**-**	**-**	**(4,580)**
Impact of application of IAS 29 (Note 19)	**-**	**-**	**48,772**	**-**	**-**	**-**	**-**	**48,772**
Sale of a subsidiary	**-**	**-**	**(8,590)**	**-**	**(354)**	**(182)**	**8,944**	**(182)**
Balance at 30 June 2025	**528,433**	**228,531**	**459,388**	**17,715**	**(39,615)**	**(1,013,718)**	**(80,403)**	**100,331**

9 RESERVES (continued)

	30 June 2024							
								KD 000's
	Statutory reserve	*Voluntary reserve*	*Retained earnings*	*Treasury shares reserve*	*Fair value reserve*	*Foreign exchange translation reserve*	*Other reserves*	*Total*
Balance at 1 January 2024	464,864	261,995	159,923	15,028	(11,698)	(790,198)	(46,415)	53,499
Profit for the period	-	-	341,178	-	-	-	-	341,178
Other comprehensive (loss) income	-	-	-	-	(48,238)	(170,416)	1,295	(217,359)
Total comprehensive income (loss)	-	-	341,178	-	(48,238)	(170,416)	1,295	123,819
Proposed interim cash dividend (Note 12)	-	-	(159,304)	-	-	-	-	(159,304)
Zakat	-	(56,011)	-	-	-	-	-	(56,011)
Transfer of fair value reserve of equity investment at FVOCI	-	-	3,079	-	(3,079)	-	-	-
Perpetual Tier 1 Sukuk foreign currency translation adjustment	-	-	(165)	-	-	-	-	(165)
Profit payment on Perpetual Tier 1 Capital Securities and Sukuks	-	-	(11,286)	-	-	-	-	(11,286)
Group's share of associate adjustments	-	-	(3,243)	-	-	-	-	(3,243)
Impact of application of IAS 29 (Note 19)	-	-	85,542	-	-	-	-	85,542
Profit on sale of treasury shares	-	-	-	2,687	-	-	-	2,687
Change in ownership of subsidiary without loss of control	-	-	-	-	-	-	(666)	(666)
Acquisition of non-controlling interest	-	-	-	-	-	-	(4,528)	(4,528)
Balance at 30 June 2024	464,864	205,984	415,724	17,715	(63,015)	(960,614)	(50,314)	30,344

10 CASH AND CASH EQUIVALENTS

			KD 000's
	30 June 2025	*(Audited) 31 December 2024*	*30 June 2024*
Cash	**213,444**	200,329	276,526
Balances with Central Banks	**2,630,187**	2,277,906	2,020,279
Balances with banks and financial institutions – current Accounts	**1,013,494**	1,217,089	1,059,655
Cash and balances with banks and financial institutions	**3,857,125**	3,695,324	3,356,460
Due from banks maturing within 3 months of contract date	**1,213,193**	897,748	1,456,469
Less: Statutory deposits with Central Banks	**(1,348,048)**	(1,147,390)	(1,587,978)
Cash and cash equivalents	**3,722,270**	3,445,682	3,224,951

11 FINANCING RECEIVABLES

Financing receivables principally comprises of murabaha, wakala, leased assets, istisna'a balances and other financing receivables and advances, and is stated net of impairment as follows:

			KD 000's
	30 June 2025	*(Audited) 31 December 2024*	*30 June 2024*
Financing receivables, net of deferred and suspended profit	**21,349,179**	20,003,497	19,942,235
Less: Provision for impairment	**(919,503)**	(933,824)	(940,185)
	20,429,676	19,069,673	19,002,050

The available provision balance on non-cash facilities of KD 41,686 thousand (31 December 2024: KD 43,378 thousand and 30 June 2024: KD 822,959 thousand) is included under other liabilities.

Total provision for ECL is accounted as per CBK regulation which require ECL to be measured at the higher of the ECL computed under IFRS 9 in accordance with CBK or the provision required by CBK instructions. Total provision for credit losses recorded as per CBK instructions for utilized and unutilized cash and non-cash financing facilities as at 30 June 2025 is KD 961,189 thousand (31 December 2024: KD 977,202 thousand and 30 June 2024: KD 984,375 thousand) which exceeds the ECL for financing receivables under IFRS 9 in accordance with CBK, by KD 494,078 thousand (31 December 2024: KD 538,833 thousand and 30 June 2024: KD 544,351 thousand).

An analysis of the gross amounts of credit facilities, and the corresponding ECL provision based on the staging criteria under IFRS 9 in accordance with CBK regulations is as below:

30 June 2025	***Stage 1 KD 000's***	***Stage 2 KD 000's***	***Stage 3 KD 000's***	***Total KD 000's***
Financing receivables	**18,358,747**	**2,455,343**	**535,089**	**21,349,179**
Financing commitments and contingent liabilities (Note15)	**2,577,998**	**476,309**	**34,033**	**3,088,340**
ECL provision for credit facilities	**76,608**	**103,415**	**287,088**	**467,111**

11 FINANCING RECEIVABLES (continued)

31 December 2024	*Stage 1* *KD 000's*	*Stage 2* *KD 000's*	*Stage 3* *KD 000's*	*Total* *KD 000's*
Financing receivables	17,265,514	2,275,081	462,902	20,003,497
Financing commitments and contingent liabilities (Note 15)	2,429,594	406,623	40,691	2,876,908
ECL provision for credit facilities	62,364	95,589	280,416	438,369

30 June 2024	*Stage 1* *KD 000's*	*Stage 2* *KD 000's*	*Stage 3* *KD 000's*	*Total* *KD 000's*
Financing receivables	17,218,447	2,290,054	433,734	19,942,235
Financing commitments and contingent liabilities (Note 15)	2,198,718	350,856	40,317	2,589,891
ECL provision for credit facilities	65,375	108,209	266,440	440,024

An analysis of the changes in the expected credit losses in relation to credit facilities (cash and non-cash facilities) computed under IFRS 9 in accordance to the CBK guidelines is detailed below:

30 June 2025	***Stage 1*** ***KD 000's***	***Stage 2*** ***KD 000's***	***Stage 3*** ***KD 000's***	***Total*** ***KD 000's***
ECL allowance as at 1 January 2025	**62,364**	**95,589**	**280,416**	**438,369**
Transfer between stages:				
Transfer from / to Stage 1	**8,121**	**(4,060)**	**(4,061)**	**-**
Transfer from / to Stage 2	**(3,308)**	**8,085**	**(4,777)**	**-**
Transfer from / to Stage 3	**(218)**	**(5,749)**	**5,967**	**-**
Net increase in ECL for the period	**7,209**	**22,276**	**50,885**	**80,370**
Amounts written off	**-**	**-**	**(45,473)**	**(45,473)**
Foreign exchange adjustments	**2,440**	**(12,726)**	**4,131**	**(6,155)**
At 30 June 2025	**76,608**	**103,415**	**287,088**	**467,111**

30 June 2024	*Stage 1* *KD 000's*	*Stage 2* *KD 000's*	*Stage 3* *KD 000's*	*Total* *KD 000's*
ECL allowance as at 1 January 2024	83,433	119,909	240,299	443,641
Transfer between stages:				
Transfer from / to Stage 1	13,885	(8,194)	(5,691)	-
Transfer from / to Stage 2	(7,044)	9,465	(2,421)	-
Transfer from / to Stage 3	(364)	(5,574)	5,938	-
Net (decrease) increase in ECL for the period	(18,277)	11,761	59,222	52,706
Amounts written off	-	-	(17,350)	(17,350)
Related to disposal of subsidiary	(994)	(2,733)	(4,359)	(8,086)
Foreign exchange adjustments	(5,264)	(16,425)	(9,198)	(30,887)
At 30 June 2024	65,375	108,209	266,440	440,024

12 SHARE CAPITAL, ISSUE OF BONUS SHARES AND CASH DIVIDENDS

The ordinary general assembly of the Bank's shareholders held on 16 March 2025 approved to distribute bonus shares of 8% (2023: 9%) of the issued and fully paid share capital, and final cash dividends of 12 fils per share (2023: 10 fils per share) to the Bank's shareholders, in addition to the interim cash dividend of 10 fils per share (2023: 10 fils per share) which was paid during the year ended 31 December 2024.

The Extra-ordinary general assembly of the Bank's shareholders held on 16 March 2025 also approved to increase the authorised share capital to be comprised of 18,477,123,275 shares (31 December 2024: 17,108,447,477 and 30 June 2024: 17,108,447,477) shares of 100 fils each.

The authorized, issued, and fully paid share capital as at 30 June 2025 comprise of 18,477,123,275 shares (31 December 2024: 17,108,447,477 and 30 June 2024: 17,108,447,477) shares of 100 fils each.

The Board of Directors approved distribution of an interim cash dividend of 10 fils per share on the outstanding shares as of 30 June 2025 (30 June 2024: 10 fils per share). The interim cash dividend shall be payable to shareholders after obtaining necessary regulatory approvals.

13 PERPETUAL TIER 1 CAPITAL SECURITIES AND SUKUKS

			KD 000's
	30 June 2025	*(Audited) 31 December 2024*	*30 June 2024*
Perpetual Tier-1 Sukuk issued by the Bank	**381,661**	385,441	383,630
Perpetual Tier I Capital securities issued by AUB	**-**	118,618	118,061
	381,661	504,059	501,691

14 DIRECTOR'S FEES

The ordinary general assembly meeting of the shareholders of the Bank for the year ended 31 December 2024 held on 16 March 2025 approved the directors' fees proposed for the year ended 31 December 2024 of KD 1,317 thousand (2023: KD 1,308 thousand).

15 CONTINGENCIES AND COMMITMENTS

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

			KD 000's
	30 June 2025	*(Audited) 31 December 2024*	*30 June 2024*
Acceptances and letters of credit	**491,648**	423,040	363,750
Letters of guarantee	**2,596,692**	2,453,868	2,226,141
Contingencies	**3,088,340**	2,876,908	2,589,891
Capital commitments and others	**1,041,654**	893,211	705,491

16 RELATED PARTY TRANSACTIONS

Certain related parties (major shareholders, directors and executive employees, officers of the Group, their immediate relatives, associated companies joint ventures and companies of which they are the principal owners) are depositors and financing facilities customers of the Group, in the ordinary course of business. Such transactions were made on substantially the same terms, including profit rates and collateral, as those prevailing at the same time for comparable transactions with unrelated parties and did not involve more than a normal amount of risk.

The balances included in the interim condensed consolidated statement of financial position are as follows:

KD 000's

	Major shareholders	*Associates*	*Board members and executive officers*	*Other related parties*	***Total***		
					30 June 2025	*(Audited) 31 December 2024*	*30 June 2024*
Related parties							
Financing receivables and due from Banks	**-**	**51**	**3,681**	**40,437**	**44,169**	55,050	142,293
Due to Banks and financial institutions	**1,198,391**	**12,307**	**-**	**-**	**1,210,698**	1,428,661	1,456,168
Depositors' accounts	**-**	**2,481**	**25,791**	**14,520**	**42,792**	123,753	65,310
Contingencies and commitments	**733**	**5,299**	**-**	**6**	**6,038**	16,051	5,105

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

KD 000's

	Major shareholders	*Associates*	*Board members and executive officers*	*Other related parties*	***Total*** *Six months ended*	
					30 June 2025	*30 June 2024*
Financing income	**-**	**-**	**94**	**111**	**205**	2,909
Fee and commission income	**-**	**256**	**132**	**-**	**388**	256
Finance cost and estimated distribution to depositors	**28,652**	**51**	**391**	**163**	**29,257**	36,842

Salaries, allowances and bonuses of key management personnel, termination benefits of key management personnel and remuneration of board members of the Bank and all consolidated subsidiaries are as follows:

KD 000's

	Six months ended	
	30 June 2025	*30 June 2024*
Salaries, allowances and bonuses of key management personnel	**10,098**	10,479
Termination and long term benefits of key management personnel	**1,526**	941
Board of directors' remuneration	**597**	555
	12,221	11,975

16 RELATED PARTY TRANSACTIONS (continued)

Details of the interests of the Group's Board Members, Executive Officers and their immediate relatives are as follows:

KD 000's

	The number of Board Members or Executive Officers			*The number of related parties (Relatives of Board Members or Executive Officers)*			*Values*		
		(Audited)			*(Audited)*			*(Audited)*	
	30 June 2025	*31 December 2024*	*30 June 2024*	***30 June 2025***	*31 December 2024*	*30 June 2024*	***30 June 2025***	*31 December 2024*	*30 June 2024*
Board Members									
Finance facilities and credit cards	**25**	26	28	**27**	32	28	**1,971**	12,505	12,829
Depositors' accounts	**60**	57	62	**107**	113	110	**16,804**	19,103	22,062
Collateral against finance facilities	**4**	5	5	**3**	5	6	**6,904**	20,851	23,167
Executive Officers									
Finance facilities and credit cards	**81**	81	81	**23**	21	21	**3,402**	3,201	2,922
Depositors' accounts	**100**	91	103	**132**	122	127	**16,274**	13,326	14,081
Collateral against finance facilities	**8**	8	9	**5**	5	5	**4,034**	4,143	4,360

17 SEGMENTAL ANALYSIS

Primary segment information

For management purposes, the Group is organized into four major business segments. The principal activities and services under these segments are as follows:

Treasury:	Liquidity management, Murabaha investments, investment in debt securities, exchange of deposits with banks and financial institutions and international banking relationships.
Retail and Private Banking:	Consumer banking provides a diversified range of products and services to individual. Private banking provides comprehensive range of customised and innovative banking services to high net worth individuals
Corporate Banking:	Providing a range of banking services and investment products to corporates, providing commodity and real estate murabaha finance, local leasing, wakala and istisna'a facilities.
Investment:	Managing direct equity and real estate investments, non-banking Group entities, associates and joint ventures.

KD 000's

	Treasury	***Retail and private banking***	***Corporate banking***	***Investment***	***Total***
30 June 2025					
Total assets	**14,201,916**	**7,537,704**	**12,836,918**	**3,921,185**	**38,497,723**
Total liabilities	**11,571,300**	**14,283,459**	**5,339,528**	**944,765**	**32,139,052**
Operating income	**46,328**	**311,162**	**407,120**	**111,369**	**875,979**
Profit (loss) for the period	**34,783**	**124,638**	**256,869**	**(30,524)**	**385,766**

KD 000's

	Treasury	*Retail and private banking*	*Corporate banking*	*Investment*	*Total*
30 June 2024					
Total assets	13,458,405	7,372,873	11,567,434	4,026,661	36,425,373
Total liabilities	9,834,499	14,560,134	5,037,911	826,776	30,259,320
Operating income	65,094	286,782	346,771	124,795	823,442
Profit (loss) for the period	56,359	117,831	220,535	(40,884)	353,841

18 FAIR VALUES

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

Level 1: quoted (unadjusted) prices in active markets.
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
Level 3: other techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2025:

				KD 000's
Financial assets measured at fair value:	***(Level 1)***	***(Level 2)***	***(Level 3)***	***Total***
Venture capital at fair value profit and loss	**-**	**15,247**	**-**	**15,247**
Equities at FVTPL	**26,271**	**119,598**	**18,868**	**164,737**
Equities at FVOCI	**44,500**	**16,202**	**65,440**	**126,142**
Debt securities at FVTPL	**174,592**	**-**	**-**	**174,592**
Debt securities at FVOCI	**4,657,109**	**134,220**	**6,621**	**4,797,950**
Derivative financial assets:				
Forward contracts	**-**	**9,637**	**-**	**9,637**
Profit rate swaps	**-**	**100,912**	**-**	**100,912**
Currency swaps	**-**	**29,023**	**-**	**29,023**
Others	**-**	**38**	**-**	**38**
	4,902,472	**424,877**	**90,929**	**5,418,278**

				KD 000's
Financial liabilities measured at fair value:	***(Level 1)***	***(Level 2)***	***(Level 3)***	***Total***
Derivative financial liabilities:				
Forward contracts	**-**	**13,633**	**-**	**13,633**
Profit rate swaps	**-**	**87,885**	**-**	**87,885**
Currency swaps	**-**	**35,333**	**-**	**35,333**
Embedded precious metals	**-**	**1,056**	**-**	**1,056**
Others	**-**	**31**	**-**	**31**
	-	**137,938**	**-**	**137,938**

18 FAIR VALUES (continued)

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 31 December 2024:

				KD 000's
Financial assets measured at fair value:	*(Level 1)*	*(Level 2)*	*(Level 3)*	*Total*
Venture capital at FVTPL	-	15,247	-	15,247
Equities at FVTPL	27,757	76,751	18,421	122,929
Equities at FVOCI	33,526	14,055	55,861	103,442
Debt securities at FVTPL	171,057	-	-	171,057
Debt securities at FVOCI	4,095,697	124,241	6,287	4,226,225
Derivative financial assets:				
Forward contracts	-	21,356	-	21,356
Profit rate swaps	-	157,464	-	157,464
Currency swaps	-	28,221	-	28,221
Others	-	19	-	19
	4,328,037	437,354	80,569	4,845,960

				KD 000's
Financial liabilities measured at fair value:	*(Level 1)*	*(Level 2)*	*(Level 3)*	*Total*
Derivative financial liabilities:				
Forward contracts	-	10,387	-	10,387
Profit rate swaps	-	39,450	-	39,450
Currency swaps	-	18,792	-	18,792
Others	-	744	-	744
	-	69,373	-	69,373

The following table provides the fair value measurement hierarchy of the Group financial assets and financial liabilities as at 30 June 2024:

				KD 000's
Financial assets measured at fair value:	*(Level 1)*	*(Level 2)*	*(Level 3)*	*Total*
Venture capital at fair value profit and loss	-	16,277	-	16,277
Equities at FVTPL	33,938	109,134	23,257	166,329
Equities at FVOCI	45,363	13,463	56,324	115,150
Debt securities at FVTPL	240,660	-	-	240,660
Debt securities at FVOCI	2,877,568	87,681	14,764	2,980,013
Derivative financial assets:				
Forward contracts	-	7,419	-	7,419
Profit rate swaps	-	131,406	-	131,406
Currency swaps	-	36,798	-	36,798
Others	-	62	-	62
	3,197,529	402,240	94,345	3,694,114

18 FAIR VALUES (continued)

				KD 000's
Financial liabilities measured at fair value:	*(Level 1)*	*(Level 2)*	*(Level 3)*	*Total*
Derivative financial liabilities:				
Forward contracts	-	3,849	-	3,849
Profit rate swaps	-	60,788	-	60,788
Currency swaps	-	23,617	-	23,617
Embedded precious metals	-	868	-	868
Others	-	48	-	48
	-	89,170	-	89,170

No transfers have been made between the levels of hierarchy.

Level 3 investments included unquoted Sukuk of KD 6,621 thousand (31 December 2024: KD 6,287 thousand and 30 June 2024: KD 14,764 thousand) and unquoted equity investments of KD 84,308 thousand (31 December 2024: KD 74,282 thousand and 30 June 2024: KD 79,581 thousand). Investment in debt securities included in this category represent Investment in debt securities issued by corporates. The fair values of unquoted Investment in debt securities are estimated using discounted cash flow method using discount rate ranging from 5.8% to 6.1% (31 December 2024: 5.9% to 6.2% and 30 June 2024: 6.0% to 7.5%). Unquoted equity investments are fair valued using valuation technique that is appropriate in the circumstances. Valuation techniques include discounted cash flow models, observable market information of comparable companies, recent transaction information and net asset values. Significant unobservable inputs used in valuation techniques mainly include discount rate, terminal growth rate, revenue and profit estimates. The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of income or the interim condensed consolidated statement of changes in equity would be immaterial if the relevant risk variables used for fair value estimates to fair value the unquoted equity investments were altered by 5%.

The following table below shows a reconciliation of the opening and the closing balance of level 3 financial assets measured at fair value:

		KD 000's
	2025	*2024*
As at 1 January	**80,569**	116,487
Fair value re-measurement	**317**	3,743
Purchase (disposal), net	**10,043**	(25,885)
As at 30 June	**90,929**	94,345

19 HYPERINFLATION ACCOUNTING

The subsidiary Kuwait Turkish Participation Bank ("KTPB") has banking operations in Turkey. The Turkish economy was assessed as a hyperinflationary economy based on cumulative inflation rates over the previous three years, in April 2022. The Group determined the Consumer Price Index ("CPI") provided by the Turkish State Institute of Statistics to be the appropriate general price index to be considered in the application of IAS 29, *Financial Reporting in Hyperinflationary Economies* on the subsidiary's financial statements. The level and movement of the price index during the current and previous reporting periods is as below:

Reporting period	***Index***	***Conversion factor***
30 June 2025	**3089.74**	**1.163**
31 December 2024	2657.23	1.471
30 June 2024	2281.85	1.263