

التاريخ : 27 أبريل 2025
إشارة : FIN-3/6796/2025

To: Boursa Kuwait Company

السادة/ شركة بورصة الكويت المحترمين

Interim Condensed Consolidated Financial Information
for the period ended 31 March 2025

المعلومات المالية المرحلية المكثفة المجمعة
للفترة المنتهية في 31 مارس 2025

It is our pleasure to inform you that the Central Bank of Kuwait has approved Kuwait International Bank's Interim condensed consolidated financial information for the period ended 31 March 2025.

يسرنا إفادتك بأن بنك الكويت المركزي قد وافق على المعلومات المالية المرحلية المكثفة المجمعة لبنك الكويت الدولي "KIB" للفترة المنتهية في 31 مارس 2025.

Attached is the "Quarterly Financial Statements Results" form for the period ended 31 March 2025 along with CBK's approval thereon.

مرفق لكم نموذج "نتائج البيانات المالية المرحلية" للفترة المنتهية في 31 مارس 2025، بالإضافة إلى نسخة من موافقة بنك الكويت المركزي على البيانات المالية لمصرفنا عن الفترة المذكورة.

With reference to Boursa Kuwait Rule Book requirements issued by virtue of resolution No.1 of 2018 whereby KIB has been classified in the "Premier Market", we are pleased to announce that the Analyst/Investors conference call will be held through live webcast session at 1:00 pm (Local time) on Tuesday, 29 April 2024. Interested analysts may send an email to Investor-relations@kib.com.kw in order to provide them with the invitation and call instructions for attendance.

هذا وبالإشارة إلى متطلبات قواعد بورصة الكويت الصادرة بموجب القرار رقم 1 لسنة 2018، وحيث أن "KIB" قد تم تصنيفه ضمن مجموعة "السوق الأول"، فإنه يسرنا الإعلان عن موعد مؤتمر المحللين/المستثمرين الربع سنوي والذي تقرر انعقاده عن طريق بث مباشر عبر شبكة الإنترنت (Live webcast) في تمام الساعة الواحدة (وفق التوقيت المحلي) من بعد ظهر يوم الثلاثاء الموافق 29 أبريل 2025، ويمكن للأطراف المهتمين التواصل مع مصرفنا عبر البريد الإلكتروني Investor-relations@kib.com.kw لتزويدهم بالدعوة وتفاصيل المشاركة الخاص بالمؤتمر المذكور.

Kind Regards,

وتفضلوا بقبول فائق الاحترام ،،،

Copy to Capital Markets Authority

نسخة الى هيئة أسواق المال



محمد سعيد السقا

نائب الرئيس التنفيذي

Mohamed Said EL Saka
Deputy Chief Executive Officer

Company Name	اسم الشركة
Kuwait International Bank KSCP	بنك الكويت الدولي ش.م.ك.ع

First Quarter Results Ended on	2025-03-31	نتائج الربع الاول المنتهي في
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Board of Directors Meeting Date	2025-04-09	تاريخ اجتماع مجلس الإدارة
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Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements.	نسخة من البيانات المالية المعتمدة
Approved auditor's report	نسخة من تقرير مراقب الحسابات المعتمد
This form shall not be deemed to be complete unless the documents mentioned above are provided	لا يعتبر هذا النموذج مكتملاً ما لم يتم وإرفاق هذه المستندات

التغيير (%)	فترة الثلاث اشهر المقارنة	فترة الثلاث اشهر الحالية	البيان
Change (%)	Three Month Comparative Period	Three Month Current Period	Statement
	2024-03-31	2025-03-31	
20.9%	6,033,000	7,295,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
20.9%	3.64	4.40	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
4.3%	2,348,729,000	2,449,548,000	الموجودات المتداولة Current Assets
12.4%	3,459,107,000	3,887,942,000	إجمالي الموجودات Total Assets
21.7%	2,532,284,000	3,081,571,000	المطلوبات المتداولة Current Liabilities
13.5%	3,031,217,000	3,439,804,000	إجمالي المطلوبات Total Liabilities
5.5%	333,194,000	351,446,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
2.4%	21,101,000	21,614,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
(10.3%)	9,622,000	8,633,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
لا ينطبق Not applicable	لا توجد خسائر متراكمة No Accumulated losses	لا توجد خسائر متراكمة No Accumulated losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

البيان	الربع الأول الحالي First Quarter Current Period	الربع الأول المقارن First Quarter Comparative Period	التغيير (%) Change (%)
	2025-03-31	2024-03-31	
صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company	لا ينطبق Not Applicable	لا ينطبق Not Applicable	لا ينطبق Not Applicable
ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share	لا ينطبق Not Applicable	لا ينطبق Not Applicable	لا ينطبق Not Applicable
إجمالي الإيرادات التشغيلية Total Operating Revenue	لا ينطبق Not Applicable	لا ينطبق Not Applicable	لا ينطبق Not Applicable
صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)	لا ينطبق Not Applicable	لا ينطبق Not Applicable	لا ينطبق Not Applicable

- Not Applicable for first Quarter

لا ينطبق على الربع الأول

سبب ارتفاع/انخفاض صافي الربح (الخسارة)	Increase/Decrease in Net Profit (Loss) is due to
يعود سبب ارتفاع صافي الأرباح إلى ارتفاع إيرادات التشغيل وانخفاض في المخصصات المحملة، والذي قابله جزئياً ارتفاع المصروفات التشغيلية.	The increase in net profits is due to increase in operating income and lower provision charge, which was partially offset by increase in operating expenses.

بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	KWD 2,398,000	Total Revenue realized from dealing with related parties (value, KWD)
بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	KWD 444,000	Total Expenditures incurred from dealing with related parties (value, KWD)

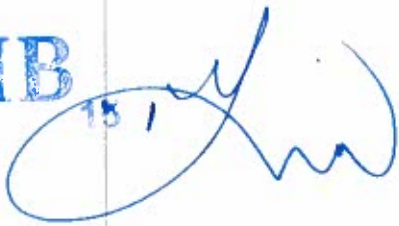
Auditor Opinion			رأي مراقب الحسابات
1.	Unqualified Opinion	☒	1. رأي غير متحفظ
2.	Qualified Opinion	☐	2. رأي متحفظ
3.	Disclaimer of Opinion	☐	3. عدم إبداء الرأي
4.	Adverse Opinion	☐	4. رأي معاكس

In the event of selecting item No. 2, 3 or 4, the following table must be filled out, and this form is not considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة الجدول التالي. ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

لا ينطبق Not applicable	نص رأي مراقب الحسابات كما ورد في التقرير
لا ينطبق Not applicable	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
لا ينطبق Not applicable	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
لا ينطبق Not applicable	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات

Corporate Actions		استحقاقات الأسهم (الاجراءات المؤتمسية)
النسبة	القيمة	
لا ينطبق Not applicable	لا ينطبق Not applicable	توزيعات نقدية Cash Dividends
لا ينطبق Not applicable	لا ينطبق Not applicable	توزيعات أسهم منحة Bonus Share
لا ينطبق Not applicable	لا ينطبق Not applicable	توزيعات أخرى Other Dividend
لا ينطبق Not applicable	لا ينطبق Not applicable	عدم توزيع أرباح No Dividends
لا ينطبق Not applicable	لا ينطبق Not applicable	
لا ينطبق Not applicable	لا ينطبق Not applicable	زيادة رأس المال Capital Increase
لا ينطبق Not applicable	لا ينطبق Not applicable	تخفيض رأس المال Capital Decrease

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		نائب الرئيس التنفيذي Deputy Chief Executive Officer	محمد سعيد السقا Mohamed Said EL Saka

الإشارة : /105/2 Ref. ٢٢٨٧

التاريخ :

الموافق : ٢٢ أبريل ٢٠٢٥

السيد نائب رئيس مجلس الإدارة والرئيس التنفيذي
بنك الكويت الدولي

تحية طيبة وبعد،

بالإشارة إلى كتاب مصرفكم المؤرخ 2025/4/9 والمرفق به البيانات المالية المرحلية لمصرفكم عن الفترة من 2025/1/1 حتى 2025/3/31. وعطفاً على الإيضاحات والبيانات التفصيلية الواردة إلينا بتاريخ 2025/4/23.

نفيدكم بأن بنك الكويت المركزي قد أحيط علماً بما جاء في البيانات المشار إليها. وعليه فإنه يمكنكم اتخاذ كافة الإجراءات الضرورية المتبعة في مثل هذا الخصوص.

مع أطيب التمنيات،،،



د. محمد بدر الخميس

المدير التنفيذي لقطاع الرقابة

٢٢٨٧ - نسخة إلى بورصة الكويت .



**Kuwait International Bank K.S.C.P. and its Subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
31 March 2025 (Unaudited)**

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait International Bank K.S.C.P. (the “Bank”) and its Subsidiaries (together the “Group”) as at 31 March 2025, and the interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month 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.

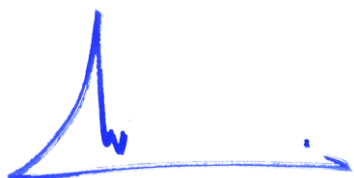
Report on Other Legal and Regulatory Requirements

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 violation of the Companies Law No. 1 of 2016, and its Executive Regulations, as amended, or of the Bank’s Memorandum of Incorporation and the Articles of Association, as amended, during the three-month period ended 31 March 2025 that might have had a material effect on the business of the Bank or on its financial position.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT INTERNATIONAL BANK
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 violation of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the three-month period ended 31 March 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



TALAL Y. AL-MUZAINI
LICENCE NO. 209A
DELOITTE & TOUCHE
AL-WAZZAN & CO.

27 April 2025
Kuwait

Kuwait International Bank K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

Period ended 31 March 2025

	Notes	KD 000's	
		Three months ended	
		31 March 2025	31 March 2024
Financing income		45,997	44,508
Finance costs and estimated distribution to depositors	3	(29,649)	(29,342)
Net financing income		16,348	15,166
Fees and commission income		4,169	3,779
Net gain from foreign exchange		455	390
Investment income		450	1,602
Other income		192	164
TOTAL OPERATING INCOME		21,614	21,101
Staff costs		(7,714)	(6,017)
General and administrative expenses		(4,050)	(3,645)
Depreciation		(1,217)	(1,817)
TOTAL OPERATING EXPENSES		(12,981)	(11,479)
Profit from operations before provisions and impairment losses		8,633	9,622
Provisions and impairment losses	4	(914)	(3,207)
PROFIT FROM OPERATIONS		7,719	6,415
Provision for:			
Kuwait Foundation for the Advancement of Sciences (KFAS)		(69)	(57)
National Labor Support Tax (NLST)		(198)	(149)
Zakat		(78)	(59)
PROFIT FOR THE PERIOD		7,374	6,150
<i>Attributable to:</i>			
Shareholders of the Bank		7,295	6,033
Non-controlling interests		79	117
		7,374	6,150
Basic and diluted earnings per share attributable to shareholders of the Bank	5	4.40 fils	3.64 fils

The accompanying notes from 1 to 17 form an integral part of this interim condensed consolidated financial information.

Kuwait International Bank K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period ended 31 March 2025

	<i>KD 000's</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2025</i>	<i>2024</i>
Profit for the period	7,374	6,150
Other comprehensive income:		
<i>Items that are or may be reclassified subsequently to interim condensed consolidated statement of profit or loss:</i>		
- Change in fair value of debt instruments at FVOCI	4,431	984
- Less: Loss on debt instruments at FVOCI reclassified to profit or loss upon disposal	-	40
- Foreign currency translation adjustments	90	195
<i>Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</i>		
- Change in fair value of equity investments at FVOCI	(405)	357
Other comprehensive income for the period	4,116	1,576
Total comprehensive income for the period	11,490	7,726
<i>Attributable to:</i>		
Shareholders of the Bank	11,405	7,614
Non-controlling interests	85	112
Total comprehensive income for the period	11,490	7,726

The accompanying notes from 1 to 17 form an integral part of this interim condensed consolidated financial information.



Kuwait International Bank K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2025

		KD 000's		
	Notes	31 March 2025	31 December 2024 (Audited)	31 March 2024
ASSETS				
Cash and balances with banks	6	182,144	195,740	143,411
Deposits with the Central Bank of Kuwait		53,350	113,223	183,758
Due from banks		87,021	85,813	163,001
Financing receivables	7	2,883,101	2,845,750	2,439,161
Investment securities	15	495,824	513,392	386,018
Investment in an associate		1,905	1,853	1,845
Investment properties		78,513	78,582	63,235
Other assets	8	61,836	44,999	35,698
Property and equipment		44,248	43,659	42,980
TOTAL ASSETS		3,887,942	3,923,011	3,459,107
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		111,018	154,376	212,230
Due to financial institutions		369,009	388,814	565,395
Depositors' accounts		2,783,115	2,754,432	2,079,861
Sukuk issued	9	92,296	92,196	91,956
Other liabilities	10	84,366	89,209	81,775
TOTAL LIABILITIES		3,439,804	3,479,027	3,031,217
EQUITY				
Share capital		170,338	170,338	165,377
Share premium		66,623	66,623	66,623
Treasury shares		(45,161)	(45,161)	(45,161)
Statutory reserve		46,222	46,222	43,374
Other reserves		113,424	109,906	102,981
Equity attributable to shareholders of the Bank		351,446	347,928	333,194
Perpetual Tier 1 Sukuk	17	92,400	92,400	91,035
Non-controlling interests		4,292	3,656	3,661
TOTAL EQUITY		448,138	443,984	427,890
TOTAL LIABILITIES AND EQUITY		3,887,942	3,923,011	3,459,107

Mohammed Jarrah Al-Sabah
Chairman

Raed Jawad Bukhamseen
Vice Chairman and Chief Executive Officer

The accompanying notes from 1 to 17 form an integral part of this interim condensed consolidated financial information.

Kuwait International Bank K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period ended 31 March 2025

	<i>Equity attributable to shareholders of the Bank</i>												<i>Perpetual Tier 1 Sukuk</i>	<i>Non- controlling interests</i>	<i>KD 000's Total equity</i>
	<i>Other reserves</i>														
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Treasury shares reserve</i>	<i>Retained earnings</i>	<i>Fair valuation reserve</i>	<i>Revaluation surplus</i>	<i>Foreign currency translation adjustments</i>	<i>Total other reserves</i>	<i>Total</i>			
Balance as at 1 January 2025	170,338	66,623	(45,161)	46,222	40,139	4,811	34,902	18,298	11,726	30	109,906	347,928	92,400	3,656	443,984
Profit for the period	-	-	-	-	-	-	7,295	-	-	-	7,295	7,295	-	79	7,374
Other comprehensive income	-	-	-	-	-	-	-	4,020	-	90	4,110	4,110	-	6	4,116
Total comprehensive income	-	-	-	-	-	-	7,295	4,020	-	90	11,405	11,405	-	85	11,490
Cash dividends (Note 11)	-	-	-	-	-	-	(7,887)	-	-	-	(7,887)	(7,887)	-	-	(7,887)
Movement on non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	551	551
Balance as at 31 March 2025	170,338	66,623	(45,161)	46,222	40,139	4,811	34,310	22,318	11,726	120	113,424	351,446	92,400	4,292	448,138
Balance as at 1 January 2024	165,377	66,623	(45,161)	43,374	37,291	4,811	35,825	11,696	12,411	990	103,024	333,237	91,035	3,550	427,822
Profit for the period	-	-	-	-	-	-	6,033	-	-	-	6,033	6,033	-	117	6,150
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	1,387	-	195	1,582	1,582	-	(6)	1,576
Total comprehensive income	-	-	-	-	-	-	6,033	1,387	-	195	7,615	7,615	-	111	7,726
Cash dividends (Note 11)	-	-	-	-	-	-	(7,658)	-	-	-	(7,658)	(7,658)	-	-	(7,658)
Balance as at 31 March 2024	165,377	66,623	(45,161)	43,374	37,291	4,811	34,200	13,083	12,411	1,185	102,981	333,194	91,035	3,661	427,890

The accompanying notes from 1 to 17 form an integral part of this interim condensed consolidated financial information.

Kuwait International Bank K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

Period ended 31 March 2025

		<i>KD 000's</i>	
		<i>Three months ended</i>	
		31 March	31 March
	<i>Notes</i>	2025	2024
OPERATING ACTIVITIES			
Profit for the period		7,374	6,150
Adjustments for:			
Net gain from foreign exchange		(455)	(390)
Dividend income		(1)	(1,306)
Change in fair value of financial assets at FVTPL		(112)	(159)
Realised loss from sale of debt instruments at FVOCI		-	46
Share of result from an associate		(52)	(6)
Rental income from investment properties		(285)	(177)
Depreciation		1,217	1,817
Provisions and impairment losses	4	914	3,207
		8,600	9,182
<i>Changes in operating assets and liabilities:</i>			
Deposits with the Central Bank of Kuwait		59,873	119
Due from banks		28,161	10,743
Financing receivables		(38,087)	43,416
Other assets		(17,220)	1,350
Due to banks		(43,358)	(103,849)
Due to financial institutions		(19,805)	(6,685)
Depositors' accounts		28,683	(39,010)
Other liabilities		(12,193)	(13,793)
Net cash used in operating activities		(5,346)	(98,527)
INVESTING ACTIVITIES			
Purchase of investment securities		(55,356)	(88,459)
Proceeds on redemption/ sale of investment securities		76,989	66,564
Purchase of property and equipment		(1,421)	(1,130)
Dividend income received		1	1,306
Rental income received		285	177
Net cash from/ (used in) investing activities		20,498	(21,542)
FINANCING ACTIVITIES			
Movement on non-controlling interests		551	-
Cash dividends paid		(20)	(8)
Net cash from/ (used in) financing activities		531	(8)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		15,683	(120,077)
Effect of foreign currency translation		90	195
Cash and cash equivalents at the beginning of the period		249,793	404,733
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	265,566	284,851

The accompanying notes from 1 to 17 form an integral part of this interim condensed consolidated financial information.

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

1. INCORPORATION AND ACTIVITIES

Kuwait International Bank K.S.C.P. (the “Bank”) is a Kuwaiti public shareholding company incorporated in the State of Kuwait on 13 May 1973 as a specialised bank and is regulated by the Central Bank of Kuwait (the “CBK”). The Bank’s shares are listed on Boursa Kuwait (Premier Market).

In June 2007, the CBK licensed the Bank to operate in accordance with Islamic Shariaá from 1 July 2007. From that date, all activities are conducted in accordance with Islamic Shariaá, as approved by the Bank’s Shariaá Supervisory Board.

The Bank is engaged principally in providing Islamic banking services, the purchase and sale of properties, leasing, and other trading activities. Trading activities are conducted on the basis of purchasing various commodities and selling them on Murabaha at agreed profit margin which can be settled in cash or on installment credit basis.

The registered office of the Bank is at West Tower - Joint Banking Center, P.O. Box 22822, Safat 13089, Kuwait.

The Bank owns 73.6% of issued share capital of Al Dawli Takaful Insurance Company KSCC (“KIB Takaful”), KIB Takaful is engaged in providing Shariaá compliant insurance services and 100% of issued share capital of KIB Invest Investment Company KSCC (“KIB Invest”), KIB Invest is engaged in Islamic investment activities. In addition, the Bank beneficially owns 100% of issued share capital of KIB Tier 1 Sukuk 2 Limited and KIB Sukuk Limited, incorporated as special purpose vehicles with limited liability in the Cayman Islands.

The interim condensed consolidated financial information of the Bank and its Subsidiaries (together the “Group”) for the period ended 31 March 2025 were authorised for issue by the Bank’s Board of Directors on 9 April 2025.

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

2.1 BASIS OF PREPARATION

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 have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (CBK) in the State of Kuwait. These regulations require banks and other financial institutions regulated by CBK to adopt the 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 with 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 ECL for credit facilities as at 31 March 2025 is lower than the provision for impairment of credit facilities required by CBK (Note 7).

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRSs as adopted for use by the State of Kuwait, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2024. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional currency of the Bank and its subsidiaries, rounded to the nearest thousand Kuwaiti Dinars, except when otherwise stated.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)**2.2 NEW STANDARDS, INTERPRETATIONS, AND AMENDMENTS ADOPTED BY THE GROUP**

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024. Amendments to IFRSs – Accounting Standards which are effective for annual accounting period starting from 1 January 2025 did not have any material impact on the accounting policies, financial position or performance of the Group.

2.3 CHANGES IN ACCOUNTING ESTIMATES

During the current period, the Bank's management based on the internal study, has re-assessed and revised the estimated useful lives of its property and equipment, as follows:

	New estimated Useful life (years)	Previous estimated Useful life (years)
Buildings	20 to 40	20
Furniture and fixtures	10	5
Office equipment, hardware and software	5 to 10	4
ATM	5	3

This results in a decrease in the depreciation amount of KD 767 thousand charged to the interim condensed consolidated statement of profit or loss for the three months period ended 31 March 2025. Accordingly, the effect in future periods is estimated to result in a decrease in the annual depreciation amount of KD 3,068 thousand to be charged to profit or loss.

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

3. FINANCE COSTS 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 three-month period ended 31 March 2025. The actual distribution to depositors for deposits of tenures exceeding 6 months could be different from the amounts presented in the interim condensed consolidated statement of profit or loss. The actual profit to be distributed to these depositors 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 financial year ending 31 December 2025.

4. PROVISIONS AND IMPAIRMENT LOSSES

	<i>KD 000's</i>	
	<i>Three months ended</i>	
	31 March 2025	31 March 2024
Provision on financing receivables (Note 7)	1,057	3,382
Expected credit losses for other financial assets	140	45
Provision for impairment on non-cash credit facilities	38	39
Provision no longer required	(321)	(259)
	914	3,207

5. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are computed by dividing profit for the period attributable to the shareholders of the Bank adjusted for profit paid (if any) on Perpetual Tier1 Sukuk by the weighted average number of shares outstanding during the period, net of treasury shares, as follows:

	<i>Three months ended</i>	
	31 March 2025	31 March 2024
Profit for the period attributable to the shareholders of the Bank (KD 000's)	7,295	6,033
Weighted average number of shares outstanding, net of treasury shares (shares'000)	1,656,368	1,656,370
Basic and diluted earnings per share	4.40 fils	3.64 fils

Basic and diluted earnings per share for the current and comparative period presented has been adjusted to reflect the effect of bonus shares for year ended 2024 (Note 11).

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

6. CASH AND CASH EQUIVELENTS

	<i>KD 000's</i>		
	31 March 2025	31 December 2024 (Audited)	31 March 2024
Cash	14,943	19,337	13,946
Balances with banks	13,242	9,482	9,348
Balances with CBK	153,962	166,924	120,121
	182,147	195,743	143,415
Less: Expected credit losses	(3)	(3)	(4)
Cash and balances with banks	182,144	195,740	143,411
Placements with banks (contractual maturity of 90 days or less) - Net	83,422	54,053	141,440
Cash and cash equivalents	265,566	249,793	284,851

7. FINANCING RECEIVABLES

	<i>KD 000's</i>		
	31 March 2025	31 December 2024 (Audited)	31 March 2024
Financing receivables	2,952,072	2,915,136	2,511,956
Provision for credit losses as per CBK instructions	(68,971)	(69,386)	(72,795)
	2,883,101	2,845,750	2,439,161

Movement in provision for credit facilities as per CBK instructions:

	<i>KD 000's</i>					
	Specific provision	2025 General provision	Total	Specific provision	2024 General provision	Total
As at 1 January	8,062	61,324	69,386	13,474	53,011	66,485
Provision charged/ (released) (Note 4)	1,396	(339)	1,057	3,792	(410)	3,382
Amounts (written off)/ recovery	(1,472)	-	(1,472)	(1,912)	4,840	2,928
As at 31 March	7,986	60,985	68,971	15,354	57,441	72,795

Provision on non-cash facilities of KD 4,148 thousand as at 31 March 2025 (31 December 2024: KD 4,110 thousand, 31 March 2024: KD 3,836 thousand) is included under other liabilities (Note 10).

Expected credit losses on credit facilities determined under IFRS 9 according to CBK guidelines amounted to KD 61,556 thousand as at 31 March 2025 (31 December 2024: KD 61,687 thousand; 31 March 2024: KD 58,758 thousand), which is lower than the provision for credit facilities under the CBK instructions of KD 73,119 thousand (31 December 2024: KD 73,496 thousand; 31 March 2024: KD 76,631 thousand).

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

7. FINANCING RECEIVABLES (continued)

An analysis of the carrying amounts of credit facilities (financing receivables, contingent liabilities and commitments), and the corresponding expected credit losses based on the staging criteria under IFRS 9 in accordance with CBK regulations.

	<i>KD 000 's</i>			
31 March 2025	Stage 1	Stage 2	Stage 3	Total
Financing receivables	2,685,320	206,878	59,874	2,952,072
Contingent liabilities	429,010	22,322	12,713	464,045
Commitments	455,522	22,032	-	477,554

	<i>KD 000 's</i>			
31 December 2024 (Audited)	Stage 1	Stage 2	Stage 3	Total
Financing receivables	2,617,162	233,084	64,890	2,915,136
Contingent liabilities	410,020	19,777	13,771	443,568
Commitments	521,227	10,108	200	531,535

	<i>KD 000 's</i>			
31 March 2024	Stage 1	Stage 2	Stage 3	Total
Financing receivables	2,125,904	339,143	46,909	2,511,956
Contingent liabilities	346,910	26,964	11,550	385,424
Commitments	515,145	15,855	-	531,000

An analysis of the changes in the expected credit losses in relation to credit facilities (financing receivables, contingent liabilities and commitments):

	<i>KD 000 's</i>			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2025	4,741	12,616	44,330	61,687
Transfer to Stage 1	791	(558)	(233)	-
Transfer to Stage 2	(6)	435	(429)	-
Transfer to Stage 3	-	(387)	387	-
(Reversal)/ charge of ECL allowance for the period	(324)	2,395	(2,202)	(131)
At 31 March 2025	5,202	14,501	41,853	61,556

	<i>KD 000 's</i>			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	5,306	17,862	41,379	64,547
Transfer to Stage 1	1,471	(573)	(898)	-
Transfer to Stage 2	(18)	215	(197)	-
Transfer to Stage 3	(12)	(2,450)	2,462	-
(Reversal)/ charge of ECL allowance for the year	(2,006)	(2,438)	1,584	(2,860)
At 31 December 2024 (Audited)	4,741	12,616	44,330	61,687

	<i>KD 000 's</i>			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2024	5,306	17,862	41,379	64,547
Transfer to Stage 1	680	(524)	(156)	-
Transfer to Stage 2	(22)	204	(182)	-
Transfer to Stage 3	(1)	(354)	355	-
Reversal of ECL allowance for the period	(2,301)	(3,160)	(328)	(5,789)
At 31 March 2024	3,662	14,028	41,068	58,758

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

8. OTHER ASSETS

	<i>KD 000's</i>		
	31 March 2025	31 December 2024 (Audited)	31 March 2024
Prepayments and refundable deposits	2,598	2,025	2,511
Transactions in progress	8,367	7,673	5,827
Clearing and under settlement accounts	29,026	14,176	7,341
Accrued income	7,038	5,680	5,581
Right of use assets - Net	4,278	4,266	3,564
Others	10,529	11,179	10,874
	61,836	44,999	35,698

9. Sukuk issued

On 30 November 2020, the Bank through Trust Certificate Issuance Programme issued USD denominated subordinated Tier 2 Sukuk amounting to USD 300 million with a tenor of 10 years (callable at each periodic distribution date after 5 years). The Tier 2 Sukuk is listed on the International Securities Market of the London Stock Exchange. Sukuk bears a profit rate of 2.375% per annum, payable semi-annually in arrears until the First Call Date subject to terms of the issue. After that, the expected profit rate will be reset based on prevailing 5 year US Treasury plus a margin of 1.99% per annum.

These Wakala Sukuk are unsecured and callable in whole at the option of the Bank on 30 November 2025 and each periodic distribution date thereafter, subject to certain conditions and regulatory approvals.

10. OTHER LIABILITIES

	<i>KD 000's</i>		
	31 March 2025	31 December 2024 (Audited)	31 March 2024
Depositors' profit payable	12,581	14,362	10,272
Provision on non-cash credit facilities (Note 7)	4,148	4,110	3,836
Accrued staff benefits	13,854	14,718	13,095
Payables and purchase orders	16,858	16,459	11,260
Dividend payable	9,285	1,418	9,070
Accrued expenses	5,907	7,236	6,949
Taxes and other dues	276	1,204	208
KFAS payable	69	256	240
Lease liability	4,264	4,236	3,482
Provision against legal cases	-	10,749	10,749
Others	17,124	14,461	12,614
	84,366	89,209	81,775

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

11. SHAREHOLDERS' MEETINGS

On 20 March 2025, the Ordinary Annual General Assembly meeting ("AGM") of the Bank's shareholders approved the distribution of dividends for the year ended 31 December 2024 as follows:

- a. Cash dividends of 5 fils per share (31 December 2023: 5 fils per share) amounting to KD 7,887 thousand (31 December 2023: KD 7,658 thousand) to the eligible shareholders as detailed in the schedule approved by Annual General Assembly, after excluding treasury shares; and
- b. Bonus shares of 5% (31 December 2023: 3%) to the eligible shareholders as detailed in the schedule approved by Annual General Assembly.

The cash dividend payable amounting to KD 7,887 thousand is included in other liabilities as at 31 March 2025.

The Extraordinary General Assembly meeting ("EGM") of the Bank's shareholders held on 20 March 2025 approved to increase the authorised, issued and paid-up capital from KD 170,338 thousand to KD 178,855 thousand by issuing 85,169 thousand shares as bonus shares amounted to KD 8,517 thousand. The notation in the commercial register was on 6 April 2025 regarding to the capital increase.

12. COMMITMENTS AND CONTINGENT LIABILITIES

	<i>KD 000's</i>		
	31 March 2025	<i>31 December 2024 (Audited)</i>	<i>31 March 2024</i>
Acceptances	49,380	43,750	25,093
Letters of credit	16,692	16,471	10,926
Letters of guarantee	397,973	383,347	349,405
	<u>464,045</u>	<u>443,568</u>	<u>385,424</u>

The Group also has revocable commitments to extend credit amounting to KD 477,554 thousand (31 December 2024: KD 531,535 thousand, 31 March 2024: KD 531,000 thousand).

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

13. RELATED PARTY TRANSACTIONS

These are transactions with certain related parties (major shareholders, associate, directors and executive officers of the Group, close members of their families and companies in which they are principal owners or over which they are able to exert significant influence) who were 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. Transactions with subsidiaries are eliminated in full and hence not disclosed.

The transactions and balances with related parties included in the interim condensed consolidated financial information are as follows:

follows:

				KD 000's		
				Total		
Major shareholders and other related parties	Associate	Directors and Executive officers	31 March 2025	31 December 2024	31 March 2024	
				(Audited)		
Balances						
Financing receivables	90,096	-	95,192	185,288	175,880	157,985
Credit cards	-	-	86	86	93	74
Deposits	39,104	466	4,161	43,731	46,217	37,976
Commitments and contingent liabilities	112,434	-	6,554	118,988	109,180	66,281
Collaterals against credit facilities	20,063	-	142,093	162,156	150,693	107,866
Transactions						
Financing income	1,189	-	1,209	2,398	9,729	1,318
Estimated distribution to depositors	275	-	17	292	1,036	255
Others	-	-	152	152	543	89

<i>31 March 2025</i>				<i>31 December 2024 (Audited)</i>		<i>31 March 2024</i>	
<i>No. of Directors and Executive officers</i>		<i>KD 000's</i>		<i>No. of Directors and Executive officers</i>		<i>KD 000's</i>	
Directors							
Financing receivables		6 94,185		5 87,250		5 71,172	
Deposits		9 1,717		8 1,974		8 2,562	
Commitments and contingent liabilities		6 6,443		4 1,321		4 803	
Collaterals against credit facilities		5 142,093		5 131,229		5 91,229	
Executive officers							
Financing receivables		23 1,007		23 1,036		25 845	
Credit cards		36 86		35 93		33 74	
Deposits		39 2,444		39 2,162		36 2,605	
Commitments and contingent liabilities		37 111		37 104		34 95	

Key management personnel compensation:

			<i>KD 000's</i>	
			<i>Three months ended</i>	
			<i>31 March 2025</i>	<i>31 March 2024</i>
Short-term benefits			1,010	891
Post-employment benefits			93	77
Chairman, board committees and representation remuneration (included in general and administrative expenses)			76	72

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

14. SEGMENT INFORMATION

The Group's operating segments are determined based on the reports reviewed by the Chief Executive Officer that are used for strategic decisions. These segments are strategic business units that offer different products and services. They are managed separately since the nature of the products and services, class of customers and marketing strategies of these segments are different.

These operating segments meet the criteria for reportable segments and are as follows:

Commercial, Real Estate and International Banking	:	Comprising of a range of banking services and investment products to corporate customers providing commodity and real estate Murabaha finance, Ijara and Wakala facilities, including investment properties and their management.
Retail Banking	:	Comprising of range of banking services and investment products primarily to individual customers, providing commodity Murabaha finance, Ijara, Wakala and Musawama facilities.
Treasury and Investment Banking	:	Comprising of liquidity management, correspondent banking, clearing, Murabaha investments, exchange of deposits with banks and financial institutions and other investments including Sukuk.
Others	:	Comprising of those which is not directly pertaining to the above segments and includes those relating to all subsidiaries and investment in an associate.

Management monitors the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. The Group's measures the performance of operating segments through measure of segment operating income and results in management and reporting systems. Segment assets principally comprise all assets and segment liabilities comprise all liabilities that are attributable to the segment.

The following table presents operating income, results for the period, total assets and total liabilities information regarding the Group's reportable segments.

	<i>KD 000's</i>				
	<i>Commercial, Real Estate and International Banking</i>	<i>Retail Banking</i>	<i>Treasury and Investment Banking</i>	<i>Others</i>	<i>Total</i>
31 March 2025					
Segment operating income/(loss)	31,938	(2,372)	(8,540)	588	21,614
Segment result	12,796	1,323	1,545	(8,290)	7,374
Segment assets	2,623,728	351,614	767,296	145,304	3,887,942
Segment liabilities	669,544	1,143,424	1,563,812	63,024	3,439,804
31 December 2024 (Audited)					
Segment assets	2,584,152	355,573	868,517	114,769	3,923,011
Segment liabilities	700,765	1,076,318	1,635,409	66,535	3,479,027
31 March 2024					
Segment operating income/(loss)	29,635	(713)	(9,829)	2,008	21,101
Segment result	8,282	2,069	(3,286)	(915)	6,150
Segment assets	2,168,324	351,538	840,715	98,530	3,459,107
Segment liabilities	619,426	986,112	1,365,662	60,017	3,031,217

The Group operates from the State of Kuwait only.

Kuwait International Bank K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments that are carried at fair value:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;

Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3: inputs are unobservable inputs for the asset or liability.

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

	KD 000's			
	Level 1	Level 2	Level 3	Total
31 March 2025				
Investment securities				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equity securities	2,081	-	-	2,081
Quoted sukuk	1,114	-	-	1,114
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equity securities	1,303	-	-	1,303
Unquoted equity securities	-	-	36,144	36,144
Quoted sukuk	455,182	-	-	455,182
	<u>459,680</u>	<u>-</u>	<u>36,144</u>	<u>495,824</u>
31 December 2024 (Audited)				
Investment securities				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equity securities	1,992	-	-	1,992
Quoted sukuk	1,097	-	-	1,097
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equity securities	1,303	-	-	1,303
Unquoted equity securities	-	-	36,546	36,546
Quoted sukuk	472,454	-	-	472,454
	<u>476,846</u>	<u>-</u>	<u>36,546</u>	<u>513,392</u>
31 March 2024				
Investment securities				
<i>Financial assets at fair value through profit or loss:</i>				
Quoted equity securities	1,931	-	-	1,931
Quoted sukuk	1,049	-	-	1,049
<i>Financial assets at fair value through other comprehensive income:</i>				
Quoted equity securities	1,352	-	-	1,352
Unquoted equity securities	-	-	33,048	33,048
Quoted sukuk	348,638	-	-	348,638
	<u>352,970</u>	<u>-</u>	<u>33,048</u>	<u>386,018</u>

There has been no change in valuation techniques as compared to prior periods. During the period ended 31 March 2025, there were no transfers between the levels.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) 31 March 2025

15. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The movement in Level 3 of financial instrument during the period are as follows:

	As at 1 January	Change in fair value	Additions	Exchange rate movements	<i>KD 000's</i> As at 31 March
31 March 2025					
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity securities	36,546	(402)	-	-	36,144
	36,546	(402)	-	-	36,144
31 December 2024 (Audited)					
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity securities	32,643	3,018	882	3	36,546
	32,643	3,018	882	3	36,546
31 March 2024					
<i>Financial assets at fair value through other comprehensive income:</i>					
Unquoted equity securities	32,643	402	-	3	33,048
	32,643	402	-	3	33,048

16. DERIVATIVE FINANCIAL INSTRUMENTS

In the ordinary course of business, the Bank enters into currency swaps, profit rate swaps, FX Wa'ad ("Islamic derivative financial instruments") to mitigate foreign currency and profit rate risk. The FX Wa'ad is based on Wa'ad (promise) structure between two parties to buy a specified currency at an agreed price on the relevant date in future. It is a conditional promise to purchase a currency through unilateral purchase undertaking. For profit rate swaps, counterparties generally exchange fixed and floating rate profit payments based on a notional value in a single currency. For currency swaps, fixed or floating payments as well as notional amounts are exchanged in different currencies.

Derivatives held for hedging purposes

The Bank has adopted a comprehensive system for the measurement and management of risk.

As part of its asset and liability management, the Bank uses derivatives for hedging purposes in order to reduce its exposure to currency and profit rate movements. This is achieved by hedging specific financial instruments.

In addition, the Bank uses profit rate swaps to hedge against the profit rate risk arising from specifically identified, fixed profit rate investments. The Bank also uses profit rate swaps to hedge against the cash flow risks arising on certain fixed rate Sukuk issued by the bank. In all such cases the hedging relationship and objective, including details of the hedged item and hedging instrument, are formally documented and the transactions are accounted for as derivatives held for hedging purposes.

Hedging of profit rate risk is also carried out by monitoring the duration of assets and liabilities and entering into profit rate swaps to hedge net profit rate exposures.

Kuwait International Bank K.S.C.P. and its Subsidiaries

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16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair value of Islamic derivative financial instruments included in the financial records, together with their notional amounts is summarised as follows:

	<i>KD 000's</i>		
	Positive fair value	Negative fair value	Notional amount
31 March 2025			
Profit rate swaps	-	(4)	3,274
Cross currency swaps	1	-	32,534
	<u>1</u>	<u>(4)</u>	<u>35,808</u>
31 December 2024 (Audited)			
Profit rate swaps	1	-	154
Cross currency swaps	-	-	-
	<u>1</u>	<u>-</u>	<u>154</u>
31 March 2024			
Profit rate swaps	-	-	-
Cross currency swaps	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

All of the above Islamic derivative financial instruments are fair valued based on observable market inputs and are included in Level 2 of fair value.

17. PERPETUAL TIER 1 SUKUK

On 1 May 2024, the Bank through a Sharia'a compliant Sukuk arrangement issued RegS Tier 1 Sukuk amounting to USD 300 million. Tier 1 Sukuk is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, deeply subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. The Tier 1 Sukuk is listed on the London Stock Exchange and is callable by the Bank after 5 years period ending 1 May 2029 (the "First Call Date") with a six months par call window, before being reset on 1 November 2029 (the "First Reset Date") or any profit payment date thereafter subject to certain redemption conditions including prior regulatory approvals.

The net proceeds from Tier 1 Sukuk are invested by way of Mudaraba with the Bank (as "Mudareb") on an unrestricted basis, by the Bank in its general business activities carried out through the general Mudaraba pool. Tier 1 Sukuk bears a profit rate of 6.625% per annum to be paid semi-annually in arrears until the First Reset Date subject to terms of the issue. After that, the expected profit rate will be reset based on then prevailing 5 years US Treasury plus a margin of 1.953% per annum.

At the issuer's sole discretion, it may elect not to make any Mudaraba distributions expected and, in such event, the Mudaraba profit will not be accumulated and will not constitute a default event.