

# **GULF BANK GROUP**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

**31 MARCH 2025**



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with confidence**

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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Bank K.S.C.P. (the “Bank”) and its subsidiary (collectively the “Group”) as at 31 March 2025, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the three months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

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

### **Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank’s Memorandum of Incorporation and Articles of Association, as amended, during the three months period ended 31 March 2025 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, during the three months 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  
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EY  
AL AIBAN, AL OSAIMI & PARTNERS

ALI B. AL-WAZZAN  
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29 April 2025  
Kuwait

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

PERIOD ENDED 31 MARCH 2025

	<i>Note</i>	<i>3 months ended 31 March 2025 KD 000's</i>	<i>3 months ended 31 March 2024 KD 000's</i>
Interest income		92,596	98,618
Interest expense		57,477	60,202
<b>Net interest income</b>		<b>35,119</b>	<b>38,416</b>
Net fees and commissions		5,826	6,537
Net gains from dealing in foreign currencies and derivatives		2,426	2,569
Dividend income		253	370
Other income		350	371
<b>Operating income</b>		<b>43,974</b>	<b>48,263</b>
Staff expenses		13,336	13,323
Occupancy costs		656	697
Depreciation		2,115	1,791
Other expenses		7,011	5,852
<b>Operating expenses</b>		<b>23,118</b>	<b>21,663</b>
<b>OPERATING PROFIT BEFORE PROVISIONS / IMPAIRMENT LOSSES</b>		<b>20,856</b>	<b>26,600</b>
Charge (release) of provisions:			
- specific		12,196	(3,336)
- general		978	1,756
Loan recoveries, net of write-off		(2,137)	14,686
Net provision on other financial assets		3	(17)
<b>OPERATING PROFIT BEFORE DIRECTORS' REMUNERATION AND TAXATION</b>		<b>9,816</b>	<b>13,511</b>
Directors' remuneration		30	30
Contribution to Kuwait Foundation for the Advancement of Sciences		99	136
National Labour Support Tax		238	335
Zakat		96	136
<b>PROFIT FOR THE PERIOD</b>		<b>9,353</b>	<b>12,874</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (Fils)</b>	3	<b>2</b>	<b>3</b>

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

**GULF BANK GROUP**  
**Interim Condensed Consolidated Statement of Comprehensive Income**  
**(Unaudited)**  
PERIOD ENDED 31 MARCH 2025

	<i>3 months ended 31 March 2025 KD 000's</i>	<i>3 months ended 31 March 2024 KD 000's</i>
<b>Profit for the period</b>	<b>9,353</b>	12,874
<b>Other comprehensive income</b>		
<i>Items that will not to be reclassified subsequently to interim condensed consolidated statement of income:</i>		
Net changes in fair value of investment securities-equity	<b>3,129</b>	1,316
<b>Other comprehensive income for the period</b>	<b>3,129</b>	1,316
<b>Total comprehensive income for the period</b>	<b>12,482</b>	14,190

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

# GULF BANK GROUP

## Interim Condensed Consolidated Statement of Financial Position

		(Unaudited) 31 March 2025 KD 000's	(Audited) 31 December 2024 KD 000's	(Unaudited) 31 March 2024 KD 000's
	Notes			
<b>ASSETS</b>				
Cash and cash equivalents		1,158,822	1,387,876	1,033,679
Kuwait Government treasury bonds		2,500	2,500	16,500
Central Bank of Kuwait bonds		136,308	140,031	339,166
Deposits with banks and other financial institutions		214,204	135,468	157,088
Loans and advances	4	5,617,763	5,466,938	5,384,433
Investment securities		250,615	204,625	172,079
Other assets	5	106,470	101,762	127,660
Premises and equipment		40,610	40,948	39,786
<b>TOTAL ASSETS</b>		<b>7,527,292</b>	<b>7,480,148</b>	<b>7,270,391</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Due to banks		271,995	365,430	243,246
Deposits from financial institutions		955,203	944,513	1,025,718
Customer deposits		4,564,733	4,656,680	4,414,467
Other borrowed funds	6	720,382	519,824	614,598
Other liabilities		206,828	160,098	184,829
<b>TOTAL LIABILITIES</b>		<b>6,719,141</b>	<b>6,646,545</b>	<b>6,482,858</b>
<b>EQUITY</b>				
Share capital	7	380,250	380,250	362,143
Proposed bonus shares	7	19,013	19,013	18,107
Statutory reserve		66,862	66,862	60,538
Share premium		186,937	186,937	186,937
Property revaluation reserve		17,603	17,603	17,974
Fair valuation reserve		4,878	2,120	600
Retained earnings		134,985	163,195	141,234
		<b>810,528</b>	<b>835,980</b>	<b>787,533</b>
Treasury shares	8	(2,377)	(2,377)	-
<b>TOTAL EQUITY</b>		<b>808,151</b>	<b>833,603</b>	<b>787,533</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,527,292</b>	<b>7,480,148</b>	<b>7,270,391</b>

  
**Ahmad Mohammad Ahmad AlBahar**  
(Chairman)

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

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



**GULF BANK GROUP**  
**Interim Condensed Consolidated Statement of Cash Flows**  
**(Unaudited)**  
PERIOD ENDED 31 MARCH 2025

	<i>Note</i>	<i>3 months ended 31 March 2025 KD 000's</i>	<i>3 months ended 31 March 2024 KD 000's</i>
<b>OPERATING ACTIVITIES</b>			
Profit for the period before directors' remuneration and taxation		<b>9,816</b>	13,511
Adjustments:			
Dividend income		<b>(253)</b>	(370)
Depreciation		<b>2,115</b>	1,791
Loan loss provisions		<b>13,174</b>	(1,580)
Net provision on other financial assets		<b>3</b>	(17)
<b>CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		<b>24,855</b>	13,335
<i>Decrease/(increase) in operating assets:</i>			
Central Bank of Kuwait bonds		<b>3,723</b>	(1,451)
Deposits with banks and other financial institutions		<b>(78,740)</b>	23,894
Loans and advances		<b>(164,589)</b>	(186,404)
Other assets		<b>(6,005)</b>	(10,899)
<i>(Decrease)/increase in operating liabilities:</i>			
Due to banks		<b>(93,435)</b>	(13,108)
Deposits from financial institutions		<b>10,690</b>	(122,865)
Customer deposits		<b>(91,947)</b>	195,208
Other liabilities		<b>8,923</b>	(22,666)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>		<b>(386,525)</b>	(124,956)
<b>INVESTING ACTIVITIES</b>			
Purchase of investment securities		<b>(83,833)</b>	(45,599)
Proceeds from sale/maturity of investment securities		<b>42,523</b>	68,035
Purchase of premises and equipment		<b>(1,777)</b>	(2,094)
<b>NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>		<b>(43,087)</b>	20,342
<b>FINANCING ACTIVITIES</b>			
Net proceeds from other borrowed funds	6	<b>200,558</b>	44,536
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>200,558</b>	44,536
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(229,054)</b>	(60,078)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>1,387,876</b>	1,093,757
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>		<b>1,158,822</b>	1,033,679
<b>Additional cash flows information</b>			
Interest received		<b>90,494</b>	93,905
Interest paid		<b>54,440</b>	67,306

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

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

PERIOD ENDED 31 MARCH 2025

			RESERVES							
	<i>Share capital KD 000's</i>	<i>Proposed bonus shares KD 000's</i>	<i>Statutory reserve KD 000's</i>	<i>Share premium KD 000's</i>	<i>Property revaluation reserve KD 000's</i>	<i>Fair valuation reserve KD 000's</i>	<i>Retained earnings KD 000's</i>	<i>Subtotal reserves KD 000's</i>	<i>Treasury shares KD 000's</i>	<i>Total KD 000's</i>
At 1 January 2024	362,143	18,107	60,538	186,937	17,974	(716)	171,817	436,550	-	816,800
Profit for the period	-	-	-	-	-	-	12,874	12,874	-	12,874
Other comprehensive income for the period	-	-	-	-	-	1,316	-	1,316	-	1,316
Total comprehensive income for the period	-	-	-	-	-	1,316	12,874	14,190	-	14,190
Dividend (Note 7)	-	-	-	-	-	-	(43,457)	(43,457)	-	(43,457)
At 31 March 2024	362,143	18,107	60,538	186,937	17,974	600	141,234	407,283	-	787,533
<b>At 1 January 2025</b>	<b>380,250</b>	<b>19,013</b>	<b>66,862</b>	<b>186,937</b>	<b>17,603</b>	<b>2,120</b>	<b>163,195</b>	<b>436,717</b>	<b>(2,377)</b>	<b>833,603</b>
Profit for the period	-	-	-	-	-	-	9,353	9,353	-	9,353
Other comprehensive income for the period	-	-	-	-	-	3,129	-	3,129	-	3,129
Total comprehensive income for the period	-	-	-	-	-	3,129	9,353	12,482	-	12,482
Dividend (Note 7)	-	-	-	-	-	-	(37,934)	(37,934)	-	(37,934)
Realised gain on equity securities at FVOCI	-	-	-	-	-	(371)	371	-	-	-
<b>At 31 March 2025</b>	<b>380,250</b>	<b>19,013</b>	<b>66,862</b>	<b>186,937</b>	<b>17,603</b>	<b>4,878</b>	<b>134,985</b>	<b>411,265</b>	<b>(2,377)</b>	<b>808,151</b>

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

**GULF BANK GROUP**  
**Notes to the Interim Condensed Consolidated Financial Information**  
**(Unaudited)**  
31 March 2025

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**1. INCORPORATION AND REGISTRATION**

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

Gulf Capital Investment Company KSCC is a 100% owned subsidiary, with an authorized, issued and fully paid up capital of **KD 10,000 thousand**, engaged in securities activities in the State of Kuwait.

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

The interim condensed consolidated financial information of the Group for the three months period ended 31 March 2025 was authorised by the Board of Directors for issue on 15 April 2025.

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

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

**2.1 Basis of preparation**

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

The annual consolidated financial statements for the year ended 31 December 2024 were prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (CBK) in the State of Kuwait. These regulations require banks and other financial institutions regulated by CBK to adopt the International Financial Reporting Standards (“IFRS Accounting Standards”) with an amendment for measuring the expected credit loss (“ECL”) on credit facilities at the higher of ECL computed under IFRS 9 – ‘Financial Instruments’ in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is hereinafter referred to as “IFRS Accounting Standards as adopted by CBK for use in the State of Kuwait”.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. Further, operating results for the three months period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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

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

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024.

Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2025 did not have any material impact on the accounting policies, financial position or performance of the Group.



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

31 March 2025

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

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

	<i>3 months ended 31 March 2025 KD 000's</i>	<i>3 months ended 31 March 2024 KD 000's</i>
Profit for the period	<b>9,353</b>	12,874
	<u><b>Shares</b></u>	<u><b>Shares</b></u>
Weighted average number of shares outstanding during the period	<b>3,983,019,703</b>	3,992,627,203
Basic and diluted earnings per share (Fils)	<b>2</b>	3

Earnings per share calculations for the period ended 31 March 2025 and 31 March 2024 have been adjusted to the account of bonus shares, which will be issued on 15 April 2025 (Note 7).

**4. LOANS AND ADVANCES**

	<i>(Unaudited) 31 March 2025 KD 000's</i>	<i>(Audited) 31 December 2024 KD 000's</i>	<i>(Unaudited) 31 March 2024 KD 000's</i>
Gross loans and advances	<b>5,863,815</b>	5,705,697	5,666,922
Less: Provision for impairment	<b>(246,052)</b>	(238,759)	(282,489)
Loans and advances	<b>5,617,763</b>	5,466,938	5,384,433

Provision for non-cash facilities of **KD 30,896 thousand** (31 December 2024: KD 31,486 thousand and 31 March 2024: KD 17,908 thousand) is included under other liabilities.

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

31 March 2025

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

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

	<i>(Unaudited)</i> <b>31 March</b> <b>2025</b> <b>KD 000's</b>	<i>(Audited)</i> <b>31 December</b> <b>2024</b> <b>KD 000's</b>	<i>(Unaudited)</i> <b>31 March</b> <b>2024</b> <b>KD 000's</b>
Provision on cash facilities	<b>246,052</b>	238,759	282,489
Provision on non-cash facilities	<b>30,896</b>	31,486	17,908
<b>Total provisions on credit facilities</b>	<b><u>276,948</u></b>	<b><u>270,245</u></b>	<b><u>300,397</u></b>
IFRS 9 ECL on credit facilities	<b>182,980</b>	176,737	170,190
Excess of total provisions over IFRS 9 ECL on credit facilities	<b>93,968</b>	93,508	130,207
Excess provisions as a percentage of total provisions	<b>34%</b>	35%	43%

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

**At 31 March 2025:**

	<i>Stage 1</i> <b>KD 000's</b>	<i>Stage 2</i> <b>KD 000's</b>	<i>Stage 3</i> <b>KD 000's</b>	<i>Total</i> <b>KD 000's</b>
Loans and advances	<b>5,657,098</b>	<b>112,459</b>	<b>94,258</b>	<b>5,863,815</b>
Contingent liabilities and commitments (Note 11)	<b>2,845,005</b>	<b>106,517</b>	<b>33,753</b>	<b>2,985,275</b>
IFRS 9 ECL on credit facilities	<b>48,676</b>	<b>27,963</b>	<b>106,341</b>	<b>182,980</b>

**At 31 December 2024:**

	<i>Stage 1</i> <b>KD 000's</b>	<i>Stage 2</i> <b>KD 000's</b>	<i>Stage 3</i> <b>KD 000's</b>	<i>Total</i> <b>KD 000's</b>
Loans and advances	5,465,468	159,169	81,060	5,705,697
Contingent liabilities and commitments (Note 11)	2,795,706	96,738	34,463	2,926,907
IFRS 9 ECL on credit facilities	46,051	32,559	98,127	176,737

**At 31 March 2024:**

	<i>Stage 1</i> <b>KD 000's</b>	<i>Stage 2</i> <b>KD 000's</b>	<i>Stage 3</i> <b>KD 000's</b>	<i>Total</i> <b>KD 000's</b>
Loans and advances	5,402,608	194,222	70,092	5,666,922
Contingent liabilities and commitments (Note 11)	2,767,124	123,841	19,324	2,910,289
IFRS 9 ECL on credit facilities	35,227	57,825	77,138	170,190

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

31 March 2025

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

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

**At 31 March 2025:**

	<i>Stage 1</i> <i>KD 000's</i>	<i>Stage 2</i> <i>KD 000's</i>	<i>Stage 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
ECL balance as at 1 January 2025	46,051	32,559	98,127	176,737
Impact due to transfer between stages	8,902	(4,444)	(4,458)	-
ECL (release) charge for the period	(6,277)	(152)	19,143	12,714
ECL release on written off facilities	-	-	(6,471)	(6,471)
	<u>48,676</u>	<u>27,963</u>	<u>106,341</u>	<u>182,980</u>

**At 31 March 2024:**

	<i>Stage 1</i> <i>KD 000's</i>	<i>Stage 2</i> <i>KD 000's</i>	<i>Stage 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
ECL balance as at 1 January 2024	36,635	75,216	74,831	186,682
Impact due to transfer between stages	4,396	(277)	(4,119)	-
ECL (release) charge for the period	(5,804)	(17,114)	16,337	(6,581)
ECL release on written off facilities	-	-	(9,911)	(9,911)
	<u>35,227</u>	<u>57,825</u>	<u>77,138</u>	<u>170,190</u>

**5. OTHER ASSETS**

	<i>(Unaudited)</i> <i>31 March</i> <i>2025</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD 000's</i>	<i>(Unaudited)</i> <i>31 March</i> <i>2024</i> <i>KD 000's</i>
Accrued interest receivable	33,005	30,903	37,735
Sundry debtors and others	16,520	13,914	21,261
Reposessed collaterals	56,945	56,945	68,664
	<u>106,470</u>	<u>101,762</u>	<u>127,660</u>

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

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

31 March 2025

**6. OTHER BORROWED FUNDS**

		<i>(Unaudited)</i> <b>31 March</b> <b>2025</b> <b>KD 000's</b>	<i>(Audited)</i> <b>31 December</b> <b>2024</b> <b>KD 000's</b>	<i>(Unaudited)</i> <b>31 March</b> <b>2024</b> <b>KD 000's</b>
	<i>Effective interest rate</i>			
Subordinated Tier 2 bonds- KWD 2031 (Fixed tranche)	4.00%	<b>25,000</b>	25,000	25,000
Subordinated Tier 2 bonds- KWD 2031 (Floating tranche capped at 5%)	CBK+2.25%	<b>25,000</b>	25,000	25,000
Medium term borrowings-Floating	4.42% to 5.88%	<b>670,382</b>	469,824	564,598
		<b>720,382</b>	519,824	614,598

**7. EQUITY**

**Share Capital**

	<i>(Unaudited)</i> <b>31 March</b> <b>2025</b> <b>KD 000's</b>	<i>(Audited)</i> <b>31 December</b> <b>2024</b> <b>KD 000's</b>	<i>(Unaudited)</i> <b>31 March</b> <b>2024</b> <b>KD 000's</b>
Issued and fully paid 3,802,502,099 (31 December 2024: 3,802,502,099 and 31 March 2024: 3,621,430,571) shares of 100 fils each	<b>380,250</b>	380,250	362,143

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

**Dividend**

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

**8. TREASURY SHARES**

	<i>(Unaudited)</i> <b>31 March</b> <b>2025</b>	<i>(Audited)</i> <b>31 December</b> <b>2024</b>	<i>(Unaudited)</i> <b>31 March</b> <b>2024</b>
Number of treasury shares	<b>9,150,000</b>	9,150,000	-
Percentage of treasury shares	<b>0.24%</b>	0.24%	0.00%
Cost of treasury shares (KD 000's)	<b>2,377</b>	2,377	-
Weighted average market value of treasury shares (KD 000's)	<b>2,983</b>	2,681	-

**GULF BANK GROUP**  
**Notes to the Interim Condensed Consolidated Financial Information**  
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**9. SEGMENTAL ANALYSIS**

**By Business Unit**

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

Segmental information for the three months period ended 31 March is as follows:

	<b>Commercial Banking</b>		<b>Treasury &amp; Investments</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>
Operating income (excluding unallocated income provided below)	<b>30,387</b>	34,020	<b>2,049</b>	2,396	<b>32,436</b>	36,416
Segment result	<b>10,448</b>	12,384	<b>1,100</b>	1,734	<b>11,548</b>	14,118
Unallocated income					<b>11,538</b>	11,847
Unallocated expense					<b>(13,733)</b>	(13,091)
<b>Profit for the period</b>					<b>9,353</b>	12,874
Segment assets	<b>5,740,701</b>	5,528,114	<b>1,708,174</b>	1,643,493	<b>7,448,875</b>	7,171,607
Unallocated assets					<b>78,417</b>	98,784
<b>Total Assets</b>					<b>7,527,292</b>	7,270,391
Segment liabilities	<b>3,346,263</b>	3,017,812	<b>3,087,852</b>	3,265,103	<b>6,434,115</b>	6,282,915
Unallocated liabilities and equity					<b>1,093,177</b>	987,476
<b>Total Liabilities and Equity</b>					<b>7,527,292</b>	7,270,391

**GULF BANK GROUP**  
**Notes to the Interim Condensed Consolidated Financial Information**  
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**10. RELATED PARTY TRANSACTIONS**

Certain related parties (major shareholder, Board members and executive management of the Group, their families and companies of which they are principal owners) were customers of the Group in the ordinary course of business. The terms of these transactions were approved as per the Group's policies.

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

	<i>Number of Board Members or executive management (Audited)</i>			<i>Number of related parties (Audited)</i>			<i>(Audited)</i>		
	<i>31 March 2025</i>	<i>31 December 2024</i>	<i>31 March 2024</i>	<i>31 March 2025</i>	<i>31 December 2024</i>	<i>31 March 2024</i>	<i>31 March 2025</i>	<i>31 December 2024</i>	<i>31 March 2024</i>
							<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<b>Board members:</b>									
<b>Balances</b>									
Loans and advances	-	1	1	24	30	20	194,598	187,648	196,390
Credit cards	-	1	1	9	5	7	12	32	20
Deposits	6	7	8	85	91	96	738,611	825,947	949,961
<b>Commitments</b>									
Guarantees /letter of credit	-	-	-	21	23	23	65,144	70,724	73,131
<b>Transactions</b>									
Interest income	1	1	1	36	55	23	2,516	11,101	2,692
Interest expense	2	5	5	23	23	19	9,628	50,944	11,307
Net fees and commissions	4	-	-	86	89	24	141	473	114
Other expenses	-	-	-	16	17	8	755	3,896	688
Purchase of equipment	-	-	-	2	4	1	34	434	11
<b>Executive management:</b>									
<b>Balances</b>									
Loans and advances	9	9	8	-	-	-	705	782	821
Credit cards	11	11	9	-	-	-	26	42	24
Deposits	17	17	15	-	-	-	3,727	1,967	3,890
<b>Transactions</b>									
Interest income	9	10	8	-	-	-	9	44	12
Interest expense	30	18	15	-	-	-	30	131	31

# GULF BANK GROUP

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

31 March 2025

### 10. RELATED PARTY TRANSACTIONS (continued)

The loans issued to Board members and executive management are repayable within CBK regulatory limits and have interest rates of **4.75% to 6.50%** (31 December 2024: 4.75% to 6.75%; 31 March 2024: 5% to 6.75%) per annum. Some of the loans advanced to Board members and their related parties are collateralised. The fair value of these collaterals as of 31 March 2025 was **KD 46,301 thousand** (31 December 2024: KD 48,031 thousand and 31 March 2024: KD 71,060 thousand).

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

	<i>3 months ended 31 March 2025 KD 000's</i>	<i>3 months ended 31 March 2024 KD 000's</i>
Salaries and other short-term benefits	<b>1,042</b>	1,688
End of service/termination benefits	<b>378</b>	111
	<b>1,420</b>	1,799

### 11. CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited) 31 March 2025 KD 000's</i>	<i>(Audited) 31 December 2024 KD 000's</i>	<i>(Unaudited) 31 March 2024 KD 000's</i>
Guarantees	<b>1,365,042</b>	1,363,359	1,220,186
Letters of credit and acceptances	<b>386,534</b>	394,924	390,924
Undrawn irrevocable commitments	<b>51,464</b>	54,485	141,070
Undrawn revocable commitments	<b>1,182,235</b>	1,114,139	1,158,109
	<b>2,985,275</b>	2,926,907	2,910,289

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

### 12. DERIVATIVES

In the ordinary course of business the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price of one or more underlying financial instruments, reference rate or index.

The table below shows the positive and negative fair value of derivative financial instruments, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured.

The notional amounts indicate the volume of transactions outstanding at the period end and are not indicative of either market or credit risk. All derivative contracts are fair valued based on observable market data.

<b>At 31 March 2025:</b>	<i>Notional amounts by term to maturity</i>				
	<i>Positive fair value KD 000's</i>	<i>Negative fair value KD 000's</i>	<i>Notional amount total KD 000's</i>	<i>Within 3 months KD 000's</i>	<i>3-12 months KD 000's</i>
<b>Derivatives instruments held as:</b>					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	<b>8</b>	<b>(28)</b>	<b>8,526</b>	<b>8,526</b>	<b>-</b>

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# GULF BANK GROUP

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

31 March 2025

### 13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

At 31 December 2024:

	<i>Level 1</i> <i>KD 000's</i>	<i>Level 2</i> <i>KD 000's</i>	<i>Level 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
<i>Financial assets at FVOCI:</i>				
Equity securities	13,932	116	21,275	35,323

At 31 March 2024:

	<i>Level 1</i> <i>KD 000's</i>	<i>Level 2</i> <i>KD 000's</i>	<i>Level 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
<i>Financial assets at FVOCI:</i>				
Equity securities	12,344	117	21,294	33,755

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

	<b>At</b> <b>1 January</b> <b>KD 000's</b>	<b>Change in</b> <b>fair value</b> <b>KD 000's</b>	<b>Additions</b> <b>KD 000's</b>	<b>Exchange</b> <b>rate</b> <b>movements</b> <b>KD 000's</b>	<b>At</b> <b>31 March</b> <b>KD 000's</b>
<i>Financial assets at FVOCI:</i>					
Equity securities					
<b>2025</b>	<b>21,275</b>	-	-	<b>9</b>	<b>21,284</b>
2024	21,294	-	-	-	21,294

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

The positive and negative fair values of forward foreign exchange contracts are valued using significant inputs of observable market data (Level 2). Refer Note 12.

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