

GULF BANK GROUP

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

31 MARCH 2026



Shape the future
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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 2026, 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 2026 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 2026 that might have had a material effect on the business of the Bank or on its financial position.

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EY
AL AIBAN, AL OSAIMI & PARTNERS

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LICENCE NO. 246 A
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AL-WAZZAN & CO.

29 April 2026
Kuwait

GULF BANK GROUP
Interim Condensed Consolidated Statement of Income
(Unaudited)
PERIOD ENDED 31 MARCH 2026

	<i>Note</i>	<i>3 months ended 31 March 2026 KD 000's</i>	<i>3 months ended 31 March 2025 KD 000's</i>
Interest income		94,601	92,596
Interest expense		59,292	57,477
Net interest income		35,309	35,119
Net fees and commissions		6,729	5,826
Net gains from dealing in foreign currencies and derivatives		2,369	2,426
Dividend income		252	253
Other income		453	350
Operating income		45,112	43,974
Staff expenses		13,684	13,336
Occupancy costs		617	656
Depreciation		2,276	2,115
Other expenses		6,852	7,011
Operating expenses		23,429	23,118
OPERATING PROFIT BEFORE PROVISIONS / IMPAIRMENT LOSSES		21,683	20,856
Charge of provisions:			
- specific		9,589	12,196
- general		2,657	978
Loan recoveries, net of write-off		(480)	(2,137)
Net provision on other financial assets		(18)	3
OPERATING PROFIT BEFORE DIRECTORS' REMUNERATION AND TAXATION		9,935	9,816
Directors' remuneration		40	30
Contribution to Kuwait Foundation for the Advancement of Sciences		100	99
National Labour Support Tax		275	238
Zakat		95	96
PROFIT FOR THE PERIOD		9,425	9,353
BASIC AND DILUTED EARNINGS PER SHARE (Fils)	3	2	2

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

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

PERIOD ENDED 31 MARCH 2026

	<i>3 months ended</i> <i>31 March</i> <i>2026</i> <i>KD 000's</i>	<i>3 months ended</i> <i>31 March</i> <i>2025</i> <i>KD 000's</i>
Profit for the period	9,425	9,353
Other comprehensive income		
<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	(10)	3,129
<i>Items that are or may be reclassified subsequently to interim condensed consolidated statement of income:</i>		
Net changes in fair value of debt instruments at FVOCI	(105)	-
Other comprehensive (loss) income for the period	(115)	3,129
Total comprehensive income for the period	9,310	12,482

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

GULF BANK GROUP
Interim Condensed Consolidated Statement of Financial Position

		<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
		<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
		<i>2026</i>	<i>2025</i>	<i>2025</i>
	<i>Notes</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
ASSETS				
Cash and cash equivalents		888,966	843,128	1,158,822
Kuwait Government treasury bonds		335,270	221,000	2,500
Central Bank of Kuwait bonds		7,933	15,789	136,308
Deposits with banks and other financial institutions		167,087	302,330	214,204
Loans and advances	4	6,184,871	5,858,707	5,617,763
Investment securities		289,901	308,761	250,615
Other assets	5	122,140	109,241	106,470
Premises and equipment		40,126	40,753	40,610
TOTAL ASSETS		8,036,294	7,699,709	7,527,292
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		252,207	187,956	271,995
Deposits from financial institutions		873,616	769,904	955,203
Customer deposits		5,067,029	4,954,788	4,564,733
Other borrowed funds	6	822,993	778,540	720,382
Other liabilities		192,621	154,156	206,828
TOTAL LIABILITIES		7,208,466	6,845,344	6,719,141
EQUITY				
Share capital	7	399,263	399,263	380,250
Proposed bonus shares	7	19,963	19,963	19,013
Statutory reserve		72,390	72,390	66,862
Share premium		186,937	186,937	186,937
Property revaluation reserve		17,308	17,308	17,603
Fair valuation reserve		2,405	2,571	4,878
Retained earnings		131,939	158,310	134,985
		830,205	856,742	810,528
Treasury shares	8	(2,377)	(2,377)	(2,377)
TOTAL EQUITY		827,828	854,365	808,151
TOTAL LIABILITIES AND EQUITY		8,036,294	7,699,709	7,527,292

Ahmad Mohammad Ahmad AlBahar
(Chairman)

Faisal Abdulwahab Al Adsani
(Acting Chief Executive Officer)

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

GULF BANK GROUP
Interim Condensed Consolidated Statement of Cash Flows
(Unaudited)
PERIOD ENDED 31 MARCH 2026

	<i>Note</i>	3 months ended 31 March 2026 KD 000's	3 months ended 31 March 2025 KD 000's
OPERATING ACTIVITIES			
Profit for the period before directors' remuneration and taxation		9,935	9,816
Adjustments:			
Dividend income		(252)	(253)
Depreciation		2,276	2,115
Loan loss provisions		12,246	13,174
Net provision on other financial assets		(18)	3
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES		24,187	24,855
<i>(Increase)/decrease in operating assets:</i>			
Kuwait Government treasury bonds		(114,270)	-
Central Bank of Kuwait bonds		7,856	3,723
Deposits with banks and other financial institutions		135,246	(78,740)
Loans and advances		(338,732)	(164,589)
Other assets		(15,237)	(6,005)
<i>Increase/(decrease) in operating liabilities:</i>			
Due to banks		64,251	(93,435)
Deposits from financial institutions		103,712	10,690
Customer deposits		112,241	(91,947)
Other liabilities		2,430	8,923
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(18,316)	(386,525)
INVESTING ACTIVITIES			
Purchase of investment securities		(80,498)	(83,833)
Proceeds from sale/maturity of investment securities		101,809	42,523
Purchase of premises and equipment		(1,649)	(1,777)
Dividend income received		39	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		19,701	(43,087)
FINANCING ACTIVITIES			
Net proceeds from other borrowed funds	6	44,453	200,558
NET CASH FLOWS FROM FINANCING ACTIVITIES		44,453	200,558
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		45,838	(229,054)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		843,128	1,387,876
CASH AND CASH EQUIVALENTS AT 31 MARCH		888,966	1,158,822
Additional cash flows information			
Interest received		82,417	90,494
Interest paid		56,019	54,440

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

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

PERIOD ENDED 31 MARCH 2026

	RESERVES									
	<i>Share capital</i> <i>KD 000's</i>	<i>Proposed bonus shares</i> <i>KD 000's</i>	<i>Statutory reserve</i> <i>KD 000's</i>	<i>Share premium</i> <i>KD 000's</i>	<i>Property revaluation reserve</i> <i>KD 000's</i>	<i>Fair valuation reserve</i> <i>KD 000's</i>	<i>Retained earnings</i> <i>KD 000's</i>	<i>Subtotal reserves</i> <i>KD 000's</i>	<i>Treasury shares</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
At 1 January 2025	380,250	19,013	66,862	186,937	17,603	2,120	163,195	436,717	(2,377)	833,603
Profit for the period	-	-	-	-	-	-	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	-	-	-
At 31 March 2025	380,250	19,013	66,862	186,937	17,603	4,878	134,985	411,265	(2,377)	808,151
At 1 January 2026	399,263	19,963	72,390	186,937	17,308	2,571	158,310	437,516	(2,377)	854,365
Profit for the period	-	-	-	-	-	-	9,425	9,425	-	9,425
Other comprehensive loss for the period	-	-	-	-	-	(115)	-	(115)	-	(115)
Total comprehensive (loss) income for the period	-	-	-	-	-	(115)	9,425	9,310	-	9,310
Dividend (Note 7)	-	-	-	-	-	-	(35,847)	(35,847)	-	(35,847)
Realised gain on equity securities at FVOCI	-	-	-	-	-	(51)	51	-	-	-
At 31 March 2026	399,263	19,963	72,390	186,937	17,308	2,405	131,939	410,979	(2,377)	827,828

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

GULF BANK GROUP
Notes to the Interim Condensed Consolidated Financial Information
(Unaudited)
31 March 2026

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 2026 was authorised by the Board of Directors for issue on 14 April 2026.

During the previous year, the Bank has received an initial approval from the CBK for its conversion to an Islamic bank in accordance with Islamic Shari'ah. This conversion is subject to final approvals from the CBK, shareholders and other regulatory authorities. The Bank is in the process of carrying out all necessary arrangements for the conversion.

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 2025 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 2025. Further, operating results for the three months period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

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 2025.

Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2026 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 2026

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 2026 KD 000's</i>	<i>3 months ended 31 March 2025 KD 000's</i>
Profit for the period	<u>9,425</u>	<u>9,353</u>
Weighted average number of shares outstanding during the period	<u>4,182,170,688</u>	<u>4,182,170,688</u>
Basic and diluted earnings per share (Fils)	<u>2</u>	<u>2</u>

Earnings per share calculations for the period ended 31 March 2026 and 31 March 2025 have been adjusted to the account of bonus shares, which will be issued on 15 April 2026 (Note 7).

4. LOANS AND ADVANCES

	<i>(Unaudited) 31 March 2026 KD 000's</i>	<i>(Audited) 31 December 2025 KD 000's</i>	<i>(Unaudited) 31 March 2025 KD 000's</i>
Gross loans and advances	<u>6,418,561</u>	<u>6,087,494</u>	<u>5,863,815</u>
Less: Provision for impairment	<u>(233,690)</u>	<u>(228,787)</u>	<u>(246,052)</u>
Loans and advances	<u>6,184,871</u>	<u>5,858,707</u>	<u>5,617,763</u>

Provision for non-cash facilities of **KD 26,766 thousand** (31 December 2025: KD 27,088 thousand and 31 March 2025: KD 30,896 thousand) is included under other liabilities.

GULF BANK GROUP
Notes to the Interim Condensed Consolidated Financial Information
(Unaudited)
31 March 2026

4. LOANS AND ADVANCES (continued)

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

	<i>(Unaudited)</i> 31 March 2026 KD 000's	<i>(Audited)</i> 31 December 2025 KD 000's	<i>(Unaudited)</i> 31 March 2025 KD 000's
Provision on cash facilities	233,690	228,787	246,052
Provision on non-cash facilities	26,766	27,088	30,896
Total provisions on credit facilities	<u>260,456</u>	<u>255,875</u>	<u>276,948</u>
IFRS 9 ECL on credit facilities	186,778	165,960	182,980
Excess of total provisions over IFRS 9 ECL on credit facilities	73,678	89,915	93,968
Excess provisions as a percentage of total provisions	<u>28%</u>	<u>35%</u>	<u>34%</u>

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

At 31 March 2026:

	<i>Stage 1</i> KD 000's	<i>Stage 2</i> KD 000's	<i>Stage 3</i> KD 000's	<i>Total</i> KD 000's
Loans and advances	6,190,075	144,264	84,222	6,418,561
Contingent liabilities and commitments (Note 11)	3,017,790	44,786	42,039	3,104,615
IFRS 9 ECL on credit facilities	61,314	17,042	108,422	186,778

At 31 December 2025:

	<i>Stage 1</i> KD 000's	<i>Stage 2</i> KD 000's	<i>Stage 3</i> KD 000's	<i>Total</i> KD 000's
Loans and advances	5,844,838	166,872	75,784	6,087,494
Contingent liabilities and commitments (Note 11)	3,043,944	61,231	29,248	3,134,423
IFRS 9 ECL on credit facilities	57,940	23,178	84,842	165,960

At 31 March 2025:

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

GULF BANK GROUP
Notes to the Interim Condensed Consolidated Financial Information
(Unaudited)
31 March 2026

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 2026:

	<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 2026	57,940	23,178	84,842	165,960
Impact due to transfer between stages	3,039	(7,284)	4,245	-
ECL (release) charge for the period	335	1,148	27,000	28,483
ECL release on written off facilities	-	-	(7,665)	(7,665)
	<u>61,314</u>	<u>17,042</u>	<u>108,422</u>	<u>186,778</u>

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>

5. OTHER ASSETS

	<i>(Unaudited)</i> <i>31 March</i> <i>2026</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2025</i> <i>KD 000's</i>	<i>(Unaudited)</i> <i>31 March</i> <i>2025</i> <i>KD 000's</i>
Accrued interest receivable	49,143	36,959	33,005
Sundry debtors and others	16,052	15,337	16,520
Repossessed collaterals	56,945	56,945	56,945
	<u>122,140</u>	<u>109,241</u>	<u>106,470</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 2026

6. OTHER BORROWED FUNDS

	<i>Effective interest rate</i>	<i>(Unaudited) 31 March 2026 KD 000's</i>	<i>(Audited) 31 December 2025 KD 000's</i>	<i>(Unaudited) 31 March 2025 KD 000's</i>
Subordinated Tier 2 bonds- KWD 2031 (Fixed tranche)	4.00%	25,000	25,000	25,000
Subordinated Tier 2 bonds- KWD 2031 (Floating tranche capped at 5%)	CBK+2.25%	25,000	25,000	25,000
Medium term borrowings Floating-(2026-2029)	4.35% to 4.92%	772,993	728,540	670,382
		822,993	778,540	720,382

7. EQUITY

Share Capital

	<i>(Unaudited) 31 March 2026 KD 000's</i>	<i>(Audited) 31 December 2025 KD 000's</i>	<i>(Unaudited) 31 March 2025 KD 000's</i>
Issued and fully paid 3,992,627,203 (31 December 2025: 3,992,627,203 and 31 March 2025: 3,802,502,099) shares of 100 fils each	399,263	399,263	380,250

The authorised share capital of the Bank comprises **4,860,561,006 shares** (31 December 2025: 4,860,561,006 shares and 31 March 2025: 4,860,561,006 shares) of 100 fils each.

Dividend

The shareholders at the Annual General Meeting (AGM) held on 14 March 2026 approved a cash dividend of **9 fils** per share (2024: 10 fils per share) amounting to **KD 35,847 thousand** (2024: KD 37,934 thousand) and bonus shares of 5% (2024: 5%) amounting to **KD 19,963 thousand** (2024: KD 19,013 thousand) for the year ended 31 December 2025. The cash dividend amounting to **KD 35,847 thousand** was recorded in other liabilities and will be paid subsequently. The bonus shares would be distributed on 15 April 2026.

8. TREASURY SHARES

	<i>(Unaudited) 31 March 2026</i>	<i>(Audited) 31 December 2025</i>	<i>(Unaudited) 31 March 2025</i>
Number of treasury shares	9,607,500	9,607,500	9,150,000
Percentage of treasury shares	0.24%	0.24%	0.24%
Cost of treasury shares (KD 000's)	2,377	2,377	2,377
Weighted average market value of treasury shares (KD 000's)	3,276	3,286	2,983

GULF BANK GROUP
Notes to the Interim Condensed Consolidated Financial Information
(Unaudited)
31 March 2026

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, 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:

	Commercial Banking		Treasury & Investments		Total	
	2026	2025	2026	2025	2026	2025
	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's	KD 000's
Operating income (excluding unallocated income provided below)	31,389	30,387	3,551	2,049	34,940	32,436
Segment result	11,133	10,448	2,304	1,100	13,437	11,548
Unallocated income					10,172	11,538
Unallocated expense					(14,184)	(13,733)
Profit for the period					9,425	9,353
Segment assets	6,278,889	5,740,701	1,663,802	1,708,174	7,942,691	7,448,875
Unallocated assets					93,603	78,417
Total Assets					8,036,294	7,527,292
Segment liabilities	3,183,700	3,346,263	3,759,882	3,087,852	6,943,582	6,434,115
Unallocated liabilities and equity					1,092,712	1,093,177
Total Liabilities and Equity					8,036,294	7,527,292

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

31 March 2026

10. RELATED PARTY TRANSACTIONS

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

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

	<i>Number of Board Members or executive management</i>			<i>Number of other related parties</i>			<i>(Unaudited)</i> 31 March 2026	<i>(Audited)</i> 31 December 2025	<i>(Unaudited)</i> 31 March 2025
	<i>(Unaudited)</i> 31 March 2026	<i>(Audited)</i> 31 December 2025	<i>(Unaudited)</i> 31 March 2025	<i>(Unaudited)</i> 31 March 2026	<i>(Audited)</i> 31 December 2025	<i>(Unaudited)</i> 31 March 2025			
							<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Board members, major shareholders and other related parties:									
Balances									
Deposits with banks within 30 days	-	-	-	1	1	-	4,867	31,670	-
Loans and advances	-	-	-	14	15	24	157,368	165,980	194,598
Credit cards	1	1	-	3	3	9	9	6	12
Deposits	5	5	6	41	39	85	1,130,978	783,445	738,611
Commitments/derivatives									
Guarantees /letter of credit	-	-	-	13	14	21	28,409	25,523	65,144
Forward foreign exchange contracts	-	-	-	1	1	-	1,459	2,476	-
Transactions									
Interest income	-	1	1	16	39	36	2,004	10,988	2,516
Interest expense	1	2	2	16	27	23	8,646	34,172	9,628
Net fees and commissions	3	5	4	35	95	86	63	317	141
Other expenses	-	-	-	3	17	16	119	2,327	755
Purchase of equipment	-	-	-	-	2	2	-	34	34
Executive management:									
Balances									
Loans and advances	6	6	9	-	-	-	520	620	705
Credit cards	12	12	11	-	-	-	28	42	26
Deposits	17	17	17	-	-	-	922	684	3,727
Transactions									
Interest income	8	10	9	-	-	-	7	35	9
Interest expense	19	20	17	-	-	-	7	98	30

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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 **4.25% to 6.25%** (31 December 2025: 4.25% to 6.25%; 31 March 2025: 4.75% to 6.50%) 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 2026 was **KD 5,200 thousand** (31 December 2025: KD 5,200 thousand and 31 March 2025: KD 46,301 thousand).

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

	<i>3 months ended</i> <i>31 March 2026</i> <i>KD 000's</i>	<i>3 months ended</i> <i>31 March 2025</i> <i>KD 000's</i>
Salaries and other benefits	977	1,042
End of service/termination benefits	235	378
Directors' remuneration and meeting attendance fee	77	30
	1,289	1,450

Directors' remuneration of **KD 40 thousand** (31 December 2025: KD 430 thousand and 31 March 2025: KD 30 thousand) and Directors' meeting attendance fee included in other expenses of **KD 37 thousand** (31 December 2025: KD 189 thousand and 31 March 2025: KD Nil) are in accordance with local regulations and are subject to approval of the shareholders at the Annual General Meeting.

The AGM of the shareholders of the Bank held on 14 March 2026 approved directors' remuneration and meeting attendance fee for the year ended 31 December 2025 amounting to KD 619 thousand (2024: KD 240 thousand).

11. CONTINGENT LIABILITIES AND COMMITMENTS

	<i>(Unaudited)</i> <i>31 March</i> <i>2026</i> <i>KD 000's</i>	<i>(Audited)</i> <i>31 December</i> <i>2025</i> <i>KD 000's</i>	<i>(Unaudited)</i> <i>31 March</i> <i>2025</i> <i>KD 000's</i>
Guarantees	1,325,096	1,333,578	1,365,042
Letters of credit and acceptances	536,027	550,209	386,534
Undrawn irrevocable commitments	156,203	182,246	51,464
Undrawn revocable commitments	1,087,289	1,068,390	1,182,235
	3,104,615	3,134,423	2,985,275

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.

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12. DERIVATIVES (continued)

<i>At 31 March 2026:</i>	<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>
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	<u>32</u>	<u>(26)</u>	<u>61,462</u>	<u>61,462</u>	<u>-</u>
<i>At 31 December 2025:</i>	<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>
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	<u>130</u>	<u>(22)</u>	<u>109,457</u>	<u>109,457</u>	<u>-</u>
<i>At 31 March 2025:</i>	<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>
Derivatives instruments held as:					
Trading (and non qualifying hedges)					
Forward foreign exchange contracts	<u>8</u>	<u>(28)</u>	<u>8,526</u>	<u>8,526</u>	<u>-</u>

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of all financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), the carrying amounts approximate to their fair value and this applies to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

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

At 31 March 2026:

	<i>Level 1 KD 000's</i>	<i>Level 2 KD 000's</i>	<i>Level 3 KD 000's</i>	<i>Total KD 000's</i>
Financial assets at FVOCI:				
Equity securities	-	46	22,560	22,606
Debt securities	6,798	-	-	6,798
	<u>6,798</u>	<u>46</u>	<u>22,560</u>	<u>29,404</u>
Financial assets at FVTPL:				
Managed fund	-	2,162	-	2,162

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13. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The amortized cost and fair value of investment securities at amortised cost as at 31 March 2026 were **KD 258,335 thousand** (31 December 2025: KD 278,696 thousand; 31 March 2025: KD 213,301 thousand) and **KD 257,707 thousand** (Level 1) (31 December 2025: KD 279,306 thousand; 31 March 2025: KD 213,382 thousand) respectively.

At 31 December 2025:

	<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	-	86	22,556	22,642
Debt securities	5,290	-	-	5,290
	5,290	86	22,556	27,932
<i>Financial assets at FVTPL:</i>				
Managed fund	-	2,133	-	2,133
	-	2,133	-	2,133

At 31 March 2025:

	<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	15,814	116	21,284	37,214
<i>Financial assets at FVTPL:</i>				
Managed fund	-	100	-	100
	-	100	-	100

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

	At 1 January KD 000's	Change in fair value KD 000's	Additions KD 000's	Exchange rate movements KD 000's	At 31 March KD 000's
<i>Financial assets at FVOCI:</i>					
Equity securities					
2026	22,556	-	-	4	22,560
2025	21,275	-	-	9	21,284

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.

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14. GEOPOLITICAL EVENTS IMPACT

Geopolitical escalation risk

Geopolitical events in the Middle East that commenced in late February 2026 have affected GCC countries, including Kuwait where the Group primary operates, resulting in regional disruptions such as airspace closures, flight cancellations, supply chain delays and heightened uncertainty. These developments continue to evolve and have created increased business and economic uncertainties.

Support measures on Geopolitical events

On 26 March 2026, CBK implemented various measures targeted at reinforcing the banking sector's ability to play a vital role in the economy, with the aim to provide the necessary liquidity for businesses to continue their operations without interruption and limit the transformation of short term liquidity challenges into long term risks that could affect financial solvency. Some of the important measures are given below:

- Decrease the Liquidity Coverage Ratio from 100% to 80%
- Decrease the Net Stable Financing Ratio from 100% to 80%
- Decrease the regulatory Liquidity Ratio from 18% to 15%
- Increase the maximum limits of the negative cumulative gap for liquidity across various time bands
- Increase the maximum lending limit from 90% to 100%
- Releasing 1% of Capital Conservation Buffer in the form of CET1, thereby reducing the minimum comprehensive capital requirement from 13% to 12%

Expected Credit Loss estimates

The Group has considered the potential impact of the uncertainties caused by the ongoing geopolitical events together with the relief measures of CBK in its estimation of ECL requirements for the period ended 31 March 2026. The Group takes into account their historic experience of losses updated to reflect current conditions as well as forecasts of future economic conditions to assess if there is significant increase in credit risk or objective evidence of impairment in the light of ongoing geopolitical events.

Notwithstanding the above, ECL requirement for credit facilities estimated as at 31 March 2026 continues to be lower than the provisions required as per CBK instructions. In accordance with Group's accounting policy, the higher amount, being the provision required as per CBK instructions, is therefore recognized as the provision requirement for credit losses on credit facilities.

Business continuity

In response to the ongoing geopolitical events, the Group has implemented protocols and processes to help protect employees, customers and community partners. These measures include: leveraging our online platforms and business continuity plans and enhancing our capabilities to support employees to work from home, and pre-planned contingency strategies for critical site-based operations. These capabilities have allowed us to continue to service our customers. The Group will continue to manage the increased operational risk related to the execution of our business continuity plans in accordance with Risk Management policies.