Draft

Banking and Financing Companies

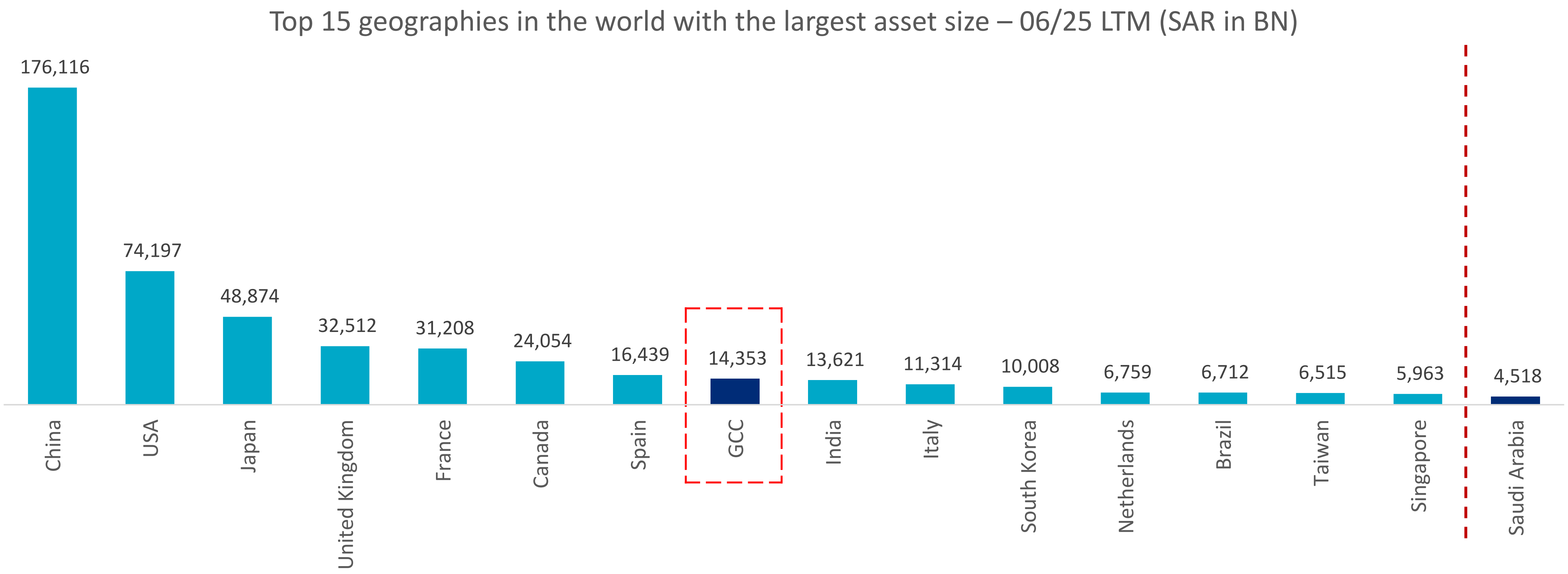
Overview of Non Performing Loans (NPLs)

October 2025

Content

Global overview

GCC is the 8th largest banking market by asset size with a cumulative banking assets of SAR 14.4 TN

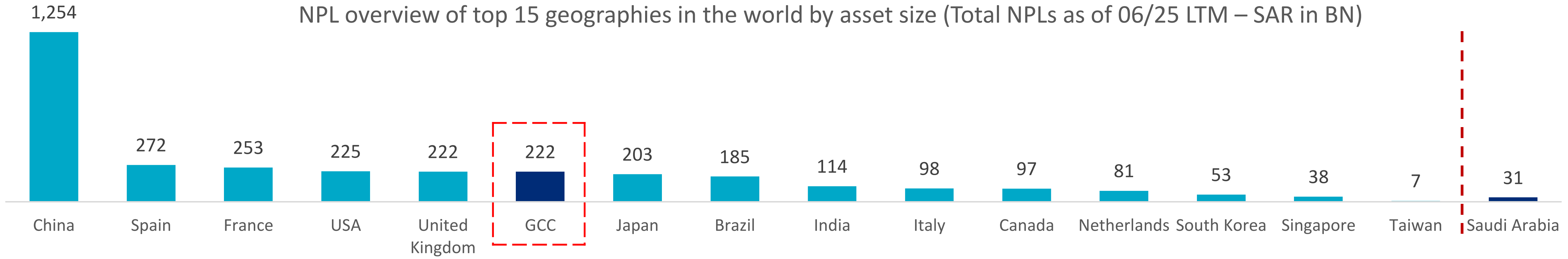


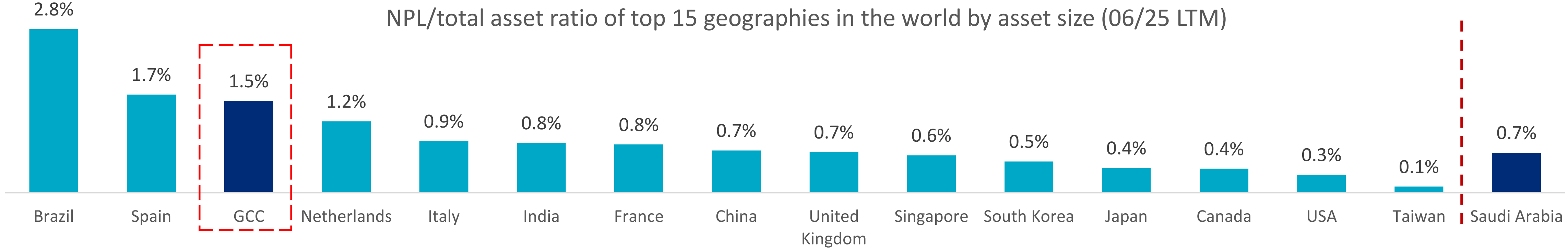
- GCC banks' combined total assets rank 8th in the list with total assets of SAR 14,353 BN as of 06/25 LTM. This represents a share of 2.6% in the world.
- KSA banks' combined total assets stand at SAR 4,518 BN.

Only publicly listed banks have been considered to collate data for respective countries

Source: S&P Capital IQ

GCC banks' combined total non-performing loans (NPLs) rank 6th in the world





- GCC banks' combined total NPLs ranks 6th in the list with total non-performing loans of SAR 222 BN as of 06/25 LTM. This represents a share of 4.9% in the world.
- GCC banks' NPL/total assets ratio ranks 3rd in the list with a ratio of 1.5%.

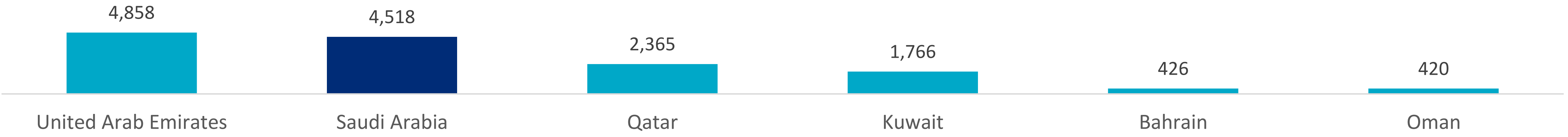
Only publicly listed banks have been considered to collate data for respective countries

Source: S&P Capital IQ

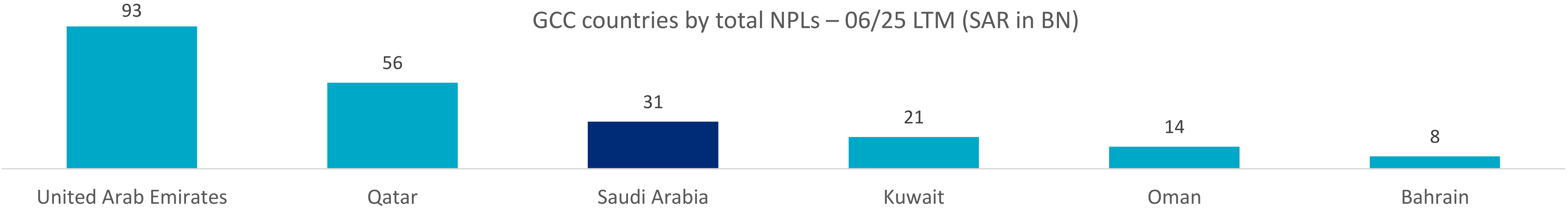
GCC overview

KSA is the 2nd largest banking market in GCC by total asset base, and the lowest in terms of NPL/total asset ratio

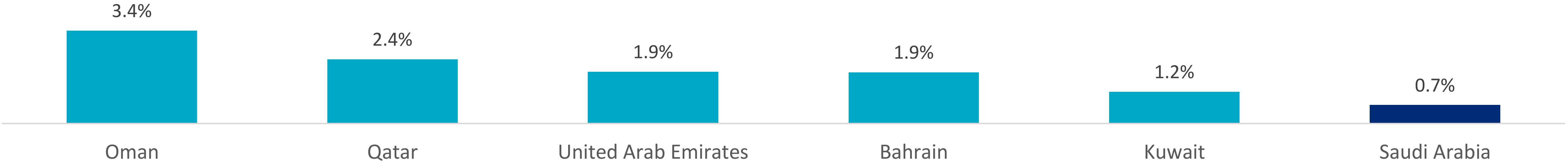
GCC countries by total assets – 06/25 LTM (SAR in BN)



GCC countries by total NPLs – 06/25 LTM (SAR in BN)



GCC countries by NPL/total assets ratio – 06/25 LTM



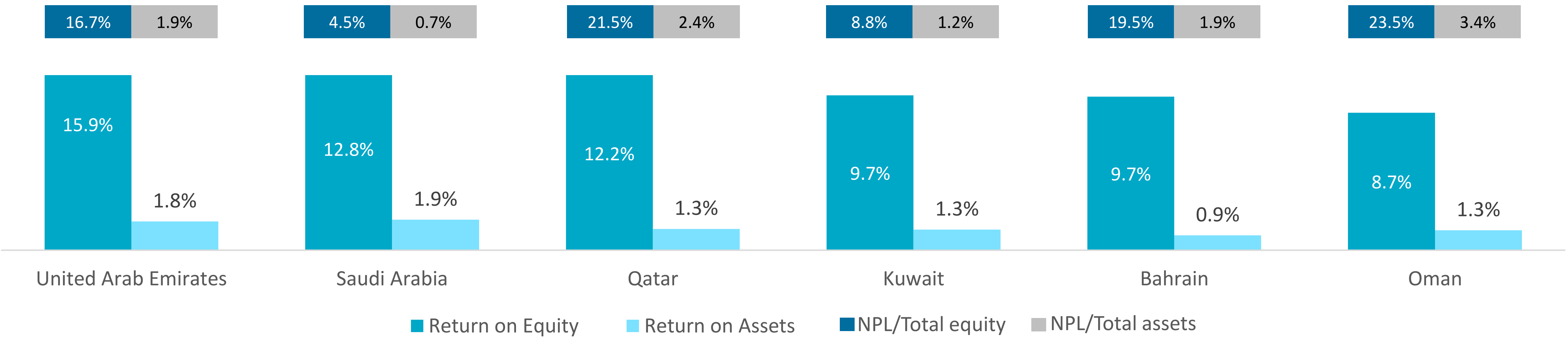
Only publicly listed banks have been considered to collate data for respective countries

Source: S&P Capital IQ

KSA banking market has the highest return on total assets and the lowest NPL/total equity ratio

Country	Total Assets (SAR BN)	Total Equity (SAR BN)	Net Income (SAR BN)	Non Performing Loans (SAR BN)	NPL/ Total Assets	NPL/ Total Equity
United Arab Emirates	4,858.3	554.6	87.9	92.5	1.9%	16.7%
Saudi Arabia	4,517.6	679.0	86.6	30.5	0.7%	4.5%
Qatar	2,364.7	260.3	31.8	55.9	2.4%	21.5%
Kuwait	1,765.6	235.3	22.9	20.6	1.2%	8.8%
Bahrain	426.5	41.3	4.0	8.1	1.9%	19.5%
Oman	420.1	61.1	5.3	14.4	3.4%	23.5%
Total / *Median**	14,352.8	1,831.7	238.5	222.0	*1.9%*	*18.1%*

Profitability of GCC countries vs. NPL – 06/25 LTM



Note: Financials for publicly listed banks have been considered to collate data for the respective countries for 06/25 LTM
Source: S&P Capital IQ

GCC Country-wise overview

Banks in Saudi Arabia – Profitability Overview

Company Name	Total Assets (SAR BN)	Net Income (SAR BN)	Return on Assets	Return on Equity
The Saudi National Bank	1,201.0	23.0	2.0%	12.2%
Al Rajhi Banking and Investment Corporation	1,039.0	22.7	2.4%	18.1%
Riyad Bank	490.8	10.0	2.2%	14.8%
Saudi Awwal Bank	432.4	8.3	2.0%	12.1%
Banque Saudi Fransi	301.5	5.0	1.7%	10.8%
Alinma Bank	297.2	6.2	2.2%	14.6%
Arab National Bank	269.0	5.1	2.0%	13.0%
The Saudi Investment Bank	167.3	2.0	1.3%	10.5%
Bank Albilad	161.9	3.0	1.9%	16.2%
Bank AlJazira	157.6	1.4	0.9%	7.6%
Median	299.4	5.7	2.0%	12.6%
Total	4,517.6	86.6	1.9%	12.8%

- The Saudi National Bank is the largest bank in KSA, with total assets of SAR 1,201 BN as of 06/25 LTM.
- Al Rajhi Bank is the best performing bank in KSA in terms of return on assets and return on equity.

Source: S&P Capital IQ – 06/25 LTM

Banks in Saudi Arabia – NPL Summary

Company Name	NPL (SAR BN)	Accumulated provisions (SAR BN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR BN)	Impairments for the year/ Net Interest Income
The Saudi National Bank	5.8	8.6	147.3%	0.5%	2.9%	0.1	0.4%
Al Rajhi Banking and Investment Corporation	5.5	8.4	150.5%	0.5%	4.1%	2.4	8.5%
Riyad Bank	4.1	5.5	135.4%	0.8%	5.6%	1.4	10.5%
Saudi Awwal Bank	4.1	6.7	162.7%	1.0%	5.5%	0.7	6.5%
Banque Saudi Fransi	2.1	3.8	183.1%	0.7%	4.0%	1.1	13.5%
Alinma Bank	2.8	4.8	173.9%	0.9%	6.2%	1.0	10.7%
Arab National Bank	2.2	3.2	141.0%	0.8%	5.2%	0.7	8.6%
The Saudi Investment Bank	1.1	1.7	165.7%	0.6%	5.0%	0.3	7.4%
Bank Albilad	1.2	2.4	190.3%	0.8%	6.0%	0.1	2.1%
Bank AlJazira	1.6	2.5	162.4%	1.0%	8.2%	0.4	13.0%
Median	2.5	4.3	162.5%	0.8%	5.4%	0.7	8.6%
Total	30.5	47.6	155.9%	0.7%	4.5%	8.2	7.0%

- In terms of non-performing loans to total assets, The Saudi National Bank is the best performing bank in the region with the lowest ratio at 0.5% (median ratio at 0.8%).
- Median impairments made against bad loans are taking away 8.6% share from net interest income of banks, thus, denting bottom line.

Note:

1. Impairments in the above table mean provision for loan losses recorded in the income statement. Provision for loan losses include impairment charge for expected credit losses, recoveries of written-off loans and impairment charge on off balance sheet items

Source: S&P Capital IQ – 06/25 LTM

Banks in United Arab Emirates – Profitability Overview

Company Name	Total Assets (SAR BN)	Net Income (SAR BN)	Return on Assets	Return on Equity
First Abu Dhabi Bank	1,371.8	19.7	1.5%	15.1%
Emirates NBD Bank	1,108.6	22.2	2.2%	17.4%
Abu Dhabi Commercial Bank	733.7	10.2	1.5%	13.6%
Dubai Islamic Bank	381.4	8.7	2.4%	17.5%
Mashreq Bank	299.8	8.6	3.1%	24.0%
Abu Dhabi Islamic Bank	265.9	6.7	2.8%	24.2%
Commercial Bank of Dubai	153.8	3.3	2.2%	19.5%
Emirates Islamic Bank	140.5	3.1	2.5%	20.5%
The National Bank of Ras Al-Khaimah	97.0	2.4	2.7%	20.4%
Sharjah Islamic Bank	86.5	NA	1.5%	12.6%
National Bank of Fujairah	65.7	1.1	1.7%	14.9%
Bank of Sharjah	48.1	0.5	1.1%	12.4%
Ajman Bank	27.2	0.4	1.7%	14.1%
United Arab Bank	24.4	0.4	1.7%	14.3%
Commercial Bank International	21.0	0.2	1.0%	6.7%
National Bank of Umm Al-Qaiwain	20.6	0.5	3.0%	9.0%
Invest Bank	12.6	-0.2	-2.0%	-14.5%
Median	97.0	2.7	1.7%	14.9%
Total	4,858.3	87.9	1.8%	15.9%

- First Abu Dhabi Bank is the largest bank in UAE with total assets of SAR 1,372 BN as of 06/25 LTM.
- Mashreq Bank is the best performing bank in UAE in terms of return on assets and the second in terms of return on equity.

Source: S&P Capital IQ – 06/25 LTM

Banks in United Arab Emirates – NPL Summary

Company Name	NPL (SAR BN)	Accumulated provisions (SAR BN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR BN)	Impairments for the year/ Net Interest Income
First Abu Dhabi Bank	24.5	12.2	50.0%	1.8%	18.1%	3.5	17.2%
Emirates NBD Bank	16.5	25.6	155.2%	1.5%	12.1%	1.8	5.2%
Abu Dhabi Commercial Bank	8.8	11.3	129.3%	1.2%	11.2%	3.5	24.7%
Dubai Islamic Bank	7.9	6.9	86.9%	2.1%	15.5%	0.0	0.4%
Mashreq Bank	2.2	2.5	116.8%	0.7%	5.7%	0.1	1.5%
Abu Dhabi Islamic Bank	5.9	4.6	77.4%	2.2%	20.1%	0.8	9.1%
Commercial Bank of Dubai	5.4	5.0	92.6%	3.5%	29.8%	0.5	12.5%
Emirates Islamic Bank	2.4	3.8	159.9%	1.7%	14.5%	0.4	9.8%
The National Bank of Ras Al-Khaimah	1.1	2.7	242.9%	1.1%	8.7%	0.6	15.4%
Sharjah Islamic Bank	1.9	1.7	87.4%	2.2%	18.2%	0.2	20.9%
National Bank of Fujairah	1.8	2.4	133.4%	2.7%	24.6%	0.7	35.1%
Bank of Sharjah	2.2	1.9	85.6%	4.5%	51.4%	0.1	15.4%
Ajman Bank	1.6	0.7	46.4%	5.9%	49.0%	-0.2	NM
United Arab Bank	0.3	0.5	148.0%	1.3%	10.8%	-0.1	NM
Commercial Bank International	2.4	1.1	44.7%	11.4%	75.2%	0.2	51.8%
National Bank of Umm Al-Qaiwain	0.2	0.1	67.5%	0.9%	3.0%	0.1	12.5%
Invest Bank	7.5	5.2	68.8%	59.7%	480.6%	0.2	122.7%
Median	2.4	2.7	87.4%	2.1%	18.1%	0.2	15.4%
Total	92.5	88.1	95.2%	1.9%	16.7%	12.3	10.9%

- In terms of non-performing loans to total assets, Mashreq Bank is the best performing bank in UAE with the lowest ratio at 0.7% (median ratio at 2.1%).
- Median impairments made against bad loans are taking away 15.4% share from net interest income of banks, thus, denting bottom line.

Note:

1. Impairments in the above table mean provision for loan losses recorded in the income statement. Provision for loan losses include impairment charge for expected credit losses, recoveries of written-off loans and impairment charge on off balance sheet items

Source: S&P Capital IQ – 06/25 LTM

Banks in Qatar – Profitability Overview

Company Name	Total Assets (SAR BN)	Net Income (SAR BN)	Return on Assets	Return on Equity
Qatar National Bank	1,394.6	17.8	1.3%	14.5%
Qatar Islamic Bank	218.5	4.8	2.3%	15.0%
The Commercial Bank	187.6	2.8	1.6%	10.6%
AlRayan Bank	181.7	1.6	0.9%	6.2%
Doha Bank	126.8	0.9	0.8%	6.0%
Dukhan Bank	121.8	1.4	1.2%	9.1%
Ahli Bank	64.0	0.9	1.5%	11.3%
Qatar International Islamic Bank	62.4	1.3	2.2%	13.5%
Lesha Bank	7.4	0.1	1.3%	10.8%
Median	126.8	1.4	1.4%	10.7%
Total	2,364.7	31.8	1.3%	12.2%

- Qatar National Bank is the largest bank in Qatar with total assets of SAR 1,395 BN as of 06/25 LTM.
- Amongst Qatari banks having above SAR 100 BN total asset size, Qatar Islamic Bank is the best performing bank in terms of return on assets and return on equity.

Source: S&P Capital IQ – 06/25 LTM

Banks in Qatar – NPL Summary

Company Name	NPL (SAR BN)	Accumulated provisions (SAR BN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR BN)	Impairments for the year/ Net Interest Income
Qatar National Bank	28.9	32.1	111.1%	2.1%	23.6%	9.3	26.4%
Qatar Islamic Bank	2.5	8.3	329.7%	1.1%	7.4%	0.7	15.4%
The Commercial Bank	6.2	4.4	71.9%	3.3%	22.7%	0.2	6.0%
AlRayan Bank	6.5	4.8	74.3%	3.6%	24.9%	0.9	137.3%
Doha Bank	5.2	4.8	92.1%	4.1%	33.9%	0.7	36.6%
Dukhan Bank	4.2	3.5	84.4%	3.4%	26.6%	0.5	38.8%
Ahli Bank	1.2	2.8	222.9%	1.9%	14.6%	0.5	31.0%
Qatar International Islamic Bank	1.3	2.1	170.5%	2.0%	12.4%	0.4	45.9%
Lesha Bank	NA	0.4	NA	NA	NA	0.0	NM
Median	4.7	4.4	101.6%	2.7%	23.2%	0.5	33.8%
Total	55.9	63.2	113.0%	2.4%	21.5%	13.2	26.9%

- In terms of non-performing loans to total assets, Qatar Islamic Bank is the best performing bank in the region with the lowest ratio at 1.1% (median ratio at 2.7%).
- Median impairments made against bad loans are taking away 33.8% share from net interest income of banks, thus, denting bottom line.

Note:

1. Impairments in the above table mean provision for loan losses recorded in the income statement. Provision for loan losses include impairment charge for expected credit losses, recoveries of written-off loans and impairment charge on off balance sheet items

Source: S&P Capital IQ – 06/25 LTM

Banks in Oman – Profitability Overview

Company Name	Total Assets (SAR BN)	Net Income (SAR BN)	Return on Assets	Return on Equity
Bank Muscat	138.1	2.3	1.7%	10.0%
Sohar International Bank	76.7	0.9	1.2%	10.8%
National Bank of Oman	53.6	0.6	1.3%	9.0%
Bank Dhofar	51.9	0.4	0.9%	6.2%
Oman Arab Bank	42.7	0.3	0.8%	5.9%
Ahli Bank	38.1	0.4	1.2%	7.9%
Bank Nizwa	19.1	0.2	1.1%	2.1%
Median	51.9	0.4	1.2%	7.9%
Total	420.1	5.3	1.3%	8.7%

- Bank Muscat is the largest bank in Oman with total assets of SAR 138 BN as of 06/25 LTM.
- Bank Muscat is also the best performing bank in Oman in terms of return on assets and the second in terms of return on equity.

Source: S&P Capital IQ – 06/25 LTM

Banks in Oman – NPL Summary

Company Name	NPL (SAR BN)	Accumulated provisions (SAR BN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR BN)	Impairments for the year/ Net Interest Income
Bank Muscat	4.1	6.2	153.7%	2.9%	17.0%	0.6	15.3%
Sohar International Bank	2.3	2.8	123.0%	3.0%	26.2%	0.4	22.9%
National Bank of Oman	1.9	1.7	88.5%	3.5%	24.8%	0.1	11.9%
Bank Dhofar	2.0	1.6	81.1%	3.9%	28.2%	0.2	21.8%
Oman Arab Bank	2.1	1.8	86.3%	5.0%	38.2%	0.2	18.3%
Ahli Bank	1.4	1.1	79.6%	3.6%	24.9%	0.1	18.4%
Bank Nizwa	0.6	0.5	84.0%	3.1%	22.9%	0.1	NA
Median	2.0	1.7	86.3%	3.5%	24.9%	0.2	18.3%
Total	14.4	15.8	110.0%	3.4%	23.5%	1.8	18.3%

- In terms of non-performing loans to total assets, Bank Muscat is the best performing bank in the region with the lowest ratio at 2.9% (median ratio at 3.5%).
- Median impairments made against bad loans are taking away 18.3% share from net interest income of banks, thus, denting bottom line.

Note:

1. Impairments in the above table mean provision for loan losses recorded in the income statement. Provision for loan losses include impairment charge for expected credit losses, recoveries of written-off loans and impairment charge on off balance sheet items

Source: S&P Capital IQ – 06/25 LTM

Banks in Kuwait – Profitability Overview

Company Name	Total Assets (SAR BN)	Net Income (SAR BN)	Return on Assets	Return on Equity
National Bank of Kuwait	535.5	8.1	1.6%	13.0%
Kuwait Finance House	472.3	8.2	1.8%	10.8%
Kuwait Projects Company Holding	165.5	0.8	0.5%	3.9%
Boubyan Bank	122.1	1.2	1.1%	9.4%
Burgan Bank	106.9	0.6	0.6%	4.6%
Gulf Bank	89.6	0.7	0.8%	6.9%
Al Ahli Bank of Kuwait	88.2	0.7	0.8%	8.3%
Warba Bank	74.5	0.4	0.6%	5.0%
Commercial Bank of Kuwait	59.6	1.9	3.2%	22.1%
Kuwait International Bank	51.4	0.3	0.7%	5.9%
Median	98.2	0.7	0.8%	7.6%
Total	1,765.6	22.9	1.3%	9.7%

- National Bank of Kuwait is the largest bank in Kuwait with total assets of SAR 535 BN as of 06/25 LTM.
- Commercial Bank of Kuwait is the best performing bank in Kuwait in terms of return on equity and return on assets.

Source: S&P Capital IQ – 06/25 LTM

Banks in Kuwait – NPL Summary

Company Name	NPL (SAR BN)	Accumulated provisions (SAR BN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR BN)	Impairments for the year/ Net Interest Income
National Bank of Kuwait	4.3	10.8	252.0%	0.8%	6.6%	0.3	2.1%
Kuwait Finance House	6.6	11.3	171.8%	1.4%	8.4%	0.8	5.5%
Kuwait Projects Company Holding	3.4	2.2	63.9%	2.0%	16.2%	0.7	32.1%
Boubyan Bank	0.9	2.8	293.5%	0.8%	7.1%	0.1	5.6%
Burgan Bank	2.0	NA	NA	1.9%	15.5%	0.2	8.3%
Gulf Bank	1.1	3.0	282.7%	1.2%	10.5%	0.5	26.6%
Al Ahli Bank of Kuwait	0.8	4.1	506.0%	0.9%	9.1%	0.5	29.6%
Warba Bank	0.7	1.2	179.8%	0.9%	5.7%	0.1	15.6%
Commercial Bank of Kuwait	0.2	2.5	1169.7%	0.4%	2.3%	0.2	12.5%
Kuwait International Bank	0.7	0.9	129.0%	1.3%	12.0%	0.2	18.3%
Median	1.0	2.8	252.0%	1.1%	8.8%	0.2	14.0%
Total	20.6	38.7	187.6%	1.2%	8.8%	3.5	8.8%

- In terms of non-performing loans to total assets, Commercial Bank of Kuwait is the best performing bank in the region with the lowest ratio at 0.4% (median ratio at 1.1%).
- Median impairments made against bad loans are taking away 14.0% share from net interest income of banks, thus, denting bottom line.

Note:
1. Impairments in the above table mean provision for loan losses recorded in the income statement. Provision for loan losses include impairment charge for expected credit losses, recoveries of written-off loans and impairment charge on off balance sheet items

Source: S&P Capital IQ – 06/25 LTM

Banks in Bahrain – Profitability Overview

Company Name	Total Assets (SAR BN)	Net Income (SAR BN)	Return on Assets	Return on Equity
Arab Banking Corporation	179.9	1.3	0.8%	7.4%
Al Salam Bank	77.7	0.8	1.0%	13.0%
National Bank of Bahrain	59.3	0.9	1.5%	14.9%
Bank of Bahrain and Kuwait	42.7	0.7	1.8%	12.2%
Ithmaar Holding	27.0	0.1	0.4%	16.9%
Khaleeji Bank	16.2	0.1	0.7%	8.7%
Bahrain Islamic Bank	16.0	0.2	1.0%	10.5%
United Gulf Holding Company	7.6	-0.1	-1.0%	-7.9%
Median	34.9	0.5	0.9%	11.3%
Total	426.5	4.0	0.9%	9.7%

- Arab Banking Corporation is the largest bank in Bahrain with total assets of SAR 180 BN as of 06/25 LTM.
- Bank of Bahrain and Kuwait is the best performing bank in Bahrain in terms of return on assets, and the fourth in terms of return on equity.

Source: S&P Capital IQ – 06/25 LTM

Banks in Bahrain – NPL Summary

Company Name	NPL (SAR BN)	Accumulated provisions (SAR BN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR BN)	Impairments for the year/ Net Interest Income
Arab Banking Corporation	2.6	2.6	98.0%	1.5%	14.4%	0.5	13.5%
Al Salam Bank	1.9	0.9	49.7%	2.4%	27.3%	0.3	18.3%
National Bank of Bahrain	1.1	0.9	88.8%	1.8%	18.4%	0.1	5.0%
Bank of Bahrain and Kuwait	0.8	0.8	99.3%	1.9%	13.4%	0.1	11.9%
Ithmaar Holding	1.0	0.8	74.7%	3.8%	153.0%	0.1	3.1%
Khaleeji Bank	0.7	0.2	29.1%	4.1%	51.7%	0.0	27.5%
Bahrain Islamic Bank	NA	0.4	NA	NA	NA	0.1	41.0%
United Gulf Holding Company	NA	NA	NA	NA	NA	0.0	NM
Median	1.0	0.8	81.7%	2.2%	22.8%	0.1	13.5%
Total	8.1	6.6	82.3%	1.9%	19.5%	1.2	11.7%

- In terms of non-performing loans to total assets, Arab Banking Corporation is the best performing bank in the region with the lowest ratio at 1.5% (median ratio at 2.2%).
- Median impairments made against bad loans are taking away 13.5% share from net interest income of banks, thus, denting bottom line.

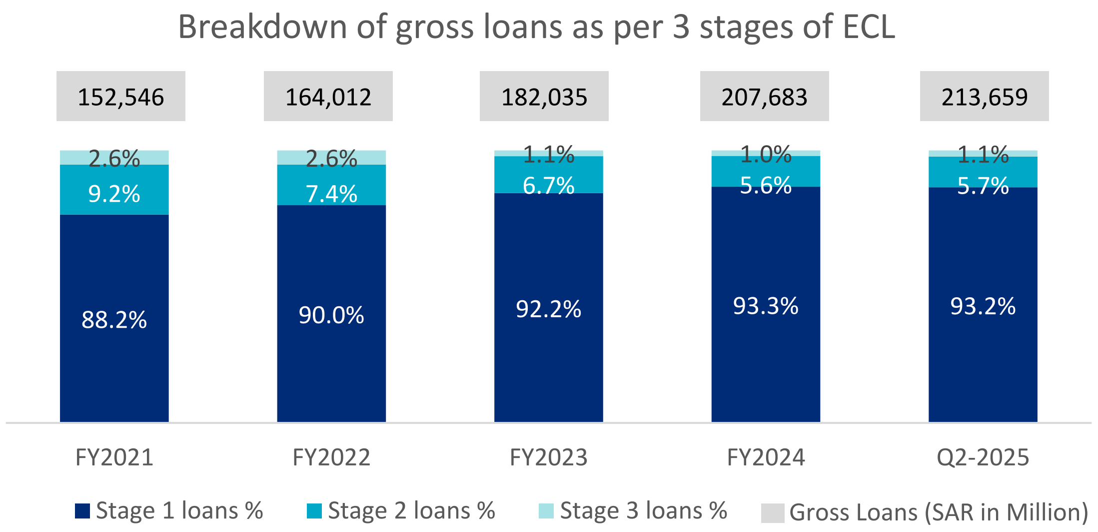
Note:

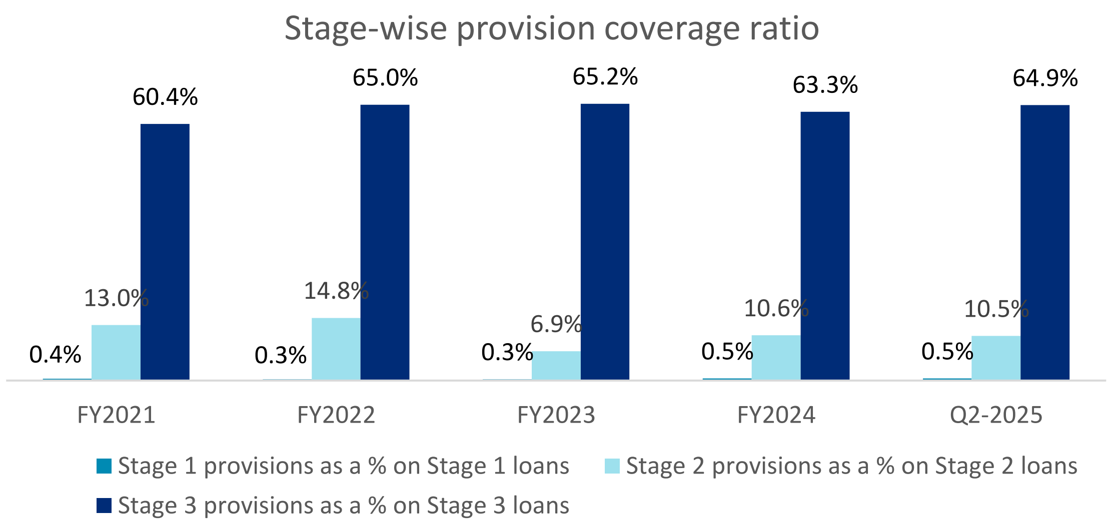
1. Impairments in the above table mean provision for loan losses recorded in the income statement. Provision for loan losses include impairment charge for expected credit losses, recoveries of written-off loans and impairment charge on off balance sheet items

Source: S&P Capital IQ – 06/25 LTM

Banque Saudi Fransi

Asset quality analysis – Breakdown of gross loans into ECL stages and their provisions indicate similar composition of Stage 1,2,3 loans; while the gross loan book has increased by 40% since FY 2021





IFRS 9 details on the asset quality norms and how banks must classify their gross loan book into different stages

Gross loans are classified as 12 month ECL (Stage 1), Lifetime ECL not credit impaired (Stage 2) and Lifetime ECL credit impaired (Stage 3), where ECL stands for Expected Credit Loss (Please refer appendix for more information)

Essentially, stage 1 loans are performing loans with timely repayments, stage 2 loans are loans which are showing early signs of stress and may slip into stage 3 category, and stage 3 loans are predominantly NPLs, restructured loans

- While the gross loan book has increased by 40% over the last years, the composition of the three stages of gross loans has remained relatively stable with stage 3 loans, remaining below 3%

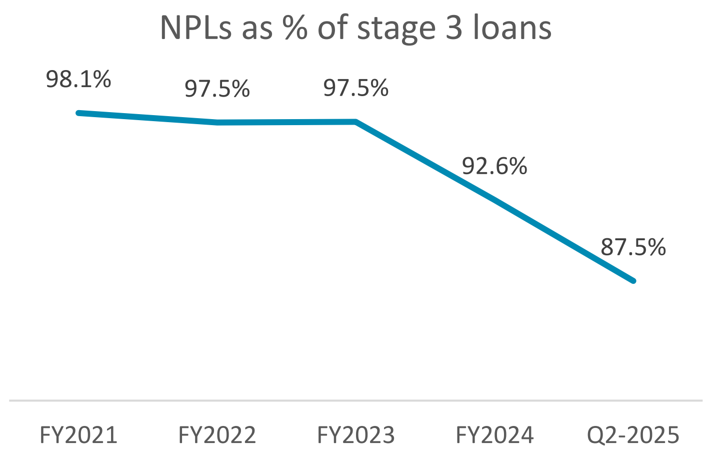
As per IFRS 9, the bank is required to estimate provisioning requirement on these 3 stages of loans, which is a function of probability of default and loss-given default (please refer appendix for an illustration)

Stage-wise provision coverage rates depend on the ECL calculation undertaken by the bank for that period, which is dynamic as default probabilities change, Loss-given default change

- Provisions on stage 1 loans have remained stable during FY2021 – Q2-2025
- Provisions on stage 2 loans have been fluctuating during the same period
- Stage 3 loan provisions range from 60.4% to 65.2% during the period of FY2021 – Q2-2025

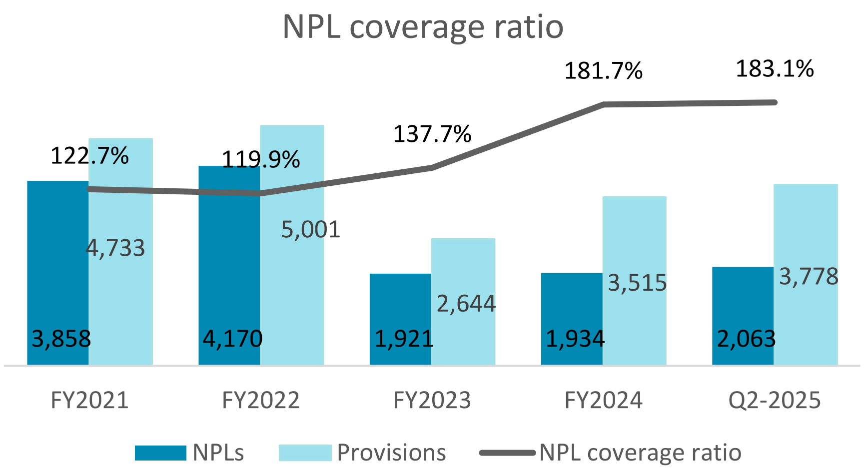
Source: Annual report

Asset quality analysis – NPL coverage ratio has increased since FY 2021, and NPLs/ Equity has changed to 4.0% in Q2-2025, which indicates effective management



Stage 3 loans include non-performing loans, impaired restructured loans and certain other risky exposures not included as NPLs

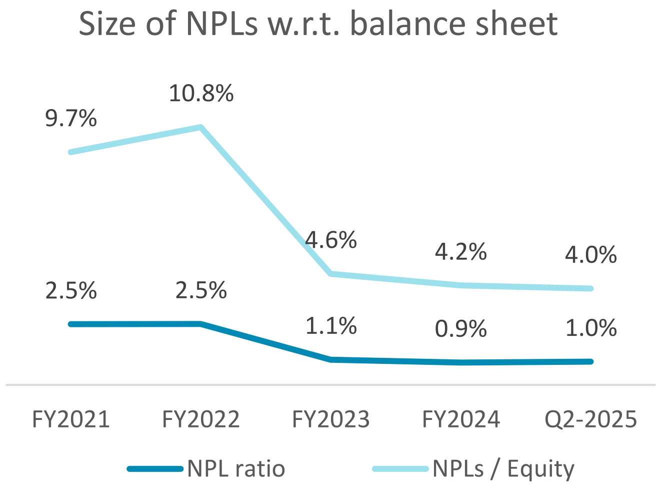
- There are no NPLs in stage 1 and stage 2 loans
- Non-performing loans are a major subset of stage 3 loans; evident from 94.6% average share of stage 3 loans historically



Provisions mean accumulated impairment allowance balance; i.e. accumulated provisions on balance sheet. This provision is a summation of stage 1 provisions, stage 2 provisions and stage 3 provisions

- Increasing NPL coverage ratio indicates improved coverage of NPLs through higher provisioning
- Detailed assessment of NPLs to be carried to distinguish the impact of increased stage 2 provisioning versus eventual requirement under stage 3 NPLs

(for more information on NPLs as per IFRS 9, please refer appendix)

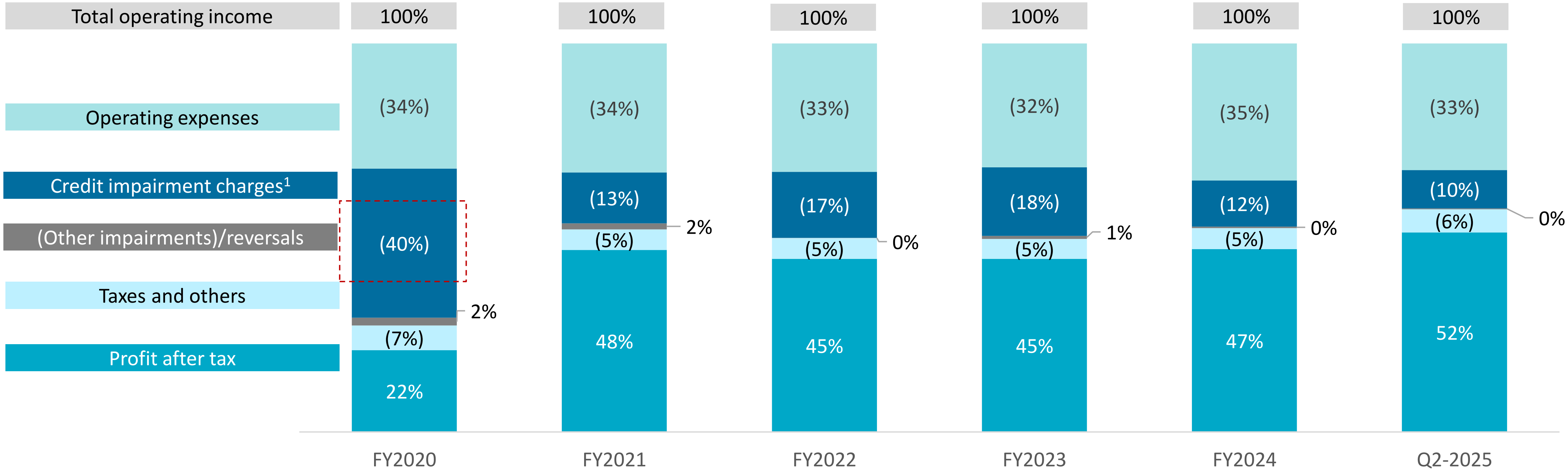


NPL ratio is calculated as NPLs / Gross Loans

- NPLs have been 6.7% on average of book value of equity during FY2021 – Q2-2025. However, it's currently at 4.0% (Q2-2025), which indicates effective management

Source: Annual report

Impairment charges have significant impact on profitability



	FY2020	FY2021	FY2022	FY2023	FY2024	Q2-2025
Credit costs[2]	2.2%	0.7%	0.9%	1.0%	0.6%	0.3%
Return on average equity[3]	4.3%	8.8%	9.1%	10.5%	10.3%	5.6%

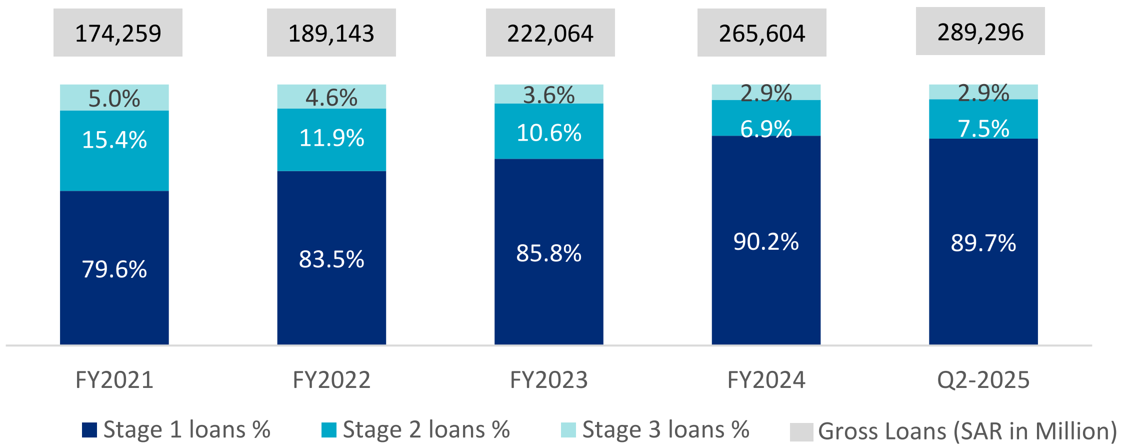
- With the evolution of stringent asset quality norms, there has been significant impact of annual credit provisions on profitability and on the bottom-line
- High NPLs lead to high credit costs impacting shareholder return, as the banks are mandated to create adequate provisions on bad loans

Note: 1. Credit impairment charges mean impairment charges for expected credit losses recorded in income statement, in simple words, this is the provisions made during the year on expected credit losses;
2. Credit cost is calculated as credit impairment charges for the year / Average net loans; 3. Return on average equity is calculated as PAT / average equity (ROAE)
Source: Annual report

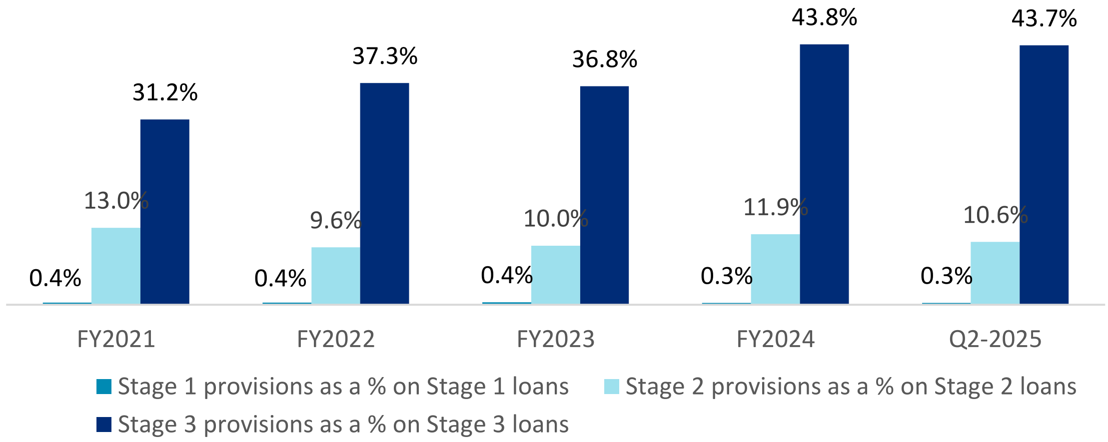
Saudi Awwal Bank

Asset quality analysis – Breakdown of gross loans into ECL stages and their provisions indicate decline in share of stage 3 loans since FY 2021; while gross loan book has increased by 66%

Breakdown of gross loans as per 3 stages of ECL



Stage-wise provision coverage ratio



IFRS 9 details on the asset quality norms and how banks must classify their gross loan book into different stages

Gross loans are classified as 12 month ECL (Stage 1), Lifetime ECL not credit impaired (Stage 2) and Lifetime ECL credit impaired (Stage 3), where ECL stands for Expected Credit Loss (Please refer appendix for more information)

Essentially, stage 1 loans are performing loans with timely repayments, stage 2 loans are loans which are showing early signs of stress and may slip into stage 3 category, and stage 3 loans are predominantly NPLs, restructured loans

- The gross loan book has increased by 66% since FY2021
- There are some variations in Q2-2025 for all stages compared to the last four years

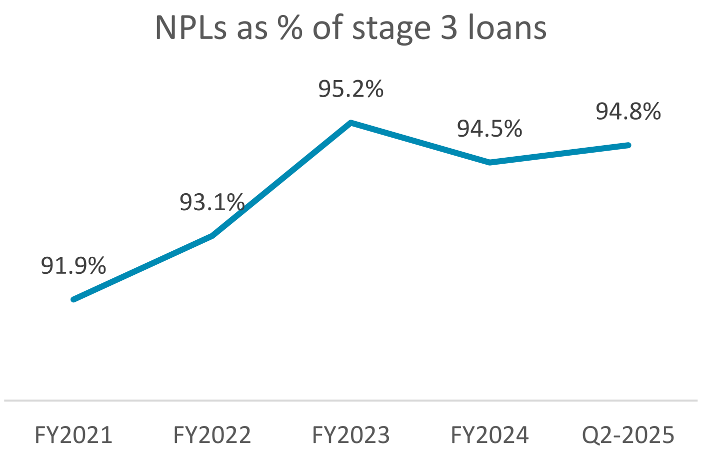
As per IFRS 9, the bank is required to estimate provisioning requirement on these 3 stages of loans, which is a function of probability of default and loss-given default (please refer appendix for an illustration)

Stage-wise provision coverage rates depend on the ECL calculation undertaken by the bank for that period, which is dynamic as default probabilities change, Loss-given default change

- Provisions on stage 1 loans have remained stable during FY2021 – Q2-2025
- Provisions on stage 2 loans have been fluctuating during the same period
- Stage 3 loan provisions range from 31.2% to 43.8% during the period of FY2021 – Q2-2025

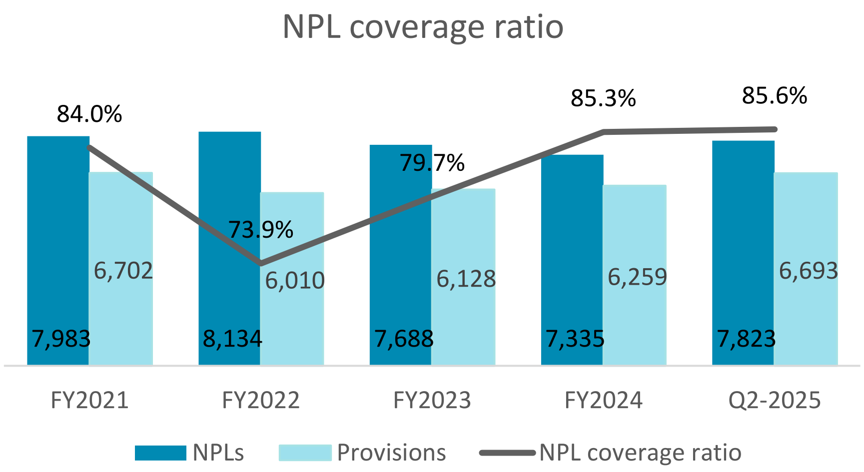
Source: Annual report

Asset quality analysis – NPL coverage ratio is below 100% in recent years and NPLs account for ~13% of book value of equity; effective management can unlock shareholder value



Stage 3 loans include non-performing loans, impaired restructured loans and certain other risky exposures not included as NPLs

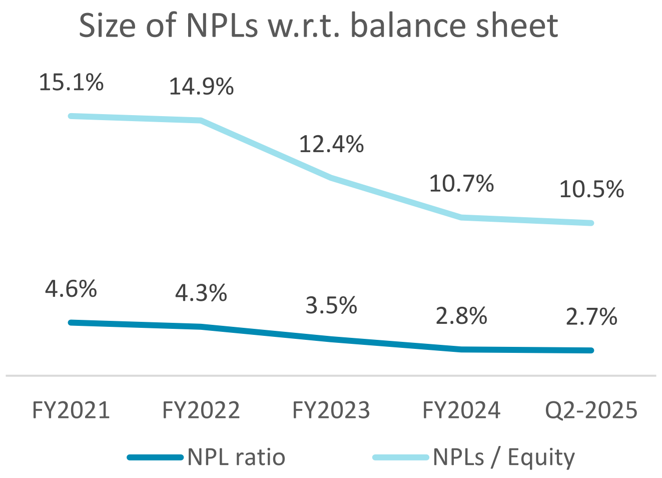
- Non-performing loans are a major subset of stage 3 loans; evident from ~94% share of Stage 3 loans historically



Provisions mean accumulated impairment allowance balance; i.e. accumulated provisions on balance sheet. This provision is a summation of stage 1 provisions, stage 2 provisions and stage 3 provisions

- Increasing NPL coverage ratio indicates improved coverage of NPLs through higher provisioning

(for more information on NPLs as per IFRS 9, please refer appendix)

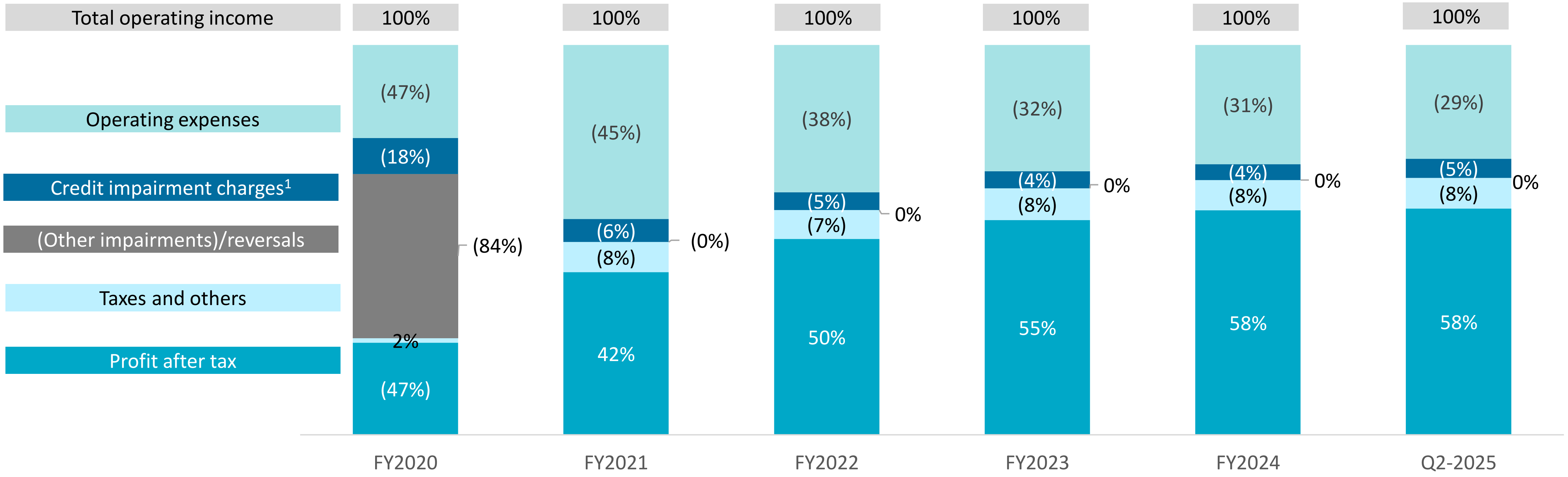


NPL ratio is calculated as NPLs / Gross Loans

- NPLs have been 12.7% on average of book value of equity and can unlock potential shareholder value through effective management

Source: Annual report

Impairment charges have significant impact on profitability



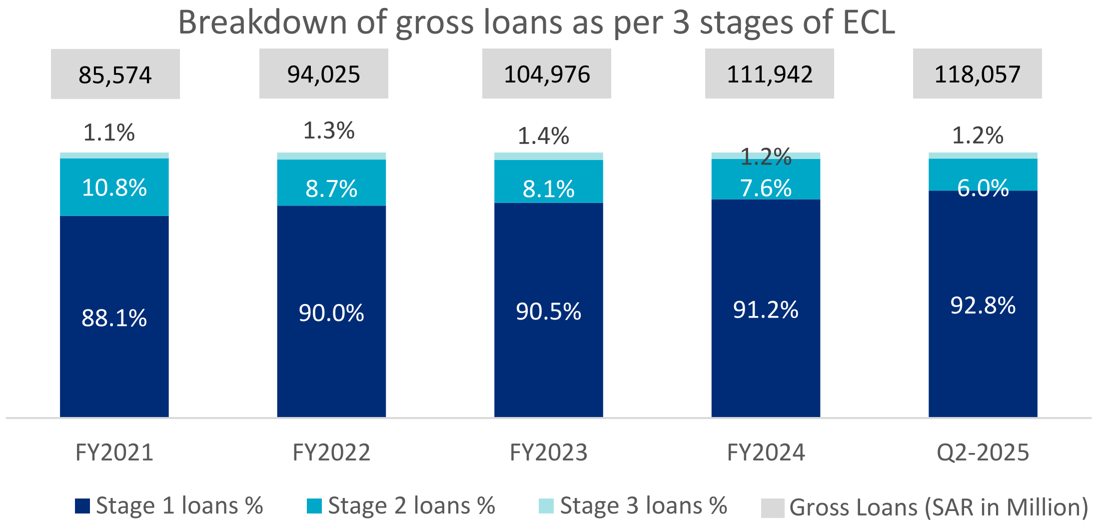
	FY2020	FY2021	FY2022	FY2023	FY2024	Q2-2025
Credit costs[2]	1.1%	0.3%	0.3%	0.3%	0.2%	0.1%
Return on average equity[3]	NM	6.2%	9.0%	12.0%	12.4%	6.0%

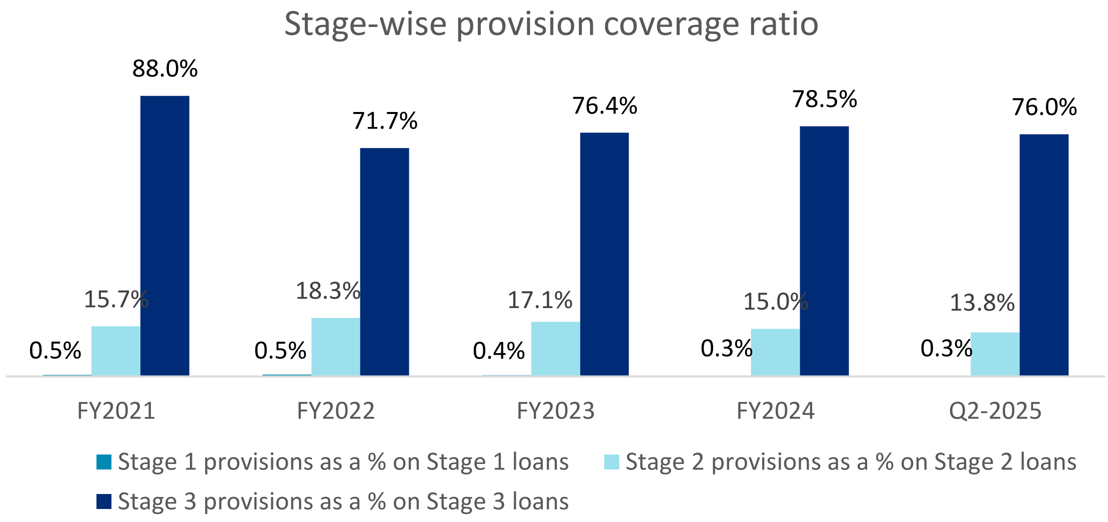
- With the evolution of stringent asset quality norms, there has been significant impact of annual credit provisions on profitability and on the bottom-line. However, the bank has not created adequate provisions on bad loans as is evident by the low coverage ratio (earlier slide)
- In FY2020, impairment loss of of goodwill was SAR 7.4 BN (84% of total operating income)

Note: 1. Credit impairment charges mean impairment charges for expected credit losses recorded in income statement, in simple words, this is the provisions made during the year on expected credit losses;
2. Credit cost is calculated as credit impairment charges for the year / Average net loans; 3. Return on average equity is calculated as PAT / average equity (ROAE)
Source: Annual report

Bank Albilad

Asset quality analysis – Breakdown of gross loans into ECL stages and their provisions indicate rise in share of stage 1 loans; while gross loan book has increased by 38% since FY 2021





IFRS 9 details on the asset quality norms and how banks must classify their gross loan book into different stages

Gross loans are classified as 12 month ECL (Stage 1), Lifetime ECL not credit impaired (Stage 2) and Lifetime ECL credit impaired (Stage 3), where ECL stands for Expected Credit Loss (Please refer appendix for more information)

Essentially, stage 1 loans are performing loans with timely repayments, stage 2 loans are loans which are showing early signs of stress and may slip into stage 3 category, and stage 3 loans are predominantly NPLs, restructured loans

- The gross loan book has increased by 38% since FY2021
- Share of stage 1 loans has increased since FY2021, while share of stage 2 loans have declined in the total mix by Q2-2025

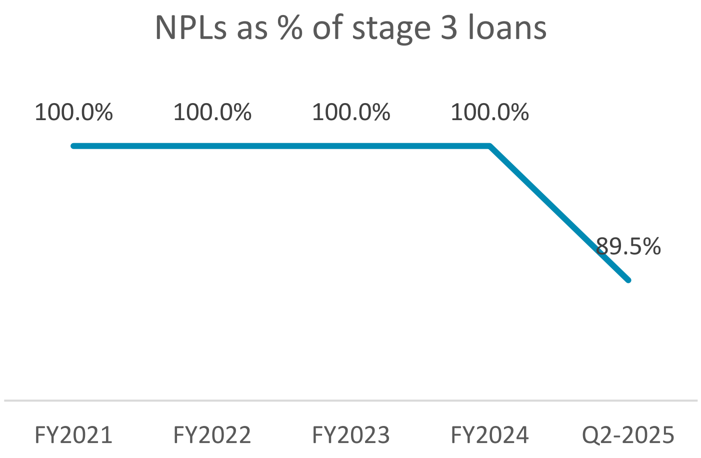
As per IFRS 9, the bank is required to estimate provisioning requirement on these 3 stages of loans, which is a function of probability of default and loss-given default (please refer appendix for an illustration)

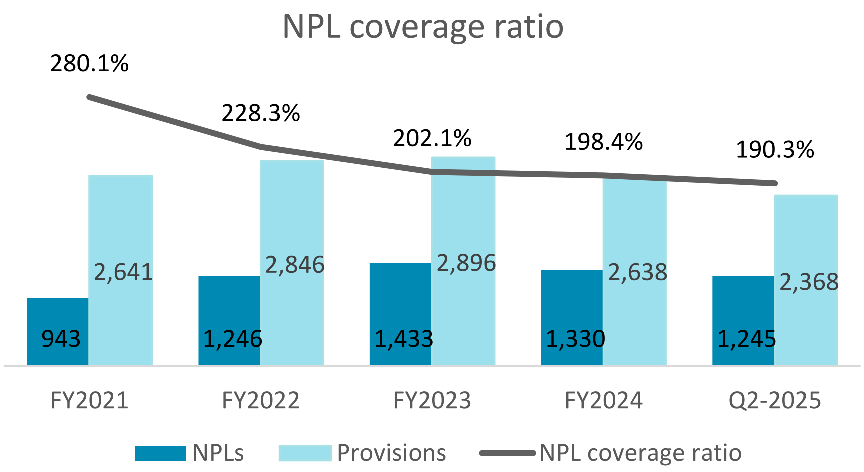
Stage-wise provision coverage rates depend on the ECL calculation undertaken by the bank for that period, which is dynamic as default probabilities change, Loss-given default change

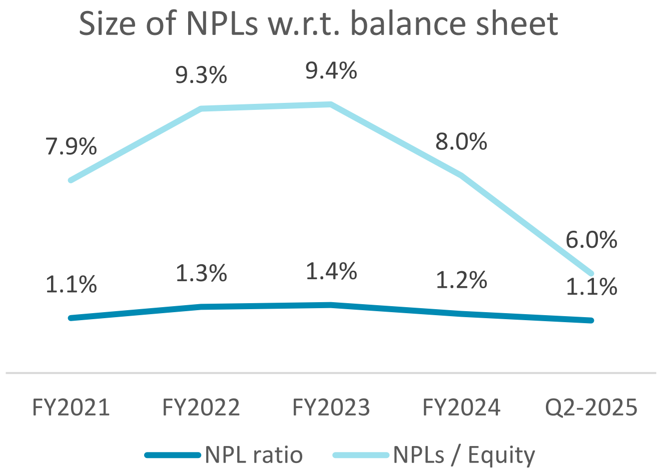
- Provisions on stage 1 loans have been relatively stable during FY2021 – Q2-2025, and it is currently lower than its historical levels
- Provisions on stage 2 loans have been declining from 18.3% in FY2022 to 13.8% in Q2-2025, indicating lower expected credit losses
- Provisions on stage 3 loans have been increasing during the last two years, indicating higher expected credit losses

Source: Annual report

Asset quality analysis – NPL coverage ratio has declined in Q2-2025, and NPLs account for ~ 8% of book value of equity during FY 2021 – Q2-2025, and effective management can unlock shareholder value







Stage 3 loans include non-performing loans, impaired restructured loans and certain other risky exposures not included as NPLs

- Non-performing loans are a major subset of stage 3 loans; evident from 89% share of stage 3 loans in Q2-2025

Provisions mean accumulated impairment allowance balance; i.e. accumulated provisions on balance sheet. This provision is a summation of stage 1 provisions, stage 2 provisions and stage 3 provisions

- Detailed assessment of NPLs to be carried to distinguish the impact of increased Stage 2 provisioning versus eventual requirement under Stage 3 NPLs

(for more information on NPLs as per IFRS 9, please refer appendix)

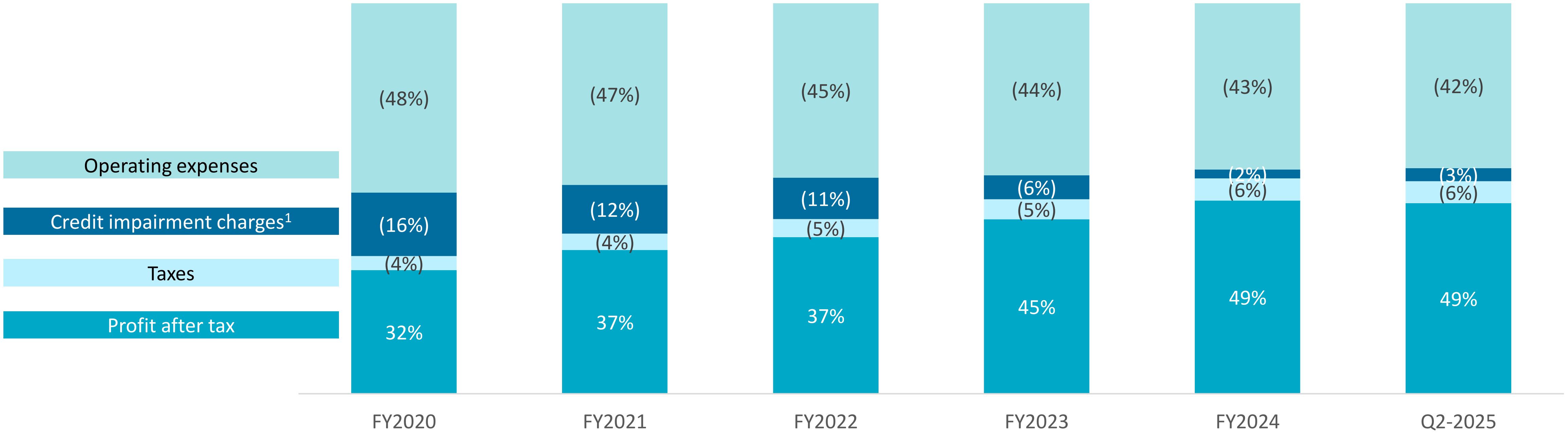
NPL ratio is calculated as NPLs / Gross Loans

- NPLs have been in the range of 6.0% - 9.4% of book value of equity and can unlock potential shareholder value through effective management

Source: Annual report

Impairment charges have significant impact on profitability

	FY2020	FY2021	FY2022	FY2023	FY2024	Q2-2025
Total operating income	100%	100%	100%	100%	100%	100%



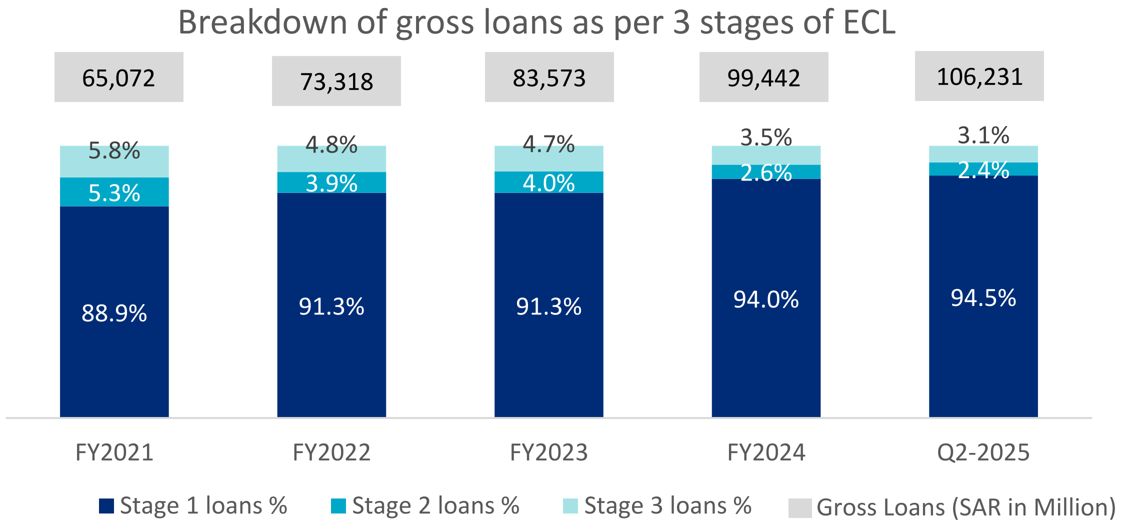
	FY2020	FY2021	FY2022	FY2023	FY2024	Q2-2025
Credit costs[2]	1.1%	0.7%	0.6%	0.3%	0.1%	0.1%
Return on average equity[3]	13.4%	14.8%	16.4%	16.5%	17.6%	7.8%

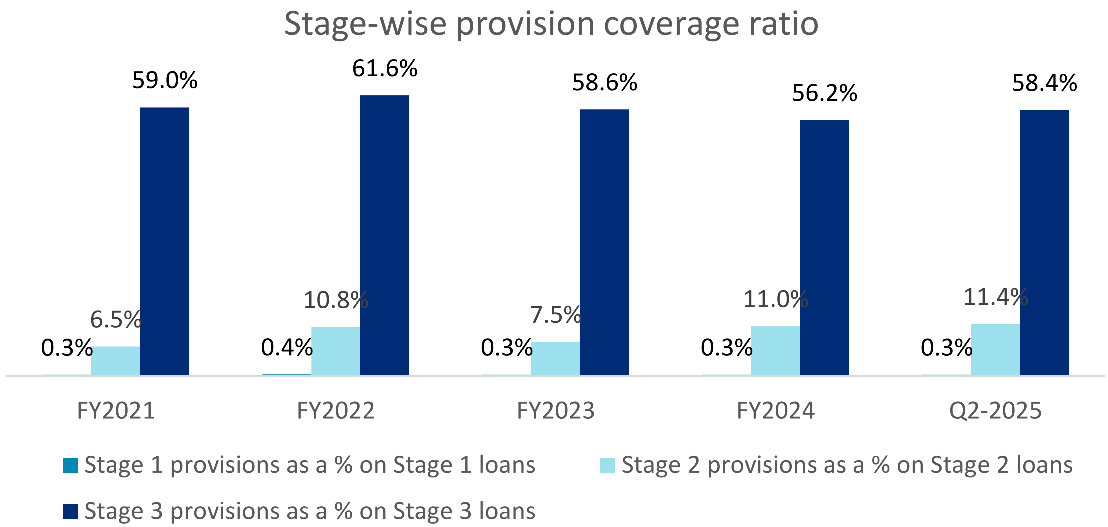
- With the evolution of stringent asset quality norms, there has been significant impact of annual credit provisions on profitability and on the bottom-line
- High NPLs lead to high credit costs impacting shareholder return, as the banks are mandated to create adequate provisions on bad loans

Note: 1. Credit impairment charges mean impairment charges for expected credit losses recorded in income statement, in simple words, this is the provisions made during the year on expected credit losses;
2. Credit cost is calculated as credit impairment charges for the year / Average net loans; 3. Return on average equity is calculated as PAT / average equity (ROAE)
Source: Annual report

AlJazira Bank

Asset quality analysis – Breakdown of gross loans into ECL stages and their provisions indicate rise in share of stage 1 loans; while gross loan book has increased by 63% since FY 2021





IFRS 9 details on the asset quality norms and how banks must classify their gross loan book into different stages

Gross loans are classified as 12 month ECL (Stage 1), Lifetime ECL not credit impaired (Stage 2) and Lifetime ECL credit impaired (Stage 3), where ECL stands for Expected Credit Loss (Please refer appendix for more information)

Essentially, stage 1 loans are performing loans with timely repayments, stage 2 loans are loans which are showing early signs of stress and may slip into stage 3 category, and stage 3 loans are predominantly NPLs, restructured loans

- The gross loan book has increased by 63% during FY2021 – Q2-2025
- Share of stage 1 loans have increased during FY2021 – Q2-2025, while the shares of stage 2 and 3 loans have declined compared to their historical levels

As per IFRS 9, the bank is required to estimate provisioning requirement on these 3 stages of loans, which is a function of probability of default and loss-given default (please refer appendix for an illustration)

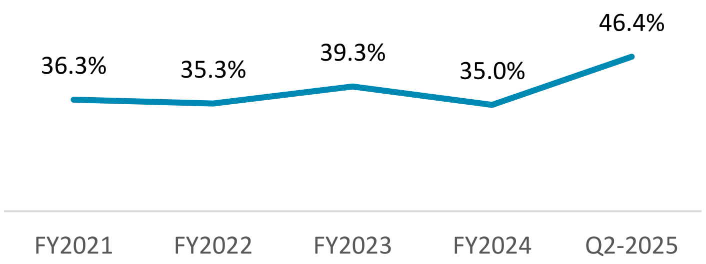
Stage-wise provision coverage rates depend on the ECL calculation undertaken by the bank for that period, which is dynamic as default probabilities change, Loss-given default change

- Stage 1 provisions have remained stable during FY2021 – Q2-2025
- Provisions on stage 2 loans have increased from 6.5% in FY2021 to 11.4% in Q2-2025 indicating higher expected credit losses
- Provisions on stage 3 loans have decreased from 61.6% in FY2022 to 56.2% in FY2024 indicating lower expected credit losses

Source: Annual report

Asset quality analysis – NPL coverage ratio has decreased since FY 2021, and NPLs account for ~ 9% of book value of equity and effective management can unlock shareholder value

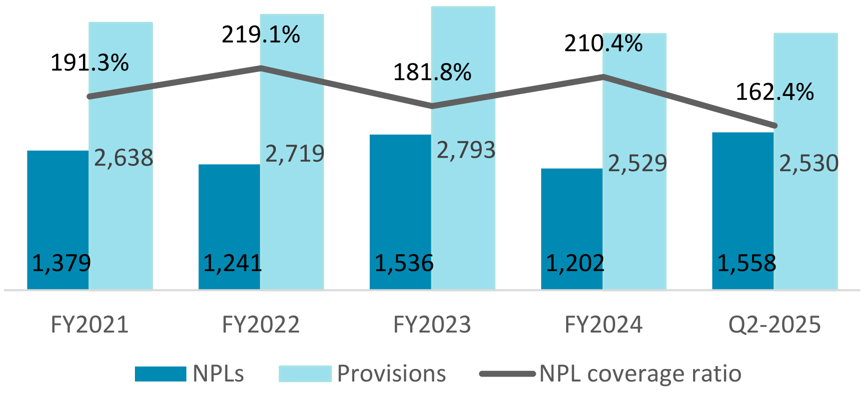
NPLs as % of stage 3 loans



Stage 3 loans include non-performing loans, impaired restructured loans and certain other risky exposures not included as NPLs

- There are no NPLs in stage 1 and stage 2 loans
- NPLs as a percentage of stage 3 loans range from 35% to 46% during the historical period

NPL coverage ratio

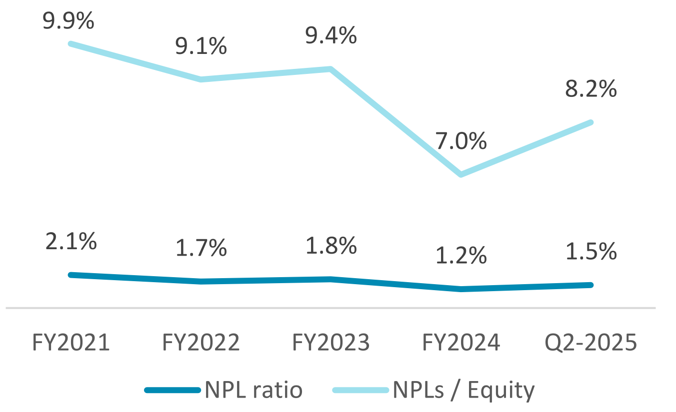


Provisions mean accumulated impairment allowance balance; i.e. accumulated provisions on balance sheet. This provision is a summation of stage 1 provisions, stage 2 provisions and stage 3 provisions

- Increasing NPL coverage ratio indicates improved coverage of NPLs through higher provisioning
- Detailed assessment of NPLs to be carried to distinguish the impact of increased Stage 2 provisioning versus eventual requirement under Stage 3 NPLs

(for more information on NPLs as per IFRS 9, please refer appendix)

Size of NPLs w.r.t. balance sheet

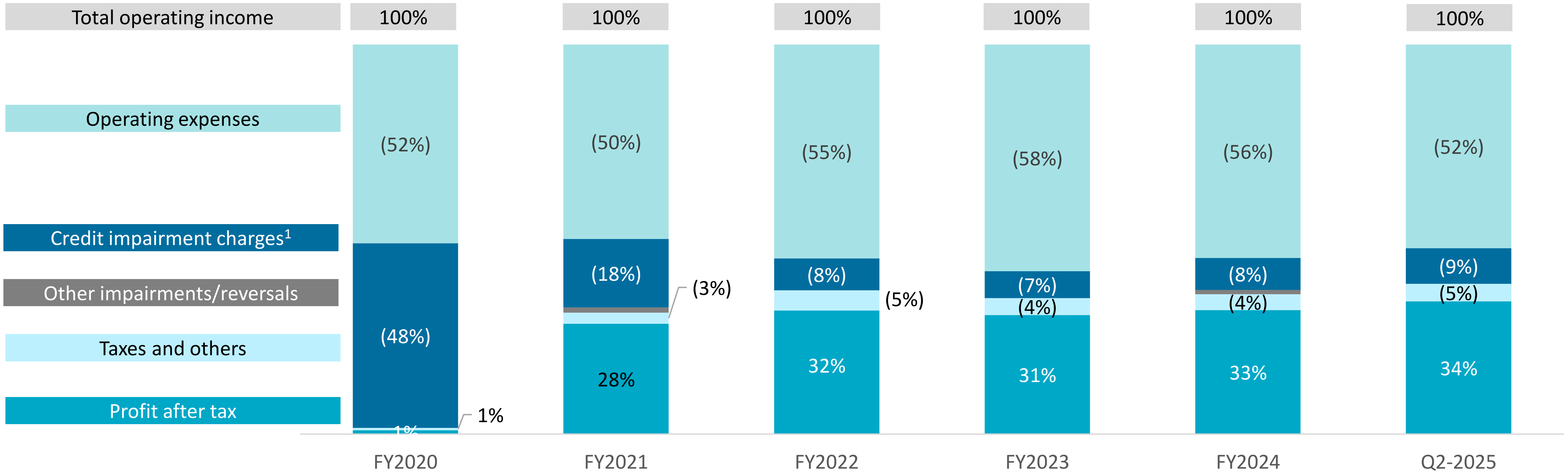


NPL ratio is calculated as NPLs / Gross Loans

- NPLs have been 8.7% on average of book value of equity and can unlock potential shareholder value through effective management

Source: Annual report

Impairment charges have significant impact on profitability, but impairment has improved over the last periods



	FY2020	FY2021	FY2022	FY2023	FY2024	Q2-2025
Credit costs[2]	3.0%	1.1%	0.4%	0.3%	0.4%	0.2%
Return on average equity[3]	0.3%	8.0%	8.1%	6.8%	7.3%	4.1%

- With the evolution of stringent asset quality norms, there has been significant impact of annual credit provisions on profitability and on the bottom-line
- High NPLs lead to high credit costs impacting shareholder return, as the banks are mandated to create adequate provisions on bad loans

Note: 1. Credit impairment charges mean impairment charges for expected credit losses recorded in income statement, in simple words, this is the provisions made during the year on expected credit losses; 2. Credit cost is calculated as credit impairment charges for the year / Average net loans; 3. Return on average equity is calculated as PAT / average equity (ROAE)
Source: Annual report

GCC Financing Companies

GCC Financing Companies – Profitability Overview

Company Name	Total Assets (SAR MN)	Net Income (SAR MN)	Return on Assets	Return on Equity
National Finance Company (Oman)	6,317.7	129.4	2.2%	9.3%
SHL Finance Company (KSA)	4,657.9	41.9	0.9%	2.5%
Amlak International Finance Company (KSA)	4,611.5	61.8	1.4%	5.0%
Arzan Financial Group (Kuwait)	4,150.7	239.5	6.8%	8.5%
Finance House (UAE)	3,496.5	24.1	0.7%	3.7%
Commercial Facilities Company (Kuwait)	3,482.7	181.9	5.3%	9.3%
A'ayan Leasing and Investment Co. (Kuwait)	3,332.0	280.7	8.4%	16.9%
Taageer Finance Company (Oman)	3,035.5	59.3	2.1%	9.4%
United International Holding Company (KSA)	2,856.2	240.8	9.6%	21.7%
Amlak Finance (UAE)	2,405.3	65.3	2.3%	4.6%
Bahrain Commercial Facilities Co. (Bahrain)	2,179.2	39.4	1.8%	3.8%
Nayifat Finance Company (KSA)	2,075.4	114.9	5.6%	8.0%
Al Omaniya Financial Services (Oman)	2,009.0	35.1	2.8%	5.5%
Morabaha Marina Financing Company (KSA)	1,574.2	14.0	0.9%	1.6%
United Finance Company (Oman)	1,172.3	23.2	2.1%	4.9%
Quara Finance Company (KSA)	1,007.1	28.1	3.1%	6.2%
Muscat Finance (Oman)	999.1	11.7	1.2%	3.1%
Al Manar Financing and Leasing Co. (Kuwait)	701.7	20.8	3.1%	5.0%
KFIC Invest Company (Kuwait)	471.2	-3.6	-0.7%	-1.0%
Median	2,405.3	41.9	2.3%	5.3%
Total	50,535.2	1,608.2	3.2%	7.5%

- National Finance Company in Oman is the largest finance company in GCC with total assets of SAR 6.3 BN as of 06/25 LTM.
- United International Holding Company in KSA is the best performing finance company in GCC in terms of return on equity and return on assets.

Source: S&P Capital IQ – 06/25 LTM

GCC Financing Companies – NPL Summary

Company Name	NPL (SAR MN)	Accumulated provisions (SAR MN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR MN)	Impairments for the year/ Net Interest Income
National Finance Company (Oman)	831.4	NA	NA	13.2%	59.3%	70.7	23.0%
SHL Finance Company (KSA)	127.6	NA	NA	2.7%	7.5%	-4.6	NM
Amlak International Finance Company (KSA)	270.6	NA	NA	5.9%	21.6%	48.4	17.8%
Arzan Financial Group (Kuwait)	NA	NA	NA	NA	NA	15.3	4.7%
Finance House (UAE)	583.4	583.3	100.0%	16.7%	89.4%	44.4	28.6%
Commercial Facilities Company (Kuwait)	NA	361.0	NA	NA	NA	-27.9	NM
A'ayan Leasing and Investment Co. (Kuwait)	NA	NA	NA	NA	NA	NA	NA
Taageer Finance Company (Oman)	NA	NA	NA	NA	NA	78.9	58.5%
United International Holding Company (KSA)	329.3	NA	NA	11.5%	26.8%	111.1	22.1%
Amlak Finance (UAE)	NA	NA	NA	NA	NA	45.9	23.4%
Bahrain Commercial Facilities Co. (Bahrain)	574.2	341.5	59.5%	26.3%	55.2%	26.2	4.5%
Nayifat Finance Company (KSA)	415.5	142.7	34.4%	20.0%	28.9%	27.3	9.4%
Al Omaniya Financial Services (Oman)	NA	NA	NA	NA	NA	NA	NA
Morabaha Marina Financing Company (KSA)	152.7	40.1	26.2%	9.7%	17.9%	45.5	27.5%
United Finance Company (Oman)	176.4	105.3	59.7%	15.0%	37.2%	11.5	19.1%
Quara Finance Company (KSA)	169.5	43.0	25.4%	16.8%	36.1%	49.8	28.4%
Muscat Finance (Oman)	446.0	245.5	55.0%	44.6%	117.2%	22.6	53.0%
Al Manar Financing and Leasing Co. (Kuwait)	43.0	NA	NA	6.1%	10.1%	-2.3	NM
KFIC Invest Company (Kuwait)	8.2	10.1	123.9%	1.7%	2.3%	26.6	54.6%
Median	270.6	142.7	57.3%	13.2%	28.9%	27.3	23.2%
Total	4,127.5	1,872.6	45.4%	8.2%	19.2%	589.4	13.4%

- In terms of non-performing loans to total assets, KFIC Invest in Kuwait is the best performing in the region with the lowest ratio at 1.7% (median ratio at 13.2%).
- Median impairments made against bad loans are taking away 23.2% share from net interest income of the companies, thus, denting bottom line.

Source: S&P Capital IQ – 06/25 LTM

Egyptian Market

Banks in Egypt – Profitability Overview

Company Name	Total Assets (SAR BN)	Net Income (SAR BN)	Return on Assets	Return on Equity
Commercial International Bank	99.9	4.6	5.1%	41.2%
Qatar National Bank	63.8	2.1	3.5%	31.2%
Abu Dhabi Islamic Bank	22.5	0.8	4.2%	45.8%
Faisal Islamic Bank of Egypt	19.2	0.5	3.0%	18.6%
Suez Canal Bank	17.2	0.5	3.8%	52.8%
Housing and Development Bank	15.4	NA	8.9%	58.1%
Société Arabe Internationale de Banque	12.8	0.1	1.0%	8.0%
Egyptian Gulf Bank	10.5	0.2	2.1%	30.2%
AlBaraka Bank	10.3	0.3	2.8%	29.9%
Credit Agricole	10.2	0.6	5.9%	39.6%
The United Bank	6.9	0.2	3.2%	22.3%
Median	15.4	0.5	3.5%	31.2%
Total	288.9	10.0	3.5%	27.7%

- Commercial International Bank is the largest bank in Egypt with total assets of SAR 100 BN as of 06/25 LTM.
- Housing and Development Bank is the best performing bank in Egypt in terms of return on assets and return on equity.

Source: S&P Capital IQ – 06/25 LTM

Banks in Egypt – NPL Summary

Company Name	NPL (SAR BN)	Accumulated provisions (SAR BN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR BN)	Impairments for the year/ Net Interest Income
Commercial International Bank	1.0	3.3	330.5%	1.0%	7.6%	0.2	2.1%
Qatar National Bank	1.6	1.7	107.0%	2.5%	20.9%	0.3	8.8%
Abu Dhabi Islamic Bank	0.2	NA	NA	1.0%	10.5%	0.2	14.0%
Faisal Islamic Bank of Egypt	NA	0.1	NA	NA	NA	0.0	NM
Suez Canal Bank	0.2	0.3	127.8%	1.5%	19.9%	0.0	2.2%
Housing and Development Bank	0.2	0.4	159.5%	1.6%	9.7%	NA	NA
Société Arabe Internationale de Banque	0.3	0.3	91.4%	2.6%	23.6%	0.1	14.4%
Egyptian Gulf Bank	0.1	0.2	186.4%	1.2%	14.7%	0.1	10.0%
AlBaraka Bank	0.2	0.3	147.8%	1.8%	18.0%	0.1	14.5%
Credit Agricole	0.1	0.2	182.4%	0.9%	6.3%	0.0	3.1%
The United Bank	NA	0.1	NA	NA	NA	0.0	1.4%
Median	0.2	0.3	153.6%	1.5%	14.7%	0.1	8.8%
Total	4.1	6.9	170.8%	1.4%	11.3%	0.9	5.3%

- In terms of non-performing loans to total assets, Credit Agricole is the best performing bank in the region with the lowest ratio at 0.9% (median ratio at 1.5%).
- Median impairments made against bad loans are taking away 8.8% share from net interest income of banks, thus, denting bottom line.

Note:
1. Impairments in the above table mean provision for loan losses recorded in the income statement. Provision for loan losses include impairment charge for expected credit losses, recoveries of written-off loans and impairment charge on off balance sheet items

Source: S&P Capital IQ – 06/25 LTM

Financing Companies in Egypt – Profitability Overview

Company Name	Total Assets (SAR MN)	Net Income (SAR MN)	Return on Assets	Return on Equity
African Export-Import Bank	141,496.4	3,671.7	2.8%	14.5%
Export Development Bank of Egypt	14,395.0	413.9	3.1%	28.8%
CI Capital Holding For Financial Investments	2,701.5	121.5	4.9%	22.7%
Contact Financial Holding	1,225.1	54.0	5.0%	19.2%
U Consumer Finance	986.7	41.9	4.2%	30.3%
International Company for Leasing	822.1	15.4	2.3%	19.5%
Al Tawfeek Leasing Company	627.8	16.7	3.1%	22.4%
Median	1,225.1	54.0	3.1%	20.9%
Total	162,254.7	4,335.1	2.7%	14.4%

- African Export-Import Bank is the largest finance company in Egypt with total assets of SAR 141 BN as of 06/25 LTM.
- Contact Financial is the best performing finance company in Egypt in terms of return on assets, and U Consumer Finance is the best performing in terms of return on equity.

Source: S&P Capital IQ – 06/25 LTM

Financing Companies in Egypt – NPL Summary

Company Name	NPL (SAR MN)	Accumulated provisions (SAR MN)	NPL Coverage ratio	NPL/ Total Assets	NPL/ Total Equity	Impairments for the year1 (SAR MN)	Impairments for the year/ Net Interest Income
African Export-Import Bank	NA	NA	NA	NA	NA	2,487.9	36.4%
Export Development Bank of Egypt	141.4	189.2	133.8%	1.0%	8.8%	37.5	4.0%
CI Capital Holding For Financial Investments	NA	NA	NA	NA	NA	18.8	6.0%
Contact Financial Holding	NA	NA	NA	NA	NA	5.8	1.6%
U Consumer Finance	29.7	NA	NA	3.0%	21.5%	11.5	15.2%
International Company for Leasing	NA	NA	NA	NA	NA	0.6	0.6%
Al Tawfeek Leasing Company	NA	NA	NA	NA	NA	0.3	0.2%
Median	85.6	189.2	133.8%	2.0%	15.1%	11.5	4.0%
Total	171.1	189.2	110.5%	0.1%	0.6%	2,562.4	29.2%

- Median impairments made against bad loans are taking away 4.0% share from net interest income of the companies, thus, denting bottom line.

Source: S&P Capital IQ – 06/25 LTM

Appendix

Three-stage model for classifying gross advances in terms of asset quality

Impairment of loans is recognized – on an individual or collective basis – in three stages under IFRS 9:

Stage 1

When a loan is originated or purchased, ECLs resulting from default events that are possible within the next 12 months are recognized (12-month ECL) and a loss allowance is established. On subsequent reporting dates, 12-month ECL also applies to existing loans with no significant increase in credit risk since their initial recognition

Stage 2

If a loan's credit risk has increased significantly since initial recognition and is not considered low, lifetime ECLs are recognized

Stage 3

If the loan's credit risk increases to the point where it is considered credit-impaired, lifetime ECLs are recognized, as in Stage 2. Difference between stage 2 and stage 3 is in recording of interest revenue, difference in probability of default rates assumed and other differences in calculation of ECL

Source: FSI Connect, PWC report

Expected credit losses (ECL) methodology

- IFRS 9 establishes a new model for recognition and measurement of impairments in loans—the so-called “expected credit losses” model
- Expected credit losses are calculated by:

    (a) identifying scenarios in which a loan defaults;

    (b) estimating the cash shortfall that would be incurred in each scenario if a default were to happen;

    (c) multiplying that loss by the probability of the default happening; and

    (d) summing the results of all such possible default events. Because every loan has at least some probability of defaulting in the future, every loan has an expected credit loss associated with it—from the moment of its origination or acquisition

Expected Credit Losses – A simple illustration

Methodology	
(A)Loan amount*	1,000
(B) Estimated cash flows if default occurs	100
(C) Cash shortfall subsequent to default (A – B)	900
(D) Probability of default	1%
Expected Credit Loss (ECL) – (C X D)	9

*Estimated future cash flows at initial recognition assuming borrower pays as anticipated, discounted at the loan’s effective interest rate
Source: PWC report

Non-performing loans as per IFRS 9

- IFRS 9, which came into force on 1 January 2018, classifies credit exposures into Stage 1 (non-impaired, no significant increase in credit risk), Stage 2 (non-impaired, but with a significant increase in credit risk) and Stage 3 (impaired)
- Stage 3 loans include non-performing loans, impaired restructured loans and certain other risky exposures not included as NPLs
- ‘Lifetime expected credit losses’ are defined as: “the expected credit losses that result from all possible default events over the expected life of the financial instrument”
- IFRS 9 does not define the term ‘default’, but instead requires each entity to do so. The definition has to be consistent with that used for internal credit risk management purposes for the relevant financial instrument, and has to consider qualitative indicators – e.g. breaches of covenants – when appropriate
- The aim of IFRS was to craft a standard which is more forward-looking and its application will help in foreseeing bad loans
- However, the standard contains a rebuttable presumption of 90 days past due for default. The implied meaning of this presumption is that a default does not occur later than when a financial asset is 90 days past due. The definition of default should be applied consistently, unless information that becomes available indicates that another default definition is more appropriate for a particular financial instrument

Source: Deloitte report, IFRS 9 document