

**NATIONAL BANK OF KUWAIT GROUP**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

**30 SEPTEMBER 2022 (UNAUDITED)**



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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Bank of Kuwait S.A.K.P. (the "Bank") and its subsidiaries (collectively the "Group") as at 30 September 2022, and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended, and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine 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 regulation, as amended, or of the Bank's Articles of Association and Memorandum of Incorporation, as amended, during the nine months period ended 30 September 2022 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 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 nine months period ended 30 September 2022 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. 62 A  
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AL-WAZZAN & CO.

17 October 2022  
Kuwait

## National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

30 September 2022 (Unaudited)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022 KD 000's	2021 KD 000's	2022 KD 000's	2021 KD 000's
Interest income		255,754	165,551	628,430	491,585
Interest expense		99,801	38,749	212,857	113,147
<b>Net interest income</b>		<b>155,953</b>	<b>126,802</b>	<b>415,573</b>	<b>378,438</b>
Murabaha and other Islamic financing income		74,294	58,106	202,887	170,719
Finance cost and Distribution to depositors		31,922	16,458	71,861	47,105
<b>Net income from Islamic financing</b>		<b>42,372</b>	<b>41,648</b>	<b>131,026</b>	<b>123,614</b>
<b>Net interest income and net income from Islamic financing</b>		<b>198,325</b>	<b>168,450</b>	<b>546,599</b>	<b>502,052</b>
Net fees and commissions		42,245	42,386	132,430	123,803
Net investment income		2,349	5,810	12,974	23,915
Net gains from dealing in foreign currencies		30,123	11,599	60,327	27,522
Other operating income		271	292	1,140	3,779
<b>Non-interest income</b>		<b>74,988</b>	<b>60,087</b>	<b>206,871</b>	<b>179,019</b>
<b>Net operating income</b>		<b>273,313</b>	<b>228,537</b>	<b>753,470</b>	<b>681,071</b>
Staff expenses		56,144	55,258	163,875	149,805
Other administrative expenses		32,826	31,952	93,558	89,747
Depreciation of premises and equipment		9,905	8,679	29,002	25,635
Amortisation of intangible assets		411	411	1,235	1,235
<b>Operating expenses</b>		<b>99,286</b>	<b>96,300</b>	<b>287,670</b>	<b>266,422</b>
<b>Operating profit before provision for credit losses and impairment losses</b>		<b>174,027</b>	<b>132,237</b>	<b>465,800</b>	<b>414,649</b>
Provision charge for credit losses and impairment losses	3	19,875	25,602	40,919	122,808
<b>Operating profit before taxation</b>		<b>154,152</b>	<b>106,635</b>	<b>424,881</b>	<b>291,841</b>
Taxation	4	12,576	8,902	34,527	25,329
<b>Profit for the period</b>		<b>141,576</b>	<b>97,733</b>	<b>390,354</b>	<b>266,512</b>
<b>Attributable to:</b>					
Shareholders of the Bank		136,412	94,053	374,238	254,819
Non-controlling interests		5,164	3,680	16,116	11,693
		<b>141,576</b>	<b>97,733</b>	<b>390,354</b>	<b>266,512</b>
<b>Basic earnings per share attributable to shareholders of the Bank</b>	5	<b>17 fils</b>	<b>12 fils</b>	<b>47 fils</b>	<b>32 fils</b>

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

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME  
30 September 2022 (Unaudited)

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2022</i> <i>KD 000's</i>	<i>2021</i> <i>KD 000's</i>	<i>2022</i> <i>KD 000's</i>	<i>2021</i> <i>KD 000's</i>
<b>Profit for the period</b>	<b>141,576</b>	97,733	<b>390,354</b>	266,512
<b>Other comprehensive (loss) income:</b>				
Investment in debt securities measured at FVOCI:				
Net change in fair value	15,606	3,906	(41,110)	46,268
Net transfer to interim condensed consolidated statement of income	(290)	(1,559)	4,587	(9,720)
	<u>15,316</u>	<u>2,347</u>	<u>(36,523)</u>	<u>36,548</u>
Exchange differences on translation of foreign operations	(33,791)	2,104	(78,607)	(6,546)
<b>Other comprehensive (loss) income for the period reclassifiable to interim condensed consolidated statement of income in subsequent periods</b>	<b>(18,475)</b>	4,451	<b>(115,130)</b>	30,002
Net gain (loss) on investments in equity instruments designated at FVOCI (not reclassifiable to interim condensed consolidated statement of income in subsequent periods)	97	276	(126)	1,001
<b>Other comprehensive (loss) income for the period</b>	<b>(18,378)</b>	4,727	<b>(115,256)</b>	31,003
<b>Total comprehensive income for the period</b>	<b>123,198</b>	102,460	<b>275,098</b>	297,515
<b>Attributable to:</b>				
Shareholders of the Bank	119,212	99,836	262,816	284,725
Non-controlling interests	3,986	2,624	12,282	12,790
	<u>123,198</u>	<u>102,460</u>	<u>275,098</u>	<u>297,515</u>

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

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
30 September 2022 (Unaudited)

	Notes	30 September 2022 KD 000's	Audited 31 December 2021 KD 000's	30 September 2021 KD 000's
<b>Assets</b>				
Cash and short term funds		3,826,268	5,081,991	5,215,699
Central Bank of Kuwait bonds		1,037,518	830,054	830,838
Kuwait Government treasury bonds		213,338	417,016	446,842
Deposits with banks		1,748,551	885,280	829,260
Loans, advances and Islamic financing to customers	6	20,603,811	19,722,471	18,960,076
Investment securities		5,433,264	4,910,798	4,783,770
Investment in associates		3,862	3,746	4,118
Land, premises and equipment		465,550	456,209	446,739
Goodwill and other intangible assets		569,791	581,264	581,476
Other assets		803,004	367,757	408,961
<b>Total assets</b>		<b>34,704,957</b>	<b>33,256,586</b>	<b>32,507,779</b>
<b>Liabilities</b>				
Due to banks		3,545,365	4,098,688	4,160,618
Deposits from other financial institutions		3,980,235	3,135,629	3,434,846
Customer deposits		19,278,347	18,280,989	17,365,073
Certificates of deposit issued		1,413,072	1,339,354	1,370,611
Other borrowed funds		1,271,825	1,266,582	1,112,859
Other liabilities		717,151	668,227	703,071
<b>Total liabilities</b>		<b>30,205,995</b>	<b>28,789,469</b>	<b>28,147,078</b>
<b>Equity</b>				
Share capital	7	755,233	719,269	719,269
Proposed bonus shares	7	-	35,964	-
Statutory reserve		359,637	359,637	342,511
Share premium account		803,028	803,028	803,028
Treasury shares reserve		34,961	34,961	34,961
Other reserves	7	1,539,016	1,586,708	1,539,980
Equity attributable to shareholders of the Bank		3,491,875	3,539,567	3,439,749
Perpetual Tier 1 Capital Securities	8	439,032	439,032	439,032
Non-controlling interests		568,055	488,518	481,920
<b>Total equity</b>		<b>4,498,962</b>	<b>4,467,117</b>	<b>4,360,701</b>
<b>Total liabilities and equity</b>		<b>34,704,957</b>	<b>33,256,586</b>	<b>32,507,779</b>

Hamad Mohamed Al-Bahar  
Chairman



National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 September 2022 (Unaudited)

	Notes	Nine months ended 30 September	
		2022 KD 000's	2021 KD 000's
<b>Operating activities</b>			
Profit for the period		390,354	266,512
Adjustments for:			
Net investment income		(12,974)	(23,915)
Depreciation of premises and equipment		29,002	25,635
Amortisation of intangible assets		1,235	1,235
Provision charge for credit losses and impairment losses	3	40,919	122,808
Taxation	4	34,527	25,329
Cash flow from operating activities before changes in operating assets and liabilities		483,063	417,604
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		(207,464)	(605)
Kuwait Government treasury bonds		186,381	16,080
Deposits with banks		(864,666)	186,011
Loans, advances and Islamic financing to customers		(1,018,612)	(1,581,831)
Other assets		(126,107)	(31,510)
Due to banks		(553,394)	1,108,292
Deposits from other financial institutions		844,716	505,599
Customer deposits		1,152,141	260,841
Certificates of deposit issued		73,718	451,749
Other liabilities		104,270	(138,550)
Tax paid		(31,147)	(26,738)
Net cash from operating activities		42,899	1,166,942
<b>Investing activities</b>			
Purchase of investment securities		(3,288,535)	(2,597,924)
Proceeds from sale/redemption of investment securities		2,261,978	2,547,274
Dividend income		1,114	1,412
Proceeds from sale of disposal group held for sale		25,597	-
Change in holding in subsidiaries		(6,336)	2,854
Proceeds from sale of land, premises and equipment		951	252
Purchase of land, premises and equipment		(41,318)	(41,536)
Net cash used in investing activities		(1,046,549)	(87,668)
<b>Financing activities</b>			
Proceeds from issue of unsecured sukuk by a subsidiary		152,225	-
Redemption of Global Medium term notes		(229,238)	-
Proceeds from capital increase in a subsidiary		80,238	-
Net proceeds from issuance of Perpetual Tier 1 Capital Securities		-	210,436
Redemption of Perpetual Tier 1 Capital Securities		-	(210,700)
Interest paid on Perpetual Tier 1 Capital Securities		(12,927)	(14,770)
Net Proceeds from issuance of Perpetual Tier 1 Sukuk by a subsidiary		-	149,775
Redemption of Perpetual Tier 1 Sukuk by a subsidiary		-	(75,388)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary		(6,068)	(2,443)
Dividends paid		(291,304)	(137,004)
Dividend paid by a subsidiary to non-controlling interests	7	(6,376)	-
Net movement in other borrowed funds		61,377	313,148
Net cash (used in) from financing activities		(252,073)	233,054
<b>(Decrease) increase in cash and short term funds</b>		<b>(1,255,723)</b>	<b>1,312,328</b>
Cash and short term funds at 1 January		5,081,991	3,903,371
<b>Cash and short term funds at 30 September</b>		<b>3,826,268</b>	<b>5,215,699</b>

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

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
30 September 2022 (Unaudited)

KD 000's

	Equity attributable to shareholders of the Bank							Perpetual Tier 1 Capital Securities	Non - controlling interests	Total equity
	Share capital	Proposed bonus shares	Statutory reserve	Share premium account	Treasury shares reserve	Other reserves (Note 7)	Total			
At 1 January 2022	719,269	35,964	359,637	803,028	34,961	1,586,708	3,539,567	439,032	488,518	4,467,117
Profit for the period	-	-	-	-	-	374,238	374,238	-	16,116	390,354
Other comprehensive loss	-	-	-	-	-	(111,422)	(111,422)	-	(3,834)	(115,256)
<b>Total comprehensive income</b>						<b>262,816</b>	<b>262,816</b>		<b>12,282</b>	<b>275,098</b>
Issue of bonus shares (Note 7)	35,964	(35,964)	-	-	-	-	-	-	-	-
Dividends paid (Note 7)	-	-	-	-	-	(215,781)	(215,781)	-	-	(215,781)
Interim dividends paid (Note 7)	-	-	-	-	-	(75,523)	(75,523)	-	-	(75,523)
Profit paid on perpetual Tier 1 Capital Securities	-	-	-	-	-	(12,927)	(12,927)	-	-	(12,927)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(3,642)	(3,642)	-	(2,426)	(6,068)
Change in holding in subsidiaries	-	-	-	-	-	(2,557)	(2,557)	-	(3,779)	(6,336)
Capital increase in a subsidiary	-	-	-	-	-	-	-	-	80,238	80,238
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	(6,376)	(6,376)
Other movements	-	-	-	-	-	(78)	(78)	-	(402)	(480)
<b>At 30 September 2022</b>	<b>755,233</b>	<b>-</b>	<b>359,637</b>	<b>803,028</b>	<b>34,961</b>	<b>1,539,016</b>	<b>3,491,875</b>	<b>439,032</b>	<b>568,055</b>	<b>4,498,962</b>
At 1 January 2021	685,019	34,250	342,511	803,028	34,961	1,410,240	3,310,009	438,438	392,608	4,141,055
Profit for the period	-	-	-	-	-	254,819	254,819	-	11,693	266,512
Other comprehensive income	-	-	-	-	-	29,906	29,906	-	1,097	31,003
<b>Total comprehensive income</b>						<b>284,725</b>	<b>284,725</b>		<b>12,790</b>	<b>297,515</b>
Issue of bonus shares (Note 7)	34,250	(34,250)	-	-	-	-	-	-	-	-
Dividends paid (Note 7)	-	-	-	-	-	(137,004)	(137,004)	-	-	(137,004)
Issuance of Perpetual Tier 1 Capital Securities (Note 8)	-	-	-	-	-	-	-	211,294	-	211,294
Redemption of Perpetual Tier 1 Capital Securities	-	-	-	-	-	-	-	(210,700)	-	(210,700)
Transaction cost on issue of Perpetual Tier 1 Capital Securities	-	-	-	-	-	(858)	(858)	-	-	(858)
Interest paid on perpetual Tier 1 Capital Securities	-	-	-	-	-	(14,770)	(14,770)	-	(980)	(2,443)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(1,463)	(1,463)	-	150,385	150,385
Issuance of Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	-	-	-	(75,388)	(75,388)
Redemption of Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(365)	(365)	-	(245)	(610)
Transaction cost on issue of Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	-	-	-	2,854	2,854
Change in holding in subsidiaries	-	-	-	-	-	(525)	(525)	-	(104)	(629)
Other movements	-	-	-	-	-	-	-	-	-	-
<b>At 30 September 2021</b>	<b>719,269</b>	<b>-</b>	<b>342,511</b>	<b>803,028</b>	<b>34,961</b>	<b>1,539,980</b>	<b>3,439,749</b>	<b>439,032</b>	<b>481,920</b>	<b>4,360,701</b>

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

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 1 INCORPORATION AND REGISTRATION

The interim condensed consolidated financial information of National Bank of Kuwait S.A.K.P. (the “Bank”) and its subsidiaries (collectively the “Group”) for the Nine months period ended 30 September 2022 was authorised for issue in accordance with a resolution of the directors on 10 October 2022. The Bank is a public shareholding company incorporated in the State of Kuwait in 1952 and is registered as a bank (commercial registration number – 8490) with the Central Bank of Kuwait. The Bank’s registered office is at Al Shuhada Street, P.O. Box 95, Safat 13001, Kuwait.

### 2 ACCOUNTING POLICIES

#### Basis of preparation

- a) The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’ except for point (b) below.
- b) The interim condensed consolidated financial statements have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (CBK) in the State of Kuwait. These regulations, including CBK circulars on regulatory measures in response to COVID-19 and related CBK communications, require banks and other financial institutions regulated by CBK to adopt the International Financial Reporting Standards with the following amendments:
  - Expected credit loss (“ECL”) on credit facilities to be measured at the higher of ECL computed under IFRS 9 - Financial Instruments (“IFRS”) in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures; and
  - Modification losses on financial assets, arising from payment holidays to customers extended during the financial year ended 31 December 2020 as a result of Covid-19, to be recognised in retained earnings as required by the CBK circular no. 2/BS/IBS/461/2020 instead of statement of income in accordance with IFRS 9. However, modification losses on financial assets, arising from any other payment holidays to customers including payment holidays extended during the year ended 31 December 2021 in response to Covid-19 shall be recognized in the statement of income. The application of the policy results in application of different accounting presentation for modification losses in 2020 compared to other periods.

The above framework is hereinafter referred to as ‘IFRS 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 the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2021. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have any material impact on the accounting policies, financial position or performance of the Group.



# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 3 PROVISION CHARGE FOR CREDIT LOSSES AND IMPAIRMENT LOSSES

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Provision charge (release) for credit facilities – specific	<b>2,953</b>	7,835	<b>(121,935)</b>	65,097
Provision charge for credit facilities – general	<b>15,851</b>	12,129	<b>149,277</b>	49,168
Expected credit losses (release) charge	<b>(36)</b>	(40)	<b>4,845</b>	79
Other impairment losses	<b>1,107</b>	5,678	<b>8,732</b>	8,464
	<b>19,875</b>	25,602	<b>40,919</b>	122,808

### 4 TAXATION

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
National Labour Support Tax	<b>3,177</b>	2,374	<b>9,449</b>	6,337
Zakat	<b>1,497</b>	1,032	<b>4,162</b>	2,845
Contribution to Kuwait Foundation for the Advancement of Sciences	<b>1,484</b>	1,131	<b>4,085</b>	2,509
Overseas tax	<b>6,418</b>	4,365	<b>16,831</b>	13,638
	<b>12,576</b>	8,902	<b>34,527</b>	25,329

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 5 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Bank (adjusted for interest and profit paid on Perpetual Tier 1 Capital Securities) by the weighted average number of shares outstanding during the period net of treasury shares. There are no dilutive potential shares that are convertible into shares.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Profit attributable to shareholders of the Bank	136,412	94,053	374,238	254,819
Less: Interest paid on Perpetual Tier 1 capital Securities	(3,907)	(3,820)	(12,927)	(14,770)
Less: Profit distribution on Perpetual Tier 1 sukuk by a subsidiary attributable to shareholders of the Bank	(1,845)	-	(3,642)	(1,463)
	<u>130,660</u>	<u>90,233</u>	<u>357,669</u>	<u>238,586</u>
Weighted average number of shares outstanding during the period net of treasury shares (thousands)	<u>7,552,329</u>	<u>7,552,329</u>	<u>7,552,329</u>	<u>7,552,329</u>
Basic earnings per share	<u>17 fils</u>	<u>12 fils</u>	<u>47 fils</u>	<u>32 fils</u>

Earnings per share calculations for the period ended 30 September 2021 have been adjusted to take account of the bonus shares issued in 2022.

### 6 LOANS, ADVANCES AND ISLAMIC FINANCING TO CUSTOMERS

	<i>30 September</i>	<i>Audited</i>	<i>30 September</i>
	<i>2022</i>	<i>31 December</i>	<i>30 September</i>
	<i>KD 000's</i>	<i>2021</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Loans, advances and Islamic financing to customers	21,424,485	20,355,995	19,603,768
Provision for credit losses	(820,674)	(633,524)	(643,692)
	<u>20,603,811</u>	<u>19,722,471</u>	<u>18,960,076</u>

The available provision on non-cash facilities of KD 39,722 thousand (31 December 2021: KD 34,532 thousand, 30 September 2021: KD 34,134 thousand) is included under other liabilities. The total provision for cash and non cash credit facilities in accordance with CBK guidelines amounted to KD 860,396 thousand as at 30 September 2022 (31 December 2021: KD 668,056 thousand, 30 September 2021: KD 677,826 thousand)

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to KD 535,400 thousand as at 30 September 2022 (31 December 2021: KD 461,795 thousand, 30 September 2021: KD 493,855 thousand). CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 6 LOANS, ADVANCES AND ISLAMIC FINANCING TO CUSTOMERS (continued)

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:

<i>30 September 2022</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	19,465,627	1,692,146	266,712	21,424,485
Contingent liabilities (Note 10)	3,887,312	630,250	20,193	4,537,755
Commitments (revocable and irrevocable) to extend credit	7,160,109	1,021,708	54	8,181,871
ECL allowance for credit facilities	167,087	152,846	215,467	535,400
<i>31 December 2021</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	18,478,395	1,666,446	211,154	20,355,995
Contingent liabilities (Note 10)	3,718,571	670,366	29,070	4,418,007
Commitments (revocable and irrevocable) to extend credit	6,903,552	962,718	279	7,866,549
ECL allowance for credit facilities	134,762	163,737	163,296	461,795
<i>30 September 2021</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	17,818,217	1,500,200	285,351	19,603,768
Contingent liabilities (Note 10)	3,620,492	694,472	28,206	4,343,170
Commitments (revocable and irrevocable) to extend credit	7,016,522	859,481	270	7,876,273
ECL allowance for credit facilities	126,596	144,837	222,422	493,855

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

	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
ECL allowance as at 1 January 2022	134,762	163,737	163,296	461,795
Transfer between stages				
Transfer from Stage 1	(5,271)	2,078	3,193	-
Transfer from Stage 2	23,899	(38,543)	14,644	-
Transfer from Stage 3	3,783	886	(4,669)	-
Amounts (written off) recovered net of exchange movements	(344)	(319)	168,161	167,498
Net increase (decrease) in ECL for the period	10,258	25,007	(129,158)	(93,893)
At 30 September 2022	167,087	152,846	215,467	535,400

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 6 LOANS, ADVANCES AND ISLAMIC FINANCING TO CUSTOMERS (continued)

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
ECL allowance as at 1 January 2021	129,668	242,180	233,114	604,962
Transfer between stages				
Transfer from Stage 1	(3,934)	1,705	2,229	-
Transfer from Stage 2	24,355	(89,897)	65,542	-
Transfer from Stage 3	76,712	3,960	(80,672)	-
Amounts (written off) recovered net of exchange movements	(153)	(128)	(161,777)	(162,058)
Net (decrease) increase in ECL for the period	(100,052)	(12,983)	163,986	50,951
At 30 September 2021	<u>126,596</u>	<u>144,837</u>	<u>222,422</u>	<u>493,855</u>

### 7 SHAREHOLDERS' EQUITY

- a) The authorised share capital of the Bank comprises 10,000,000,000 shares (31 December 2021: 10,000,000,000 shares and 30 September 2021: 7,500,000,000 shares) of 100 fils each. The issued and fully paid up share capital of the Bank comprises 7,552,329,162 shares (31 December 2021: 7,192,694,440 shares and 30 September 2021: 7,192,694,440 shares) of 100 fils each.
- b) Dividend and bonus shares
- The Annual General Assembly meeting of the shareholders held on 12 March 2022 approved 5% bonus shares (2021: 5%) and a cash dividend of 30 fils per share (2021: 20 fils per share) for the year ended 31 December 2021. The cash dividend amounting to KD 215,781 thousand was paid subsequently. The bonus shares increased the number of issued and fully paid up shares by 359,634,722 (2021: 342,509,259) and share capital by KD 35,964 thousand (2021: KD 34,250 thousand).
- c) The Board of Directors approved distribution of an interim cash dividend of 10 fils per share on the outstanding shares as of 30 June 2022. The cash dividend amounting to KD 75,523 thousand was paid subsequently.

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

7 SHAREHOLDERS' EQUITY (CONTINUED)

d) Other reserves

	General reserve	Retained earnings	Foreign currency translation reserve	Cumulative changes in fair values	Share based payment reserve	Actuarial valuation reserve	Proposed cash dividend	Total other reserves
Balance as at 1 January 2022	117,058	1,385,277	(214,176)	74,648	14,409	(6,289)	215,781	1,586,708
Profit for the period	-	374,238	-	-	-	-	-	374,238
Other comprehensive loss	-	-	(73,398)	(38,024)	-	-	-	(111,422)
<b>Total comprehensive income (loss)</b>	-	374,238	(73,398)	(38,024)	-	-	-	262,816
Dividends paid	-	-	-	-	-	-	(215,781)	(215,781)
Interim dividends paid	-	(75,523)	-	-	-	-	-	(75,523)
Interest paid on Perpetual Tier 1 Capital Securities	-	(12,927)	-	-	-	-	-	(12,927)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	(3,642)	-	-	-	-	-	(3,642)
Change in holding in subsidiaries	-	(2,557)	-	-	-	-	-	(2,557)
Other movements	-	(78)	-	-	-	-	-	(78)
<b>At 30 September 2022</b>	<b>117,058</b>	<b>1,664,788</b>	<b>(287,574)</b>	<b>36,624</b>	<b>14,409</b>	<b>(6,289)</b>	-	<b>1,539,016</b>
Balance as at 1 January 2021	117,058	1,332,007	(209,496)	25,257	14,409	(5,999)	137,004	1,410,240
Profit for the period	-	254,819	-	-	-	-	-	254,819
Other comprehensive (loss) income	-	-	(5,088)	34,994	-	-	-	29,906
<b>Total comprehensive income (loss)</b>	-	254,819	(5,088)	34,994	-	-	-	284,725
Dividends paid	-	-	-	-	-	-	(137,004)	(137,004)
Realised loss on equity investments at FVOCI	-	(15,249)	-	15,249	-	-	-	-
Interest paid on Perpetual Tier 1 Capital Securities	-	(14,770)	-	-	-	-	-	(14,770)
Transaction cost on issue of Perpetual Tier 1 Capital Securities	-	(858)	-	-	-	-	-	(858)
Transaction cost on issue of Perpetual Tier 1 Sukuk by a subsidiary	-	(365)	-	-	-	-	-	(365)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	(1,463)	-	-	-	-	-	(1,463)
Other movements	-	(525)	-	-	-	-	-	(525)
<b>At 30 September 2021</b>	<b>117,058</b>	<b>1,553,596</b>	<b>(214,584)</b>	<b>75,500</b>	<b>14,409</b>	<b>(5,999)</b>	-	<b>1,539,980</b>



# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 8 PERPETUAL TIER 1 CAPITAL SECURITIES

The Bank issued the following Perpetual Tier 1 Capital Securities (the "Capital Securities"), through wholly owned special purpose vehicles:

	<i>30 September 2022 KD 000's</i>	<i>31 December 2021 KD 000's</i>	<i>30 September 2021 KD 000's</i>
USD 700,000 thousand (issued in February 2021 at an interest rate of 3.625% per annum, semi-annually in arrears, until the first call date in February 2027, redeemable at the option of the bank in August 2026)	211,294	211,294	211,294
USD 750,000 thousand (issued in November 2019 at an interest rate of 4.5% per annum, semi-annually in arrears, until the first call date in November 2025, redeemable at the option of the bank in August 2025)	227,738	227,738	227,738
	<u>439,032</u>	<u>439,032</u>	<u>439,032</u>

The above mentioned Capital securities are subordinated, unsecured and are eligible to be classified under equity in accordance with IAS 32: Financial Instruments – Presentation. Payments of interest in respect of the Capital Securities may be cancelled (in whole or in part) at the sole discretion of the Bank on a non-cumulative basis. Any such cancellation is not considered an event of default. Payments of interest are treated as a deduction from equity. The Capital Securities have no maturity date and are callable (in whole but not in part) at par at the option of the Bank on the first call date and on every interest payment date thereafter, subject to certain conditions.

### 9 SEGMENTAL ANALYSIS

The Group organises and manages its operations by geographic territory in the first instance, primarily Domestic and International. Within its domestic operations, the Group segments its business into Consumer and Private Banking, Corporate Banking, Investment Banking and Asset Management, Islamic Banking and Group Centre. All operations outside Kuwait are classified as International. Management treats the operations of these segments separately for the purposes of decision making, resource allocation and performance assessment.

#### Consumer and Private Banking

Consumer Banking provides a diversified range of products and services to individuals. The range includes consumer loans, credit cards, deposits, foreign exchange and other branch related services. Private Banking provides a comprehensive range of customised and innovative banking services to high net worth individuals and to institutional clients.

#### Corporate Banking

Corporate Banking provides a comprehensive product and service offering to business and corporate customers, including lending, deposits, trade finance, foreign exchange and advisory services.

#### Investment Banking and Asset Management

Investment Banking provides a full range of capital market advisory and execution services. The activities of Asset Management include wealth management, asset management, custody, brokerage and research.

#### Islamic Banking

Islamic banking represents the financial results of Boubyan Bank K.S.C.P., the Islamic banking subsidiary of the Group.

#### Group Centre

Group Centre includes treasury, investments, and other defined Group activities. Treasury provides a comprehensive range of treasury services and products to its clients, and is also responsible for the Bank's liquidity and market risk management. Group Centre includes any residual in respect of transfer pricing and inter segment allocations.

#### International

International includes all branches, subsidiaries and associates outside Kuwait.

National Bank of Kuwait Group  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION**

30 September 2022 (Unaudited)

**9 SEGMENTAL ANALYSIS (continued)**

The following table presents net operating income, profit for the period, total assets and total liabilities information in respect of the Group's business segments:

	30 September 2022						
	<i>Consumer and Private Banking KD 000's</i>	<i>Corporate Banking KD 000's</i>	<i>Investment Banking and Asset Management KD 000's</i>	<i>Islamic Banking KD 000's</i>	<i>Group Centre KD 000's</i>	<i>International KD 000's</i>	<i>Total KD 000's</i>
<i>Nine months</i>							
Net operating income	232,131	106,682	28,919	158,274	35,506	191,958	753,470
Profit (loss) for the period	128,180	134,112	18,971	45,634	(37,202)	100,659	390,354
Total assets	5,478,583	5,039,841	90,240	7,756,514	2,598,060	13,741,719	34,704,957
Total liabilities	6,831,162	2,199,165	12,854	6,784,277	1,156,495	13,222,042	30,205,995
	30 September 2021						
	<i>Consumer and Private Banking KD 000's</i>	<i>Corporate Banking KD 000's</i>	<i>Investment Banking and Asset Management KD 000's</i>	<i>Islamic Banking KD 000's</i>	<i>Group Centre KD 000's</i>	<i>International KD 000's</i>	<i>Total KD 000's</i>
<i>Nine months</i>							
Net operating income	226,662	104,488	26,509	145,278	10,063	168,071	681,071
Profit (loss) for the period	136,075	40,560	15,712	31,216	(28,709)	71,658	266,512
Total assets	4,994,179	5,075,950	78,458	7,311,419	2,502,454	12,545,319	32,507,779
Total liabilities	6,642,214	2,246,420	11,783	6,575,490	632,647	12,038,524	28,147,078

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 10 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 September 2022 KD 000's</i>	<i>Audited 31 December 2021 KD 000's</i>	<i>30 September 2021 KD 000's</i>
Commitments on behalf of customers for which there are corresponding liabilities by the customers concerned:			
Acceptances	362,034	158,338	220,126
Letters of credit	460,643	499,094	386,676
Guarantees	3,715,078	3,760,575	3,736,368
	<u>4,537,755</u>	<u>4,418,007</u>	<u>4,343,170</u>

Irrevocable commitments to extend credit amount to KD 927,338 thousand (31 December 2021: KD 1,067,102 thousand, 30 September 2021: KD 983,457 thousand). This includes commitments to extend credit which are irrevocable over the life of the facility or are revocable only in response to a material adverse change.

In the normal course of business, the Group has exposure to various indirect credit commitments which, though not reflected in the interim condensed consolidated statement of financial position, are subject to normal credit standards, financial controls and monitoring procedures.

These credit commitments do not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded. Credit losses, if any, which may result from exposure to such commitments are not expected to be significant.

The Group has commitments in respect of capital expenditure amounting to KD 86,839 thousand (31 December 2021: KD 92,762 thousand, 30 September 2021: KD 98,464 thousand).

### 11 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted prices for identical or similar instruments in market that are considered less than active or other valuation techniques in which all significant inputs are observable from market data. Debt securities under this category mainly include sovereign debt instruments in the Middle East & North Africa (MENA) region.

Level 3: valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments recorded at fair value:

<i>30 September 2022</i>	<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>
Debt securities	3,761,177	305,675	-	4,066,852
Equities and other investments	56,053	219,929	51,282	327,264
	<u>3,817,230</u>	<u>525,604</u>	<u>51,282</u>	<u>4,394,116</u>
Derivative financial instruments (Note 12)	-	313,342	-	313,342
	<u>-</u>	<u>313,342</u>	<u>-</u>	<u>313,342</u>
<i>31 December 2021</i>	<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>
Debt securities	3,308,859	347,580	-	3,656,439
Equities and other investments	57,115	175,349	51,464	283,928
	<u>3,365,974</u>	<u>522,929</u>	<u>51,464</u>	<u>3,940,367</u>
Derivative financial instruments (Note 12)	-	(107,951)	-	(107,951)
	<u>-</u>	<u>(107,951)</u>	<u>-</u>	<u>(107,951)</u>
<i>30 September 2021</i>	<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>
Debt securities	3,282,915	390,525	-	3,673,440
Equities and other investments	57,510	135,052	52,456	245,018
	<u>3,340,425</u>	<u>525,577</u>	<u>52,456</u>	<u>3,918,458</u>
Derivative financial instruments (Note 12)	-	(133,459)	-	(133,459)
	<u>-</u>	<u>(133,459)</u>	<u>-</u>	<u>(133,459)</u>

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 11 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The table below analyses the movement in level 3 and the income (interest, dividend and realised/unrealised gain) generated during the periods.

	<i>At 1 January 2022 KD 000's</i>	<i>Change in fair value KD 000's</i>	<i>Additions KD 000's</i>	<i>Sale/ redemption KD 000's</i>	<i>Exchange rate movements KD 000's</i>	<i>At 30 September 2022 KD 000's</i>	<i>Net gains in the interim condensed consolidated statement of income KD 000's</i>
Equities and other investments	51,464	(431)	2,698	(2,658)	209	51,282	84
	<u>51,464</u>	<u>(431)</u>	<u>2,698</u>	<u>(2,658)</u>	<u>209</u>	<u>51,282</u>	<u>84</u>
	<i>At 1 January 2021 KD 000's</i>	<i>Change in fair value KD 000's</i>	<i>Additions KD 000's</i>	<i>Sale/ redemption KD 000's</i>	<i>Exchange rate movements KD 000's</i>	<i>At 30 September 2021 KD 000's</i>	<i>Net gains in the interim condensed consolidated statement of income KD 000's</i>
Debt securities	14,000	-	-	(14,000)	-	-	144
Equities and other investments	55,284	(827)	2,307	(4,242)	(66)	52,456	603
	<u>69,284</u>	<u>(827)</u>	<u>2,307</u>	<u>(18,242)</u>	<u>(66)</u>	<u>52,456</u>	<u>747</u>

### 12 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial instruments that derive their value by referring to interest rates, foreign exchange rates, index of prices or rates and credit rating or credit index. Notional principal amounts merely represent amounts to which a rate or price is applied to determine the amounts of cash flows to be exchanged and do not represent the potential gain or loss associated with the market or credit risk of such instruments.

Derivative financial instruments are carried at fair value in the consolidated statement of financial position. Positive fair value represents the cost of replacing all transactions with a fair value in the Group's favour had the rights and obligations arising from that instrument been closed in an orderly market transaction at the reporting date. Credit risk in respect of derivative financial instruments is limited to the positive fair value of the instruments. Negative fair value represents the cost to the Group's counter parties of replacing all their transactions with the Group.

The Group deals in interest rate swaps to manage its interest rate risk on interest bearing assets and liabilities and to provide interest rate risk management solutions to customers. Similarly the Group deals in forward foreign exchange contracts for customers and to manage its foreign currency positions and cash flows.



# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

### 12 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swaps used to hedge the change in fair value of the Group's financial assets and liabilities and which qualifies as effective hedging instruments are disclosed as 'held as fair value hedges'. Other interest rate swaps and forward foreign exchange contracts are carried out for customers or used for hedging purpose but do not meet the qualifying criteria for hedge accounting. The risk exposures on account of derivative financial instruments for customers are covered by entering into opposite transactions (back to back) with counter parties or by other risk mitigating transactions.

#### Interest rate swaps

Interest rate swaps are contractual agreements between two counter-parties to exchange interest payments on a defined principal amount for a fixed period of time. In cross currency interest rate swaps, the Group exchanges interest payment in two different currencies on a defined principal amount for a fixed period of time and also exchanges defined principal amounts in two different currencies at inception of the contract and re-exchanges principal amounts on maturity.

#### Forward foreign exchange

Forward foreign exchange contracts are agreements to buy or sell currencies at a specified rate and at a future date.

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

	30 September 2022			Audited 31 December 2021			30 September 2021		
	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's
Interest rate swaps (held as fair value hedges)	336,180	13,120	4,248,934	14,230	118,499	3,925,942	10,028	148,520	3,826,722
Interest rate swaps (others)	1,356	1,349	49,728	422	417	49,913	317	307	49,772
Forward foreign exchange contracts	29,176	38,901	3,939,928	13,995	17,682	3,395,871	18,224	13,201	3,176,000
	<b>366,712</b>	<b>53,370</b>	<b>8,238,590</b>	<b>28,647</b>	<b>136,598</b>	<b>7,371,726</b>	<b>28,569</b>	<b>162,028</b>	<b>7,052,494</b>

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

13 RELATED PARTY TRANSACTIONS

Related parties comprise Board Members and Executive Officers of the Bank, their close family members, companies controlled by them or close family members and associates of the Group. Certain related parties were customers of the Group in the ordinary course of business. Transactions with related parties were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with unrelated parties and did not involve more than a normal amount of risk. Lending to Board Members and their related parties is secured by tangible collateral in accordance with regulations of Central Bank of Kuwait.

Details of the interests of related parties are as follows:

	Number of Board Members or Executive Officers		Number of related parties		30 September 2022	31 December 2021	30 September 2021	31 December 2021	Audited	30 September 2022	31 December 2021	30 September 2021	31 December 2021	KD 000's	KD 000's
	30 September 2022	31 December 2021	30 September 2022	31 December 2021											
Loans	7	9	6	17	18	19	53,131	63,812	56,870						
Contingent liabilities	2	3	5	8	9	9	24,594	20,057	22,056						
Credit cards	17	10	11	28	32	32	197	128	104						
Deposits	24	25	24	86	101	100	39,687	57,262	63,041						
Collateral against credit facilities	2	3	3	11	12	12	159,493	249,097	239,600						
Interest and fee income							1,293	1,213	894						
Interest expense							207	260	232						
Purchase of equipment and other expenses							176	259	174						

## National Bank of Kuwait Group

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2022 (Unaudited)

#### 13 RELATED PARTY TRANSACTIONS (continued)

Details of compensation to key management personnel are as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and other short term benefits	2,799	1,011	8,394	2,931
Post-employment benefits	100	54	372	361
Share based compensation	152	331	660	731
	<u>3,051</u>	<u>1,396</u>	<u>9,426</u>	<u>4,023</u>

#### 14 IMPACT OF COVID-19

In response to the Covid-19 pandemic, Central Bank of Kuwait implemented various measures during years 2020 and 2021 targeted at reinforcing the banking sectors ability to play a vital role in the economy. Those measures are disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2021 and 31 December 2020.