

National Bank of Kuwait (International) PLC

Annual Reports and Financial Statements

31 December 2025

Company registration: 02773743

FCA registration: 171532

National Bank of Kuwait (International) PLC



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All figures are in sterling unless otherwise stated

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Strategic Report

31 December 2025

The Directors present their strategic report for the year ended 31 December 2025. This report is to be read in conjunction with the Directors' report on pages 16 to 18.

Principal activities and business review

National Bank of Kuwait (International) PLC ("NBKI" or the "Bank") is an authorised bank carrying out international commercial banking and financial and related services, mainly for customers of the Bank's parent, the National Bank of Kuwait S.A.K.P ("NBK S.A.K.P") and subsidiaries (together the "Group") from its London headquarters. The Bank is regulated in the United Kingdom ("UK") by the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA").

The Bank positions itself as a premier Arab bank in the UK, with a niche focus on private and affluent banking, and real estate. Its core lines of business are commercial real estate, private banking, affluent banking, corporate and institutional banking, and treasury.

NBKI is predominantly a relationship bank focusing on servicing the needs of clients in the UK with linkages to the Group's core geographies in Gulf Co-operation Council ("GCC") countries and Egypt. The client base of the Bank is predominantly GCC based institutions and individuals with banking and financing needs in the UK, in addition to UK-based corporates and global financial firms, with most operating in the Middle East and North Africa ("MENA") region.

The main requirements that the Bank's customers have in the UK are real estate financing for either residential or commercial properties, corporate funded and unfunded facilities, and transactional banking services in addition to savings offerings.

Financial performance and key performance indicators (“KPIs”)

	2025	2024
	£000	£000
Income statement:		
Net interest income	88,121	85,072
Net operating income before expected credit losses (“ECL”)	91,802	89,797
Charge on ECL	(3,789)	(1,112)
Operating expenses	(42,194)	(44,977)
Profit before tax	45,819	43,708
Profit after tax	34,235	32,569
Statement of financial position:		
Loans and advances to customers	2,205,331	1,975,643
Customer deposits	2,355,436	2,126,886
Shareholders’ equity	537,198	501,978
KPIs:		
Common equity tier 1 (“CET1”) ratio	20.45%	20.03%
Return on shareholders’ equity	6.37%	6.49%
Net interest rate margin (“NIM”)†	2.28%	2.38%
Cost income ratio††	46.0%	50.1%

† NIM: calculated as net interest income / average interest earning assets

†† Cost income ratio: calculated as operating expenses / net operating income before ECL

All KPIs are derived from the financial statements, except for the CET1 ratio.

Financial performance overview

Overall, despite a fall in interest rates the Bank delivered on its financial targets for 2025. Strong loan book growth specifically within the commercial real estate segment has led to the generation of record profits of £34.2m (2024: £32.6m). Net operating income before ECL stands at £91.8m (2024: £89.8m), an increase of 2.2% versus the prior year. Net interest income increased by 3.6% to £88.1m (2024: £85.1m) primarily reflecting the Bank’s loan book growth during the year which has been partially offset by falling interest rates. Overall net interest margin has declined by 10 basis points to 2.28% (2024: 2.38%) reflecting the lower interest rate environment.

The Bank’s total assets remained stable at £3.9bn in 2025 (2024: £3.9bn) but with funding coming from an increasingly diversified customer deposit base. Overall, gross loan originations totalled £0.6bn in 2025 (2024: £0.6bn), with loans and advances to customers increasing to £2.2bn (2024: £2.0bn) setting up a strong platform for income generation for 2026.

The Bank has continued to manage its cost base with overall operating expenses decreasing by £2.8m to £42.2m (2024: £45.0m) mainly driven by lower outsourcing activity. The overall cost income ratio has decreased to 46.0% (2024: 50.1%).

Despite challenging macroeconomic conditions, the Bank's asset quality continues to remain resilient driven by its conservative risk appetite and a well-diversified portfolio. As a result, the Bank's credit performance remained healthy with non-performing loans at 1.5% (2024: 2.3%). Despite significant loan book growth, underlying credit quality remains strong with a low level of delinquencies. Overall, the provision for ECL fell to £4.4m (2024: £6.7m), largely reflecting the exiting of some of the Bank's non-performing loan exposures. The ECL charge increased to £3.8m (2024: £1.1m) which partly reflects underlying loan book growth and movements in the Bank's non-performing loan exposures.

The Bank takes a prudent and active approach to risk management, and both liquidity and capital ratios remained healthy with significant headroom compared to the required regulatory levels. The Bank continues to be capital generative and remains well capitalised with a CET1 ratio of 20.45% (2024: 20.03%). The Bank's forecasting and stress-testing modelling indicates that capital and liquidity ratios will remain comfortably above the regulatory minimum over the forthcoming year under its Board-approved Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP") stress scenarios. The near-final Basel 3.1 rules were published by the PRA in September 2024, with a revised implementation date of 1 January 2027. As per the Bank of England's data collection exercise, the Board approved the Bank's Basel 3.1 data submission prior to the 31 March 2026 deadline.

Future developments

The Directors' aim is for the Bank to further advance its business model by tapping into its niche opportunities and building on the strong franchise it has from Group customers and wider GCC linkages, whilst remaining focused on its core activities.

The Bank continues to operate in an environment of heightened geopolitical uncertainty with the conflict in the Middle East and Ukraine, as well as ongoing international trade tensions. Furthermore, there continues to be uncertainty in the economic outlook in both the UK and around the world with global economic growth continuing to remain muted. The UK faces a number of structural challenges including high fiscal debt, a tight labour market, and a lack of productivity. In addition, the prime central residential real estate market continues to struggle. All these factors weigh heavily on overall economic activity and continue to put pressure on our customers. Despite the current geopolitical and macroeconomic headwinds, the Bank is well placed to continue to grow its banking portfolio in a sustainable way whilst continuing to support its customers. The Bank remains committed in providing good outcomes to its customers.

The ongoing crisis in the Middle East has underscored the value of the Bank's niche proposition in supporting clients seeking to diversify their savings and banking arrangements. The Bank continues to be perceived as a ring-fenced, standalone UK institution operating within a stable environment characterised by clear governance policies, robust legal and regulatory frameworks, and strong customer protections. The Bank will continue to closely monitor and manage any potential impacts arising from the crisis, while responding to increased demand from new customers seeking to open accounts.

The inclusion of Kuwait in February 2026 on the Financial Action Task Force ("FATF") grey list has resulted in an increased operational burden on the Bank and the wider financial services sector to apply enhanced due diligence on all applicable clients. The Bank is formulating a plan to address this requirement and is aiming to deliver on this plan with the help of additional temporary resources, acceleration of relevant technology for ongoing monitoring and onboarding, and the legal and professional advice of external firms.

Against a backdrop of accelerating digital transformation and an evolving regulatory landscape, the Board approved the Bank's five year strategy in early 2025. The strategy aligns to the Bank's clear vision of being a customer-focused, digitally enabled Bank with integrated operational capabilities. Allied to this, the Bank has initiated a digital transformation programme to invest in its technology and digitise operations in order to achieve scale and capitalise on new opportunities. NBKI's investment in its digital platforms is increasing operational efficiency and resilience as well as improving its service capabilities in order to further develop and improve its customers' overall experience. The Bank has made significant progress in its digital transformation strategy, with the delivery of its online and mobile banking platform expecting to be completed by Q3 2026.

This report contains forward looking statements which are subject to risks and uncertainties. Actual results may differ due to changes in economic, regulatory, and geopolitical conditions.



Risks and uncertainties

Risk management

Risk Management Framework (“RMF”)

The Bank’s RMF outlines its approach to assessing risk and its role in the pursuit of its business objectives, as well as the associated accountabilities of Bank executives and officers. The RMF exists to ensure that NBKI’s management of risk is consistent and comprehensive, and that it is effective at maintaining NBKI’s risk exposure within the stated risk appetite of the NBKI Board.

Risk appetite

The Bank’s risk appetite is the level of risk the Board is willing to take in pursuit of its strategy and objectives. The overall objective is to protect the Bank from unacceptable levels of risk while supporting and enabling overall business strategy. The Bank operates a selective approach to the formulation of its risk appetite, designing out risk from a number of areas of the business, thus creating headroom to deploy its risk appetite in areas that are strategically relevant. The Bank’s risk appetite is predicated on four main pillars comprising of capital; liquidity and funding; executing operational efficiency; and delivering stable earnings growth.

The Bank’s risk appetite statement (“RAS”) comprises a mixture of quantitative and qualitative measures with set risk appetite limits or tolerance thresholds. The Bank’s performance against the RAS is monitored via monthly reporting to the Executive Management Committee (“EMC”) as well as reporting to the Board Risk Committee (“BRC”) and the Board on a quarterly basis. The RAS is a live document reflecting any key development in risks or priorities, and is reviewed and refreshed by the BRC on a semi-annual basis.

Risk operating model

In order to provide robust risk management oversight and assurance, the Bank operates a ‘three lines of defence’ model, with principal responsibilities designated as follows:

First Line	Second line	Third Line
<p>The Business</p> <ul style="list-style-type: none"> • Manage within risk appetite • Report on risks and issues • Implement controls to manage risks • Establish effective risk culture 	<p>Risk & compliance</p> <ul style="list-style-type: none"> • Develop and maintain the RMF • Develop risk appetite • Support and challenge first line • Ensure effective risk-based decisions • Provide independent advice and guidance • Provide assurance on regulatory compliance, and control effectiveness 	<p>Internal and external audit and assurance</p> <ul style="list-style-type: none"> • Independent assurance • Assess effectiveness of risk management in first and second line • Review and assess RMF

Principal risks and uncertainties

A core objective for the Bank is the effective management of risk. The responsibility for ensuring that risks are managed and controlled ultimately rests with the Bank's Board of Directors. The Board has ultimate responsibility for setting the strategy, risk appetite and risk control framework. The following table summarises the Principal risks relevant to the Bank and the strategies in place to manage them.

Risk type	Definition	Mitigating actions
Credit risk	The risk that scheduled payments associated with a credit exposure, or with a portfolio of exposures, will not be received by the Bank in full and on time in line with the agreed contractual obligations.	<p>Given the nature of the business, the Bank views its primary financial risk to be credit related. Credit risk appetite is set by the Board and the risk is overseen by the BRC.</p> <p>All credit proposals are subject to detailed screening by the Credit Risk Department in line with the Bank's credit policies before submission to the Credit Approval Committee ("CAC") for review. The Credit Risk Committee ("CRC") monitors credit exposure at a portfolio level. Where needed, the CRC may take early preventative actions including further tightening of acceptable credit standards.</p> <p>NBKI manages concentration risk through individual, sectoral and geographical limits, monitored and managed on a daily basis. The Bank's approach to collateral management is anchored on lending at low LTV levels specific to residential and CRE sectors in specific geographic areas or sub-sectors whose long-term valuation trends are well known to the Bank.</p>
Liquidity & Funding risk	The risk that NBKI could fail to meet its payment obligations as they fall due, by not having the right type and quantity of funds, in the right place, at the right time and in the correct currency.	<p>The Bank mitigates these risks by holding an adequate portion of its assets in the form of High Quality Liquid Assets to cover the Bank's liquidity requirements. The Treasury function manages the daily liquidity and cash flows to ensure the Bank has sufficient liquidity even during stress scenarios.</p> <p>The Bank has a diverse funding profile comprising both retail deposits and wholesale borrowings. It is the role of the Treasury function to provide stable funding and liquidity for the Bank's core lending businesses, which includes the active management of the maturity of the Bank's funding profile.</p> <p>Full assessment of the Bank's liquidity risks is covered by the Bank's liquidity risk policies and its ILAAP. The Bank's funding and liquidity risks are monitored and managed through the Asset & Liability Committee ("ALCO") within the remit set out by the BRC.</p>
Capital & Solvency risk	The risk that NBKI has insufficient capital to cover regulatory requirements and/or the growth plans of the business.	Capital adequacy is monitored on a regular basis against both regulatory and internal capital requirements. The Bank ensures that it has adequate capital even in stress scenarios through the ICAAP. These risks are monitored and managed through the ALCO within the remit set out by the BRC.

Risk Type	Definition	Mitigating Actions
Operational risk	The risk of loss, whether direct or indirect, to which NBKI is exposed due to human error, inadequate or failed internal processes or systems, or external events.	<p>The Bank, like all other similar organisations, is exposed to a variety of operational risks. The Bank identifies, assesses, monitors and mitigates these risks through a comprehensive system of internal controls and operational practices as set out in its Operational Risk Management Framework and Policy ("ORMFP").</p> <p>It is the role of the Operational Risk Committee ("ORC") to monitor and facilitate the effective implementation of operational risk policies and controls.</p> <p>Furthermore, during the year, the Board approved a new Operational Resilience self-assessment and the Bank is now compliant with new regulatory operational resilience requirements.</p> <p>It is the role of the Resilience and Third-Party Management Committee to oversee matters related to operational resilience including the annual self-assessments.</p>
Market risk	The risk to capital or earnings from the adverse movement of market variables such as interest rates and foreign exchange rates.	<p>The Bank does not operate a trading book. However, the Bank is exposed to market risk arising from its banking activities which include interest rate and foreign exchange risk. The Bank has limits pre-established by the Board of Directors for both these risks which are ultimately monitored by ALCO.</p> <p>The Bank has very low risk appetite and undertakes foreign exchange forwards and interest rate swaps to mitigate its long-term exposure.</p>

Details of the financial risk management objectives and policies of the Bank and exposure of the Bank to credit risk, liquidity and funding risk, market risk, operational risk, and capital and solvency risk are given in Note **29** to the financial statements.

Key & Emerging risks

Whilst Principal risks are the most fundamental risks to the Bank's strategic objectives, the Bank also regularly reassesses the Key & Emerging risks that it is exposed to within the environment in which it operates. The Bank's Key and Emerging risks during the year and at the time of the preparation of this document are assessed to be:

Key & Emerging risks	Definition	Mitigating actions
<p>Cyber Security risk</p>	<p>In line with other businesses, the Bank is subject to the increased prevalence and sophistication of cyber-attacks which could result in unauthorised access to customer data as well as causing business disruption to services.</p>	<p>The Bank has an Information Security Framework based on industry standards and enterprise level tools. A suitable Information Security Management System ("ISMS") is in place which aligns the Bank with the guidance from the UK National Cyber Security Centre and regulatory frameworks such as the Simulated Targeted Attack and Response for Financial Services framework ("STAR-FS"). A secure system of data loss prevention is in place which protects the Bank's and customers' data. The Bank operates a 'three lines of defence' model with controls in the first line to ensure security is maintained, oversight from the second line to ensure processes are managed appropriately, and assurance through the third line to ensure full oversight of information security.</p> <p>Furthermore, it is the role of the ISMS Committee to oversee the security arrangements across the Bank by defining policy, managing the risks and promoting a security aware culture.</p>
<p>Geopolitical Uncertainty risk</p>	<p>The Bank's operations are subject to changes to both local and global economic conditions. A deterioration in economic/market conditions may result in deteriorating business confidence which in turn may adversely affect the Bank's profitability, liquidity profile, operational capability and underlying credit risk.</p> <p>The Bank faces elevated geopolitical risks arising from the conflicts in the Middle East and Ukraine, and increasing friction between the USA and the rest of the World, including an increase in international trade tensions arising from the tariffs introduced by the US. Any further adverse geopolitical developments could aggravate global supply chains and drive inflation higher which may pose a challenge to our customers and our business.</p>	<p>The Bank continues to closely monitor the geopolitical developments and analyse the risks and potential implications which includes the stress testing of our portfolios. The Bank monitors a range of current and forward looking measures covering all risk types (primarily liquidity, operational and credit). These are reviewed by management and oversight forums on an ongoing basis, and appropriate responsive action undertaken.</p>

Key & Emerging risks	Definition	Mitigating actions
<p>Delivery of Digital Transformation Strategy risk</p>	<p>As part of the Bank’s digital strategy, NBKI will embark on transforming, as well as digitising, its technology and operations in order to improve the customer experience.</p> <p>The ability to execute the Bank’s digital transformation projects on time may be limited by operational capacity, as well as the increasing complexity of the regulatory environment.</p> <p>The failure to deliver the digital strategy could have adverse effects on the Bank’s longer term financial performance and may cause reputational damage.</p>	<p>The Bank manages its overall transformation through the Change Governance Committee under the EMC, in charge of prioritizing change, reviewing progress, and managing cross-project dependencies such as resourcing.</p> <p>The Bank has both allocated and recruited dedicated resources to support the delivery of its digital strategy.</p> <p>Resource planning helps the Bank ensure it recruits sufficient resources and skills to manage the risk. Furthermore, regular reporting of key risk metrics is provided to both management and the Board, to ensure the execution of strategy remains within the Bank’s risk appetite.</p>
<p>Delivery risk of extending the Bank's enhanced due diligence on its Kuwaiti clients following the grey listing of Kuwait by FATF</p>	<p>The FATF is the international body that sets global standards for combating money laundering, terrorist financing, and proliferation financing. Three times a year, it publishes two lists identifying countries with weaknesses in their anti-money-laundering frameworks.</p> <p>In February 2026, Kuwait was added to the FATF grey list of jurisdictions under increased monitoring.</p> <p>As the Bank holds a significant portion of its customer base in this jurisdiction, this has resulted in an increased operational burden on the Bank to extend the application of enhanced due diligence to additional clients.</p> <p>The Bank faces increased operational costs arising from enhanced monitoring of transactions and enhanced due diligence for relevant customers, and the potential for enhanced regulatory scrutiny.</p>	<p>The Bank has formulated a plan to address this requirement and is aiming to deliver on this plan with the help of additional temporary resources, acceleration of relevant technology for ongoing monitoring and onboarding, and the legal and professional advice of external firms.</p>

Climate change was previously deemed to be a Key & Emerging risk. However, the risk is now embedded across the risk management framework.

Operational Resilience Risk was also previously deemed to be a Key & Emerging risk whilst new regulatory requirements were implemented. Following Board approval of an Operational Resilience self-assessment, and implementation of enhanced procedures now embedded in the Bank’s procedures and controls, Operational Resilience Risk is now considered as part of Operational Risk, which is discussed in the Principal risks and uncertainties table.

Section 172 (1) (“S172”) statement

The Directors acknowledge their duty under Section 172 of the Companies Act 2006 (“CA2006”) to act in a way that promotes the success of the Bank for the benefit of its members as a whole, whilst considering the interests of stakeholders and the long-term sustainability of the business. Throughout the year, the Board considered these factors in its decision-making and maintained a strong governance framework to ensure effective oversight of strategy, risk, and stakeholder engagement.

This statement sets out details of how the Board have considered the matters in sections s172(1) (a-f) of the CA2006 in the decisions taken during the year ended 31 December 2025.

Strategic oversight

The Board of Directors exercises comprehensive oversight of the Bank’s business and operational activities, working closely with management to ensure the effective implementation of strategic initiatives. Over a third of the Board’s membership comprises Independent Directors, providing balanced, objective input. This independent oversight, combined with the strong representation from shareholder-appointed Directors, ensures that all key stakeholder interests are actively considered in the Bank’s decision-making process.

The Board continued to provide robust challenge and support to management, ensuring that governance practices remained aligned with regulatory expectations and best practice principles. Regular meetings and committee structures facilitated informed decisions on strategic priorities, operational resilience, and customer outcomes. Strategic planning for future growth and digital transformation remained a key focus throughout the year.

The Board’s dedication to fulfilling its S172 responsibilities is demonstrated in its approach to strategic planning and its engagement with key stakeholders. Through regular strategic reviews, stakeholder engagement, and a focus on long-term value creation, the Board remains steadfast in its role as a custodian of the Bank’s vision and objectives, ensuring that NBKI continues to operate in a manner that benefits all its stakeholders.

Stakeholder engagement

The Bank has maintained regular dialogue with all its key stakeholders throughout the year. The table below sets out the Bank’s key stakeholders and the main methods by which the Board and management engage.

Stakeholder	Engagement
People	<p>The Bank’s people have been a critical part of its success and remain central to the delivery of its strategic priorities. The Board places a high priority on employee welfare, development, and retention, recognising that these elements are essential to the Bank’s success. The Bank tracks employee engagement through formal engagement surveys. In 2025, the survey completion rate amounted 80%, with an overall engagement score of 77%.</p> <p>Ensuring regular engagement with the Bank’s people is a key enabler for driving growth and high performance. The Bank holds periodic town halls whereby staff are updated on the Bank’s strategy and business performance. NBKI staff also receive quarterly newsletters whereby they are apprised of the latest developments in the Bank. The CEO also holds regular drop in sessions on a Friday to understand and discuss any concerns that the Bank’s people may have. Feedback from staff engagement sessions has directly informed the Board’s decision to expand wellbeing and leadership programmes.</p> <p>The Bank remains committed to supporting its workforce through fair remuneration, wellbeing initiatives, and development opportunities. The Board and its Nominations and Remuneration Committee play a central role in monitoring and supporting these initiatives. Diversity and inclusion remain a priority, with improvements to female representation at senior levels and active participation in initiatives such as International Women’s Day. The Bank’s Women’s Network provided a platform for networking and development, complementing broader efforts to embed an inclusive culture.</p>

Stakeholder	Engagement
	<p>The Bank remains committed to creating a supportive and inclusive workplace that promotes wellbeing, engagement, and professional development. During the year, a range of initiatives were delivered to strengthen employee experience and capability. These included mental health and stress awareness training, mentoring programmes, and leadership development sessions (including participation in NBK RISE, a leadership training programme for women leaders across the Group) designed to build management capability.</p> <p>Through these initiatives, NBKI aims to create a supportive work environment that fosters loyalty, professional growth, and a sense of belonging among its employees by embedding the Bank's core values.</p>
Customers	<p>Customers are at the heart of everything the Bank does. NBKI continues to adopt a coverage and service model where a dedicated relationship manager is assigned to every client of the Bank ensuring a personalised banking experience. The Bank undertakes regular activity to gather customer feedback through surveys, direct client interactions, and relationship manager insights, ensuring that customer needs and expectations are continuously addressed. The results of this feedback are shared with staff and the Board and is incorporated into its future business development plans.</p> <p>Improving the customer experience remains integral to the Bank's strategy. As part of the digital transformation strategy, the Bank is looking to complete the delivery of its online and mobile banking platform by Q3 2026. The platform will provide clients with a faster and more enhanced service thereby improving the overall customer experience. Given the demand, the Bank has also strengthened its product offering by successfully launching a 2-year fixed rate mortgage loan providing customers with a greater level of flexibility.</p> <p>Consumer Duty continues to be an area of focus for the Board. In particular, the Bank has continued to deliver the good outcomes as defined and required by the Consumer Duty. NBKI maintains watch lists of vulnerable customers in order to customise its service approach to ensure good outcomes are delivered in such situations. These are managed in accordance with the General Data Protection Regulation ("GDPR") and we ensure all vulnerable customers are managed fairly. Management information is provided to NBKI's governing body in line with the implementation of the Consumer Duty, to evidence we are providing fair outcomes for consumers.</p>
Shareholders	<p>NBKI's Board remains committed to aligning the Bank's strategic objectives with the interests of its shareholder. The Board includes three shareholder-appointed Non-Executive Directors who hold senior executive roles within the parent company. These representatives attend all Board meetings and relevant committees, ensuring that the parent company is kept informed of NBKI's strategic initiatives, performance, and alignment with group-wide goals. Their presence on the Board facilitates regular updates on the Bank's progress against its five-year strategy, as well as the status of key project initiatives, providing valuable insights from the parent entity's perspective.</p>

Stakeholder	Engagement
<p>Regulators</p>	<p>The Board recognises the importance of maintaining a transparent and cooperative relationship with its regulators, including the FCA, the PRA, and other relevant authorities. Accordingly, the Board continues to maintain strong and open relationships with its regulators. NBKI's Directors understand their responsibility to ensure that the Bank operates in full compliance with all applicable regulatory requirements and standards, including anti-money laundering ("AML") obligations. Furthermore, all key regulatory requirements and metrics are reviewed by the Board to ensure that the regulatory impact of the Bank's activities is taken into consideration.</p> <p>The Board views its relationship with regulators as a fundamental aspect of the Bank's operating model, ensuring that NBKI remains aligned with regulatory expectations and continues to uphold the highest standards of integrity and accountability. The Board is committed to proactively engaging with regulators both periodically and whenever requested, providing comprehensive information and updates as needed. For example, the Bank provides regular updates to the regulator in regard to the delivery of its online and mobile banking platform. By sharing information in a timely and transparent manner, NBKI aims to support regulatory oversight and maintain the trust and confidence of its supervisory bodies.</p>
<p>Suppliers</p>	<p>The Bank values strong and transparent relationships with its suppliers, recognising the important role they play in supporting operational effectiveness. Due diligence is carried out as part of the onboarding process to ensure quality and reliability, and regular engagement takes place with key suppliers, particularly those providing essential services. The Bank seeks to meet agreed payment terms in all cases and reports its payment practices publicly in line with regulatory requirements. During the year, supplier governance frameworks were further strengthened, with enhanced oversight of critical third-party providers to maintain resilience and continuity of services. It is the Bank's policy in every case to comply with the terms of payment expected by suppliers. In this respect, the Bank's creditor payment practice is to pay within the agreed period from the date of the invoice. This is reported publicly via the government payment practices website. Where suppliers process personal data, Data Processing Agreements (DPAs) and full GDPR due-diligence assessments are in place.</p>
<p>Community</p>	<p>The Bank recognises its duty to operate in a socially conscious manner and acknowledges its responsibilities towards society, community, the economy and environmental stewardship. An important area in terms of social awareness is the investment in the Bank's local community. During the year, the Bank supported local families through donations and collaboration with Home Start Westminster, sponsoring events and providing assistance to vulnerable households. Additionally, NBKI donated funds and organised a volunteer day at The Mayhew, an animal welfare charity, where employees contributed their time to assist with animal care and welfare activities.</p> <p>In 2025, NBKI entered the second year of a three-year strategic partnership with the Duke of Edinburgh's Award, supporting hundreds of young people in completing their programme. This partnership reflects the Bank's commitment to youth development and fostering essential life skills for future generations. The Bank's commitment to community engagement is also formalised through its volunteer policy, which encourages and supports staff participation in community service activities. This policy allows employees to dedicate time to causes they are passionate about, reinforcing NBKI's ethos of active participation in community welfare.</p> <p>Overall, the Bank continued to demonstrate its commitment to social responsibility and community investment, with charitable contributions and volunteering activities supporting organisations aligned to children and youth development, as well as local and staff-nominated causes. Partnerships with programmes such as the Duke of Edinburgh's Award were maintained, alongside initiatives promoting education and social mobility. In total, charitable donations and community investments for FY2025 amounted to £85,101 (2024: £60,108), reflecting an increased commitment to making a positive impact in the communities the Bank serves.</p>

ESG

The ESG agenda remains a key area of focus for the Board. The Bank has made great strides in its ESG efforts, reflecting the Group's promise to create and deliver shared value to all its stakeholders. NBKI's ESG strategy follows four interrelated pillars designed to reinforce our position as a trusted leader in the emerging business environments of the future.

- Firstly, responsible banking: by supporting the transition to a sustainable economy and becoming a role model in its own transition.
- Secondly, capitalising on its own capabilities: by driving sustainable business growth and achieving it through organisational resilience.
- Thirdly, by investing and supporting our local communities.
- Fourthly, governance for resilience: by contributing and supporting the Group annual ESG sustainability report.

The Bank recognises its responsibility to operate in a socially conscious and environmentally responsible manner, embedding environmental, social, and governance considerations into its strategy and decision-making. In 2025, ESG remained a core focus across all areas of the business. Progress continued on decarbonisation initiatives, including energy efficiency improvements within the Bank's premises and the development of a longer-term roadmap to reduce the Bank's operational footprint.

Social priorities were advanced through diversity and inclusion programmes, with representation at senior levels improving and engagement activities supporting an inclusive culture. The Bank also maintained its commitment to community investment, aligning charitable contributions and volunteering efforts with its ESG objectives. Initiatives included partnerships with organisations promoting education, youth development, and social mobility, alongside support for local causes and staff-led projects.

Governance remained a key pillar of ESG delivery, with frameworks strengthened to ensure transparency, accountability, and compliance with regulatory expectations. ESG metrics and reporting processes continued to evolve, supporting integration into the Bank's broader risk and strategic planning. These efforts reflect NBKI's commitment to sustainable growth and long-term value creation for stakeholders.

ESG will remain an important area of focus for the Bank in coming years, with Executive Management and the Board of NBKI overseeing and ensuring the embedding of ESG priorities throughout the Bank's operations. The Bank is committed to further developing its ESG linked activities and will continue to broaden its endeavours across the facets of ESG in 2026.

Streamlined Energy and Carbon Reporting ("SECR") Framework

The Bank is based in a single location and employees and Directors undertake only limited international and domestic travel on its behalf. The Bank is committed to being a responsible user of resources and continues to consider ways in which it can reduce its environmental impact. This section reflects the Bank's emissions as required by the UK SECR Regulations, based on an independent assessment prepared by a third-party industry expert, reviewing primary measurement data such as meter readings, supplier invoices, etc.

The table below sets out our emissions in respect of Scope 1, 2 and 3 (excluding financed emissions). Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity. Scope 3 includes all other indirect emissions that occur in the Bank's value chain including business travel using rental cars or employee-owned vehicles where the Bank is responsible for purchasing the fuel, so excludes other methods of business travel such as taxis and air travel.

Summary of total energy consumption (kWh) (year ended)

Energy	2025	2024
Total fuel consumption (kWh)	205,081	239,401
Total electricity consumption (kWh)	458,545	500,791
Total transport electricity (kWh)	741	775
Total transport mileage (kWh)	2,201	980
Total	666,568	741,947

Summary of total GHG emissions (tCO₂e) (year ended)

GHG emissions		2025	2024
Scope 1	Emissions from combustion of gas (tCO ₂ e)	37.52	43.79
	Emissions from combustion of fuel for transport purposes (tCO ₂ e)	incl scope 3	incl scope 3
Scope 2	Emissions from purchased electricity, location based (tCO ₂ e)	81.16	103.69
	Emissions from purchased electricity for transport purposes (tCO ₂ e)	0.13	0.16
Scope 3 (excluding financed emissions)	Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (tCO ₂ e)	0.54	0.24
Total		119.35	147.87

Summary of carbon intensity ratios (year ended)

Scope of Carbon	GHG emissions	2025	2024
All Consumptions	tCO ₂ e/£ million	1.30	1.64
Building-related only	tCO ₂ e/sq metre	0.0402	0.0499

Energy efficiency measures

Overall energy consumption has fallen again year on year (10% lower) and is 30% lower than at the peak of 2021. The Bank continues to implement energy efficiency measures including ongoing installation of more energy efficient air conditioning (HVAC and now VRV) and LED lighting, as different areas of the Head Office building are refurbished. Recent initiatives include main lifts replaced with energy efficient models, and installation of automatic meter readers that will eventually monitor electricity usage across the premises.

Quantification and reporting methodology

This assessment is produced in line with 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting guidance (March 2019)' in conjunction with the Energy Savings Opportunity Scheme Regulations 2014, the UK Government GHG conversion factors for company reporting of GHG emissions, the Department for Energy Security and Net Zero, and the Department for Business, Energy & Industrial Strategy.

Approved by the Board of Directors

Signed by:


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Ashleigh Egan (for and on behalf of the Board)
Company Secretary

23 April 2026

Directors' Report

31 December 2025

The Directors are pleased to submit their thirty-third annual report together with the audited financial statements for the year ended 31 December 2025. This should be read in conjunction with the strategic report, including the SECR Framework, and with reference to the financial risk management objectives and the exposure to credit risk, liquidity and funding risk, market risk, operational risk and capital and solvency risk set out in Note 29 to the annual financial statements.

Directors and Company Secretaries

The names of the Directors currently holding office are listed on page 1.

Significant changes during the financial year and subsequently are as follows:

- Fawzi Dajani resigned as a Non-Executive Director on 1 October 2025
- Mohammad Adnan Rahman was appointed as an Executive Director on 1 October 2025
- The Company Secretary changed their name from Ashleigh M'Crystal to Ashleigh Egan.

According to the register of Directors' interests, no Director holding office as at 31 December 2025 had any beneficial interest in the shares of the Bank during the year.

The Bank has made qualifying third party indemnity provisions for the benefit of its Directors during the year, and to the date of this report, under an annual Group policy which covers NBK S.A.K.P and all subsidiary companies including the Bank.

Results and dividends

The Bank has made a profit after tax of £34.2m (2024: £32.6m). Overall, the Bank has delivered a strong performance in 2025, driven by strong loan book growth, which has led the Bank to generate record profits for the year. The Directors propose no dividend for the year ended 31 December 2025 (2024: £nil) to continue supporting the organic growth of the Bank.

Future developments

Future developments are discussed in detail in the strategic report.

Going concern

The Directors understand their responsibility to assess the Bank's ability to continue as a going concern for a period of at least 12 months from the date the financial statements are approved. The assessment is based on the Bank's strategy having sufficient liquidity and capital which includes consideration of the ICAAP and ILAAP stress scenarios approved by the Board.

The Bank continues to deal with the stresses arising from the current conflict in the Middle East. During the first few months of 2026, the Bank has continued to trade profitably whilst holding appropriate levels of both capital and liquidity. Operational resilience remains a major priority for NBK and the Bank continues to operate safely, with due regard being paid to its operating model and the preservation of liquidity and solvency.

The Board is ultimately responsible for setting the Bank's risk appetite and the BRC is responsible for the oversight of the Bank's RMF. As part of the review, the Directors have performed an assessment of the Bank's significant risks and emerging risks, relating to the adoption of the going concern principle. Based on the assessment performed, nothing material has been identified which would impact the Bank's ability to remain a going concern.

As disclosed in Note **32**, the Bank has a robust regulatory capital position and holds healthy surpluses above regulatory requirements. While uncertainties and stresses in the market may erode regulatory capital, the ICAAP stress testing performed by management has shown that the Bank continues to hold capital above its regulatory threshold. As such, the uncertainty relating to capital management is not considered to be material.

The Bank carefully monitors its liquidity position, and management has performed a detailed forecast and ILAAP stress test to consider market uncertainties and the potential impact on its ability to meet its liabilities as they fall due. For the ILAAP stress testing performed, the Bank continues to maintain surpluses when compared to the regulatory requirements. As such, the uncertainty relating to liquidity management is not considered to be material.

Based on the assessment performed, the Directors have a reasonable expectation that the Bank is well placed to manage its business risks and continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

Subsequent events

The Bank has no subsequent events to report.

Charitable donations and political donations

The Bank has made charitable donations of £85,101 (2024: £60,108) during the year. The Bank did not make any political donations during the year (2024: £nil).

Employees

The Bank's approach to employees is laid out in the S172 statement in the strategic report.

Customers

The Bank's approach to customers is laid out in the S172 statement in the strategic report.

Supplier payment policy

The Bank's supplier payment policy is laid out in the S172 statement in the strategic report.

Principal risks and uncertainties

Details of the Bank's Principal risks and uncertainties are laid out in the strategic report.

Disclosure of information to the auditor

As far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that they obliged to take as a Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the CA2006.

Auditor

The auditor, Deloitte LLP, has expressed their willingness to continue in office. Pursuant to Section 489 of the CA2006, a resolution for the re-appointment of Deloitte LLP will be proposed at the forthcoming Annual General Meeting of the Bank.

Approved by the Board

Signed by:

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Ashleigh Egan (for and on behalf of the Board)
Company Secretary
National Bank of Kuwait (International) PLC
Company Number: 02773743

23 April 2026

Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Bank and of the profit or loss of the Bank for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Bank's transactions and disclose with reasonable accuracy at any time the financial position of the Bank and enable them to ensure that the financial statements comply with the CA2006. The Directors are responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

They are also responsible for the maintenance and integrity of the corporate and financial information included on the Bank's website.

Independent auditor's report to the members of National Bank of Kuwait (International) PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of National Bank of Kuwait (International) PLC (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related Notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Company for the year are disclosed in Note 8 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matter	The key audit matter that we identified in the current year was: <ul style="list-style-type: none"> • Valuation of Expected Credit Loss ("ECL") provision
Materiality	The materiality that we used in the current year was £3.89m which was determined on the basis of 0.75% of net assets.
Scoping	The audit scoping was performed based on an assessment of the account balances and disclosures that are either quantitatively or qualitatively material.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Company's assessment process to arrive at their conclusion to prepare the financial statements on the basis of going concern;
- with the involvement of our internal regulatory specialists, challenging the liquidity and capital stress testing assumptions used by the Company, including consideration of the Company's actions and whether applied stresses were reasonable in the context of the Bank's operating environment;
- assessing emerging operational, geopolitical and market risks facing the Company, including the impact of ongoing global macroeconomic volatility and evolving conflicts in the Middle East;
- assessing the key assumptions supporting the Company's latest budget forecasts;
- assessing the historical accuracy of forecasts prepared by the Company; and
- assessing the appropriateness of going concern disclosures made in the notes to the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of ECL provision

Key audit matter description

The estimation of ECL provisions in the loan portfolios is inherently uncertain and requires significant judgements and estimates.

The value of the Company's ECL provision on loans and advances to customers has decreased by £2.36m in the current year to £4.21m, as at 31 December 2025 (31 December 2024: £ 6.57m) as disclosed in Note **14**.

IFRS 9 requires loan impairment provisions to be recognised on an ECL basis. We therefore consider this to be a key audit matter due to the potential risk of fraud or error in respect of ECL provisions. We considered that the most significant judgement is related to the valuation of collateral and the determination of scenarios for individually assessed credit-impaired exposures.

Other key judgements in ECL include the identification of significant increase in credit risk and the determination of significant model inputs for both Probability of Default ("PD") and Loss Given Default ("LGD") models, and the methodology and assumptions applied to calculate the ECL for stage 3 loans. These judgements are material for the Corporate and Commercial Real Estate loans. Key judgements and sources of estimation uncertainty are discussed in Note **2** on page 42 and sensitivities to certain key judgements are included in Note **29.1**.

How the scope of our audit responded to the key audit matter

We performed the following procedures in order to address the risk relating to the valuation of collateral and determination of scenarios for individually assessed credit-impaired exposures:

- obtained an understanding of the relevant controls over the calculation of the ECL provision for individually assessed credit-impaired exposures process;
- With involvement of our real estate valuation specialists assessed the collateral valuations used in the calculation of individually assessed provisions; and
- Assessed the scenarios and assumptions adopted by management for a sample of Stage 3 loans.

We performed the following procedures to address other risks relating to the determination of ECL provision, including the key model inputs:

- Performed walkthroughs of the model input business processes involved in the ECL calculation;
- Performed walkthroughs of the relevant controls over the ECL model input process and tested the design and implementation of the key controls
- Obtained an understanding of the staging criteria applied, and assessed compliance with the requirements of the applicable financial reporting framework;
- Performed detailed customer credit reviews, including repayment testing and financial analysis, for a sample of loans across all stages to evaluate the application of staging criteria to the loan population;
- With support of our credit modelling specialists, performed a methodology and implementation assessment of the ECL models, including a review of model code;
- Evaluated other key assumptions used by management in PD and LGD calculations;
- Tested the completeness and accuracy of the key data elements used in the ECL model by comparing these data elements with independent underlying source; and
- With support of our economic forecasting specialists, challenged the forward-looking scenarios used by the Company with reference to the available market information.

Key observations

Based on the procedures performed and evidence obtained, we found the Company's assumptions, judgements and approach to estimating ECL to be reasonable and therefore we concluded the level of provision to be appropriate.

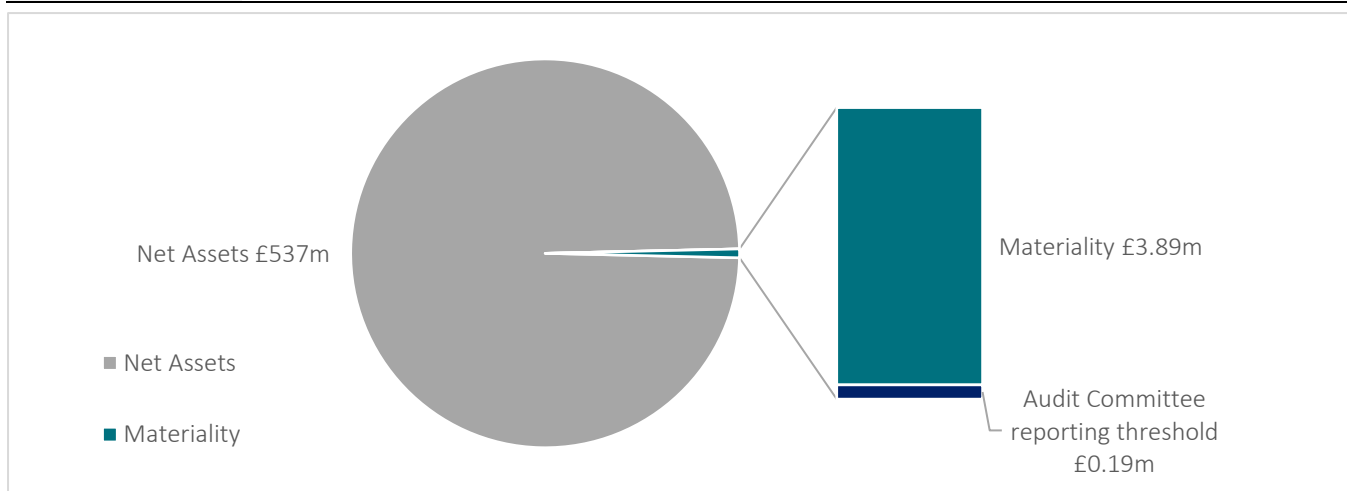
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£3.89m (2024: £ 3.27m)
Basis for determining materiality	0.75% of interim net assets, which represents approximately 0.72% of year-end net assets (2024: 0.75% of net assets).
Rationale for the benchmark applied	We consider net assets to be the most relevant benchmark for users of the financial statements given the Company is a wholly owned, UK-regulated subsidiary.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2025 audit (2024: 65%). In determining performance materiality, we considered the following factors:

- our understanding of the control environment and whether we are able to rely on controls;
- our understanding of the business;
- the nature and size of corrected; and
- uncorrected misstatements identified in the prior year.

The increase in percentage to determine our performance materiality from 65% to 70% is primarily due to the identification of fewer errors in the prior year and recognising the improvement in the control environment.

6.3. Error reporting threshold

We agreed with the Board Audit Committee (“BAC”) that we would report to the Committee all audit differences in excess of £0.19m (2024: £0.16m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the BAC on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the Company and its environment, key processes and relevant controls over financial reporting, and assessing risks of material misstatement. We take into account size, risk profile and the control environment of the Company as well as any changes in business environment in the year. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team. The Company does not have subsidiaries or discrete divisions and therefore was audited as a single component.

7.2. Our consideration of the control environment

The Company uses a number of different IT systems, and we worked with our IT specialists to obtain an understanding of, and test the relevant General IT controls for, relevant systems. As a result of the controls work performed, we were able to take IT controls reliance on certain key systems as planned.

We tested and placed reliance on the relevant controls over the gross loans and advances balance and customer deposits.

In order to test controls, a combination of re-performance, inquiry, observation, and inspection was performed on a sample basis, tailored to the nature and timing of each control.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the business and financial statements of the Company in order to design appropriate audit procedures.

We held discussions with management to understand the process for identifying climate-related risks, the consideration of mitigating actions and the potential impact on the Company's financial statements. We performed our own qualitative risk assessment of the potential impact of climate change on the Company's account balances and classes of transactions.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit and the BAC about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's sector;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team and relevant internal specialists, including credit modelling and IT specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: the valuation of ECL provision. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures

in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the company's compliance with the Financial Conduct Authority ("FCA"), the Prudential Regulation Authority ("PRA") and the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of the ECL provision as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the BAC concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the FCA, the PRA and HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given in Note 31 to the financial statements for the financial year ended 31 December 2025 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

15. Other matters which we are required to address

15.1. Auditor tenure

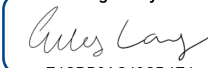
Following the recommendation of the BAC, we were appointed by the BAC on 10 May 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is five years, covering the years ended 31 December 2021 to 31 December 2025.

15.2. Consistency of the audit report with the additional report to the BAC

Our audit opinion is consistent with the additional report to the BAC we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Giles Lang, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

23 April 2026

Statement of Income

For the year ended 31 December 2025

	Notes	2025 £000	2024 £000
Interest income	3	221,400	225,162
Interest expense	4	(133,279)	(140,090)
Net interest income		88,121	85,072
Net fees and commissions income	5	2,677	4,032
Net gains from dealing in foreign currencies and derivative income	6	784	227
Net investment income		112	287
Other operating income		108	179
Net operating income before ECL		91,802	89,797
Charge on ECL		(3,789)	(1,112)
Net operating income after ECL		88,013	88,685
Administrative expenses	7	(41,151)	(44,114)
Depreciation	16	(1,043)	(863)
Operating expenses		(42,194)	(44,977)
Profit for the year before taxation	8	45,819	43,708
Taxation	9	(11,584)	(11,139)
Profit for the year		34,235	32,569

Notes 1 to 32 are an integral part of the financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2025

	2025	2024
	£000	£000
Profit for the year	34,235	32,569
Other comprehensive gain/(loss):		
Change in fair value of debt securities measured at FVOCI (net of tax)	894	(830)
Items that will be reclassified subsequently to income statement when specific conditions are met	894	(830)
Change in fair value of equity instruments measured at FVOCI (net of tax)	91	277
Items that will not be reclassified subsequently to profit or loss	91	277
Other comprehensive gain/(loss) for the year	985	(553)
Total comprehensive income for the year	35,220	32,016


Notes 1 to 32 are an integral part of the financial statements.

Statement of Financial Position

31 December 2025

	Notes	2025 £000	2024 £000
Assets			
Cash and balances at Central Bank	11	280,213	547,502
Deposits with banks	12	666,586	840,214
Loans and advances to banks	13	156,952	96,803
Loans and advances to customers	14	2,205,331	1,975,643
Investment securities	15	550,717	398,439
Derivative assets	26	20,557	23,453
Fixed assets	16	41,862	39,969
Other assets	17	19,645	12,547
Total assets		3,941,863	3,934,570
Liabilities			
Due to banks and other financial institutions	18	758,900	1,020,083
Customer deposits	19	2,355,436	2,126,886
Repurchase agreements	20	70,065	-
Certificates of deposit issued	21	185,765	257,778
Derivative liabilities	26	13,155	3,724
Other liabilities	22	21,344	24,121
Total liabilities		3,404,665	3,432,592
Equity			
Share capital	23	283,329	283,329
Retained earnings		251,956	217,721
Cumulative changes in fair values		1,913	928
Total equity		537,198	501,978
Total equity and liabilities		3,941,863	3,934,570

The financial statements were approved by the Board of Directors and authorised for issue on **23 April 2026**.

Signed by:

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 Bassem Boustany (Managing Director)

23 April 2026

Notes 1 to 32 are an integral part of the financial statement.

Statement of Changes in Equity

31 December 2025

	Notes	Share capital £000	Retained earnings £000	Cumulative changes in fair values £000	Total £000
Balances as at 31 December 2023		233,329	185,152	1,481	419,962
Profit for the year		-	32,569	-	32,569
Other comprehensive loss for the year		-	-	(553)	(553)
New share capital	23	50,000	-	-	50,000
Balances as at 31 December 2024		283,329	217,721	928	501,978
Profit for the year		-	34,235	-	34,235
Other comprehensive gain for the year		-	-	985	985
Balances as at 31 December 2025		283,329	251,956	1,913	537,198

Notes 1 to 32 are an integral part of the financial statements.

Notes to the financial statements

31 December 2025

1. INCORPORATION AND REGISTRATION

The financial statements of National Bank of Kuwait (International) PLC were approved by the Board of Directors on 23 April 2026. The Bank is incorporated in United Kingdom and is principally engaged in banking activities, primarily in the United Kingdom. The address of the registered office is NBK House, 13 George Street, London W1U 3QJ.

The Bank is a wholly owned subsidiary of NBK S.A.K.P, incorporated in Kuwait. NBK S.A.K.P is the parent and ultimate controlling party. It is also the parent undertaking of the largest and smallest Group that presents consolidated financial statements consolidating the results of the Bank. Copies of the Group financial statements of NBK S.A.K.P may be obtained from: NBK House, 13 George Street, London, W1U 3QJ.

The Bank is a public company limited by shares registered in England.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the CA2006 relating to banking companies and FRS 101. The Bank has taken advantage of the following exemptions under FRS 101:

- IAS 1 'Presentation of Financial Statements' ("IAS 1"), paragraphs 10(d), 10(f), 16, 38, 38A, 38B, 38C, 38D and 111.
- IAS 1. Paragraphs 40A, 40B, 40C and 40D.
- The requirements of IAS 7 'Statement of Cash Flows'.
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', paragraphs 30 and 31.
- IAS 24 'Related Party Disclosures' ("IAS 24"), paragraph 17 and 18A.
- IFRS 15 'Revenue from Contracts with Customers', the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c) and 120 to 127.

The financial statements are prepared under the historical cost convention except for the measurement at fair value of derivatives and investments at fair value through other comprehensive income. In addition, and as more fully described below, assets and liabilities that are hedged in fair value hedging relationships are carried at fair value to the extent of the risk being hedged.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income and interest expenses on derivatives are shown net to improve presentation of interest yield and cost of funds. Deferred tax assets and deferred tax liabilities have been netted in other liabilities.

The functional currency that is used in preparing the financial statements has been determined to be GBP. The financial statements are presented in sterling unless otherwise stated.

2.2 Going concern

IAS 1 Presentation of Financial Statements requires Directors to make an assessment of a company's ability to continue as a going concern, and whether it remains appropriate to adopt the going concern basis of accounting in preparing the entity's financial statements. IAS 1 states that the information should cover at least 12 months from the end of the reporting period but not be limited to that period, and FRC guidelines state that the information should consider a period of at least 12 months from the date the financial statements are authorised for issue. The assessment is based on the Bank's strategy having sufficient liquidity and capital, which includes consideration of the ICAAP and ILAAP stress scenarios approved by the Board.

The Bank continues to deal with the stresses arising from the current conflict in the Middle East. During the first few months of 2026, the Bank has continued to trade profitably whilst holding appropriate levels of both capital and liquidity. Operational resilience remains a major priority for NBKI and the Bank continues to operate safely, with due regard being paid to its operating model and the preservation of liquidity and solvency.

The Board is ultimately responsible for setting the Bank's risk appetite and the BRC is responsible for the oversight of the Bank's RMF. As part of the review, the Directors have performed an assessment of the Bank's significant risks and emerging risks, relating to the adoption of the going concern principle. Based on the assessment performed, nothing material has been identified which would impact the Bank's ability to remain a going concern.

As disclosed in Note **32**, the Bank has a robust regulatory capital position and holds healthy surpluses above regulatory requirements. While uncertainties and stresses in the market may erode regulatory capital, the ICAAP stress testing performed by management has shown that the Bank continues to hold capital above its regulatory threshold. As such, the uncertainty relating to capital management is not considered to be material.

The Bank carefully monitors its liquidity position, and management has performed a detailed forecast and ILAAP stress test to consider market uncertainties and the potential impact on its ability to meet its liabilities as they fall due. For the ILAAP stress testing performed the Bank continues to maintain surpluses in all scenarios considered, when compared to the regulatory requirements. As such, the uncertainty relating to liquidity management is not considered to be material.

Based on the assessment performed, the Directors have a reasonable expectation that the Bank is well placed to manage its business risks and continue in operational existence for at least 12 months from the date of approval of the financial statements. Accordingly, the Directors consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

2.3 Changes in Accounting Policy and future accounting developments

The Bank adopted the hedge accounting rules of IFRS 9 from the 1st of January 2024. There are no transition impacts of this change as the measurement and disclosure under IFRS 9 is the same as IAS 39. See Note **2.7(c)** for further details of hedge accounting policy.

The IASB has not published any amendments effective from 1 January 2025 that are applicable to NBKI. If any further development takes place, the Bank will review and implement in the following year.

IFRS 18 Presentation and Disclosure in Financial Statements is effective for the Bank from 1 January 2027. The standard introduces new requirements for the presentation of the income statement, specifically concerning operating profit and management-defined performance measures. Based on preliminary assessments, the Bank expects the impact of adopting IFRS 18 to be limited to modest changes in presentation and disclosures, with minimal impact on net assets and profit.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Leases

The Bank applies the requirements of IFRS 16 'Leases' but only has leases for which the asset is considered to be of low value and accounts for their costs on a straight-line basis.

2.5 Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. The impairment loss to be recognised is the amount by which the carrying amount of the assets exceeds the recoverable amount.

2.6 Provisions & contingencies

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting date to reflect the current best estimate. If it is no longer probable that an outflow will be required to settle the obligation, the provisions are reversed.

When it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability.

2.7 IFRS 9 Financial Instruments

The Bank applies IFRS 9 'Financial Instruments' ("IFRS 9") to the recognition, classification and measurement, and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting.

a) Classification and measurement of financial assets and liabilities

Financial assets

The Bank has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Amortised cost.
- Fair value through other comprehensive income ("FVOCI"), or
- Fair value through profit or loss ("FVPL").

The classification requirements for debt and equity instruments are described below.

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- 1) the Bank's business model for managing the asset, and
- 2) the cash flow characteristics of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (“SPPI”), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any ECL allowance recognised and measured as described in Note **29.1.2**. Interest income from these financial assets is included in ‘interest income’ using the effective interest rate method.
- **Fair value through other comprehensive income: Financial** assets that are held for collection of contractual cash flows and for selling the assets, where the assets’ cash flows represent solely payments of principal and interest, and that not designated at FVPL, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through Other Comprehensive Income (“OCI”), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and loss on the instrument’s amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in ‘Net investment income’. Interest income from these financial assets is included in ‘Interest income’ using the effective interest rate method.
- **Fair value through profit or loss: Financial** assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within “Net trading income” in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in ‘Net investment income’. Interest income from these financial assets is included in “Interest income” using the effective interest rate method.

Business model: the business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank’s objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of the “other” business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset’s performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely payments of principal and interest (“SPPI”): Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments’ cash flows represent SPPI. In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement, ie interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt instruments when, and only when, its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets, such as basic ordinary shares.

Equity instruments are measured at FVPL. However, the Bank has elected, at initial recognition, to irrevocably designate strategic investments in equity securities at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as dividend income when the Bank's right to receive payments is established.

On sale of FVOCI equity investments, the gain/loss is not reclassified to profit and loss account. No impairment loss is recognised on equity investments.

Investment in debt securities designated at FVOCI

The Bank holds investments in a portfolio of debt securities which has been classified as investment at FVOCI. The changes in fair value of these securities are reclassified to profit or loss on disposal.

Financial liabilities

Financial liabilities are classified as measured at amortised cost, except for:

Financial liabilities at FVPL: this classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (change in fair value attributable to credit risk) and partially in profit or loss. If such presentation would create an accounting mismatch, then the gain and loss attributable to change in credit risk of the liability is also presented in profit or loss.

Consideration received for a transfer of financial assets which do not qualify for derecognition are recognised as a financial liability.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions, and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- the amount of the loss allowance, and
- the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15 'Revenue'.

For loan commitments and financial guarantees contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the ECL on the undrawn commitment component from those on the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECL exceeds the gross carrying amount of the loan, the ECL is recognised as a provision.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Impairment of financial assets

The impairment requirements apply to financial assets measured at amortised cost, fair value through other comprehensive income, lease receivables and certain loan commitments and financial guarantee contracts.

The ECL model reflects the requirements of IFRS 9 which sets out a three-stage approach to forecasting losses which is based on the change in credit quality of financial assets since initial recognition. Under Stage 1, where there has not been a significant increase in credit risk since initial recognition, an amount equal to 12 months ECL is recorded (where 12 months ECL refers to ECL in relation to default events within 12 months of the reporting date). Under Stage 2, where there has been a significant increase in credit risk since initial recognition, but the financial instruments are not considered credit impaired, an amount equal to the lifetime ECL is recorded (where lifetime ECL refers to ECL in relation to default events over the entire lifetime of the instrument). Under Stage 3, where there is objective evidence of impairment at the reporting date these financial instruments are classified as credit impaired and an amount equal to the lifetime ECL is recorded for the financial assets.

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money.

As a result, the recognition and measurement of impairment are intended to be more forward-looking, and the resulting impairment charge is subject to a range of macro-economic factors which creates a more dynamic measurement basis. Further information on the measurement of the impairment allowance under IFRS 9 can be found in Note **29.1.2**.

The interest receivable on credit impaired assets at the end of the financial year is compared with the interest receivable on a net basis and adjusted where material.

c) Hedge accounting

The general hedge accounting requirements link with risk management strategy and permit hedge accounting to be applied to a variety of hedging instruments and risks. The Bank accounts for its hedges in accordance with IFRS 9.

2.8 Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction. The functional currency is GBP. Monetary assets and monetary liabilities in foreign currencies are translated into functional currency at rates of exchange prevailing at the reporting date. Any gains or losses are taken to the statement of income. Non-monetary items in foreign currencies that are measured in terms of historical cost are translated using the rate of exchange at the date of the transaction.

2.9 Interest income and expenses

Interest income and expense for all interest-bearing financial instruments are recognised within “interest income” and “interest expense” in the statement of income using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate (“EIR”) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the gross carrying amount of the financial asset or financial liability. Fees which are considered an integral part of the effective yield of a financial asset are recognised using the effective interest method.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The interest differential between the currencies involved in forward exchange contracts used for covered interest arbitrage is included in interest income.

2.10 Fees and commissions income

Fees that are an integral part of the EIR of loans are treated as an adjustment to the effective interest rate of the loans. Such fees may include compensation for activities such as evaluating the borrower's financial condition, evaluating, and recording guarantees, collateral, and other security arrangements, negotiating the terms of the instrument, preparing and processing documents and closing the transaction. These fees are an integral part of generating an involvement with the resulting financial instrument. Fees can be recognised on a straight-line method ("SLM"), where the difference between amortising fees using EIR and SLM is not material. Fees and transaction costs on financial instruments measured at fair value through profit or loss are not included in the EIR calculation and are charged to the statement of income as and when they are accrued/incurred.

Fee income that is not integral to EIR is recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services.

2.11 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.12 Derecognition

On derecognition of a financial asset the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that has been recognised in OCI is recognised in the income statement.

Any cumulative gain or loss recognised in OCI in respect of equity instruments designated at FVOCI is not recognised in the income statement on derecognition of those instruments.

2.13 Pensions

The Bank operates a defined contribution pension scheme for employees in the UK. The costs of providing retirement benefits are charged to the statement of income in the period in which they are incurred.

2.14 Taxation

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax to the extent unpaid will be recognised as a liability unless the amount paid exceeds the amount due whereby the excess will be recognised as an asset. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date in the countries where the Bank operates and generates taxable income. Deferred tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent it is probable that taxable profit will be available to utilise these.

Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets and liabilities are measured using tax rates and applicable legislation enacted at the reporting date.

On 11 July 2023, the UK government enacted the Pillar 2 income taxes legislation to introduce the global minimum tax model rules of the OECD's Inclusive Framework on Base Erosion and Profit Shifting ("BEPS"), effective for the financial year beginning 1 January 2024. Under the legislation, UK parent entities are required to pay, in the UK, top-up tax on profits of its subsidiaries and permanent establishments that are taxed at a Pillar 2 effective tax rate of less than 15%. The Bank is not a parent entity and pays taxation at the applicable UK rates which are above 15%. The Bank's ultimate parent is resident in a country that has joined the BEPS Inclusive Framework and they would be responsible for Undertaxed Payment ("UPTR") in other jurisdictions when this legislation is enacted in future periods. Apart from some potential administrative work, the Pillar 2 income taxes regime should not have any material impact on the Bank. It has therefore not applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, in the most advantageous market to which the Bank has access at that date.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs that recognise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or liability measured at fair value has a bid price and an ask price, then the Bank measures assets at a bid price and liabilities at an ask price. The Bank determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.16 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset, and the net amount reported in the statement of financial position, when there is a legally enforceable right to set off the recognised amounts and the Bank intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. During the year, the Bank did not carry out settlements on a net basis and therefore all financial assets and liabilities are reported gross in the statement of financial position.

2.17 Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) derecognised where:

- the rights to receive cash flows from the asset have expired, or
- the Bank retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- the Bank has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Derivative financial instruments

The Bank applies the hedge accounting rules as laid out in IFRS 9.

The Bank deals in interest rate swaps to manage interest rate risk on interest bearing assets and liabilities, including a portfolio of loans hedged to manage interest rate risk. Similarly, the Bank deals in forward foreign exchange contracts for customers and to manage its foreign currency positions and cash flows. All derivative financial instruments of the Bank are recorded in the statement of financial position at fair value. The fair value of a derivative is the equivalent of the unrealised gain or loss from marking to market the derivative using prevailing market rates.

The Bank transacts in derivatives for hedging purposes. ISDA master agreements and credit support annex ("CSA") are in place. Derivatives are either centrally cleared or margined on a bilateral basis (applies to all foreign exchange contracts and one interest rate swap).

For the purposes of hedge accounting, the Bank's hedges are classified into two types of hedging relationships:

- (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability, and
- (b) cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised financial asset or liability or a highly probable forecast transaction

In relation to fair value hedges which meet the conditions for hedge accounting, any gain or loss from re-measuring the hedging instrument is recognised immediately in the statement of income. The hedged items are adjusted for fair value changes relating to the risk being hedged and the difference is recognised in the statement of income. Any inefficient hedging amounts are recognised in the statement of income.

In relation to cash flow hedges which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised initially in equity and any ineffective portion is recognised in the statement of income. The gains or losses on cash flow hedges recognised initially in equity are transferred to the statement of income in the period in which the hedged transaction impacts the statement of income. Where the hedged transaction results in the recognition of an asset or liability, the associated gains or losses that had initially been recognised in equity are included in the initial measurement of the cost of the related asset or liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, no longer qualifies for hedge accounting, or is revoked by the Bank. For cash flow hedges, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the forecast transaction occurs. In the case of fair value hedges of interest-bearing financial instruments, any adjustment relating to the hedge is amortised over the remaining term to maturity. Where the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of income.

2.19 Trade and settlement date accounting

All "regular way" purchases and sales of financial assets are recognised on the trade date, ie the date that the Bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

2.20 Due to banks and other financial institutions, customer deposits and certificate of deposit issued

Due to banks and other financial institutions, customer deposits and certificate of deposit issued are stated at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Repurchase agreements

The Bank enters into repurchase agreements (“repos”) as part of its liquidity and funding operations. All repos during the reporting period were conducted with banks and financial institutions and were collateralised by UK Government securities (Gilts). Collateral pledged typically exceeds the cash received.

Repo transactions in which the Bank transfers financial assets subject to an obligation to repurchase them at a future date are accounted for as secured financing transactions. The Bank retains substantially all the risks and rewards of ownership of the transferred Gilts; therefore:

- Gilts transferred under repo arrangements remain recognised on the statement of financial position.
- The cash received is recognised as a financial asset and a corresponding repurchase agreement liability recognised on the statement of financial position.
- The difference between the sale and repurchase price is recognised as interest expense over the life of the agreement using the effective interest method.

2.22 Fixed assets

Fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the period in which they are incurred.

Depreciation is provided on the depreciable amount of other items of premises and equipment on a straight-line basis over their estimated useful life. The depreciable amount is the gross carrying value, less the estimated residual value at the end of its useful life. The estimated useful life of fixed assets is as follows:

Freehold property:	50 years
Property improvements:	15 years
Fixtures, fittings and equipment:	5 years
Motor vehicle:	4 years
Computer equipment:	3 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Significant accounting judgements and estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Bank's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

HMRC Tax Investigation (judgement)

The Bank's current tax position of £0.2m (2024: £0.8m) includes management's judgement of the amount of tax payable on historical tax computations where liabilities remain to be agreed with HMRC. The 2025 tax payable is net of payments on account paid to HMRC on a non-prejudicial basis. The Bank evaluates uncertain tax items, where a tax item is subject to interpretation and remains to be agreed. Principally the uncertain tax item for which a tax liability has been recognised relates to the potential tax arising from the retrospective change to the Bank's functional currency from USD to GBP.

In line with IFRIC 23 'Uncertainty over Income Tax Treatments' ("IFRIC 23"), the tax liability established represents the full amount payable to HMRC on the basis that the Bank has not been successful to date in challenging HMRC's assessment. The matter is, however, ongoing and due to the uncertainty associated with this tax item, it is possible that at a future date, on conclusion of the matter, the final outcome may vary significantly depending on how successful the Bank is in challenging HMRC relating to the outstanding tax liability as well as any payments on accounts made.

Measurement of the ECL allowance (judgements and estimation uncertainty)

The measurement of the ECL allowance for financial assets measured at amortised cost and FVOCI is carried out using two models. The main model for Stage 1 and Stage 2 exposures is the more complex model and makes a number of assumptions about future economic conditions and credit behaviour (e.g., the likelihood of customers defaulting and the resulting losses). The second model supports individual ECL assessments for Stage 3 exposures. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Application qualitative criteria for significant increase in credit risk. This is further detailed in Note **29.1.2.1**; and
- The Bank uses five probability weighted forward looking macro-economic scenarios in its calculation of loan loss provisions being the base line scenario, upside, downside, better upside, and worse downside. These scenarios and their application in the calculation of loan loss provisions are described further in Note **29.1.2.4**.
- For assets in Stage 3, impairment allowances are calculated on an individual basis and all relevant considerations that have a bearing on the expected future cash flows across a range of economic scenarios are taken into account. These considerations can be particularly subjective and can include the realisable value of collateral, as well as the likely cost and duration of the work-out process. See Note **29.1.2.4**.

In regard to the critical estimates relating to the ECL model, there are three relating to the calculation of the Probability of Default, the Loss Given Default, and the Exposure at Default. The calculation of these parameters is further detailed in Note **29.1.2.3**.

3. INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

	2025	2024
	£000	£000
Deposits with banks	59,587	76,983
Loans and advances	140,731	131,584
Debt investment securities	21,082	16,595
	221,400	225,162

All interest is recorded using the effective interest rate method and is derived primarily from the UK.

4. INTEREST AND SIMILAR EXPENSES

	2025	2024
	£000	£000
Due to banks and other financial institutions	32,449	41,072
Customer deposits	91,479	84,848
Repurchase agreements	369	-
Certificates of deposit	8,521	9,479
Other	461	4,691
	133,279	140,090

5. NET FEES AND COMMISSIONS INCOME

	2025	2024
	£000	£000
<i>Fees and commission income / (expense):</i>		
Retail banking customer fees	1,844	1,649
Financial guarantee contract and letter of credit fees	602	733
Real estate consulting fees	321	347
Other	340	1,644
	3,107	4,373
Fees and commission related expenses	(430)	(341)
	2,677	4,032

6. NET GAINS FROM DEALING IN FOREIGN CURRENCIES AND DERIVATIVE INCOME

Net gains from dealing in foreign currencies and derivative income mainly consist of dealing profits generated from foreign currency related transactions and hedge ineffectiveness on bond, loan portfolio and deposits. The results for the year include a foreign exchange gain of £0.2m (2024: £0.4m).

7. ADMINISTRATIVE EXPENSES

	2025	2024
	£000	£000
<i>Staff costs:</i>		
Wages and salaries	15,085	14,644
Social security costs	2,216	2,089
Pension costs	2,112	1,875
	19,413	18,608
Other staff costs	3,799	4,336
	23,212	22,944
Other administrative expenses	17,939	21,170
	41,151	44,114

The average number of employees based on monthly averages, all engaged in commercial banking activities during the year, was 168 (2024:162). Other staff costs include those relating to temporary contract staff, staff benefits, training and recruitment. Other administrative expenses include occupancy, computer expenses, professional fees, costs associated with outsourcing activities and various other overheads.

The Bank operates one defined contribution pension scheme. The UK scheme assets are in the form of units in a life fund.

8. PROFIT FOR THE YEAR BEFORE TAX

	2025	2024
	£000	£000
<i>This is stated after charging:</i>		
Fees payable to the Bank's auditor for the audit of annual accounts	851	841
Audit related services	13	11
Fees payable to the Bank's auditor for the services provided in relation to the audit of the Bank's ultimate parent	60	63
Total auditor's remuneration	924	915

9. TAXATION

(a) The tax charge is made up as follows:	2025	2024
	£000	£000
Current tax:		
UK corporation tax on the profit for the year	11,189	10,931
Adjustment in respect of prior years	(208)	47
Total current tax	10,981	10,978
Deferred tax charge (Note 9(c)):		
Related to the current year	409	132
Adjustment in respect of prior years	194	29
Total deferred tax	603	161
Tax charge per income statement (Note 9(b))	11,584	11,139
Other comprehensive income – deferred tax charge/(credit)	328	(228)

Arising from unrealised taxable gains on debt instruments and equity held as fair value through other comprehensive income and gains and losses on derivatives used for hedging purposes.

(b) Factors affecting tax charge for the year	2025	2024
	£000	£000
Profit on ordinary activities before tax	45,819	43,708
Profit taxed at UK corporation tax average standard rate of 25% (2024: 25%)	11,455	10,927
<i>Effect of:</i>		
Disallowed expenses	169	187
Disallowed income	(26)	(51)
Adjustment in respect of prior years	(14)	76
Total tax charge	11,584	11,139
(c) Disclosed in the statement of financial position	2025	2025
	£000	£000
Current tax liabilities:		
Corporation tax payable	201	788
Total current tax liabilities	201	788

Deferred tax liabilities	2025	2024
	£000	£000
Provision at the start of the period	266	333
Deferred tax charge to income statement for the period	409	132
Adjustment in respect of prior years	194	29
Deferred tax charge/(credit) in OCI for the period	328	(228)
Total deferred tax liabilities	1,197	266

Net temporary differences	Statement of financial position		Statement of
	2025	2024	Income/OCI
	£000	£000	2025
			£000
Fixed assets	780	301	479
Qualifying donations	(3)	-	(3)
Provisions	(107)	(178)	71
Fair value movement on equity instruments	360	330	30
Fair value change in debt securities	(467)	(1,817)	1,350
Fair value in hedging instruments	745	1,797	(1,052)
Change in basis of accounting - IFRS 9	(111)	(167)	56
Total net temporary differences	1,197	266	931

Deferred tax is recognised at the rate of corporation tax at 25%. As per the taxation policy note (Note **2.14**) the Bank has not applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes because Pillar 2 is not expected to have any material impact on the Bank.

The Bank's current tax position of £0.2m (2024: £0.8m) includes management's judgement of the amount remaining to be paid in connection with historical tax computations where liabilities remain to be agreed with HMRC net of any payments made on account on a non-prejudicial basis. The Bank evaluates uncertain tax items, where a tax item is subject to interpretation and remains to be agreed. Principally the uncertain tax item for which a tax liability has been recognised, relates to the potential tax arising from the retrospective change to the Bank's functional currency from USD to GBP.

In line with IFRIC 23, the tax liability established represents the full residual liability to the HMRC on the basis that the Bank was unsuccessful in challenging HMRC's assessment. Due to the uncertainty associated with this tax item, it is possible that at a future date, on conclusion of the matter, the final outcome may vary significantly depending on how successful the Bank is in challenging HMRC.

The Bank has also recognised a liability for interest on the amount payable to HMRC which has been included in 'Other' within 'Interest and Similar Expenses'. This is calculated using the HMRC published interest rates and the estimated liability as adjusted for any payments made on account on a non-prejudicial basis.

10. EMOLUMENTS OF DIRECTORS

	2025	2024
	£000	£000
Fees and other emoluments	836	1,329
Pension contributions in respect of defined contribution schemes	30	61
	866	1,390

Total Director loans as at 31 December 2025 amounted to £0.5m (2024: £2.7m).

	2025	2024
	£000	£000
<i>Total remuneration and compensation of the highest paid Director:</i>		
Fees and other emoluments	472	682
Pension contributions in respect of defined contribution schemes	24	29
	496	711

Retirement benefits are accruing to two Directors under money purchase schemes (2024: two Directors).

11. CASH AND BALANCES AT CENTRAL BANK

	2025	2024
	£000	£000
Cash on hand	643	617
Balances at central bank	278,971	546,012
Interest receivable	601	877
Less: ECL	(2)	(4)
	280,213	547,502

12. DEPOSIT WITH BANKS MEASURED AT AMORTISED COST

	2025	2024
	£000	£000
On demand and short notice	28,731	4,947
Credit Institutions	631,050	828,647
Interest receivable	6,865	6,687
Less: ECL	(60)	(67)
	666,586	840,214

On demand and at short notice comprise term deposits maturing within 7 days and other accounts requiring 7 days notice or less.

13. LOANS AND ADVANCES TO BANKS MEASURED AT AMORTISED COST

	2025	2024
	£000	£000
Loans and advances to banks measured at amortised cost	154,720	96,048
Interest receivable	2,248	766
Less: ECL	(16)	(11)
	156,952	96,803

14. LOANS AND ADVANCES TO CUSTOMERS

	2025	2024
	£000	£000
Loans and advances to customers measured at amortised cost	1,830,633	1,683,766
Less: ECL	(4,084)	(6,457)
Loans and advances to customers at amortised cost (hedged)	360,864	286,703
Less: ECL	(130)	(112)
Fair value hedge adjustment on loans and advances to customers	2,342	(4,071)
Interest receivable	15,706	15,814
	2,205,331	1,975,643

During the year, the Bank did not repossess collateral from any customer (2024: £nil).

15. INVESTMENT SECURITIES

	2025	2024
	£000	£000
Equities measured at FVOCI	2,145	2,025
Equities measured at FVPL	85	46
Debt securities measured at FVOCI	543,552	392,799
Less: ECL	(104)	(65)
Interest receivable	5,039	3,634
	550,717	398,439

Equities measured at FVOCI represent marketable instruments whereas equities measured at FVPL are those items whose measurement is based on a changeable conversion rate and short-term holdings typically held on a pass-through arrangement. Debt securities measured at FVOCI represent marketable securities held to maturity and for liquidity management purposes. See Note **28** for details on valuation of investment securities. Debt securities measured at FVOCI include hedged securities with a fair value of £320.1m (2024: £202.0m).

16. FIXED ASSETS

	Freehold premises and improvements £000	Furniture, fixtures and equipment £000	Motor vehicle £000	Computer equipment £000	Work in progress £000	Total £000
Cost						
Balance at 1 Jan 2025	41,920	1,879	109	1,657	346	45,911
Additions	1,973	318	-	271	381	2,943
Disposal	-	(247)	-	(588)	-	(835)
Transfers	345	1	-	-	(346)	-
Balance at 31 Dec 2025	44,238	1,951	109	1,340	381	48,019
Accumulated depreciation						
Balance at 1 Jan 2025	2,963	1,654	34	1,291	-	5,942
Charge for the year	670	106	30	237	-	1,043
Disposal	-	(245)	-	(583)	-	(828)
Balance at 31 Dec 2025	3,633	1,515	64	945	-	6,157
Net book value						
At 31 December 2024	38,957	225	75	366	346	39,969
At 31 December 2025	40,605	436	45	395	381	41,862

17. OTHER ASSETS

	2025 £000	2024 £000
Sundry debtors and prepayments	2,084	1,955
Others	17,561	10,592
	19,645	12,547

18. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2025	2024
	£000	£000
Instant access current and saving accounts	96,214	103,171
Time deposit	469,586	626,590
Time deposit (hedged)	183,211	275,923
FV Hedge adjustment on hedged deposits	39	1
Interest payable	9,850	14,398
	758,900	1,020,083

19. CUSTOMER DEPOSITS

	2025	2024
	£000	£000
Instant access current and saving accounts	491,506	442,792
Notice account	377,164	363,188
Time deposit	1,345,233	1,185,806
Time deposit (hedged)	121,320	115,020
FV Hedge adjustment on hedged deposits	202	(289)
Interest payable	20,011	20,369
	2,355,436	2,126,886

20. REPURCHASE AGREEMENTS

	2025	2024
	£000	£000
Repurchase agreements with banks and financial institutions	70,000	-
Interest payable	65	-
	70,065	-

Repurchase agreements comprise short term agreements with banks and financial institutions to support liquidity management and are collateralised by UK Government bonds ("Gilts"). Under these agreements cash is received for the period of the contract, and Gilts are pledged as security. The cash received is recognised as a financial asset. As at 31 December 2025, the fair value of Gilts pledged was £81.7m (2024: £nil) and these remain on the statement of financial position within investment securities.

21. CERTIFICATES OF DEPOSIT ISSUED

	2025	2024
	£000	£000
Certificates of deposit issued	37,121	111,736
Certificates of deposit issued (hedged)	146,718	141,185
FV Hedge adjustment on certificates of deposit	(30)	88
Interest payable	1,956	4,769
	185,765	257,778

22. OTHER LIABILITIES

	2025	2024
	£000	£000
Other interest payable	3,725	3,725
Other creditors	7,432	11,948
Accruals and deferred income	5,599	4,937
Deferred tax liabilities (Note 9)	1,197	266
Provision for guarantees and letters of credit as determined by ECL (Note 29)	47	26
Tax payable (Note 9)	201	788
Social security	516	-
Other	2,627	2,431
	21,344	24,121

23. SHARE CAPITAL

	Ordinary Share Capital	
	2025	2024
	No.	No.
<i>Authorised:</i>		
Number of Class "A" shares with nominal value of £1 each	90,050,000	90,050,000
Number of Class "B" shares with nominal value of 81.967p each	235,800,000	235,800,000
	2025	2024
	£000	£000
<i>Allotted, called up and fully paid:</i>		
Balance as at 1 January	283,329	233,329
Shares issued 14 August 2024	-	50,000
Balance as at 31 December	283,329	283,329

Increase in authorised, allotted and issued Class 'A' shares in 2024

On July 2024 the authorised Class 'A' shares of the Company were increased by special resolution from 40,050,000 to 90,050,000, an increase of 50,000,000. On 14 August 2024 NBKI allotted and issued 50,000,000 Class A ordinary shares of £1 each to its parent company, NBK S.A.K.P, increasing its Class A ordinary shares of £1 each from 40,050,000 to 90,050,000. "A" and "B" shares have equal voting rights and equal rights to dividends and distributions.

24. ORDINARY DIVIDENDS

The Directors proposed no dividend for the year ending 31 December 2025 (2024: £ nil).

25. RELATED PARTY TRANSACTIONS

Related parties comprise Board members and senior officers of the Bank and NBK S.A.K.P, their close family members and companies controlled by them. Certain related parties were customers of the Bank in the ordinary course of business. Transactions with related parties in the ordinary course of business 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. Loans and advances to customers may include from time to time staff loans to related parties at a discounted rate. Such loans are available to all permanent staff on the same terms. The balances relate to gross exposures (excluding ECL). There were no staff loans to related parties as at 31 December 2025 (2024: £4k).

Balances and transactions with related parties:

	2025	2024
	£000	£000
Board members of the Bank and parent company		
Interest income	1,102	1,773
Interest expense	123	201
Loans and advances to customers	11,906	21,099
Customer deposits	1,617	7,075
Parent company		
Deposits with banks	42,275	33,986
Loans and advances to banks	76,103	-
Derivative assets	44	73
Other assets	67	46
Due to banks and other financial institutions	76,908	102,738
Derivative liabilities	-	961
Other liabilities	5,752	10,470
Contingent liabilities	46,040	60,456
Fully owned subsidiaries of the parent company		
Other assets	5	5
Due to banks and other financial institutions	10,690	1,075
Customer deposits	3,527	3,456
Partly owned subsidiaries of the parent company		
Due to banks and other financial institutions	2,095	599
Joint ventures		
Customer deposits	100,780	18,919

26. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial instruments that derive their value by referring to underlying economic drivers such as interest rates, foreign exchange rates, indices of prices or rates and credit rating or credit indices. Notional principal amounts merely represent amounts to which a rate or price is applied 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 Statement of Financial Position. Fair value represents the cost of replacing all transactions with a fair value in the Bank's favour had the rights and obligations arising from that instrument been closed in an orderly market transaction at the reporting date.

The Bank deals in interest rate swaps to hedge its interest rate risk on interest bearing assets and liabilities. Similarly, the Bank deals in forward foreign exchange contracts for customers and to manage its foreign currency positions and cash flows. Interest rate swaps used to hedge the change in fair value of the Bank's financial assets and liabilities and which qualifying as effective hedging instruments are disclosed as 'held at fair value hedges'. As at 31 December 2025, the total hedge ineffectiveness is not significant. 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 foreign currency risk exposures on financial instruments for customers are covered by entering into opposite transactions (back-to-back) with counterparties or by other risk mitigating transactions.

Interest rate swaps

Interest rate swaps are contractual agreements between two counterparties to exchange interest payments on a defined principal amount for a fixed period of time.

Forward foreign exchange

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

Summary of Derivative Financial Instruments

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

	2025			2024		
	Positive fair value £000	Negative fair value £000	Notional £000	Positive fair value £000	Negative fair value £000	Notional £000
Interest rate swaps (held as fair value hedges)	17,951	5,731	1,186,355	16,481	987	1,024,250
Forward foreign exchange contracts	2,606	7,424	667,584	6,972	2,737	758,745
	20,557	13,155	1,853,939	23,453	3,724	1,782,995

Net gains during the year relating to hedged fixed income financial assets (loans and bonds) amounted to £0.1m (2024: Net loss £11.6m), comprising negative fair value of £2.2m for fixed income bonds held at fair value through OCI, and positive fair value of £2.3m relating to loans. In relation to the interest rate swap contracts on the loans all interest rate swap contracts exchanging fixed rate interest amounts for floating rate interest amounts were designated and effective as fair value hedges in respect of interest rates, with all relevant critical terms continuing to match in line with IFRS 9 requirements. The net ineffectiveness taken to the Statement of Income was a gain of £0.2m (2024: £0.2m loss).

Net losses during the year relating to hedged fixed income financial liabilities (deposits and certificates of deposit), amounted to £0.2m (2024: Net gains of £0.2m), comprising £0.2m loss on deposits and no material movement on certificates of deposit. In relation to the interest rate swap contracts on the deposits and certificates of deposit all interest rate swap contracts exchanging fixed rate interest amounts for floating rate interest amounts were designated and effective as fair value hedges in respect of interest rates, with all relevant critical terms continuing to match in line with IFRS 9 requirements. The net ineffectiveness taken to the Statement of Income was £nil (2024: £0.1m gain).

At 31 December 2025, the notional values of the interest rate swaps and weighted average maturities laid out by type, clearing mechanism, index and currency are as follows:

Hedging Instrument	Type	Clearing	INDEX	Ccy	Total Nominal £000	Average Remaining Maturity (yrs)
Interest rate swap	Payer	Central	SOFR	USD	74,242	6.55
Interest rate swap	Payer	Bilateral	SONIA O/N	GBP	548	5.54
Interest rate swap	Payer	Central	SONIA O/N	GBP	610,316	7.61
Interest rate swap	Receiver	Central	EURIBOR-1M	EUR	102,173	1.35
Interest rate swap	Receiver	Central	SOFR	USD	219,756	1.48
Interest rate swap	Receiver	Central	SONIA O/N	GBP	179,320	1.79

27. COMMITMENTS AND CONTINGENT LIABILITIES

Set out below are the notional principal amounts of off-balance sheet transactions. The notional principal amounts indicate the volume of business outstanding at the balance sheet date and do not represent amounts at risk. These credit commitments do not necessarily represent future cash requirements since many of these commitments may expire or terminate without being funded.

Contingent liabilities are possible obligations and are not recognised in the statement of financial position but are disclosed unless the likelihood of an outflow of economic resources is remote. Commitments comprise firm commitments by the Bank not recognised in the statement of financial position to provide credit under pre-specified terms and conditions.

	2025 £000	2024 £000
<i>Contingent liabilities:</i>		
Financial guarantees	125,185	125,481
Irrevocable letters of credit	8,625	1,001
	133,810	126,482
ECL on guarantees and letters of credit	(47)	(26)
Net Exposure at 31 December	133,763	126,456

Financial guarantees include £97.2m (2024: £119.2m undertaken on behalf of the Group).

	2025	2024
	£000	£000
<i>Commitments:</i>		
Undrawn, formal standby facilities, credit lines and other commitments to lend	102,882	109,730
	102,882	109,730

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities that are classified as Level 1 are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using valuation techniques.

The Bank 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 (ie as prices) or indirectly (ie derived from prices). This category includes instruments valued using quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques in which all significant inputs are observable from market data.

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.

Valuation techniques include discounted cash flow models, comparison with similar instruments for which market observable prices and recent transaction information exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads, and other premium used in estimating discount rates. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The following table provides the fair value measurement hierarchy of the Bank's material financial instruments recorded at fair value. All other financial instruments are carried at amortised cost:

2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Equities at FVPL	-	-	85	85
Equities at FVOCI	-	2,145	-	2,145
Debt securities at FVOCI	543,552	-	-	543,552
Less: ECL (debt securities)	(104)	-	-	(104)
Interest receivable	5,039	-	-	5,039
	548,487	2,145	85	550,717
Derivative financial instruments (Note 26)	-	7,402	-	7,402

2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Equities at FVPL	-	-	46	46
Equities at FVOCI	-	2,025	-	2,025
Debt securities at FVOCI	392,799	-	-	392,799
Less: ECL (debt securities)	(65)	-	-	(65)
Interest receivable	3,634	-	-	3,634
	<u>396,368</u>	<u>2,025</u>	<u>46</u>	<u>398,439</u>
Derivative financial instruments (Note 26)	-	19,729	-	19,729

The fair values of the debt securities are estimated using market quotations, as these instruments are classified as Level 1. Derivatives are valued using valuation techniques which include forward pricing and swap models using present value calculations. The models incorporate various inputs such as foreign exchange spot and forward rates and interest yield curves. The impact of non-performance risk is not considered in the valuation as it is not significant.

The table below analyses the movement in Level 3 and any realised gain generated during the year.

	At 1 January 2025 £000	Change in fair value £000	Sale / conversion £000	At 31 December 2025 £000	Net gains in the statement of income £000
Equities at FVPL	<u>46</u>	<u>88</u>	<u>(49)</u>	<u>85</u>	<u>38</u>
	At 1 January 2024 £000	Change in fair value £000	Sale / conversion £000	At 31 December 2024 £000	Net gains in the statement of income £000
Equities at FVPL	<u>108</u>	<u>186</u>	<u>(248)</u>	<u>46</u>	<u>190</u>

Equity securities included in this category for year ended 31 December 2025 and 2024 consist of unquoted investments issued by financial institutions. The net gains are recorded in investment income. The range of change in valuation by changing one or more unobservable inputs would be negative £114k to positive £38k (2024: negative £45k to positive £137k).

Fair Value of Financial Assets and Liabilities Carried at Amortised Cost

The fair value of loans and advances to banks and customers issued by the Bank are laid out below. This has been determined by discounting their expected cash flows using comparable market observable inputs for similar credits.

	2025	2025	2024	2024
	Fair Value	Carry Value	Fair Value	Carry Value
	£000	£000	£000	£000
Loans & advances to banks measured at amortised cost	157,762	156,952	97,361	96,803
Loans and advances to customers measured at amortised cost	2,207,685	2,205,331	1,980,095	1,975,643

The carrying values of the other financial assets carried at amortised cost are not materially different from their fair values as most of these assets have short-term maturities or are re-priced immediately based on market movement in interest rates.

The Bank's financial liabilities are mostly short term in nature or have interest rates that reprice frequently so their carrying value approximated their fair value. Financial liabilities of longer maturity with fixed rates are hedged for changes in interest rates, and by adjusting the carrying value for the effective hedge results the Bank achieves a good proxy for fair value as this reflects change in value due to the variability of interest rates.

29. RISK MANAGEMENT

Risk is inherent in the Bank's activities but is managed in a structured, systematic manner through policies and processes that embed risk management into business operations. Risk management direction and oversight are provided by the Board of Directors, with the support of the BAC and BRC. The Bank's risk management and internal audit functions assist Executive Management in controlling and actively managing the Bank's overall risk profile.

The Bank is primarily exposed to credit risk, liquidity and funding risk, market risk, operational risk and capital and solvency risk. For non-financial risk the Bank's main exposure is to cyber security, financial crime and conduct and compliance risk, all of which reside within operational risk. In addition, the Bank has identified cyber security risk, geopolitical uncertainty risk, delivery of digital transformation strategy risk and the delivery risk of extending the Bank's enhanced due diligence on its Kuwaiti clients following the grey listing of Kuwait by FATF as key and emerging risks.

In accordance with sound management and with regulatory requirements, the Bank has implemented processes for the measurement and management of risk commensurate with the Bank's size and business model.

Financial transactions and outstanding exposures are quantified and compared against authorised risk limits, whereas non-financial risks are monitored against policy guidelines and key risk and control indicators. Any discrepancies, excesses or deviation are escalated to management for appropriate action. A breach of a risk tolerance that is defined in the NBKI RAS is reported to Board. The Bank uses interest rate swaps, forward foreign exchange contracts and other instruments to manage the financial risks resulting from changes in interest rates and foreign exchange rates. The Bank's RMF has specific guidelines that focus on maintaining a diversified portfolio to avoid excessive concentration risks.

The Bank has assessed the impact of climate-related risks on the financial statements, in particular the impact on the valuation of ECL. The Bank does not consider there to be a material impact on its judgements and estimates from physical and transition climate-related risks.

29.1 CREDIT RISK

Credit risk is the risk of suffering loss because scheduled payments associated with a debt, or with a collection of debts, are not received in full and on time in line with agreed contractual obligations. Credit risk arises mainly from interbank placements, commercial and consumer loans and advances, and loan commitments arising from such lending activities.

The Bank is exposed to other credit risks arising from investments in debt securities and other exposures arising from its treasury activities including non-equity assets and derivatives as well as settlement balances with market counterparties and reverse repurchase agreements. Credit risk is the single largest risk for the Bank's business. All policies relating to credit risk are reviewed by the Board of Directors. The BRC and the Board oversees credit risk on a quarterly basis. Credit limits are established for all customers after a careful assessment of their creditworthiness. Procedures outlined in the Bank's credit policies require that all credit proposals be subjected to detailed screening by the Credit Risk Department before submission to the CAC. Whenever necessary, loans are secured by acceptable forms of collateral to mitigate the related credit risks. The Bank further limits credit risk through diversification of its assets by geography and industry sector. In addition, all credit facilities are continually monitored, and credit performance and ratings reviewed periodically.

The Bank has an internal CRC that monitors credit exposure at a portfolio level, and which may take early preventative actions including further tightening of acceptable credit standards. The CRC is informed by a dedicated Provisions Committee that reviews and approves the Bank's provisions for credit losses, both collective provisions and individually assessed impaired facilities, in line with accounting policy and practice. The CRC and the Provisions Committee meet regularly throughout the year.

29.1.1 CREDIT RISK MEASUREMENT

The estimation of credit exposure for risk management purposes is complex and includes the use of analytic models as the credit risk will change with market conditions, expected cash flows, correlations between counterparties, and with the passage of time. The Bank measures credit risk by estimating for each exposure the (one-year) PD, Exposure at Default ("EAD") and LGD. These are also inputs for the estimation and modelling of ECL under IFRS 9. See Note **29.1.2** for further details.

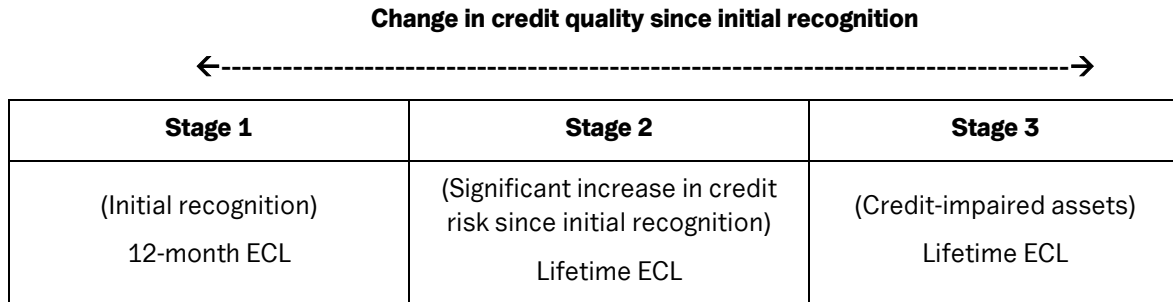
Credit risk grading

The Bank uses internal credit risk grades (Master Rating Scale or MRS) that reflect its assessment of the probability of default of individual counterparties. For performing loans, the MRS has 12 grades (with the highest quality starting at MRS 1, descending to MRS 12 which is just above non-performing), each of which is divided into three notches (-, flat, +). There are a further four MRS grades to stratify problem and non-performing loans. The Bank uses calibrated rating models tailored to the various categories of counterparty. Borrower and loan specific information collected at the time of application (such as disposable income, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) is fed into these models. This is supplemented with external data such as external ratings. In addition, the models enable expert judgement from the credit risk officer to be fed into the final internal credit rating for each exposure. This allows for considerations which may not be captured as part of the other data inputs into the model.

29.1.2 ECL MEASUREMENT

IFRS 9 outlines a ‘three-stage’ model for impairment based on changes in credit quality since initial recognition as summarised below:

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets):



A financial instrument that is not credit-impaired on initial recognition is classified in “Stage 1” and has its credit risk continuously monitored by the Bank.

- If there is a significant increase in credit risk (“SICR”) since the initial recognition identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit impaired. Please refer to Note **29.1.2.1** for a description of how the Bank determines when a significant increase in credit risk has occurred.
- If the financial instrument is credit-impaired, the financial instrument is then moved to ‘Stage 3’. Please refer to Note **29.1.2.2** for a description of how the Bank defines credit-impaired and default.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. Instruments in Stage 2 or 3 have their ECL measured based on ECL on a lifetime basis. Please refer to Note **29.1.2.3** for a description of inputs, assumptions and estimation techniques used in measuring the ECL.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information. Note **29.1.2.4** includes an explanation of how the Bank has incorporated this in its ECL models.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis.

The key judgements and assumptions adopted by the Bank in addressing the requirements of the standard are discussed below:

29.1.2.1 Significant increase in credit risk (“SICR”)

The Bank considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

Quantitative criteria:

a) SICR – internally-rated portfolio

To determine if the risk of default of a financial instrument has increased significantly since initial recognition, the current risk of default at the reporting date is compared with the risk of default at initial recognition at each reporting date.

For exposures that have internal ratings, the following criteria are used for determining SICR:

- An instrument that is originated with a grade up to MRS 4 flat (Investment Grade) and which moves to MRS 5 flat or worse would be demoted to Stage 2;
- An instrument that is originated with a grade from MRS 4- to MRS 9- which incurs a downward movement of three notches or worse would be demoted to Stage 2; and
- An instrument that is originated at grade MRS 10+, or lower credit grades, which incurs a downward movement of 1 notch or more, would be demoted to Stage 2.

b) SICR – externally-rated portfolio

For exposures with external ratings, the external rating is mapped to an internal MRS rating and the staging rules in the previous section apply. If there are multiple external ratings available for a given instrument, the median logic as per the Basel guidelines is used to derive a single representative external rating for that instrument.

c) SICR – DPD

Superseding the SICR criteria for the above, any facility of the Bank would be tagged as Stage 2 when the delinquency measure of the facility is 30 days past due (“DPD”) or more, but less than 90 DPD.

IFRS 9 presumes 30 DPD criterion for Stage 2 classification. This criterion is applied as a backstop for the Bank and overrides other staging criteria.

Qualitative criteria:**a) Use of early warning indicators for SICR**

Apart from the above-mentioned staging criteria based upon rating grades and DPD buckets, the following qualitative criteria are evaluated by rating systems which generate credit scores mapped to MRS, thereby amending the Probability of Default ("PD"). Early warning signals ("EWS") are broken into two parts:

Financial warning signals:

- Decrease in Revenue/Sales
- Decrease in net profit
- Increase in Accounts Receivables Days on hand
- Increase in Inventory Days on hand
- Decrease in Financial Payments Coverage Ratio using EBITDA
- Increase in balances due from/due to related parties
- Decrease in Cash Flow from operating activities

Non-financial warning signals:

- Late interest payments
- Delay in providing financial statements or other data
- Existence of administrative problems in the company
- Breaches to covenants
- Covenants amendment request
- Restructuring due to financial difficulties
- Holiday payments

b) Management of stage override mechanism

Any requests for overrides, as an exception to the staging policy are discussed at the CAC before being formally recommended to the relevant approving authority (the Provisions Committee). The final stage allocations are determined by this authority.

Additionally, for Stage 2 downgrades, the Provisions Committee exercise the authority to override these, for example (i) in cases of covenant waivers approved by appropriate committee and (ii) for instances whereby the client continues to service debt on a regular basis and the overall credit profile, including rating, has not deteriorated.

29.1.2.2 Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The default definition used is consistent with the one used for regulatory purposes and is defined as 90 DPD for any facility or tagging the facility as impaired for internal credit management purposes. Any facility that would be tagged as default under this definition as of the reporting date would be tagged in the Stage 3 population.

The above criterion of 90 days is fixed for corporate and retail portfolios, whereas for investments the definition of default shall be considered if the coupon or principal payment is past due for one day.

Qualitative criteria:

Any credit-impaired facility or stressed facility that has been restructured would also be tagged as default. This is in line with the definition of credit-impaired asset in the IFRS 9 standard. The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD and LGD throughout the Bank's expected loss calculations.

The restructured facilities would be required to complete the moratorium period (if any) and meet the scheduled payments (all on current basis) for at least one year, or as determined by the Bank for consideration for tagging the facility in Stage 1 / Stage 2.

29.1.2.3 Measuring ECL – explanation of inputs, assumptions and estimation techniques

The measurement of the ECL is carried out using two models. The main model for Stage 1 and Stage 2 exposures is the more complex model and combines customer ratings and loss assumptions derived from other models with expectations about future economic conditions and credit behaviour (e.g., the likelihood of customers defaulting and the resulting losses). The second model supports individual ECL assessments for Stage 3 exposures. Within the Stage 1 / Stage 2 ECL model, The ECL is measured on either a 12-month ("12M") or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the PD, EAD and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above) of the obligation.
- EAD is based on the amounts the Bank expects to be owed at the time of default. For example, for a revolving commitment, the Bank calculates the default balance as the maximum of the exposure or the exposure plus the difference in limit and exposure multiplied by Credit Conversion Factor.
- LGD represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated as the percentage of loss expected to be made if a default occurs.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data (for which internally rated exposures have been split into and analysed in respect of CRE, Corporate and High Net Worth) and is assumed to be the same across all assets within such portfolio and credit grade band.

The EAD is determined based on the expected payment profile which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over lifetime of the loan. Early repayment/refinance assumptions are also incorporated into the calculation.
- For revolving products, the exposure at default is predicted by taking the current drawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band based on analysis of the Bank’s recent default data.

The LGD is determined based on the factors which impact the recoveries made post default. These vary by product type:

- For secured products, this is primarily based on collateral type (secured on either real estate or other e.g., cash) and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD is typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. LGD are influenced by collection strategies including contracted debt sales and price.

Forward looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD. These assumptions vary by product type. See Note **29.1.2.4** for explanation of forward-looking information and its inclusion in ECL calculations.

The Stage 3 model has a simpler architecture compared with the Stage 1 / 2 model and operates on the principle of generating discounted cash inflows for a number of recovery and time-to-recovery scenarios which are agreed in consultation between the business head and risk, evidenced and formally approved by Provisions Committee.

29.1.2.4 Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward looking information. The Bank works with its ECL platform supplier to identify and update periodically the key economic variables impacting credit risk and ECL for each portfolio. These include UK unemployment and UK current account balances as a percentage of GDP for exposures linked to the UK economy and Kuwaiti general government gross debt as a percentage of GDP and general Kuwait government revenues (with 1 year lag) for exposures linked to the GCC area.

Forward looking macroeconomic information up to five years is sourced from the IMF and incorporated by NBKI in the ECL process. Macroeconomic factors operate based on the country or area of risk of the customers.

Currently, the Bank is using five scenarios; better upside, upside, base line, downside and worse downside. The table below shows the ECL provision that would apply with a 100% weighting to each scenario:

Scenario	ECL	ECL
	2025	2024
	£m	£m
Downside 2	10.27	11.14
Downside 1	5.69	7.92
Base Line	3.89	6.45
Upside 1	3.45	6.21
Upside 2	3.15	6.03

The ECL on loans in Stage 3 are estimated on an individual basis and all relevant considerations that have a bearing on the expected future cash flows across a range of recovery scenarios are taken into account. These considerations can be particularly subjective and can include the realisable value of the collateral, as well as the likely cost and duration of the work out process. In particular, changes in collateral estimates would result in a change in the impairment allowance and have a direct impact on the overall impairment charge. Overall, a 10% increase in collateral value would reduce Stage 3 ECL by £1,160k and a 10% decrease in collateral value would increase Stage 3 ECL by £2,159k.

29.1.3 Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increase (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” (or “step down”) between 12-month and Lifetime ECL;
- additional allowances for new financial instruments recognised during the period as well as releases for financial instruments de-recognised in the period;
- impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- impact on the measurement of ECL due to changes made to models and assumptions;
- discounts unwind within ECL due to passage of time, as ECL is measured on a present value basis;
- foreign exchange retranslations for assets denominated in foreign currencies and other movements; and
- financial assets de-recognised during the period and write-offs of allowances related to assets that were written off during the period.

The following tables explain the changes in the loss allowance between the beginning and the end of the annual period impacted by these factors:

On Balance Sheet	Stage 1 £000	Stage 2 £000	Stage 3 £000	Total £000
<i>Debt securities measured at FVOCI (Note 15)</i>				
At 1 January 2025	65	-	-	65
Origination and acquisition	13	-	-	13
Derecognition, repayments and disposals	(1)	-	-	(1)
Changes due to change in credit risk (net)	27	-	-	27
At 31 December 2025	104	-	-	104
<i>Credit institutions (Notes 11, 12 & 13)</i>				
At 1 January 2025	82	-	-	82
Origination and acquisition	9	-	-	9
Derecognition, repayments and disposals	(40)	-	-	(40)
Changes due to change in credit risk (net)	27	-	-	27
At 31 December 2025	78	-	-	78
<i>Loans and advances to customers (Note 14)</i>				
At 1 January 2025	1,652	156	4,761	6,569
Origination and acquisition	600	-	-	600
Derecognition, repayments and disposals	(43)	(23)	(664)	(730)
Transfer from Stage 1 to 2	(13)	13	-	-
Transfer from Stage 2 to 1	4	(4)	-	-
Transfer from Stage 2 to 3	-	(22)	22	-
Changes due to change in credit risk (net)	(430)	611	3,714	3,895
Write offs	-	-	(6,120)	(6,120)
At 31 December 2025	1,770	731	1,713	4,214
Total On Balance Sheet	1,952	731	1,713	4,396

Off Balance Sheet	Stage 1 £000	Stage 2 £000	Stage 3 £000	Total £000
<i>Commitments and contingent liabilities</i> (Notes 22 & 27)				
At 1 January 2025	26	-	-	26
Changes due to change in credit risk (net)	9	12	-	21
At 31 December 2025	35	12	-	47
Grand Total	1,987	743	1,713	4,443

On Balance Sheet	Stage 1 £000	Stage 2 £000	Stage 3 £000	Total £000
<i>Debt securities measured at FVOCI (Note 15)</i>				
At 1 January 2024	45	-	-	45
Origination and acquisition	33	-	-	33
Derecognition, repayments and disposals	(4)	-	-	(4)
Changes due to change in credit risk (net)	(9)	-	-	(9)
At 31 December 2024	65	-	-	65
<i>Credit institutions (Notes 11, 12 & 13)</i>				
At 1 January 2024	154	-	-	154
Origination and acquisition	213	-	-	213
Derecognition, repayments and disposals	(116)	-	-	(116)
Changes due to change in credit risk (net)	(169)	-	-	(169)
At 31 December 2024	82	-	-	82
<i>Loans and advances to customers (Note 14)</i>				
At 1 January 2024	1,472	503	2,759	4,734
Origination and acquisition	308	-	-	308
Derecognition, repayments and disposals	(15)	(21)	-	(36)
Transfer from Stage 1 to 2	(46)	46	-	-
Transfer from Stage 2 to 1	411	(411)	-	-
Transfer from Stage 1 to 3	(63)	-	63	-
Changes due to change in credit risk (net)	(415)	39	1,939	1,563
At 31 December 2024	1,652	156	4,761	6,569
Total On Balance Sheet	1,799	156	4,761	6,716

Off Balance Sheet	Stage 1 £000	Stage 2 £000	Stage 3 £000	Total £000
<i>Commitments and contingent liabilities</i> (Notes 22 & 27)				
At 1 January 2024	415	-	-	415
Changes due to change in credit risk (net)	(389)	-	-	(389)
At 31 December 2024	26	-	-	26
Grand Total	1,825	156	4,761	6,742

29.1.4 MAXIMUM EXPOSURE TO CREDIT RISK

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Bank's maximum exposure to credit risk on these assets.

Financial assets by instrument and by counterparty sector: financial assets at FVOCI

2025	Carrying amount* (£000)	Gross carrying amount (£000)			Accumulated impairment (£000)		
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
		All risks	SICR	Credit-impaired	All risks	SICR	Credit-impaired
General government	312,756	312,815	-	-	(59)	-	-
Financial corporations	230,692	230,737	-	-	(45)	-	-
Financial assets at FVOCI (Note 15)	543,448	543,552	-	-	(104)	-	-

2024	Carrying amount* (£000)	Gross carrying amount (£000)			Accumulated impairment (£000)		
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
		All risks	SICR	Credit-impaired	All risks	SICR	Credit-impaired
General government	189,913	189,939	-	-	(26)	-	-
Financial corporations	202,821	202,860	-	-	(39)	-	-
Financial assets at FVOCI (Note 15)	392,734	392,799	-	-	(65)	-	-

* Carrying amounts are presented without accrued interest

Financial assets by instrument and by counterparty sector: financial assets at amortised cost

2025	Carrying amount* (£000)	Gross carrying amount (£000)			Accumulated impairment (£000)		
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
		All risks	SICR	Credit-impaired	All risks	SICR	Credit-impaired
Cash and balances at Central Bank (Note 11)	279,612	279,614	-	-	(2)	-	-
On demand and short notice (Note 12)	28,731	28,731	-	-	-	-	-
Credit institutions (Notes 12 & 13)	785,694	785,770	-	-	(76)	-	-
Loans and advances – including hedged loans (Note 14)	2,189,625	2,080,805	79,368	33,666	(1,770)	(731)	(1,713)
Financial assets at amortised cost	3,283,662	3,174,920	79,368	33,666	(1,848)	(731)	(1,713)
2024	Carrying amount* (£000)	Gross carrying amount (£000)			Accumulated impairment (£000)		
		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
		All risks	SICR	Credit-impaired	All risks	SICR	Credit-impaired
Cash and balances at Central Bank (Note 11)	546,625	546,629	-	-	(4)	-	-
On demand and short notice (Note 12)	4,947	4,947	-	-	-	-	-
Credit institutions (Notes 12 & 13)	924,617	924,695	-	-	(78)	-	-
Loans and advances – including hedged loans (Note 14)	1,959,829	1,817,638	103,476	45,284	(1,652)	(156)	(4,761)
Financial assets at amortised cost	3,436,018	3,293,909	103,476	45,284	(1,734)	(156)	(4,761)

* Carrying amounts are presented without accrued interest

Information on how the ECL is measured and how the three stages above are determined is included in Note 29.1.2 'ECL measurement'.

Financial assets subject to impairment that are past due

		Carrying amount*								
		Stage 1			Stage 2			Stage 3		
2025	All stages (£000)	Assets with no SICR (£000)			Assets with SICR but not impaired (£000)			Credit-impaired assets (£000)		
DAYS	Not past due	≤ 30	>30 ≤ 90	>90	≤ 30	>30 ≤ 90	>90	≤ 30	>30 ≤ 90	>90
FVOCI Debt securities (Note 15)	543,448	-	-	-	-	-	-	-	-	-
Cash and balances at Central Bank (Note 11)	279,612	-	-	-	-	-	-	-	-	-
On demand and short notice (Note 12)	28,731	-	-	-	-	-	-	-	-	-
Credit institutions (Notes 12 & 13)	785,694	-	-	-	-	-	-	-	-	-
Loans and advances (Note 14)	2,061,463	17,572	-	-	78,579	58	-	18,535	13,418	-
TOTAL	3,698,948	17,572	-	-	78,579	58	-	18,535	13,418	-

The balances in ≤30 days within Stage 2 includes balances with no past due of £39,852. All Stage 3 balances are past due.

		Carrying amount*								
		Stage 1			Stage 2			Stage 3		
2024	All stages (£000)	Assets with no SICR (£000)			Assets with SICR but not impaired (£000)			Credit-impaired assets (£000)		
DAYS	Not past due	≤ 30	>30 ≤ 90	>90	≤ 30	>30 ≤ 90	>90	≤ 30	>30 ≤ 90	>90
FVOCI Debt securities (Note 15)	392,734	-	-	-	-	-	-	-	-	-
Cash and balances at Central Bank (Note 11)	546,625	-	-	-	-	-	-	-	-	-
On demand and short notice (Note 12)	4,947	-	-	-	-	-	-	-	-	-
Credit institutions (Notes 12 & 13)	924,617	-	-	-	-	-	-	-	-	-
Loans and advances (Note 14)	1,792,886	23,100	-	-	90,114	13,206	-	10,858	-	29,665
TOTAL	3,661,809	23,100	-	-	90,114	13,206	-	10,858	-	29,665

* Carrying amounts are presented without accrued interest

The balances in ≤30 days within Stage 2 includes balances with no past due of £55,793. All stage 3 balances are past due.

The following disclosures highlight the diversity of exposures.

An analysis of financial assets and contingent liabilities and commitments before and after taking account of any collateral held and other credit enhancements, is as follows:

	2025		2024	
	Carrying amount* £000	Net Exposure* £000	Carrying amount* £000	Net Exposure* £000
Deposits with banks	659,721	659,721	833,527	833,527
Loans and advances to banks	154,704	154,704	96,037	96,037
Loans and advances to customers	2,189,625	385,029	1,959,829	262,115
Other assets	17,561	17,561	34,045	34,045
Contingent liabilities and commitments	236,645	236,645	236,186	236,186

* Carrying amount and net exposure are presented without accrued interest

Collateral and other credit enhancements

The amount, type and valuation of collateral are based on guidelines specified in the RMF. The main types of collateral accepted includes real estate, quoted shares, cash collateral and bank guarantees. The revaluation and custody of collateral are performed independently of the business units.

29.1.5 RISK CONCENTRATION OF THE MAXIMUM EXPOSURE TO CREDIT RISK

Concentrations of credit risk arise from exposure to customers having similar characteristics in terms of the geographic location in which they operate or the industry sector in which they are engaged, such that their ability to discharge contractual obligations may be similarly affected by changes in political, economic or other conditions.

Credit risk can also arise due to a significant concentration of Bank's assets to any single counterparty. This risk is managed by diversification of the portfolio. The Bank's internal limit is 22.5% of capital to any single customer group. The ten largest loans and advances to customers outstanding as a percentage of gross loans and advances to customers as at 31 December 2025 is 30% (2024: 32%).

The Bank's financial assets and off-balance sheet items, before taking into account any collateral held or credit enhancements, can be analysed by the following geographic regions:

2025	MENA	North America	Europe	Asia	Others	Total
Geographic region*	£000	£000	£000	£000	£000	£000
Cash and balances at Central Bank	-	-	279,612	-	-	279,612
Deposits with banks	393,389	29,972	205,047	31,096	217	659,721
Loans and advances to banks	74,242	-	80,462	-	-	154,704
Loans and advances to customers	213,308	183,859	1,773,250	-	19,208	2,189,625
Investments securities	48,797	-	459,722	-	37,159	545,678
Derivatives assets	-	-	20,557	-	-	20,557
Other assets	66	-	17,496	-	-	17,562
	729,802	213,831	2,836,146	31,096	56,584	3,867,459
Commitments and contingent liabilities	83,840	-	152,805	-	-	236,645
Total	813,642	213,831	2,988,951	31,096	56,584	4,104,104

2024	MENA	North America	Europe	Asia	Others	Total
Geographic region*	£000	£000	£000	£000	£000	£000
Cash and balances at Central Bank	-	-	546,625	-	-	546,625
Deposits with banks	364,220	5,615	368,501	95,022	169	833,527
Loans and advances to banks	-	-	96,037	-	-	96,037
Loans and advances to customers	221,269	181,278	1,542,355	-	14,927	1,959,829
Investments securities	85,839	41,430	247,527	-	20,009	394,805
Derivatives assets	-	-	23,453	-	-	23,453
Other assets	46	-	10,546	-	-	10,592
	671,374	228,323	2,835,044	95,022	35,105	3,864,868
Commitments and contingent liabilities	68,727	-	167,459	-	-	236,186
Total	740,101	228,323	3,002,503	95,022	35,105	4,101,054

* Carrying amounts are presented without accrued interest

The Bank's financial assets and off-balance sheet items, before taking into account any collateral held or credit enhancements, can be analysed by the following industry sectors:

Industry sector*	2025	2024
	£000	£000
Manufacturing	112,563	101,320
Banks and other financial institutions	1,443,877	1,765,134
Construction	88,172	86,145
Real estate	1,824,890	1,673,487
Retail	70,977	72,657
Government	316,774	189,913
Others	246,851	212,398
Total	4,104,104	4,101,054

* Carrying amounts are presented without accrued interest

29.1.6 Write-off policy

The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity, and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

From time to time the Bank may write off financial assets that are still subject to enforcement activity. There were no assets written off during the year that were still subject to enforcement activity as at 31 December 2025 (2024: £nil).

29.2 LIQUIDITY RISK

Liquidity risk is the risk that the Bank will be unable to meet its financial liabilities when they fall due. To limit this risk, management has arranged diversified funding sources and manages its assets with liquidity risk in mind. The Bank ensures that it has sufficient liquidity even in stress scenarios, and liquidity adequacy is monitored daily. The funding is diversified between wholesale and retail funding. The Bank's Treasury manages the daily liquidity and cash flows in accordance with best market practice as set out in its ILAAP. The Treasury relies on diversified wholesale funding from the local and international markets and is active in those markets with limited reliance on Group funding. The Bank has a mixture of direct and broker-introduced relationships.

The table below summarises the maturity profile of the Bank's assets, liabilities and equity based on contractual cash flows and maturity dates. This does not necessarily take account of the effective maturities.

2025

Assets	Up to 3 months £000	3 -12 months £000	Over 1 year £000	Total £000
Cash and balances at Central Bank	280,213	-	-	280,213
Deposits with banks	482,935	183,651	-	666,586
Loans and advances to banks	76,474	17,818	62,660	156,952
Loans and advances to customers	231,027	244,467	1,729,837	2,205,331
Investment securities	19,964	63,212	467,541	550,717
Fixed assets	-	-	41,862	41,862
Derivatives assets	20,557	-	-	20,557
Other assets	19,645	-	-	19,645
Total	1,130,815	509,148	2,301,900	3,941,863
Liabilities and equity				
Due to banks and other financial institutions	430,931	249,082	78,887	758,900
Customer deposits	1,965,702	358,864	30,870	2,355,436
Repurchase agreements	70,065	-	-	70,065
Certificates of deposit issued	61,505	124,260	-	185,765
Derivative liabilities	13,155	-	-	13,155
Other liabilities	17,933	3,411	-	21,344
Share capital and reserves	-	-	537,198	537,198
Total	2,559,291	735,617	646,955	3,941,863

2024				
Assets	Up to 3 months	3 -12 months	Over 1 year	Total
	£000	£000	£000	£000
Cash and balances at Central Bank	547,502	-	-	547,502
Deposits with banks	696,714	143,500	-	840,214
Loans and advances to banks	755	43,882	52,166	96,803
Loans and advances to customers	131,826	204,690	1,639,127	1,975,643
Investment securities	219,992	-	178,447	398,439
Fixed assets	-	-	39,969	39,969
Derivatives assets	23,453	-	-	23,453
Other assets	12,547	-	-	12,547
Total	1,632,789	392,072	1,909,709	3,934,570
Liabilities and equity				
Due to banks and other financial institutions	757,509	158,852	103,722	1,020,083
Customer deposits	1,406,308	600,458	120,120	2,126,886
Certificates of deposit issued	67,425	190,353	-	257,778
Derivative liabilities	3,724	-	-	3,724
Other liabilities	20,744	3,377	-	24,121
Share capital and reserves	-	-	501,978	501,978
Total	2,255,710	953,040	725,820	3,934,570

29.3 MARKET RISK

The risk to capital or earnings from the adverse movement of market variables such as interest rates and foreign exchange rates. Market risks arise from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

29.3.1 INTEREST RATE RISK

The Bank is exposed to some interest rate risk. This refers to the current or prospective risk to the Bank's capital and earnings arising from adverse movements in interest rates that affect the banking book. The Bank does not hold a trading book.

Most exposures arise due to mismatch between the lending portfolio repricing overnight and the fixed rate nature of the borrowing portfolio. The sensitivity of the portfolio to changes in interest rates are carefully monitored and controlled through limits pre-established by the Board of Directors and adjusted where necessary, to reflect the changing market conditions. These limits are set to monitor both the impact on the economic value of equity and on the earnings at risk.

Interest rate sensitivity

The Bank is exposed to changes in interest rates as the present value and timing of its future cash flows change. This results in changes to the economic value of the Bank's equity and earnings. This risk is managed through the use of interest rate swaps with pre-established risk limits, which are ultimately monitored by ALCO.

Gap analysis is undertaken by examining details of interest sensitive assets and liabilities to establish when they will next reprice (ie be subject to a change in interest rate) and then tabulating those which reprice within set time periods (known as 'time buckets', within which all items repricing are grouped together). Based on the Bank's financial assets and financial liabilities held at the year-end, measured on this basis with all other variables held constant, the interest rate sensitivity to a parallel shift of 200 basis points would impact the Bank's economic value of equity as follows:

	Basis Points	2025 Change in Present value £000	2024 Change in Present value £000
Parallel Increase	+200	2,552	2,557
Parallel Decrease	-200	(2,516)	(2,694)

29.3.2 FOREIGN EXCHANGE RISK

Foreign exchange risks are controlled through monitoring against limits pre-established by the Board of Directors on currency position exposures which are monitored by the ALCO. The Bank does not engage in forex trading and has a small net open foreign exchange position deriving from the denomination of part of its balance sheet in foreign currency. As the Bank deals in various currencies, it is not always possible to match these assets and liabilities in each currency. Accordingly, any foreign exchange exposures are covered by forward foreign exchange contracts. The Bank does not intend to hold a net foreign exchange position above 2% of own funds. Appropriate segregation of duties exists between the treasury front and back-office functions, while compliance with position limits is independently monitored by risk on an ongoing basis.

The Bank does not have any significant net open positions in any foreign currencies as at 31 December 2025, and the total net open foreign exchange position is below 2% of own funds as per Capital Requirements Regulation Article 351. Net open positions in non-currencies are actively monitored at all times as the Bank seeks to keep its exposure at a de minimis level.

Accordingly, a change in the USD rate by +/- 5% at the year-end would result in an impact on the income statement amounting to £75k (2024: £216k).

29.4 OPERATIONAL RISK

Operational risk is the risk of loss arising from inadequate or failed internal processes, human error, systems failure or from external events. The Bank like all other similar organisations is exposed to a variety of operational risks.

The Bank identifies, assesses, monitors, and mitigates these risks through a comprehensive system of internal controls and operational practices as set out in its ORMFP. The Bank has a low tolerance for operating losses and operates in such a way that these losses are mitigated.

The Bank's operational risk appetite is also included in the Board approved RAS in the form of Bank wide metrics with assigned thresholds that define what is acceptable, an early warning indicator, within risk appetite, or within tolerance.

It is the role of the ORC to monitor and facilitate the effective implementation of operational risk policies and controls. Operational risk management is ultimately overseen by the Risk Management Department, which ensures compliance with policies and procedures and monitors operational risk as part of overall Bank risk management.

30. POST BALANCE SHEET EVENT

There are no post balance sheet date events that are significant to the Bank's financial performance for the year ended 2025.

31. COUNTRY BY COUNTRY REPORTING

The Capital Requirements (Country by Country Reporting) 2013 Regulations 2013 impose certain reporting obligations as presented below.

Geographical location – UK

Number of employees and secondees – 168

Turnover – £91,802,000

Pre-tax profit – £45,819,000

Corporation tax paid during the year period – £11,567,273

Country by country reporting basis of preparation.

Employees and secondees represents the average number of full-time equivalent employees and secondees during the period.

Total turnover is the sum of net interest income, net fee and commission income, fair value gains or losses through the profit and loss and net foreign exchange income.

The Bank received no public subsidies during the period.

32. CAPITAL MANAGEMENT (unaudited)

A key objective of the Bank is to maximise shareholders' value within Board risk tolerances, while maintaining a strong capital base to support the development of its business and comply with internal and external capital requirements including any Bank specific requirements.

Capital adequacy is monitored on a regular basis against both regulatory and internal capital requirements. The Bank's capital is all CET1 comprising principally of share capital, retained earnings and cumulative changes in fair value (as disclosed in the statement of changes in equity and Note 23 share capital). The Bank ensures that it has adequate capital even in stress scenarios through the Internal Capital Adequacy Assessment Process. The capital ratios as displayed below are in excess of both internal limits and external regulatory requirements:

	2025	2024
	£000	£000
Risk weighted assets	2,624,404	2,503,806
<i>Capital available:</i>		
CET1 capital	536,637	501,570
Tier 1 capital	536,637	501,570
Total capital	536,637	501,570
CET1 capital adequacy ratio	20.45%	20.03%
Tier 1 capital adequacy ratio	20.45%	20.03%
Total capital adequacy ratio	20.45%	20.03%