

**NATIONAL BANK OF KUWAIT GROUP**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

**31 MARCH 2025 (UNAUDITED)**



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with confidence

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

### *Introduction*

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

### *Scope of Review*

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

### *Conclusion*

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

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

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

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, during the three months period ended 31 March 2025 that might have had a material effect on the business of the Bank or on its financial position.

BADER A. AL-ABDULJADER

LICENCE NO. 207 A

EY

AL AIBAN, AL OSAIMI & PARTNERS

BADER A. AL-WAZZAN

LICENCE NO. 62 A

DELOITTE & TOUCHE

AL-WAZZAN & CO.

21 April 2025

Kuwait

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

31 March 2025 (Unaudited)

	Notes	Three months ended 31 March	
		2025 KD 000's	2024 KD 000's
Interest income		437,304	452,047
Interest expense		251,877	262,873
<b>Net interest income</b>		<b>185,427</b>	<b>189,174</b>
Murabaha and other Islamic financing income		118,182	110,584
Finance cost and distribution to depositors		66,850	61,644
<b>Net income from Islamic financing</b>		<b>51,332</b>	<b>48,940</b>
<b>Net interest income and net income from Islamic financing</b>		<b>236,759</b>	<b>238,114</b>
Net fees and commissions		55,274	53,185
Net investment income		7,819	6,783
Net gains from dealing in foreign currencies		11,299	10,248
Other operating (loss) income		(474)	635
<b>Non-interest income</b>		<b>73,918</b>	<b>70,851</b>
<b>Net operating income</b>		<b>310,677</b>	<b>308,965</b>
Staff expenses		62,046	58,858
Other administrative expenses		41,152	40,696
Depreciation of premises and equipment		12,138	11,514
Amortisation of intangible assets		412	412
<b>Operating expenses</b>		<b>115,748</b>	<b>111,480</b>
<b>Operating profit before provision for credit losses and impairment losses</b>		<b>194,929</b>	<b>197,485</b>
Provision charge for credit losses and impairment losses	3	21,528	25,499
<b>Operating profit before taxation</b>		<b>173,401</b>	<b>171,986</b>
Taxation	4	28,264	15,754
<b>Profit for the period</b>		<b>145,137</b>	<b>156,232</b>
<b>Attributable to:</b>			
Shareholders of the Bank		134,083	146,581
Non-controlling interests		11,054	9,651
		<b>145,137</b>	<b>156,232</b>
<b>Basic earnings per share attributable to shareholders of the Bank</b>	5	<b>15 fils</b>	<b>16 fils</b>

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

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

31 March 2025 (Unaudited)

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2025</b>	2024
	<b>KD 000's</b>	KD 000's
<b>Profit for the period</b>	<b>145,137</b>	156,232
<b>Other comprehensive (loss) income</b>		
Investment in debt securities measured at FVOCI:		
Net change in fair value	<b>(14,639)</b>	27,271
Net transfer to interim condensed consolidated statement of income	<b>8</b>	628
	<b>(14,631)</b>	27,899
Exchange differences on translation of foreign operations	<b>11,031</b>	(65,841)
<b>Other comprehensive loss for the period reclassifiable to interim condensed consolidated statement of income in subsequent periods</b>	<b>(3,600)</b>	(37,942)
Net gain (loss) on investments in equity instruments designated at FVOCI (not reclassifiable to interim condensed consolidated statement of income in subsequent periods)	<b>87</b>	(418)
<b>Other comprehensive loss for the period</b>	<b>(3,513)</b>	(38,360)
<b>Total comprehensive income for the period</b>	<b>141,624</b>	117,872
<b>Attributable to:</b>		
Shareholders of the Bank	<b>130,483</b>	107,598
Non-controlling interests	<b>11,141</b>	10,274
	<b>141,624</b>	117,872

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

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025 (Unaudited)

		31 March 2025 KD 000's	Audited 31 December 2024 KD 000's	31 March 2024 KD 000's
<b>Assets</b>				
Cash and short term funds		4,685,431	5,323,273	4,271,244
Central Bank of Kuwait bonds		333,535	343,652	859,682
Kuwait Government treasury bonds		150,134	148,555	192,764
Deposits with banks		1,766,564	1,383,330	1,918,465
Loans, advances and Islamic financing to customers	6	24,606,812	23,707,609	22,389,414
Investment securities		8,275,902	7,626,478	6,899,771
Land, premises and equipment		523,905	517,392	496,892
Goodwill and other intangible assets		510,324	510,733	508,010
Other assets		794,215	777,134	791,613
<b>Total assets</b>		<b>41,646,822</b>	<b>40,338,156</b>	<b>38,327,855</b>
<b>Liabilities</b>				
Due to banks		5,209,279	5,403,802	4,181,296
Deposits from other financial institutions		3,440,262	2,949,756	3,068,456
Customer deposits		23,507,862	22,866,205	22,271,091
Certificates of deposit issued		1,740,837	1,501,457	1,643,823
Other borrowed funds		1,459,082	1,520,422	1,237,072
Other liabilities		1,222,915	939,782	1,119,186
<b>Total liabilities</b>		<b>36,580,237</b>	<b>35,181,424</b>	<b>33,520,924</b>
<b>Equity</b>				
Share capital	7	832,644	832,644	792,995
Proposed bonus shares	7	41,633	41,633	39,649
Statutory reserve		416,324	416,324	396,499
Share premium account		803,028	803,028	803,028
Treasury shares reserve		34,961	34,961	34,961
Other reserves	7	1,900,327	1,983,738	1,720,432
Equity attributable to shareholders of the Bank		4,028,917	4,112,328	3,787,564
Perpetual Tier 1 Capital Securities	8	439,032	439,032	439,032
Non-controlling interests		598,636	605,372	580,335
<b>Total equity</b>		<b>5,066,585</b>	<b>5,156,732</b>	<b>4,806,931</b>
<b>Total liabilities and equity</b>		<b>41,646,822</b>	<b>40,338,156</b>	<b>38,327,855</b>



Hamad Mohamed Al-Bahar  
Chairman

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

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

31 March 2025 (Unaudited)

	Notes	Three months ended 31 March	
		2025 KD 000's	2024 KD 000's
<b>Operating activities</b>			
Profit for the period		145,137	156,232
Adjustments for:			
Net investment income		(7,819)	(6,783)
Provision for staff terminal benefits		2,663	2,083
Depreciation of premises and equipment		12,138	11,514
Amortisation of intangible assets		412	412
Provision charge for credit losses and impairment losses	3	21,528	25,499
Taxation	4	28,264	15,754
Cash flow from operating activities before changes in operating assets and liabilities		202,323	204,711
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		10,117	(2,867)
Deposits with banks		(383,189)	(599,550)
Loans, advances and Islamic financing to customers		(922,855)	(331,497)
Other assets		(80,862)	(3,417)
Due to banks		(194,523)	217,500
Deposits from other financial institutions		490,506	(649,973)
Customer deposits		641,657	584,214
Certificates of deposit issued		239,380	820,924
Other liabilities		3,819	(96,193)
Payment of staff terminal benefits		(1,437)	(1,235)
Tax paid		(5,574)	(8,948)
Net cash (used in) from operating activities		(638)	133,669
<b>Investing activities</b>			
Purchase of investment securities		(1,656,147)	(962,580)
Proceeds from sale/redemption of investment securities		1,104,139	823,610
Dividend income		138	145
Change in holding in subsidiaries		(304)	22
Purchase of land, premises and equipment		(13,696)	(10,583)
Proceeds from sale of investment properties		-	1,424
Net cash used in investing activities		(565,870)	(147,962)
<b>Financing activities</b>			
Redemption of Global Medium term notes by a subsidiary		(231,075)	-
Interest paid on Perpetual Tier 1 Capital Securities		(3,923)	(3,907)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary		(3,046)	(3,036)
Net movement in other borrowed funds		166,710	(92,220)
Net cash used in financing activities		(71,334)	(99,163)
<b>Decrease in cash and short term funds</b>		<b>(637,842)</b>	<b>(113,456)</b>
Cash and short term funds at 1 January		5,323,273	4,384,700
<b>Cash and short term funds at 31 March</b>		<b>4,685,431</b>	<b>4,271,244</b>

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

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 March 2025 (Unaudited)

KD 000's

	Equity attributable to shareholders of the Bank						Perpetual Tier 1 Capital Securities	Non- controlling interests	Total equity	
	Share capital	Proposed bonus shares	Statutory reserve	Share premium account	Treasury shares reserve	Other reserves (Note 7)				Total
At 1 January 2025	832,644	41,633	416,324	803,028	34,961	1,983,738	4,112,328	439,032	605,372	5,156,732
Profit for the period	-	-	-	-	-	134,083	134,083	-	11,054	145,137
Other comprehensive (loss) income	-	-	-	-	-	(3,600)	(3,600)	-	87	(3,513)
<b>Total comprehensive income</b>	-	-	-	-	-	130,483	130,483	-	11,141	141,624
Transfer to dividends payable (Note 7b)	-	-	-	-	-	(208,161)	(208,161)	-	-	(208,161)
Interest paid on perpetual Tier 1 Capital Securities	-	-	-	-	-	(3,923)	(3,923)	-	-	(3,923)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	-	-	-	-	(1,839)	(1,839)	-	(1,207)	(3,046)
Change in holding in subsidiaries	-	-	-	-	-	-	-	-	(304)	(304)
Dividend payable to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	(16,677)	(16,677)
Other movements	-	-	-	-	-	29	29	-	311	340
<b>At 31 March 2025</b>	<b>832,644</b>	<b>41,633</b>	<b>416,324</b>	<b>803,028</b>	<b>34,961</b>	<b>1,900,327</b>	<b>4,028,917</b>	<b>439,032</b>	<b>598,636</b>	<b>5,066,585</b>
At 1 January 2024	792,995	39,649	396,499	803,028	34,961	1,816,640	3,883,772	439,032	583,771	4,906,575
Profit for the period	-	-	-	-	-	146,581	146,581	-	9,651	156,232
Other comprehensive (loss) income	-	-	-	-	-	(38,983)	(38,983)	-	623	(38,360)
<b>Total comprehensive income</b>	-	-	-	-	-	107,598	107,598	-	10,274	117,872
Transfer to dividends payable (Note 7b)	-	-	-	-	-	(198,249)	(198,249)	-	-	(198,249)
Interest paid on perpetual Tier 1 Capital Securities	-	-	-	-	-	(3,907)	(3,907)	-	-	(3,907)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	-	-	-	-	(1,833)	(1,833)	-	(1,203)	(3,036)
Change in holding in subsidiaries	-	-	-	-	-	-	-	-	22	22
Dividend payable to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	(12,561)	(12,561)
Other movements	-	-	-	-	-	183	183	-	32	215
<b>At 31 March 2024</b>	<b>792,995</b>	<b>39,649</b>	<b>396,499</b>	<b>803,028</b>	<b>34,961</b>	<b>1,720,432</b>	<b>3,787,564</b>	<b>439,032</b>	<b>580,335</b>	<b>4,806,931</b>

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### **1 Incorporation and registration**

The interim condensed consolidated financial information of National Bank of Kuwait S.A.K.P. (the “Bank”) and its subsidiaries (collectively the “Group”) for the three months period ended 31 March 2025 was authorised for issue in accordance with a resolution of the directors on 9 April 2025. The Bank is a public shareholding company incorporated in the State of Kuwait in 1952 and is registered as a bank (commercial registration number – 8490) with the Central Bank of Kuwait. The Bank’s registered office is at Al Shuhada Street, P.O. Box 95, Safat 13001, Kuwait.

### **2 Accounting policies**

#### **Basis of preparation**

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’ except as noted below. The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024.

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

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

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

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



# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### 3 Provision charge for credit losses and impairment losses

	Three months ended 31 March	
	2025 KD 000's	2024 KD 000's
Provision charge for credit facilities – specific	17,034	22,730
Provision charge for credit facilities – general	7,484	2,528
Expected credit losses release	(3,183)	(92)
Other impairment losses	193	333
	<u>21,528</u>	<u>25,499</u>

### 4 Taxation

	Three months ended 31 March	
	2025 KD 000's	2024 KD 000's
Domestic Minimum Top-up Tax (DMTT)	14,387	-
National Labour Support Tax	-	3,537
Zakat	-	1,639
Contribution to Kuwait Foundation for the Advancement of Sciences	1,364	1,407
Overseas tax	12,513	9,171
	<u>28,264</u>	<u>15,754</u>

The State of Kuwait issued Law Number 157 of 2024 on 31 December 2024 (the Law) introducing domestic minimum top-up tax (DMTT) effective from the year 2025 on entities which are part of MNE Group with annual revenues of EUR 750 million or more. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate of all constituent entities of the MNE Group operating within Kuwait. The taxable income and effective tax rate shall be computed in accordance with the Executive regulations which will be issued within six months from the date of issue of the Law. The DMTT charge for the period is estimated based on the OECD guidance, pending issue of Executive regulations. The Law effectively replaces the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law.

### 5 Earnings per share

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

	Three months ended 31 March	
	2025 KD 000's	2024 KD 000's
Profit attributable to shareholders of the Bank	134,083	146,581
Less: Interest paid on Perpetual Tier 1 Capital Securities	(3,923)	(3,907)
Less: Profit distribution on Perpetual Tier 1 sukuk by a subsidiary attributable to shareholders of the bank	(1,839)	(1,833)
	<u>128,321</u>	<u>140,841</u>
Weighted average number of shares outstanding during the period net of treasury shares (thousands)	<u>8,742,765</u>	<u>8,742,765</u>
Basic earnings per share	<u>15 fils</u>	<u>16 fils</u>

Earnings per share calculations for the period ended 31 March 2025 and 31 March 2024 have been adjusted to take account of the bonus shares approved by the Annual General Assembly meeting of the shareholders. (Note 7b).

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### 6 Loans, advances and Islamic financing to customers

	<b>31 March 2025 KD 000's</b>	Audited 31 December 2024 KD 000's	31 March 2024 KD 000's
Loans, advances and Islamic financing to customers	<b>25,490,125</b>	24,571,945	23,260,648
Provision for credit losses	<b>(883,313)</b>	(864,336)	(871,234)
	<b>24,606,812</b>	23,707,609	22,389,414

The available provision on non-cash facilities of KD 45,223 thousand (31 December 2024: KD 45,878 thousand, 31 March 2024: KD 41,130 thousand) is included under other liabilities. The total provision for cash and non cash credit facilities in accordance with CBK guidelines amounted to KD 928,536 thousand as at 31 March 2025 (31 December 2024: KD 910,214 thousand, 31 March 2024: KD 912,364 thousand)

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to KD 688,882 thousand as at 31 March 2025 (31 December 2024: 634,365 thousand, 31 March 2024: KD 597,429 thousand). CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

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

<i>31 March 2025</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	<b>23,551,452</b>	<b>1,586,742</b>	<b>351,931</b>	<b>25,490,125</b>
Contingent liabilities (Note 10)	<b>4,542,711</b>	<b>889,489</b>	<b>12,959</b>	<b>5,445,159</b>
Commitments (revocable and irrevocable) to extend credit	<b>9,922,961</b>	<b>833,239</b>	<b>1,012</b>	<b>10,757,212</b>
ECL allowance for credit facilities	<b>185,105</b>	<b>224,140</b>	<b>279,637</b>	<b>688,882</b>
 <i>31 December 2024</i>	 <i>Stage 1 KD 000's</i>	 <i>Stage 2 KD 000's</i>	 <i>Stage 3 KD 000's</i>	 <i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	22,714,279	1,528,546	329,120	24,571,945
Contingent liabilities (Note 10)	4,582,272	801,560	13,551	5,397,383
Commitments (revocable and irrevocable) to extend credit	9,125,227	896,624	429	10,022,280
ECL allowance for credit facilities	176,315	199,369	258,681	634,365

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### 6 Loans, advances and Islamic financing to customers (continued)

<i>31 March 2024</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	21,178,120	1,731,090	351,438	23,260,648
Contingent liabilities (Note 10)	3,955,203	677,527	16,004	4,648,734
Commitments (revocable and irrevocable) to extend credit	8,144,149	1,030,760	1,820	9,176,729
ECL allowance for credit facilities	173,097	170,723	253,609	597,429

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

	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
ECL allowance as at 1 January 2025	176,315	199,369	258,681	634,365
Transfer between stages				
Transfer from Stage 1	(3,474)	2,937	537	-
Transfer from Stage 2	33,756	(49,695)	15,939	-
Transfer from Stage 3	5,575	2,622	(8,197)	-
Amounts recovered (written off) net of exchange movements	246	141	(6,425)	(6,038)
Net (decrease) increase in ECL for the period	(27,313)	68,766	19,102	60,555
At 31 March 2025	185,105	224,140	279,637	688,882
ECL allowance as at 1 January 2024	195,114	174,258	246,287	615,659
Transfer between stages				
Transfer from Stage 1	(3,511)	2,271	1,240	-
Transfer from Stage 2	24,164	(35,854)	11,690	-
Transfer from Stage 3	7,684	2,545	(10,229)	-
Amounts written off net of exchange movements	(3,408)	(694)	(16,534)	(20,636)
Net (decrease) increase in ECL for the period	(46,946)	28,197	21,155	2,406
At 31 March 2024	173,097	170,723	253,609	597,429

### 7 Shareholders' equity

a) The authorised share capital of the Bank comprises 10,000,000,000 shares (31 December 2024: 10,000,000,000 shares and 31 March 2024: 10,000,000,000 shares) of 100 fils each. The issued and fully paid up share capital of the Bank comprises 8,326,442,901 shares (31 December 2024: 8,326,442,901 shares and 31 March 2024: 7,929,945,620 shares) of 100 fils each.

b) Dividend and bonus shares

The Annual General Assembly meeting of the shareholders held on 15 March 2025 approved 5% bonus shares and a final cash dividend of 25 fils per share for the year ended 31 December 2024 (5% bonus shares and a final cash dividend of 25 fils per share for the year ended 31 December 2023). The final cash dividend payable amounting to KD 208,161 thousand is included in other liabilities as at 31 March 2025 and will be paid on 13 April 2025. The bonus shares will increase the number of issued and fully paid up shares by 416,322,145 (2024: 396,497,281) and increase the share capital by KD 41,632 thousand (2024: KD 39,649 thousand). The bonus shares will be distributed on 13 April 2025.

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### 7 Shareholders' equity (continued)

c) Other reserves

KD 000's

	<i>General reserve</i>	<i>Retained earnings</i>	<i>Foreign currency translation reserve</i>	<i>Cumulative changes in fair values</i>	<i>Share based payment reserve</i>	<i>Actuarial valuation reserve</i>	<i>Proposed cash dividend</i>	<i>Total other reserves</i>
Balance as at 1 January 2025	117,058	1,975,750	(427,418)	92,980	14,409	2,798	208,161	1,983,738
Profit for the period	-	134,083	-	-	-	-	-	134,083
Other comprehensive income (loss)	-	-	10,403	(14,003)	-	-	-	(3,600)
<b>Total comprehensive income (loss)</b>	<b>-</b>	<b>134,083</b>	<b>10,403</b>	<b>(14,003)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,483</b>
Transfer to dividends payable	-	-	-	-	-	-	(208,161)	(208,161)
Interest paid on Perpetual Tier 1 Capital Securities	-	(3,923)	-	-	-	-	-	(3,923)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	(1,839)	-	-	-	-	-	(1,839)
Other movements	-	29	-	-	-	-	-	29
<b>At 31 March 2025</b>	<b>117,058</b>	<b>2,104,100</b>	<b>(417,015)</b>	<b>78,977</b>	<b>14,409</b>	<b>2,798</b>	<b>-</b>	<b>1,900,327</b>
Balance as at 1 January 2024	117,058	1,750,695	(351,838)	83,553	14,409	4,514	198,249	1,816,640
Profit for the period	-	146,581	-	-	-	-	-	146,581
Other comprehensive (loss) income	-	-	(65,219)	26,236	-	-	-	(38,983)
Total comprehensive income (loss)	-	146,581	(65,219)	26,236	-	-	-	107,598
Transfer to dividends payable	-	-	-	-	-	-	(198,249)	(198,249)
Interest paid on Perpetual Tier 1 Capital Securities	-	(3,907)	-	-	-	-	-	(3,907)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	(1,833)	-	-	-	-	-	(1,833)
Other movements	-	183	-	-	-	-	-	183
<b>At 31 March 2024</b>	<b>117,058</b>	<b>1,891,719</b>	<b>(417,057)</b>	<b>109,789</b>	<b>14,409</b>	<b>4,514</b>	<b>-</b>	<b>1,720,432</b>

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 8 Perpetual Tier 1 Capital Securities

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

	<i>31 March</i> <i>2025</i> <i>KD 000's</i>	<i>Audited</i> <i>31 December</i> <i>2024</i> <i>KD 000's</i>	<i>31 March</i> <i>2024</i> <i>KD 000's</i>
USD 750,000 thousand (issued in November 2019 at an interest rate of 4.5% per annum, semi-annually in arrears, until the first reset date in November 2025, redeemable at the option of the bank in August 2025)	<b>227,738</b>	227,738	227,738
USD 700,000 thousand (issued in February 2021 at an interest rate of 3.625% per annum, semi-annually in arrears, until the first reset date in February 2027, redeemable at the option of the bank in August 2026)	<b>211,294</b>	211,294	211,294
	<b>439,032</b>	439,032	439,032

During 2021, Boubyan Bank K.S.C.P, a subsidiary of the Group, issued Tier 1 Sukuk (the “Capital Securities”), through a Sharia’s compliant Sukuk arrangement amounting to USD 500,000 thousand, callable in October 2026 and bears an expected profit rate of 3.95% per annum until the first reset date in April 2027, payable semi-annually in arrears.

The Parent Bank did not subscribe to the Tier 1 Sukuk issue and the total amount is included in non-controlling interest in the interim condensed consolidated statement of financial position.

The above mentioned Capital Securities are subordinated, unsecured and are eligible to be classified under equity in accordance with IAS 32: Financial Instruments – Presentation.

### 9 Segmental analysis

The Group has six reportable segments as described below. Management treats the operations of these segments separately for the purposes of decision making, resource allocation and performance assessment.

#### Consumer Banking

Consumer Banking provides a diversified range of products and services to individuals. The range includes consumer loans, credit cards, deposits, foreign exchange and other branch related services.

#### Corporate Banking

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

#### NBK Wealth

NBK Wealth provides a full range of asset management, custody, brokerage, lending, deposits and other customized and innovative banking services to high net worth individuals and institutional clients across the Group.

#### Islamic Banking

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

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### 9 Segmental analysis (continued)

#### Group Centre

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

#### International Banking

International Banking provides a broad range of products and services including lending, deposits, trade finance etc. to corporate and individual customers at Group's overseas locations.

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

	31 March 2025						
	Consumer Banking KD 000's	Corporate Banking KD 000's	NBK Wealth KD 000's	Islamic Banking KD 000's	Group Centre KD 000's	International Banking KD 000's	Total KD 000's
<i>Three months</i>							
Net operating income	<u>62,247</u>	<u>36,058</u>	<u>28,991</u>	<u>67,283</u>	<u>36,014</u>	<u>80,084</u>	<u>310,677</u>
Profit for the period	<u>22,505</u>	<u>25,398</u>	<u>14,858</u>	<u>27,057</u>	<u>16,383</u>	<u>38,936</u>	<u>145,137</u>
Total assets	<u>5,087,079</u>	<u>5,332,311</u>	<u>1,188,301</u>	<u>9,720,684</u>	<u>2,249,046</u>	<u>18,069,401</u>	<u>41,646,822</u>
Total liabilities	<u>5,124,766</u>	<u>2,589,118</u>	<u>2,347,834</u>	<u>8,654,010</u>	<u>1,945,753</u>	<u>15,918,756</u>	<u>36,580,237</u>
	31 March 2024						
	Consumer Banking KD 000's	Corporate Banking KD 000's	NBK Wealth KD 000's	Islamic Banking KD 000's	Group Centre KD 000's	International Banking KD 000's	Total KD 000's
<i>Three months</i>							
Net operating income	<u>61,522</u>	<u>40,472</u>	<u>27,623</u>	<u>63,351</u>	<u>41,743</u>	<u>74,254</u>	<u>308,965</u>
Profit for the period	<u>26,831</u>	<u>32,965</u>	<u>16,987</u>	<u>24,621</u>	<u>22,083</u>	<u>32,745</u>	<u>156,232</u>
Total assets	<u>5,090,210</u>	<u>5,192,654</u>	<u>926,896</u>	<u>8,673,125</u>	<u>2,687,197</u>	<u>15,757,773</u>	<u>38,327,855</u>
Total liabilities	<u>4,919,319</u>	<u>2,992,580</u>	<u>2,149,653</u>	<u>7,651,587</u>	<u>1,915,419</u>	<u>13,892,366</u>	<u>33,520,924</u>

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 10 Commitments and contingent liabilities

	<b>31 March 2025 KD 000's</b>	Audited 31 December 2024 KD 000's	31 March 2024 KD 000's
Commitments on behalf of customers for which there are corresponding liabilities by the customers concerned:			
Acceptances	<b>185,083</b>	180,765	115,454
Letters of credit	<b>497,538</b>	545,793	483,376
Guarantees	<b>4,762,538</b>	4,670,825	4,049,904
	<b><u>5,445,159</u></b>	<u>5,397,383</u>	<u>4,648,734</u>

Irrevocable commitments to extend credit amount to KD 1,635,115 thousand (31 December 2024: KD 1,410,803 thousand, 31 March 2024: KD 1,343,407 thousand). This includes commitments to extend credit which are irrevocable over the life of the facility or are revocable only in response to a material adverse change.

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

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

The Group has commitments in respect of capital expenditure amounting to KD 78,581 thousand (31 December 2024: KD 75,598 thousand, 31 March 2024: KD 91,869 thousand).

### 11 Fair value of financial instruments

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

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

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

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

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

The valuation techniques and inputs used in this interim condensed consolidated financial information are same as those disclosed in the annual consolidated financial statements for the year ended 31 December 2024.

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### 11 Fair value of financial instruments (continued)

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

<i>31 March 2025</i>	<i>Level 1 KD 000's</i>	<i>Level 2 KD 000's</i>	<i>Level 3 KD 000's</i>	<i>Total KD 000's</i>
Debt securities	6,369,476	282,979	49,500	6,701,955
Equities and other investments	62,549	341,515	42,827	446,891
	<u>6,432,025</u>	<u>624,494</u>	<u>92,327</u>	<u>7,148,846</u>
Derivative financial instruments (Note 12)	-	218,915	-	218,915
<i>31 December 2024</i>	<i>Level 1 KD 000's</i>	<i>Level 2 KD 000's</i>	<i>Level 3 KD 000's</i>	<i>Total KD 000's</i>
Debt securities	5,813,600	338,109	-	6,151,709
Equities and other investments	60,614	272,576	42,461	375,651
	<u>5,874,214</u>	<u>610,685</u>	<u>42,461</u>	<u>6,527,360</u>
Derivative financial instruments (Note 12)	-	280,079	-	280,079
<i>31 March 2024</i>	<i>Level 1 KD 000's</i>	<i>Level 2 KD 000's</i>	<i>Level 3 KD 000's</i>	<i>Total KD 000's</i>
Debt securities	5,136,296	295,120	-	5,431,416
Equities and other investments	62,997	214,909	43,388	321,294
	<u>5,199,293</u>	<u>510,029</u>	<u>43,388</u>	<u>5,752,710</u>
Derivative financial instruments (Note 12)	-	316,952	-	316,952



# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### 11 Fair value of financial instruments (continued)

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

	<i>At 1 January 2025 KD 000's</i>	<i>Change in fair value KD 000's</i>	<i>Additions KD 000's</i>	<i>Sale/ redemption KD 000's</i>	<i>Exchange rate movements KD 000's</i>	<i>At 31 March 2025 KD 000's</i>	<i>Net gain in the interim condensed consolidated statement of income KD 000's</i>
Debt securities	-	-	49,500	-	-	49,500	284
Equities and other investments	42,461	127	274	(55)	20	42,827	217
	<u>42,461</u>	<u>127</u>	<u>49,774</u>	<u>(55)</u>	<u>20</u>	<u>92,327</u>	<u>501</u>

	<i>At 1 January 2024 KD 000's</i>	<i>Change in fair value KD 000's</i>	<i>Additions KD 000's</i>	<i>Sale/ redemption KD 000's</i>	<i>Exchange rate movements KD 000's</i>	<i>At 31 March 2024 KD 000's</i>	<i>Net gain in the interim condensed consolidated statement of income KD 000's</i>
Equities and other investments	43,012	13	583	(249)	29	43,388	155
	<u>43,012</u>	<u>13</u>	<u>583</u>	<u>(249)</u>	<u>29</u>	<u>43,388</u>	<u>155</u>

### 12 Derivative financial instruments

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

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

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

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

### 12 Derivative financial instruments (continued)

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

#### Interest rate swaps

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

#### Forward foreign exchange

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

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

	31 March 2025			Audited 31 December 2024			31 March 2024		
	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's
Interest rate swaps (held as fair value hedges)	243,305	51,792	6,878,003	313,330	23,226	6,491,388	348,306	29,888	5,755,222
Interest rate swaps (others)	9,042	8,996	269,265	2,605	657	97,283	1,164	1,075	85,151
Forward foreign exchange contracts	42,614	15,258	5,208,403	20,129	32,102	3,960,357	8,966	10,521	4,328,500
	<b>294,961</b>	<b>76,046</b>	<b>12,355,671</b>	<b>336,064</b>	<b>55,985</b>	<b>10,549,028</b>	<b>358,436</b>	<b>41,484</b>	<b>10,168,873</b>

## National Bank of Kuwait Group

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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#### 13 Related party transactions

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

Details of the interests of related parties are as follows:

	Number of Board Members and Executive Officers			Number of related parties			31 March 2025	31 December 2024	31 March 2024
	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 December 2024	31 March 2024			
Loans	8	8	6	20	19	19	<b>42,884</b>	Audited 47,093	49,013
Contingent liabilities	1	1	1	8	8	7	<b>21,662</b>	21,164	23,133
Credit cards	18	17	18	34	33	31	<b>190</b>	229	232
Deposits	26	25	25	96	84	89	<b>67,069</b>	39,423	41,403
Collateral against credit facilities	2	2	3	16	15	13	<b>168,944</b>	151,457	158,506
Interest and fee income							<b>609</b>	2,810	795
Interest expense							<b>246</b>	1,137	223
Purchase of equipment and other expenses							<b>46</b>	365	50

## National Bank of Kuwait Group

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2025 (Unaudited)

#### 13 Related party transactions (continued)

Details of compensation to key management personnel are as follows:

	Three months ended	
	31 March	
	2025	2024
	KD 000's	KD 000's
Salaries and other short term benefits	2,710	2,961
Post-employment benefits	30	27
Share based compensation	440	300
	<u>3,180</u>	<u>3,288</u>