

NATIONAL BANK OF KUWAIT GROUP

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

30 SEPTEMBER 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 30 September 2025, and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of 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 nine months period ended 30 September 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 nine months period ended 30 September 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

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DELOITTE & TOUCHE

AL-WAZZAN & CO.

21 October 2025

Kuwait

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

30 September 2025 (Unaudited)

	Notes	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
		<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Interest income		477,388	456,822	1,371,904	1,353,850
Interest expense		273,854	259,134	785,023	773,563
Net interest income		203,534	197,688	586,881	580,287
Murabaha and other Islamic financing income		127,923	119,441	369,664	343,895
Finance cost and distribution to depositors		72,240	65,707	207,643	190,473
Net income from Islamic financing		55,683	53,734	162,021	153,422
Net interest income and net income from Islamic financing		259,217	251,422	748,902	733,709
Net fees and commissions		55,768	50,654	162,279	151,735
Net investment income		8,936	8,615	24,693	19,212
Net gains from dealing in foreign currencies		12,043	7,269	31,073	24,794
Other operating income		1,649	671	2,045	1,552
Non-interest income		78,396	67,209	220,090	197,293
Net operating income		337,613	318,631	968,992	931,002
Staff expenses		67,523	63,138	198,568	186,999
Other administrative expenses		43,520	40,513	126,879	119,222
Depreciation of premises and equipment		12,990	11,836	37,919	35,026
Amortisation of intangible assets		411	411	1,235	1,235
Operating expenses		124,444	115,898	364,601	342,482
Operating profit before provision for credit losses and impairment losses		213,169	202,733	604,391	588,520
Provision charge for credit losses and impairment losses	3	22,138	13,674	11,858	56,326
Operating profit before taxation		191,031	189,059	592,533	532,194
Taxation	4	30,044	14,819	94,111	46,463
Profit for the period		160,987	174,240	498,422	485,731
Attributable to:					
Shareholders of the Bank		152,096	164,599	467,357	457,024
Non-controlling interests		8,891	9,641	31,065	28,707
		160,987	174,240	498,422	485,731
Basic earnings per share attributable to shareholders of the Bank	5	17 fils	18 fils	51 fils	50 fils

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

30 September 2025 (Unaudited)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Profit for the period	160,987	174,240	498,422	485,731
Other comprehensive income (loss):				
Investment in debt securities measured at FVOCI:				
Net change in fair value	48,050	(26,304)	40,185	(1,966)
Net transfer to interim condensed consolidated statement of income	(1,381)	337	1,912	(921)
	46,669	(25,967)	42,097	(2,887)
Exchange differences on translation of foreign operations	2,071	14,440	31,168	(56,133)
Other comprehensive income (loss) for the period reclassifiable to interim condensed consolidated statement of income in subsequent periods	48,740	(11,527)	73,265	(59,020)
Net gain on investments in equity instruments designated at FVOCI (not reclassifiable to interim condensed consolidated statement of income in subsequent periods)	431	937	543	8
Actuarial gain in respect of defined benefit plans	-	-	-	88
Other comprehensive income (loss) for the period	49,171	(10,590)	73,808	(58,924)
Total comprehensive income for the period	210,158	163,650	572,230	426,807
Attributable to:				
Shareholders of the Bank	199,449	153,377	538,821	398,790
Non-controlling interests	10,709	10,273	33,409	28,017
	210,158	163,650	572,230	426,807

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

30 September 2025 (Unaudited)

		<i>30 September</i> 2025	<i>Audited</i> <i>31 December</i> 2024	<i>30 September</i> 2024
	<i>Notes</i>	KD 000's	KD 000's	KD 000's
Assets				
Cash and short term funds		6,028,672	5,323,273	4,346,973
Central Bank of Kuwait bonds		32,542	343,652	637,793
Kuwait Government treasury bonds		384,551	148,555	148,785
Deposits with banks		1,669,837	1,383,330	1,704,755
Loans, advances and Islamic financing to customers	6	26,051,990	23,707,609	23,154,075
Investment securities		8,968,678	7,626,478	7,404,563
Land, premises and equipment		538,193	517,392	508,576
Goodwill and other intangible assets		509,471	510,733	507,163
Other assets		726,200	777,134	744,371
Total assets		44,910,134	40,338,156	39,157,054
Liabilities				
Due to banks		6,249,334	5,403,802	4,688,440
Deposits from other financial institutions		3,518,601	2,949,756	2,962,424
Customer deposits		24,583,839	22,866,205	22,413,278
Commercial papers and certificates of deposit issued		2,249,891	1,501,457	1,623,602
Other borrowed funds		1,677,721	1,520,422	1,420,633
Other liabilities		1,135,534	939,782	1,029,340
Total liabilities		39,414,920	35,181,424	34,137,717
Equity				
Share capital	7	874,277	832,644	832,644
Proposed bonus shares	7	-	41,633	-
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	2,293,156	1,983,738	1,917,095
Equity attributable to shareholders of the Bank		4,421,746	4,112,328	3,984,227
Perpetual Tier 1 Capital Securities	8	455,335	439,032	439,032
Non-controlling interests		618,133	605,372	596,078
Total equity		5,495,214	5,156,732	5,019,337
Total liabilities and equity		44,910,134	40,338,156	39,157,054



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

30 September 2025 (Unaudited)

	Notes	Nine months ended 30 September	
		2025 KD 000's	2024 KD 000's
Operating activities			
Profit for the period		498,422	485,731
Adjustments for:			
Net investment income		(24,693)	(19,212)
Provision for staff terminal benefits		8,679	10,506
Depreciation of premises and equipment		37,919	35,026
Amortisation of intangible assets		1,235	1,235
Provision charge for credit losses and impairment losses	3	11,858	56,326
Taxation	4	94,111	46,463
		627,531	616,075
Cash flow from operating activities before changes in operating assets and liabilities			
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		311,110	219,022
Kuwait Government treasury bonds		(234,500)	47,000
Deposits with banks		(285,836)	(385,651)
Loans, advances and Islamic financing to customers		(2,338,495)	(1,120,125)
Other assets		(86,245)	(94,827)
Due to banks		845,532	724,644
Deposits from other financial institutions		568,845	(756,005)
Customer deposits		1,717,634	726,401
Commercial papers and certificates of deposit issued		748,434	800,703
Other liabilities		79,414	(24,975)
Payment of staff terminal benefits		(4,218)	(5,108)
Tax paid		(62,949)	(47,960)
		1,886,257	699,194
Investing activities			
Purchase of investment securities		(3,974,198)	(2,606,655)
Proceeds from sale/redemption of investment securities		2,911,360	2,140,993
Dividend income		1,808	1,428
Change in holding in subsidiaries		(1,350)	(657)
Proceeds from sale of land, premises and equipment		285	697
Purchase of land, premises and equipment		(44,873)	(39,571)
Capital repayment from investment in associate		-	250
Purchase of investment properties		(6,533)	(7,256)
Proceeds from sale of investment properties		3,895	2,699
		(1,109,606)	(508,072)
Financing activities			
Net proceeds from issuance of Perpetual Tier 1 Capital Securities	8	243,061	-
Redemption of Perpetual Tier 1 Capital Securities	8	(228,846)	-
Redemption of Global Medium term sukuk by a subsidiary		(231,075)	-
Net proceeds from issuance of Global medium term notes		-	152,571
Proceeds from issuance of Global medium term sukuk by a subsidiary		152,650	-
Interest paid on Perpetual Tier 1 Capital Securities		(14,483)	(12,966)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary		(6,064)	(6,049)
Dividends paid	7	(208,161)	(281,513)
Dividend paid by a subsidiary to non-controlling interests		(16,713)	(12,621)
Net movement in other borrowed funds		238,379	(68,271)
		(71,252)	(228,849)
Increase (decrease) in cash and short term funds			
		705,399	(37,727)
Cash and short term funds at 1 January		5,323,273	4,384,700
Cash and short term funds at 30 September		6,028,672	4,346,973

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

30 September 2025 (Unaudited)

KD 000's

	<i>Equity attributable to shareholders of the Bank</i>						<i>Total</i>	<i>Perpetual Tier 1 Capital Securities</i>	<i>Non - controlling interests</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Proposed bonus shares</i>	<i>Statutory reserve</i>	<i>Share premium account</i>	<i>Treasury shares reserve</i>	<i>Other reserves (Note 7)</i>				
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	-	-	-	-	-	467,357	467,357	-	31,065	498,422
Other comprehensive income	-	-	-	-	-	71,464	71,464	-	2,344	73,808
Total comprehensive income	-	-	-	-	-	538,821	538,821	-	33,409	572,230
Issue of bonus shares (Note 7b)	41,633	(41,633)	-	-	-	-	-	-	-	-
Dividends paid (Note 7b)	-	-	-	-	-	(208,161)	(208,161)	-	-	(208,161)
Issuance of Perpetual Tier 1 Capital Securities (Note 8)	-	-	-	-	-	-	-	244,040	-	244,040
Redemption of Perpetual Tier 1 Capital Securities (Note 8)	-	-	-	-	-	-	-	(227,737)	-	(227,737)
Transaction cost on issue of Perpetual Tier 1 Capital Securities	-	-	-	-	-	(979)	(979)	-	-	(979)
Interest paid on perpetual Tier 1 capital Securities	-	-	-	-	-	(14,483)	(14,483)	-	-	(14,483)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(3,661)	(3,661)	-	(2,403)	(6,064)
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	(16,713)	(16,713)
Other movements	-	-	-	-	-	(2,119)	(2,119)	-	(1,532)	(3,651)
At 30 September 2025	874,277	-	416,324	803,028	34,961	2,293,156	4,421,746	455,335	618,133	5,495,214
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	-	-	-	-	-	457,024	457,024	-	28,707	485,731
Other comprehensive loss	-	-	-	-	-	(58,234)	(58,234)	-	(690)	(58,924)
Total comprehensive income	-	-	-	-	-	398,790	398,790	-	28,017	426,807
Issue of bonus shares (Note 7b)	39,649	(39,649)	-	-	-	-	-	-	-	-
Dividends paid (Note 7b)	-	-	-	-	-	(198,249)	(198,249)	-	-	(198,249)
Interim dividends paid	-	-	-	-	-	(83,264)	(83,264)	-	-	(83,264)
Interest paid on perpetual Tier 1 capital Securities	-	-	-	-	-	(12,966)	(12,966)	-	-	(12,966)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(3,652)	(3,652)	-	(2,397)	(6,049)
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	(12,621)	(12,621)
Other movements	-	-	-	-	-	(204)	(204)	-	(692)	(896)
At 30 September 2024	832,644	-	396,499	803,028	34,961	1,917,095	3,984,227	439,032	596,078	5,019,337

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

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 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 nine months period ended 30 September 2025 was authorised for issue in accordance with a resolution of the directors on 8 October 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.

3 PROVISION CHARGE FOR CREDIT LOSSES AND IMPAIRMENT LOSSES

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD 000’s</i>	<i>KD 000’s</i>	<i>KD 000’s</i>	<i>KD 000’s</i>
Provision charge (release) for credit facilities – Specific (including recoveries)	16,734	8,809	(19,134)	44,781
Provision charge for credit facilities – general	5,409	4,732	21,683	15,385
Expected credit losses release	(1,527)	-	(1,416)	(4,970)
Other impairment losses	1,522	133	10,725	1,130
	22,138	13,674	11,858	56,326

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2025 (Unaudited)

4 TAXATION

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Domestic Minimum Top-up Tax (DMTT)	15,057	-	49,677	-
National Labour Support Tax	-	4,071	-	11,383
Zakat	-	1,836	-	5,149
Contribution to Kuwait Foundation for the Advancement of Sciences	1,760	1,790	5,233	4,796
Overseas tax	13,227	7,122	39,201	25,135
	30,044	14,819	94,111	46,463

The State of Kuwait issued Law No. 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 multinational entities group (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 are computed in accordance with the executive regulations issued through Ministerial Resolution No. 55 of 2025. 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.

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Profit attributable to shareholders of the Bank	152,096	164,599	467,357	457,024
Less: Interest paid on Perpetual Tier 1 capital Securities	(5,379)	(3,878)	(14,483)	(12,966)
Less: Profit distribution on Perpetual Tier 1 sukuk by a subsidiary attributable to shareholders of the Bank	(1,822)	(1,820)	(3,661)	(3,652)
	144,895	158,901	449,213	440,406
Weighted average number of shares outstanding during the period net of treasury shares (thousands)	8,742,765	8,742,765	8,742,765	8,742,765
Basic earnings per share	17 fils	18 fils	51 fils	50 fils

Earnings per share calculations for the period ended 30 September 2024 have been adjusted to take account of the bonus shares issued in 2025.

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2025 (Unaudited)

6 LOANS, ADVANCES AND ISLAMIC FINANCING TO CUSTOMERS

	<i>Audited</i>		
	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Loans, advances and Islamic financing to customers	26,936,976	24,571,945	24,034,915
Provision for credit losses	(884,986)	(864,336)	(880,840)
	<u>26,051,990</u>	<u>23,707,609</u>	<u>23,154,075</u>

The available provision on non-cash facilities of KD 51,011 thousand (31 December 2024: KD 45,878 thousand, 30 September 2024: KD 45,488 thousand) is included under other liabilities. The total provision for cash and non cash credit facilities in accordance with CBK guidelines amounted to KD 935,997 thousand as at 30 September 2025 (31 December 2024: KD 910,214 thousand, 30 September 2024: KD 926,328 thousand)

The Expected Credit Losses (“ECL”) on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to KD 694,122 thousand as at 30 September 2025 (31 December 2024: 634,365 thousand, 30 September 2024: KD 599,586 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>30 September 2025</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Loans, advances and Islamic financing to customers	25,016,045	1,552,972	367,959	26,936,976
Contingent liabilities (Note 10)	4,901,938	926,725	30,375	5,859,038
Commitments (revocable and irrevocable) to extend credit	10,286,788	1,030,128	453	11,317,369
ECL allowance for credit facilities	196,497	191,855	305,770	694,122
	<u>25,016,045</u>	<u>1,552,972</u>	<u>367,959</u>	<u>26,936,976</u>
	<u>4,901,938</u>	<u>926,725</u>	<u>30,375</u>	<u>5,859,038</u>
	<u>10,286,788</u>	<u>1,030,128</u>	<u>453</u>	<u>11,317,369</u>
	<u>196,497</u>	<u>191,855</u>	<u>305,770</u>	<u>694,122</u>
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	<u>196,497</u>	<u>191,855</u>	<u>305,770</u>	<u>694,122</u>
	<u>25,016,045</u>	<u>1,552,972</u>	<u>367,959</u>	<u>26,936,976</u>
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	<u>25,016,045</u>	<u>1,552,972</u>	<u>367,959</u>	<u>26,936,976</u>
	<u>4,901,938</u>	<u>926,725</u>	<u>30,375</u>	<u>5,859,038</u>
	<u>10,286,788</u>	<u>1,030,128</u>	<u>453</u>	<u>11,317,369</u>
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National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2025 (Unaudited)

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

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</i> <i>KD 000's</i>	<i>Stage 2</i> <i>KD 000's</i>	<i>Stage 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
ECL allowance as at 1 January 2025	176,315	199,369	258,681	634,365
Transfer between stages				
Transfer from Stage 1	(4,919)	3,538	1,381	-
Transfer from Stage 2	39,739	(80,300)	40,561	-
Transfer from Stage 3	13,088	2,697	(15,785)	-
Amounts recovered (written off) net of exchange movements	313	32	27,432	27,777
Net (decrease) increase in ECL for the period	(28,039)	66,519	(6,500)	31,980
At 30 September 2025	<u>196,497</u>	<u>191,855</u>	<u>305,770</u>	<u>694,122</u>
	<i>Stage 1</i> <i>KD 000's</i>	<i>Stage 2</i> <i>KD 000's</i>	<i>Stage 3</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
ECL allowance as at 1 January 2024	195,114	174,258	246,287	615,659
Transfer between stages				
Transfer from Stage 1	(5,208)	3,497	1,711	-
Transfer from Stage 2	31,365	(43,628)	12,263	-
Transfer from Stage 3	13,361	2,937	(16,298)	-
Amounts (written off) recovered net of exchange movements	(3,374)	(735)	(37,073)	(41,182)
Net (decrease) increase in ECL for the period	(61,209)	46,326	39,992	25,109
At 30 September 2024	<u>170,049</u>	<u>182,655</u>	<u>246,882</u>	<u>599,586</u>

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 30 September 2024: 10,000,000,000 shares) of 100 fils each. The issued and fully paid up share capital of the Bank comprises 8,742,765,046 shares (31 December 2024: 8,326,442,901 shares and 30 September 2024: 8,326,442,901 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 amounting to KD 208,161 thousand was paid on 13 April 2025. The bonus shares issued in 2025 increased 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).

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 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	-	467,357	-	-	-	-	-	467,357
Other comprehensive income	-	-	29,769	41,695	-	-	-	71,464
Total comprehensive income	-	467,357	29,769	41,695	-	-	-	538,821
Dividends paid	-	-	-	-	-	-	(208,161)	(208,161)
Transaction cost on issue of Perpetual Tier 1 Capital Securities	-	(979)	-	-	-	-	-	(979)
Interest paid on Perpetual Tier 1 Capital Securities	-	(14,483)	-	-	-	-	-	(14,483)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	(3,661)	-	-	-	-	-	(3,661)
Realised loss on equity investments at FVOCI	-	(1,334)	-	1,334	-	-	-	-
Other movements	-	(2,119)	-	-	-	-	-	(2,119)
At 30 September 2025	117,058	2,420,531	(397,649)	136,009	14,409	2,798	-	2,293,156
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	-	457,024	-	-	-	-	-	457,024
Other comprehensive (loss) income	-	-	(56,284)	(2,038)	-	88	-	(58,234)
Total comprehensive income (loss)	-	457,024	(56,284)	(2,038)	-	88	-	398,790
Dividends paid	-	-	-	-	-	-	(198,249)	(198,249)
Interim dividends paid	-	(83,264)	-	-	-	-	-	(83,264)
Interest paid on Perpetual Tier 1 Capital Securities	-	(12,966)	-	-	-	-	-	(12,966)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	(3,652)	-	-	-	-	-	(3,652)
Realised loss on equity investments at FVOCI	-	(162)	-	162	-	-	-	-
Other movements	-	(204)	-	-	-	-	-	(204)
At 30 September 2024	117,058	2,107,471	(408,122)	81,677	14,409	4,602	-	1,917,095

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2025 (Unaudited)

8 PERPETUAL TIER 1 CAPITAL SECURITIES

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

	<i>30 September 2025</i>	<i>Audited 31 December 2024</i>	<i>30 September 2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
USD 800,000 thousand (issued in July 2025 at an interest rate of 6.375% per annum, payable semi-annually in arrears, until the first reset date in July 2031, redeemable at the option of the Bank in January 2031)	244,040	-	-
USD 700,000 thousand (issued in February 2021 at an interest rate of 3.625% per annum, payable semi-annually in arrears, until the reset date in February 2027, redeemable at the option of the Bank in August 2026)	211,295	211,295	211,295
USD 750,000 thousand (issued in November 2019 at an interest rate of 4.5% per annum, payable semi-annually in arrears)	-	227,737	227,737
	455,335	439,032	439,032

During the period, the Bank refinanced its outstanding USD 750,000 thousand Perpetual Tier 1 capital securities issued in November 2019 and callable in August 2025 through pursuing a tender buy-back and exercise of call option and issuing new Perpetual Tier 1 capital securities amounting to USD 800,000 thousand.

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

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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30 September 2025 (Unaudited)

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.

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:

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2025 (Unaudited)

9 SEGMENTAL ANALYSIS (continued)

	30 September 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>Nine months</i>							
Net operating income	<u>196,625</u>	<u>118,451</u>	<u>96,987</u>	<u>203,681</u>	<u>96,041</u>	<u>257,207</u>	<u>968,992</u>
Profit for the period	<u>72,029</u>	<u>135,100</u>	<u>48,700</u>	<u>77,936</u>	<u>40,584</u>	<u>124,073</u>	<u>498,422</u>
Total assets	<u>5,115,088</u>	<u>5,400,917</u>	<u>1,417,054</u>	<u>10,207,396</u>	<u>2,204,439</u>	<u>20,565,240</u>	<u>44,910,134</u>
Total liabilities	<u>5,100,089</u>	<u>2,921,362</u>	<u>2,375,940</u>	<u>9,089,821</u>	<u>1,781,761</u>	<u>18,145,947</u>	<u>39,414,920</u>
	30 September 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>Nine months</i>							
Net operating income	<u>188,901</u>	<u>122,176</u>	<u>87,508</u>	<u>188,445</u>	<u>121,173</u>	<u>222,799</u>	<u>931,002</u>
Profit for the period	<u>82,927</u>	<u>91,490</u>	<u>51,776</u>	<u>73,145</u>	<u>72,284</u>	<u>114,109</u>	<u>485,731</u>
Total assets	<u>5,116,591</u>	<u>5,204,598</u>	<u>1,042,738</u>	<u>9,067,262</u>	<u>2,360,861</u>	<u>16,365,004</u>	<u>39,157,054</u>
Total liabilities	<u>4,989,116</u>	<u>2,597,158</u>	<u>2,281,181</u>	<u>8,005,101</u>	<u>1,931,692</u>	<u>14,333,469</u>	<u>34,137,717</u>

National Bank of Kuwait Group

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10 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 September</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>30 September</i> <i>2024</i> <i>KD 000's</i>
Commitments on behalf of customers for which there are corresponding liabilities by the customers concerned:			
Acceptances	226,085	180,765	160,824
Letters of credit	543,783	545,793	489,890
Guarantees	5,089,170	4,670,825	4,572,756
	<u>5,859,038</u>	<u>5,397,383</u>	<u>5,223,470</u>

Irrevocable commitments to extend credit amount to KD 1,804,981 thousand (31 December 2024: KD 1,410,803 thousand, 30 September 2024: KD 1,342,364 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 83,363 thousand (31 December 2024: KD 75,598 thousand, 30 September 2024: KD 84,258 thousand).

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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.

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30 September 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>30 September 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	6,927,375	301,559	49,500	7,278,434
Equities and other investments	62,398	285,154	40,787	388,339
	<u>6,989,773</u>	<u>586,713</u>	<u>90,287</u>	<u>7,666,773</u>
Derivative financial instruments (Note 12)	-	81,716	-	81,716
	<u>-</u>	<u>81,716</u>	<u>-</u>	<u>81,716</u>
<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
	<u>-</u>	<u>280,079</u>	<u>-</u>	<u>280,079</u>
<i>30 September 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	5,766,509	305,195	-	6,071,704
Equities and other investments	60,069	199,587	43,800	303,456
	<u>5,826,578</u>	<u>504,782</u>	<u>43,800</u>	<u>6,375,160</u>
Derivative financial instruments (Note 12)	-	135,709	-	135,709
	<u>-</u>	<u>135,709</u>	<u>-</u>	<u>135,709</u>

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 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 30 September 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	1,212
Equities and other investments	42,461	(720)	726	(1,638)	(42)	40,787	278
	<u>42,461</u>	<u>(720)</u>	<u>50,226</u>	<u>(1,638)</u>	<u>(42)</u>	<u>90,287</u>	<u>1,490</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 30 September 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	26	1,235	(479)	6	43,800	1,498
	<u>43,012</u>	<u>26</u>	<u>1,235</u>	<u>(479)</u>	<u>6</u>	<u>43,800</u>	<u>1,498</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 interim condensed consolidated statement of financial position. Positive fair value represents the cost of replacing all transactions with a fair value in the Group's favour had the rights and obligations arising from that instrument been closed in an orderly market transaction at the reporting date. Credit risk in respect of derivative financial instruments is limited to the positive fair value of the instruments. Negative fair value represents the cost to the Group's counter parties of replacing all their transactions with the Group.

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

National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 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:

	<u>30 September 2025</u>			<i>Audited</i> <u>31 December 2024</u>			<u>30 September 2024</u>		
	<i>Positive fair value</i> KD 000's	<i>Negative fair value</i> KD 000's	<i>Notional</i> KD 000's	<i>Positive fair value</i> KD 000's	<i>Negative fair value</i> KD 000's	<i>Notional</i> KD 000's	<i>Positive fair value</i> KD 000's	<i>Negative fair value</i> KD 000's	<i>Notional</i> KD 000's
Interest rate swaps (held as fair value hedges)	175,688	98,115	7,603,102	313,330	23,226	6,491,388	202,236	74,731	6,213,480
Interest rate swaps (others)	9,940	15,002	512,609	2,605	657	97,283	589	2,621	84,698
Forward foreign exchange contracts	18,076	8,871	4,274,811	20,129	32,102	3,960,357	22,889	12,653	3,466,143
	<u>203,704</u>	<u>121,988</u>	<u>12,390,522</u>	<u>336,064</u>	<u>55,985</u>	<u>10,549,028</u>	<u>225,714</u>	<u>90,005</u>	<u>9,764,321</u>

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:

	<i>Number of Board Members and Executive Officers</i>			<i>Number of related parties</i>			<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2024</i>
	<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2024</i>	<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2024</i>			
Loans	8	8	7	19	19	19	44,304	47,093	43,003
Contingent liabilities	1	1	1	9	8	8	16,378	21,164	21,478
Credit cards	21	17	18	36	33	32	281	229	205
Deposits	28	25	25	100	84	81	43,652	39,423	45,536
Collateral against credit facilities	2	2	2	17	15	15	181,724	151,457	151,116
Interest and fee income							1,866	2,810	2,302
Interest expense							756	1,137	846
Purchase of equipment and other expenses							224	365	293

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30 September 2025 (Unaudited)

13 RELATED PARTY TRANSACTIONS (continued)

Details of compensation to key management personnel are as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and other short term benefits	2,746	2,997	8,187	8,879
Post-employment benefits	53	52	317	201
Share based compensation	463	300	1,107	691
	3,262	3,349	9,611	9,771