

**NATIONAL BANK OF KUWAIT GROUP**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION**

**30 JUNE 2022 (UNAUDITED)**



Building a better  
working world

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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 June 2022, and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income for the three month and six month periods then ended, and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

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

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

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulation, as amended, or of the Bank's Articles of Association and Memorandum of Incorporation, as amended, during the six months period ended 30 June 2022 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, during the six months period ended 30 June 2022 that might have had a material effect on the business of the Bank or on its financial position.

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LICENCE NO. 208 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

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AL-WAZZAN & CO.

18 July 2022  
Kuwait

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

30 June 2022 (Unaudited)

	Notes	Three months ended 30 June		Six months ended 30 June	
		2022 KD 000's	2021 KD 000's	2022 KD 000's	2021 KD 000's
Interest income		200,676	166,147	372,676	326,034
Interest expense		66,391	36,649	113,056	74,398
<b>Net interest income</b>		<b>134,285</b>	129,498	<b>259,620</b>	251,636
Murabaha and other Islamic financing income		67,721	56,607	128,593	112,613
Finance cost and Distribution to depositors		22,421	14,899	39,939	30,647
<b>Net income from Islamic financing</b>		<b>45,300</b>	41,708	<b>88,654</b>	81,966
<b>Net interest income and net income from Islamic financing</b>		<b>179,585</b>	171,206	<b>348,274</b>	333,602
Net fees and commissions		47,984	42,007	90,185	81,417
Net investment income (loss)		(1,561)	9,798	10,625	18,105
Net gains from dealing in foreign currencies		17,232	7,807	30,204	15,923
Other operating income		387	196	869	3,487
<b>Non-interest income</b>		<b>64,042</b>	59,808	<b>131,883</b>	118,932
<b>Net operating income</b>		<b>243,627</b>	231,014	<b>480,157</b>	452,534
Staff expenses		56,130	48,506	107,731	94,547
Other administrative expenses		30,147	30,590	60,732	57,795
Depreciation of premises and equipment		9,701	8,531	19,097	16,956
Amortisation of intangible assets		412	412	824	824
<b>Operating expenses</b>		<b>96,390</b>	88,039	<b>188,384</b>	170,122
<b>Operating profit before provision for credit losses and impairment losses</b>		<b>147,237</b>	142,975	<b>291,773</b>	282,412
Provision charge for credit losses and impairment losses	3	8,525	54,580	21,044	97,206
<b>Operating profit before taxation</b>		<b>138,712</b>	88,395	<b>270,729</b>	185,206
Taxation	4	13,276	8,594	21,951	16,427
<b>Profit for the period</b>		<b>125,436</b>	79,801	<b>248,778</b>	168,779
<b>Attributable to:</b>					
Shareholders of the Bank		121,248	76,458	237,826	160,766
Non-controlling interests		4,188	3,343	10,952	8,013
		<b>125,436</b>	79,801	<b>248,778</b>	168,779
<b>Basic earnings per share attributable to shareholders of the Bank</b>	5	<b>15 fils</b>	9 fils	<b>30 fils</b>	20 fils

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

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME

30 June 2022 (Unaudited)

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2022</i> <i>KD 000's</i>	<i>2021</i> <i>KD 000's</i>	<i>2022</i> <i>KD 000's</i>	<i>2021</i> <i>KD 000's</i>
<b>Profit for the period</b>	<b>125,436</b>	<b>79,801</b>	<b>248,778</b>	<b>168,779</b>
<b>Other comprehensive (loss) income:</b>				
Investment in debt securities measured at FVOCI:				
Net change in fair value	(45,193)	7,552	(56,716)	42,362
Net transfer to interim condensed consolidated statement of income	1,768	(1,819)	4,877	(8,161)
	<b>(43,425)</b>	<b>5,733</b>	<b>(51,839)</b>	<b>34,201</b>
Exchange differences on translation of foreign operations	(8,399)	(2,073)	(44,816)	(8,650)
<b>Other comprehensive (loss) income for the period reclassifiable to interim condensed consolidated statement of income in subsequent periods</b>	<b>(51,824)</b>	<b>3,660</b>	<b>(96,655)</b>	<b>25,551</b>
Net (loss) gain on investments in equity instruments designated at FVOCI (not reclassifiable to interim condensed consolidated statement of income in subsequent periods)	(278)	703	(223)	725
<b>Other comprehensive (loss) income for the period</b>	<b>(52,102)</b>	<b>4,363</b>	<b>(96,878)</b>	<b>26,276</b>
<b>Total comprehensive income for the period</b>	<b>73,334</b>	<b>84,164</b>	<b>151,900</b>	<b>195,055</b>
<b>Attributable to:</b>				
Shareholders of the Bank	71,128	80,219	143,604	184,889
Non-controlling interests	2,206	3,945	8,296	10,166
	<b>73,334</b>	<b>84,164</b>	<b>151,900</b>	<b>195,055</b>

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

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2022 (Unaudited)

		30 June 2022	Audited 31 December 2021	30 June 2021
	Notes	KD 000's	KD 000's	KD 000's
<b>Assets</b>				
Cash and short term funds		5,086,625	5,081,991	4,358,026
Central Bank of Kuwait bonds		847,979	830,054	830,000
Kuwait Government treasury bonds		266,887	417,016	448,015
Deposits with banks		1,169,014	885,280	1,289,183
Loans, advances and Islamic financing to customers	6	20,138,337	19,722,471	18,502,856
Investment securities		5,134,677	4,910,798	4,734,457
Investment in associates		3,619	3,746	4,143
Land, premises and equipment		464,005	456,209	439,842
Goodwill and other intangible assets		570,998	581,264	580,726
Other assets		600,546	367,757	391,384
<b>Total assets</b>		<b>34,282,687</b>	<b>33,256,586</b>	<b>31,578,632</b>
<b>Liabilities</b>				
Due to banks		3,979,719	4,098,688	3,242,461
Deposits from other financial institutions		3,773,338	3,135,629	3,725,100
Customer deposits		18,920,892	18,280,989	17,400,182
Certificates of deposit issued		1,350,557	1,339,354	1,401,308
Other borrowed funds		1,200,951	1,266,582	820,204
Other liabilities		599,588	668,227	729,235
<b>Total liabilities</b>		<b>29,825,045</b>	<b>28,789,469</b>	<b>27,318,490</b>
<b>Equity</b>				
Share capital	7	755,233	719,269	719,269
Proposed bonus shares	7	-	35,964	-
Statutory reserve		359,637	359,637	342,511
Share premium account		803,028	803,028	803,028
Treasury shares reserve		34,961	34,961	34,961
Other reserves	7	1,501,081	1,586,708	1,443,964
Equity attributable to shareholders of the Bank		3,453,940	3,539,567	3,343,733
Perpetual Tier 1 Capital Securities	8	439,032	439,032	439,032
Non-controlling interests		564,670	488,518	477,377
<b>Total equity</b>		<b>4,457,642</b>	<b>4,467,117</b>	<b>4,260,142</b>
<b>Total liabilities and equity</b>		<b>34,282,687</b>	<b>33,256,586</b>	<b>31,578,632</b>



Hamad Mohamed Al-Bahar  
Chairman

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 June 2022 (Unaudited)

		<i>Six months ended 30 June</i>	
		<i>2022</i>	<i>2021</i>
	<i>Notes</i>	<i>KD 000's</i>	<i>KD 000's</i>
<b>Operating activities</b>			
Profit for the period		248,778	168,779
Adjustments for:			
Net investment income		(10,625)	(18,105)
Depreciation of premises and equipment		19,097	16,956
Amortisation of intangible assets		824	824
Provision charge for credit losses and impairment losses	3	21,044	97,206
Taxation	4	21,951	16,427
Cash flow from operating activities before changes in operating assets and liabilities		<u>301,069</u>	<u>282,087</u>
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		(17,925)	233
Kuwait Government treasury bonds		138,230	14,907
Deposits with banks		(283,511)	(273,979)
Loans, advances and Islamic financing to customers		(532,203)	(1,173,075)
Other assets		(86,190)	(6,163)
Due to banks		(119,040)	190,135
Deposits from other financial institutions		637,819	795,853
Customer deposits		794,686	295,950
Certificates of deposit issued		11,203	482,446
Other liabilities		5,473	(60,863)
Tax paid		(20,798)	(16,785)
Net cash from operating activities		<u>828,813</u>	<u>530,746</u>
<b>Investing activities</b>			
Purchase of investment securities		(2,083,231)	(1,805,391)
Proceeds from sale/redemption of investment securities		1,498,850	1,811,984
Dividend income		643	1,224
Proceeds from sale of disposal group held for sale		25,597	-
Change in holding in subsidiaries		(6,954)	-
Proceeds from sale of land, premises and equipment		543	579
Purchase of land, premises and equipment		(28,760)	(26,786)
Net cash used in investing activities		<u>(593,312)</u>	<u>(18,390)</u>
<b>Financing activities</b>			
Proceeds from issue of unsecured sukuk by a subsidiary		152,225	-
Redemption of Global Medium term notes		(229,238)	-
Proceeds from capital increase in a subsidiary		80,238	-
Net proceeds from issuance of Perpetual Tier 1 Capital Securities		-	210,436
Redemption of Perpetual Tier 1 Capital Securities		-	(210,700)
Interest paid on Perpetual Tier 1 Capital Securities		(9,020)	(10,950)
Net Proceeds from issuance of Perpetual Tier 1 Sukuk by a subsidiary		-	149,775
Redemption of Perpetual Tier 1 Sukuk by a subsidiary		-	(75,388)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary		(3,001)	(2,443)
Dividends paid	7	(215,781)	(137,004)
Dividend paid by a subsidiary to non-controlling interests		(6,376)	-
Net movement in other borrowed funds		86	18,573
Net cash used in financing activities		<u>(230,867)</u>	<u>(57,701)</u>
<b>Increase in cash and short term funds</b>		<b>4,634</b>	<b>454,655</b>
Cash and short term funds at 1 January		<u>5,081,991</u>	<u>3,903,371</u>
<b>Cash and short term funds at 30 June</b>		<u><b>5,086,625</b></u>	<u><b>4,358,026</b></u>

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

# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

30 June 2022 (Unaudited)

	Equity attributable to shareholders of the Bank							Perpetual Tier 1 Capital Securities	Non - controlling interests	Total equity
	Share capital	Proposed bonus shares	Statutory reserve	Share premium account	Treasury shares reserve	Other reserves (Note 7)	Total			
At 1 January 2022	719,269	35,964	359,637	803,028	34,961	1,586,708	3,539,567	439,032	488,518	4,467,117
Profit for the period	-	-	-	-	-	237,826	237,826	-	10,952	248,778
Other comprehensive loss	-	-	-	-	-	(94,222)	(94,222)	-	(2,656)	(96,878)
<b>Total comprehensive income</b>										
Issue of bonus shares (Note 7)	35,964	(35,964)	-	-	-	143,604	143,604	-	8,296	151,900
Dividends paid (Note 7)	-	-	-	-	-	(215,781)	(215,781)	-	-	(215,781)
Interest paid on perpetual Tier 1 capital Securities	-	-	-	-	-	(9,020)	(9,020)	-	-	(9,020)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(1,797)	(1,797)	-	(1,204)	(3,001)
Change in holding in subsidiaries	-	-	-	-	-	(2,557)	(2,557)	-	(4,397)	(6,954)
Capital increase in a subsidiary	-	-	-	-	-	-	-	-	80,238	80,238
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	(6,376)	(6,376)
Other movements	-	-	-	-	-	(76)	(76)	-	(405)	(481)
<b>At 30 June 2022</b>	<b>755,233</b>	<b>359,637</b>	<b>342,511</b>	<b>803,028</b>	<b>34,961</b>	<b>1,501,081</b>	<b>3,453,940</b>	<b>439,032</b>	<b>564,670</b>	<b>4,457,642</b>
At 1 January 2021	685,019	34,250	342,511	803,028	34,961	1,410,240	3,310,009	438,438	392,608	4,141,055
Profit for the period	-	-	-	-	-	160,766	160,766	-	8,013	168,779
Other comprehensive income	-	-	-	-	-	24,123	24,123	-	2,153	26,276
<b>Total comprehensive income</b>										
Issue of bonus shares (Note 7)	34,250	(34,250)	-	-	-	184,889	184,889	-	10,166	195,055
Dividends paid (Note 7)	-	-	-	-	-	(137,004)	(137,004)	-	-	(137,004)
Issuance of Perpetual Tier 1 Capital Securities (Note 8)	-	-	-	-	-	-	-	211,294	-	211,294
Redemption of Perpetual Tier 1 Capital Securities	-	-	-	-	-	-	-	(210,700)	-	(210,700)
Transaction cost on issue of Perpetual Tier 1 Capital Securities	-	-	-	-	-	(858)	(858)	-	-	(858)
Interest paid on perpetual Tier 1 capital Securities	-	-	-	-	-	(10,950)	(10,950)	-	(980)	(10,950)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(1,463)	(1,463)	-	(980)	(2,443)
Issuance of Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	-	-	-	150,385	150,385
Redemption of Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(365)	(365)	-	(75,388)	(75,388)
Transaction cost on issue of Perpetual Tier 1 sukuk by a subsidiary	-	-	-	-	-	(525)	(525)	-	(245)	(610)
Other movements	-	-	-	-	-	-	-	-	831	306
<b>At 30 June 2021</b>	<b>719,269</b>	<b>342,511</b>	<b>342,511</b>	<b>803,028</b>	<b>34,961</b>	<b>1,443,964</b>	<b>3,343,733</b>	<b>439,032</b>	<b>477,377</b>	<b>4,260,142</b>

KD 000's

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION

30 June 2022 (Unaudited)

**1 INCORPORATION AND REGISTRATION**

The interim condensed consolidated financial information of National Bank of Kuwait S.A.K.P. (the “Bank”) and its subsidiaries (collectively the “Group”) for the six months period ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 7 July 2022. The Bank is a public shareholding company incorporated in the State of Kuwait in 1952 and is registered as a bank (commercial registration number – 8490) with the Central Bank of Kuwait. The Bank’s registered office is at Al Shuhada Street, P.O. Box 95, Safat 13001, Kuwait.

**2 ACCOUNTING POLICIES**

**Basis of preparation**

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

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

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



National Bank of Kuwait Group

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022 (Unaudited)

3 PROVISION CHARGE FOR CREDIT LOSSES AND IMPAIRMENT LOSSES

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Provision (release) charge for credit facilities – specific	<b>(84,357)</b>	40,493	<b>(124,888)</b>	57,262
Provision charge for credit facilities – general	<b>80,634</b>	11,034	<b>133,426</b>	37,039
Expected credit losses charge	<b>4,623</b>	267	<b>4,881</b>	119
Other impairment losses	<b>7,625</b>	2,786	<b>7,625</b>	2,786
	<b>8,525</b>	54,580	<b>21,044</b>	97,206

4 TAXATION

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
National Labour Support Tax	<b>3,288</b>	2,039	<b>6,272</b>	3,963
Zakat	<b>1,373</b>	876	<b>2,665</b>	1,813
Contribution to Kuwait Foundation for the Advancement of Sciences	<b>1,548</b>	677	<b>2,601</b>	1,378
Overseas tax	<b>7,067</b>	5,002	<b>10,413</b>	9,273
	<b>13,276</b>	8,594	<b>21,951</b>	16,427

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022 (Unaudited)

### 5 Earnings per share

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

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Profit attributable to shareholders of the Bank	<b>121,248</b>	76,458	<b>237,826</b>	160,766
Less: Interest paid on Perpetual Tier 1 capital Securities	<b>(5,171)</b>	(9,489)	<b>(9,020)</b>	(10,950)
Less: Profit distribution on Perpetual Tier 1 sukuk by a subsidiary attributable to shareholders of the Bank	-	(1,463)	<b>(1,797)</b>	(1,463)
	<u><b>116,077</b></u>	<u>65,506</u>	<u><b>227,009</b></u>	<u>148,353</u>
Weighted average number of shares outstanding during the period net of treasury shares (thousands)	<u><b>7,552,329</b></u>	<u>7,552,329</u>	<u><b>7,552,329</b></u>	<u>7,552,329</u>
Basic earnings per share	<u><b>15 fils</b></u>	<u>9 fils</u>	<u><b>30 fils</b></u>	<u>20 fils</u>

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

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

	<i>Audited</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Loans, advances and Islamic financing to customers	<b>20,943,265</b>	20,355,995	19,220,035
Provision for credit losses	<b>(804,928)</b>	(633,524)	(717,179)
	<u><b>20,138,337</b></u>	<u>19,722,471</u>	<u>18,502,856</u>

The available provision on non-cash facilities of KD 33,343 thousand (31 December 2021: KD 34,532 thousand, 30 June 2021: KD 36,735 thousand) is included under other liabilities. The total provision for cash and non cash credit facilities in accordance with CBK guidelines amounted to KD 838,271 thousand as at 30 June 2022 (31 December 2021: KD 668,056 thousand, 30 June 2021: KD 753,914 thousand)

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to KD 519,139 thousand as at 30 June 2022 (31 December 2021: 461,795 thousand, 30 June 2021: KD 630,992 thousand). CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

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

<i>30 June 2022</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	19,227,362	1,456,672	259,231	20,943,265
Contingent liabilities (Note 10)	3,940,409	624,564	23,519	4,588,492
Commitments (revocable and irrevocable) to extend credit	6,913,586	993,873	197	7,907,656
ECL allowance for credit facilities	154,430	157,014	207,695	519,139
<i>31 December 2021</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	18,478,395	1,666,446	211,154	20,355,995
Contingent liabilities (Note 10)	3,718,571	670,366	29,070	4,418,007
Commitments (revocable and irrevocable) to extend credit	6,903,552	962,718	279	7,866,549
ECL allowance for credit facilities	134,762	163,737	163,296	461,795
<i>30 June 2021</i>	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
Loans, advances and Islamic financing to customers	16,994,092	1,752,442	473,501	19,220,035
Contingent liabilities (Note 10)	3,636,114	768,894	32,334	4,437,342
Commitments (revocable and irrevocable) to extend credit	6,919,264	892,406	278	7,811,948
ECL allowance for credit facilities	133,405	157,981	339,606	630,992

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

	<i>Stage 1 KD 000's</i>	<i>Stage 2 KD 000's</i>	<i>Stage 3 KD 000's</i>	<i>Total KD 000's</i>
ECL allowance as at 1 January 2022	134,762	163,737	163,296	461,795
Transfer between stages				
Transfer from Stage 1	(4,384)	1,458	2,926	-
Transfer from Stage 2	24,957	(39,420)	14,463	-
Transfer from Stage 3	3,752	1,376	(5,128)	-
Amounts (written off) recovered net of exchange movements	(840)	(472)	163,553	162,241
Net increase (decrease) in ECL for the period	(3,817)	30,335	(131,415)	(104,897)
At 30 June 2022	154,430	157,014	207,695	519,139

# National Bank of Kuwait Group

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

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
ECL allowance as at 1 January 2021	129,668	242,180	233,114	604,962
Transfer between stages				
Transfer from Stage 1	(4,447)	2,368	2,079	-
Transfer from Stage 2	21,240	(87,074)	65,834	-
Transfer from Stage 3	29,898	5,571	(35,469)	-
Amounts (written off) recovered net of exchange movements	(144)	(120)	(64,604)	(64,868)
Net (decrease) increase in ECL for the period	(42,810)	(4,944)	138,652	90,898
At 30 June 2021	<u>133,405</u>	<u>157,981</u>	<u>339,606</u>	<u>630,992</u>

### 7 SHAREHOLDERS' EQUITY

a) The authorised share capital of the Bank comprises 10,000,000,000 shares (31 December 2021: 10,000,000,000 shares and 30 June 2021: 7,500,000,000 shares) of 100 fils each. The issued and fully paid up share capital of the Bank comprises 7,552,329,162 shares (31 December 2021: 7,192,694,440 shares and 30 June 2021: 7,192,694,440 shares) of 100 fils each.

b) Dividend and bonus shares

The Annual General Assembly meeting of the shareholders held on 12 March 2022 approved 5% bonus shares (2021: 5%) and a cash dividend of 30 fils per share (2021: 20 fils per share) for the year ended 31 December 2021. The cash dividend amounting to KD 215,781 thousand was paid subsequently. The bonus shares increased the number of issued and fully paid up shares by 359,634,722 (2021: 342,509,259) and share capital by KD 35,964 thousand (2021: KD 34,250 thousand).

c) The Board of Directors approved distribution of an interim cash dividend of 10 fils per share on the outstanding shares as of 30 June 2022. The interim cash dividend shall be payable to shareholders after obtaining necessary regulatory approvals.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 7 SHAREHOLDERS' EQUITY (CONTINUED)

d) Other reserves

	General reserve	Retained earnings	Foreign currency translation reserve	Cumulative changes in fair values	Share based payment reserve	Actuarial valuation reserve	Proposed cash dividend	Total other reserves
Balance as at 1 January 2022	117,058	1,385,277	(214,176)	74,648	14,409	(6,289)	215,781	1,586,708
Profit for the period	-	237,826	-	-	-	-	-	237,826
Other comprehensive loss	-	-	(42,965)	(51,257)	-	-	-	(94,222)
<b>Total comprehensive income (loss)</b>	-	237,826	(42,965)	(51,257)	-	-	-	143,604
Dividends paid	-	-	-	-	-	-	(215,781)	(215,781)
Interest paid on Perpetual Tier 1 Capital Securities	-	(9,020)	-	-	-	-	-	(9,020)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	(1,797)	-	-	-	-	-	(1,797)
Proposed interim cash dividend	-	(75,523)	-	-	-	-	75,523	-
Change in holding in subsidiaries	-	(2,557)	-	-	-	-	-	(2,557)
Other movements	-	(76)	-	-	-	-	-	(76)
<b>At 30 June 2022</b>	<b>117,058</b>	<b>1,534,130</b>	<b>(257,141)</b>	<b>23,391</b>	<b>14,409</b>	<b>(6,289)</b>	<b>75,523</b>	<b>1,501,081</b>
Balance as at 1 January 2021	117,058	1,332,007	(209,496)	25,257	14,409	(5,999)	137,004	1,410,240
Profit for the period	-	160,766	-	-	-	-	-	160,766
Other comprehensive (loss) income	-	-	(7,938)	32,061	-	-	-	24,123
<b>Total comprehensive income (loss)</b>	-	160,766	(7,938)	32,061	-	-	-	184,889
Dividends paid	-	-	-	-	-	-	(137,004)	(137,004)
Realised loss on equity investments at FVOCI	-	(15,255)	-	15,255	-	-	-	-
Interest paid on Perpetual Tier 1 Capital Securities	-	(10,950)	-	-	-	-	-	(10,950)
Transaction cost on issue of Perpetual Tier 1 Capital Securities	-	(858)	-	-	-	-	-	(858)
Transaction cost on issue of Perpetual Tier 1 Sukuk by a subsidiary	-	(365)	-	-	-	-	-	(365)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	(1,463)	-	-	-	-	-	(1,463)
Other movements	-	(525)	-	-	-	-	-	(525)
<b>At 30 June 2021</b>	<b>117,058</b>	<b>1,463,357</b>	<b>(217,434)</b>	<b>72,573</b>	<b>14,409</b>	<b>(5,999)</b>	<b>-</b>	<b>1,443,964</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>30 June 2022 KD 000's</i>	<i>31 December 2021 KD 000's</i>	<i>30 June 2021 KD 000's</i>
USD 700,000 thousand (issued in February 2021 at an interest rate of 3.625% per annum, semi-annually in arrears, until the first call date in February 2027, redeemable at the option of the bank in August 2026)	<b>211,294</b>	211,294	211,294
USD 750,000 thousand (issued in November 2019 at an interest rate of 4.5% per annum, semi-annually in arrears, until the first call date in November 2025, redeemable at the option of the bank in August 2025)	<b>227,738</b>	227,738	227,738
	<b>439,032</b>	439,032	439,032

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

### 9 SEGMENTAL ANALYSIS

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

#### Consumer and Private Banking

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

#### Corporate Banking

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

#### Investment Banking and Asset Management

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

#### Islamic Banking

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

#### Group Centre

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

#### International

International includes all branches, subsidiaries and associates outside Kuwait.

**National Bank of Kuwait Group**  
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**9 SEGMENTAL ANALYSIS (continued)**

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

	<b>30 June 2022</b>						<b>30 June 2021</b>						
	<b>Consumer and Private Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking and Asset Management</b>	<b>Islamic Banking</b>	<b>Group Centre</b>	<b>International</b>	<b>Consumer and Private Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking and Asset Management</b>	<b>Islamic Banking</b>	<b>Group Centre</b>	<b>International</b>	<b>Total</b>
<i>Six months</i>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>	<b>KD 000's</b>
Net operating income	152,671	68,722	20,139	105,622	15,249	117,754	149,157	71,322	17,270	95,539	6,617	112,629	452,534
Profit (loss) for the period	81,801	108,792	13,432	30,993	(32,079)	45,839	86,219	23,771	10,811	21,132	(5,705)	32,551	168,779
Total assets	5,377,380	4,982,903	83,722	7,635,997	2,768,923	13,433,762	4,879,552	5,138,975	71,832	6,945,102	2,866,748	11,676,423	31,578,632
Total liabilities	7,033,277	2,043,742	11,758	6,676,996	1,035,362	13,023,910	6,637,456	2,332,376	10,542	6,219,275	1,017,253	11,101,588	27,318,490

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 10 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 June</i> <i>2022</i> <i>KD 000's</i>	<i>Audited</i> <i>31 December</i> <i>2021</i> <i>KD 000's</i>	<i>30 June</i> <i>2021</i> <i>KD 000's</i>
Commitments on behalf of customers for which there are corresponding liabilities by the customers concerned:			
Acceptances	171,499	158,338	236,927
Letters of credit	643,622	499,094	364,997
Guarantees	3,773,371	3,760,575	3,835,418
	<u>4,588,492</u>	<u>4,418,007</u>	<u>4,437,342</u>

Irrevocable commitments to extend credit amount to KD 1,037,447 thousand (31 December 2021: KD 1,067,102 thousand, 30 June 2021: KD 1,018,875 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 93,500 thousand (31 December 2021: KD 92,762 thousand, 30 June 2021: KD 67,739 thousand).

## 11 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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



# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022 (Unaudited)

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

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

<i>30 June 2022</i>	<i>Level 1 KD 000's</i>	<i>Level 2 KD 000's</i>	<i>Level 3 KD 000's</i>	<i>Total KD 000's</i>
Debt securities	3,563,414	327,860	-	3,891,274
Equities and other investments	57,061	224,987	52,213	334,261
	<u>3,620,475</u>	<u>552,847</u>	<u>52,213</u>	<u>4,225,535</u>
Derivative financial instruments (Note 12)	-	153,916	-	153,916
	<u>-</u>	<u>153,916</u>	<u>-</u>	<u>153,916</u>
<i>31 December 2021</i>	<i>Level 1 KD 000's</i>	<i>Level 2 KD 000's</i>	<i>Level 3 KD 000's</i>	<i>Total KD 000's</i>
Debt securities	3,308,859	347,580	-	3,656,439
Equities and other investments	57,115	175,349	51,464	283,928
	<u>3,365,974</u>	<u>522,929</u>	<u>51,464</u>	<u>3,940,367</u>
Derivative financial instruments (Note 12)	-	(107,951)	-	(107,951)
	<u>-</u>	<u>(107,951)</u>	<u>-</u>	<u>(107,951)</u>
<i>30 June 2021</i>	<i>Level 1 KD 000's</i>	<i>Level 2 KD 000's</i>	<i>Level 3 KD 000's</i>	<i>Total KD 000's</i>
Debt securities	3,225,901	383,092	-	3,608,993
Equities and other investments	54,588	135,959	52,379	242,926
	<u>3,280,489</u>	<u>519,051</u>	<u>52,379</u>	<u>3,851,919</u>
Derivative financial instruments (Note 12)	-	(155,380)	-	(155,380)
	<u>-</u>	<u>(155,380)</u>	<u>-</u>	<u>(155,380)</u>

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022 (Unaudited)

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

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

	<i>At 1 January 2022 KD 000's</i>	<i>Change in fair value KD 000's</i>	<i>Additions KD 000's</i>	<i>Sale/ redemption KD 000's</i>	<i>Exchange rate movements KD 000's</i>	<i>At 30 June 2022 KD 000's</i>	<i>Net losses in the interim consolidated statement of income KD 000's</i>
Equities and other investments	51,464	(424)	2,609	(1,529)	93	52,213	(13)
	<u>51,464</u>	<u>(424)</u>	<u>2,609</u>	<u>(1,529)</u>	<u>93</u>	<u>52,213</u>	<u>(13)</u>
							<i>Net gains in the interim consolidated statement of income KD 000's</i>
	<i>At 1 January 2021 KD 000's</i>	<i>Change in fair value KD 000's</i>	<i>Additions KD 000's</i>	<i>Sale/ redemption KD 000's</i>	<i>Exchange rate movements KD 000's</i>	<i>At 30 June 2021 KD 000's</i>	<i>Net gains in the interim consolidated statement of income KD 000's</i>
Debt securities	14,000	-	-	(14,000)	-	-	144
Equities and other investments	55,284	(833)	2,203	(4,174)	(101)	52,379	272
	<u>69,284</u>	<u>(833)</u>	<u>2,203</u>	<u>(18,174)</u>	<u>(101)</u>	<u>52,379</u>	<u>416</u>

### 12 DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022 (Unaudited)

### 12 Derivative financial instruments (continued)

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

#### Interest rate swaps

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

#### Forward foreign exchange

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

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

	30 June 2022			Audited 31 December 2021			30 June 2021		
	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's	Positive fair value KD 000's	Negative fair value KD 000's	Notional KD 000's
Interest rate swaps (held as fair value hedges)	172,533	17,665	4,096,460	14,230	118,499	3,925,942	7,649	168,609	3,784,709
Interest rate swaps (others)	1,124	1,121	49,072	422	417	49,913	305	280	49,673
Forward foreign exchange contracts	19,277	20,232	3,494,686	13,995	17,682	3,395,871	13,667	8,112	3,470,498
	<u>192,934</u>	<u>39,018</u>	<u>7,640,218</u>	<u>28,647</u>	<u>136,598</u>	<u>7,371,726</u>	<u>21,621</u>	<u>177,001</u>	<u>7,304,880</u>

## National Bank of Kuwait Group

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022 (Unaudited)

#### 13 RELATED PARTY TRANSACTIONS

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

Details of the interests of related parties are as follows:

	<i>Number of Board Members or Executive Officers</i>		<i>Number of related parties</i>		<i>30 June 2022</i>		<i>30 June 2021</i>	
	<i>30 June 2022</i>	<i>31 December 2021</i>	<i>30 June 2022</i>	<i>31 December 2021</i>	<i>30 June 2022</i>	<i>31 December 2021</i>	<i>30 June 2021</i>	<i>30 June 2021</i>
Loans	7	9	14	18	45,753	63,812	57,580	
Contingent liabilities	3	3	8	9	22,983	20,057	21,640	
Credit cards	16	10	28	32	154	128	102	
Deposits	24	25	83	101	36,421	57,262	65,248	
Collateral against credit facilities	1	3	6	12	55,505	249,097	232,737	
Interest and fee income					812	1,213	866	
Interest expense					83	260	140	
Purchase of equipment and other expenses					157	259	54	

# National Bank of Kuwait Group

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2022 (Unaudited)

### 13 RELATED PARTY TRANSACTIONS (continued)

Details of compensation to key management personnel are as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and other short term benefits	<b>2,832</b>	1,017	<b>5,595</b>	1,920
Post-employment benefits	<b>218</b>	258	<b>272</b>	307
Share based compensation	<b>174</b>	249	<b>508</b>	400
	<b>3,224</b>	1,524	<b>6,375</b>	2,627

### 14 IMPACT OF COVID-19

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