

REF: ABK/BA/101
Date: 13 May 2025

To: Boursa Kuwait

Dear Sirs,

Subject: Analyst conference transcript and presentation for Q1-2025

In compliance with the provisions of Article (8-4-2) of Boursa Kuwait Rulebook issued pursuant to Resolution No 1 of 2018 and amendments thereof, concerning the continuing obligations of the listed companies of "the Premier Market" under which Al Ahli Bank of Kuwait is categorized,

Al Ahli Bank of Kuwait would like to report that the Analyst Conference for the first quarter ended 31 March 2025 was held at 2:00 p.m. (local timing) on Monday 12 May 2025 through live broadcasting on internet (live webcast).

Kindly note that during the conference there was no disclosure of any material information that is not in the public domain.

We attach herewith the transcript and presentation of for Q1-2025.

Best Regards,


Abdulla M. Al Sumait
Acting Group Chief Executive Officer





Al Ahli Bank of Kuwait

Edited Transcript – Q1 2025 Investor's Call

Date: Monday, 12th May 2025

Time: 2:00 p.m. KWT

Speakers:

- Mr. Abdulla Alsumait, Acting Group Chief Executive Officer (Acting GCEO)
- Mr. Shiamak Soonawalla, Group Chief Financial Officer (GCFO)
- Mr. Abdulaziz Jawad, Chief Strategy Officer (CSO)
- Mr. Osama Ezzeldin, Assistant General Manager – Strategy

Host:

Arqaam Capital

Moderator:

Janany Vamadeva

Janany Vamadeva:

Good afternoon, everyone and thank you for joining us today. This is Janany Vamadeva from Arqaam Capital and I am pleased to welcome you to Al Ahli Bank of Kuwait's (ABK) Q1 2025 earnings webcast.

I have with me here today, from ABK's management, Mr. Abdulla Alsumait, Acting Group Chief Executive Officer, Mr. Shiamak Soonawalla, Group Chief Financial Officer, Mr. Abdulaziz Jawad, Chief Strategy Officer, and Mr. Osama Ezzeldin, Assistant General Manager – Strategy.

I will now hand the call over to Mr. Osama.

Osama Ezzeldin:

Good afternoon, everyone and thank you for joining us today for our Q1 2025 earnings webcast.

We will start our call with a disclaimer. I would like to bring to your attention that certain comments in this presentation may constitute forward-looking statements. These comments reflect the Bank's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. The Bank does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of

any revisions to the forward-looking statement made herein. Please refer to the full disclaimer on slide 2 of our presentation for today's call.

We will continue the call with an overview from ABK's Acting GCEO, Mr. Abdulla Alsumait, followed by ABK's GCFO, Mr. Shiamak Soonawalla, providing an extended review on financials and performance. Then he will be followed by ABK's CSO, Mr. Abdulaziz Jawad, who will provide us with an overall update on ABK, its strategy, and major projects. We will answer any questions received through the webcast platform. I trust everybody has had a chance to review our earnings release documents. They're available, including the earnings presentation that we'll be referring to during the call, on the Investor Relations section of ABK's website. Also, feel free to send any follow-up questions or required clarifications to our Investor Relations email IR@abkuwait.com.

Please allow me to hand it over to Mr. Abdulla.

Abdulla Alsumait:

Good afternoon, everyone, and thank you, Mr. Osama, for the kind introduction.

I am pleased to present ABK's strong performance and strategic achievements for Q1 2025. These results reflect our continued focus on sustainable value creation, operational excellence, and growth across all our markets.

Let's begin with our financial highlights for Q1 2025. ABK achieved a healthy net profit growth of 8% year-on-year, with net profit attributable to shareholders rising from KD 14.5 million in Q1 2024 to KD 15.7 million. Earnings per share remained stable at 5 fils, and our capital adequacy ratio stood robustly at 16.78%.

On the lending side, ABK's loan portfolio expanded by 10% year-on-year, supported by our disciplined credit underwriting standards. Asset quality remains strong, with our NPL ratio well controlled at 1.38%, reflecting our continued focus on maintaining strong asset quality.

Our diversified footprint continues to drive our growth momentum. Our international operations, including our UAE branches and ABK-Egypt, contributed a solid 40% of operating income and accounted for 37% of total assets, highlighting the strength of our regional diversification strategy.

During the quarter, we launched key strategic initiatives to reinforce our competitive advantage and enhance our customer experience. Major achievements in Q1 2025 included the launch of our new mobile banking app in Kuwait, featuring enhanced features and a new design, the introduction of

a free international call service for customer support, and an enhanced customer service model with virtual service available in two branches.

The dedication of our talented workforce remains the cornerstone of our success. Kuwaitis continue to occupy 73% of leadership positions, with female representation reaching 41% of our human capital. This reflects our commitment to diversity, inclusion, and the development of local talent.

As we look ahead, ABK remains focused on delivering sustainable, long-term value. We will continue to pursue strategic expansion opportunities, strengthen our regional presence, and introduce innovative financial solutions tailored to meet the evolving needs of our customers. Thank you for your continued trust and partnership as we move forward into an exciting future.

I will now hand it over to my colleague, Mr. Shiamak Soonawalla, our GCFO, who will take us through the detailed financial aspects of our presentation.

Shiamak Soonawalla:

Thank you, Mr. Abdulla. Good afternoon, everyone, and thank you for joining us to discuss ABK's Q1 2025 performance.

I am pleased to report a strong start to the year, with net profit attributable to shareholders reaching KD 15.7 million, reflecting a healthy 8% year-on-year growth. Earnings per share amounted to 5 fils for Q1 2025, driven by robust core operations and the successful execution of our strategic initiatives.

Operating income for the period reached KD 50.4 million, while operating profit stood at KD 29.3 million. This was supported by proactive cost management and continued revenue momentum across business lines.

Our asset quality remains robust, with the Group's non-performing loan (NPL) ratio maintained at a healthy 1.38%. The Group's loan loss coverage ratio held firm at 433%, confirming our strong credit quality. Furthermore, we hold provisions amounting to KD 206 million, exceeding the IFRS 9 requirements, in accordance with Central Bank of Kuwait guidelines, as we continue to apply a prudent provisioning policy.

We managed to maintain our net interest margin at 2.1% levels, although operating income marginally declined due to funding cost pressures and lower fees and commission income. Return on Average Equity (ROAE) delivered a healthy 8.1%, underlining ABK's strength in sustaining returns and driving long-term shareholder value.

Liquidity continues to be a key strength for us, as evidenced by a liquidity coverage ratio of 255% and a net stable funding ratio of 109%, both comfortably above regulatory thresholds. Customer deposits remained resilient, totaling KD 4.4 billion, which represents 66% of our total liabilities. This further reinforces the strength and stability of our funding base.

The Group's strong start to 2025 reflects our effective execution of strategic priorities and the leveraging of our core banking franchise alongside diversified income streams to drive sustainable growth. Notably, operating profit grew by 5% compared to Q1 2024, highlighting the Group's enhanced operational efficiency.

Commercial Banking remained the largest contributor to our operating income during the quarter, accounting for 49%, followed by Retail Banking at 39%, and Treasury and Investments at 12%. Our asset allocation remains strategically balanced, with 55% allocated to Commercial Banking, 12% to Retail Banking, and 33% to Treasury and Investments.

Our focus on operational excellence, digital transformation, and strategic investments continues to yield meaningful improvements. During Q1 2025, ABK's cost-to-income ratio significantly improved to 41.9%, down from 46.4% year-on-year, reflecting greater efficiency and disciplined cost management across the Group.

As of Q1 2025, total assets expanded to KD 7.4 billion, delivering strong year-on-year growth of 13%. Net loans and advances increased by 10% to KD 4.7 billion, compared to KD 4.3 billion in Q1 2024, demonstrating healthy lending activity and prudent balance sheet expansion.

In summary, our Q1 2025 results highlight our solid profitability, disciplined risk management, and strengthened balance sheet. ABK remains firmly positioned to deliver sustainable growth and create enduring value for shareholders.

With a strong foundation and a clear strategic focus, we are confident in our ability to sustain momentum throughout 2025. Thank you for your continued support and trust.

I will now hand over to Mr. Abdulaziz for an update on the Group's strategic priorities.

Abdulaziz Jawad:

Thank you, Mr. Shiamak. Good afternoon, everyone, and thank you for joining us on our Q1 2025 earnings call.

The sharp escalation in trade tensions and high policy uncertainty are expected to weigh heavily on global economic activity. According to the latest IMF projections, global GDP growth is now projected at 2.8% in 2025 and 3.0% in 2026. This marks a downward revision from the earlier forecast of 3.3% for both years. Global headline inflation is expected to decline at a slightly slower pace than what was expected in January, reaching 4.3% in 2025 and 3.6% in 2026.

Zooming in on Kuwait, the IMF has revised its 2025 GDP growth forecast for Kuwait to 1.9%. The adjustment reflects a more measured recovery pace, although domestic demand remains strong and oil output continues to recover. Inflation is expected to stabilize at 2.5%, supported by effective monetary policy by the Central Bank of Kuwait.

In March, Kuwait introduced a new public debt law, setting a borrowing ceiling of KD 30 bn (USD 97.4 bn) and permitting the issuance of financial instruments with maturities up to 50 years. The move aims to strengthen financial stability, support Kuwait Vision 2035, diversify funding sources, and enhance Kuwait's position as a regional financial hub.

In parallel, ABK began 2025 with solid momentum, delivering resilient Q1 results despite global economic headwinds.

Our strategic focus continues to be on salaried Kuwaitis and high-income expatriates, while placing growing emphasis on youth, who represent the future. We are continuously enhancing our youth offering to further strengthen our overall value proposition. As a result, our retail loan portfolio grew 1.75 times faster than the market in Q1 2025. We also enhanced our cards portfolio with a new prepaid card featuring a dual rewards program.

ABK maintains strong credit ratings of 'A' from Fitch and 'A2' from Moody's, reflecting its robust financial position, prudent risk management, and commitment to long-term stability.

Moving to Egypt, the country is making progress on its macro-economic reform agenda despite regional challenges. The IMF completed the fourth review of Egypt's Extended Fund Facility (EFF), disbursing USD 1.2 billion and approved an additional USD 1.3 billion under the Resilience and Sustainability Facility (RSF). Although Egypt's inflation rose slightly to 13.9% in April 2025, up from 13.6% in March, the rise remains in line with market

expectations, reflecting stability despite seasonal demand pressure. GDP growth accelerated to 4.3% in Q2 FY 2024/25, up from 2.3% a year earlier.

Let's move to the UAE. ABK, through its DIFC branch, has successfully closed a landmark USD 1 billion global syndicated term loan facility for a period of over 3 years, marking its largest debt facility to date. This significant achievement affirms ABK's robust standing in the financial markets.

The syndication was initially launched at USD 750 million; however, due to excessive oversubscription by 60%, the facility was upsized to USD 1 billion. This positive response highlights the strong liquidity position and confidence that both regional and international lenders, including those from the Middle East, US, Europe, and Asia, have in ABK.

This achievement reflects the trust and confidence that our lenders have in our financial stability and strategic vision. We are committed to utilizing these funds to enhance our service offerings and continue to foster sustainable growth.

Alongside our funding activities, ABK-UAE continued to advance its strategic agenda in the real estate sector. As a continuation of our Q4 2024 update, ABK-UAE successfully onboarded its first real estate escrow customer, marking a key milestone as the first Kuwaiti bank to offer this service in the UAE. With additional clients in the pipeline, we are now assessing the extension of these services to Abu Dhabi. This aligns with our strategy to strengthen our footprint and competitiveness in the UAE financial sector.

Complementing our real estate escrow rollout, we also launched a dedicated UAE mortgage service for our Private Banking clients in Kuwait. To enhance this service, we are bringing real estate brokers on board as key partners, ensuring a more streamlined client experience.

Last but not least, ABK continued to build momentum around its ESG agenda, laying the groundwork for future initiatives and enhancements. The Bank remains committed to further integrating ESG principles into key business areas.

Looking ahead, ABK plans to publish its updated sustainability report, assess its ESG maturity, strengthen internal capabilities, and explore opportunities that support sustainable value creation.

Building on a strong start to 2025, ABK remains committed to accelerating momentum, executing its strategic agenda with discipline, and creating

long-term shareholder value. We appreciate your continued trust and confidence.

I now hand it over to Janany for the Q&A session.

Janany Vamadeva:

If you would like to ask a question, please type it in the chat box.

We have questions from Ahmed Elshazly:

You mentioned in the financials that the bank could be eligible for a tax relief from the new tax law for five years. Could you elaborate on why this is the case despite the bank's international presence? Also, if the tax be applicable to ABK, what would the impact be on net income?

Al Ahli Bank of Kuwait:

The BEPS Pillar 2 regulation that came out specified that it applies to multinational entities, meaning those that operate in six jurisdictions. We don't operate in six jurisdictions nor do we have tangible net assets overseas in excess of the cutoff amount of 50 million Euros as of this stage.

While it's clear in the regulation, one thing you have to understand that is published, is that it does not become law until the executive regulations come out in Kuwait, which we await towards the end of Q2 hopefully.

The impact will definitely be 15% of the income we earn in Kuwait but as we stand today based on our advisors, our view is that we are eligible for this exemption. However, the jury is still out there so, we'll wait until we get final executive regulations from the Ministry of Finance in Kuwait.

Janany Vamadeva:

Thank you.

We have another question from Ahmed:

What drove the decline in other operating expenses in Q1 2025?

Al Ahli Bank of Kuwait:

We have discussed this in the past in several of our previous calls. We have started strategic initiatives four to five years ago. Part of those initiatives was that our cost base will start going up which, overtime, will eventually start coming down. So, we are seeing the fruits of all the hard work that we've done in the past and you have seen it come down.

I will only caution you that, compared to the previous year, the differential looks very big – part of it has been that the devaluation impact last year did not come into our books as of Q1. So, towards the second quarter, you will



see some normalization happening. However, the trend is that it will continue to go downward.

Janany Vamadeva:

Thank you. I believe there are no further questions.

Al Ahli Bank of Kuwait:

With that, I believe we can conclude our Q1 2025 call. We look forward to speaking with you in Q2. Thank you, everyone.

AL AHLI BANK OF KUWAIT
INVESTOR PRESENTATION

Q1 2025

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SECTION 1

ABK OVERVIEW AND FOOTPRINT



AL AHLI BANK OF KUWAIT

Overview

ABK Cayman Island Limited
Established 2022
Subsidiary

ABK Egypt
Subsidiary Acquired 2015
45 Branches

Egypt Leasing Company
Subsidiary

Egypt Investments Company
Subsidiary

ABK Kuwait
Parent Entity Established 1967
28 Branches
(1 Fully Digitized Branch)
Headquarters in Kuwait

ABK Capital
Established 2006
Subsidiary

ABK UAE
Established 1977
2 Branches (Dubai & Abu Dhabi)
Established 2018
1 DIFC (Off-shore Banking Branch)



ABK OVERVIEW & BACKGROUND



Established in 1967 by the Behbehani family, ABK has steadily become one of the leading Kuwaiti Banks retaining the same core shareholder base since its establishment.



Headquartered in Kuwait City, the Group has three subsidiaries: Ahli Capital Investment Company, Al Ahli Bank of Kuwait – Egypt and ABK Cayman Island Limited, a branch network in UAE including an off-shore banking branch in DIFC with a Category 1 license.



Provides a wide range of financial and banking services and products across all its markets which include: Corporate Banking, Retail Banking, Treasury & Investments.



Has a total of 76 branches in three countries: 28 in Kuwait (1 fully digitized), 2 full-service branches in Abu Dhabi & Dubai & 1 offshore banking branch in Dubai International Financial Centre (DIFC), & 45 branches in Egypt.



Strong and well-established access to market by the issuances of KD 50 million subordinated Tier II bond in Oct-21 and another issuance of subordinated Tier II bond of KD 50 million in Nov-22



Successful closing of 37 month syndicated loan financing for USD 825 million and a 37-month (with a 12 month extension option) USD 600 million Asia focused syndicated term loan facility in the DIFC Branch, in line with its strategy to become the international banking hub for the Group.

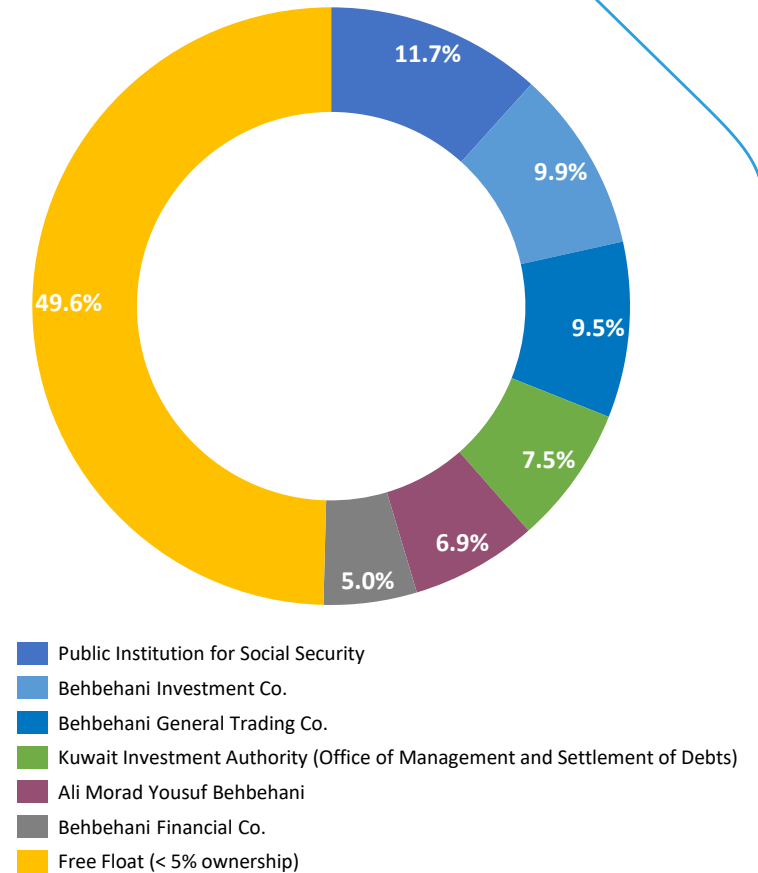


In Sep-23 successfully completed a capital increase of KD 100 million (share capital of KD 50 million & share premium of KD 50 million) representing 26.7% with an initial coverage of 331.4%



In Sep-24 successful completion of the issuance of Additional Tier 1 (AT1) perpetual bonds capital in value of US\$300 Million

Ownership Structure



Source: Boursa Kuwait April 24th 2025



OVERVIEW OF ABK'S AWARDS & RATINGS

Ratings

MOODY'S

Last Affirmed | Jun-24
Long Term Rating | A2
Outlook | Stable

FitchRatings

Last Affirmed | Jan-25
Long Term Rating | A
Outlook | Stable

Awards

MEED

- Best Retail Bank (Egypt)
- Excellence in Customer Protection/Fraud Control (Kuwait)

Global Finance

- Best Consumer Digital Bank in Kuwait
- Best Consumer Digital Bank in the Middle East
- Best Mobile Banking Adaptive Site in Kuwait
- Best in Transformation in Kuwait
- Best User Experience (UX) Design in Kuwait
- Best User Experience (UX) Design in the Middle East

The Global Economics

- Best Corporate Governance Bank – Kuwait

International Finance

- Best Investor Relations Bank – Kuwait

International Finance – ABK Capital

- Most Innovative Multi-Asset Fund Management Company

International Business Magazine

- Best Retail Bank – Kuwait
- Fastest Growing Retail Bank – Kuwait
- Best Commercial Bank – Kuwait
- Fastest Growing Retail Bank – Egypt
- ABK Pay – Best Advanced Wearable Payment Solution – Egypt



ABK KEY FINANCIAL HIGHLIGHTS



Self-funded balance sheet

Customer Deposits: **KD 4.4Bn**
Customer Deposits / Total Liabilities: **66.4%**



Stable operating performance

Net Interest Margin: **2.1%**
Operating Profit / Average Assets: **1.61%**



Strong capital position

Tier 1 Ratio: **13.60%**
CAR: **16.78%**



High liquidity & stable funding

Net Stable Funding Ratio: **109%**
Liquidity Coverage Ratio: **255%**



Robust asset quality with excess provisions

Non-performing Loans Ratio: **1.38%**
Loan Loss Coverage Ratio: **433%**
Excess Provision Over IFRS 9 Requirement : **KD 206Mn**



Solid investor demand & established market access*

Number of Shares: **2,493,106,675**
Number of Outstanding Shares: **2,476,989,523**
Market Capitalization: **KD 770Mn**



FINANCIAL SNAPSHOT (KD'Bn)

Net Loans & Advances



Total Assets



Customer Deposits



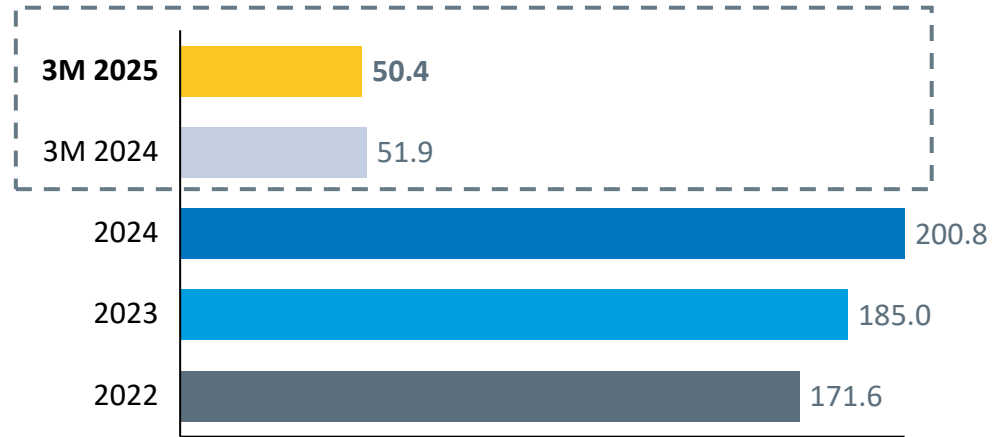
Shareholders' Equity



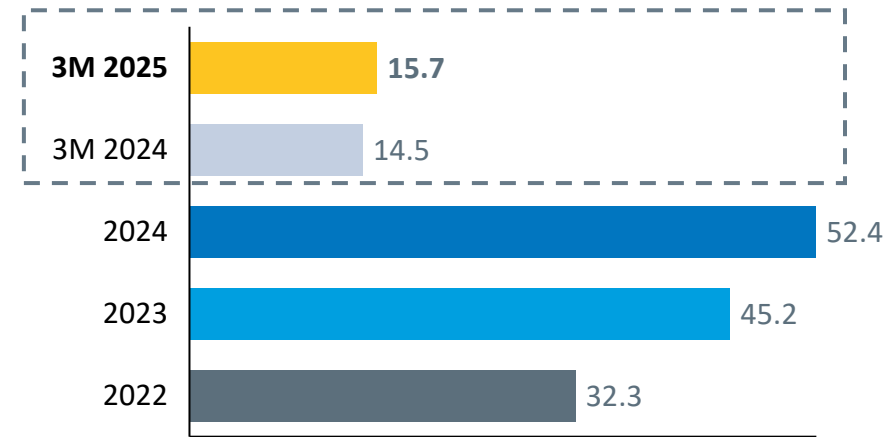


FINANCIAL SNAPSHOT

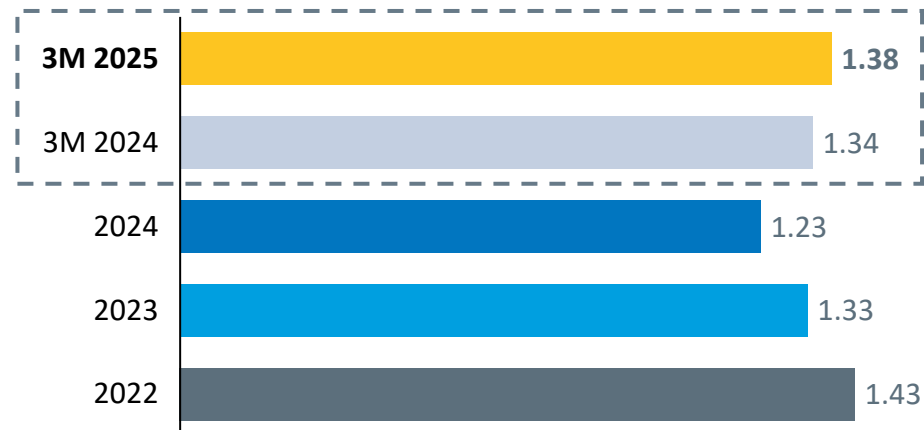
Total Operating Income (KD'Mn)



Net Profit Attributable to Shareholders' of the Bank (KD'Mn)



Non Performing Loans (%)



Loans to Deposit Ratio (%)*





FINANCIAL SNAPSHOT

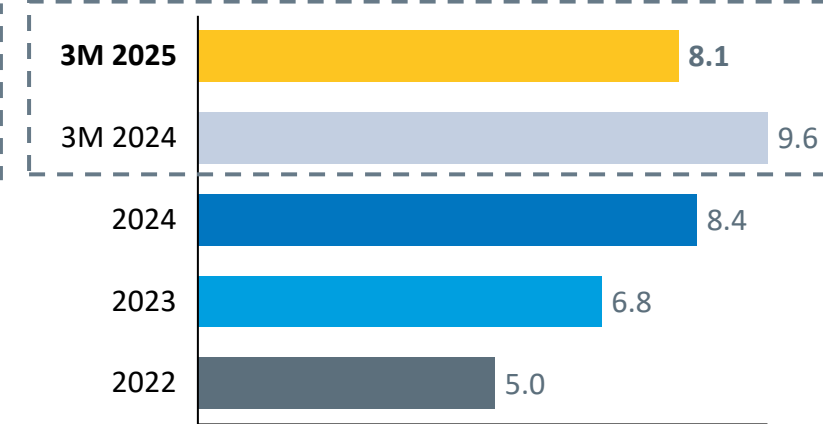
Net Interest Margin (%)



Cost / Income Ratio (%)



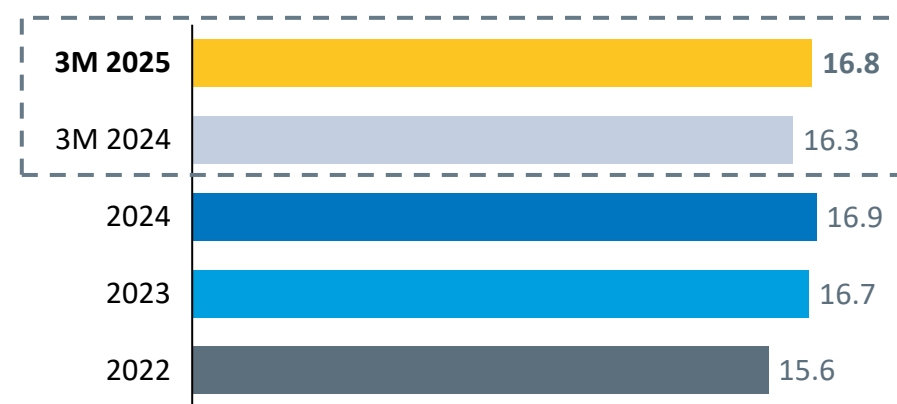
Return on Average Equity (%)



Tier 1 Ratio (%)



Total Capital Adequacy Ratio (%)





KEY HIGHLIGHTS

Stable funding base and good liquidity buffers

Solid well-diversified revenue generating capacity with high growth opportunities

Robust capitalization, strong credit ratings along with a fortress balance sheet

Clearly defined group strategy and five-year transformational plan

Committed shareholder base and a well-experienced management team

Banking on a sustainable journey - strong performance across ESG indicators

- 66.4% of the total liabilities consist of customer deposits
- Liquidity coverage ratio and net stable funding ratio of 255% and 109% against regulatory requirement of 100% for each benchmark
- Leverage of 8.2%, above the 3.0% required by the CBK Basel III leverage ratio



- Group's geographical footprint supports revenue generation, loan distribution and deposit collection
- Group's international operations comprise the operations of its UAE branches and its ABK Egypt subsidiary contributing around 40% of operating income and 37% of assets



- Recognized as a D-SIB with Tier 1 ratio of 13.6% and CAR of 16.8%
- Well above the Tier 1 ratio and CAR levels of 11.0% and 13.5% respectively (including D-SIB charge of 0.5%) required as per the CBK's regulation
- Maintained by strong internal capital generation with sound track record of profitability and solid revenue generating capacity
- Strong credit rating of A2 and A from Moody's and Fitch, respectively



Group has clearly defined three strategic pillars and 10 strategic priority areas for the five years to 2026:

- Scale and create value in its core business
- Sustain and de-risk its business
- Innovate and enable to support the other two strategic pillars



- Established in 1967 by the Behbehani family, ABK has retained the same core shareholder base since its establishment
- Well-diversified shareholding base backing the long-term vision of the Bank
- Has a strong and stable Board and a long-serving executive team with a proven track record in Kuwait



- Alignment with GRI, UN SDGs, New Kuwait Vision 2035, UAE Vision 2030, and the Egypt Vision 2030
- Select ESG Indicators include commitment to gender diversity (Total workforce 38% Females vs. 62% males, 29% Females in Management positions, 22% in Executive positions, and 37% Females amongst new hires in Q1, 2025), commitment to ethical business practice (zero incidents), investment in local procurement (72% in Q1, 2025), monitoring GHG emissions, waste generation and water consumption.



An abstract painting of a lion's head, rendered in vibrant blue and yellow brushstrokes. The lion's face is the central focus, with its mane and features defined by thick, expressive paint applications. The background consists of swirling, energetic strokes of blue and yellow, creating a sense of movement and depth.

SECTION 2

OPERATING ENVIRONMENT

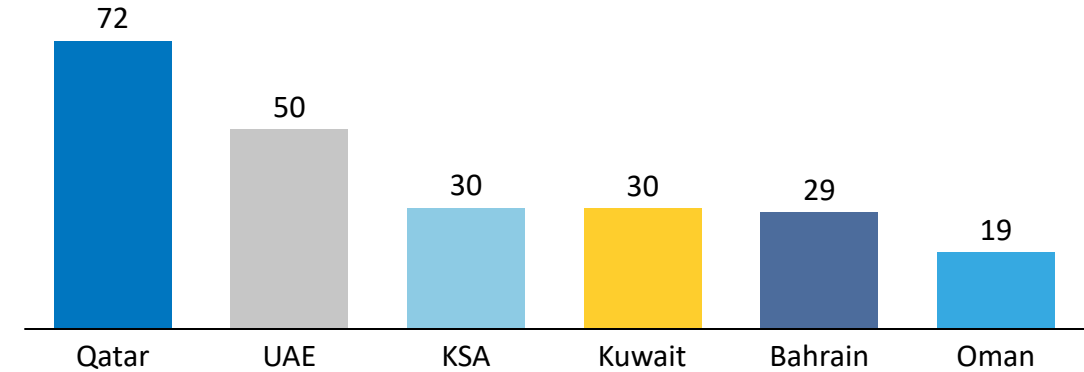


SNAPSHOT OF KUWAIT'S ECONOMY

Key Economic Indicators

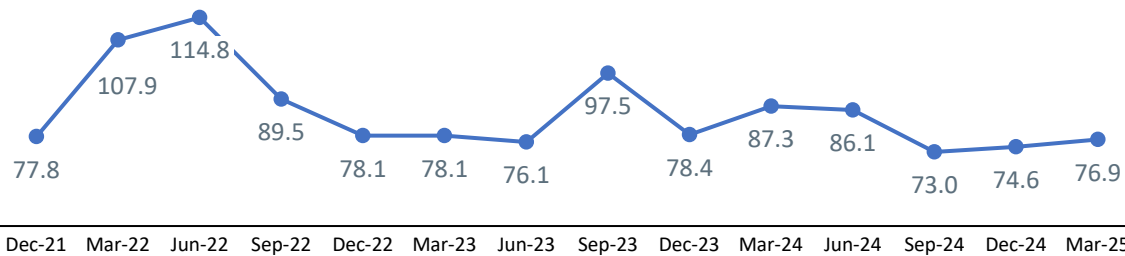


GCC GDP per capita (2025) (USD'000)³

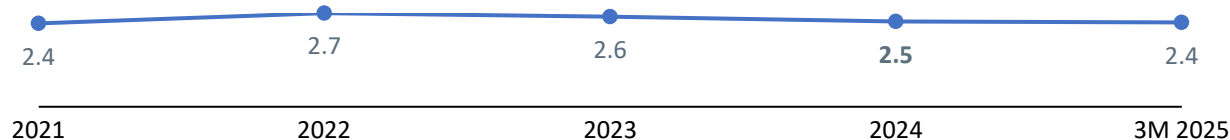


Evolution of oil price and Kuwait's average daily crude oil production

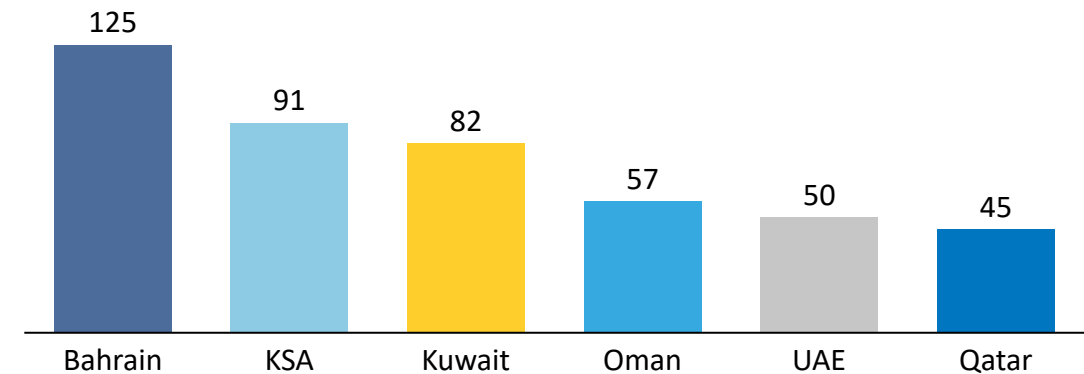
Oil Price (USD/bbl)⁴



Average Crude Oil production (millions bbl/day)⁵



Fiscal breakeven oil price breakeven 2025 projections compared to other GCC countries (USD/BI)⁶



1-Population Source: PACI as of 31st December 2024

2-As of 18th September 2024 CBK Announcement

3G DP per Capita Source : IMF April 2025

4- Oil price - Opec

5- Average Crude Oil - EIA


6- Fiscal Breakeven Oil Price Breakeven October 2024 Regional Economic Outlook-IMF (REO), Statistical appendix – Jan-2025



SNAPSHOT OF KUWAIT'S BANKING SECTOR




The banking sector is regulated by the CBK. Leading supervisory practices are in place to monitor interest rates charged, lending limits and concentrations, investment limits, liquidity, and capital adequacy




Provisions required by CBK instructions have been more precautionary in nature and higher than the ECL calculated under IFRS 9 according to CBK guidelines creating additional buffers in the banking system



The government's financial strength reinforce both capacity and willingness to provide support to the banking sector



Capital adequacy standards under the Basel III framework were implemented by CBK in June 2014

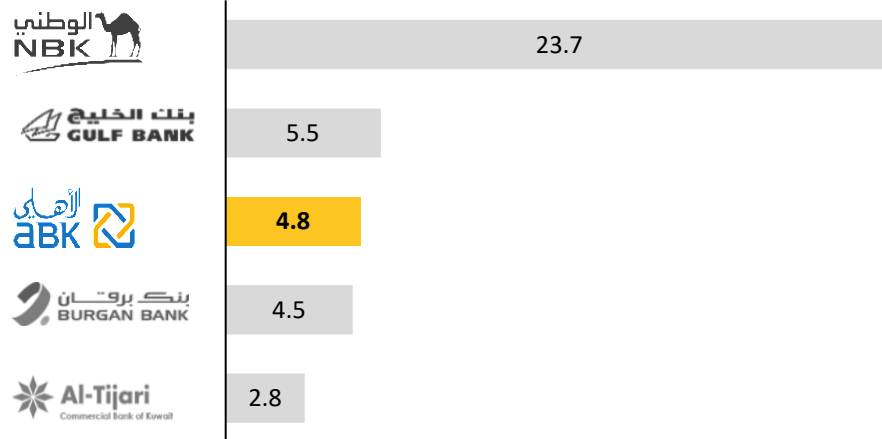


100% Guarantee on customer deposits held with local banks under the Deposits Guarantee Law

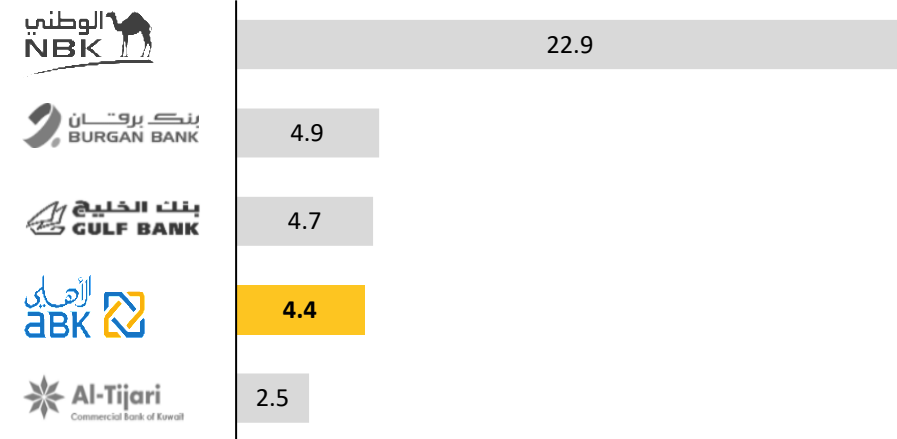


PEER COMPARISON

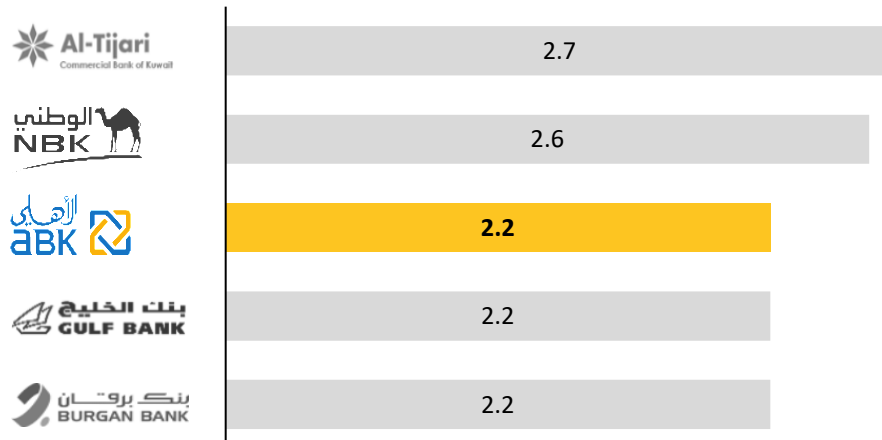
Loans & Advances (KD'Bn)



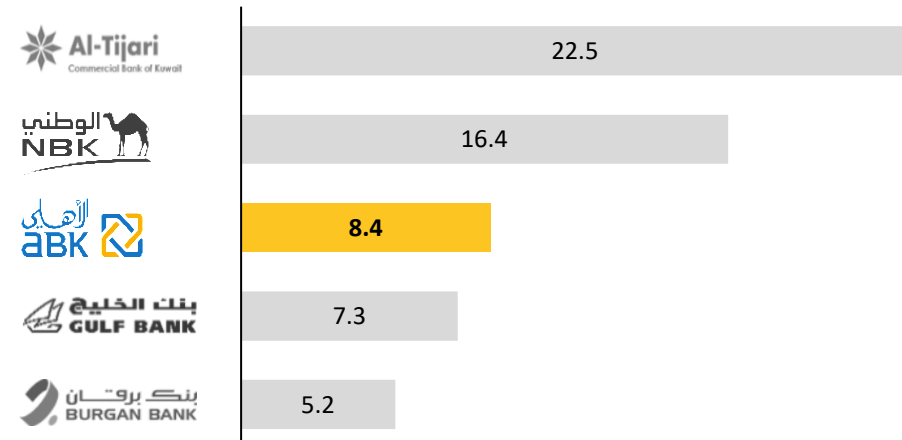
Customer Deposits (KD'Bn)



Net Interest Margin (%)



Return on Equity (%)



SECTION 3

STRATEGY AND BUSINESS OVERVIEW



ABK'S VISION, MISSION, AND CORE VALUES

The Foundation of ABK's Strategy

ABK's strategy supports our vision and mission across our values that define our holistic approach to each element of our organization from processes and product development to talent management and client service.



Vision
Reimagining a simpler bank



Mission
To consistently provide experiences that simplify and enrich people's lives

Core Values



Simplicity

Ensure business activities and tasks are executed in an efficient and effective manner.



Integrity

Being honest and showing a consistent and uncompromising adherence to ethical values.



Transparency

Being open, straightforward, and unbiased in all our dealings.



Excellence

Always strive to exceed our customers and colleagues' expectations.



ABK'S STRATEGIC PRIORITIES



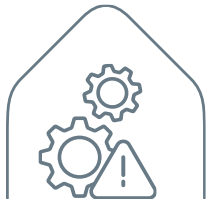
Scale and create value

Kuwait: Scale franchise in retail, private banking, and commercial banking

Egypt: Maintain growth momentum, continuous focus on risk

UAE: Grow selectively; focus on diversification/synergy benefits

Cross-group: Leverage synergies across network



Sustain and de-risk

Risk strategy and appetite:

Develop commensurate risk appetite enabling prudent growth across geographies, sectors & products

Next-gen risk capabilities:

Revamp risk processes & tools and leverage data & advance analytics to enhance effectiveness and efficiency

Efficient capital and liquidity management:

Deploy efficient capital and funding supporting our growth ambitions



ABK'S STRATEGIC PRIORITIES



Core Enablers Innovate and Enable



Digital and advanced analytics transformation:

Implement comprehensive digital and advanced analytics roadmap focused on customer experience as well as efficiency gains



Technology and operational excellence

Build modern, agile, and secure IT function, unlock efficiencies through disciplined spend management and structural operating model shifts



Winning talent and culture:

Maintain a winning & performance culture, develop & retain talent (incl. digital talent), nurture future Kuwaiti leaders



OVERVIEW OF ABK'S BUSINESS SEGMENTS



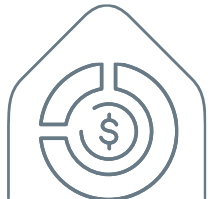
Commercial Banking

A holistic range of various cash & non-cash facilities to local and international entities.



Retail Banking

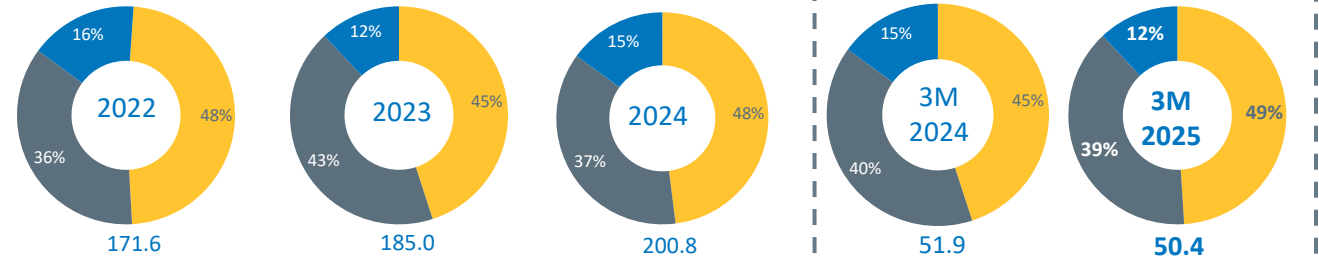
Full set of retail banking products and services including loans, credit cards, deposits, and digital solutions.



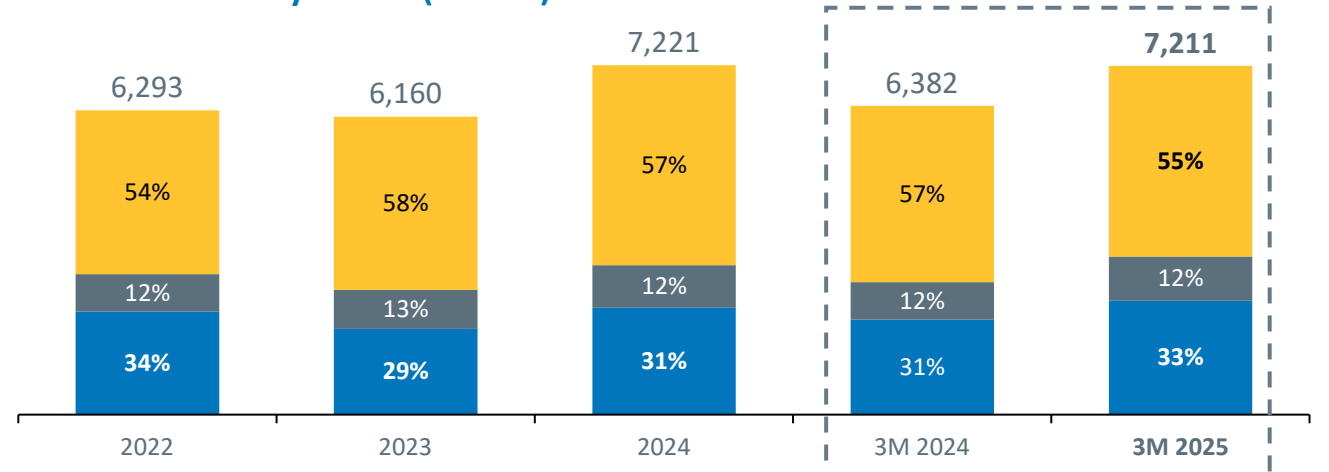
Treasury & Investment

Treasury services provided to customers includes money market transactions, foreign exchange transactions including derivatives and fixed income transactions under the investment activities.

Breakdown by Operating Income (KD'Mn)



Breakdown by Assets (KD'Mn)





COMMERCIAL AND RETAIL BANKING



Commercial Banking

Corporate Banking

- Split into 2 divisions (Corporate Banking & Structured Finance), 10 specialized business units
- Offering a wide & broad spectrum of financial products and services to local & international entities in various sectors

International Banking

- Operations from the Group's Head Office in Kuwait is responsible for the Bank's relationship with major international banks and correspondent banks around the world, including the Nostro and Vostro accounts for and within the Group
- The international banking division manages the Group's institutional and multi-national corporate loan portfolio through relationship managers



Retail Banking

- Offers its customers with best-in-class & secure retail products and services through its integrated distribution network, comprising 28 branches and a direct sales force, as well as simple, secure and accessible digital banking solutions.

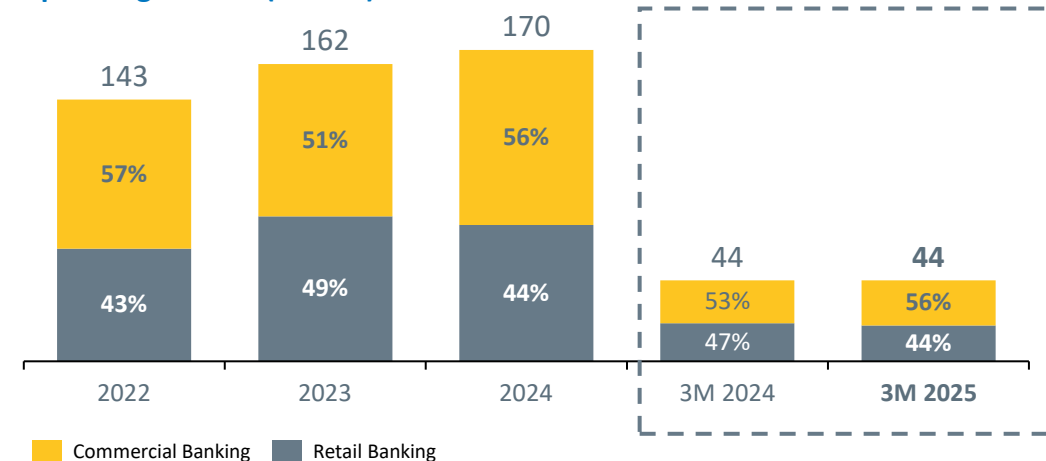
Key Stats – Kuwait

28 branches – Including a fully digitized branch, 137 ATMs & 3 ITMs (interactive teller machines) as of Mar-25

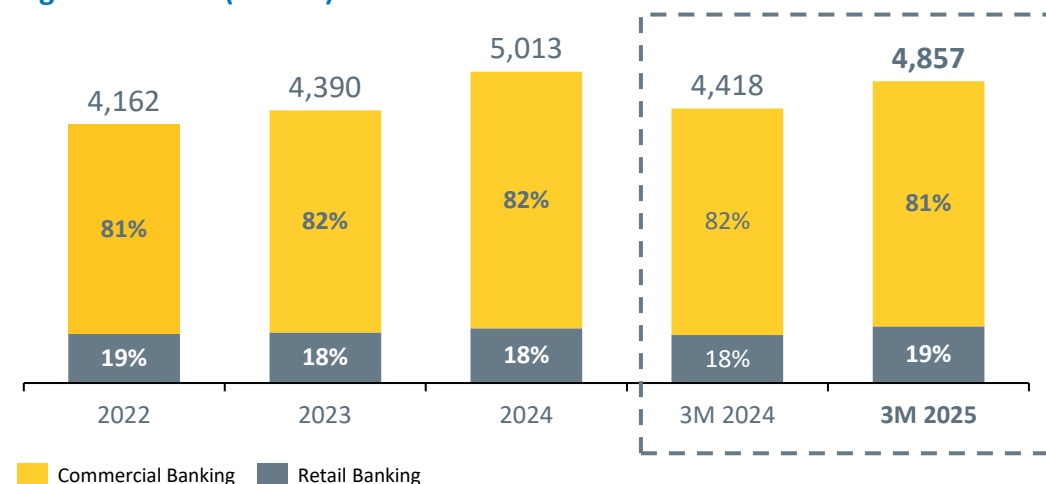
Key Stats – Egypt

45 branches and 117 ATMs across major cities as of Mar-25

Operating Income (KD'Mn)



Segment Assets (KD'Mn)





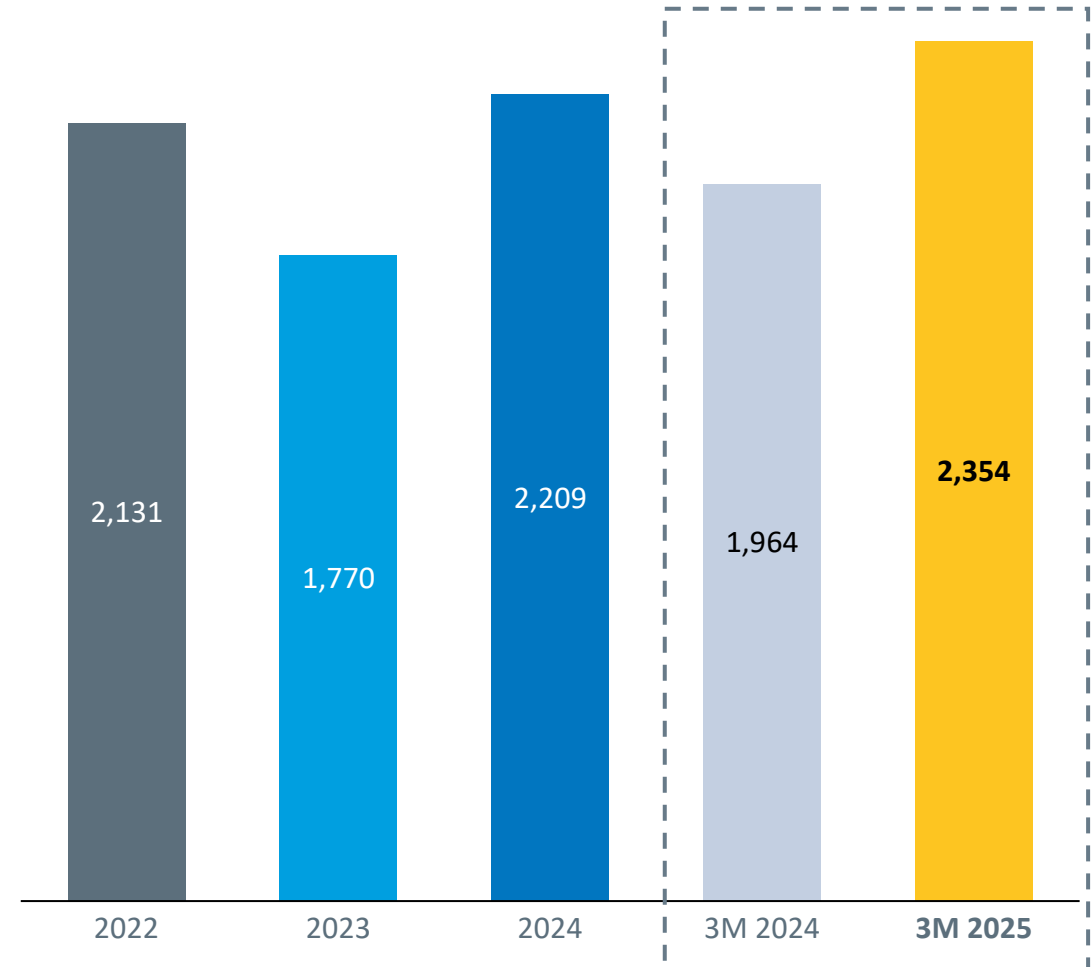
TREASURY & INVESTMENTS



Treasury & Investment

- The Group's Treasury manages the Group's assets and liabilities and liquidity requirements under the supervision of the Asset and Liabilities Committee (ALCO)
- Manages the money market books and money market funding positions for the Group's own account to fund its domestic and international foreign-currency assets
- Undertakes a range of foreign exchange business, across both spot and forward markets, largely on behalf of the Group's customer base, and conducts a limited amount of proprietary foreign exchange trading within the constraints of what the Group considers to be prudent risk guidelines
- Maintains a portfolio of government treasury bills and bonds to meet relevant regulatory requirements and to manage surplus domestic currency liquidity
- The Group's investment unit is responsible for managing the Group's fixed income portfolio with the objective of realizing income while minimizing the risk of default

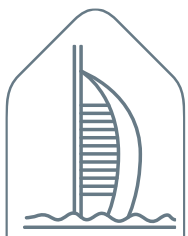
Segment Assets (KD'Mn)





INTERNATIONAL OPERATIONS

The Group's International operations encompass the operations of its UAE branches and its ABK Egypt subsidiary contributing around 40% of operating income and 37% of assets



Al Ahli Bank of Kuwait – UAE

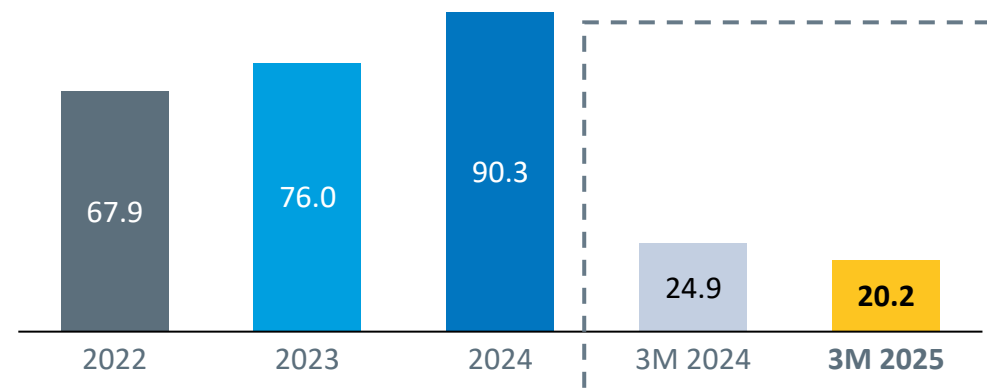
- First Kuwaiti Bank in the UAE and currently has three branches, located in Dubai, Abu Dhabi and DIFC, respectively
- Operating for over 40 years in Dubai where its Branch was originally opened to support the needs of Kuwaiti businesses in Dubai
- Abu Dhabi Branch opened in 2009, since then the Group has expanded its UAE activities to provide retail deposit taking services to customers in the UAE, as well as a range of financing and treasury solutions to corporate customers
- DIFC Branch opened in Apr-18 and was granted the Category 1 license in January 22



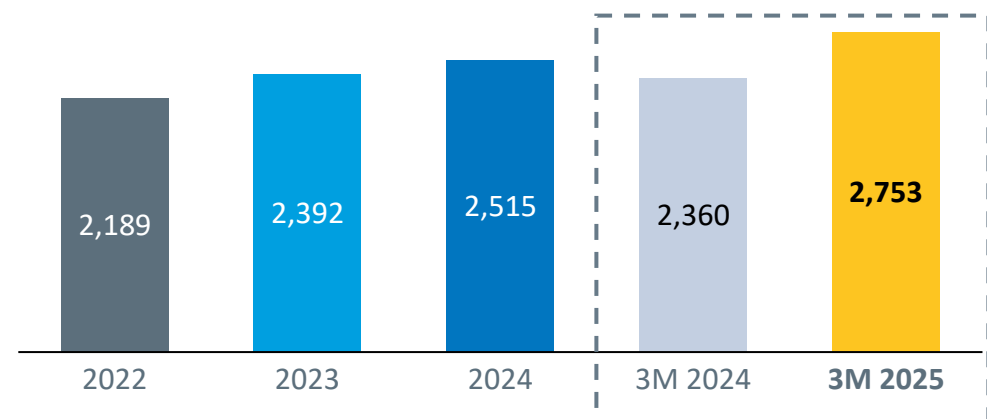
Al Ahli Bank of Kuwait – Egypt

- Acquired in Nov-15, since renamed Al Ahli Bank of Kuwait – Egypt
- Provides revenue and asset diversification and an opportunity to leverage economic links between Kuwait and Egypt
- Higher margins and growth rate potential in Egypt vis-à-vis Kuwait
- 45 branches and 117 ATMS spread across major cities in Egypt as of Mar-25

International Operating Income (KD'Mn)



International Operations Total Assets (KD'Mn)





ABK SUSTAINABILITY FRAMEWORKS



Main Reporting Framework Global Reporting Initiative

- A sustainability reporting standard widely used by various organizations around the world
- It is composed of a set of universal standards (general disclosures), as well as topic-specific standard disclosures

GHG protocol

- Is a standardized framework for organizations to measure, manage and report their greenhouse gas emissions



International Framework for Sustainability

- The United Nations Sustainable Development Goals (SDGs) consists of 17 goals which cover the following dimensions:
 - Economy
 - Environment
 - Community
 - Labor rights
 - Equality



International ESG Rating

- ESG rating agencies assess and rate organizations' ESG performance and investments based on information provided in the public domain or by the organization itself.
- Assessments are quantified into annual scores using unique frameworks and criteria.
- The scores provide investors with insights on how well an organization is managing its ESG performance and risks.



Kuwait Frameworks for Sustainability Kuwait National Development Plan (KNDP)

- Economic diversification
- Infrastructure development
- Human capital development
- Environmental sustainability
- Governance & institutional reform
- Social development



ABK SUSTAINABILITY

2023 REPORT HIGHLIGHTS



Customer Trust and Satisfaction

- Customer Satisfaction Index (CSI): 83.3%
- Net Promoter Score (NPS): 50.0%
- Number of branches with special needs support: 8



Employee Wellbeing and Development

- Total training hours provided: 44,676.5
- Fresh graduate hires: 107



Committed to Gender Diversity

- Female employees: 44%
- Females in managerial positions: 125



Invested in Local Procurement

- Local suppliers' expenditure: KD 19,476,423.93



Community Dedication

- Total investment: KD 56,500.00



Empowering SMEs

- SME loans (YOY): 1.4% of ABK's total portfolio



Electricity Consumption

- 11,436,058.00 kWh



GHG Emissions

- Total GHG emissions (tCO₂e) 12,234.03
- Scope 1 emissions (tCO₂e) 1,203.30
- Scope 2 emissions (tCO₂e) 6,899.65
- Scope 3 emissions (tCO₂e) 4,131.09



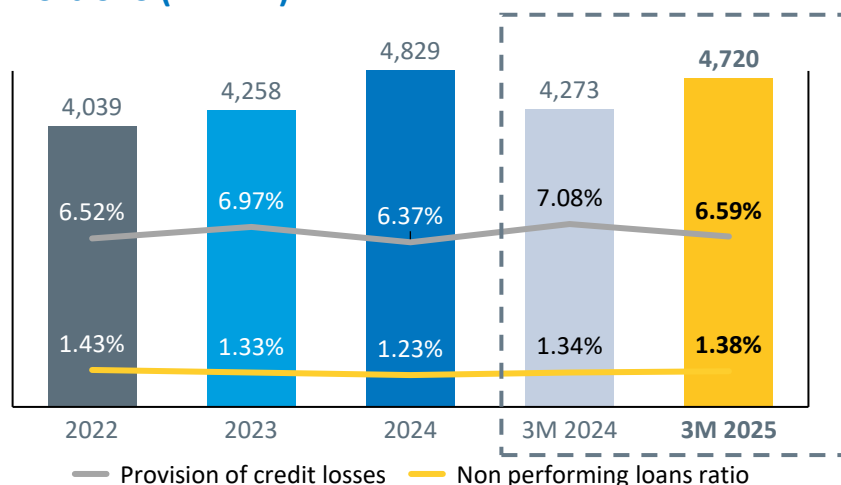
Diverted Waste from Landfills

- Paper waste recycled out of paper consumed: 54%

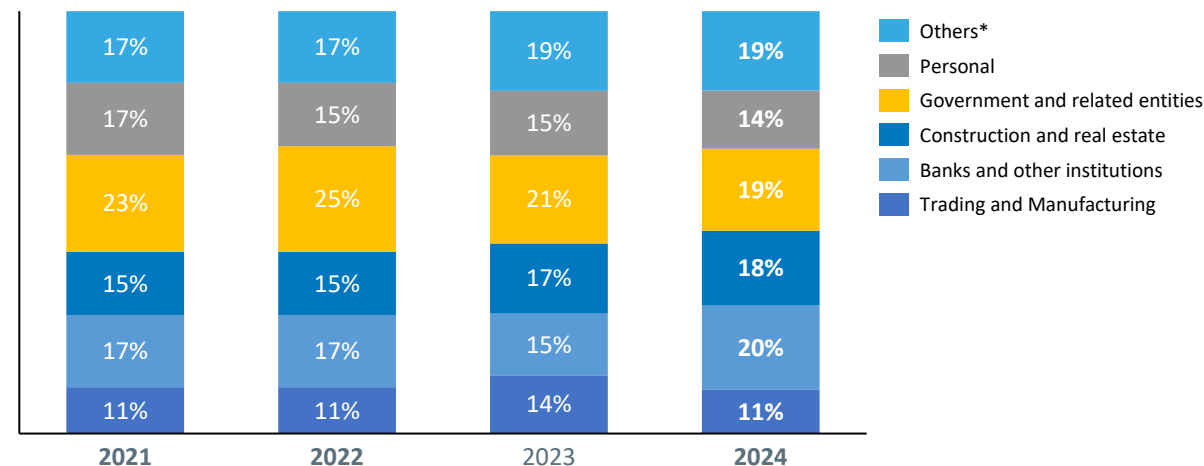


LOANS, PORTFOLIO, FUNDING AND LIQUIDITY

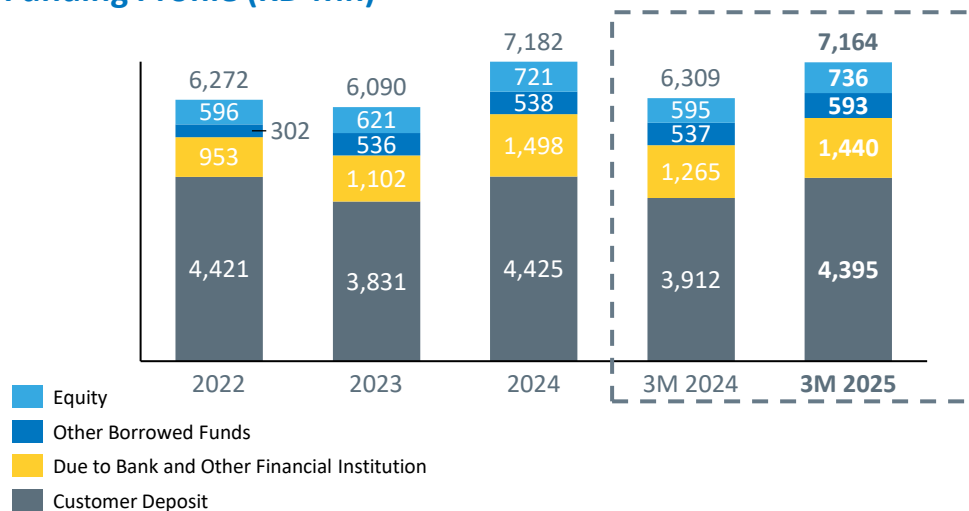
Loan Portfolio (KD'Mn)



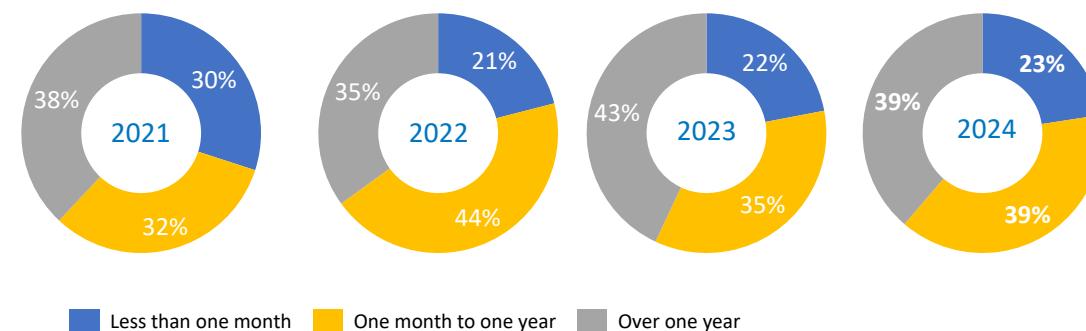
Gross Maximum Exposure by Credit Risk (%)



Funding Profile (KD'Mn)



Maturity Profile for Liabilities

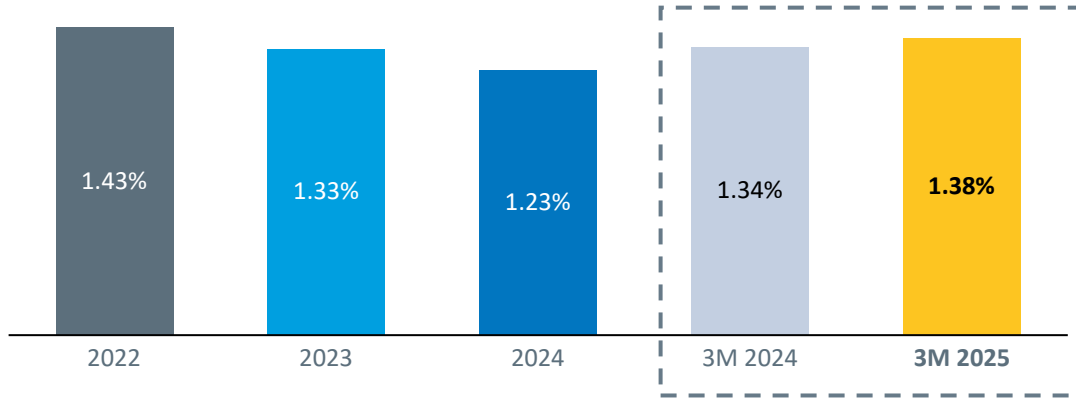


*Others: include crude oil & gas, agriculture, public utilities and other services

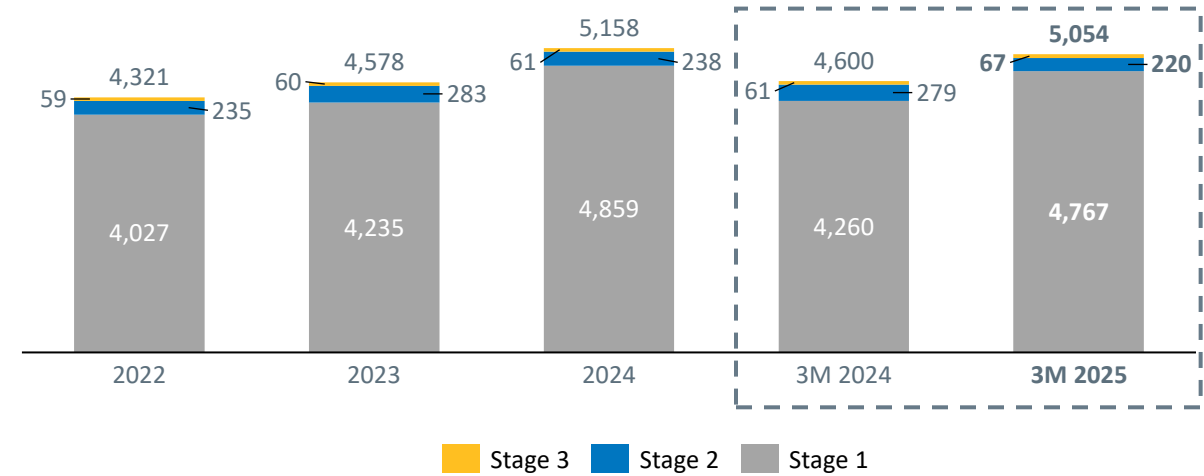


ASSET QUALITY OVERVIEW

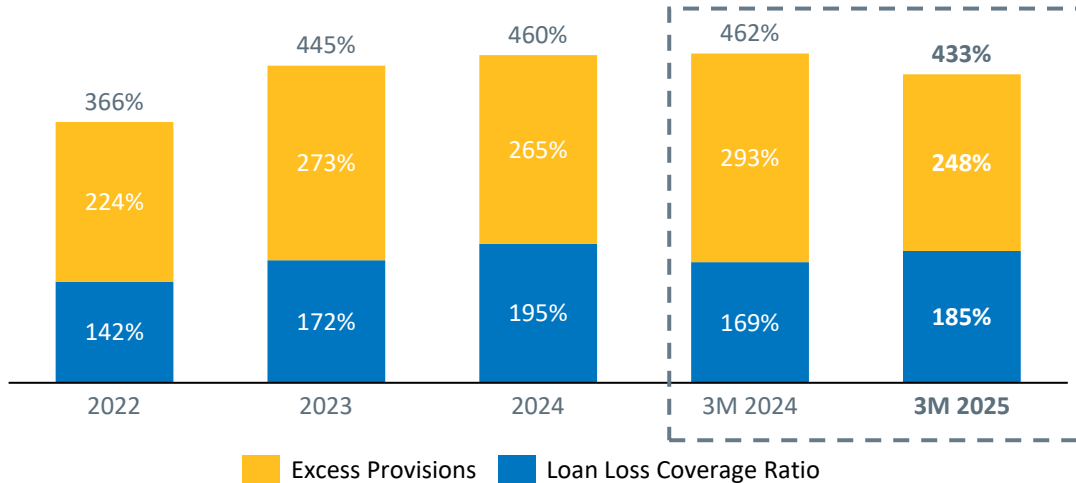
Non-Performing Loan Ratio (%)



Stage-wise Breakdown of Gross Loans (KD'Mn)



Loan Loss Coverage Ratio and Excess Provisions (%)



- Expected credit losses on credit facilities determined under IFRS 9 according to the CBK guidelines amounted to KD 153Mn, which is KD 206Mn lower than the provision of KD 358Mn for credit losses under CBK Instructions
- Impairment of credit facilities are recognized at higher of ECL on credit facilities under IFRS9 according to CBK guidelines or the provisions required by CBK instructions relating to classification of credit facilities and calculation of provisions

SECTION 4

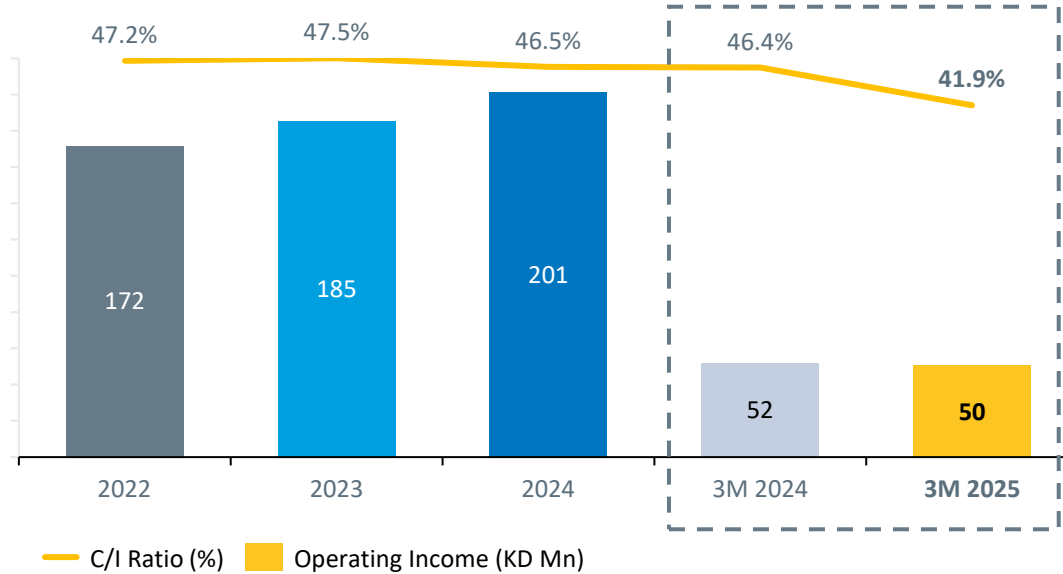
FINANCIAL PERFORMANCE HIGHLIGHTS



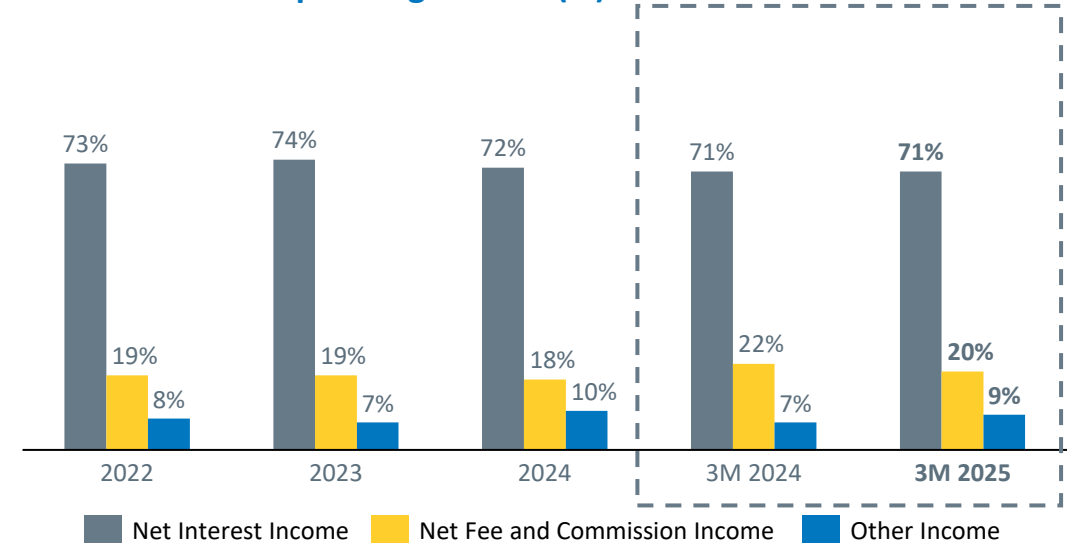


OPERATING PERFORMANCE

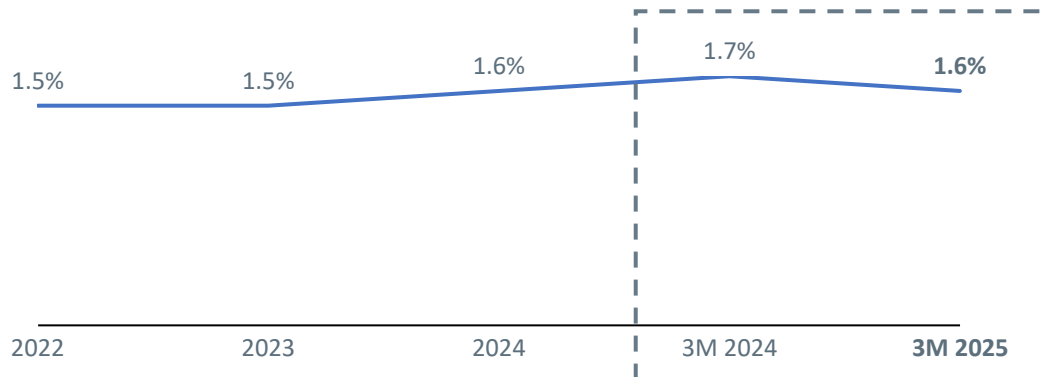
Operating Income (KD'Mn) & Cost to Income (%)



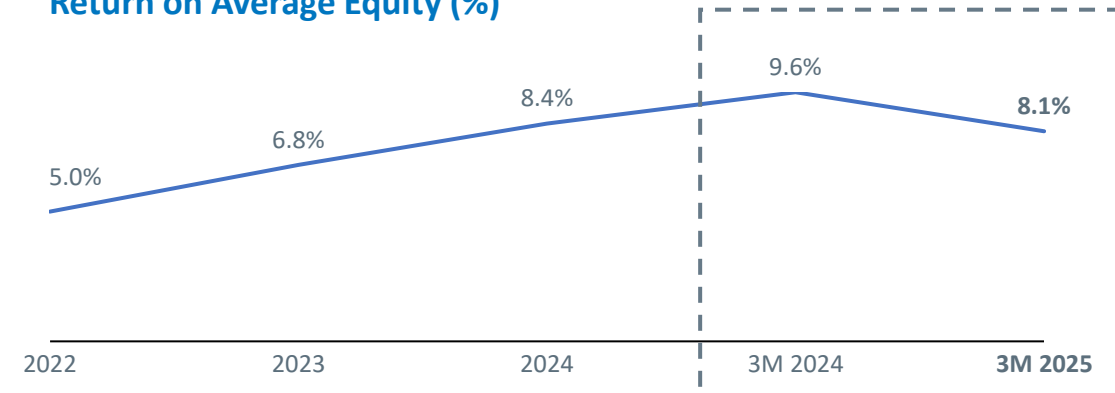
Breakdown of Operating Income (%)



Operating Profit / Average Assets (%)



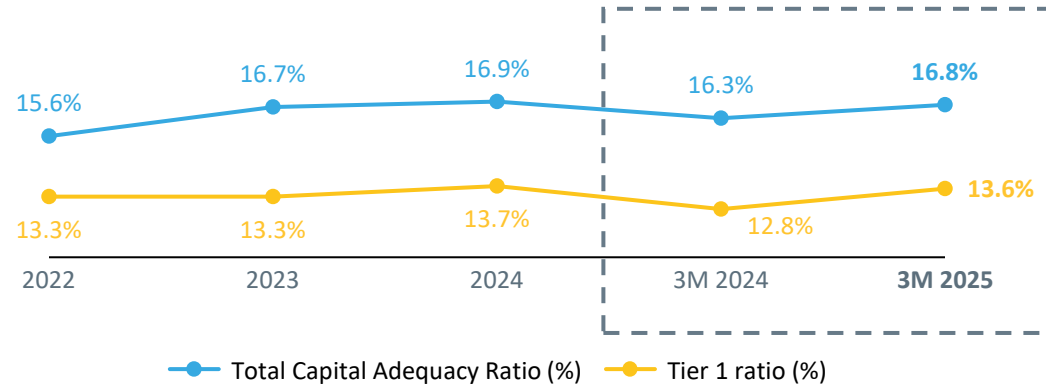
Return on Average Equity (%)



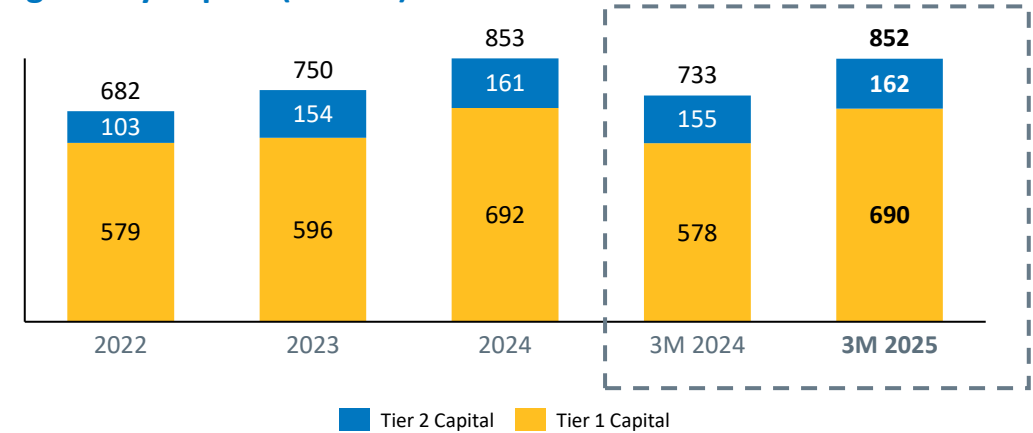


CAPITALIZATION OVERVIEW

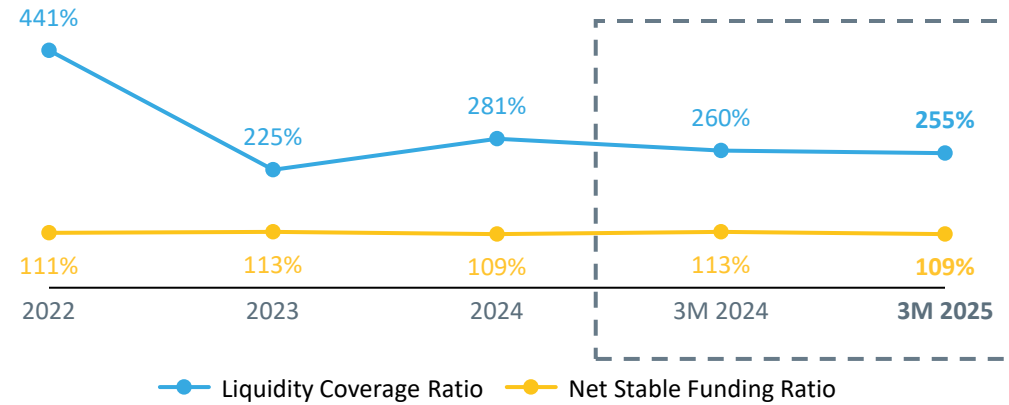
Tier 1 Ratio and Capital Adequacy Ratio (%)



Regulatory Capital (KD'Mn)



Net Stable Funding Ratio and Liquidity Coverage Ratio



Key Central Bank of Kuwait Regulations & Requirements

Common Equity Tier 1	9.50%
Tier 1 Capital Ratio	11%
Capital Adequacy Ratio	13%
D-SIB surcharge	0.50%
Net Stable Funding Ratio	Equal to at least 100% on an ongoing basis effective from 1st January 2018
Liquidity Coverage Ratio	Minimum of 100%
Loan to Deposit Ratio	Capped at 90%
Investment Limits	Total ratio of securities portfolio excluding fixed income securities shouldn't exceed 50% of bank's capital base

The background of the slide is an abstract composition of thick, expressive brushstrokes in shades of blue, yellow, and white. In the center-right, there is a prominent, layered geometric shape that resembles a stylized 'H' or a complex knot. This shape is composed of several concentric, slightly offset layers in blue, yellow, and light blue, giving it a three-dimensional, sculptural appearance. The overall effect is one of dynamic energy and artistic texture.

SECTION 5

APPENDIX



BALANCE SHEET

BASED ON CONSOLIDATED IFRS FINANCIALS

KD'000	2022	2023	2024	3M 2024	3M 2025
Assets					
Cash and balances with banks	1,138,750	691,432	1,043,183	908,551	1,157,642
Kuwait Government Treasury bonds	20,500	17,500	5,000	17,500	5,000
Central Bank of Kuwait bonds	167,884	163,712	81,453	164,222	80,607
Loans and advances	4,038,940	4,257,708	4,829,046	4,273,379	4,720,397
Investment Securities	797,363	900,812	1,119,235	893,120	1,106,478
Investment in Associate	29,376	31,228	33,435	30,585	34,159
Premises and equipment	56,706	107,065	107,519	103,467	107,383
Intangible Assets	11,406	8,855	5,371	5,732	5,240
Other assets	161,175	110,933	149,271	114,595	143,018
Total Assets	6,422,100	6,289,245	7,373,513	6,511,151	7,359,924
Liabilities and Equity					
Liabilities					
Due to banks and other financial institutions	952,959	1,101,754	1,497,755	1,264,876	1,439,639
Customer's deposits	4,421,247	3,830,891	4,424,809	3,912,559	4,395,295
Other Borrowed Funds	302,218	536,401	538,463	537,364	592,893
Other liabilities	149,685	199,347	191,565	201,713	196,300
Total liabilities	5,826,109	5,668,393	6,652,592	5,916,512	6,624,127
Shareholders' equity					
Share Capital	178,513	237,439	249,311	237,439	249,311
Share premium	108,897	158,897	158,897	158,897	158,897
Treasury shares	(5,135)	(5,135)	(5,135)	(5,135)	(5,135)
Reserves	221,827	228,351	224,968	202,314	239,777
Equity attributable to shareholders of the Bank	504,102	619,552	628,041	593,515	642,850
Perpetual Tier 1 Capital Securities	90,750	-	91,560	-	91,560
Non-controlling interests	1,139	1,300	1,320	1,124	1,387
Total equity	595,991	620,852	720,921	594,639	735,797
Total liabilities and Equity	6,422,100	6,289,245	7,373,513	6,511,151	7,359,924



INCOME STATEMENT

BASED ON CONSOLIDATED IFRS FINANCIALS

KD'000	2022	2023	2024	3M 2024	3M 2025
Interest income	269,327	413,538	471,444	117,243	121,009
Interest expense	(143,950)	(276,146)	(327,264)	(80,263)	(85,251)
Net Interest Income	125,377	137,392	144,180	36,980	35,758
Net Fees and commissions income	32,519	34,861	37,104	11,085	9,947
Net foreign exchange gain	4,289	4,481	8,106	1,018	1,911
Net gain on investment securities	1,907	1,222	1,857	442	473
Dividend income	1,638	1,638	1,791	1,052	950
Share of results from an associate	3,382	3,053	3,646	797	725
Other operating income	2,455	2,376	4,066	486	625
Operating Income	171,567	185,023	200,750	51,860	50,389
Staff expenses	(45,830)	(48,414)	(50,781)	(12,589)	(13,078)
Other operating expenses	(28,121)	(33,669)	(37,035)	(10,036)	(6,609)
Depreciation and amortisation	(7,110)	(5,844)	(5,521)	(1,434)	(1,436)
Operating expenses	(81,061)	(87,927)	(93,337)	(24,059)	(21,123)
Operating profit for the year	90,506	97,096	107,413	27,801	29,266
Provision On					
Credit Facilities	(46,166)	(38,695)	(41,697)	(10,372)	(10,888)
Net (impairment)/release on investment securities and others	(1,262)	(814)	(964)	(219)	(202)
Profit /(loss) for the year	43,078	57,587	64,752	17,210	18,176
Directors' fee	(760)	(865)	(810)	-	-
Taxation	(9,940)	(11,275)	(11,205)	(2,574)	(2,405)
Net Profit /(loss) for the year	32,378	45,447	52,737	14,636	15,771
Attributable to:					
Shareholders of the Bank	32,291	45,185	52,414	14,521	15,688
Non controlling Interests	87	262	323	115	83
EPS (fils)	13	18	21	6	5



ABK SHARE INFORMATION

Legal Name: Al Ahli Bank of Kuwait (K.S.C.P)
Date Established: 23 May 1967
Regulated By:
 Central Bank of Kuwait (CBK) + Kuwait's Capital
 Markets Authority (CMA)
Listing Date: 29 September 1984
Exchange Ticker: ABK
Code: 104
Bloomberg Ticker: ABK KK

Thomson Reuters Ticker: ABKK.KW

ISIN: KW0EQ0100044

Sector: Banking

Paid-Up Share Capital: KWD 249,310,667.500

Number of outstanding shares: 2,476,989,523

Par-value per Share: KWD 0.100

Fiscal Year: 31 December

Registrar: Kuwait Clearing Company

ABK INDICES





ANNUAL REPORT





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