

REF: ABK/BA/31
Date: 4 March 2025

To: Bursa Kuwait

Dear Sirs,

Subject: Analyst conference transcript and presentation for the financial year ended December 31st 2024

In compliance with the provisions of Article (8-4-2) of Bursa 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 financial year ended December 31st 2024 was held at 2:00 p.m. (local timing) on Monday 3 March 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 the financial year ended December 31st 2024.

Best Regards,



Fawzy Al-Thunayan
GM, Board Affairs





Al Ahli Bank of Kuwait
Edited Transcript – Q4 2024 Investor’s Call

Date: Monday, 3rd March 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:

EFG Hermes

Moderator:

Ahmed El-Shazly

Ahmed El-Shazly:

Good afternoon, everyone and thank you for joining us today. This is Ahmed El Shazly from EFG Hermes and I am pleased to welcome you to Al Ahli Bank of Kuwait’s (ABK) Q4 2024 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. Ramadan Kareem and thank you for joining us today for our year ended 2024 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 Alsumait.

Abdulla Alsumait:

Good afternoon, everyone, and thank you for the introduction, Mr. Osama. It is a privilege to present to you ABK's exceptional performance and strategic accomplishments for 2024. The period reflects remarkable growth and our commitment to sustainable value creation.

Let me start by highlighting our financial performance. We are proud to report an impressive 16% increase in net profit attributable to shareholders, rising from KD 45.2 million in 2023, to KD 52.4 million in 2024. In addition, Earnings Per Share also grew by 17%, from 18 fils to 21 fils and our Capital Adequacy Ratio has increased to 16.94% in 2024 from 16.74% in 2023.

Over the year, ABK has selectively grown its loan portfolio by 13% year-on-year, with quality being its utmost priority evident in an NPL ratio of 1.23% compared to 1.33% last year.

Our extensive footprint drives revenue growth, efficient loan distribution, and strong deposit acquisition with our international operations, including our UAE branches and ABK-Egypt, contributing 45% of our operating income and 34% of our assets, highlighting their contribution to our success.

Our solid performance in 2024 was the result of careful planning, close coordination and cooperation between our business lines across the Group, introduction of new products and services culminating in a successful execution of our strategy. During the year, we have launched innovative offerings catering to Youth, Elite and SME segments, including upgrading the A+ youth offering, improved our credit card offering with 3 new credit cards and our offering to SMEs with Al Tajer Plus. Our latest milestone was the



launch of ABK's all-new mobile banking in January 2025. This innovative platform delivers unmatched convenience, security and efficiency in banking.

Our 2024 success was driven by the dedication of our workforce, with Kuwaitis holding 73% of leadership roles and females comprising 42% of the team. We remain committed to investing in the development of our employees, recognizing their critical contribution to our operational excellence and the overall success of the Group.

Looking forward to 2025, we are steadfast in pursuing our long-term vision, focusing on strategic expansion and capitalizing on growth opportunities across regional and local markets. We will continue to uphold the highest standards of excellence and deliver innovative, world-class solutions to our customers. Thank you for your trust and support as we progress into the future.

I will now hand over to my colleague, Mr. Shiamak Soonawalla, GCFO, for a more detailed discussion on the financial aspect of our presentation.

Shiamak Soonawalla:

Thank you, Mr. Abdulla. Greetings to everyone, and thank you for joining our webcast for the year ended 2024.

I am proud to announce another year of outstanding financial performance, with a net profit attributable to shareholders of KD 52.4 million, reflecting an impressive 16% increase in profitability compared to the prior year. Additionally, earnings per share for 2024 stood at 21 fils, representing a 17% growth compared to the 18-fils reported in the prior year. Moreover, ABK's operating income of KD 200.75 million and operating profit of KD 107.41 million, reflect our strong performance and effective execution of strategic initiatives.

From a risk management and stability perspective, our Group non-performing loan (NPL) ratio stood at 1.23% vs. 1.33%, while our Group loan loss coverage ratio remains exceptionally strong at 460% vs. 445% year-on-year. Furthermore, we continue to hold provisions amounting to KD 204 million, which exceeds the requirements set forth by IFRS 9 according to Central Bank of Kuwait guidelines.

We continued to maintain our net interest margin at 2.1% levels, stabilizing our earnings. Analyzing the key drivers of performance, the Group achieved a 9% increase in total operating income compared to the previous year. Additionally, our Return on Average Equity (ROAE) increased to 8.4% from

6.8%, a 24% year-on-year improvement. These achievements underscore our profitability and ability to deliver strong returns to our shareholders.

Our liquidity position remains exceptionally robust, supported by a net stable funding ratio of 109% and a liquidity coverage ratio of 281%. Additionally, our balance sheet is underpinned by customer deposits amounting to KD 4.4 billion, which represents 67% of total liabilities.

Our total interest income for 2024 reached KD 471.4 million, marking a significant year-on-year increase of KD 58 million, or 14%. This growth was primarily driven by increased asset levels and a favorable interest rate environment. Fees and commissions delivered a strong performance, contributing KD 37.1 million, reflecting a 6% increase compared to 2023. This consistent growth reflects the Group's ability to capitalize on core banking services and leverage diversified income streams, highlighting continued momentum in transaction-based income and an expanding client base. Furthermore, our 11% increase in net operating profit demonstrates robust business performance and improved efficiency.

The major contributions to our operating income of KD 200.8 million for the year came from Commercial Banking (48%), Retail Banking (37%) and Treasury and Investments (15%). Our asset allocation reflects 57% in Commercial Banking, 12% in Retail and 31% in Treasury and Investments.

The Group's steadfast commitment to excellence is evident through continuous investment in key business initiatives, digital transformation, and process optimization. These investments continue to enhance operational efficiency, reduce operating costs, and sustain long-term profitability. This is evident in ABK's cost-to-income ratio of 46.5% as of 2024 vs. 47.5% recorded in 2023.

As of 2024, the Group's total assets expanded to KD 7.4 billion from KD 6.3 billion, reflecting robust growth of 17% year-on-year. Net loans and advances grew by 13%, rising from KD 4.3 billion in 2023 to KD 4.8 billion in 2024.

In summary, our 2024 financial performance highlights robust loan growth, improved credit risk management, and a strengthened balance sheet, ensuring sustainable financial performance, adequate liquidity and a resilient capital position to support future expansion.

With this strong foundation and strategic focus, we remain favorably placed to continue to create enduring value for our investors. Thank you for your continued support and trust.

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

Abdulaziz Jawad:

Thank you, Mr. Shiamak. Good afternoon, everyone and thank you for joining us on our 2024 year-end earnings call.

The global economy continues to experience fluidity and volatility, which will most certainly have an impact on global growth projections. In its January 2025 world economic outlook update, the IMF projects a 3.3% growth for 2025, which is marginally higher than its 3.2% projection back in October. Having said that, such outlook falls short of the historical average of 3.7% for the period between 2000-2019. Global headline inflation is also expected to decline to 4.2% in 2025, on its trajectory towards target levels as led by advanced economies.

Shifting to the GCC, the region is expected to register a growth of 4.2% in 2025 versus a subdued growth of 1.6% in 2024 as per the World Bank. The growth projections in 2025 are driven by ongoing diversification efforts and ambitious reforms throughout the region. Kuwait in specific is projected to witness a major transformation in its economic growth as the IMF forecasts an economic expansion of 3.3% in 2025, 50 bps higher than the previous forecast. Efforts by the Central Bank of Kuwait have resulted in inflation forecasted to stabilize and average at 2.4% in 2025.

Furthermore, the Kuwaiti economy is expecting two milestones which will have a seismic impact on economic activities, namely the public debt law and the mortgage law, which are both anticipated in the near future. According to Bloomberg, the public debt law will authorize the issuance of up to KD 20 billion over the next 50 years to support economic reforms, improve credit ratings even further, support capital spending on development projects, while easing fiscal pressure.

The proposed mortgage law, on the other hand, which is nearing approval, will allow eligible Kuwaitis to borrow up to KD 200k as a housing loan, which will have positive ripple effects across the economy and financial sector.

Despite the challenging global macroeconomic environment of 2024, ABK has successfully navigated its path to the solid results. which Mr. Al Sumait has highlighted.

ABK Kuwait's strategic focus on salaried Kuwaitis and high-income expats has driven strong customer base and market share growth. For instance, our retail loan portfolio has experienced growth at double the pace of the



market, while our credit cards' business has grown at close to double the market rate, supported by enhanced cross-selling to the existing base and new-to-bank customers.

Additionally, we have modernized our branch network, introducing a new branch concept in Jabriya, Salmiya, and Zahra, and launched a new 'digital island' concept of in key locations across Kuwait, reinforcing our strategy to enhance the service quality across all customer touchpoints.

ABK continues to enjoy strong credit ratings of 'A' from Fitch and 'A2' from Moody's, reflecting its solid financial position, prudent risk management and strategic long-term investments. Additionally, in Q4-2024, ABK received global recognition, securing eight prestigious awards. This includes five honors from International Business Magazine, along with 'Best Investor Relationship Bank in Kuwait' and 'Most Innovative Multi-Asset Fund Management Company' which was awarded to our investment arm, ABK Capital, by International Finance, and 'Best Corporate Governance Bank' by The Global Economics.

Shifting our focus to Egypt, the country is on track regarding the IMF program as it continues its economic reform program and is unlocking its economic potential in the MENA region. In November 2024, Fitch upgraded Egypt's credit rating one notch from 'B-' to 'B,' citing stronger external finances, recovering FX buffers and greater confidence that the more flexible exchange rate policy will prove more durable than in the past. Notwithstanding the turmoil in the region, IMF estimates an economic growth of 3.6% for Egypt, on the back of a loosening of monetary policy and the resumption of Suez Canal flows. Having said that, robust tourist inflows have helped stabilize external balance and improve the country's net international reserves which hit a record USD 47.1 billion in December 2024.

In parallel, ABK-Egypt continues to deliver on the successful execution of its strategy and further strengthen its presence in the country.

Last but not least, 2024 was a stellar year for ABK-UAE and our DIFC presence, with sixteen syndicated loan transactions concluded during the year. The transactions' value crossed the USD 10 billion mark, spanning across various jurisdictions in the GCC, Europe and Asia.

Furthermore, the ABK-UAE team successfully launched its real estate escrow services and is now ready to onboard clients. The corporate team is also working on introducing smart cash deposit machines (SCDM) as part of broader cash management services. This service is essential to competitively position ourselves in the UAE's dynamic banking industry.

As communicated during our Q3-2024 earnings call, the hybrid pricing model for the UAE mortgage offering was in progress, and has now been successfully launched. This enables our valued customers to fix the mortgage interest rate for the initial year before moving on to market-derived floating rate. This thus offers customers the flexibility to lower their commitment in the initial year and manage their cashflow.

In what pertains to ESG, ABK is finalizing a number of crucial ESG milestones, which include the Sustainable Finance Framework to govern potential ESG issuances and loans, as well as the ESG Policy Framework to govern our own ESG performance. A 5th edition of our sustainability report is also in progress, where, among various outcomes, we aim to have a more comprehensive greenhouse gas (GHG) inventory, as well as expansions of our ESG Strategy via tools like an implementation plan (IP) and a monitoring & evaluation (M&E) framework.

ABK is also planning a number of milestones in the upcoming period, which include, among others, assessing our maturity against frameworks and standards (including selected ESG raters and ISSB IFRS S1 and S2), alignment with CDP standards, adopting Social Return on Investment (SROI) approaches, and development implementation plans for ESG related policies.

Looking ahead to 2025, ABK remains dedicated to executing its strategy effectively, fostering sustainable growth and long-term value for our shareholders. We appreciate your time and participation.

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

Ahmed El-Shazly:

We will now open the floor for Q&As. If you'd like to ask a question, please send it through the Q&A box on your screen.

After double-digit net loan growth in 2024, what kind of loan growth do you foresee in 2025?

Al Ahli Bank of Kuwait:

In 2025, we anticipate the loan growth to be in higher single digits.

Ahmed El-Shazly:

The 2024 loan growth took about 140 bps of the CET1 capacity. Assuming similar growth in 2025, you may be left with only 50 to 55 bps of CET1 buffers by year-end. How do you plan to boost CET1 levels to support growth?



- Al Ahli Bank of Kuwait:** We have a lot of plans in place to protect our capital including transfer of risk arrangements. We are fairly comfortable with the CET1 level and don't anticipate a major decline.
- Ahmed El-Shazly:** Can you comment on the trends in the CASA ratio, your NIM outlook for 2025, and the cost-to income targets going forward?
- Al Ahli Bank of Kuwait:** CASA has been pretty stable last year. It was a very high interest rate environment most of the year and CASA normally comes down. Typically, our CASA level is between 30-35%. At year end, it was around 30%. For 2025, with the interest rate coming down, we believe we'll be able to improve that to close to 33-34%, which is usually the levels we have enjoyed in the past.
- With regards to NIM, with the interest rate environment softening, we are looking at a 10-15 bps decline. However, we expect a further improvement in our cost-to-income ratio and the trend to continue in the future. This has been mentioned in the past as part of our strategic development plan to make a lot of significant investments, which we said we'd bear the fruit of in future years. So, we're going to see a lower trajectory in our cost-to-income ratio going forward.
- Ahmed El-Shazly:** What percentage of your retail loan book is in Kuwait and what percentage of your total loan book is domestic?
- Al Ahli Bank of Kuwait:** 65% of our total loan book is in Kuwait and 35% is outside Kuwait, which also goes for our retail book, which is almost 65-70% in Kuwait. We have nothing in the UAE, the rest is in Egypt.
- Ahmed El-Shazly:** Is there any color you could give on the mortgage law in terms of the spreads and the government backing? When do you think we can expect this to be approved and how well are you prepared to benefit from this?
- Al Ahli Bank of Kuwait:** There have been initial discussions with the Kuwait Banking Association regarding the mortgage law that we participate in. We have also given our feedback on the requirements from our side to the Ministry of Finance. They are reviewing it and have to come up with the draft law, which we don't anticipate will come out before mid-year.
- We are well poised to capitalise on this great opportunity, both for us and all market players, and a good source of income. Its risk weight will be much lower than traditional loans so, we'll benefit from that aspect also. However, much depends on the law coming out, the timing it does so, the executive regulations, and how it ultimately pans out.

The loan proposed will be around KD 200,000 where KD 70,000 will be backed up by the Kuwaiti government. The remaining KD 130,000 will be backed by the mortgage or pledging of the house itself. Regarding the NIM on the KD 70,000, the expectation is that we'll be making 50 bps. On the remaining KD 130,000, it's around 2% NIM.

Ahmed El-Shazly: Will the bank be subject to the 15% corporate tax in 2025, as Kuwait has introduced the 15% tax for multinationals?

Al Ahli Bank of Kuwait: Yes, we have looked at this regulation, keeping in mind the law has just been published but the executive regulations have not as yet. We are in constant discussion with our tax consultants and auditors, and are monitoring the situation. We'll be in a better position to know once the executive regulations are published, which will clearly interpret the law and give us more clarity.

Ahmed El-Shazly: How could the debt law impact your net interest margin?

Al Ahli Bank of Kuwait: I think the debt law will not have a major impact on our interest margin because the package that we will be able to generate and the cross-sell opportunity [to mortgage loan customers] that this will give us is phenomenal, given the volume of borrowers in the market. Our ROC will improve because the loan is under KD 200,000, meaning the risk weight is going to be lower than 100%. It's a wonderful opportunity to cross-sell and get revenue into the bank.

Ahmed El-Shazly: How sensitive is your NIM to lower interest rates in Egypt, and what was Egypt's contribution to your net interest income and total operating revenue?

Al Ahli Bank of Kuwait: Egypt's contribution is typically around 25% to 30%, and that is what happens on our NIM. One of the things to keep in mind in Egypt is that, even if the net interest rate comes down, the impact on the NIM is not more than 25 to 50 bps. They're not that significant because of the issue of the cost on the other side too. We have also taken some strategic decisions to expand our portfolio on the retail side in Egypt. As you know, retail loans are fixed loans so, that works as a sort of hedge when interest rates come down.

Ahmed El-Shazly: Could you provide some colour on the outlook for the cost of risk in 2025?

Al Ahli Bank of Kuwait: Our cost of risk will be around 80 to 90 bps. One has to keep in mind the bank's conservative philosophy. Also, as mentioned, regarding IFRS 9, we



are exceeding KD 204 million above the CBK requirement. So, we continue to maintain a conservative posture when provisions are concerned.

Ahmed El-Shazly:

If the executive regulations of the mortgage law are issued in June 2025 theoretically, how quickly can demand materialize and is the government planning to increase the handover of land plots to Kuwaitis?

Al Ahli Bank of Kuwait:

Assuming that the law will come in June, I think a tremendous increase in our loan portfolio will be reflected as compared to other banks. However, it depends on how much we will achieve in 2025. It's very difficult to say it now, but it depends on the law, the mortgage, the legal documentation, and so on.

To clarify, this mortgage law is not to allow Kuwaitis to buy any residential real estate. This is only specific to Kuwaitis whom are allocated and assigned a land by the government. So, this is linked with how many new plots or new lands the government will issue, whereby we will be able to finance those Kuwaitis to build homes on those lands. So, it's a bit hard to quantify as this is directly correlated with the number of Kuwaitis eligible for lands pertaining to that law.

As a bank, we already have the infrastructure and our systems are technically ready for this mortgage once it is issued. However, again, we cannot control nor comment on when that will take place.

Ahmed El-Shazly:

I'd like to thank everyone for joining the call, including ABK's management for their time with us today.

Al Ahli Bank of Kuwait:

Thank you.



AL AHLI BANK OF KUWAIT
INVESTOR PRESENTATION

FY 2024

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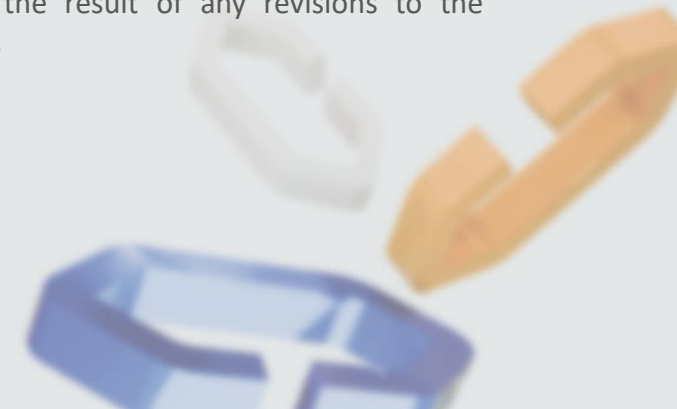


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SECTION 1

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

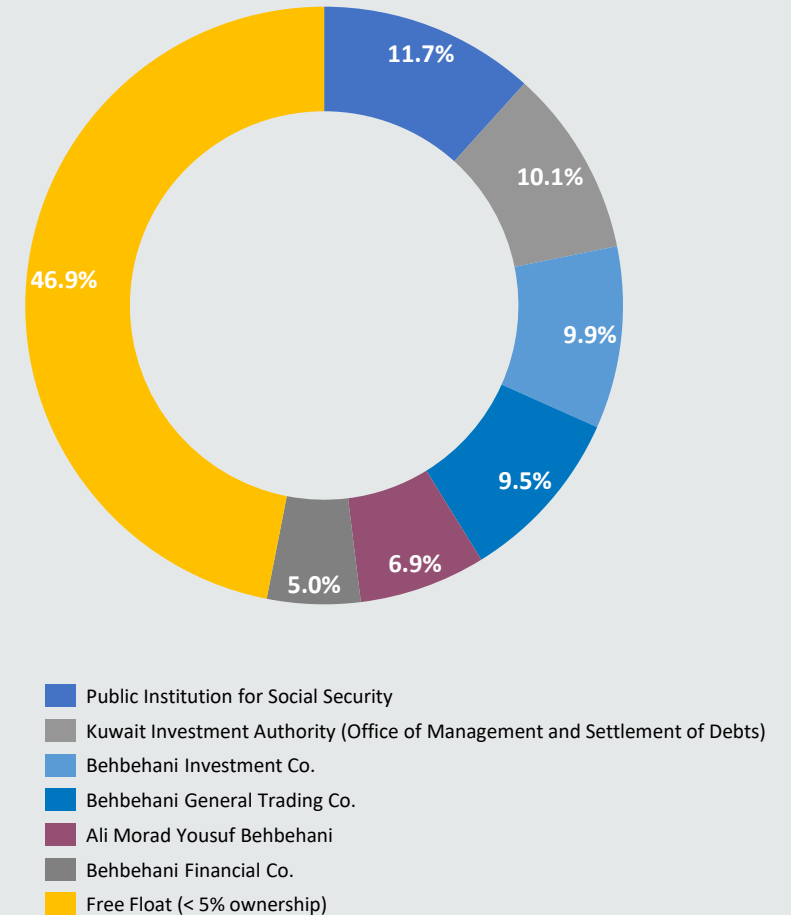
ABK Capital
Established 2006
Subsidiary

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



OVERVIEW OF ABK'S AWARDS & RATINGS

ABK

MEED

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

International Finance

- Best Investor Relations Bank – Kuwait

The Global Economics

- Best Corporate Governance Bank – 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

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 Capital

International Finance

- Most Innovative Multi-Asset Fund Management Company



Ratings

MOODY'S

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

FitchRatings

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

ABK KEY FINANCIAL HIGHLIGHTS



Self-funded balance sheet

Customer Deposits: **KD 4.4Bn**
Customer Deposits / Total Liabilities: **66.5%**



Stable operating performance

Net Interest Margin: **2.1%**
Operating Profit / Average Assets: **1.57%**



Strong capital position

Tier 1 Ratio: **13.74%**
CAR: **16.94%**



Robust asset quality with excess provisions

Non-performing Loans Ratio: **1.23%**
Loan Loss Coverage Ratio: **460%**
Excess Provision Over IFRS 9 Requirement : **KD 204Mn**



High liquidity & stable funding

Net Stable Funding Ratio: **109%**
Liquidity Coverage Ratio: **281%**



Solid investor demand & established market access*

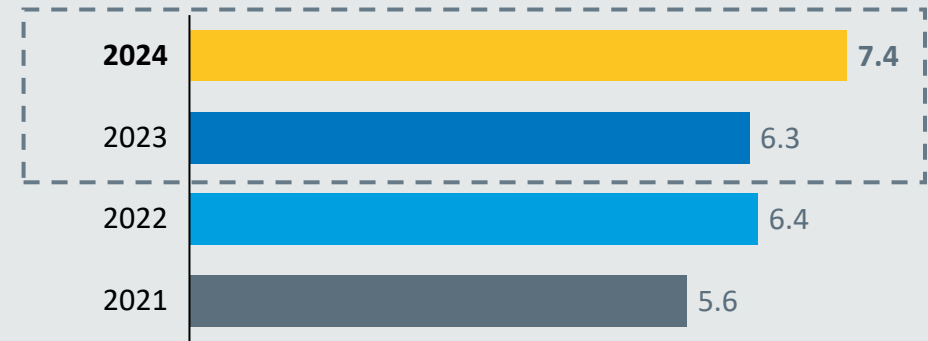
Number of issued shares: **2,493,106,675**
Number of outstanding shares: **2,476,989,523**
Market Capitalization: **KD 648Mn**

FINANCIAL SNAPSHOT (KD'Bn)

Net Loans & Advances



Total Assets



Customer Deposits



Shareholders' Equity

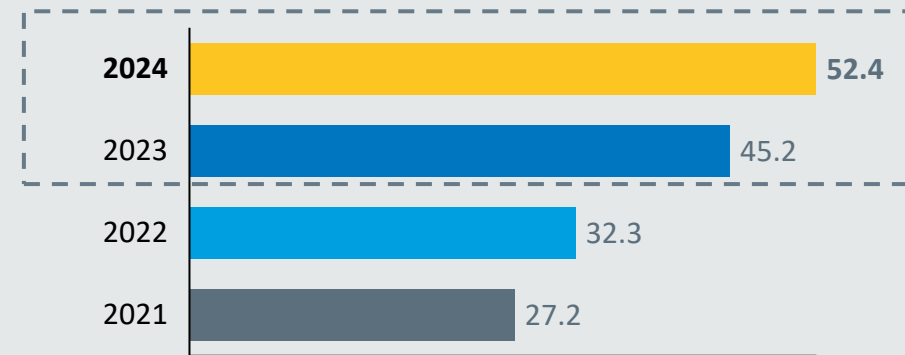


FINANCIAL SNAPSHOT

Total Operating Income (KD'Mn)



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



Non Performing Loans (%)

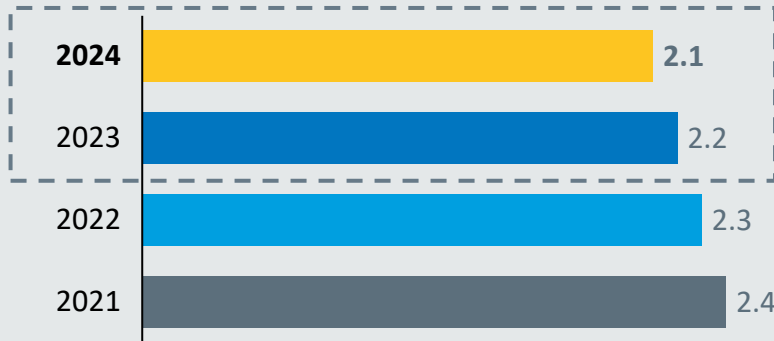


Loans to Deposit Ratio (%)*

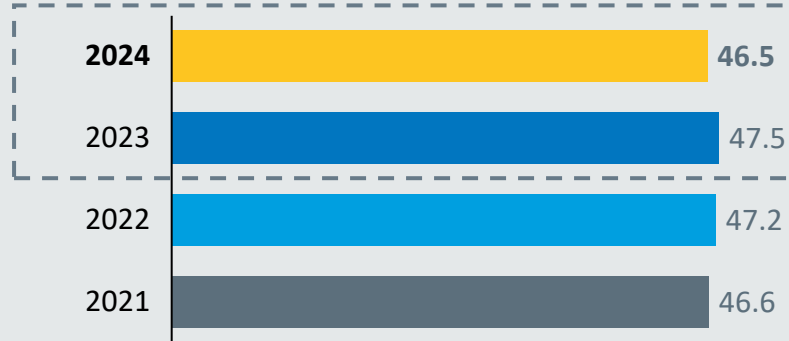


FINANCIAL SNAPSHOT

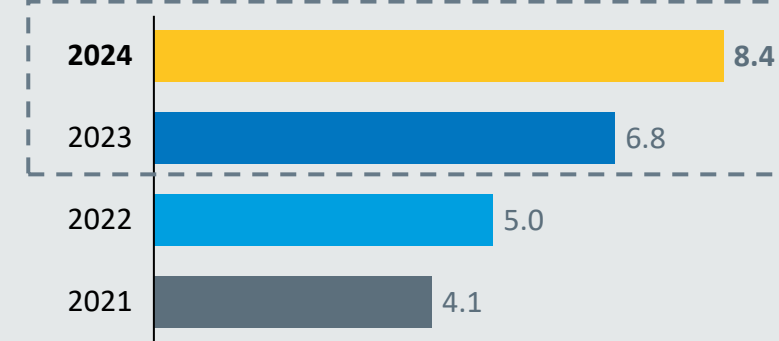
Net Interest Margin (%)



Cost / Income Ratio (%)



Return on Average Equity (%)



Tier 1 Ratio (%)



Total Capital Adequacy Ratio (%)



KEY HIGHLIGHTS

Stable funding base and good liquidity buffers

- 66.5% of the total liabilities consist of customers deposits
- Liquidity coverage ratio and net stable funding ratio of 281% and 109%, respectively against regulatory requirement of 100% for each benchmark
- Leverage of 8.3%, above the 3.0% required by the CBK Basel III leverage ratio



Solid well-diversified revenue generating capacity with high growth opportunities

- 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 45% of operating income and 34% of assets
- Consistent strategy in Kuwait along with risk managed opportunistic growth in regional markets including Egypt and UAE



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

- Recognized as a D-SIB with Tier 1 ratio of 13.7% and CAR of 16.9%
- 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 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



Clearly defined group strategy and five-year transformational plan

- 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



Committed shareholder base and a well-experienced management team

- 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



Banking on a sustainable journey - strong performance across ESG indicators

- 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 37% females vs. 63% males, 30% females in management positions, 24% in executive positions, and 37% females amongst new hires Q4 in 2024), commitment to ethical business practice (zero incidents), investment in local procurement (91.11% for 2024), monitoring GHG emissions, waste generation and water consumption.



SECTION 2

OPERATING ENVIRONMENT



SNAPSHOT OF KUWAIT'S ECONOMY

Key Economic Indicators



**Population
2024**
4.99 Mn*

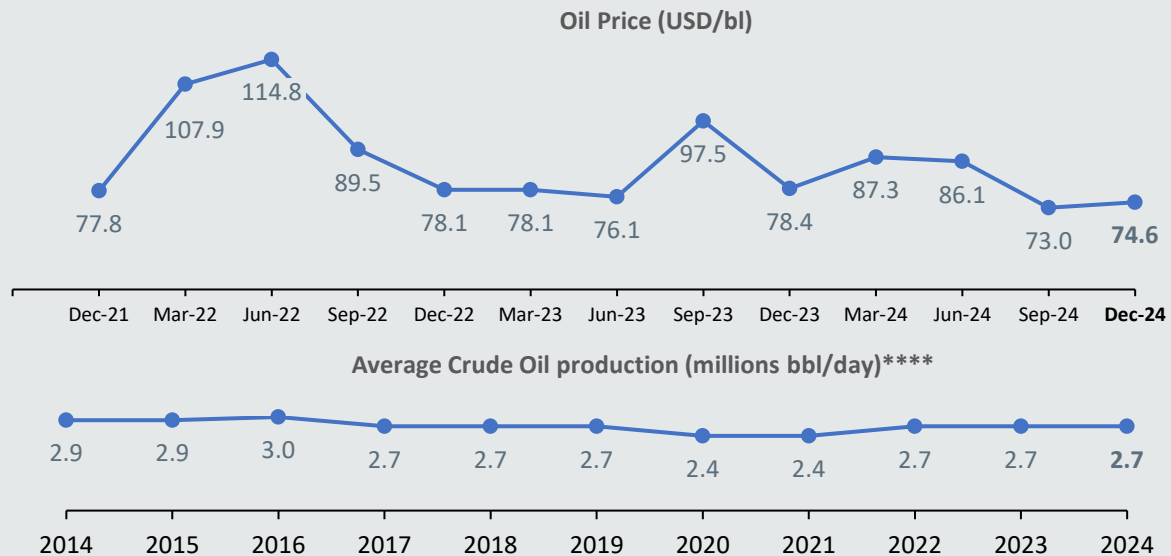


**Inflation
Dec 2024**
2.5%

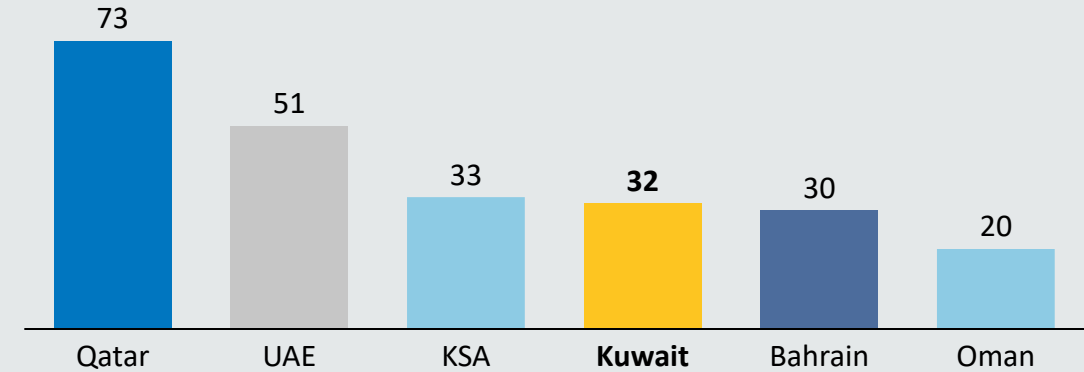


**CBK Benchmark
Rate**
4.00%**

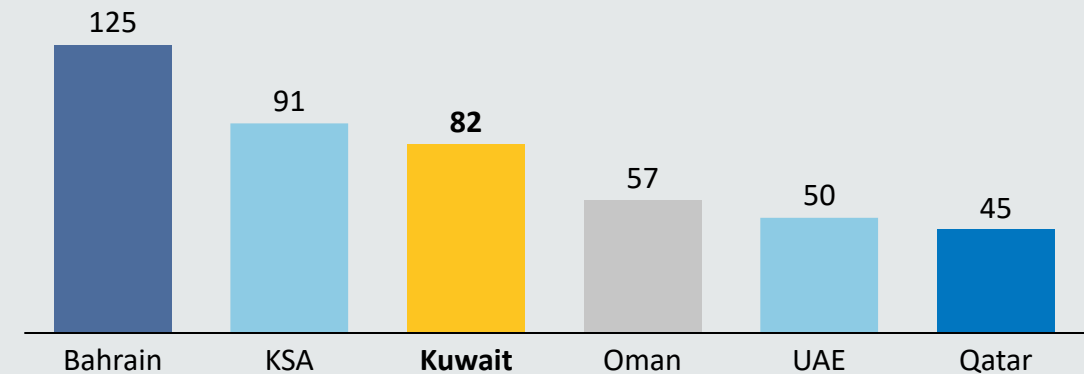
Evolution of oil price and Kuwait's - average daily crude oil production




GCC GDP per capita (2025) (USD'000)***




Fiscal breakeven oil price 2025 projections compared to other GCC countries (USD/Bl)****



SNAPSHOT OF KUWAIT'S BANKING SECTOR

The banking sector is highly 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



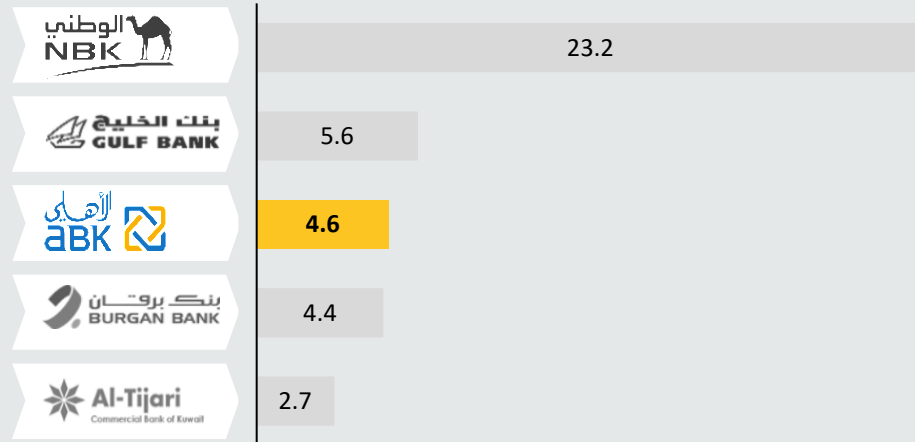
Capital adequacy standards under the Basel III framework were implemented by CBK in June 2014



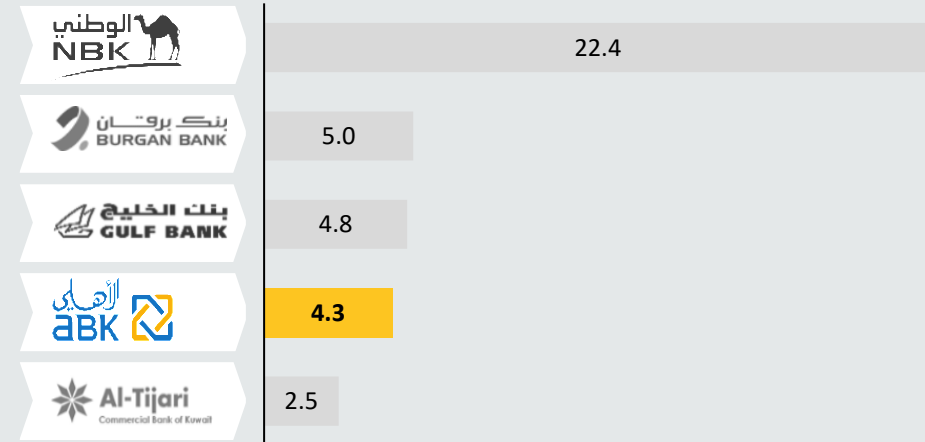
100% Guarantee on customer deposits held with local banks under the Deposits Guarantee Law

PEER COMPARISON*

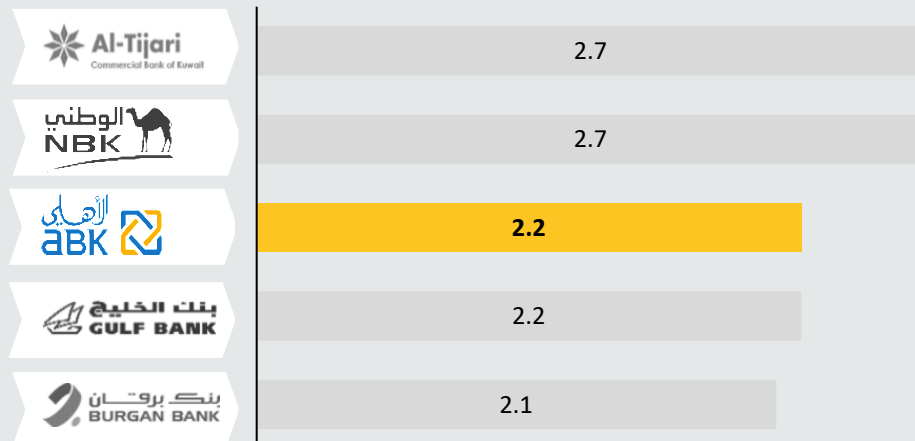
Loans & Advances (KD'Bn)



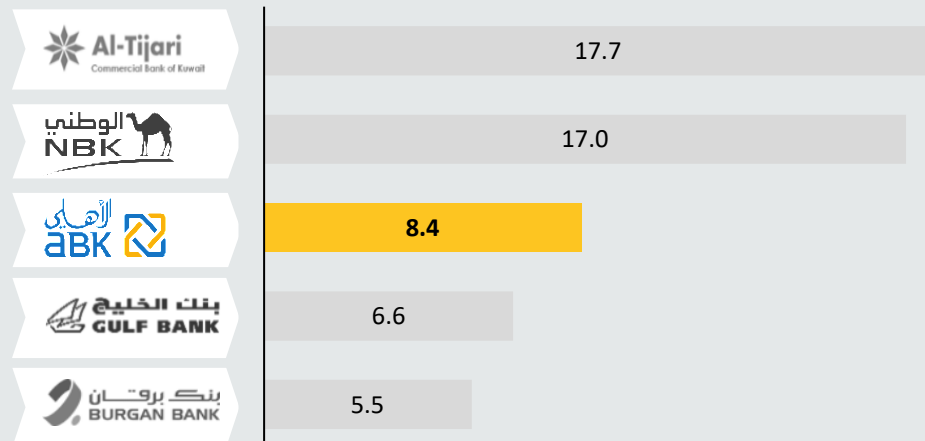
Customer Deposits (KD'Bn)



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 PRIORITY AREAS



Core business & risk areas



Scale & 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 & De-Risk

Risk strategy & appetite:

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

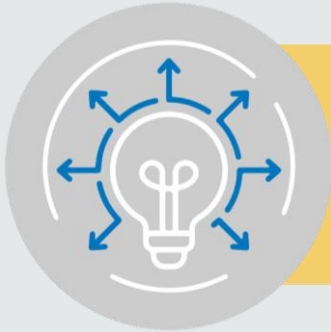
Next-gen risk capabilities:

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

Efficient capital & liquidity management:

Deploy efficient capital and funding supporting our growth ambitions

ABK'S STRATEGIC PRIORITY AREAS

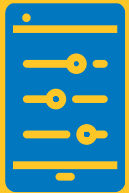


Core enablers areas: Innovate & Enable



Digital & Advanced Analytics transformation:

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



Technology & operational excellence

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



Winning talent & culture:

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

OVERVIEW OF ABK'S BUSINESS SEGMENTS



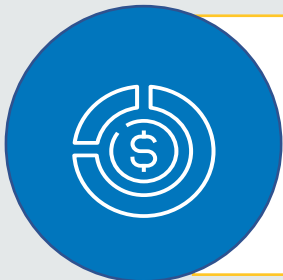
Commercial Banking

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



Retail Banking

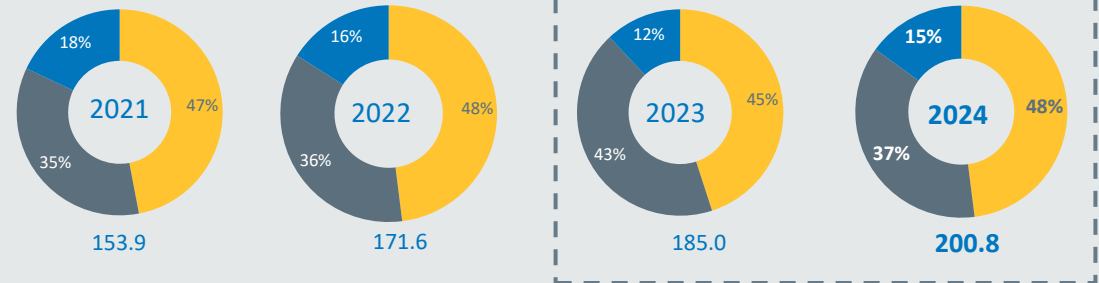
Full set of retail banking products and services including loans, credit cards, deposits, and digital solutions.



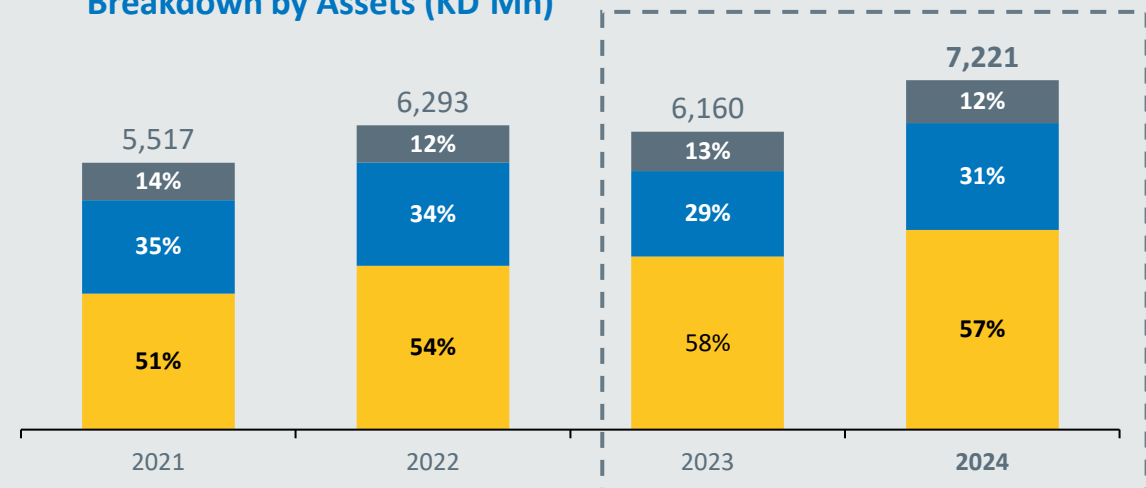
Treasury & Investment

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)



■ Retail ■ Treasury ■ Commercial Banking

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 29 branches and a direct sales force, as well as simple, secure and accessible digital banking solutions.

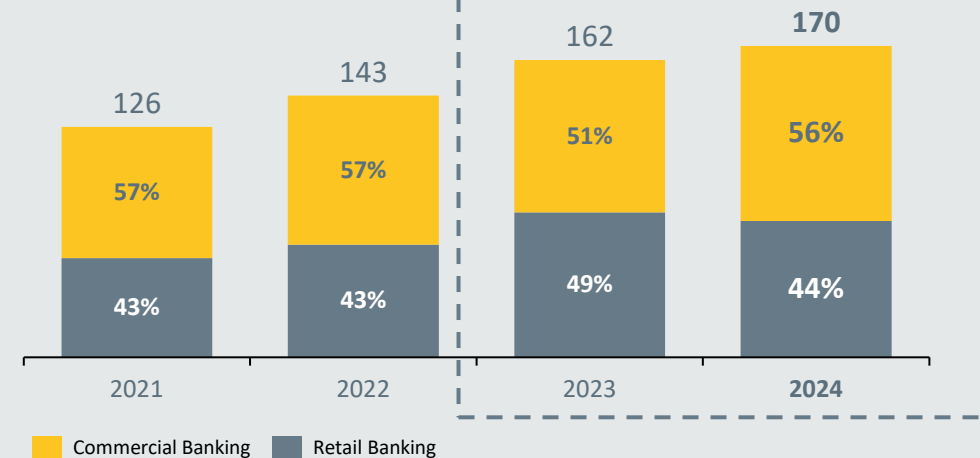
Key Stats – Kuwait

28 branches – Including a fully digitized branch, 137 ATMs & 3 ITMs (Interactive Teller Machines) as of Dec-24

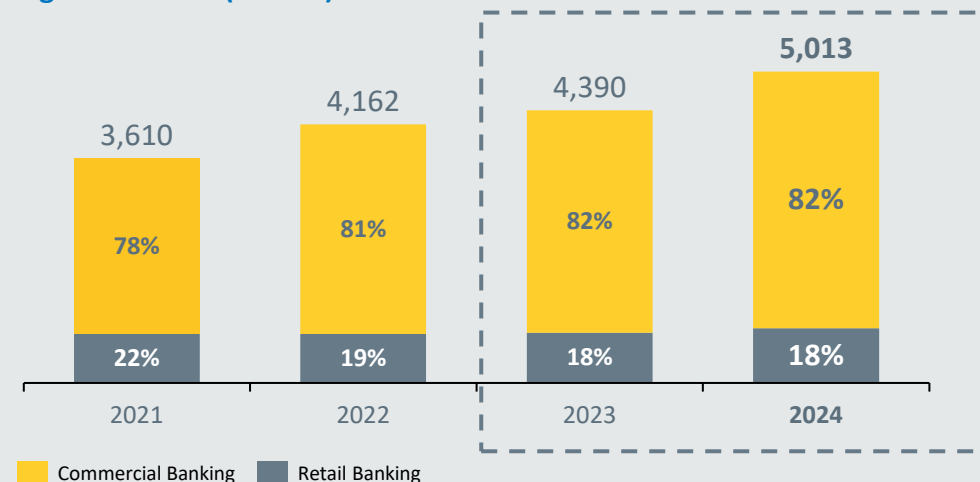
Key Stats – Egypt

45 branches and 118 ATMs across major cities as of Dec-24

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

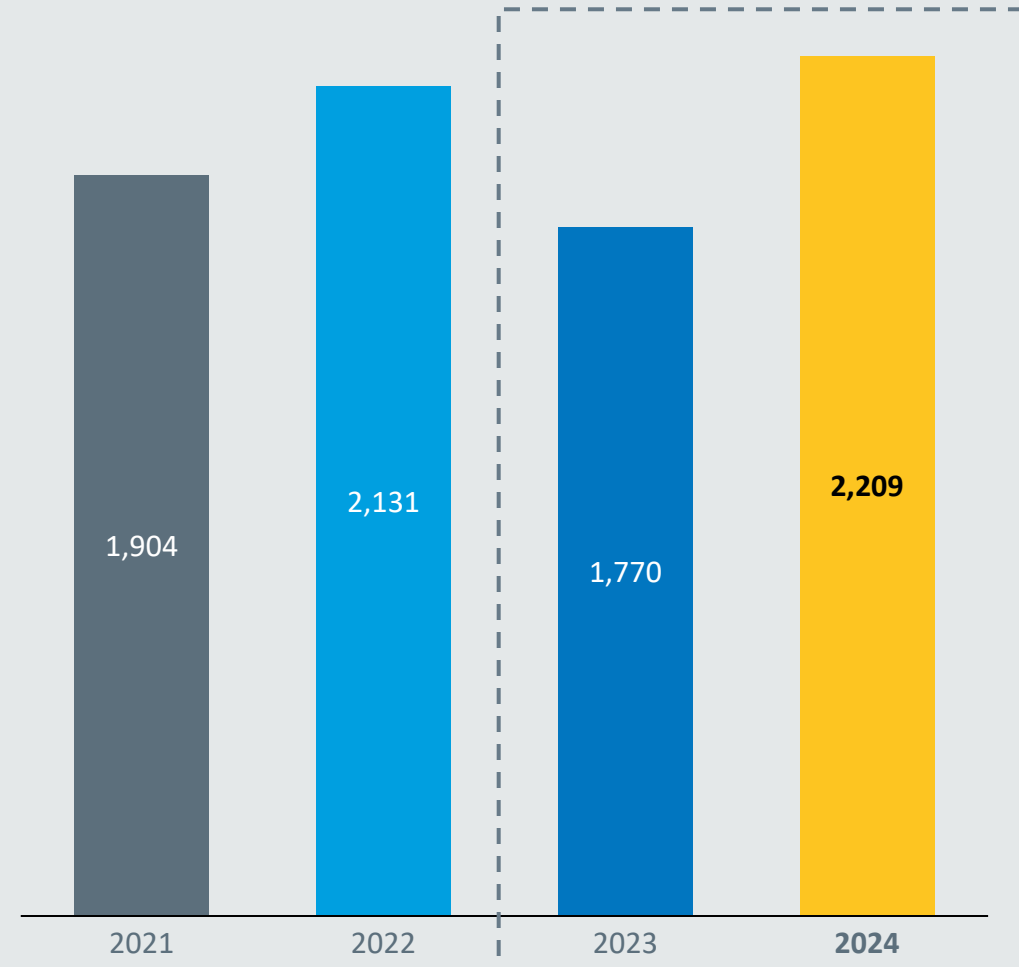
- Maintains a portfolio of government treasury bills and bonds to meet relevant regulatory requirements and to manage surplus domestic currency liquidity

- 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

- Expansion into Far East Currencies: In 2024, the Treasury and Investment Department successfully introduced the RMB (CNH) as a new currency in the bank's mandate. Year-to-date turnover has reached 1.5 billion CNH, with projected volume growth in 2025, showcasing the bank's strategic positioning to accommodate Far East currencies

- Islamic Brokerage Settlement: The department established an Islamic brokerage framework, enabling interbank settlements beyond Kuwait to cover the GCC region under the supervision of local GCC central banks

Segment Assets (KD'Mn)



INTERNATIONAL OPERATIONS

The Group's International operations encompass the operations of its UAE branches & its ABK Egypt subsidiary contributing around 45% of operating income and 34% of assets



Al Ahli Bank of Kuwait – UAE

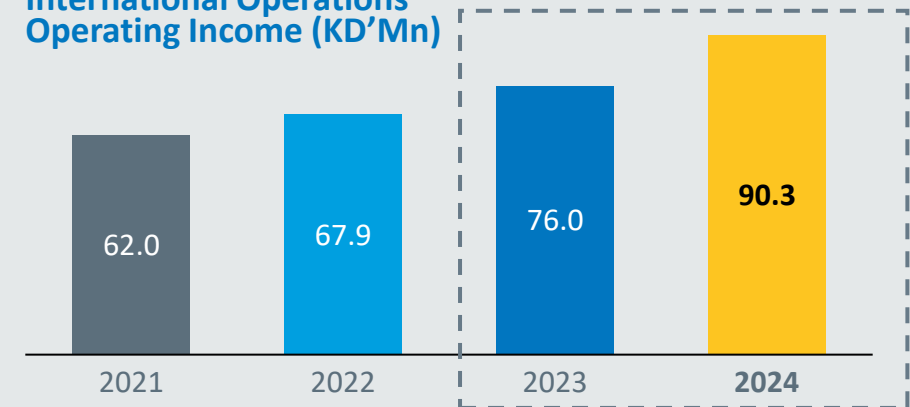
- First Kuwaiti Bank in the UAE and currently has three branches, located in Dubai, Abu Dhabi and DIFC, respectively
- Operating for over 40 years in Dubai where its Branch was originally opened to support the needs of Kuwaiti businesses in Dubai
- Abu Dhabi Branch opened in 2009, since then the Group 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 2018 and was granted the Category 1 license in January 2022



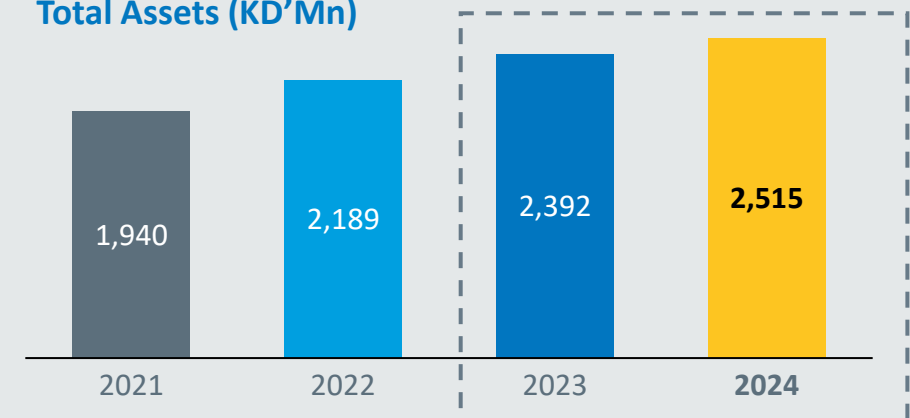
Al Ahli Bank of Kuwait – Egypt

- Acquired in November 2015, 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 118 ATMS spread across major cities in Egypt as of December 2024

International Operations 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



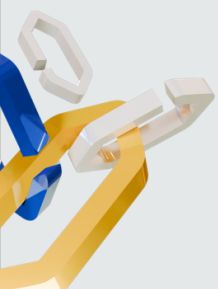
International ESG Rating

- 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



Community Engagement and Impact

- 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

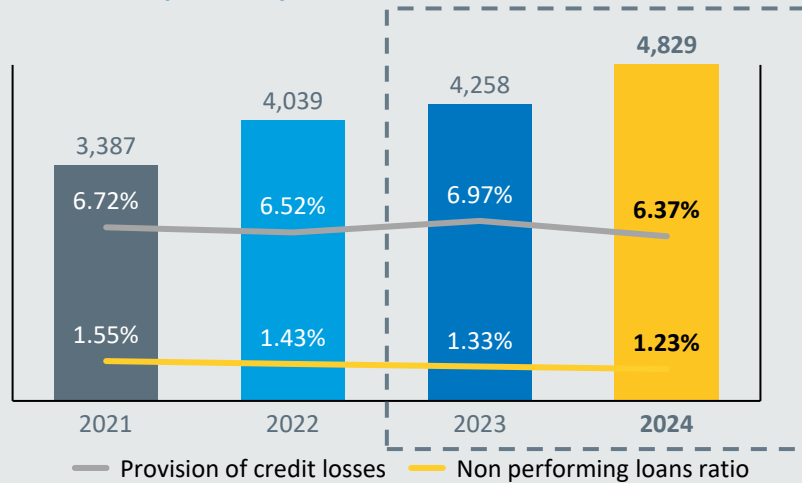


Diverted Waste from Landfills

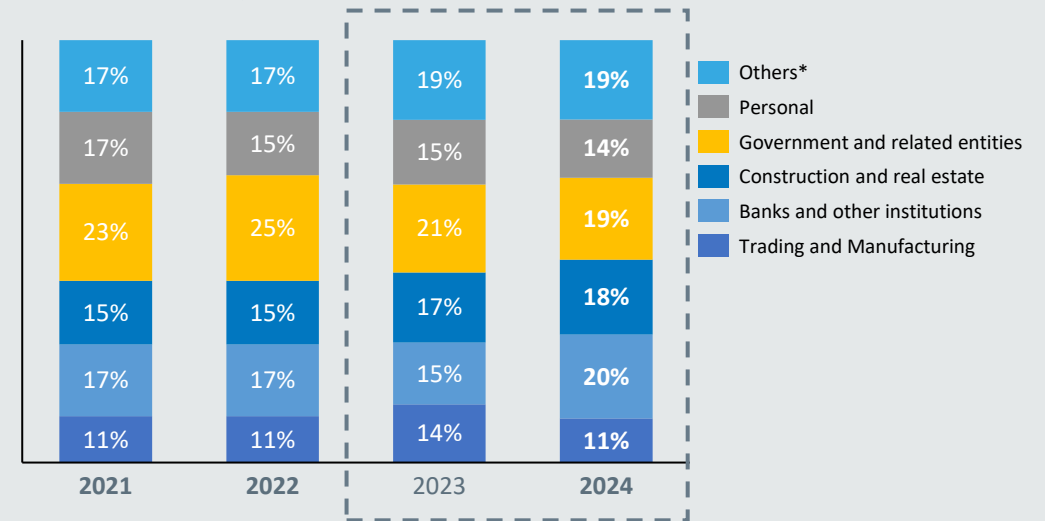
- Paper waste recycled out of paper consumed: 54%

LOANS, PORTFOLIO, FUNDING AND LIQUIDITY

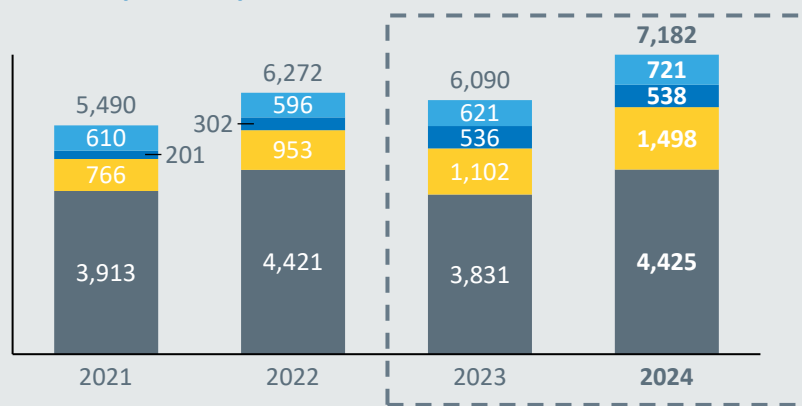
Loan Portfolio (KD'Mn)



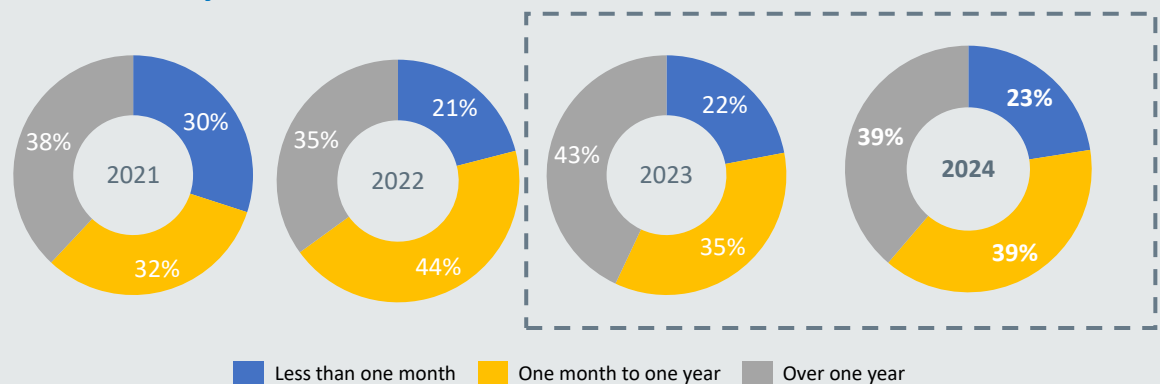
Gross Maximum Exposure by Credit Risk (%)



Funding Profile (KD'Mn)



Maturity Profile for Liabilities

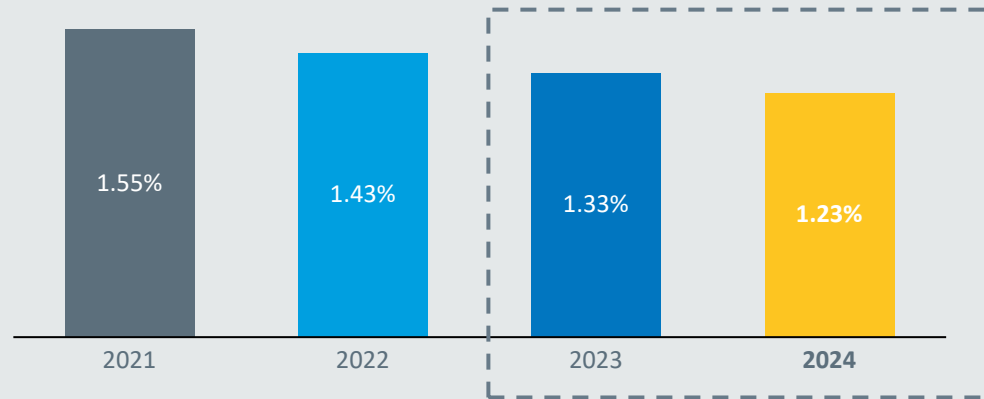


- Equity
- Other Borrowed Funds
- Due to Bank and Other Financial Institution
- Customer Deposit

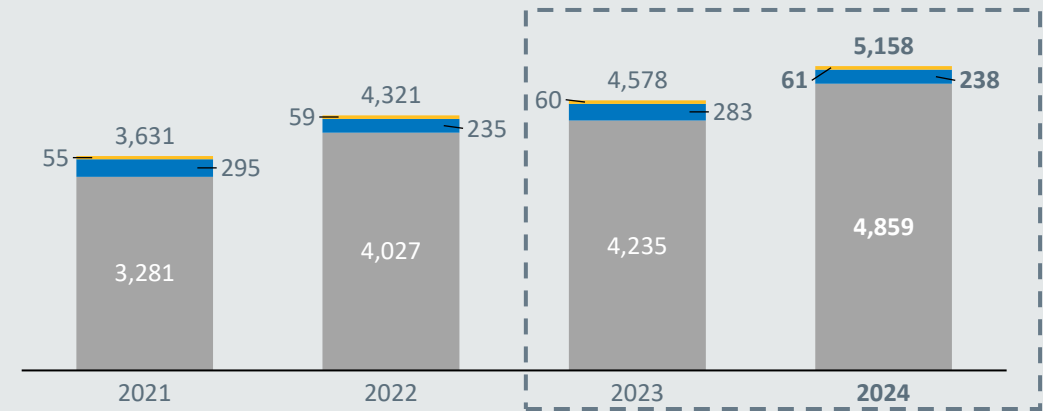
*Others: include Crude oil & gas, Agriculture, Public utilities and Other services

ASSET QUALITY OVERVIEW

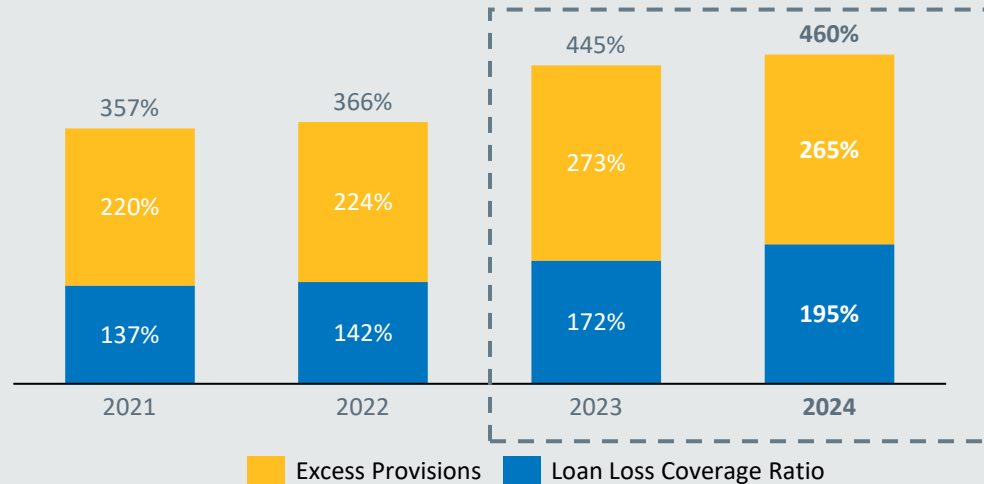
Non-Performing Loan Ratio (%)



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



Loan Loss Coverage Ratio and Excess Provisions (%)



Stage 3 Stage 2 Stage 1

- Expected credit losses on credit facilities determined under IFRS 9 according to the CBK guidelines amounted to KD 149Mn, which is KD 204Mn lower than the provision of KD 353Mn 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

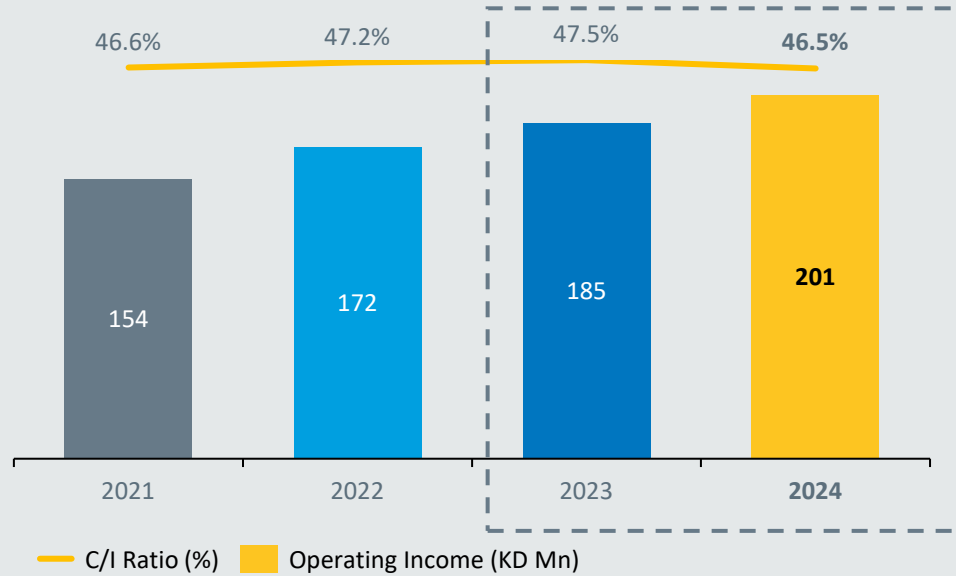
SECTION 4

FINANCIAL PERFORMANCE HIGHLIGHTS

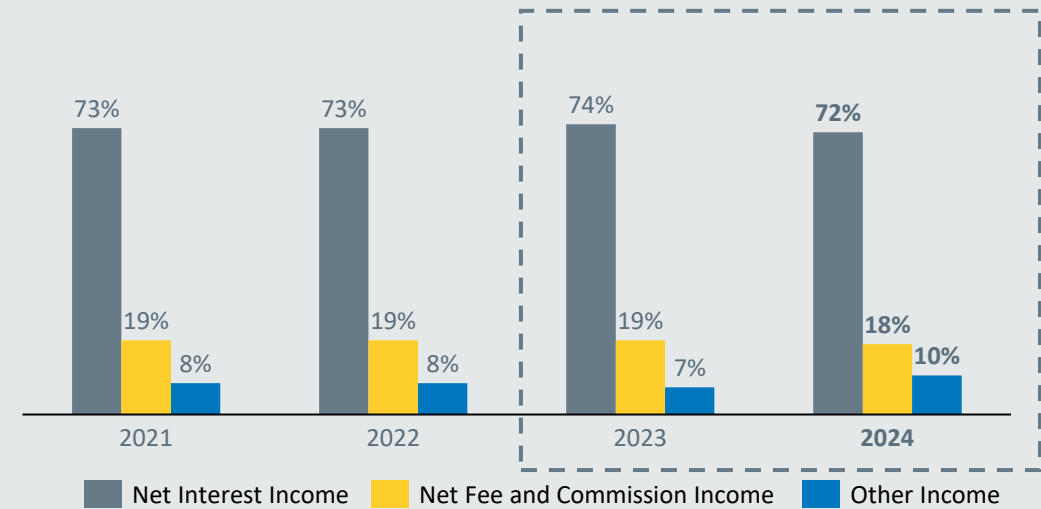


OPERATING PERFORMANCE

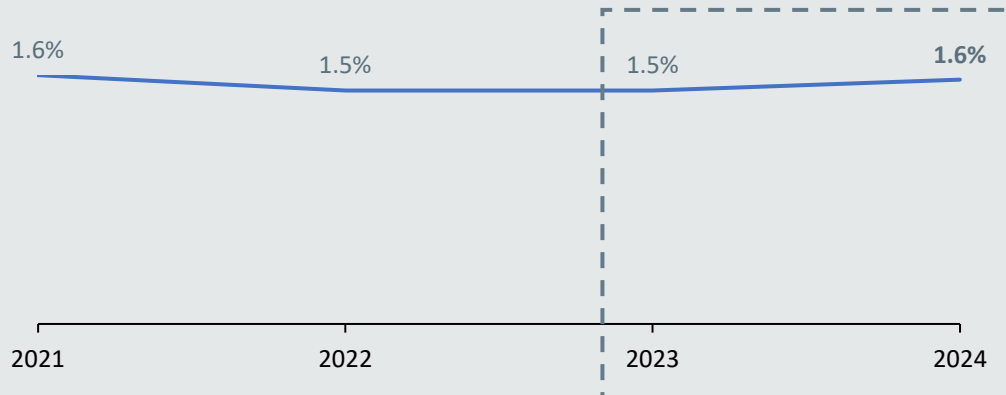
Operating Income (KD'Mn) & Cost to Income (%)



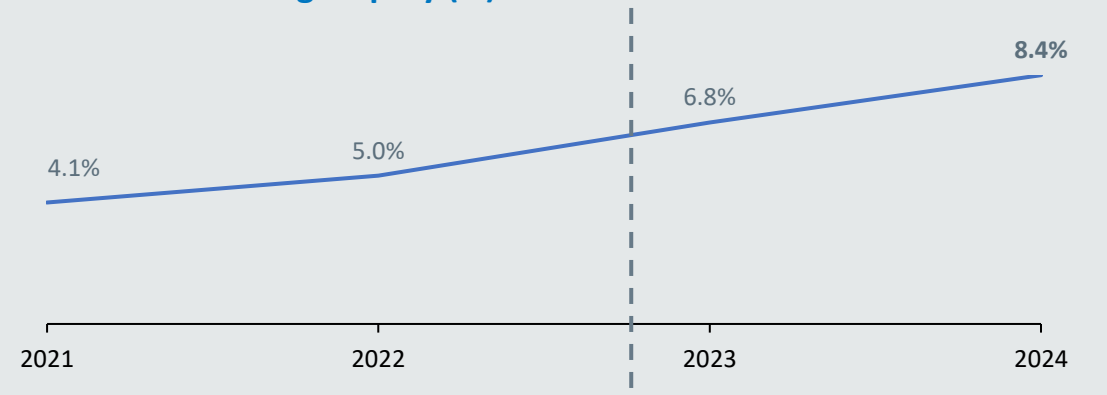
Breakdown of Operating Income (%)



Operating Profit / Average Assets (%)

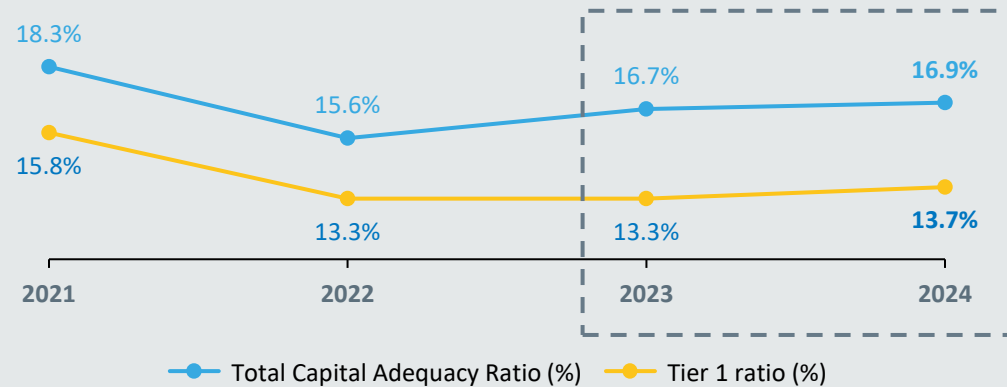


Return on Average Equity (%)

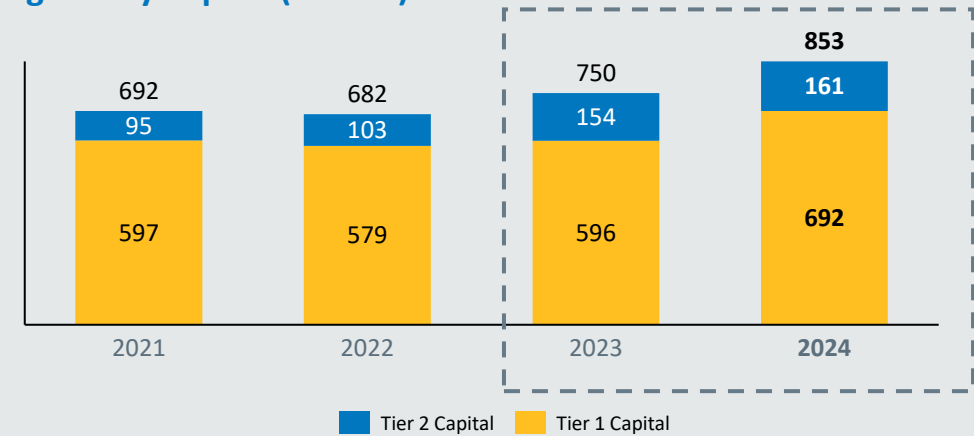


CAPITALIZATION OVERVIEW

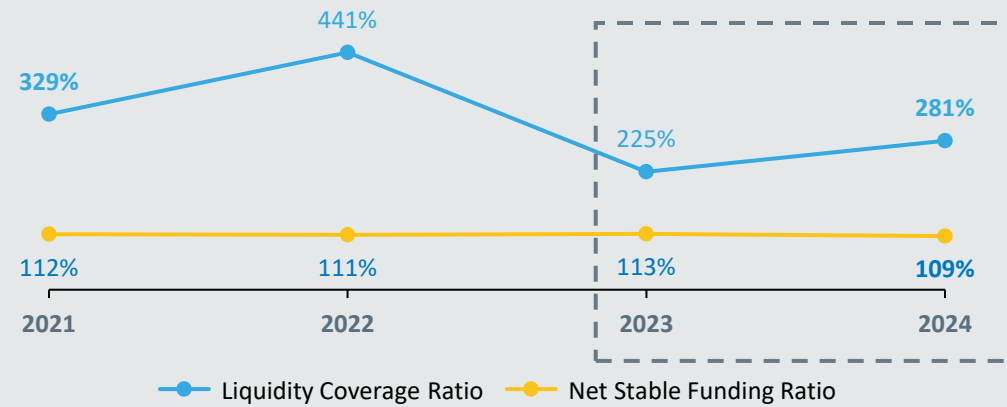
Tier 1 Ratio and Capital Adequacy Ratio (%)



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

SECTION 5
APPENDIX



BALANCE SHEET

BASED ON CONSOLIDATED IFRS FINANCIALS

KD'000	2021	2022	2023	2024
Assets				
Cash and balances with banks	1,147,795	1,138,750	691,432	1,043,183
Kuwait Government Treasury bonds	54,500	20,500	17,500	5,000
Central Bank of Kuwait bonds	139,101	167,884	163,712	81,453
Loans and advances	3,387,000	4,038,940	4,257,708	4,829,046
Investment Securities	653,482	797,363	900,812	1,119,235
Investment in Associate	26,952	29,376	31,228	33,435
Premises and equipment	60,275	56,706	107,065	107,519
Intangible Assets	17,960	11,406	8,855	5,371
Other assets	140,273	161,175	110,933	149,271
Total Assets	5,627,338	6,422,100	6,289,245	7,373,513
Liabilities and Equity				
Liabilities				
Due to banks and other financial institutions	765,617	952,959	1,101,754	1,497,755
Customer's deposits	3,913,337	4,421,247	3,830,891	4,424,809
Other Borrowed Funds	200,636	302,218	536,401	538,463
Other liabilities	137,463	149,685	199,347	191,565
Total liabilities	5,017,053	5,826,109	5,668,393	6,652,592
Shareholders' equity				
Share Capital	170,012	178,513	237,439	249,311
Share premium	108,897	108,897	158,897	158,897
Treasury shares	(5,135)	(5,135)	(5,135)	(5,135)
Reserves	244,286	221,827	228,351	224,968
Equity attributable to shareholders of the Bank	518,060	504,102	619,552	628,041
Perpetual Tier 1 Capital Securities	90,750	90,750	-	91,560
Non-controlling interests	1,475	1,139	1,300	1,320
Total equity	610,285	595,991	620,852	720,921
Total liabilities and Equity	5,627,338	6,422,100	6,289,245	7,373,513

INCOME STATEMENT

BASED ON CONSOLIDATED IFRS FINANCIALS

KD'000	2021	2022	2023	2024
Interest income	202,033	269,327	413,538	471,444
Interest expense	(89,538)	(143,950)	(276,146)	(327,264)
Net Interest Income	112,495	125,377	137,392	144,180
Net Fees and commissions income	28,742	32,519	34,861	37,104
Net foreign exchange gain	4,343	4,289	4,481	8,106
Net gain on investment securities	2,049	1,907	1,222	1,857
Dividend income	1,072	1,638	1,638	1,791
Share of results from an associate	2,427	3,382	3,053	3,646
Other operating income	2,735	2,455	2,376	4,066
Operating Income	153,863	171,567	185,023	200,750
Staff expenses	(38,855)	(45,830)	(48,414)	(50,781)
Other operating expenses	(26,140)	(28,121)	(33,669)	(37,035)
Depreciation and amortisation	(6,738)	(7,110)	(5,844)	(5,521)
Operating expenses	(71,733)	(81,061)	(87,927)	(93,337)
Operating profit for the year	82,130	90,506	97,096	107,413
Provision On				
Credit Facilities	(45,400)	(46,166)	(38,695)	(41,697)
Net (impairment)/release on investment securities and others	(350)	(1,262)	(814)	(964)
Profit /(loss) for the year	36,380	43,078	57,587	64,752
Directors' fee	(570)	(760)	(865)	(810)
Taxation	(8,415)	(9,940)	(11,275)	(11,205)
Net Profit /(loss) for the year	27,395	32,378	45,447	52,737
Attributable to:				
Shareholders of the Bank	27,212	32,291	45,185	52,414
Non controlling Interests	183	87	262	323
EPS (fils)	12	13	18	21

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



Premier Market



FTSE Kuwait All Cap

ANNUAL REPORT



Sustainability Report



Annual Report



Ahlan Ahli 1 899 899 | eahli.com |    Al Ahli Bank of Kuwait |   abk_kuwait
Investor Relations: IR@abkuwait.com | +965 2290 7000 | Ext. 6704