

A large, stylized globe is the central focus of the slide. The globe is rendered in a gradient of red and blue, with white grid lines representing latitude and longitude. The globe is tilted, showing the continents of Asia and Australia. The background is white with faint, curved lines that suggest a global network or connectivity.

National Bank of Kuwait Investor Presentation

October 2016

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NBK at a Glance

Snapshot

Background	<ul style="list-style-type: none"> National Bank of Kuwait S.A.K.P. (“NBK” or the “Bank”) was established in 1952 as the first local bank and the first shareholding company in Kuwait and as the first indigenous bank in the GCC. The Bank is the leading banking group in Kuwait in terms of assets, customer deposits and customer loans and advances. NBK is the dominant bank in Kuwait with more than 30% market share of assets as of 31 December 2015. The Bank was ranked amongst the 50 safest banks in the world by Global Finance and was named the most valuable banking brand in Kuwait and among the top 10 in the region by Brand Finance.
Ownership	<ul style="list-style-type: none"> The Bank was established by a group of leading Kuwaiti merchants and it has retained the same core shareholder base since that time. NBK’s shares are listed on the Kuwait Stock Exchange since 1984 with only one shareholder holding owning more than 5% of the Bank’s share capital (PIFSS owns 5.04% as of June 2016). NBK’s market capitalisation as at 31 December 2015 was USD 13.1 bn.
Operations	<ul style="list-style-type: none"> The Bank’s core businesses are (i) consumer and private banking, (ii) corporate banking, (iii) Islamic banking and (iv) investment banking and asset management. The Bank operates across 15 countries with a predominant focus on the MENA region.

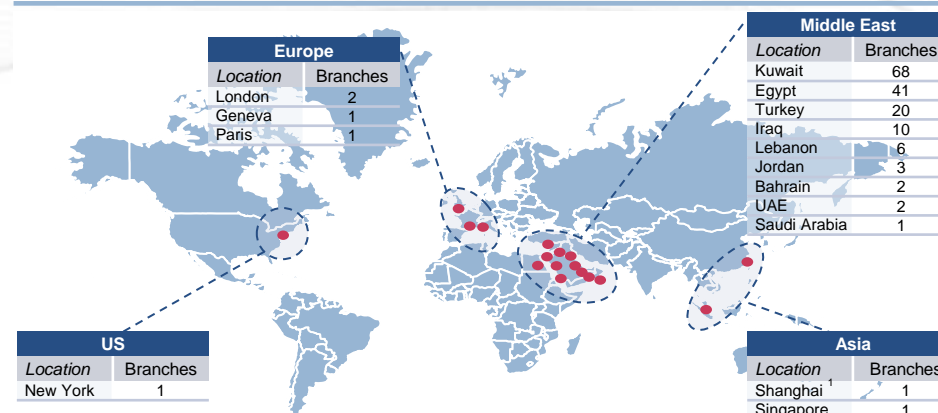
Credit Ratings

Rating Agency	Long Term Rating	Standalone Rating	Outlook
MOODY’S	Aa3	a3	Negative
STANDARD & POOR’S	A+	a-	Stable
FitchRatings	AA-	a	Stable

Financial Snapshot

USD million	2013	2014	2015
Total Assets	61,723	72,288	78,306
Loans, advances & Islamic financing	35,491	39,518	44,968
Customer Deposits	34,770	37,364	40,017
Total Equity	8,999	9,526	10,589
Net Operating Income	2,078	2,194	2,418
Net Profit attributable	790	869	936
Cost to Income (%)	33.1%	32.5%	32.2%
Net Interest Margin (%)	2.70%	2.45%	2.42%
NPL Ratio (%)	1.96%	1.50%	1.34%
Loan Loss Coverage Ratio (%)	199.8%	276.1%	322.4%
Return on Average Equity (%)	10.0%	10.5%	10.5%
Tier 1 Ratio (%) ²	16.8%	13.3%	14.7%
Capital Adequacy Ratio (%) ²	17.3%	14.5%	16.8%

Overview of Regional and International Geographic Presence



Notes: Through out the investor presentation, the USD/KD exchange rate used is 0.30135. The rates are based on the Central Bank of Kuwait’s closing exchange rates as of 30/09/2016. Shanghai is currently a representative office.

² All Capital Adequacy Ratios for the periods prior to 2014 are computed on Basel II basis

Key Strengths

High Credit Ratings and among the Top Brand Values Regionally

- NBK has one of the highest credit ratings in the MENA region.
- The Bank was ranked amongst the 50 safest banks in the world by Global Finance and was named the most valuable banking brand in Kuwait and among the top 10 in the Middle East by Brand Finance.

Sound and Consistent Financial Performance

- NBK has a long history of profitability and remained profitable throughout the global financial crisis.
- The Bank also boasts an excellent asset quality (NPL ratio at 1.34% at end-2015). NBK also maintains strong liquidity which serves as a buffer in times of needs.

Stable Shareholder Base and Strong Management Team

- The Bank was established in 1952 by a group of leading Kuwaiti merchants and has retained the same core shareholder base since then.
- NBK's stable shareholder base is complemented by a strong and stable Board of Directors and a long-serving executive team with in-depth experience.

Largest Banking Group in Kuwait with Dominant Market Position

- As at 31 December 2015, the Bank was the largest bank in Kuwait in terms of total assets, loans and customer deposits. In addition, the Bank enjoys a dominant market share across its business segments.
- NBK also has one of the largest and most diversified distribution networks.

Only Banking Group in Kuwait to Provide Both Conventional and Islamic Banking

- Following its consolidation of Boubyan Bank in 2012, NBK became the only banking group in Kuwait to offer both conventional and Islamic banking services.
- This has allowed the Bank to leverage off the opportunities across both markets, particularly given the growing importance of Islamic Finance in Kuwait.

A Strong Regional and International Network

- NBK has a strong regional and international presence, with operations in 15 countries, 9 of which are in the MENA region.
- The Bank continues to explore opportunities to expand geographically with a primary focus on further strengthening operations in MENA region.

Strong Investment Banking Capability

- NBK conducts its investment banking and asset management business through its subsidiary, Watani Investment Company K.S.C.C. (Known as NBK Capital).



Rating Excerpts

“The standalone baseline credit assessment (BCA) of a3, reflects the bank's (1) dominant position in its domestic market, underpinning its resilient core profitability and growth prospects; and (2) robust financial fundamentals including consistently good asset quality metrics, as well as strong capitalisation and liquidity.”

MOODY'S

Moody's – 17 May 2016

“We view NBK's business position as "strong," reflecting the bank's leading position in Kuwait, good and stable performance through the full economic cycle, and sound management..... The stable outlook reflects Standard & Poor's Ratings Services' expectation that NBK's asset quality will remain stable, its market share strong, and its funding and liquidity in line with that of peers over the next two years. ”

STANDARD
& POOR'S

Standard & Poor's – 28 July 2016

“NBK's Viability Rating (VR) reflects its solid company profile, which supports its revenue generation capacity and ability to finance better-quality assets than peers. It also considers strong management, consistent strategy and a solid funding profile. ”

FitchRatings

Fitch Ratings – 21 March 2016

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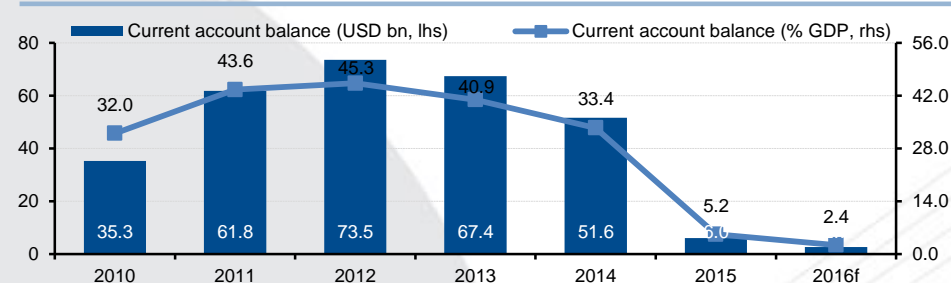
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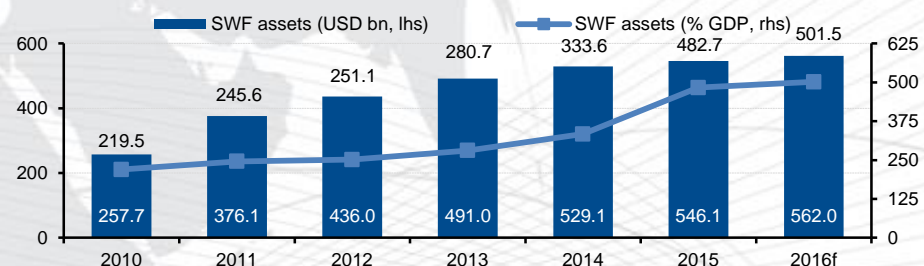
Snapshot

Overview	<ul style="list-style-type: none"> The State of Kuwait (“Kuwait” or the “Sovereign”) is a sovereign emirate on the coast of the Arabian Gulf, covering a total area of 17,818 square kilometers. Kuwait is a constitutional monarchy, headed by His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah (the “Emir”).
Economy	<ul style="list-style-type: none"> Kuwait enjoys an open economy, dominated by the Government sector. Its economy, while primarily dependent on the oil industry, has witnessed increased contribution from non-oil sectors. Kuwait has one of the lowest industry break-even oil prices globally, and the lowest in the GCC, making it more resilient to the recent decline in oil prices. In addition, it has registered substantial fiscal and current account surpluses, which serve as a buffer.
Strategic Vision	<ul style="list-style-type: none"> Kuwait has launched a long-term policy vision under the banner of “Kuwait Vision 2035”. The vision encompasses six strategic aims: increasing the GDP, encouraging the private sector, supporting human and social development, promoting demographic policies, enhancing and improving the effectiveness of government administration and consolidating the Islamic and Arab identity. Kuwait has set medium-term development strategies with a view to ultimately achieving its vision.

Substantial Current Account Surpluses



Strong Sovereign Balance Sheet

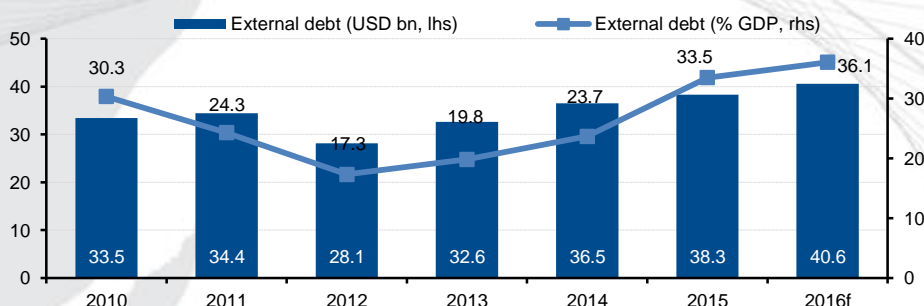
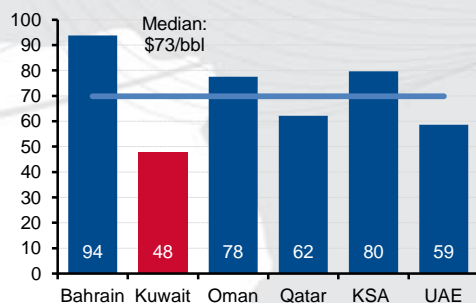


Key Figures

GCC Fiscal Breakeven Oil Price

External Debt which is Stable as a Share of GDP

Key Indicators	2015	2016F
Sovereign Ratings	Aa2 / AA / AA (M / S / F)	
Current Account	\$6.0 bn	\$2.6 bn
Gov Revenues (%GDP)	39%	41%
Public Debt (% GDP)	4.6%	12.1%

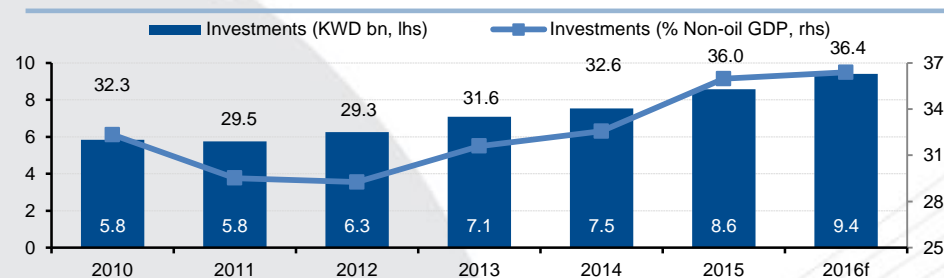


Overview of Kuwait (Continued)

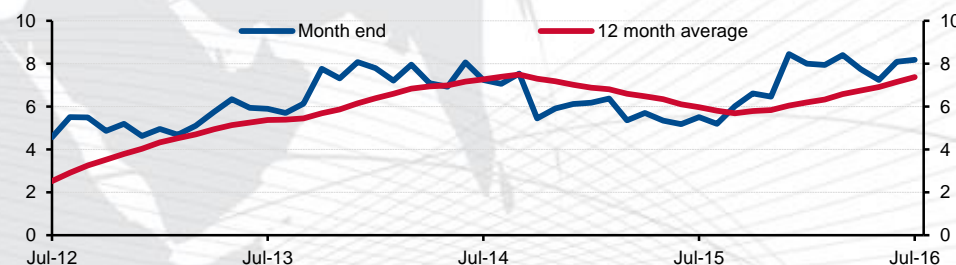
Recent Developments

GDP Growth	<ul style="list-style-type: none"> Economic growth seen improving despite drop in oil prices, as project awards pick up. Fiscal and external buffers give Kuwait ample capacity to sustain spending plans. Non-oil growth is expected to accelerate slightly as capital spending on projects improves. Non-oil growth is expected around 4-4.5% in 2016 and 2017.
Public Finance	<ul style="list-style-type: none"> Fiscal deficits are expected in the near term given the lower oil revenues, but should remain manageable given ample buffers. Inflation expected to be steady in 2016; limited global inflation and steady domestic pressures to be offset by higher fuel prices; inflation likely to pick up slightly in 2017 on further subsidy cuts.
Household Debt	<ul style="list-style-type: none"> Household debt growth has moderated but remains healthy. Kuwaiti employment remained healthy in 2016. Growth in government spending on wages and salaries is expected to moderate, but remain positive.
Credit Growth	<ul style="list-style-type: none"> Credit growth picked up in late 2015 and early 2016, as government project implementation boosted borrowing. Growth rose to 8.2% y/y in July 2016. We expect growth in the 7-8% range in 2016 and 2017. Government project awards accelerated in 2015 and 1H16 and the pipeline of tenders remains strong. The government has indicated it will not cancel or delay any planned projects.
Real Estate Activity	<ul style="list-style-type: none"> Real estate activity continued to cool following a strong 2014; sales were off by 31% to KD 2.5 billion in the 12-months ending August 2016. Real estate prices have seen a moderate correction.

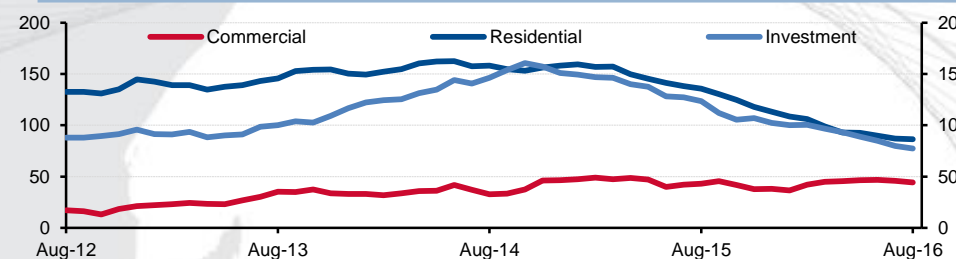
Investment



Private credit (Change, %/y)



Real Estate sales 12m average (KD mn)



Overview of the Kuwaiti Banking Sector

Snapshot

- **The Kuwaiti banking sector comprises 23 banks**, including 11 domestic banks (five conventional, five Shariah-compliant and one specialized), and 12 branches of international banks (11 conventional and one Islamic).
- **Highly regulated sector by the Central Bank of Kuwait** (“CBK”) with a number of regulations and supervisory norms in place monitoring interest rates charged, lending limits and concentrations, investment limits, liquidity and capital adequacy.
- **The government’s financial strengths underpins its capacity to provide support** to the banking sector with historical evidence of support. Most recently, in 2008, the state offered capital support to one bank as well as introduced a blanket guarantee on deposits following the global financial crisis.

Overview of Basel III Implementation in Kuwait

- In June 2014, the Central Bank of Kuwait announced the implementation of the Instructions of Basel III Capital Adequacy Framework in its final format to all local banks.

Minimum Capital Requirements

- Kuwait’s minimum capital requirements are more stringent, being 2.5%, higher than the Basel III guidance with full phase-in required by December 2016 (as compared to Basel III’s Jan-2019 deadline)

Key Indicators¹ (USD bn)



Phase-in Arrangements	Dec-2014	Dec-2015	Dec- 2016
Total Common Equity Tier 1	8.5%	9.0%	9.5%
Additional Tier 1	1.5%	1.5%	1.5%
Tier 1	10.0%	10.5%	11.0%
Tier 2	2.0%	2.0%	2.0%
Total minimum CAR	12.0%	12.5%	13.0%
D-SIB	0.5%-2.5% as part of CET1 (by 2016)		

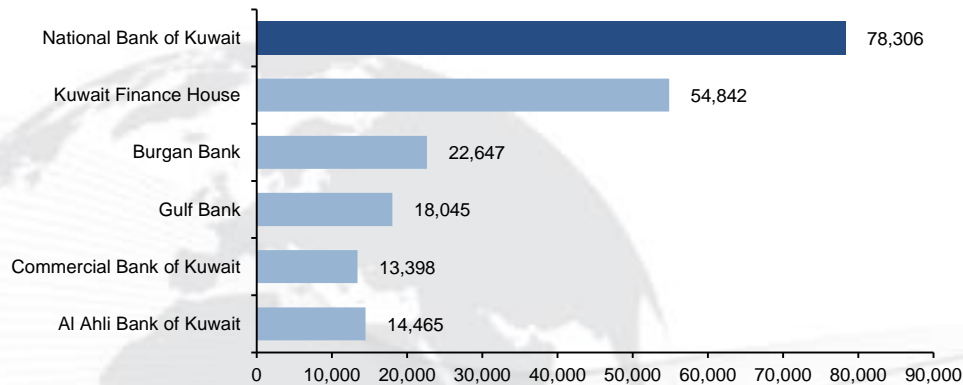
Sources: Central Bank of Kuwait

¹Loans refers to total credit facilities to resident and deposits refer to private resident deposits , all as reported by the Central Bank of Kuwait

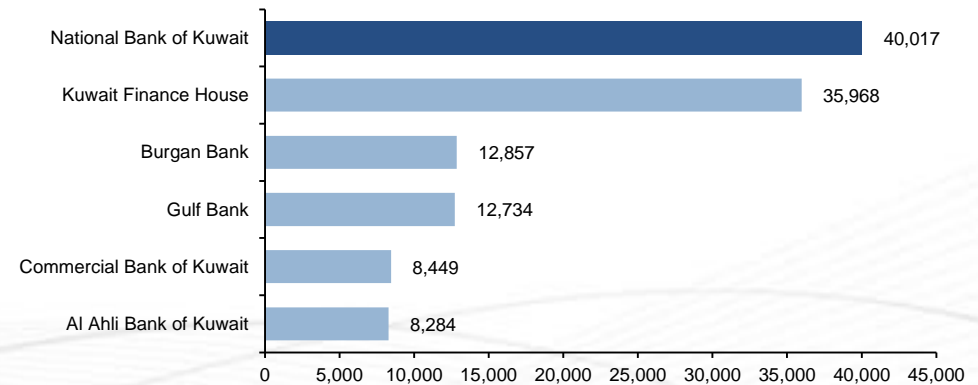
The Dominant Kuwaiti Franchise

NBK is the leading banking group in Kuwait with a market leading position across its business segments

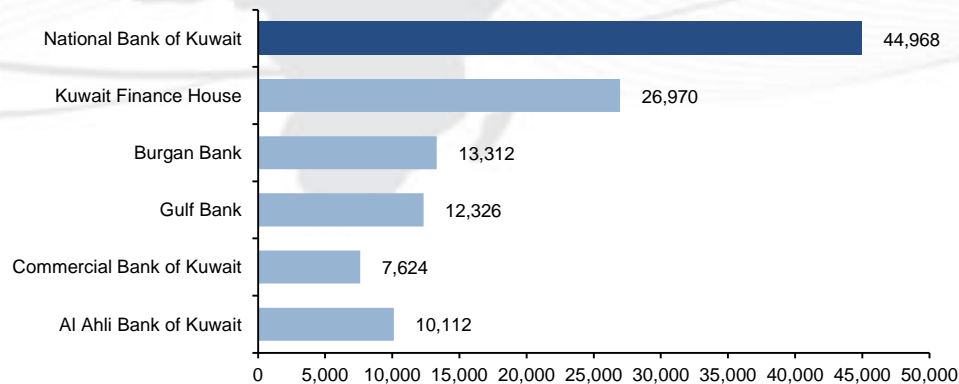
Total Assets (USD million)



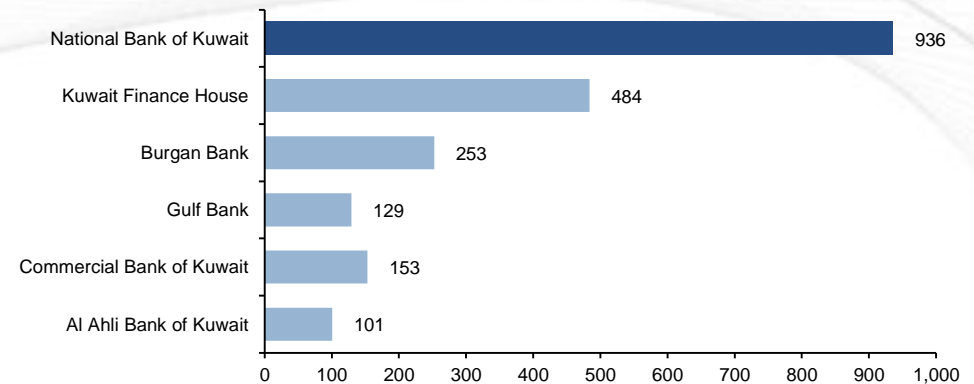
Customer Deposits (USD million)



Customer Loans & Advances (USD million)



Net Profit attributable (USD mn)



Sources: Bank's annual reports. All data as of 31 December 2015 (for Balance Sheet items) or for 2015 (for Income Statement Items).

Note: Kuwait Finance House is an Islamic bank while Burgan Bank, Gulf Bank, Commercial Bank of Kuwait, Al Ahli Bank of Kuwait are conventional banks.

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NBK's Strategy

The Group's strategy, which is based on two main pillars, focuses on defending and growing its leadership position in Kuwait whilst also diversifying its business

Defend and Grow Leadership Position in Kuwait

Maintain excellence and market leadership position, to expand market shares and to maintain discipline in managing both risks and costs

✓ Corporate Banking

- The Bank aims to (i) remain the primary banker for the leading local companies whilst continuing to be active in the mid-market sector;(ii) remain the bank of choice for foreign companies and continuing to serve at least 75% of those companies and (iii) maintain its current market share in trade finance (over 30%). To achieve the above, NBK will leverage off its different services, expand its coverage and broaden the range of products and services offered.

✓ Consumer Banking

- NBK intends to expand its consumer customer base by focusing on profitable consumer segments (such as the affluent and mass affluent segments) and by attracting new clients such as the SMEs.
- Through the above, the Bank aims to maintain its leadership position, maintain its focus on delivery of superior customer service experience and achieve the lowest cost of funds among Kuwaiti conventional banks.

✓ Private Banking

- Within the private banking sector, NBK aims to continue to provide a unique proposition to high net worth clients in collaboration with its investment arm. NBK also aims to provide superior customer service through its highly experienced bankers. The Bank also aims to leverage off its existing brand and experience (particularly in Switzerland) to provide access to leading funds and broaden its product portfolio.

Geographical, and product and service diversification

Includes expanding regional presence, establishing an Islamic banking franchise and building a leading regional investment bank.

✓ Expand Regional Presence

- The Bank's geographic diversification strategy is to leverage its fundamental strengths and capabilities, including its international reach and strong regional relationships, to build a regional platform and support growth in key markets.
- NBK focuses on markets identified to have long-term potential through a combination of high growth economies, sound demographic trends and opportunities aligned with the Bank's competitive advantages.

✓ Establish an Islamic Franchise

- The Bank's strategy, in relation to its Islamic subsidiary, is to differentiate it from other domestic Islamic banks through a clear focus on high net worth and affluent clients and large and mid-market corporate customers.

✓ Build Regional Investment Bank

- NBK looks to establish its business as a leading regional investment banking, asset management, brokerage and research operation and to leverage the Group's strong regional position to cross sell these products across the MENA region.

Kuwait Operations

NBK is a universal bank and the industry leader in all key business segments in Kuwait with an average market share of 30%

Overview and strategy

Corporate Banking

- Remain the primary banker for most of the local blue-chip companies, and an active player in the mid-market
- Remain bank of choice among foreign corporations and continue serving 75% of them active in the Kuwaiti market
- Maintain current market share in excess of 30% in trade finance in Kuwait
- Offer differentiated services to large corporate clients leveraging other NBK units
- Increase market share in medium corporate segment through focused teams and relationship management
- Focus on Government mega projects benefiting from NBK's large capital base
- Maintain asset quality with emphasis on credit control and risk management

Consumer Banking

- Maintain undisputed leadership in retail banking with leading market share and the highest customer penetration among conventional banks
- Maintain focus on customer service
- Expand client base with focus on profitable consumer segments such as affluent and mass affluent, and aim to attract new bankable clients such as SMEs
- Achieve lowest cost of funds among Kuwaiti commercial banks
- Pioneer innovative multi-channel solutions including state of the art internet, mobile banking and call center services
- Focus on the evolution to segment of one by providing tailor-made propositions aiming at better cross-sell, increased product penetration, proactive attrition management utilizing the latest tools and technologies

Private Banking

- Continue to provide a unique proposition to HNWI clientele in collaboration with NBK Capital and the bank's international network
- Provide access to best of breed international funds leveraging NBK Banque Privee's wealth management expertise
- Provide the best service with a dedicated team of over 30 well qualified and experienced private bankers
- Leverage NBK's strong brand to acquire new clients and retain onshore relationships
- Broaden the product portfolio to accommodate growing needs

NBK is a full-service bank that offers a broad suite of financial services and products to clients, meeting their ever growing and evolving demands

International Operations

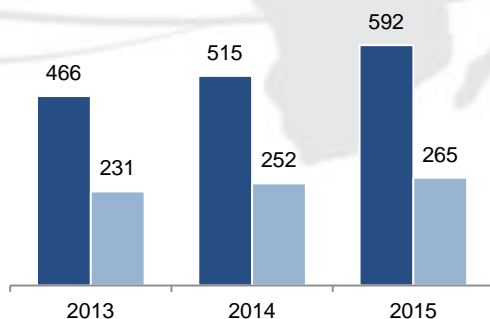
International Operations

- NBK's international operations currently contributed to circa 30% of its bottom line with the Bank aspiring to increase this contribution.
- The Bank generally aims to maintain a majority stake in its subsidiaries or at least maintain a decision making role.
- NBK's international presence is a differentiating factor for the Bank and an extension of the MENA franchise enabling better service and strengthening client relationships.
- Specifically within the MENA region, the Bank is focused on growing its business in existing and new markets through attracting increased corporate and private customers.
- Meanwhile, across the international locations, the Bank's focus is on servicing its private and corporate customers who are active internationally and growing its business with international companies that are active in the MENA region.
- Within its international network, NBK is focused on managing risks and costs to improve efficiency and achieve long-term cost savings and productivity gains.

Overview of Performance

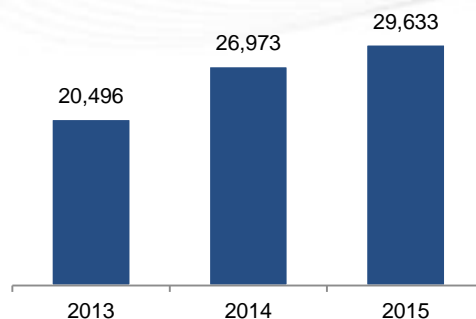
Revenue Trends (USD mn)

■ Net Operating Income ■ Net Profit



Balance Sheet Trends (USD mn)

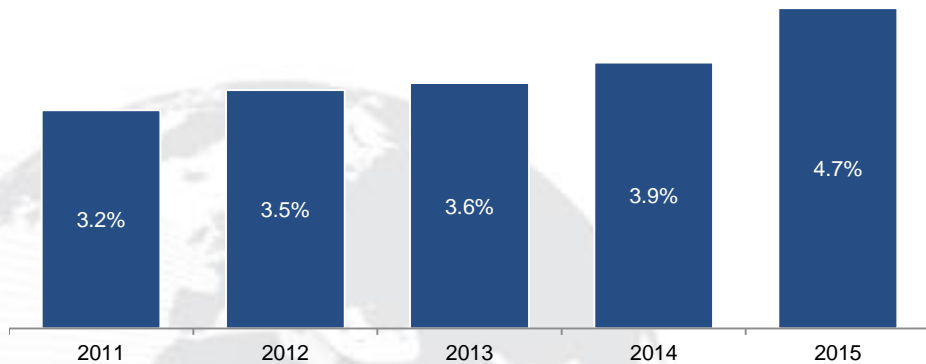
■ Segment Assets



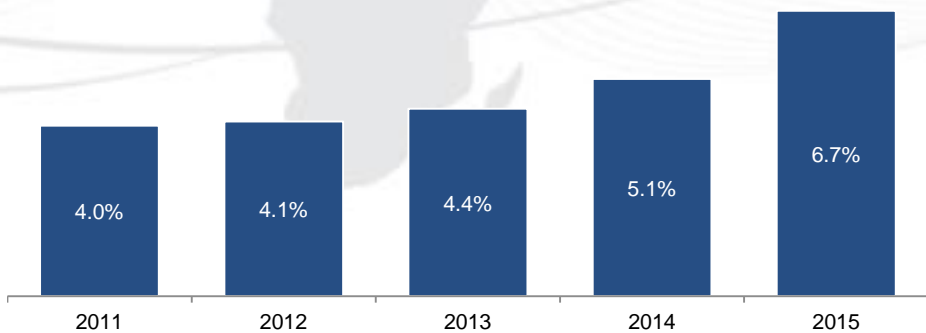
	Established or acquired	Branches	Legal structure
International			
London	1983	2	Subsidiary
New York	1984	1	Branch
Geneva	1984	1	Subsidiary
Singapore	1984	1	Branch
Paris	1987	1	Branch
Shanghai	2005	1	Rep office
MENA region			
Bahrain	1987	2	Branch
Lebanon	1996	6	Subsidiary
Jordan	2004	3	Branch
Iraq	2005	10	Subsidiary
Saudi Arabia	2006	1	Branch
Egypt	2007	41	Subsidiary
Turkey	2007	20	Associate
UAE	2008	2	Branch

Boubyan Bank (58.4% owned subsidiary)

Market share of Total Assets(%)



Market share of Total Deposits (%)



Key Highlights

- Islamic banking has been gaining strong grounds in the Kuwaiti market in recent years, representing close to 40% of assets and deposits at year-end 2015.
- After a series of gradual share acquisitions since 2009, NBK's stake in Boubyan bank reached 58.4% in 2012. Through Boubyan, NBK aims at diversifying its income stream, complementing its product offering as well as targeting a new segment of clients.
- The size and market share development of Boubyan relative to other Islamic banks leaves significant room for repositioning the bank and acquiring market share.
- As the largest single shareholder, NBK is committed to the future growth and transformation of Boubyan Bank and establishing strong presence in the growing Islamic banking segment.
- Leading international consulting firms have assisted Boubyan in developing a new strategy aiming to differentiate the bank from other players with a clear focus on HNWI, affluent and mid/large companies.
- The bank's transformation and strategy implementation is led by a highly proficient management team with extensive regional banking experience, with key positions filled by NBK veterans aligned with the NBK culture.

Notes: Market share data based on the consolidated data of all banks operating in Kuwait

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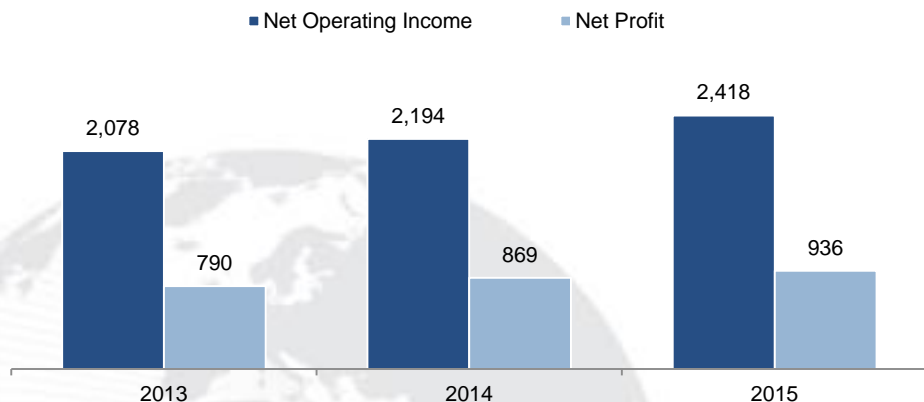
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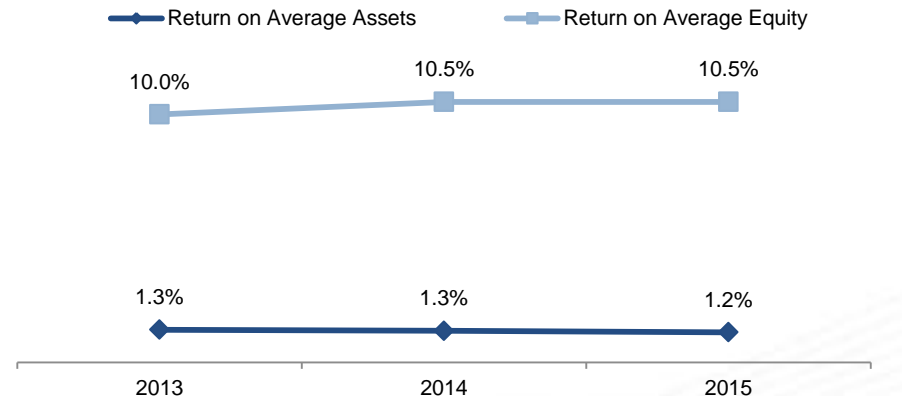
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Operating Performance & Profitability

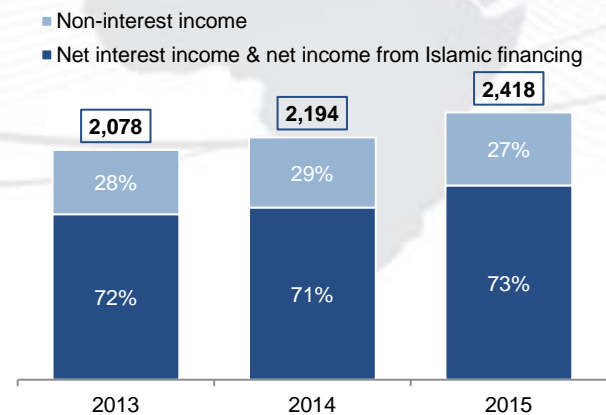
Resilient Profitability (USD mn)



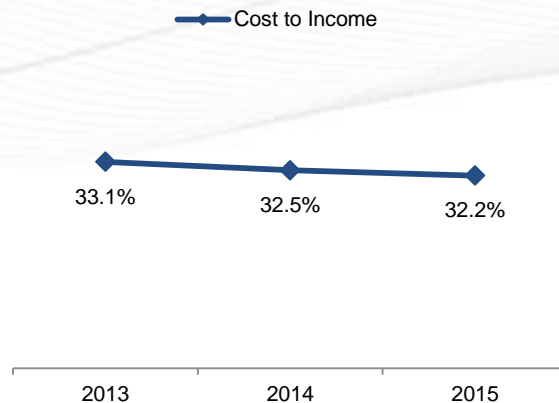
Stable Returns (%)



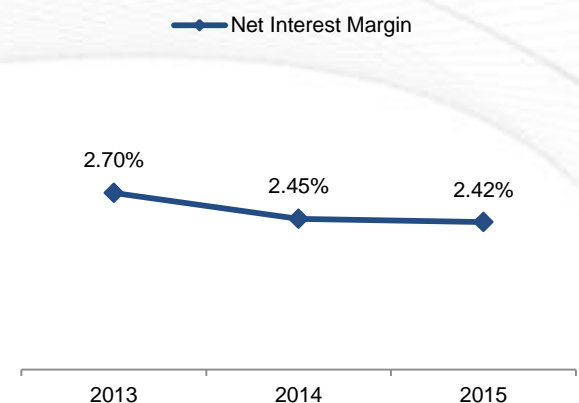
Operating Income Composition (USD mn)



Operating Efficiency (%)

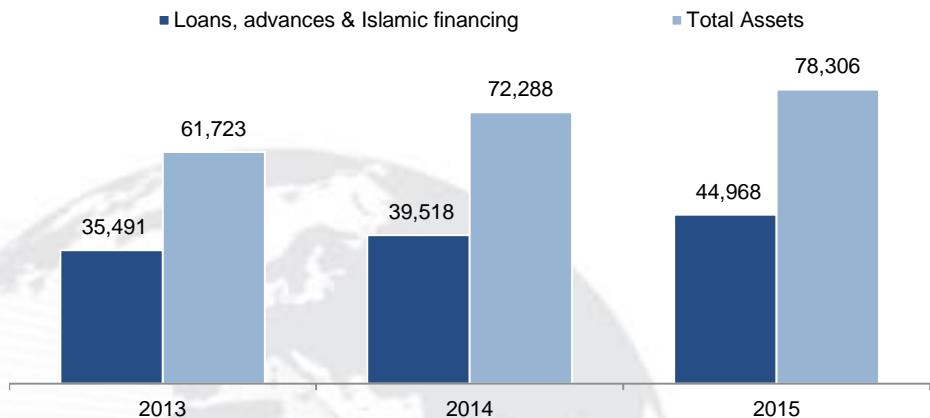


Interest Margins (%)

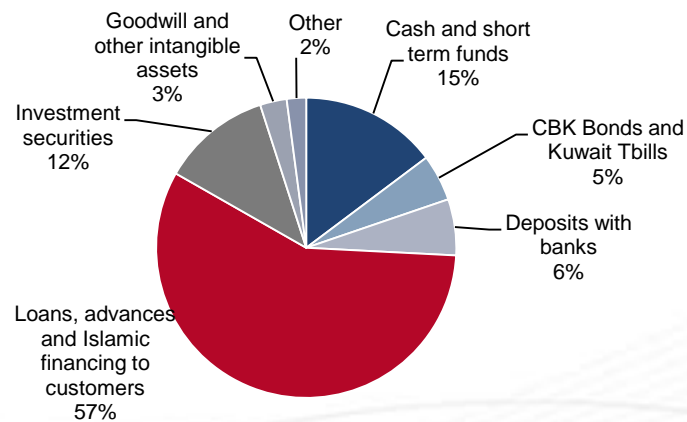


Balance Sheet Parameters

Assets & Loans and Advances (USD mn)

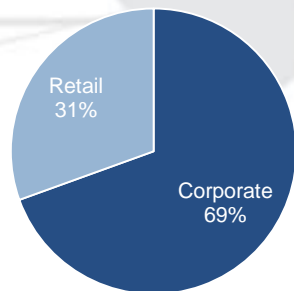


Breakdown of Assets by Type (As at 31 December 2015)



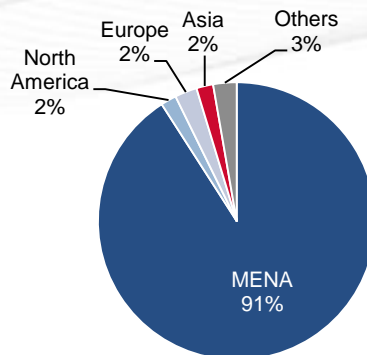
Breakdown of Gross Loans and Advances

By Type - As at 31 December 2015



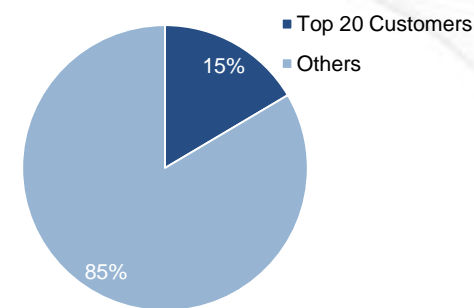
Breakdown of Gross Loans and Advances

By Geography - As at 31 December 2015



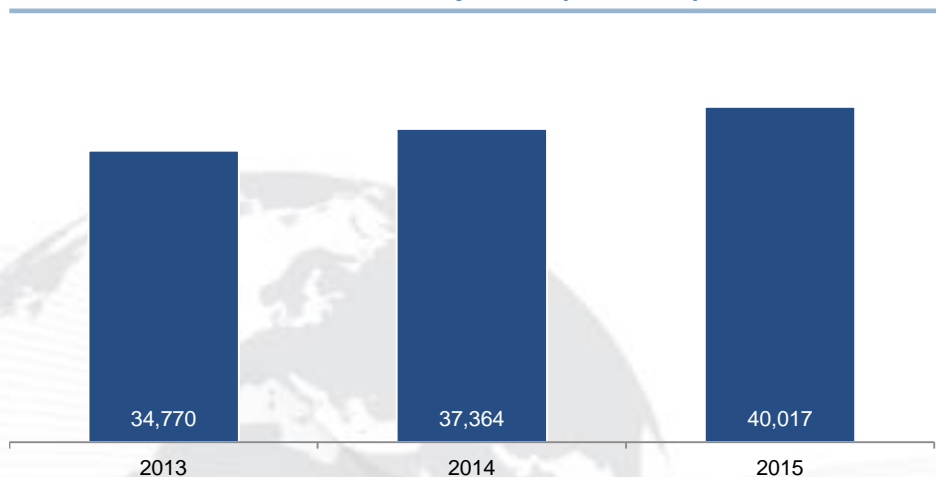
Low loan concentrations

As at 31 December 2015

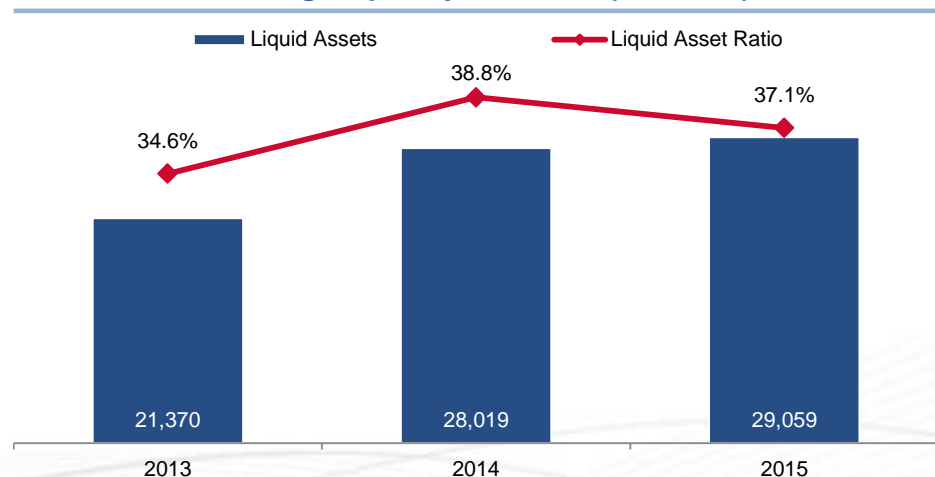


Funding and Liquidity Positions

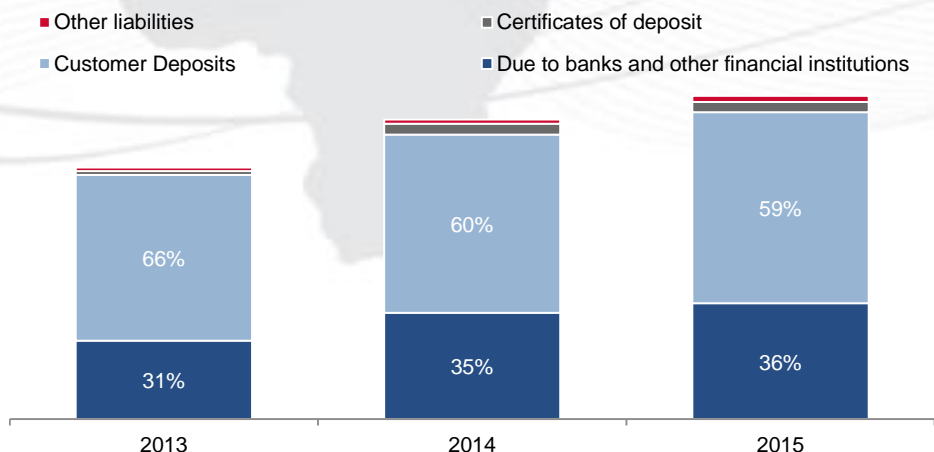
Customer Deposits (USD mn)



Strong Liquidity Position (USD mn)

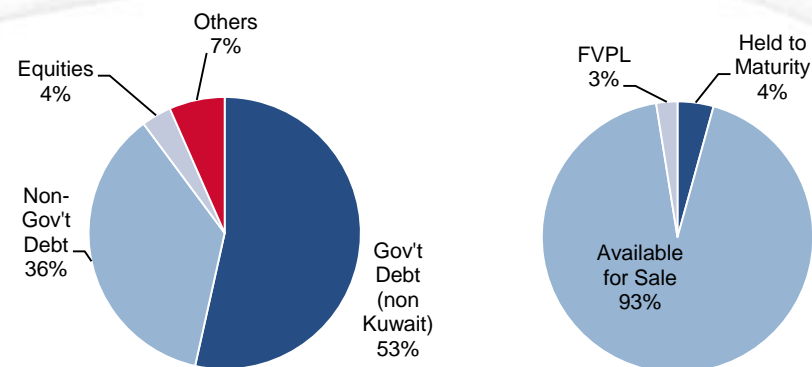


(Total Liabilities) Funding Mix (USD mn)



Overview of Investment Securities¹ – USD 9.2 bn

As at 31 December 2015

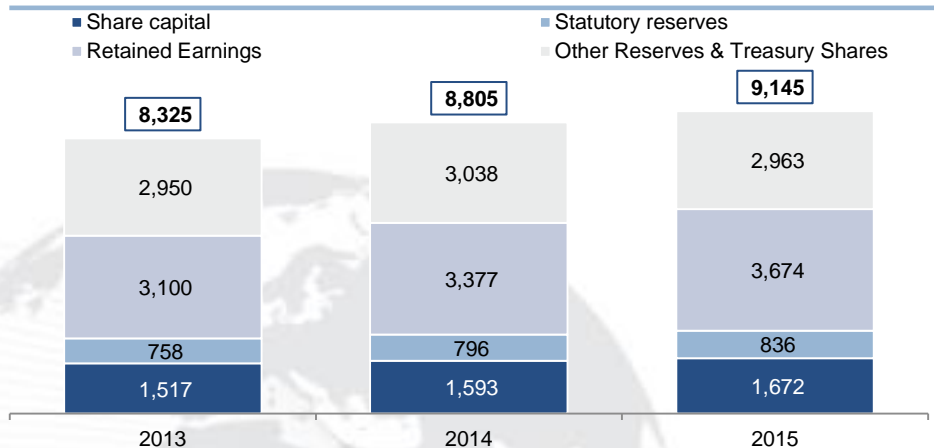


Notes:

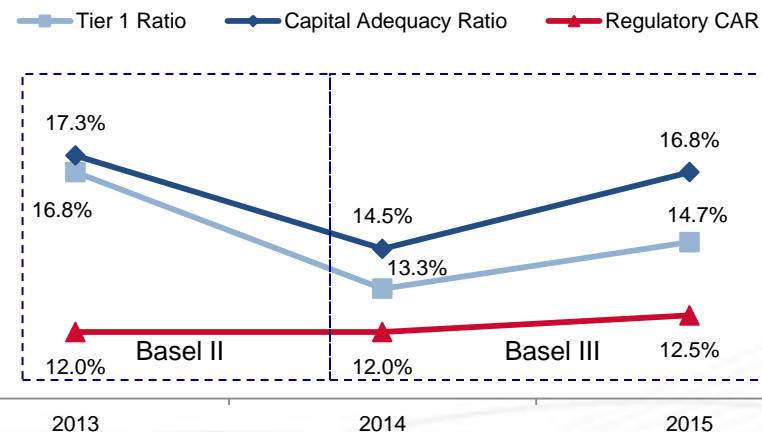
¹Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

Capitalization and Asset Quality

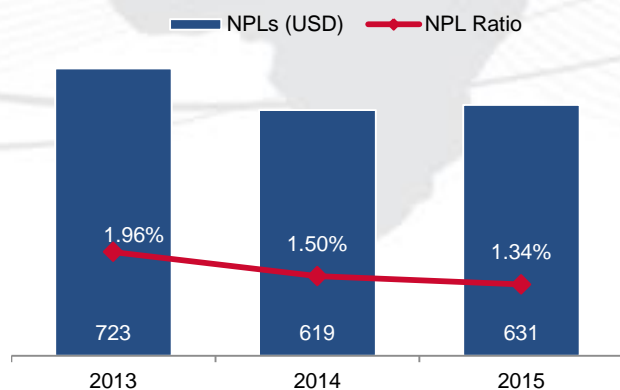
Total Equity¹ Breakdown (USD mn)



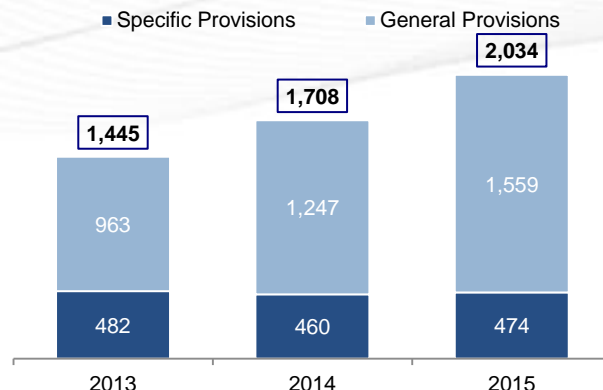
Capital Adequacy² (%)



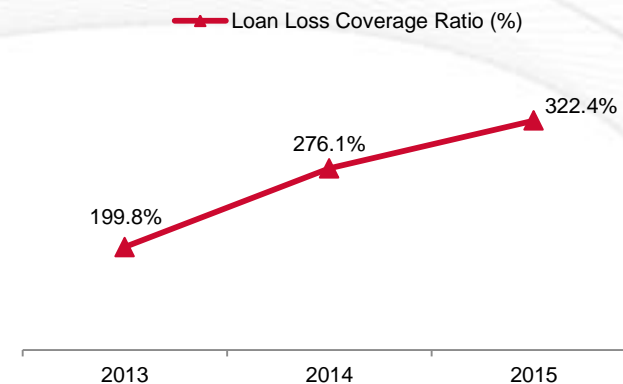
Non-Performing Loans



Prudent Provisioning (USD mn)



Loan Loss Coverage Ratio (%)



Notes:

¹Equity here refers to total equity attributable to the shareholders of National Bank of Kuwait S.A.K.P.

²All Capital Adequacy Ratios for the periods prior to 2014 are computed on Basel II basis

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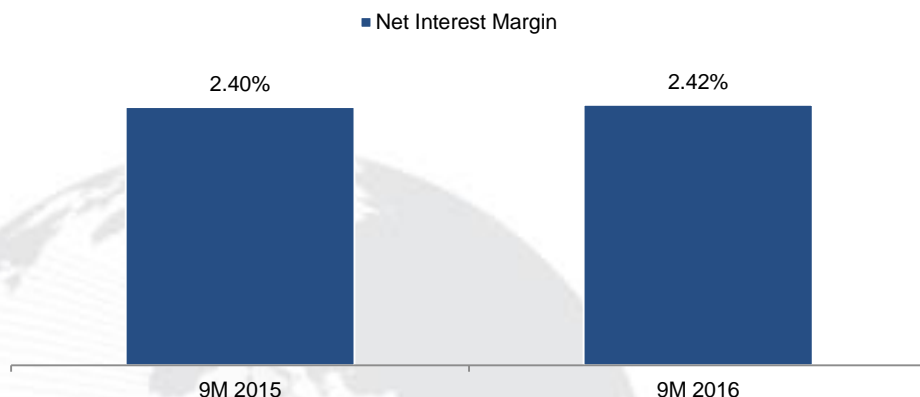
Performance Overview 9M 2016

Section 6

Appendix

9M 2016 Key Performance Extracts

Interest Margins (%)

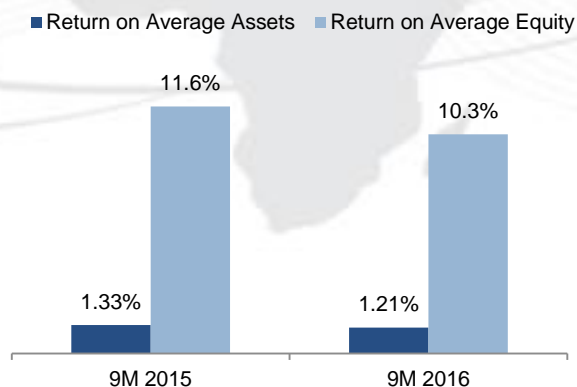


Income Statement Key Highlights (USD mn)

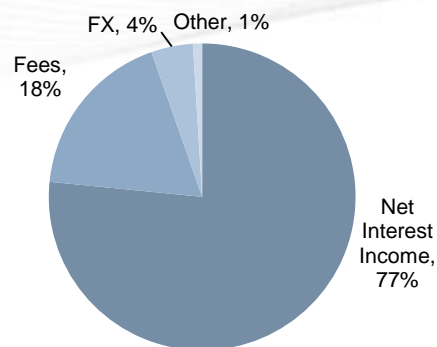
USD million	9M 2015	9M 2016
Net Interest Inc. & net inc. from Islamic financing	1,296	1,387
Fees and Commissions	323	327
Net Operating Income	1,805	1,811
Total Operating Expenses	573	613
Operating Surplus	1,232	1,198
Provision charge for credit & impairment losses	353	360
Taxation	88	70
Non-Controlling Interests	34	41
Profit Attributable to Shareholders	756	728

Strong returns and well-diversified earnings

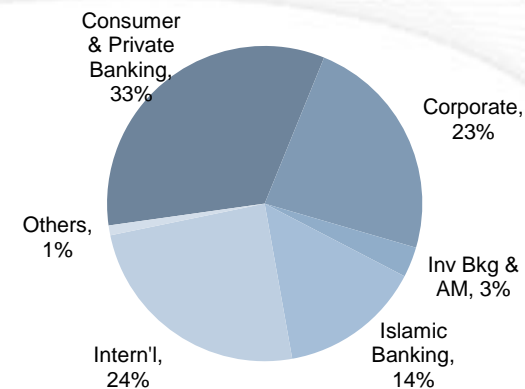
Strong Returns (%)



Operating Income by type

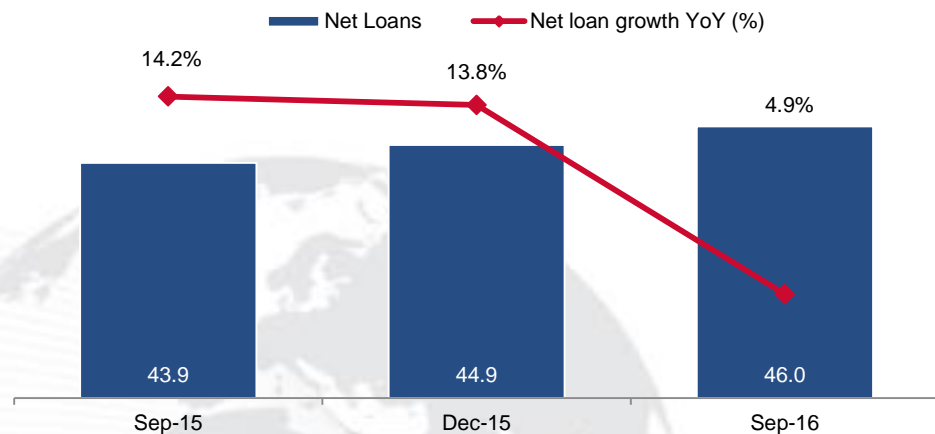


Operating Income by Business Line

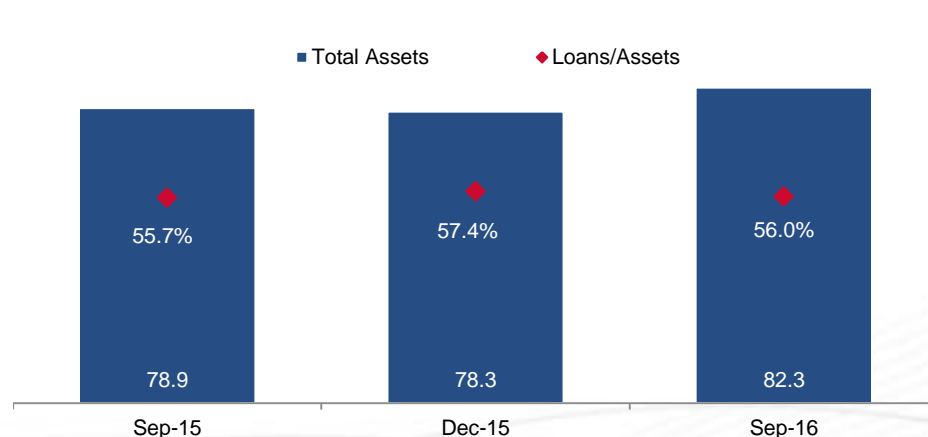


9M 2016 Key Performance Extracts (Continued)

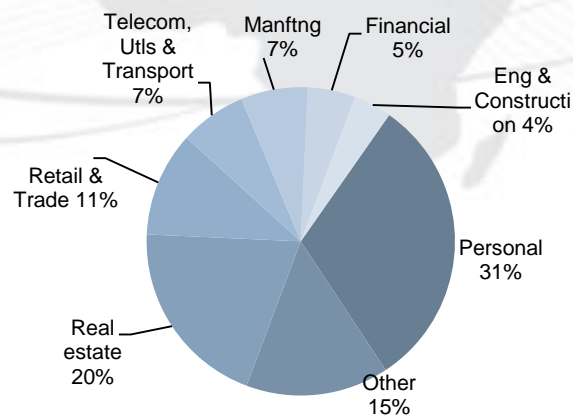
Net Loan Portfolio (USD bn)



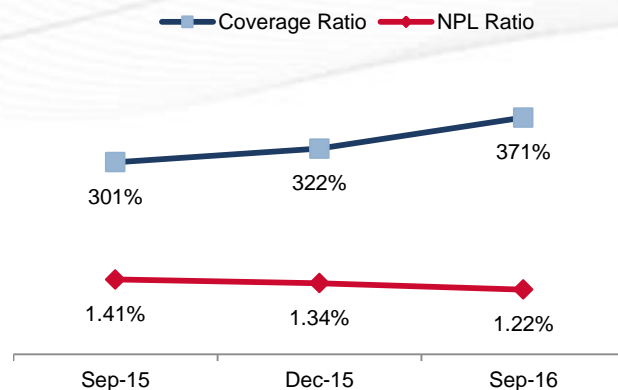
Loans to Assets (USD bn)



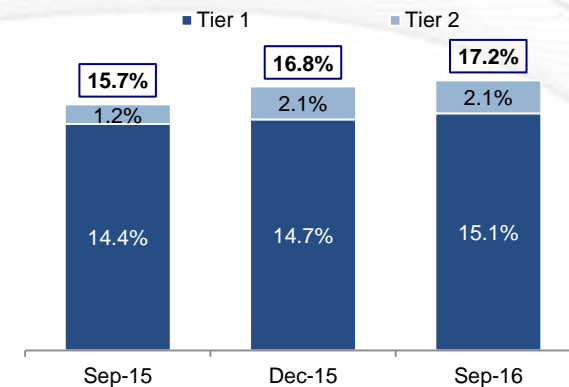
Loan exposure by sector (%)



Non-Performing Loans



Prudent Capitalization (%)



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Appendix

Kuwait Selected Mega Projects

Project	Sector	Value (KD bn)	Scope	Status
South Al Mutlaa City	Housing	0.30	29,000 residential units, schools and other facilities	Underway: The Package 1 project is expected to be complete by September 2019.
New Refinery Project (NRP)	Oil & gas	3.90	New 615,000 bpd refinery by KNPC	Underway: Construction works have commenced on Package 4 (Tankage). FEED pipeline tender not yet issued. Soil Reclamation & Treatment Works project is complete.
Olefins III Project	Oil & gas	2.10	Petrochemical plant to be integrated with New Refinery Project (Al Zour Refinery)	Planning: Stage of project has been changed from FEED to Study. Schedule of tender (FEED & EPC) has not been decided.
Clean Fuels Project (CFP)	Oil & gas	3.70	Specification upgrade and expansion of 2 existing refineries	Underway: Both packages are underway. Package 1: expected to be complete by December 2017. Package 2: expected to be complete by mid-2018.
Jurassic Non Associated Oil & Gas Reserves Expansion: Phase 2	Oil & gas	1.22	Production of 120,000 b/d of wet crude and more than 300 million cubic feet a day (cf/d) of sour gas	Underway: All three contracts have now been awarded
LNG Import and Regasification Terminal	Oil & gas	0.80	4 full containment LNG tanks each with a working capacity of 225,500 m ³ and a regasification plant with capacity of 1500 BBTU/day	Underway: Engineering works are underway. The overall duration of the project is five years.
Al-Khairan Power & Desalination Plant (IWPP)	Power & water	0.51	Net capacity of a min 1,500 MW of power and a min 125 MIGD of desalinated water	Bidding: The tenders for the project are expected to be issued by 4Q 2016.
Al Zour North IWPP – Phase 2 (PPP)	Power & water	0.81	1,800 MW power generation capacity, 464,100m ³ desalination capacity	Bidding: The technical bids are under evaluation and the commercial bids are not yet opened.
Umm Al Hayman Waste Water (PPP)	Power & water	0.47	Initial treatment capacity of 500,000 m ³ /d. Plant may replace Riqqa WWTP in future	Bidding: Bids were submitted in September 2016 and are under evaluation.
Kabd Municipal Solid Waste Project	Power & water	0.26	Waste to energy facility; 50% of all the municipal solid waste produced in Kuwait will be processed at the facility	Bidding: Bids were submitted in September 2016 and are under evaluation.
Al-Abdaliya (ISCC) Power Plant (CSP)	Power & water	0.22	280MW integrated solar combined cycle (ISCC) power plant, out of which 220MW will be powered by gas turbines and 60MW from solar energy	Bidding: The bid submission date has been extended to 10 November 2016.
Airport Expansion	Transport	1.20	To increase the annual handling capacity of the airport to 20 million passengers	Underway: Mobilization works began in September 2016. Additional related new tenders – ICT, passenger air bridges & baggage-handling systems are expected in 2018. Project is expected to be complete by 2020.
Kuwait Metro (PPP)	Transport	2.10	200km long, running across Kuwait. 10% of the project is underground	Planning: KAPP is planning to establish a General Authority for Road and Land Transportation to execute the project.
Kuwait National Railroad (PPP)	Transport	2.40	Railroad system linking Kuwait to rest of GCC	Planning: KAPP is planning to establish a General Authority for Road and Land Transportation to execute the project.

Consolidated Financials 9M 2016 *(USD million)*

<i>Income Statement (USD million)</i>	9M-15	9M-16
Interest Income	1,423	1,614
Interest Expense	331	458
Net Interest Income	1,092	1,156
Murabaha and other Islamic financing income	258	312
Distribution to depositors and Murabaha costs	53	81
Net Income from Islamic financing	204	231
Net interest income and net income from Islamic financing	1,296	1,387
Net fees and commissions	323	327
Net investment income	95	15
Net gains from dealing in foreign currencies	81	80
Other operating income	10	3
Non-interest income	509	424
Net Operating Income	1,805	1,811
Staff expenses	334	356
Other administrative expenses	189	205
Depreciation of premises and equipment	38	41
Amortisation of intangible assets	12	11
Operating Expenses	573	613
Op. profit before provision for credit losses and impairment losses	1,232	1,198
Provision charge for credit losses and impairment losses	353	360
Operating profit before taxation	879	838
Taxation	88	70
Non-controlling interest	34	41
Profit attributable to shareholders of the Bank	756	728

<i>Balance sheet (USD million)</i>	9M-15	9M-16
Cash and short term funds	12,586	10,600
Central Bank of Kuwait bonds	2,332	2,383
Kuwait Government Treasury bonds	1,169	1,397
Deposits with banks	5,043	7,243
Loans, advances and Islamic financing to customers	43,908	46,048
Investment securities	9,942	10,749
Investment in associates	350	277
Land, premises and equipment	733	829
Goodwill and other intangible assets	2,250	2,157
Other assets	585	594
Total Assets	78,899	82,276
Due to banks and other financial institutions	26,782	25,697
Customer deposits	38,622	42,358
Certificates of deposit issued	2,173	1,334
Subordinated Tier 2 bonds	-	414
Other liabilities	925	1,047
Total Liabilities	68,502	70,850
Share capital	1,672	1,870
Proposed bonus shares	-	-
Statutory reserve	796	836
Share premium account	2,322	2,665
Treasury shares	(258)	(258)
Treasury share reserve	46	46
Other reserves	4,383	4,547
Equity attributable to shareholders	8,962	9,707
Perpetual Tier 1 Capital Securities	699	699
Non-controlling interests	736	1,020
Total equity	10,398	11,426
Total liabilities and equity	78,899	82,276

Consolidated Statement Of Income *(USD million)*

<i>USD million</i>	2013	2014	2015
Interest Income	1,624	1,704	1,942
Interest Expense	337	378	463
Net Interest Income	1,287	1,326	1,479
Murabaha and other Islamic financing income	245	289	353
Distribution to depositors and Murabaha costs	33	57	73
Net Income from Islamic financing	212	232	280
Net interest income and net income from Islamic financing	1,498	1,557	1,759
Net fees and commissions	368	404	431
Net investment income	62	110	106
Net gains from dealing in foreign currencies	87	90	110
Share of results of associates	54	25	1
Other operating income	8	6	12
Non-interest income	580	636	659
Net Operating Income	2,078	2,194	2,418
Staff expenses	381	406	455
Other administrative expenses	238	240	256
Depreciation of premises and equipment	48	50	51
Amortisation of intangible assets	19	17	16
Operating Expenses	687	714	779
Op. profit before provision for credit losses and impairment losses	1,391	1,480	1,640
Provision charge for credit losses	476	450	431
Impairment losses	17	37	114
Operating profit before taxation	897	993	1,094
Taxation	63	85	110
Non-controlling interest	44	39	48
Profit attributable to shareholders of the Bank	790	869	936

Consolidated Statement Of Financial Position *(USD million)*

<i>USD million</i>	2013	2014	2015
Cash and short term funds	8,004	10,393	11,553
Central Bank of Kuwait bonds	1,774	1,774	2,668
Kuwait Government treasury bonds	1,063	1,143	1,261
Deposits with banks	2,985	6,804	4,734
Loans, advances and Islamic financing to customers	35,491	39,518	44,968
Investment securities	7,799	8,275	9,240
Investment in associates	862	396	308
Land, premises and equipment	638	675	752
Goodwill and other intangible assets	2,323	2,311	2,249
Other assets	784	539	576
Investment in an associate held for sale	-	459	-
Total Assets	61,723	72,288	78,306
Due to banks and other financial institutions	16,409	22,252	24,246
Customer deposits	34,770	37,364	40,017
Certificates of deposit issued	800	2,240	2,174
Subordinated Tier 2 bonds	-	-	414
Other liabilities	745	906	866
Total Liabilities	52,724	62,763	67,717
Share capital	1,517	1,593	1,672
Proposed bonus shares	76	80	84
Statutory reserve	758	796	836
Share premium account	2,322	2,322	2,322
Treasury shares	(266)	(261)	(258)
Treasury share reserve	54	49	46
Other reserves	3,864	4,226	4,443
Equity attributable to shareholders of the bank	8,325	8,805	9,145
Perpetual Tier 1 Capital Securities	-	-	699
Non-controlling interests	673	721	745
Total equity	8,999	9,526	10,589
Total liabilities and equity	61,723	72,288	78,306