

A large, stylized graphic of a globe dominates the background. The globe is rendered in shades of red and blue, with white grid lines representing latitude and longitude. The globe is tilted and appears to be composed of multiple overlapping layers, creating a sense of depth and movement. The background is white with faint, curved lines that suggest a global network or data flow.

National Bank of Kuwait Investor Presentation

FY2018 Earnings Call

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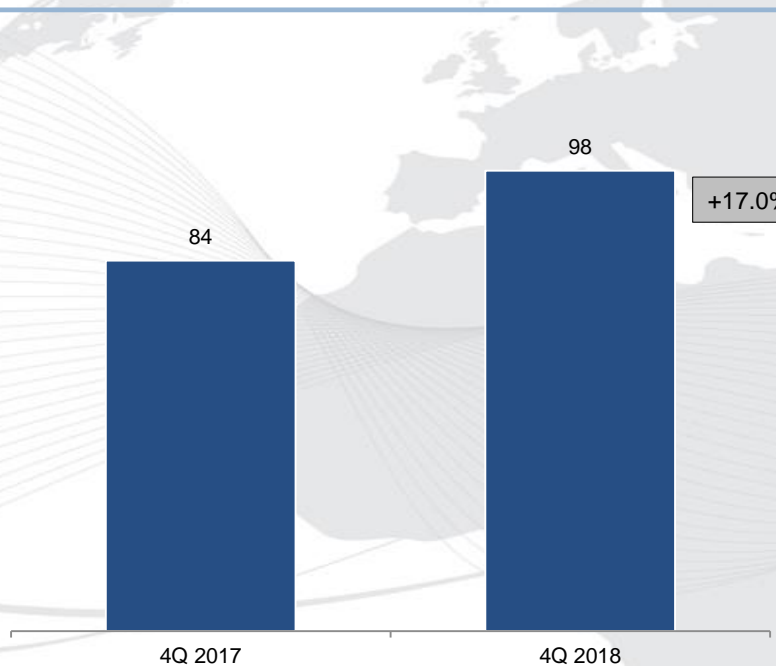
Appendix

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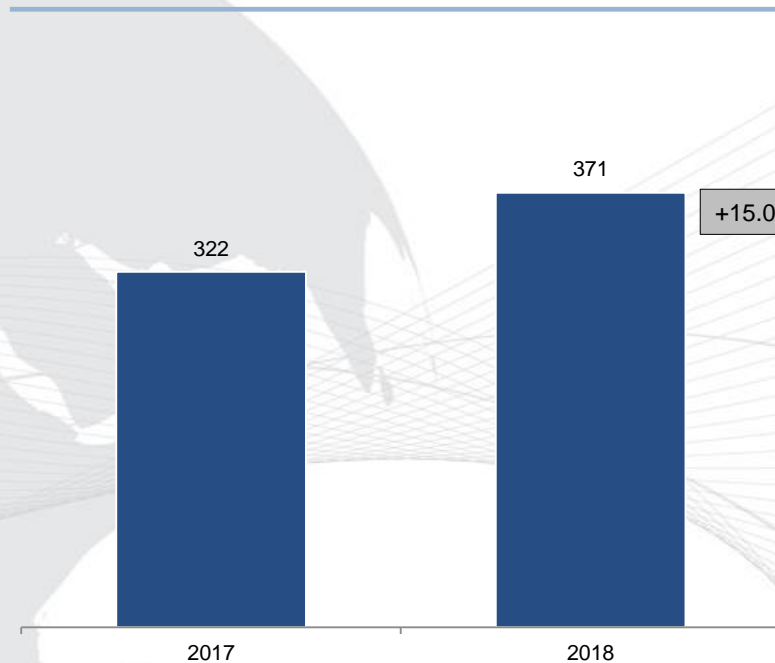
Questions

Net Profits 2018

Net Profit 4Q 2018 (KDm)

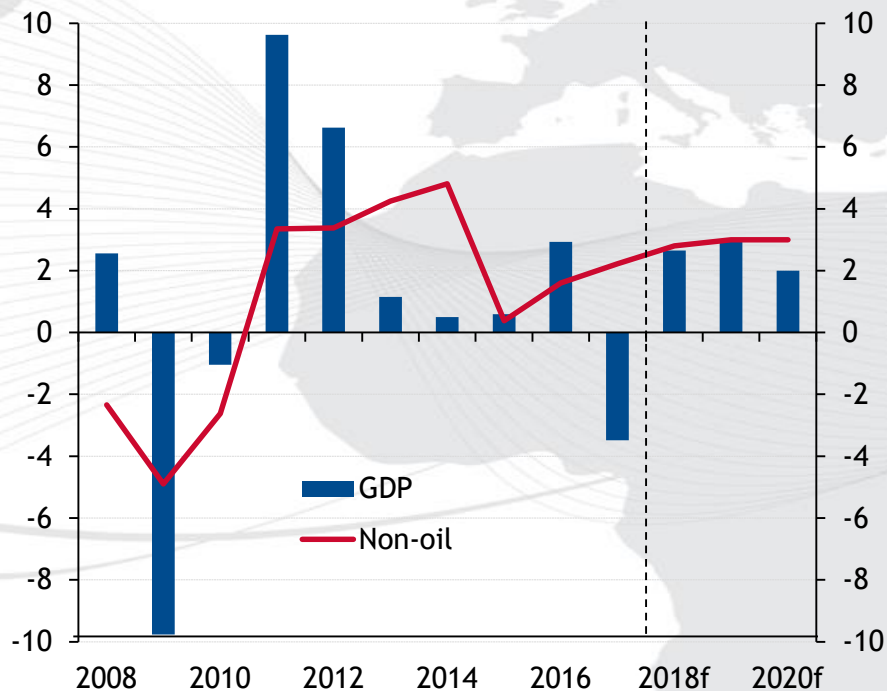


Net Profit 2018 (KDm)

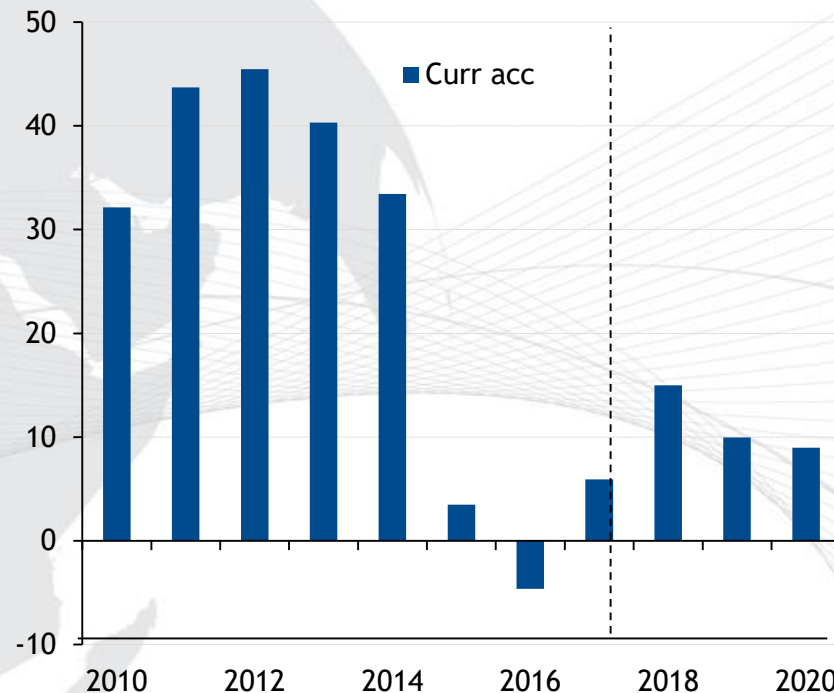


Strong economic backdrop




Real GDP Growth (% YoY)



Current account balance (% of GDP)



Stable Credit Ratings

Rating Agency	Long-term Rating	Standalone Rating	Outlook	Key Rating Drivers
	Aa3	a3	Stable	<ul style="list-style-type: none"> • Dominant domestic position • Resilient profitability and growth outlook • Robust asset quality, capitalization and liquidity
	A+	a-	Stable	<ul style="list-style-type: none"> • Leading position in Kuwait • More diversified business model • Exceptional asset quality and capitalization
	AA-	a-	Stable	<ul style="list-style-type: none"> • Leading franchise • Diversified business model and strong management team • Strong asset quality, solid capitalization and stable funding and liquidity

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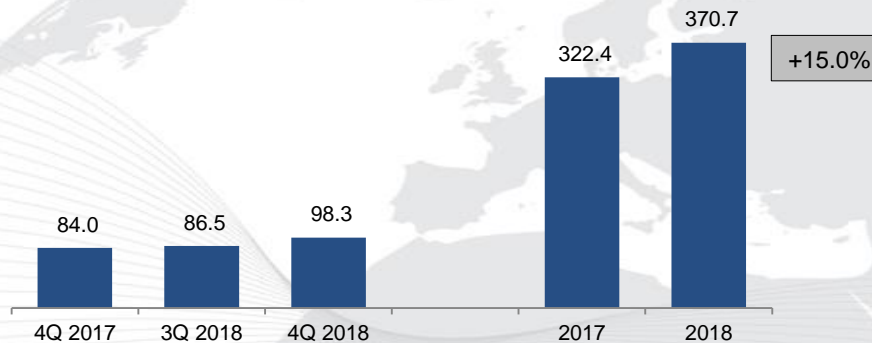
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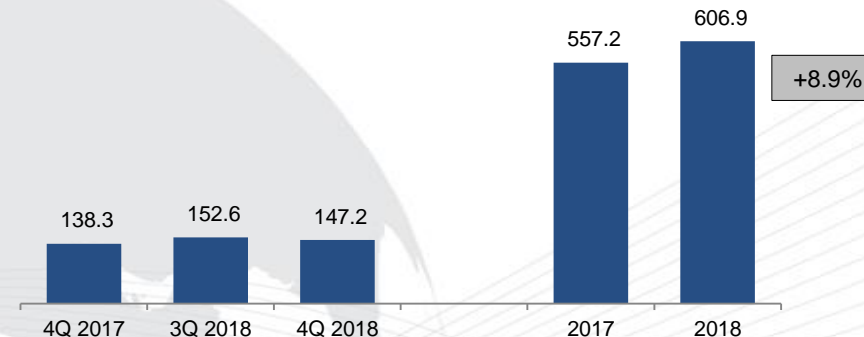
Questions

Operating Performance 2018

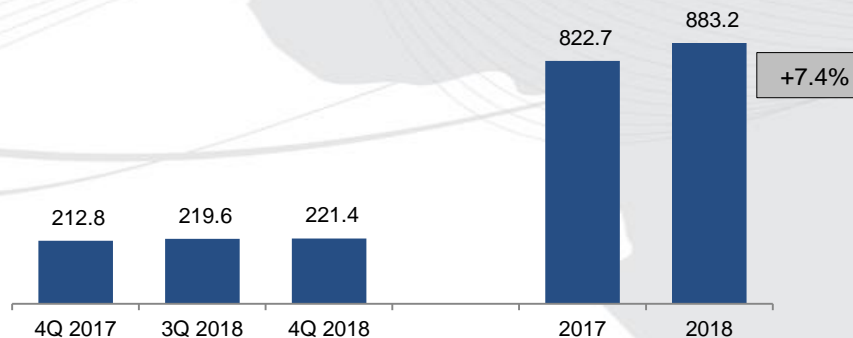
Net Profit (KDm)



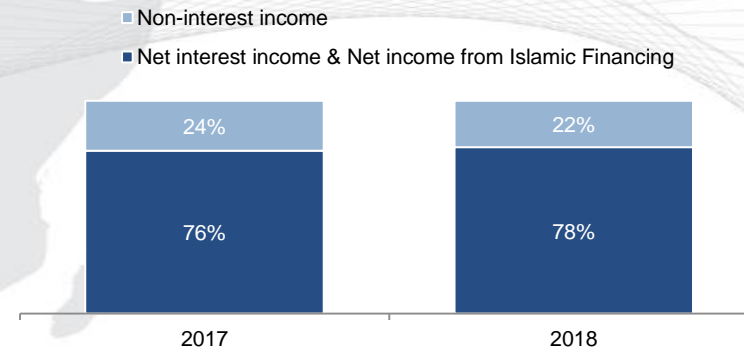
Operating Surplus (KDm)



Operating Income (KDm)

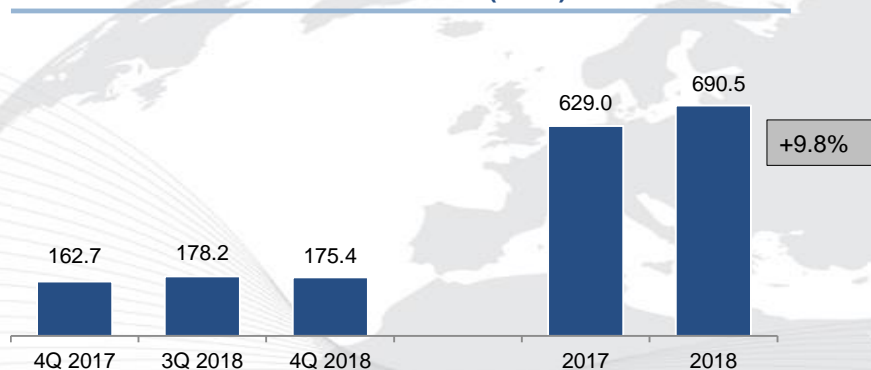


Operating Income

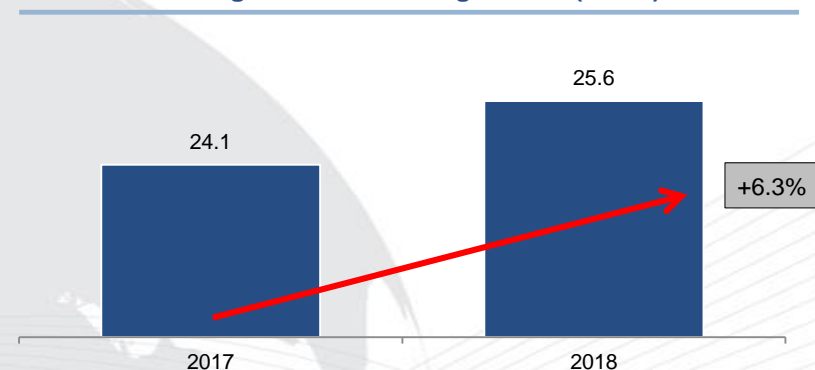


Operating Performance 2018

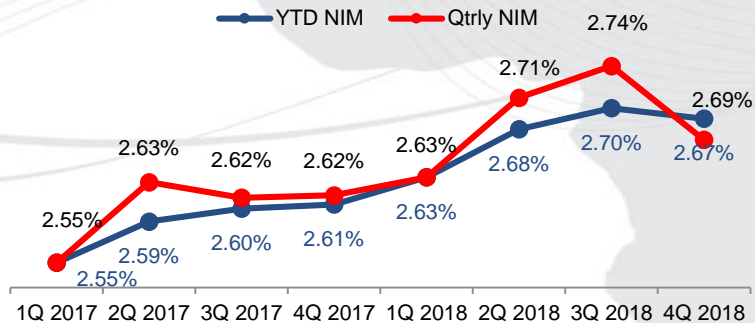
Net Interest Income (KDM)



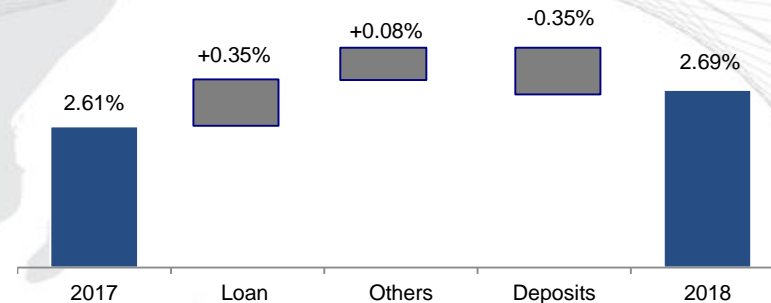
Average Interest Earning Assets (KDbn)



Net Interest Margin

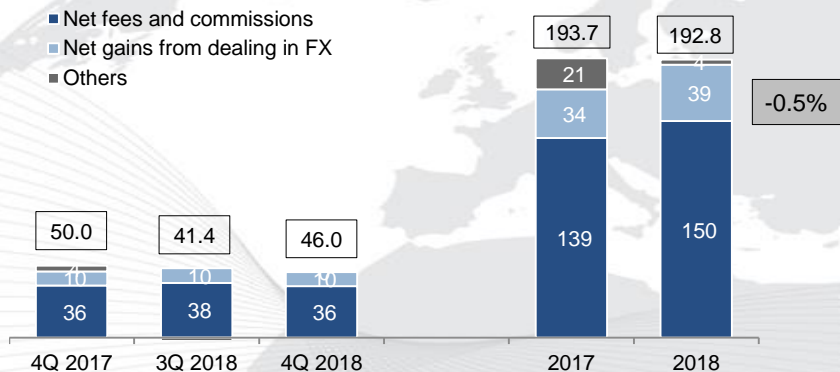


Net Interest Margin drivers

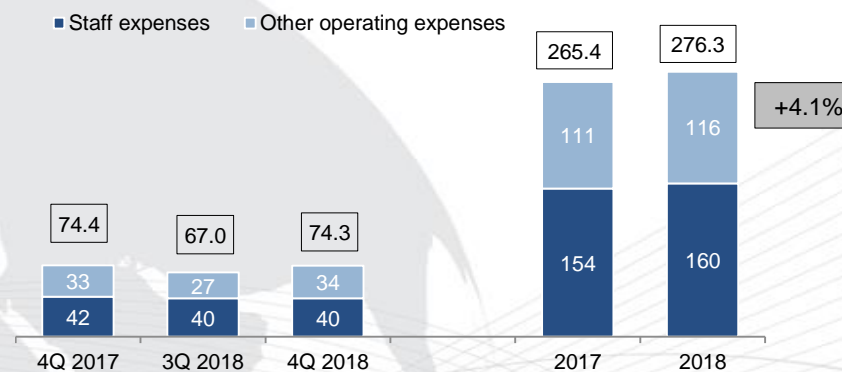


Operating Performance 2018

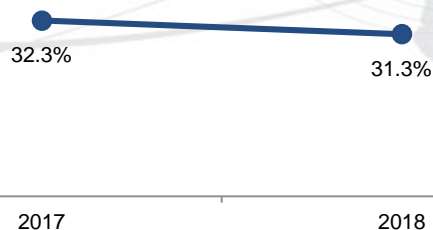
Non-interest income (KDm)



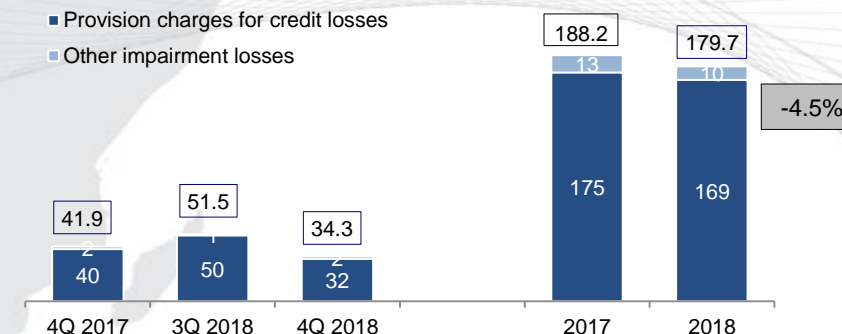
Operating Expenses (KDm)



Cost to Income ratio

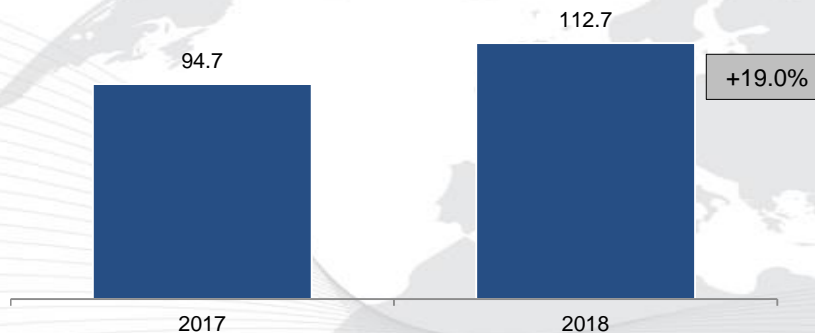


Provisions and Impairments (KDm)

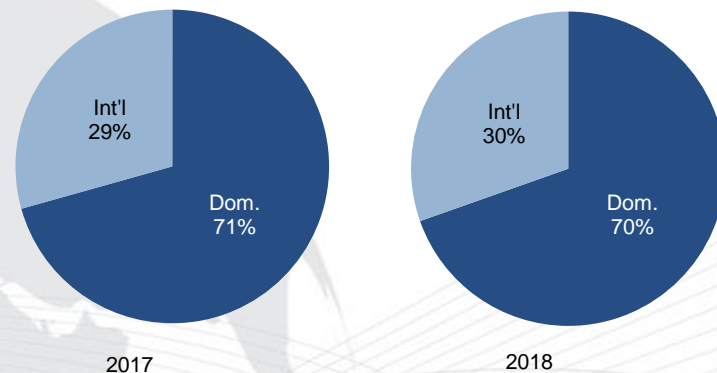


Operating Performance 2018

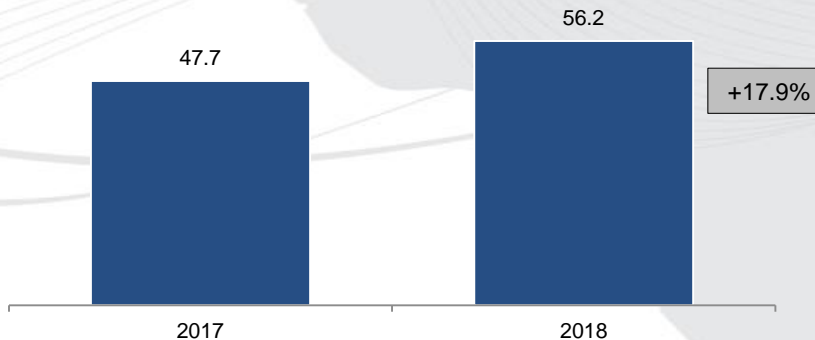
Net profit (KDm) - International



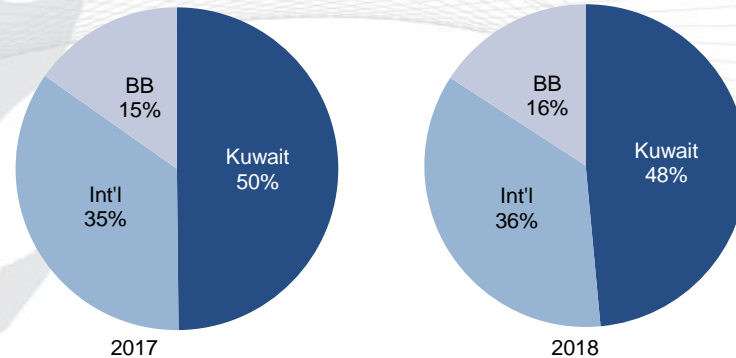
Net Profit (KDm) – Domestic / International



Net profit (KDm) - Boubyan Bank

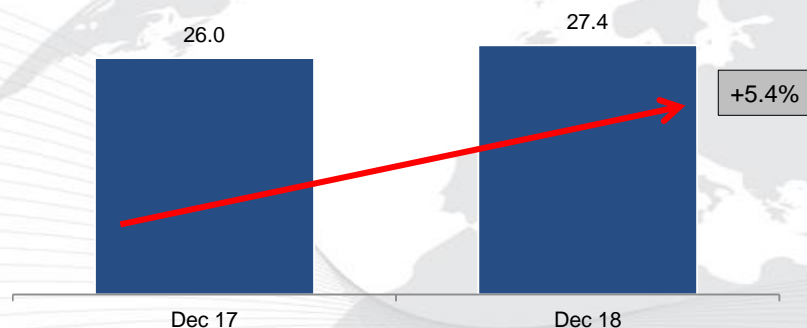


Total Assets (KD'bn) – Kuwait/ International / Boubyan Bank

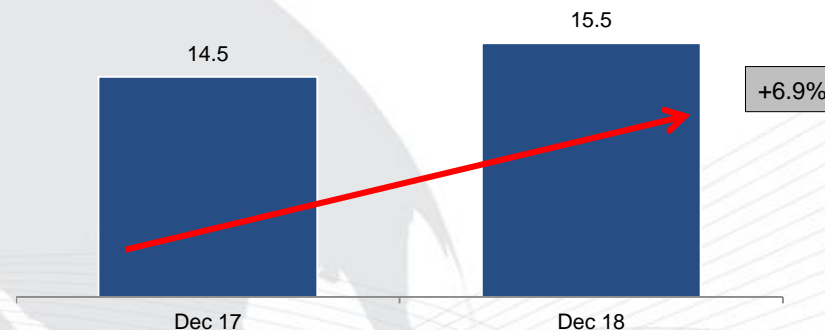


Operating Performance 2018

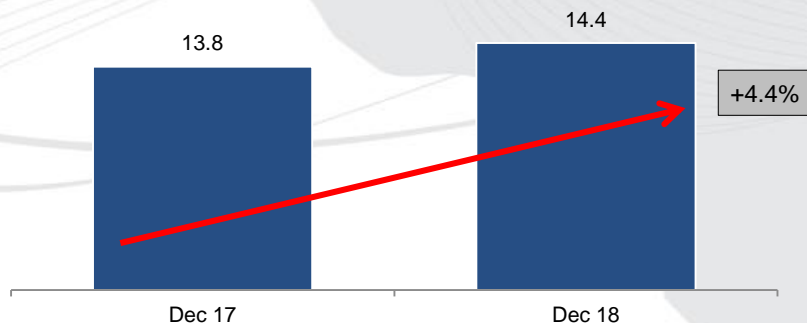
Total Assets (KDbn)



Loans, Advances and Islamic Financing (KDbn)

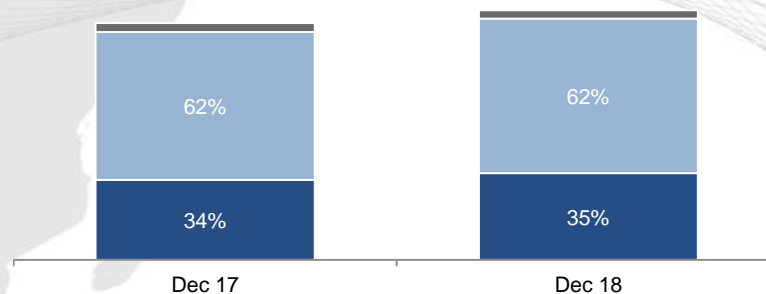


Customer Deposits (KDbn)



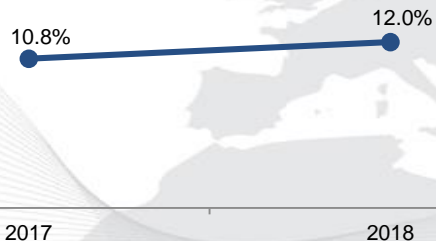
Funding Mix

- Due to banks and other FIs
- Customer Deposits
- CD's / GMTN / T2 Bonds

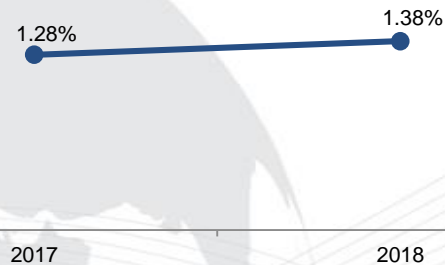


Performance and Asset Quality ratios 2018

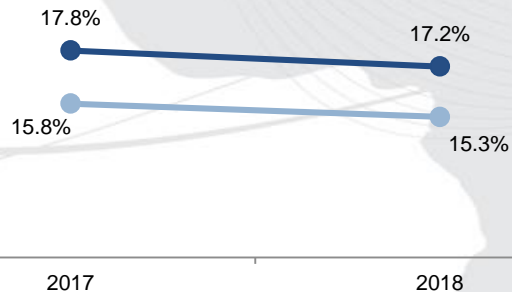
Return on Average Equity



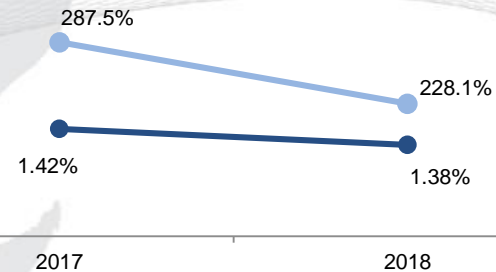
Return on Average Assets



Capital Adequacy Ratios



Asset Quality Ratios



—●— Tier 1 Ratio —●— Capital Adequacy Ratio

—●— Loan Loss Coverage Ratio —●— NPL Ratio

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Performance Measures FY2018

%	2017	2018
Return on average assets	1.28%	1.38%
Return on average equity	10.8%	12.0%
Net interest margin	2.61%	2.69%
Cost to income	32.3%	31.3%
NPLs to gross loans	1.42%	1.38%
Loan loss reserves to NPLs	287.5%	228.1%
Common equity tier 1 capital (CET1)	14.2%	13.8%
Tier 1 capital	15.8%	15.3%
Tier 2 capital	2.0%	1.9%
Capital adequacy ratio	17.8 %	17.2 %

Consolidated Statement Of Income *(KWD million)*

<i>KWD million</i>	2016	2017	2018
Interest Income	665	743	897
Interest Expense	190	224	331
Net Interest Income	476	519	566
Murabaha and other Islamic financing income	128	156	186
Finance cost and Distribution to depositors	34	46	62
Net Income from Islamic financing	94	110	124
Net interest income and net income from Islamic financing	570	629	690
Net fees and commissions	133	139	150
Net investment income	6	20	2
Net gains from dealing in foreign currencies	35	34	39
Other operating income	1	2	1
Non-interest income	176	194	193
Net Operating Income	745	823	883
Staff expenses	144	154	160
Other administrative expenses	87	93	99
Depreciation of premises and equipment	16	15	15
Amortisation of intangible assets	4	3	3
Operating Expenses	252	265	276
Op. profit before provision for credit losses and impairment losses	493	557	607
Provision charge for credit losses	126	175	169
Impairment losses	27	13	10
Operating profit before taxation	341	369	427
Taxation	29	27	33
Non-controlling interest	17	20	23
Profit attributable to shareholders of the Bank	295	322	371

Consolidated Statement Of Financial Position *(KWD million)*



<i>KWD million</i>	2016	2017	2018
Cash and short term funds	2,687	2,744	2,967
Central Bank of Kuwait bonds	749	656	810
Kuwait Government treasury bonds	493	1,076	872
Deposits with banks	2,408	2,488	2,364
Loans, advances and Islamic financing to customers	13,611	14,503	15,503
Investment securities	3,178	3,349	3,678
Investment in associates	74	63	31
Land, premises and equipment	255	324	363
Goodwill and other intangible assets	582	582	579
Other assets	201	250	260
Total Assets	24,239	26,035	27,428
Due to banks and other financial institutions	7,348	7,469	8,090
Customer deposits	12,608	13,780	14,389
Certificates of deposit issued	416	491	451
Global medium term notes (GMTN)	-	221	220
Subordinated Tier 2 bonds	125	125	125
Other liabilities	337	388	451
Total Liabilities	20,834	22,474	23,727
Share capital	564	592	621
Proposed bonus shares	28	30	31
Statutory reserve	282	296	311
Share premium account	803	803	803
Treasury shares	(78)	(78)	(65)
Treasury share reserve	14	14	14
Other reserves	1,272	1,373	1,449
Equity attributable to shareholders of the bank	2,885	3,029	3,163
Perpetual Tier 1 Capital Securities	211	211	211
Non-controlling interests	309	321	327
Total equity	3,405	3,561	3,701
Total liabilities and equity	24,239	26,035	27,428

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Questions



Questions



Thank you