

Kuwait: 29th of January 2023

Chief Executive Officer - Boursa Kuwait Company
State of Kuwait

Dear Sirs,

Subject: Consolidated Financial Statements
for the financial year ended 31/12/2022

As per chapter No.4 of the “Disclosure & Transparency” Module of the Capital Markets Authority’s Executive Bylaws and its Law No. 7/2010 and amendments issued regarding disclosure of Material Information.

National Bank of Kuwait would like to disclose that Central Bank of Kuwait has approved Bank’s Consolidated Financial Statements for the financial year ended 31/12/2022, including the Balance Sheet, the Statement of Profits & Losses and the External Auditors’ notes.

We would like to advise that Bank’s Board of Directors has convoked the General Assembly of Bank’s Shareholders to convene an ordinary meeting at 10:30 a.m. on Saturday 18/3/2023, either by attending and voting electronically or by attending and voting directly at the Bank’s Headquarters, proposing the following distributions for the financial year ended 31/12/2022, after obtaining the approvals from competent authorities:

- 1- Distribution of the remaining cash dividends, representing 25% of the share’s nominal value (twenty five fils per share).
- 2- Distribution of a 5% bonus shares from issued and paid up capital (five shares for every 100 shares).

Attached; Financial Results Form for Kuwaiti Companies for the financial year ended 31/12/2022 after satisfying the required data, published on Boursa Kuwait Company website and a copy of Central Bank of Kuwait approval in this regards.

With reference to Boursa Kuwait Rule Book requirements and since National Bank of Kuwait has been classified under the “Premier Market” category. The Bank is glad to announce a quarterly Analysts/Investors Conference that will take place through a Live Webcast at 3 p.m. (according to local time) on Monday 30/1/2023. Interested parties should reach out to the Bank through the following email address: Investor-Relations@nbk.com in order to provide them with the invitation and access details for the aforementioned conference.

Sincerely yours,

On behalf of National Bank of Kuwait (S.A.K.P.)



Isam J. Al-Sager

Vice-Chairman and
Group Chief Executive Officer

بنك الكويت الوطني
National Bank of Kuwait
ش.م.ك.م.ع. س.ا.ك.ب.

ت +965 22291111 ف +965 22291444

ص.ب. 95 الصفاة 13001 الكويت

P.O. Box 95 Safat 13001 Kuwait

nbk.com

C.R. No. 8490 رقم تجاري رقم

رأس المال المصدر والمدفوع د.ك. 755,232,916/200 Issued and paid-up capital

Financial Results Form		نموذج نتائج البيانات المالية	
Kuwaiti Company (KWD)		الشركات الكويتية (د.ك.)	
Company Name		اسم الشركة	
National Bank of Kuwait S.A.K.P		بنك الكويت الوطني ش.م.ك.ع	

Financial Year Ended on	2022 - 12 - 31	نتائج السنة المالية المنتهية في
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Board of Directors Meeting Date	2023 - 01 - 11	تاريخ اجتماع مجلس الإدارة
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Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم وإرفاق هذه المستندات

التغيير (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	2021-12-31	2022-12-31	
40.5%	362,249,000	509,085,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
44.4%	45	65	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
10.0%	16,085,385,000	17,693,526,000	الموجودات المتداولة Current Assets
9.3%	33,256,586,000	36,338,363,000	إجمالي الموجودات Total Assets
9.9%	26,778,125,000	29,439,775,000	المطلوبات المتداولة Current Liabilities
10.1%	28,789,469,000	31,703,417,000	إجمالي المطلوبات Total Liabilities
2.4%	3,539,567,000	3,622,988,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
12.2%	899,793,000	1,009,741,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
13.9%	547,375,000	623,617,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
Not Applicable/ لا ينطبق	لا يوجد خسائر متراكمة No accumulated losses	لا يوجد خسائر متراكمة No accumulated losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	الربع الرابع المقارن	الربع الرابع الحالي	البيان
Change (%)	Fourth quarter Comparative Year	Fourth quarter Current Year	Statement
	2021-12-31	2022-12-31	
25.5%	107,430,000	134,847,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
30.7%	13	17	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
17.3%	223,612,000	262,345,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
18.9%	132,726,000	157,817,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
The increase in net profit for the year ended 31 December 2022 as compared to the year ended 31 December 2021 primarily due to higher net operating income and lower provision charge for credit losses and impairment losses, partially offset by higher operating expenses.	تعود الزيادة في صافي الربح للسنة المنتهية في ٣١ ديسمبر ٢٠٢٢ بالمقارنة مع السنة المنتهية في ٣١ ديسمبر ٢٠٢١ بشكل أساسي إلى ارتفاع صافي إيرادات التشغيل بالإضافة إلى انخفاض مخصص خسائر الائتمان وخسائر انخفاض القيمة، فيما قابل ذلك جزئياً ارتفاع في مصروفات التشغيل.

Total Revenue realized from dealing with related parties (value, KWD)	KD 1,817,000	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Total Expenditures incurred from dealing with related parties (value, KWD)	KD 799,000	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Auditor Opinion		رأي مراقب الحسابات
1.	Unqualified Opinion	رأي غير متحفظ
2.	Qualified Opinion	رأي متحفظ
3.	Disclaimer of Opinion	عدم إبداء الرأي
4.	Adverse Opinion	رأي معاكس

In the event of selecting item No. 2, 3 or 4, the following table must be filled out, and this form is not considered complete unless it is filled.

بحال اختيار بند رقم ٢ أو ٣ أو ٤ يجب تعبئة الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

نص رأي مراقب الحسابات كما ورد في التقرير	لا ينطبق/Not Applicable
شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي	لا ينطبق/Not Applicable
الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات	لا ينطبق/Not Applicable
الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات	لا ينطبق/Not Applicable

Corporate Actions		استحقاقات الأسهم (الإجراءات الموسمية)		
النسبة	القيمة			
25 Fils	KD 188,808,229.050			توزيعات نقدية Cash Dividends
5%	KD 37,761,645.800			توزيعات أسهم منحة Bonus Share
لا ينطبق / Not Applicable	لا ينطبق / Not Applicable			توزيعات أخرى Other Dividend
لا ينطبق / Not Applicable	لا ينطبق / Not Applicable			عدم توزيع أرباح No Dividends
لا ينطبق / Not Applicable	لا ينطبق / Not Applicable	علاوة الإصدار Issue Premium	لا ينطبق / Not Applicable	زيادة رأس المال Capital Increase
لا ينطبق / Not Applicable	لا ينطبق / Not Applicable			تخفيض رأس المال Capital Decrease
ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name	
		رئيس مجموعة الرقابة المالية	رونجهي سوجيت انيل	



Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
18-21st Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena

Deloitte.

**Deloitte & Touche
Al-Wazzan & Co.**

Ahmed Al-Jaber Street, Sharq
Dar Al-Awadi Complex, Floors 7 & 9
P.O. Box 20174, Safat 13062
Kuwait

Tel : + 965 22408844, 22438060
Fax: + 965 22408855, 22452080
www.deloitte.com

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of National Bank of Kuwait S.A.K.P. (the "Bank") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by Central Bank of Kuwait ("CBK") for use by the State of Kuwait.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P.
(continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

We have identified the following key audit matters:

a) Credit losses on loans, advances and Islamic financing to customers

The recognition of credit losses on loans, advances and Islamic financing (“credit facilities”) to customers is the higher of Expected Credit Loss (“ECL”) under International Financial Reporting Standard 9: Financial Instruments (“IFRS 9”), determined in accordance with the CBK guidelines, and the provision required by the CBK rules on classification of credit facilities and calculation of their provision (the “CBK rules”) as disclosed in the accounting policies and in Note 13 to the consolidated financial statements.

Recognition of ECL under IFRS 9, determined in accordance with CBK guidelines, is a complex accounting policy, which requires considerable judgement in its implementation. ECL is dependent on management’s judgement in assessing significant increase in credit risk and classification of credit facilities into various stages, determining when a default has occurred, development of models for assessing the probability of default of customers and estimating cash flows from recovery procedures or realization of collateral.

Recognition of specific provision on impaired facility under the CBK rules is based on the instructions by CBK on the minimum provision to be recognized together with any additional provision to be recognised based on management estimate of expected cash flows related to that credit facility.

Due to the significance of credit facilities and the related estimation uncertainty and judgement in the impairment calculation, this was considered as a key audit matter. This is further heightened by the high degree of estimation uncertainty due to the current inflationary pressure and high interest rate environment.

Our audit procedures included assessing the design and implementation of controls over the inputs and assumptions used by the Group in developing the models, its governance and review controls performed by the management in determining the adequacy of credit losses. Further, our audit procedures were updated to incorporate consideration of the current inflationary pressure and high interest rate environment, including a focus on rescheduled credit facilities.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P.
(continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

a) Credit losses on loans, advances and Islamic financing to customers (continued)

With respect to the ECL based on IFRS 9, determined in accordance with the CBK guidelines, we have selected samples of credit facilities outstanding as at the reporting date, which included rescheduled credit facilities, and evaluated the Group's determination of significant increase in credit risk and the resultant basis for classification of the credit facilities into various stages. We involved our specialists to review the ECL model in terms of key data, methods and assumptions used to ensure they are in line with IFRS 9 requirements, determined in accordance with CBK guidelines. For a sample of credit facilities, we have evaluated the Group's staging criteria, Exposure at Default ("EAD") Probability of Default ("PD") and Loss Given Default ("LGD") including the eligibility and value of collateral considered in the ECL models used by the Group and the overlays considered by management in view of the ongoing economic impacts, in order to determine ECL taking into consideration CBK guidelines. We have also evaluated the various inputs and assumptions used by the Group's management to determine ECL.

Further, for the CBK rules provision requirements, we have assessed the criteria for determining whether there is a requirement to calculate any credit loss in accordance with the related regulations and, if required, it has been computed accordingly. For the samples selected, which included rescheduled credit facilities, we have verified whether all impairment events have been identified by the Group's management. For the selected samples which also included impaired credit facilities, we have assessed the valuation of collateral and checked the resultant provision calculations.

b) Impairment of goodwill in Egypt

The Group has goodwill with carrying value of KD 25,149 thousand in respect of component of Egypt as at 31 December 2022. The impairment tests of goodwill performed by management in the component of Egypt are significant to our audit because the assessment of the recoverable amount of goodwill under the value-in-use basis is complex and requires considerable judgments on part of management, especially due to the current inflationary pressure and high interest rate environment. Estimates of future cash flows are based on management's views of variables such as the growth in the banking sector, economic conditions such as the economic growth and expected inflation rates and yield. Therefore, we identified the impairment testing of goodwill in the component of Egypt as a key audit matter.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P.
(continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

b) Impairment of goodwill in Egypt (continued)

As part of our audit procedures, we have verified prevailing market prices where management has used these as a benchmark to compute the recoverable value. Where “value in use” is the basis to compute the recoverable value we obtained management’s impairment calculations and tested the reasonableness of key assumptions, including profit forecasts and the selection of growth rates and discount rates. We also involved our valuation specialists and challenged management to substantiate the assumptions, including the comparison of relevant assumptions to industry benchmarks and economic forecasts. We tested the integrity of supporting calculations and corroborated certain information with third party sources. We agreed the underlying cash flows to approved budgets and assessed growth rates and discount rates by comparison with third party information, the Group’s cost of capital and relevant risk factors. Future cash flow assumptions were also assessed through comparison to current trading performance against budget and forecasts, considering the historical accuracy of budgeting and forecasting and the understanding of the reasons for growth profiles used. We further evaluated management’s sensitivity analysis to ascertain the impact of reasonably possible changes to key assumptions.

We also assessed the adequacy of the Group’s disclosures regarding those assumptions, which are disclosed in Note 15 to the consolidated financial statements, against the requirements of IFRSs.

Other Information included in the Group’s 2022 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Group’s 2022 Annual Report, other than the consolidated financial statements and our auditors’ report thereon. We obtained the report of the Bank’s Board of Directors prior to the date of our auditors’ report, and we expect to obtain the remaining sections of the Group’s Annual Report for the year ended 31 December 2022 after the date of our auditors’ report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of other information; we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P.
(continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRSs as adopted by CBK for use by the State of Kuwait, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P.
(continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
(continued)**

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P.
(continued)**

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Bank and the consolidated financial statements, together with the contents of the report of the Bank's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Capital Adequacy Regulations and Financial Leverage Ratio Regulations issued by the Central Bank of Kuwait ("CBK") as stipulated in CBK Circular Nos. 2/RB, RBA/336/2014 dated 24 June 2014 and its amendments, and 2/BS/342/2014 dated 21 October 2014, and its amendments, respectively, the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or by the Bank's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Capital Adequacy Regulations and Financial Leverage Ratio Regulations issued by the CBK as stipulated in CBK Circular Nos. 2/RB, RBA/336/2014 dated 24 June 2014 and its amendments, and 2/BS/342/2014 dated 21 October 2014, and its amendments, respectively, the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2022 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our audit, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the CBK and the organisation of banking business, and its related regulations during the year ended 31 December 2022 that might have had a material effect on the business of the Bank or on its financial position.



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



BADER A. AL-WAZZAN
LICENCE NO. 62 A
DELOITTE & TOUCHE
AL WAZZAN & CO.

29 January 2023
Kuwait

National Bank of Kuwait Group
CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2022

	Notes	2022 KD 000's	2021 KD 000's
Interest income			
Interest expense	4	947,589	661,056
	5	363,821	154,889
Net interest income		583,768	506,167
Murabaha and other Islamic financing income		287,558	227,849
Finance cost and Distribution to depositors		115,487	64,757
Net income from Islamic financing		172,071	163,092
Net interest income and net income from Islamic financing		755,839	669,259
Net fees and commissions			
Net investment income	6	181,778	168,836
Net gains from dealing in foreign currencies	7	15,736	27,905
Other operating income		55,379	29,739
		1,009	4,054
Non-interest income		253,902	230,534
Net operating income		1,009,741	899,793
Staff expenses			
Other administrative expenses		220,125	201,113
Depreciation of premises and equipment		125,430	115,609
Amortisation of intangible assets		38,922	34,049
	15	1,647	1,647
Operating expenses		386,124	352,418
Operating profit before provision for credit losses and impairment losses		623,617	547,375
Provision charge for credit losses and impairment losses			
	8	45,363	132,498
Operating profit before taxation and directors' remuneration		578,254	414,877
Taxation			
Directors' remuneration	9	47,422	34,136
	27	770	120
Profit for the year		530,062	380,621
Attributable to:			
Shareholders of the Bank		509,085	362,249
Non-controlling interests		20,977	18,372
		530,062	380,621
Basic earnings per share attributable to shareholders of the Bank	10	65 fils	45 fils

The attached notes 1 to 32 form part of these consolidated financial statements.

National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 KD 000's	2021 KD 000's
Profit for the year		530,062	380,621
Other comprehensive income:			
Investment in debt securities measured at FVOCI:			
Net change in fair value		3,158	48,123
Net transfer to consolidated statement of income		5,129	(10,818)
		8,287	37,305
Exchange differences on translation of foreign operations		(125,273)	(5,924)
Other comprehensive (loss) income for the year reclassifiable to consolidated statement of income in subsequent years		(116,986)	31,381
Net loss on investments in equity instruments designated at FVOCI		(4,446)	(1,009)
Actuarial gain (loss) in respect of defined benefit plans	18	8,252	(484)
Other comprehensive income (loss) for the year not reclassifiable to consolidated statement of income in subsequent years		3,806	(1,493)
Other comprehensive (loss) income for the year		(113,180)	29,888
Total comprehensive income for the year		416,882	410,509
Attributable to:			
Shareholders of the Bank		398,266	391,438
Non-controlling interests		18,616	19,071
		416,882	410,509


The attached notes 1 to 32 form part of these consolidated financial statements.

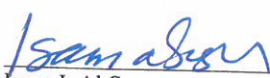
National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 KD 000's	2021 KD 000's
Assets			
Cash and short term funds			
Central Bank of Kuwait bonds	11	5,323,452	5,081,991
Kuwait Government treasury bonds	14	881,241	830,054
Deposits with banks	14	211,629	417,016
Loans, advances and Islamic financing to customers	12	1,490,286	885,280
Investment securities	13	20,998,416	19,722,471
Investment in associates	14	5,634,672	4,910,798
Land, premises and equipment		3,119	3,746
Goodwill and other intangible assets		474,724	456,209
Other assets	15	534,936	581,264
	16	785,888	367,757
Total assets		36,338,363	33,256,586
Liabilities			
Due to banks			
Deposits from other financial institutions		4,017,979	4,098,688
Customer deposits		3,740,877	3,135,629
Certificates of deposit issued		20,178,062	18,280,989
Other borrowed funds		1,801,623	1,339,354
Other liabilities	17	1,243,563	1,266,582
	18	721,313	668,227
Total liabilities		31,703,417	28,789,469
Equity			
Share capital			
Proposed bonus shares	19	755,233	719,269
Statutory reserve	20	37,762	35,964
Share premium account	19	377,618	359,637
Treasury share reserve	19	803,028	803,028
Other reserves	19	34,961	34,961
	19	1,614,386	1,586,708
Equity attributable to shareholders of the Bank			
Perpetual Tier 1 Capital Securities		3,622,988	3,539,567
Non-controlling interests	21	439,032	439,032
	24	572,926	488,518
Total equity		4,634,946	4,467,117
Total liabilities and equity		36,338,363	33,256,586


 Hamad Mohamed Al-Bahar
 Chairman


 Isam J. Al Sager
 Vice Chairman and Group Chief
 Executive Officer

The attached notes 1 to 32 form part of these consolidated financial statements.

National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	2022 KD 000's	2021 KD 000's
Operating activities			
Profit for the year			
Adjustments for:		530,062	380,621
Net investment income			
Depreciation of premises and equipment	7	(15,736)	(27,905)
Amortisation of intangible assets		38,922	34,049
Provision charge for credit losses and impairment losses	15	1,647	1,647
Taxation	8	45,363	132,498
	9	47,422	34,136
Cash flows from operating activities before changes in operating assets and liabilities		647,680	555,046
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		(51,187)	-
Kuwait Government treasury bonds		188,596	45,906
Deposits with banks		(612,423)	129,375
Loans, advances and Islamic financing to customers		(1,528,359)	(2,341,207)
Other assets		(122,294)	(159,753)
Due to banks		(79,345)	1,046,362
Deposits from other financial institutions		605,672	206,382
Customer deposits		2,254,665	1,176,757
Certificates of deposit issued		462,269	420,492
Other liabilities		90,519	(25,576)
Tax paid		(33,856)	(28,500)
Net cash from operating activities		1,821,937	1,025,284
Investing activities			
Purchase of investment securities		(4,131,965)	(3,322,569)
Proceeds from sale/redemption of investment securities		2,871,878	3,121,755
Dividend income		2,272	2,399
Proceeds from sale of a foreign branch	7	25,597	-
Proceeds from sale of land, premises and equipment		2,732	592
Purchase of land, premises and equipment		(61,505)	(56,117)
Change in holding in subsidiaries		(7,889)	4,424
Purchase of investment properties		(22,914)	-
Proceeds from sale of investment properties		12,625	26,636
Net cash used in investing activities		(1,309,169)	(222,880)
Financing activities			
Proceeds from issue of unsecured sukuk by a subsidiary		152,225	-
Redemption of Global Medium term notes		(229,238)	-
Proceeds from capital increase in a subsidiary		80,238	-
Net proceeds from issue of Perpetual Tier 1 Capital Securities		-	210,436
Redemption of Perpetual Tier 1 Capital Securities		-	(210,700)
Interest paid on Perpetual Tier 1 Capital Securities		(18,119)	(19,881)
Net Proceeds from issuance of Perpetual Tier 1 Sukuk by a subsidiary		-	149,775
Redemption of Perpetual Tier 1 Sukuk by a subsidiary		-	(75,388)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary		(6,068)	(5,421)
Net movement in other medium and short term borrowing		47,335	464,399
Dividends paid		(291,304)	(137,004)
Dividends paid by subsidiaries to non-controlling interests	20	(6,376)	-
Net cash (used in) from financing activities		(271,307)	376,216
Increase in cash and short term funds		241,461	1,178,620
Cash and short term funds at the beginning of the year		5,081,991	3,903,371
Cash and short term funds at the end of the year	11	5,323,452	5,081,991

The attached notes 1 to 32 form part of these consolidated financial statements.



المحافظ

التاريخ : 7 رجب 1444
الموافق : 29 يناير 2023
الإشارة : 2023/648/105/2

الأخ الفاضل حمد محمد عبدالرحمن البحر
رئيس مجلس إدارة بنك الكويت الوطني

تحية طيبة وبعد،

بالإشارة إلى كتابكم المؤرخ 2023/1/11 المرفق به نسخة من البيانات المالية الختامية المجمعة لمصرفكم لعام 2022، وعطفاً على البيانات والإيضاحات الواردة إلينا في هذا الخصوص والتي كان آخرها بتاريخ 2023/1/26.

أود الإفادة بأنه بناءً على ما انتهت إليه دراسة البيانات المالية المشار إليها، فإنه لا يوجد لدينا ملاحظات في هذا الشأن، كما نفيديكم بموافقة بنك الكويت المركزي على قيام مصرفكم بتوزيع أرباح نقدية بنسبة 25% من القيمة الاسمية للسهم الواحد، أي بواقع خمسة وعشرون فلساً لكل سهم، وكذلك بتوزيع أسهم منحة بنسبة 5%.

وبناءً على ما تقدم، فإنه يمكن لمصرفكم اتخاذ الإجراءات اللازمة مع الجهات المختصة لعقد الجمعية العامة للبنك.

مع أطيب التمنيات.

باسل أحمد الهارون

649 - نسخة لهيئة أسواق المال.

650 - نسخة لبورصة الكويت.