



# National Bank of Kuwait

## Investor Presentation

September 2022

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# NBK is Kuwait's Leading Banking Group

## Snapshot

<b>Background</b>	<ul style="list-style-type: none"> <li>Established in 1952 as the first local and home-grown GCC bank, and first shareholding company in Kuwait</li> <li>The leading banking group in Kuwait in terms of assets, customer deposits and customer loans and advances</li> <li>More than 30% market share of assets in Kuwait</li> <li>Ranked amongst the 50 safest commercial banks in the world by Global Finance, named the most valuable banking brand in Kuwait, and top 10 bank in the region by Brand Finance</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>Established by a group of leading Kuwaiti merchants, NBK has retained the same core shareholder base since its inception</li> <li>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 5.77% as of December 2021)</li> <li>NBK's market capitalisation at 31 December 2021 was USD 23.7 bn.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>The Bank's core businesses are (i) consumer and private banking, (ii) corporate banking, (iii) Islamic banking and (iv) investment banking and asset management</li> <li>The Bank operates across 13 countries with a predominant focus on the MENA region.</li> </ul>

## Credit Ratings

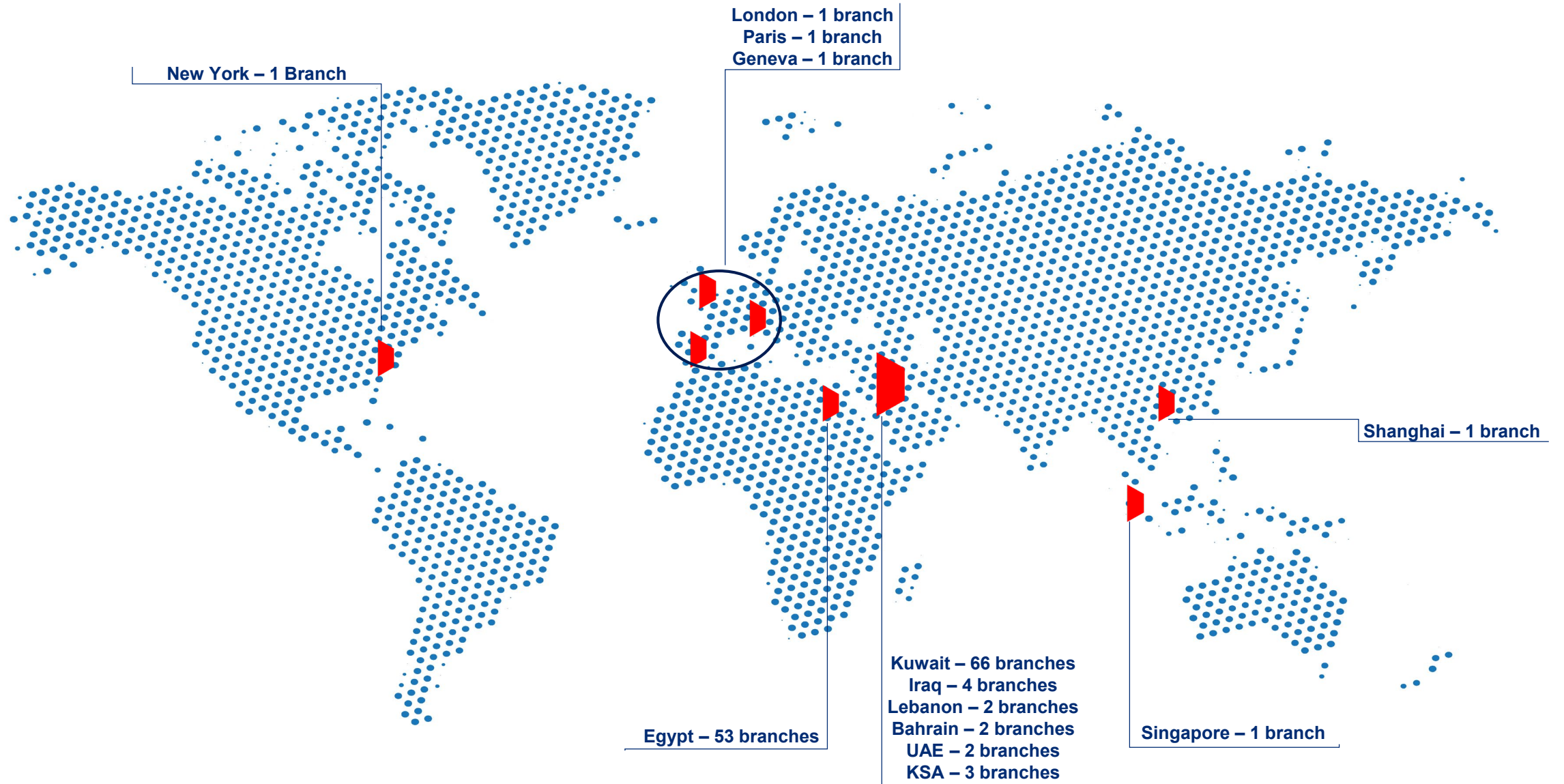
Rating Agency	Long Term Rating	Standalone Rating	Outlook
	A1	a3	Stable
	A	a-	Stable
	A+	a-	Stable

## Financial snapshot

USD million	2019	2020	2021
Total Assets	96,763	98,239	109,939
Loans, advances & Islamic financing	54,719	57,866	65,198
Customer Deposits	52,663	56,543	60,433
Total Equity	14,080	13,689	14,767
Net Operating Income	2,960	2,785	2,996
Net Profit attributable	1,327	814	1,198
Cost to Income (%)	34.0%	37.0%	39.6%
Net Interest Margin (%)	2.56%	2.21%	2.21%
NPL Ratio (%)	1.10%	1.72%	1.04%
Loan Loss Coverage Ratio (%)	272%	220%	300%
Return on Average Equity (%)	12.3%	7.0%	10.2%
Tier 1 Ratio (%)	15.9%	16.0%	15.7%
Capital Adequacy Ratio (%)	17.8%	18.4%	18.1%



# Regional and International Geographic Presence





# Key Strengths

## High credit ratings and among the top brand values regionally

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

## Largest banking group in Kuwait with dominant market position

- As at 31 December 2021, 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

## Sound and consistent financial performance

- Long history of profitability, even throughout the global financial crisis
- Excellent asset quality with an NPL ratio standing at 1.04% at end-2021
- Strong liquidity serving as a buffer in times of need

## Stable shareholder base and strong management team

- Established in 1952 by a group of leading Kuwaiti merchants and has retained the same core shareholder base since
- 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



## 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

- Operations in 13 countries, 7 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)

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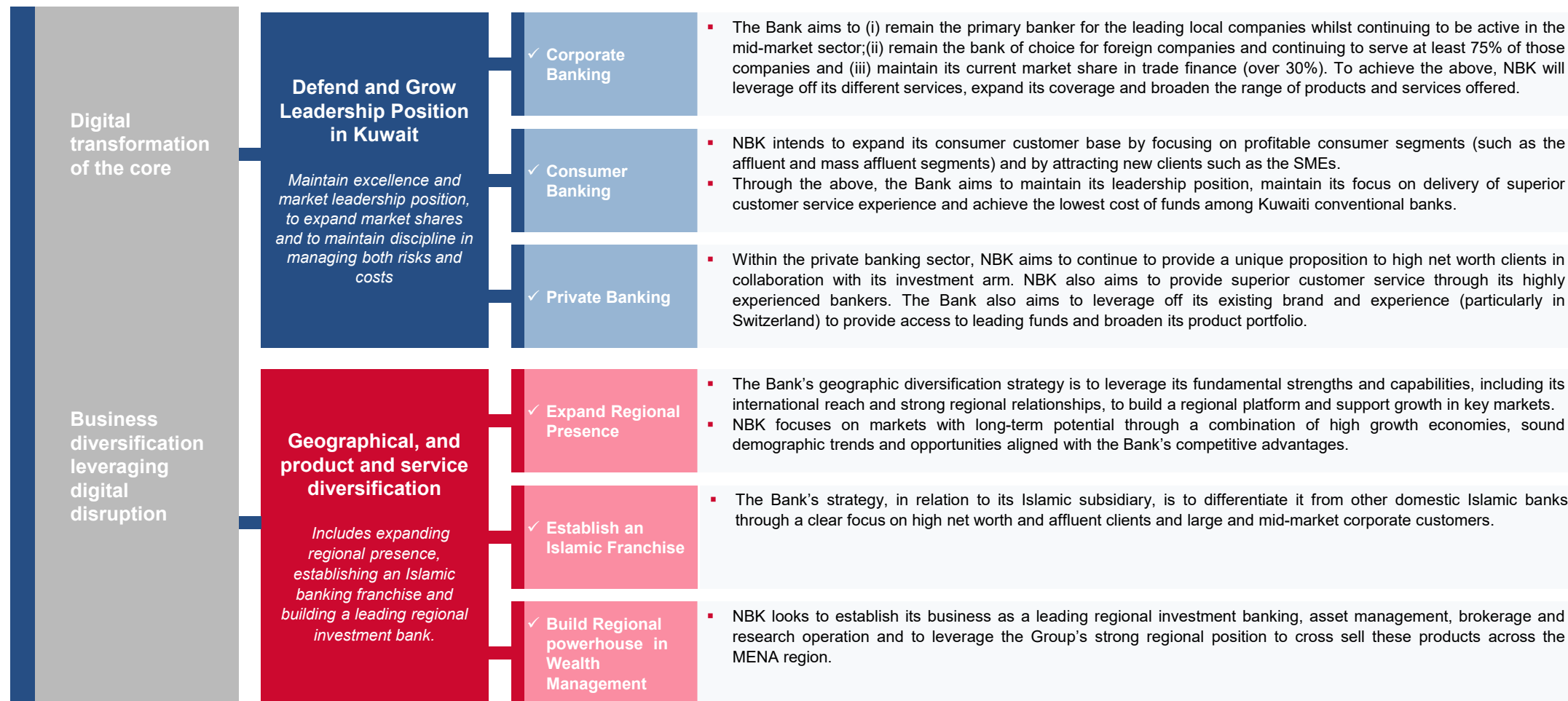
Financial Performance Highlights

Section 5

Appendix

# 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







# Kuwait Operations

## NBK



### Corporate Banking



### Consumer Banking



### Private Banking

- Remain the primary banker for local blue-chip companies
- Remain bank of choice among foreign corporations; serving 75% of them active in the Kuwaiti market
- Maintain current market share in excess of 30% in trade finance
- Increase market share in medium corporate segment
- Focus on project finance benefiting from NBK's large capital base
- Maintain asset quality

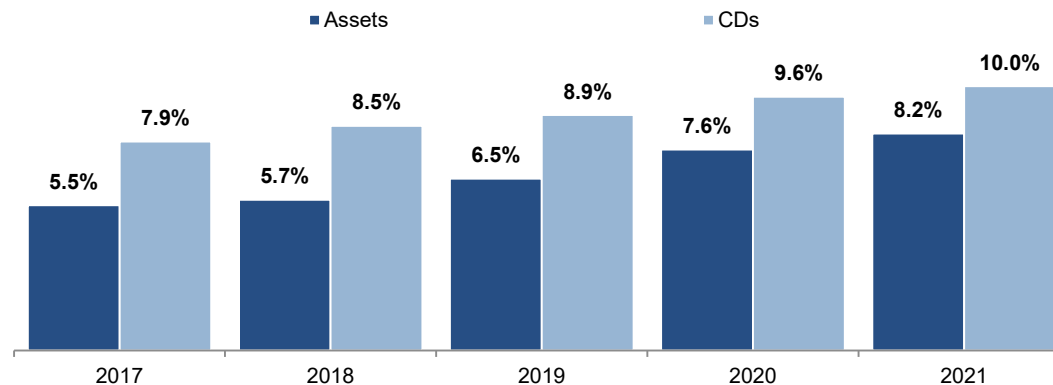
- Maintain leadership with largest market share and highest customer penetration
- Maintain focus on customer service
- Aim to attract new bankable clients such as SMEs
- Pioneer innovative products and services utilizing the latest tools and technologies
- Proactive attrition management Meet evolving banking demands

- Continue to provide a unique proposition to HNW
- Provide access to best of breed international funds leveraging NBK's wealth management expertise
- Leverage NBK's strong brand to acquire new clients and retain onshore relationships
- Broaden the product portfolio to accommodate growing needs

## Islamic Banking (Boubyan Bank 60.1% owned subsidiary)

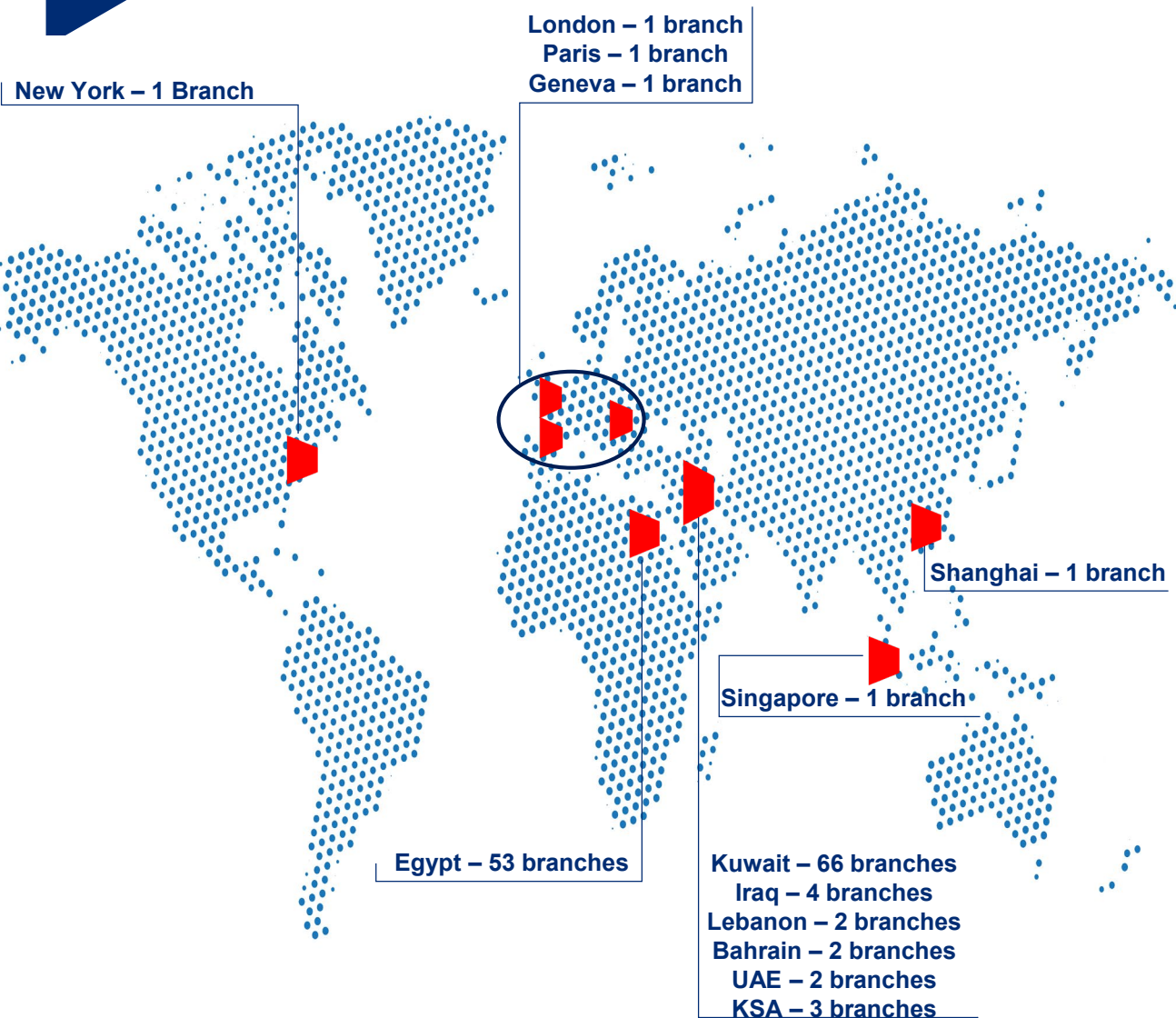
- After a series of gradual share acquisitions since 2009, NBK's stake in Boubyan bank reached 58.4% in 2012. Through Boubyan, NBK aims at diversifying its income stream, complementing its product offering as well as targeting a new segment of clients.
- The size and market share development of Boubyan relative to other Islamic banks leaves significant room for repositioning the bank and acquiring market share.
- NBK is committed to the future growth and transformation of Boubyan Bank and establishing a strong presence in the growing Islamic banking segment.
- 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.

### Market share of Assets and Customer Deposits



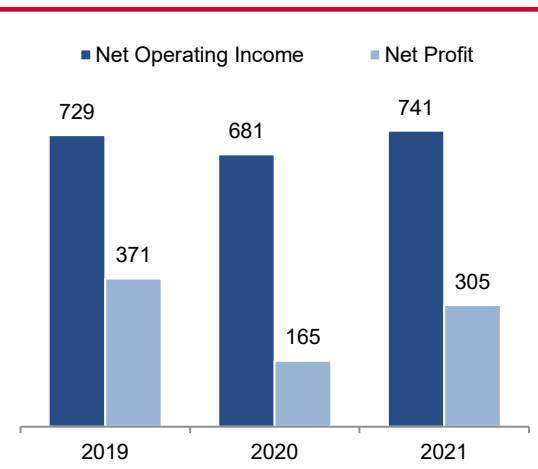


# International Operations

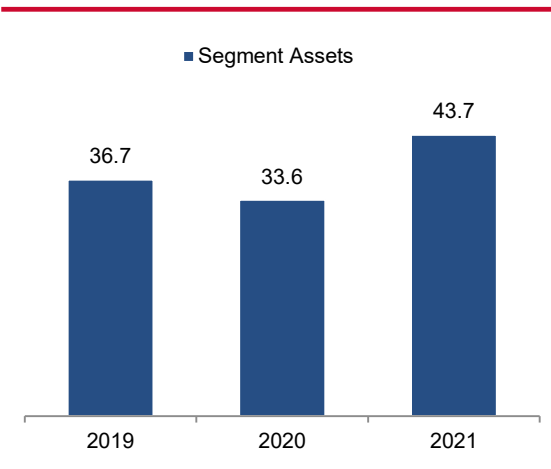


- NBK’s international operations has been traditionally contributing to 25% of the Group’s bottom line.
- NBK’s international presence is a differentiating factor for the Group, enabling better service and strengthening client relationships.
- The Bank is focused on growing its business in existing and new markets; meanwhile, across the international locations, the Bank’s focus is on:
  - increasing its market share in Egypt
  - building a regional powerhouse in wealth management
  - servicing its corporate and private customers who are active internationally and growing its business with international corporates 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.

Revenue Trends (USD mn)



Balance Sheet Trends (USD bn)



# Digital Transformation Strategy

With a solid digital transformation strategy, we are committed to our strong ambitions to be relevant to our customers' needs in the era of new normal, to enhance efficiency and to increase stakeholders' value through our two-pronged approach

**1.**

Digital transformation of the core (comprehensive program to transform our business in Kuwait)

**2.**

Business diversification leveraging digital disruption (our key markets outside Kuwait)

## We developed our digital agenda with strong ambitions



Being and perceived as the digital leader and trendsetter in Kuwait



Building "next generation digital banking" to deliver the best experience to our customers



Establishing a digital working environment – Building digital skillsets - Digital tools to work efficiently

Digital Transformation programs across all segments  
(Consumer, Private, Corporate)

### Leveraging the change through six main pillars

Enhancing Existing Channels Experience

Developing New Channels

Building New Digital Capabilities

Fully Digital Value Proposition

New Way of Working

Trendsetting Innovation

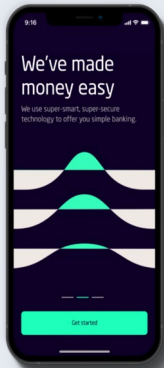


# Achievements and Recognitions

## We launched the First Digital Bank in Kuwait

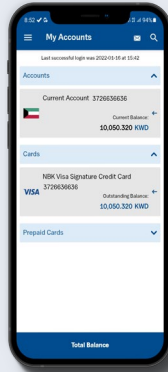
**Weyay Bank**

**Existing Business**



**Customer acquisition**

**Customer Retention**



## Increased Digital Adoption at a high rate

	2020	2021
MOB activation ratio *	50.4%	58.5%
Digital Transaction ratio for all self service channels *	97.2%	97.6%

\* For targeted segments

## Recognition from International Awards



- Best Consumer Digital Bank
- Best Online Product Offerings
- Best Bill Payment & Presentment
- Best Mobile Banking App
- Best in Social Media Marketing & Services
- Best in Lending
- Most Innovative Digital Bank



Best Financial Innovation Labs 2021  
(Group Digital Office)



Innovation in Digital Banking Awards 2021



# Sustainability is Embedded in NBK's DNA and Strategy...

NBK is deeply committed to our sustainability journey. We view our efforts at improving our sustainability as integral to improving our business performance and enhancing our positive impact in the world

Sustainability Pillars

Contributing to Economic Development

Serving Customers

Leading in Governance

Respecting and Developing People

Giving Back to Our Community

Caring for Our Environment

Key Highlights

**74.6%**  
Kuwaitization Rate

**94%**  
Customer Satisfaction Score

**45%**  
Female Employees

**41K**  
Employee Training Hours

**4.3%**  
Community Investments to Pre Tax Profits

**LEED**  
Gold Certification for New Headquarters Building



# ...Having Long Engaged in Sustainability Initiatives and with Stakeholders

NBK has supported national efforts, adopted frameworks and aligned itself with global initiatives, following a stakeholder-focused and standards-aligned approach to promote sustainability


## Major ESG Initiatives, Commitments and Partnerships



## A Pioneering Sustainability Journey, Recognised Externally



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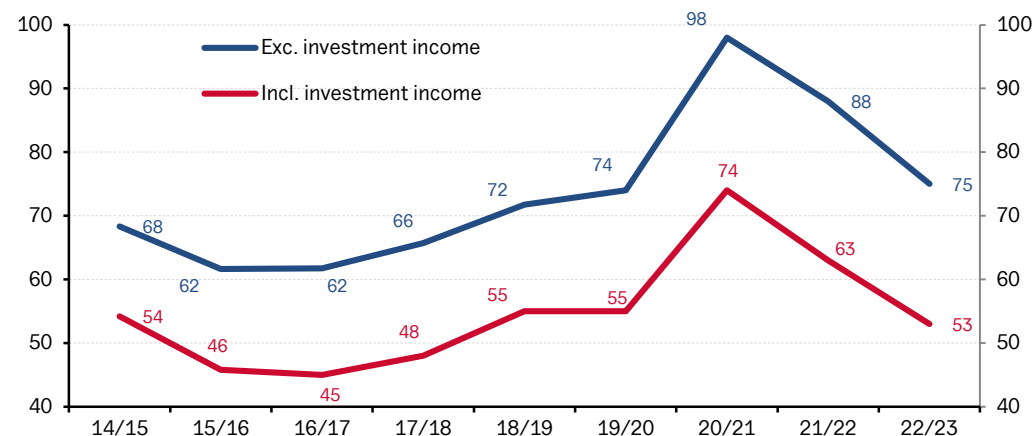
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# Overview of Kuwait

## Overview

- The State of Kuwait is a sovereign state on the coast of the Arabian Gulf with a population of 4.5 million
- Kuwait is a constitutional monarchy, headed by His Highness the Emir, Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah
- Kuwait enjoys an open economy, dominated by the government sector. Its economy is primarily dependent on the oil industry, but has witnessed growing contribution from non-oil sectors
- Kuwait has one of the lowest industry breakeven oil prices in the world and a fiscal breakeven lower than some other GCC countries, making it more resilient to low oil prices. It has one of the world's largest sovereign wealth funds and very low debt, which underpins its investment grade sovereign credit rating
- Kuwait has a long-term policy vision under the banner of “**Kuwait Vision 2035**”. It encompasses six strategic aims: increasing GDP growth; encouraging the private sector; supporting human and social development; promoting demographic policies; enhancing and improving the effectiveness of government administration and consolidating the country's Islamic and Arab identity

## Fiscal breakeven oil price



## Key economic indicators

Key Indicators	2021e	2022f
Sovereign Ratings	A1 / A+ / AA- (M / S / F)	
Current Account	\$26 bn	\$58 bn
Government Revenues* (% GDP)	44%	49%
Public Debt* (% GDP)	5%	3.5%

\*Fiscal year



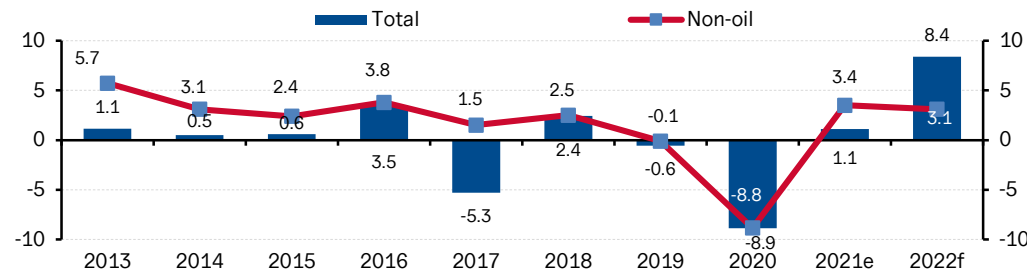


# Kuwait's Economy

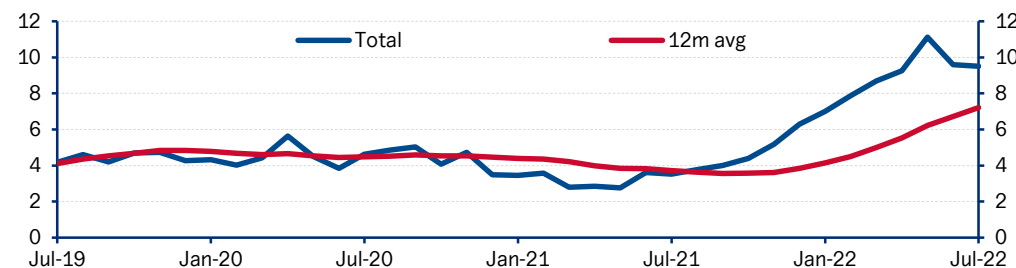
## Recent Developments

<b>GDP Growth</b>	<ul style="list-style-type: none"> <li>Following a decline of 8.9% in 2020 due to the twin shocks of Covid-19 and lower oil activity/prices, output is estimated to have rebounded by 1.1% in 2021, led by gains in private consumption and non-oil activity more broadly (+3.5%). Oil sector GDP is estimated to have contracted by 1% in 2021 in line with Kuwait's participation in the OPEC+ production cut agreement.</li> <li>Looking ahead, headline GDP growth could reach 8.4% in 2022 on oil (+13.1%) and non-oil sector output gains (+3.1%), with the latter benefitting from consumer, real estate and refining sector output gains.</li> </ul>
<b>Public Finance and Inflation</b>	<ul style="list-style-type: none"> <li>The fiscal deficit in FY21/22 is estimated to have narrowed to 8.5% of GDP from 33% the year before. With oil prices forecast to average about \$100/bbl in 2022, the fiscal balance could post a surplus of 7.8% of GDP in FY22/23 on modest increase in expenditures.</li> <li>Inflation averaged 3.4% in 2021 and likely peaked at 4.7% y/y in April 2022 amid elevated global food and commodity prices, rising housing rents and robust domestic demand. Inflation is forecast to average 3.9% in 2022.</li> </ul>
<b>Consumer Sector</b>	<ul style="list-style-type: none"> <li>Consumer spending remains strong (+20% y/y to KD2.9bn in August), according to one metric, benefitting during the summer from the retirees cash allowance, healthy consumer borrowing and positive sentiment.</li> </ul>
<b>Credit Growth</b>	<ul style="list-style-type: none"> <li>Private credit expanded by 9.5% y/y in July on gains in household credit (+13.1% y/y) and corporate credit (+6.6% y/y), both of which are running at multi-year high rates of growth. The CBK followed the US Fed and raised its key discount rate five times since March, by a total of 125 bps to 2.75%, with more rate rises expected in 2022. Deposit growth, having turned positive in January, accelerated to 7.7% y/y in July on increasing private sector deposits (+8.3% y/y) and rising government sector deposits (+4.5% y/y).</li> </ul>
<b>Real Estate Activity</b>	<ul style="list-style-type: none"> <li>In 2021, property sales reached a 7-year high of KD3.7 billion, driven by buoyant residential sector activity. In June 2022, total sales were up 12% y/y to KD349 million. Final approval of a mortgage law in 2022-23 could boost activity (and prices) as well.</li> </ul>

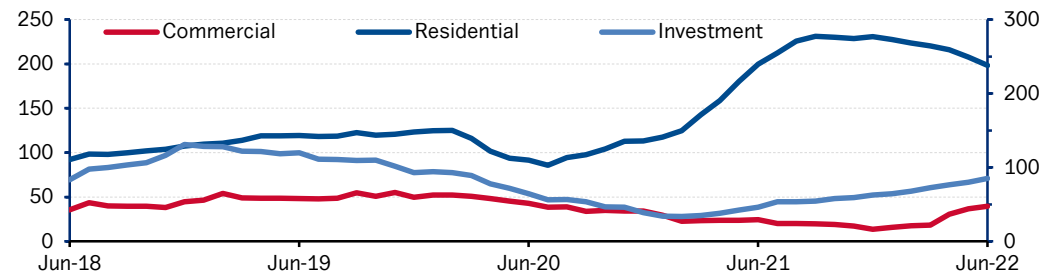
Real GDP (% y/y)



Private credit (change, % y/y)



Real estate sales 12m average (KD mn)



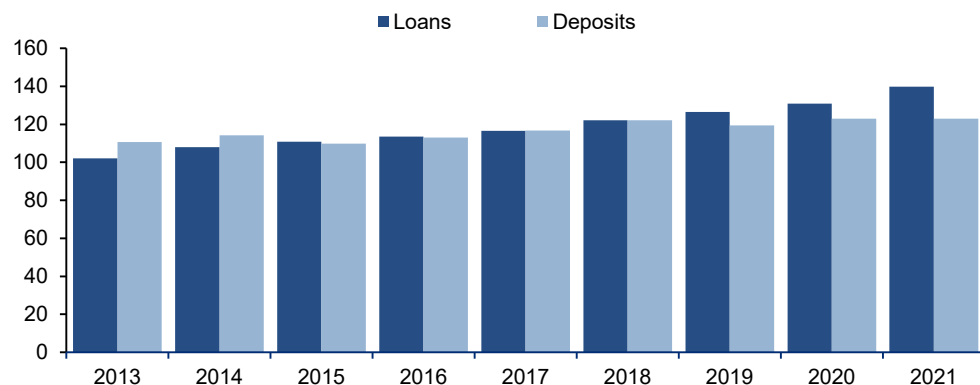


# Kuwait's Banking Sector

## Snapshot

- **The Kuwaiti banking sector comprises 22 banks**, including 11 domestic banks (five conventional, five Shariah-compliant and one specialized), and branches of 11 international banks (10 conventional and one Islamic).
- **The sector is well regulated by the Central Bank of Kuwait (“CBK”)** with a number of regulations and supervisory norms to ensure the safety of the banking sector including through strict supervision and imposition of prudential ratios, such as lending limits and concentrations, investment limits, liquidity and capital adequacy.
- **The banking sector has demonstrated strong resilience and elevated levels of financial soundness over the past 10 years.** In fact, the sector is very well capitalized, with an average Capital Adequacy Ratio of 18.6% in 1Q22, higher than the required minimum. Non-performing loans to total loans stood at 1.4% in 1Q22.

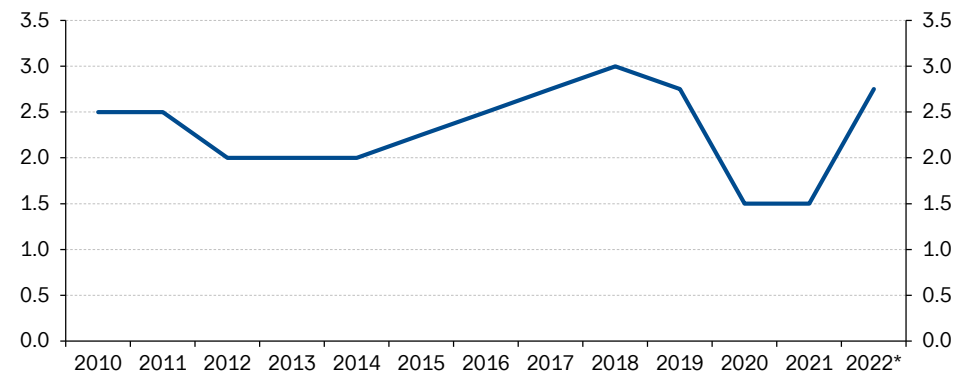
Key indicators (USD bn, end year) <sup>1</sup>



Source: Central Bank of Kuwait / Refinitiv

<sup>1</sup>Loans refers to total credit facilities to residents and deposits refer to private resident deposits, all as reported by the Central Bank of Kuwait (as of June 2022)

Development of the Discount rate (% , end year)



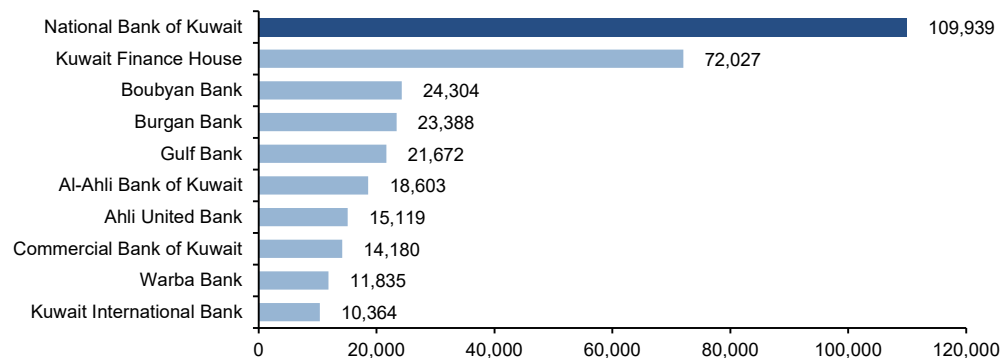
Source: Central Bank of Kuwait / Refinitiv; \* as of Sept 2022



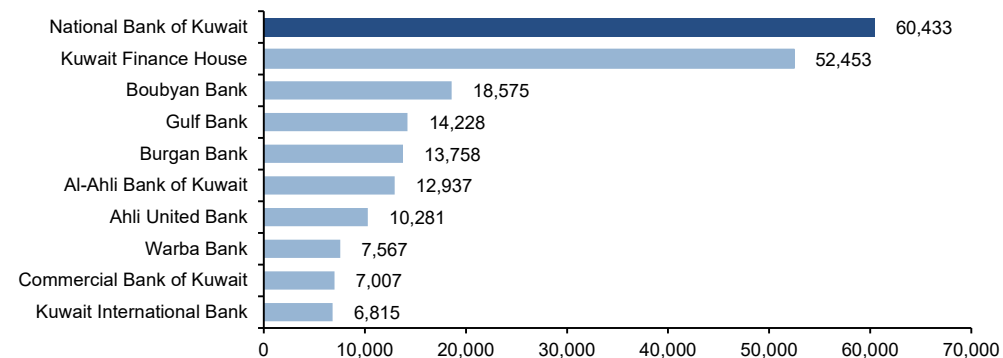
# Dominant Kuwaiti Franchise

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

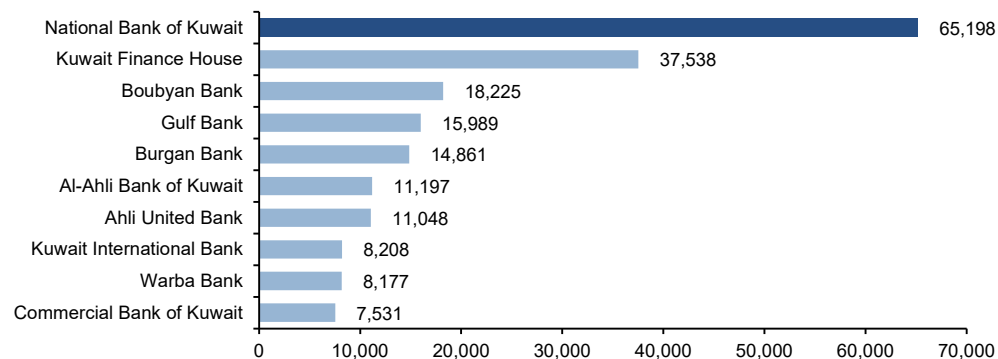
### Total Assets (USD million)



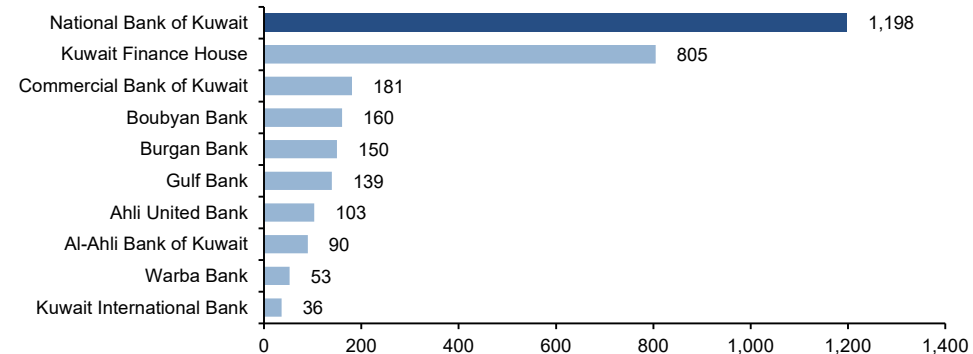
### Customer Deposits (USD million)



### Customer Loans & Advances (USD million)




### Net Profit attributable (USD million)



Sources: Bank's annual reports. All data as of 31 December 2021 for Balance Sheet items and Income Statement Items.

Note: Kuwait Finance House, Boubyan Bank, AUB, KIB and Warba Bank are Islamic banks while Burgan Bank, Gulf Bank, Commercial Bank of Kuwait and Al-Ahli Bank of Kuwait are conventional banks.

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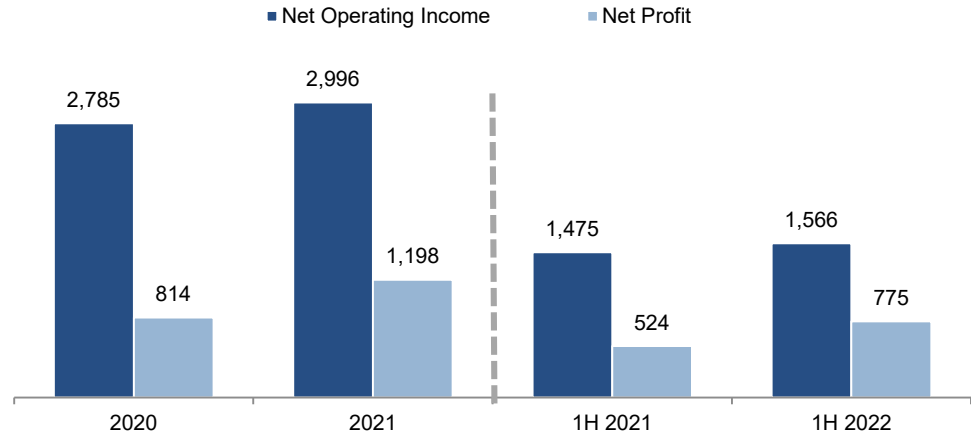


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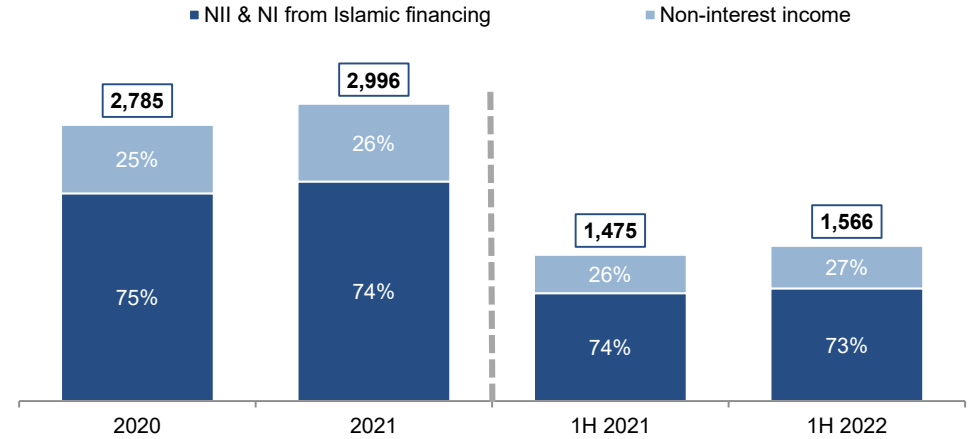


# Operating Performance & Profitability

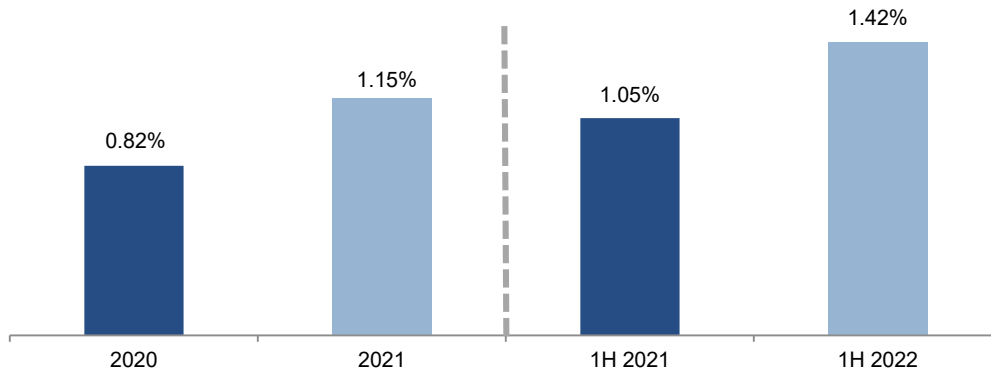
Profitability (USD mn)



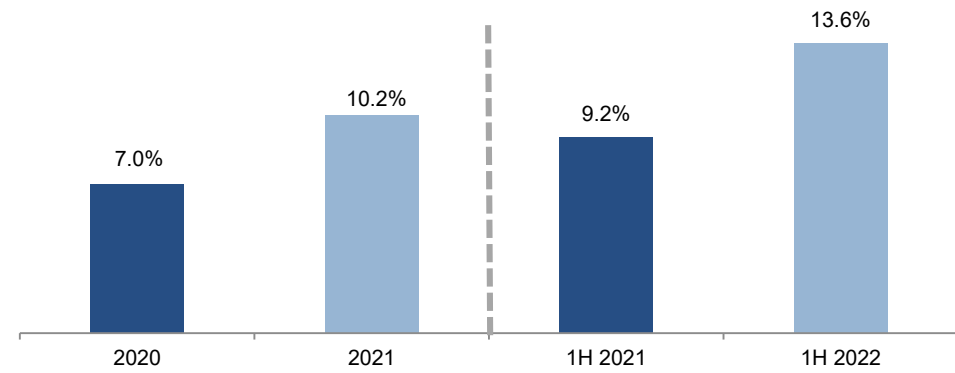
Operating Income Composition (USD mn)



Return on average assets (%)



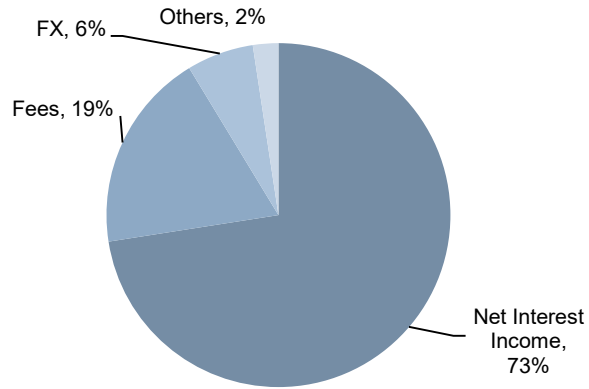
Return on average equity (%)



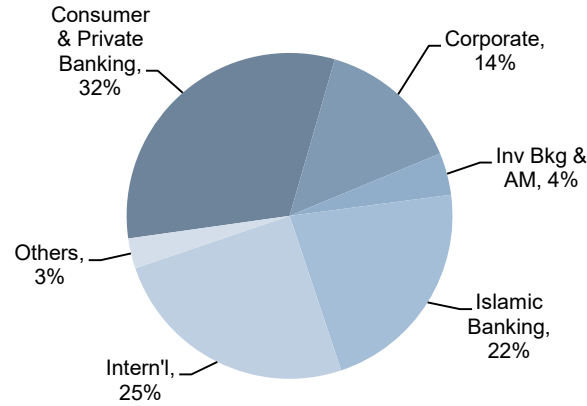


# Operating Performance & Profitability (cont'd)

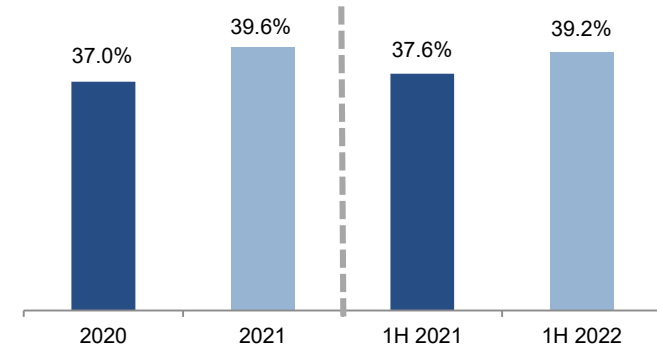
1H 2022 Op. income by type (%)



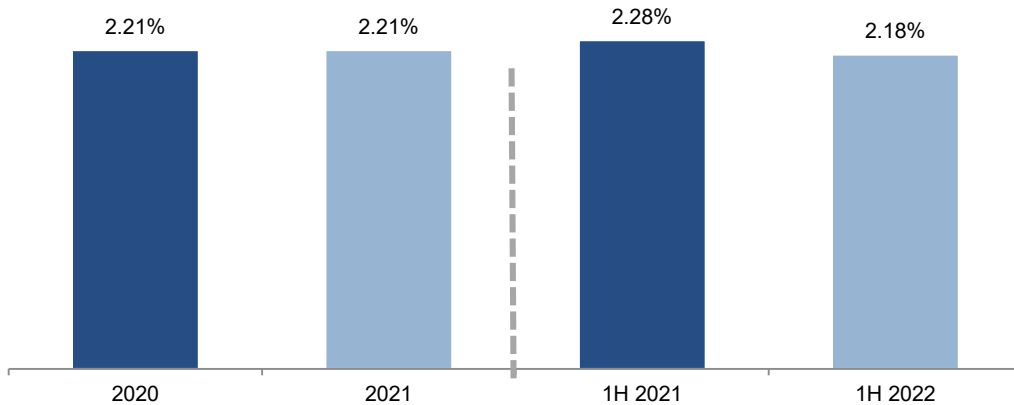
1H 2022 Op. income by business line (%)



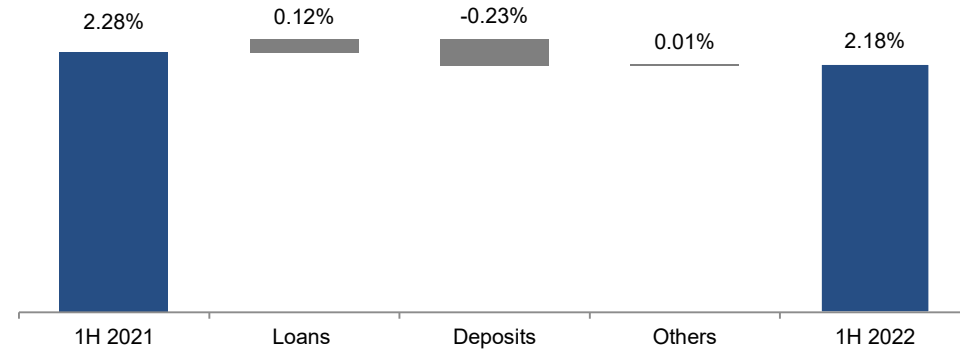
Cost to income (%)



Net Interest Margin (%)



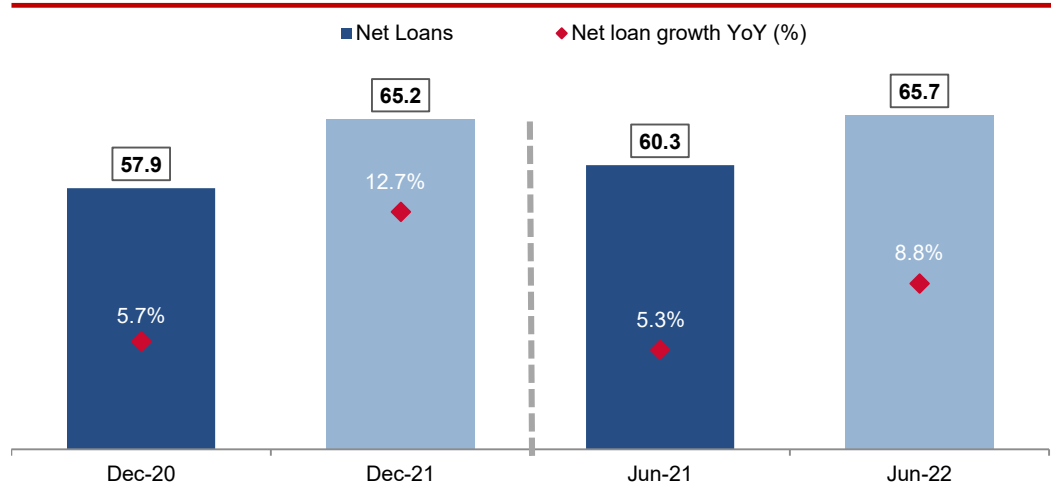
Net Interest Margin Drivers



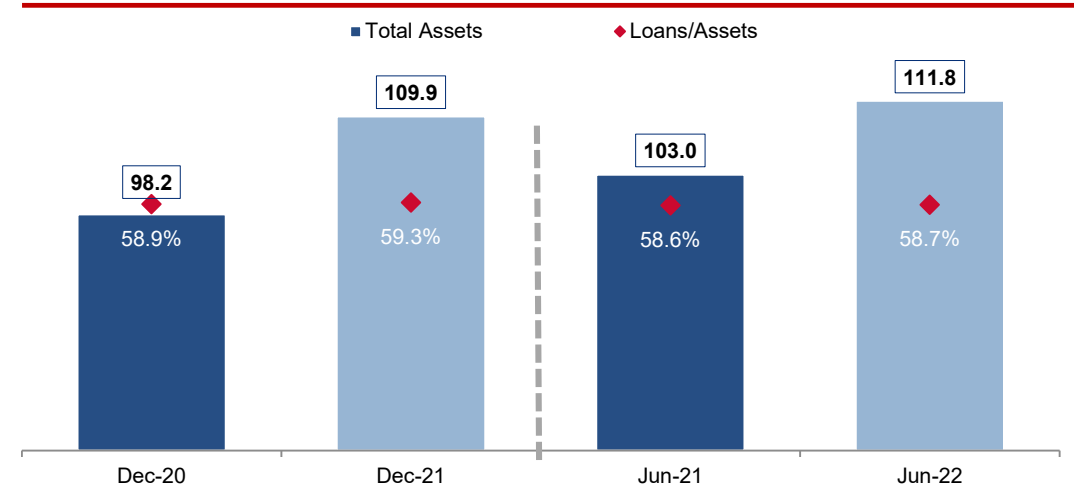


# Balance Sheet Parameters

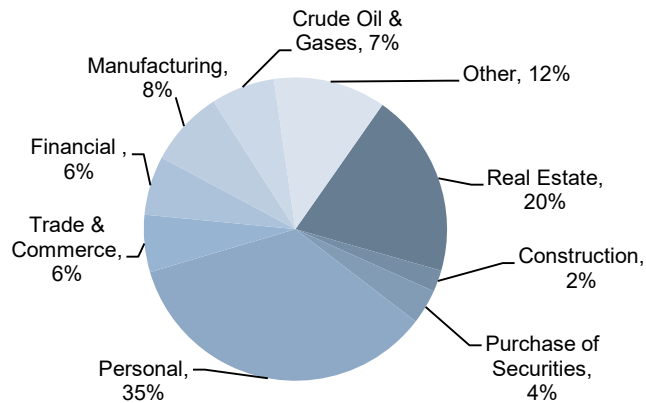
Net loan portfolio (USD bn)



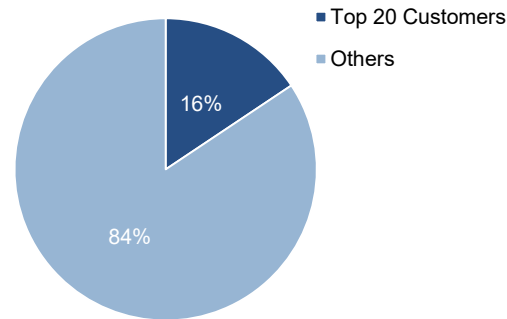
Loans to assets (USD bn)



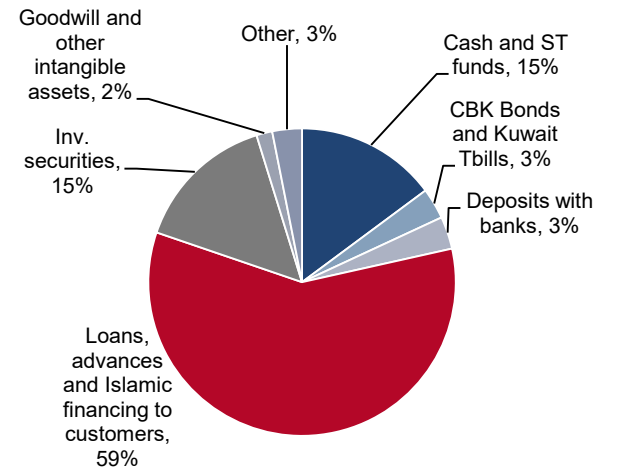
Loan exposure by sector (%) (as at 30 June. 2022)



Low loan concentrations (as at 30 June. 2022)



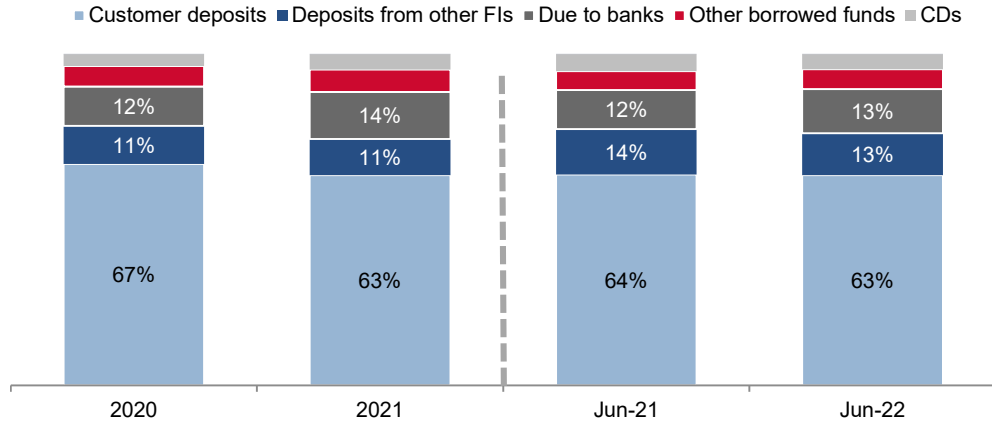
Assets by Type (as at 30 June. 2022)



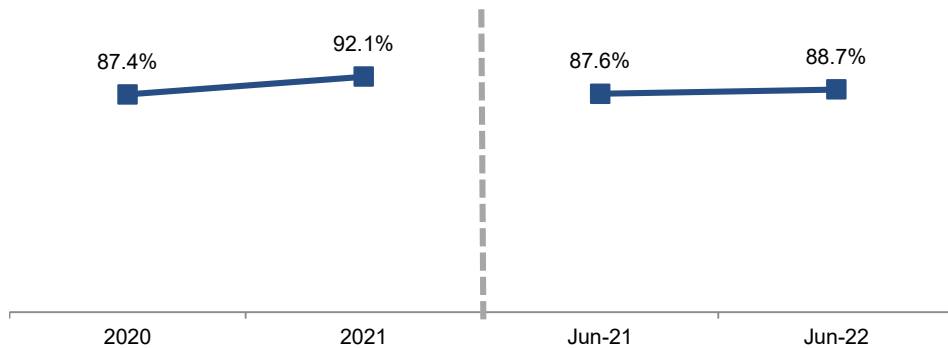


# Funding and Liquidity Positions

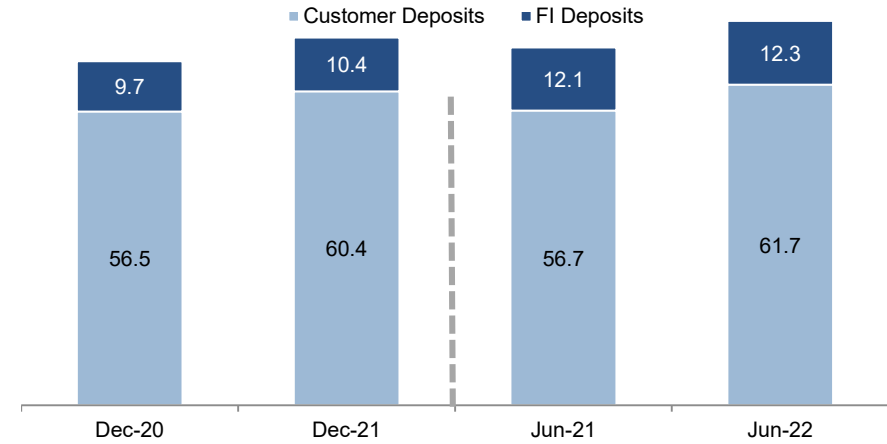
Funding Mix (Total Liabilities)



Loans to Customer and other FI Deposits Ratio (%)

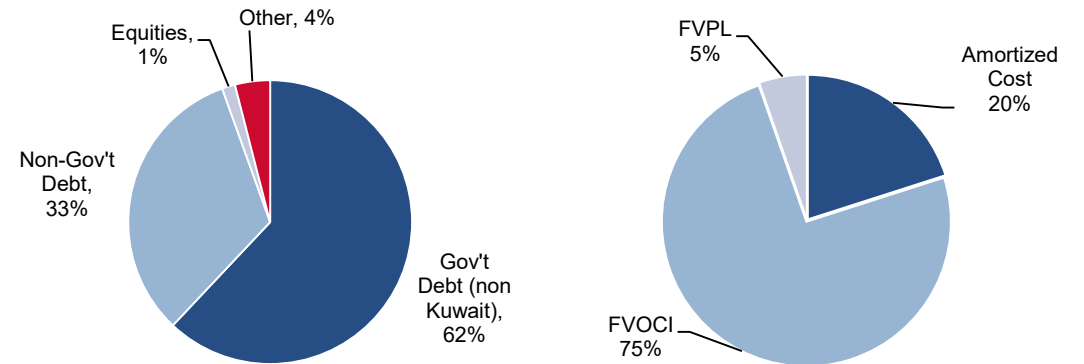


Customer and FI Deposits (USD bn)



Overview of Investment Securities<sup>1</sup> – USD 16.2 bn

As at 31 Dec. 2021



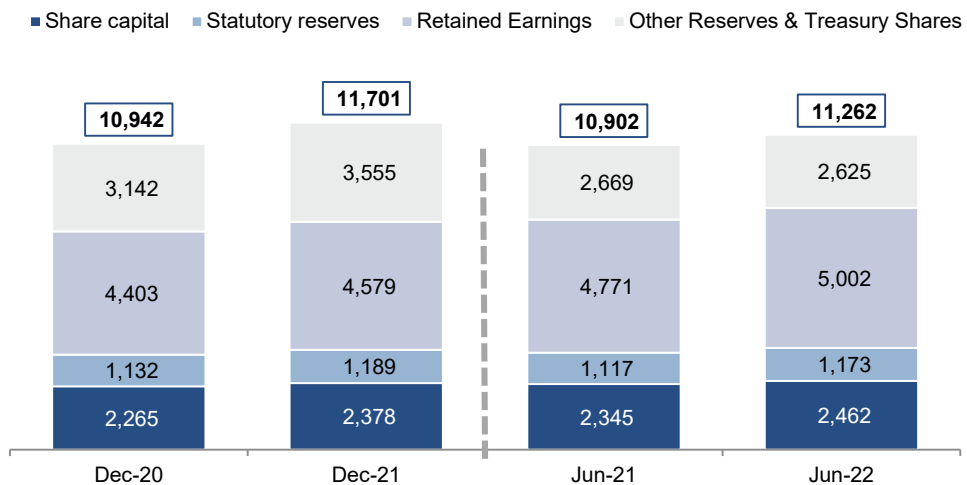
Notes:<sup>1</sup>Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds



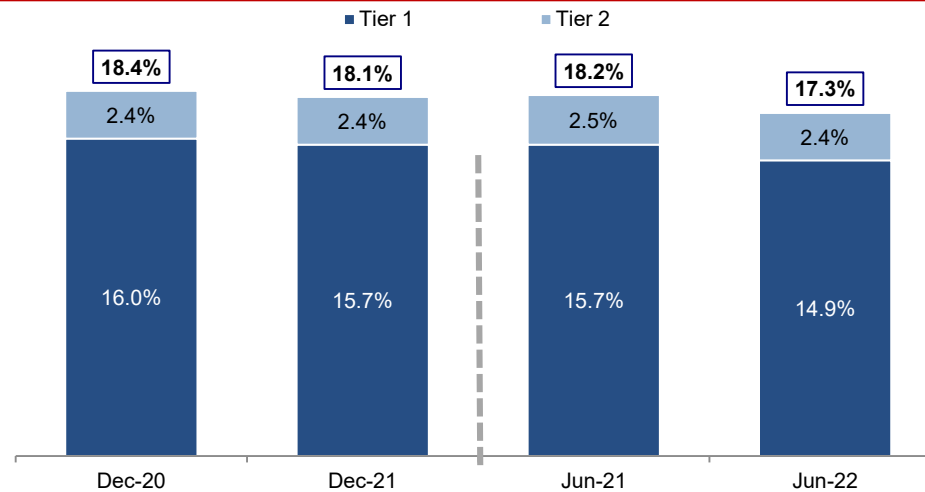


# Capitalization and Asset Quality

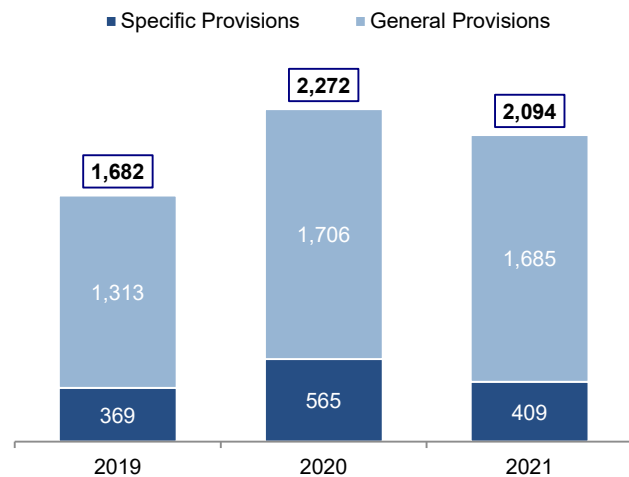
### Total Equity<sup>1</sup> Breakdown (USD mn)



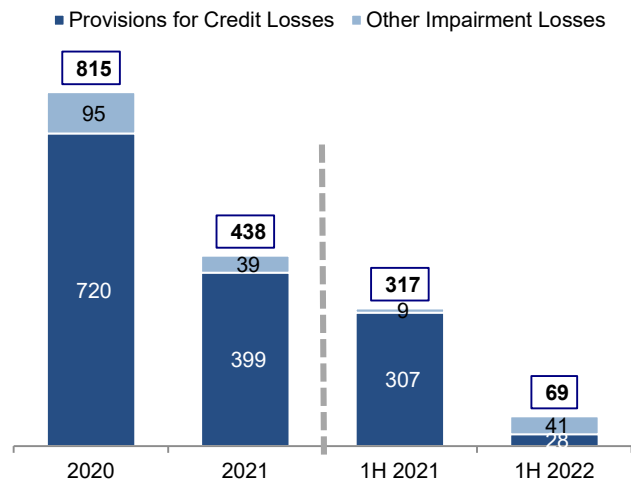
### Prudent capitalization (%)



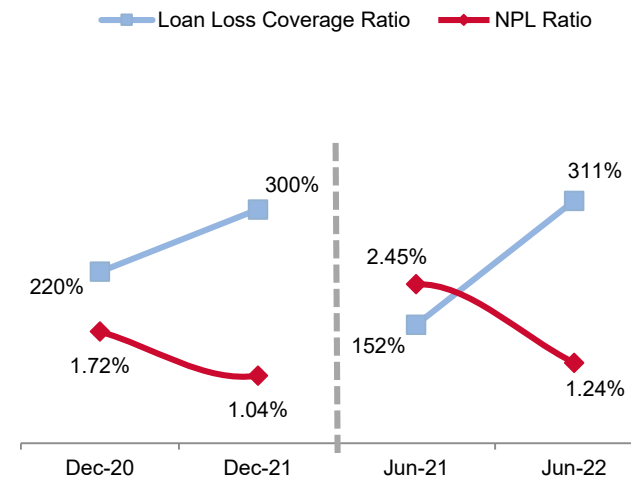
### Prudent Provisioning (USD mn)



### Provisions and Impairments Charges (USD mn)



### Asset Quality Ratios (%)



Notes:<sup>1</sup>Equity here refers to total equity attributable to the shareholders of National Bank of Kuwait S.A.K.P.

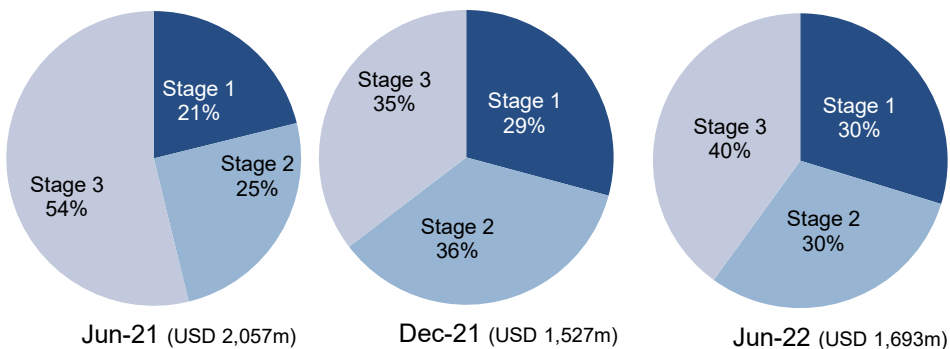


# Expected Credit Losses (ECL) 1H 2022

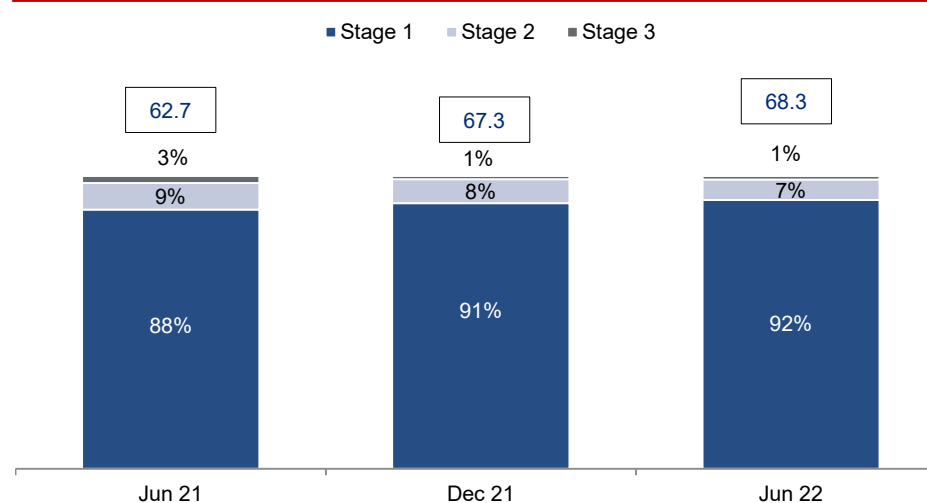
Financial Statements ECL Disclosure (USDm)

30 June 2022	Stage1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	62,691	4,750	845	68,286
Contingent liabilities	12,848	2,036	77	14,961
Commitments (revocable and irrevocable) to extend credit	22,542	3,241	1	25,783
ECL allowance for credit facilities	504	512	677	1,693

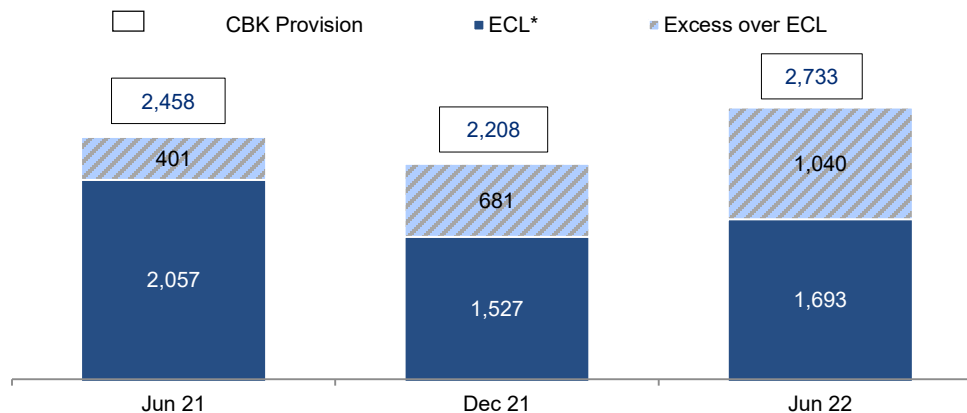
ECL Allowance for Credit Facilities



Total Gross Loans (USDbn)



CBK Credit Provisions vs IFRS 9 ECL (USDm)



\* ECLs as per CBK guidelines

# Contents



<b>Section 1</b>	Overview of NBK
<b>Section 2</b>	Strategy and Business Overview
<b>Section 3</b>	Operating Environment
Section 4	Financial Performance Highlights
<b>Section 5</b>	<b>Appendix</b>



# Kuwait Selected Mega Projects

Project	Sector	NPV (KD bn)	Scope	Status
South Al Mutlaa City	Housing	3.5	30,000 residential units, schools and other facilities	<b>Underway:</b> Companies have submitted their consultancy bids for South Al- Mutlaa Wastewater Treatment Plant.
Jahra & Sulaibiya Low Cost Housing City	Housing	0.4	Low cost housing project north of Kuwait City; 824 Hectares	<b>Underway:</b> Infrastructure works completed. Project was in the execution stage as per latest update in June-2021 and scheduled to complete in 2030. Construction works on an infrastructure package are completed.
Kuwait Environmental Remediation Programme (KERP)	Oil & gas	0.65	Environmental remediation project to address the environmental damage resulting from the Gulf War	<b>Underway:</b> Five zones has been awarded as part of the North and South excavation, transportation and remediation projects with a combined value of KD 305 mn. P-3 bids submission closed by end-March 2022; KD 150 mn.
Clean Fuels Project (CFP)	Oil & gas	3.70	Specification upgrade and expansion of 2 existing refineries to produce 800,000 b/d	<b>Complete:</b> Overall progress 100%. The project is currently under operation and the time for its shutdown mechanical maintenance is still unknown.
Jurassic Non Associated Oil & Gas Reserves Expansion: Phase 2	Oil & gas	0.1	Production of 120,000 b/d of wet crude and more than 300 million cubic feet a day (cf/d) of sour gas	<b>Underway:</b> Construction activities completed on West and East Raudhatain field, Sabriyah and Umm Niqa. JPF-4 & 5 commenced in December 2021.
Petrochemical Facility at Al-Zour	Oil & gas	2.0	Petrochemical plant to be integrated with Al-Zour refinery	<b>Planning/Underway:</b> FEED works completed. Project Engineering and Management Services for 6 years contract has been awarded. KIPIC qualified 7 bidders for the main contract tender expected before end-2022.
North Shuaiba Power Plant	Power & Water	0.4	Dual-fuel plant with a net power generation capacity of 778 MW and includes 3 desalination units with a capacity of 45 MIGD	<b>Bidding/Planning:</b> Consultancy contract bids submitted in November 2021.
Al-Zour North (IWPP) – P2 to P5	Power & water	0.5	1800 MW of power generation capacity and 464,100m <sup>3</sup> /day of desalination capacity	<b>Complete/Planning:</b> P-1 is complete. Overall progress 55%. KAPP obtained approval to award the Transaction Advisory Services contract for P-2 & P-3; while request for main contract qualification is expected sometime in 2022. The P-4 & P-5 in the initial stage of development,
Al-Khairan Power & Desalination Plant (IWPP)	Power & water	0.02	Net capacity of a min 1,500 MW of power and a min 125 MIGD of desalinated water	<b>Bidding/Planning:</b> The client is expected to issue the request for pre-qualification by Q4, 2022, and is also expected to issue the request for proposals by Q2, 2023. Project is expected to reach financial closure by Q2, 2024.
Umm Al Hayman Waste Water (PPP)	Power & water	0.47	Initial treatment capacity of 500,000 m <sup>3</sup> /d. Plant may replace Riqqa WWTP in future	<b>Underway (pending):</b> KAPP signed final agreements and financial closure has been achieved for the project. Construction works commenced, ongoing per schedule and set to be completed by Jan-2024. IPO will open for citizens once construction is completed.
Kabd Municipal Solid Waste Project	Power & water	0.3	Waste to energy facility; 50% of all the municipal solid waste produced in Kuwait will be processed at the facility	<b>On Hold:</b> The project has been put on hold.
Kuwait Metropolitan Rapid Transit	Transport	5.4	165 km transit line running across Kuwait.	<b>Planning:</b> Feasibility study for the project has been completed stating the PPP models is more economically viable than the traditional tendered approach.
Airport Expansion (New Passenger Building)	Transport	0.4	To increase the annual handling capacity of the airport to 20 million passengers and new runways and infrastructure expansion	<b>Underway/Bidding:</b> DGCA has announced that the Fatwa and Legislation Department has approved the US\$ 976 million contract for the global operator of the T2 passenger terminal. Construction works have progressed to 64% on New Passenger Terminal 2 project.

# Consolidated financials 1H 2022 (USD million)

<i>Income Statement (USD million)</i>	1H 2021	1H 2022	YoY Growth (%)	<i>Balance sheet (USD million)</i>	June- 21	June-22	YoY Growth (%)
Interest Income	1,063	1,215	14%	Cash and short term funds	14,209	16,585	17%
Interest Expense	243	369	52%	Central Bank of Kuwait bonds	2,706	2,765	2%
<b>Net Interest Income</b>	<b>820</b>	<b>846</b>	<b>3%</b>	Kuwait Government Treasury bonds	1,461	870	(40%)
Murabaha and other Islamic financing income	367	419	14%	Deposits with banks	4,203	3,812	(9%)
Distribution to depositors and Murabaha costs	100	130	30%	Loans, advances and Islamic financing to customers	60,329	65,661	9%
<b>Net Income from Islamic financing</b>	<b>267</b>	<b>289</b>	<b>8%</b>	Investment securities	15,437	16,742	8%
<b>NII and NI from Islamic financing</b>	<b>1,088</b>	<b>1,136</b>	<b>4%</b>	Investment in associates	14	12	(13%)
Net fees and commissions	265	294	11%	Land, premises and equipment	1,434	1,513	5%
Net investment income	59	35	(41%)	Goodwill and other intangible assets	1,893	1,862	(2%)
Net gains from dealing in foreign currencies	52	98	90%	Other assets (incl. assets held for sale)	1,276	1,958	53%
Other operating income	11	3	(75%)	<b>Total Assets</b>	<b>102,963</b>	<b>111,779</b>	<b>9%</b>
<b>Non-interest income</b>	<b>388</b>	<b>430</b>	<b>11%</b>	Due to banks	10,572	12,976	23%
<b>Net Operating Income</b>	<b>1,475</b>	<b>1,566</b>	<b>6%</b>	Deposits from other financial institutions	12,146	12,303	1%
Staff expenses	308	351	14%	Customer deposits	56,734	61,692	9%
Other administrative expenses	188	198	5%	Certificates of deposit issued	4,569	4,404	(4%)
Depreciation of premises and equipment	55	62	13%	Other borrowed funds	2,674	3,916	46%
Amortisation of intangible assets	3	3	0%	Other liabilities (incl. liabilities directly associated with assets held for sale)	2,378	1,955	(18%)
<b>Operating Expenses</b>	<b>555</b>	<b>614</b>	<b>11%</b>	<b>Total Liabilities</b>	<b>89,072</b>	<b>97,245</b>	<b>9%</b>
<b>Pre-provision profits (and impairments)</b>	<b>921</b>	<b>951</b>	<b>3%</b>	Share capital	2,345	2,462	5%
Provision charge for credit losses and impairment losses	317	69	(78%)	Proposed bonus shares	-	-	NA
<b>Operating profit before taxation</b>	<b>604</b>	<b>883</b>	<b>46%</b>	Statutory reserve	1,117	1,173	5%
Taxation	54	72	34%	Share premium account	2,618	2,618	0%
Non-controlling interest	26	36	37%	Treasury share reserve	114	114	0%
<b>Profit attributable to shareholders of the Bank</b>	<b>524</b>	<b>775</b>	<b>48%</b>	Other reserves	4,708	4,894	4%
				<b>Equity attributable to shareholders</b>	<b>10,902</b>	<b>11,262</b>	<b>3%</b>
				Perpetual Tier 1 Capital Securities	1,431	1,431	0%
				Non-controlling interests	1,556	1,841	18%
				<b>Total equity</b>	<b>13,890</b>	<b>14,534</b>	<b>5%</b>
				<b>Total liabilities and equity</b>	<b>102,963</b>	<b>111,779</b>	<b>9%</b>



# Consolidated Statement Of Income *(USD million)*

<i>USD million</i>	2019	2020	2021
Interest Income	3,261	2,502	2,185
Interest Expense	1,394	882	512
<b>Net Interest Income</b>	<b>1,867</b>	<b>1,621</b>	<b>1,673</b>
Murabaha and other Islamic financing income	699	744	753
Finance cost and Distribution to depositors	288	271	214
<b>Net Income from Islamic financing</b>	<b>411</b>	<b>474</b>	<b>539</b>
<b>Net interest income and net income from Islamic financing</b>	<b>2,278</b>	<b>2,094</b>	<b>2,212</b>
Net fees and commissions	520	483	546
Net investment income	28	7	92
Net gains from dealing in foreign currencies	130	126	132
Other operating income	5	76	13
<b>Non-interest income</b>	<b>682</b>	<b>691</b>	<b>784</b>
<b>Net Operating Income</b>	<b>2,960</b>	<b>2,785</b>	<b>2,996</b>
Staff expenses	581	577	665
Other administrative expenses	327	337	404
Depreciation of premises and equipment	88	111	113
Amortisation of intangible assets	11	5	5
<b>Operating Expenses</b>	<b>1,006</b>	<b>1,030</b>	<b>1,187</b>
<b>Op. profit before provision for credit losses and impairment losses</b>	<b>1,955</b>	<b>1,755</b>	<b>1,810</b>
Provision charge for credit losses	405	720	399
Impairment losses	24	95	39
<b>Operating profit before taxation</b>	<b>1,526</b>	<b>941</b>	<b>1,371</b>
Taxation	117	85	113
Directors' remuneration	-	-	0
Non-controlling interest	82	41	61
<b>Profit attributable to shareholders of the Bank</b>	<b>1,327</b>	<b>814</b>	<b>1,198</b>

# Consolidated Statement Of Financial Position *(USD million)*

<i>USD million</i>	2019	2020	2021
Cash and short term funds	12,520	12,904	16,800
Central Bank of Kuwait bonds	2,721	2,745	2,744
Kuwait Government treasury bonds	2,189	1,530	1,379
Deposits with banks	6,311	3,396	2,927
Loans, advances and Islamic financing to customers	54,719	57,866	65,198
Investment securities	13,932	15,632	16,234
Investment in associates	117	17	12
Land, premises and equipment	1,433	1,411	1,508
Goodwill and other intangible assets	1,927	1,924	1,922
Other assets	893	814	1,216
<b>Total Assets</b>	<b>96,763</b>	<b>98,239</b>	<b>109,939</b>
Due to banks	11,920	10,090	13,549
Deposits from other financial institutions	13,144	9,683	10,366
Customer deposits	52,663	56,543	60,433
Certificates of deposit issued	1,781	3,038	4,428
Other borrowed funds	1,164	2,673	4,187
Other liabilities	2,012	2,522	2,209
<b>Total Liabilities</b>	<b>82,683</b>	<b>84,550</b>	<b>95,172</b>
Share capital	2,157	2,265	2,378
Proposed bonus shares	108	113	119
Statutory reserve	1,078	1,132	1,189
Share premium account	2,655	2,655	2,655
Treasury shares	(130)	-	-
Treasury share reserve	83	116	116
Other reserves	5,400	4,662	5,245
<b>Equity attributable to shareholders of the bank</b>	<b>11,351</b>	<b>10,942</b>	<b>11,701</b>
Perpetual Tier 1 Capital Securities	1,449	1,449	1,451
Non-controlling interests	1,279	1,298	1,615
<b>Total equity</b>	<b>14,080</b>	<b>13,689</b>	<b>14,767</b>
<b>Total liabilities and equity</b>	<b>96,763</b>	<b>98,239</b>	<b>109,939</b>

## Contact

### Contact Investor Relations

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State of Kuwait

### Useful information

Download copies of NBK's:

- [Financial statements](#)
- [Earnings release](#)
- [Annual report](#)





# National Bank of Kuwait

## Investor Presentation

September 2022