



National Bank of Kuwait

Investor Presentation

March 2022

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NBK is Kuwait's Leading Banking Group

Snapshot

Background	<ul style="list-style-type: none"> Established in 1952 as the first local and home-grown GCC bank, and first shareholding company in Kuwait The leading banking group in Kuwait in terms of assets, customer deposits and customer loans and advances More than 30% market share of assets in Kuwait 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
Ownership	<ul style="list-style-type: none"> Established by a group of leading Kuwaiti merchants, NBK has retained the same core shareholder base since its inception 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) NBK's market capitalisation at 31 December 2021 was USD 23.7 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 14 countries with a predominant focus on the MENA region.

Credit Ratings

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

Financial snapshot

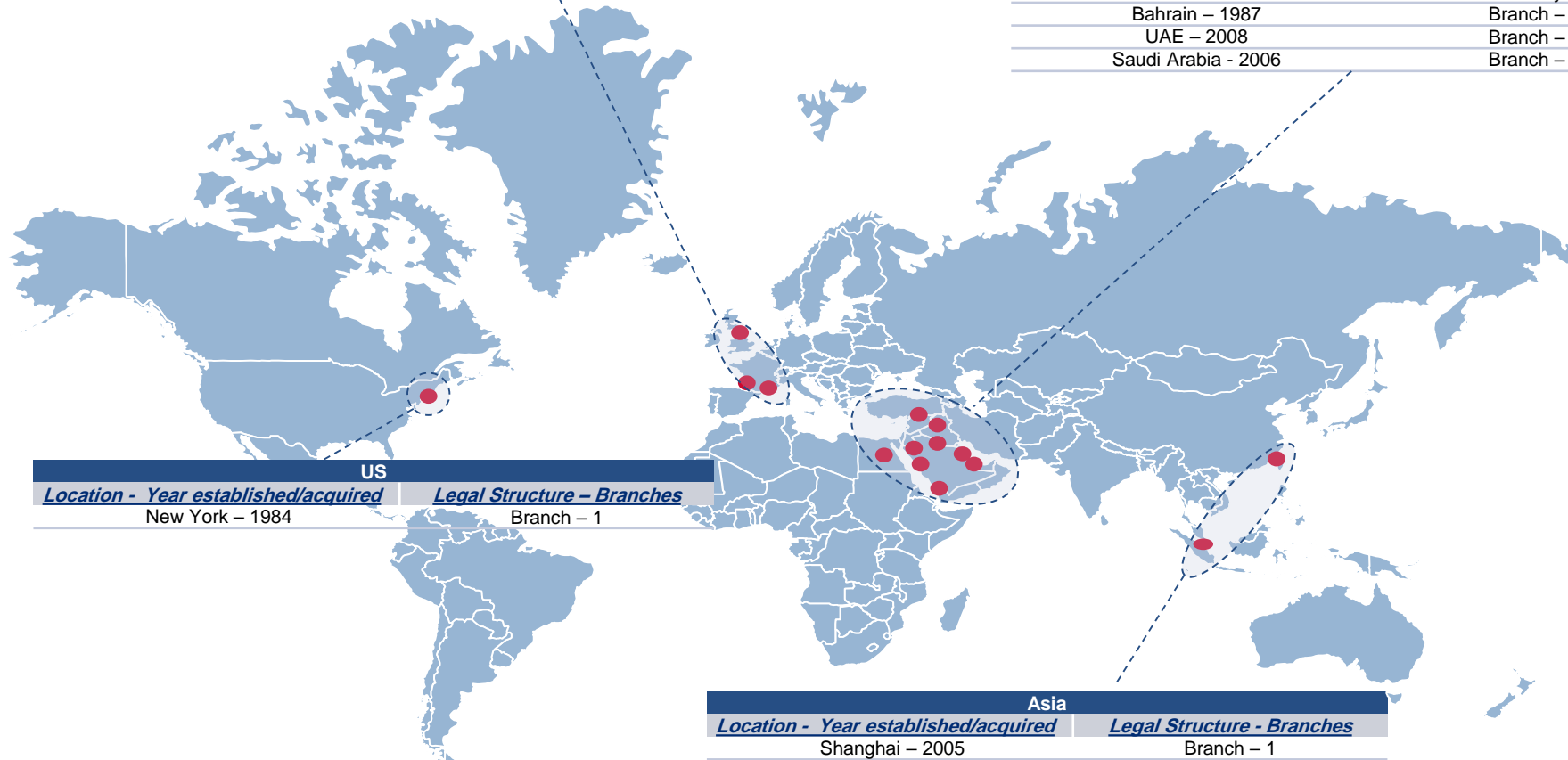
USD million	2019	2020	2021
Total Assets	96,763	98,239	109,939
Loans, advances & Islamic financing	54,719	57,866	65,198
Customer Deposits	52,663	56,543	60,433
Total Equity	14,080	13,689	14,767
Net Operating Income	2,960	2,785	2,996
Net Profit attributable	1,327	814	1,198
Cost to Income (%)	34.0%	37.0%	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

Europe	
<i>Location - Year established/acquired</i>	<i>Legal Structure - Branches</i>
London – 1983	Subsidiary – 1
Geneva – 1984	Subsidiary – 1
Paris – 1987	Subsidiary – 1

Middle East	
<i>Location - Year established/acquired</i>	<i>Legal Structure - Branches</i>
Kuwait – 1952	Parent – 68
Egypt – 2007	Subsidiary – 52
Iraq – 2005	Subsidiary – 4
Lebanon – 1996	Subsidiary – 2
Bahrain – 1987	Branch – 2
UAE – 2008	Branch – 2
Saudi Arabia - 2006	Branch – 3



US	
<i>Location - Year established/acquired</i>	<i>Legal Structure - Branches</i>
New York – 1984	Branch – 1

Asia	
<i>Location - Year established/acquired</i>	<i>Legal Structure - Branches</i>
Shanghai – 2005	Branch – 1
Singapore - 1984	Branch – 1



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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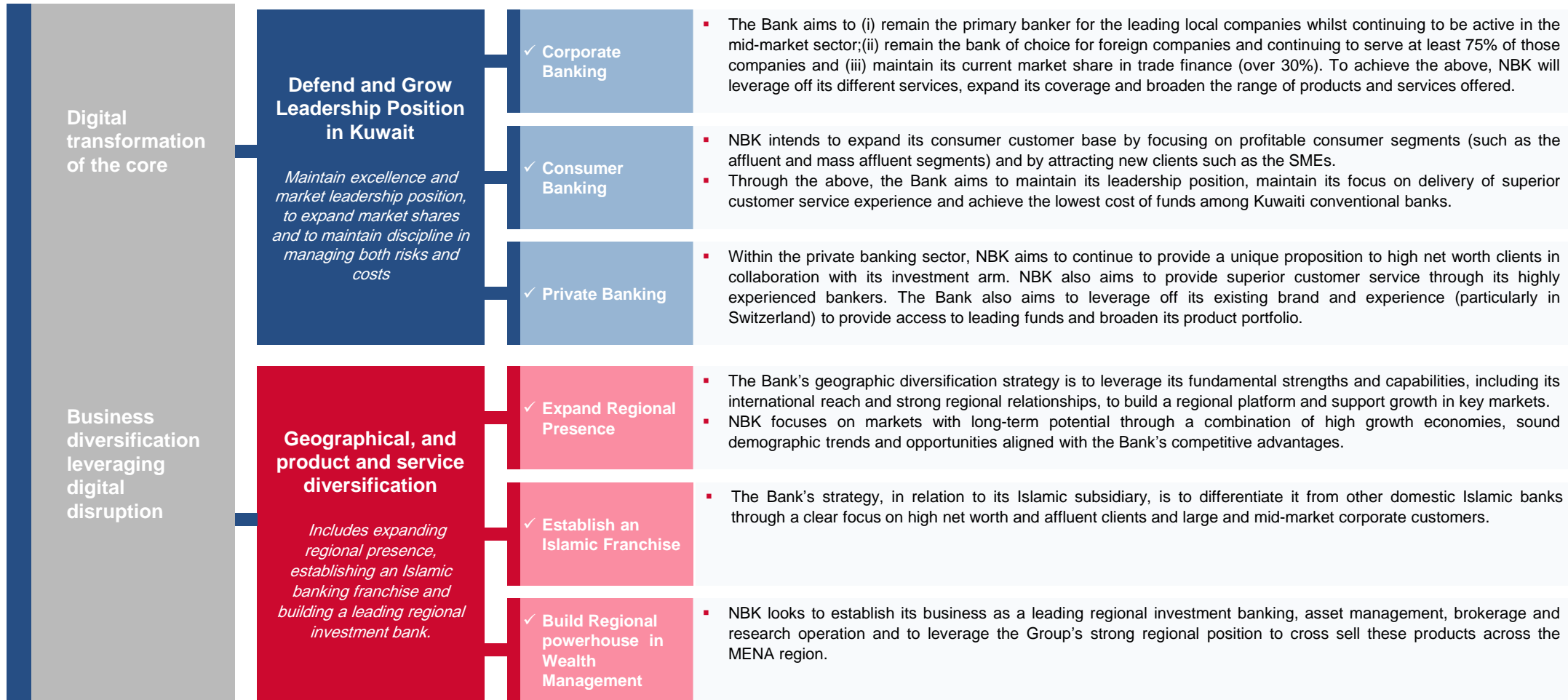


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NBK's Strategy

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





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 HNW 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

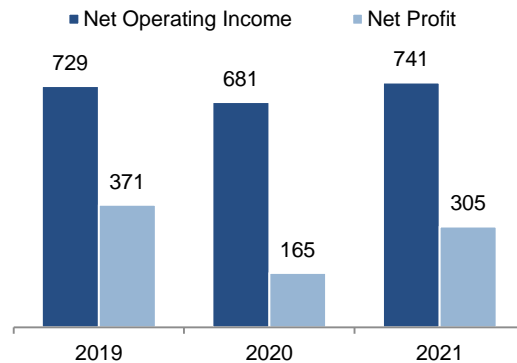


International Operations

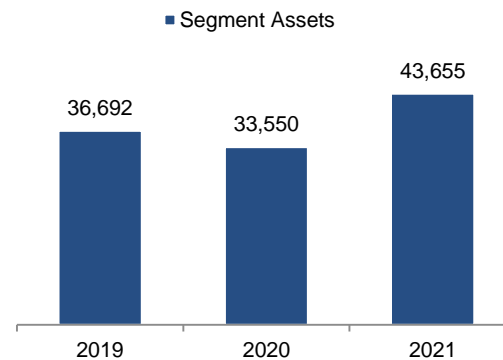
- NBK's international operations has been traditionally contributing to 25% of the Group's bottom line with the Bank aspiring to increase this contribution.
- The Bank generally aims to maintain a majority stake in its subsidiaries or at least maintain a decision making role.
- NBK's international presence 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)



Balance Sheet Trends (USD mn)

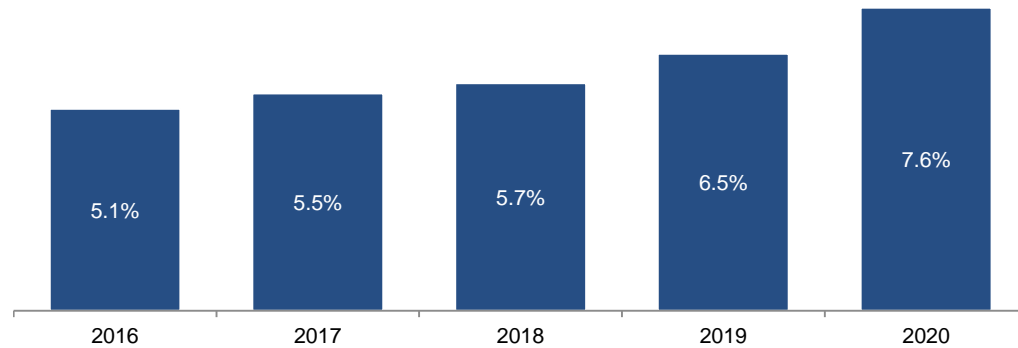


	Established or acquired	Branches	Legal structure
International			
London	1983	1	Subsidiary
New York	1984	1	Branch
Geneva	1984	1	Subsidiary
Singapore	1984	1	Branch
Paris	1987	1	Subsidiary
Shanghai	2005	1	Branch
MENA region			
Bahrain	1987	2	Branch
Lebanon	1996	2	Subsidiary
Iraq	2005	4	Subsidiary
Saudi Arabia	2006	3	Branch
Egypt	2007	52	Subsidiary
UAE	2008	2	Branch

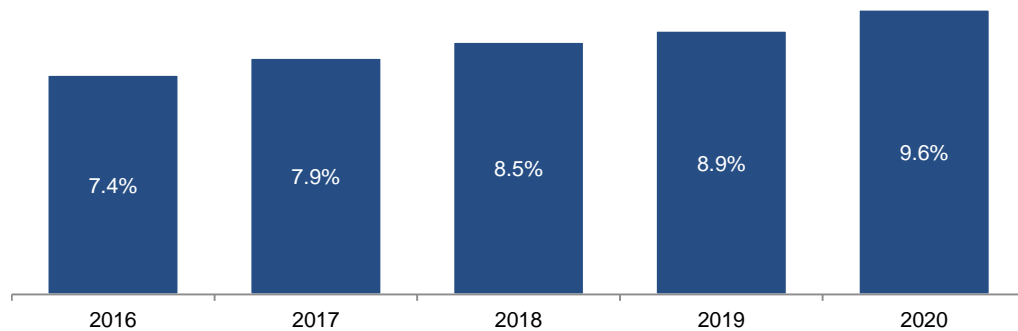


Boubyan Bank (59.9% owned subsidiary)

Market share of Total Assets(%)



Market share of Total Deposits (%)



Highlights

- Islamic banking has been gaining ground in the Kuwaiti market, representing more than 40% of assets and deposits at year-end 2020.
- 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 a 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.



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

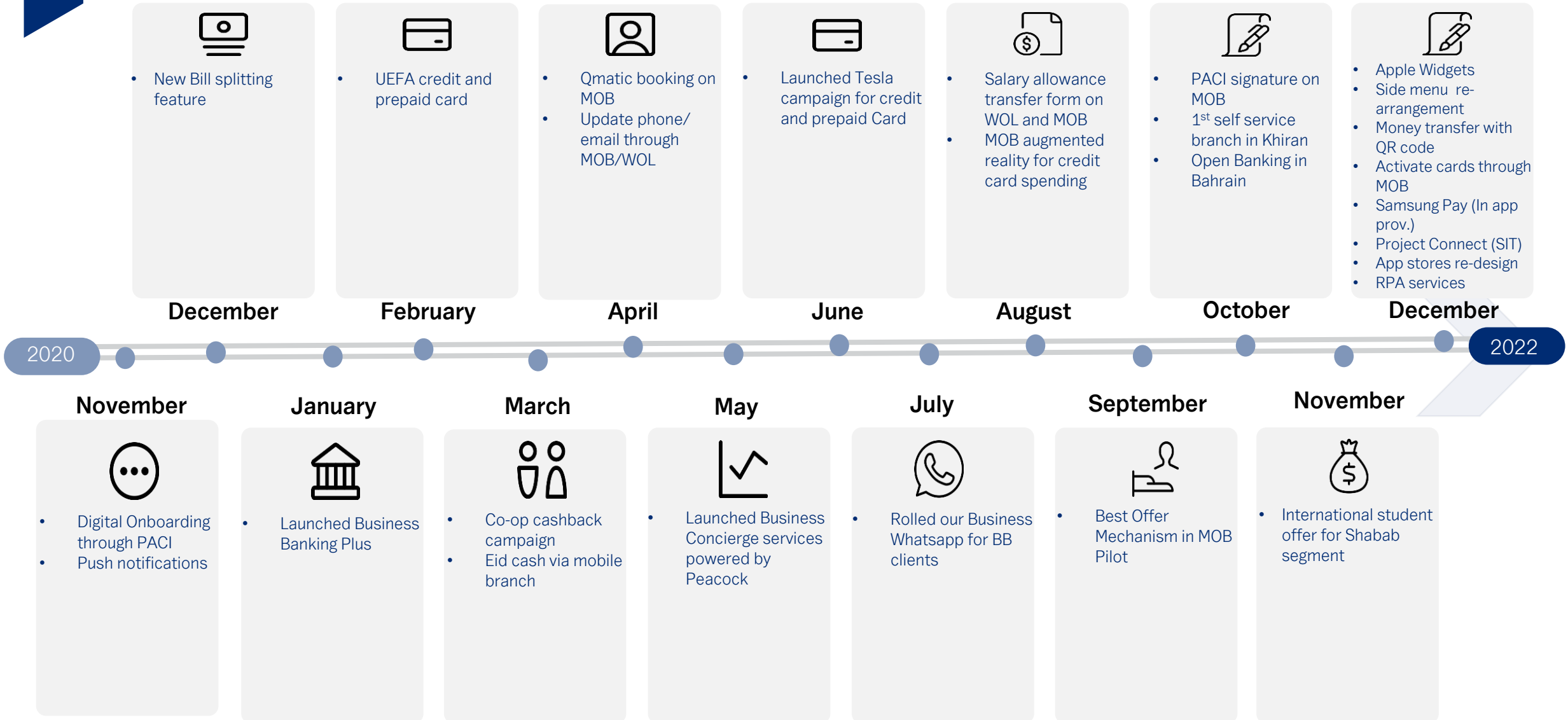
Fully Digital Value Proposition

New Way of Working

Trendsetting Innovation



During 2021 Our Initiatives Evidently Addressed Our Strategy





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



Maintaining Course with Our Sustainability Directions

NBK Sustainability Pillars

Contributing to Economic Development

Serving Customers

Leading in Governance

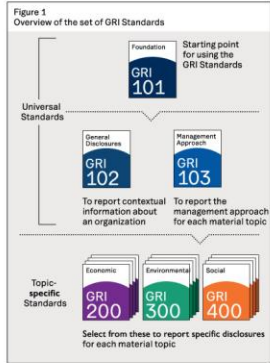
Respecting and Developing People

Giving Back to Our Community

Caring for Our Environment



Close Alignment With International Frameworks and ESG Raters



Global Reporting Initiative (GRI)

- A sustainability reporting standard widely used by various organizations around the world
- It is composed of a set of universal standards (general disclosures), as well as topic-specific standard disclosures
- # of GRI reports: over 38,000 reports in database



United Nations Sustainable Development Goals (SDGs)

17 goals which cover the following dimensions:

- Economy
- Environment
- Community
- Labour rights
- Equality



International ESG Raters

- ESG ratings are evaluations of a company based on a comparative assessment of their performance related to environmental, social and governance (ESG) issues
- Examples of ESG raters include: MSCI ESG Ratings, Dow Jones, FTSE Russell and Thomson Reuters



In Collaboration with RobecoSAM



THOMSON REUTERS



FTSE Russell

Kuwait National Development Plan (KNDP)

- Global positioning
- High quality healthcare
- Creative human capital
- Sustainable living environment
- Developed infrastructure
- Sustainable diversified economy
- Effective government administration




Bursa Kuwait Sustainability Indicators

- Includes 26 sustainability indicators, which are aligned to KNDP and cover the sustainability dimensions of Economy, Environment, Social and Governance.



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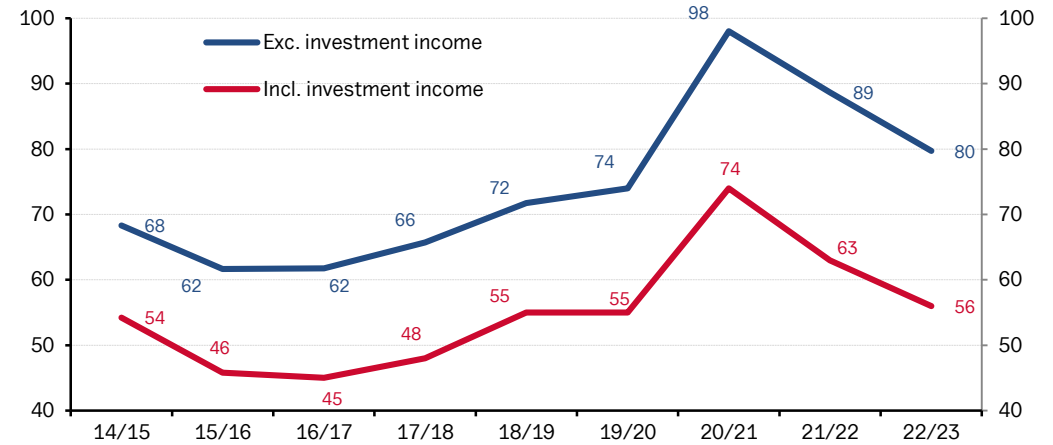


Overview of Kuwait

Overview

- The State of Kuwait is a sovereign state on the coast of the Arabian Gulf with a population of 4.6 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	2021f	2022F
Sovereign Ratings	A1 / A+ / AA (M / S / F)	
Current Account	\$44 bn	\$47 bn
Government Revenues* (% GDP)	43%	45%
Public Debt* (% GDP)	5%	7%

* Financial year. Debt projections assume debt law is approved in FY22/23

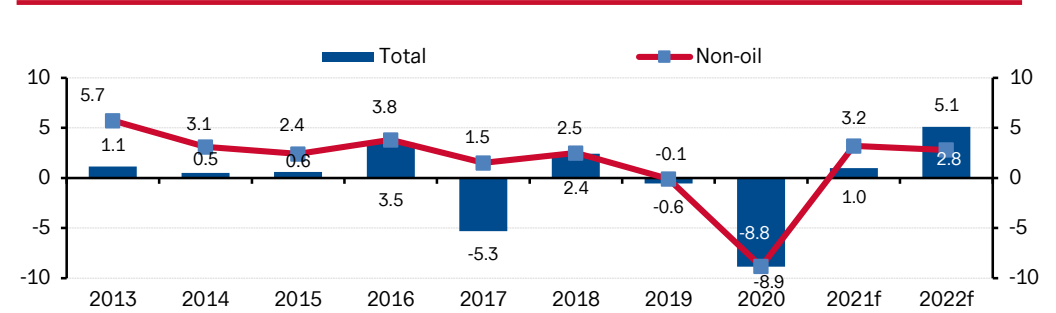


Kuwait's Economy

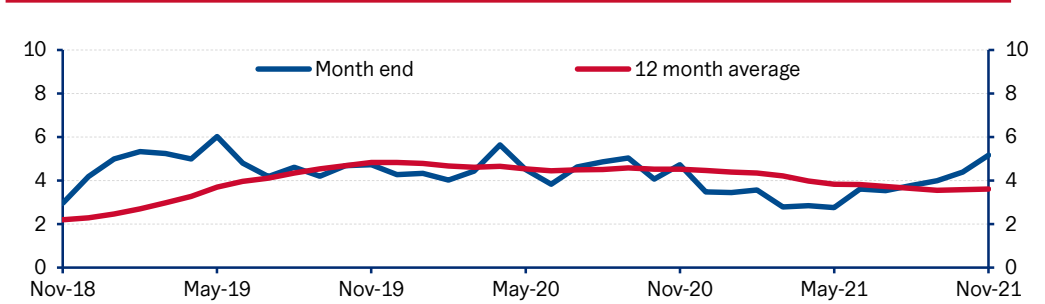
Recent Developments

GDP Growth	<ul style="list-style-type: none"> 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% in 2021, led by gains in private consumption and non-oil activity more broadly (+3.2%). Oil sector GDP is estimated to have contracted by 1% in 2021 in line with Kuwait's participation in the OPEC+ production cut agreement. Looking ahead to 2022, headline GDP growth could reach 5% on both oil and non-oil sector gains. The latter will also benefit from additional value-add from the refining sector now that the Clean Fuels project is fully operational.
Public Finance and Inflation	<ul style="list-style-type: none"> The fiscal deficit in FY21/22 will improve on pandemic-affected FY20/21, when it topped 33% of GDP due to sharply lower oil prices and elevated spending. With oil revenues up on recovering oil prices and the authorities rationalizing spending, the deficit should narrow to around 7% of GDP in FY21/22. Inflation is expected to have averaged 3.4% in 2021, accelerating from 2.1% in 2020 amid rising international food prices and strong consumer demand. Inflation, while still elevated, should moderate to around 2.5% in 2022.
Consumer Sector	<ul style="list-style-type: none"> Consumer spending continued to trend at elevated levels in November (+28% y/y at KD2.6 billion), supported by robust demand, stable income and the loan repayment deferral holiday.
Credit Growth	<ul style="list-style-type: none"> Private credit growth was up at 5.2% y/y at end-November, thanks to strong household borrowing (+12.7% y/y). Business credit growth, despite accelerating m/m in November, has lagged substantially (+0.2% y/y), weighed down by declining credit to the construction and trade sectors. The current discount rate of 1.5% could trend upwards if the CBK follows the US Fed and tightens monetary policy in 2022. Deposit growth remained negative (-2.0% y/y) in November on falling private and government deposits (-1.1% y/y and -6.1% y/y, respectively).
Real Estate Activity	<ul style="list-style-type: none"> Property sales have surpassed pre-Covid levels, with cumulative sales in the year to November 2021, at KD3.4 billion. This strength has been driven by residential sector activity on the back of buoyant demand. Final approval of a mortgage law in 2022 would boost demand as well.

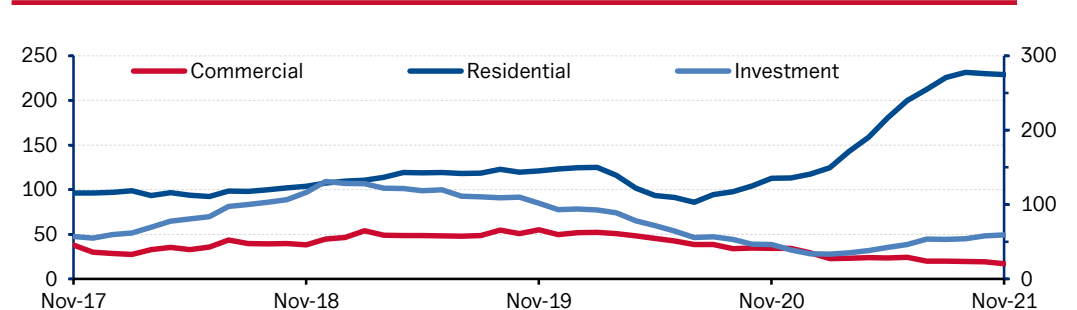
Real GDP (% y/y)



Private credit (change, % y/y)



Real estate sales 12m average (KD mn)



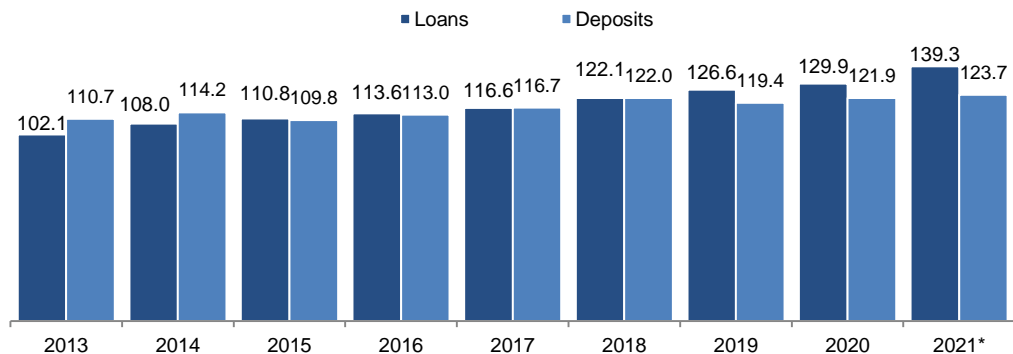


Kuwait's Banking Sector

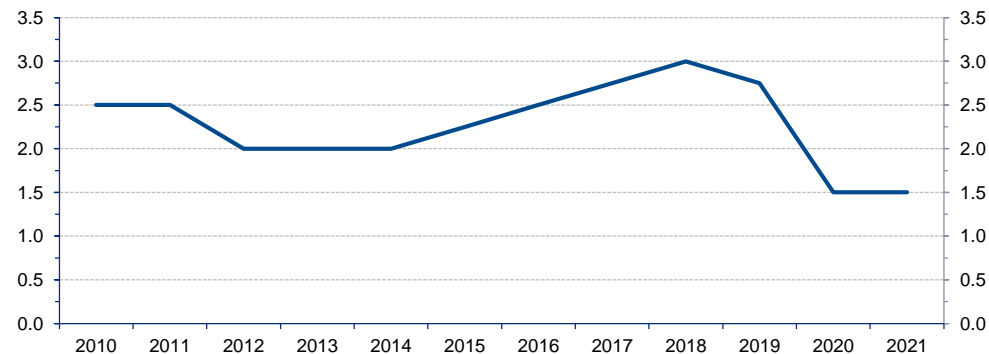
Snapshot

- **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 19.1% in 2Q21, 8.6% higher than the required minimum of 10.5%. Non-performing loans to total loans stood at 2.4% in 2Q21.

Key indicators (USD bn, end year) ¹



Development of the Discount rate (% , end year)



Sources: Central Bank of Kuwait / Refinitiv

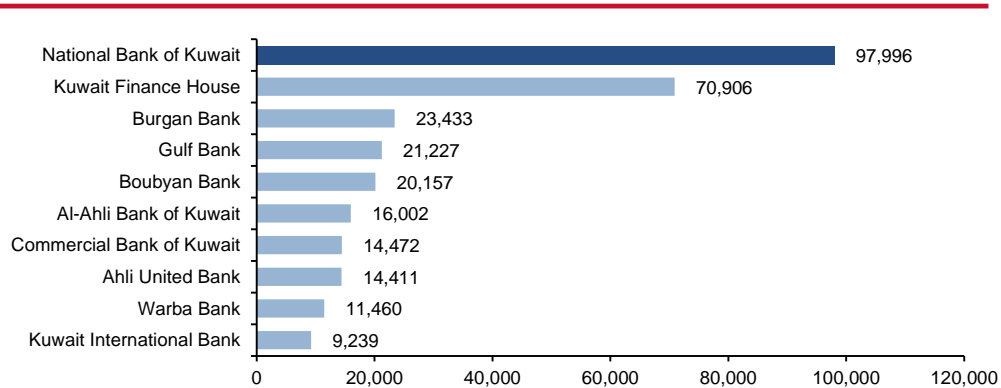
¹Loans refers to total credit facilities to residents and deposits refer to private resident deposits, all as reported by the Central Bank of Kuwait (as of Nov 2021)



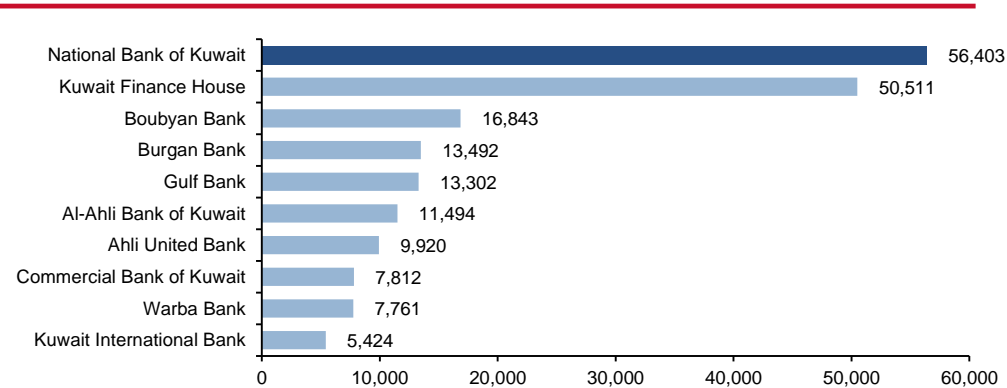
Dominant Kuwaiti Franchise

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

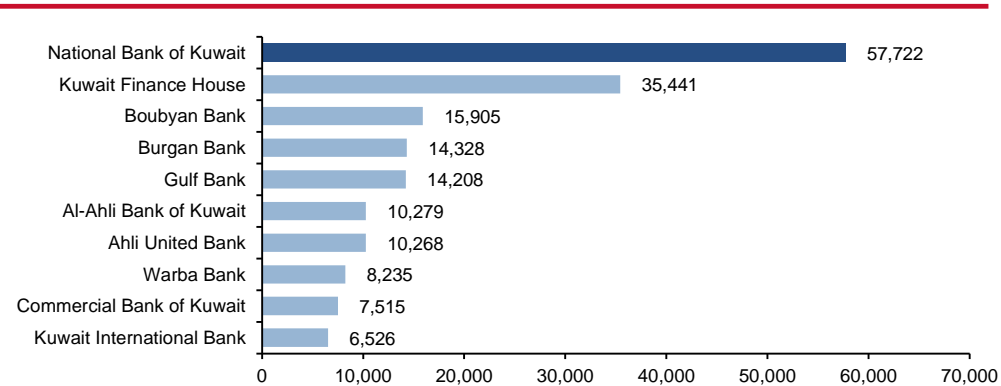
Total Assets (USD million)



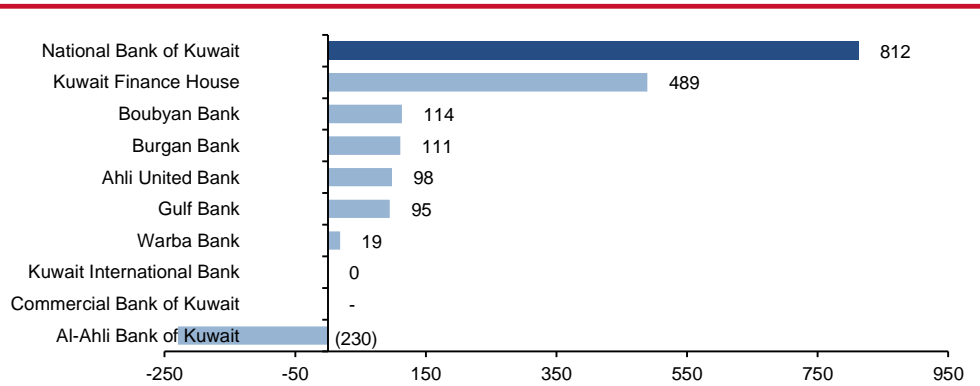
Customer Deposits (USD million)



Customer Loans & Advances (USD million)



Net Profit attributable (USD million)




Sources: Bank's annual reports. All data as of 31 December 2020 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, CBK, Gulf Bank, Al-Ahli Bank of Kuwait are conventional banks.

The USD/KD exchange rate used is .30325. The rates are based on the Central Bank of Kuwait's closing exchange rates as of 31/12/2020.

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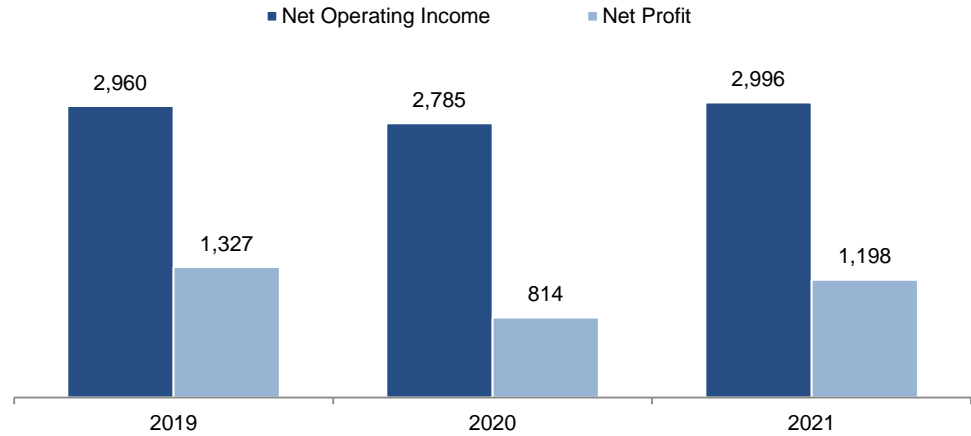


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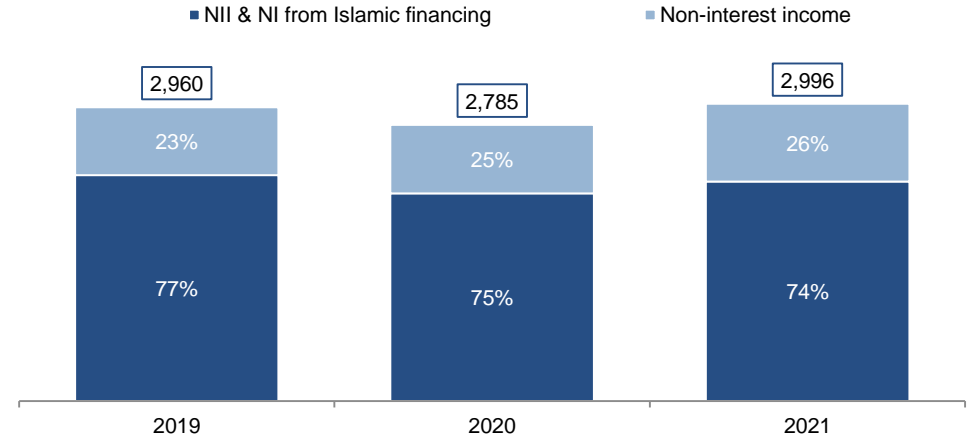


Operating Performance & Profitability

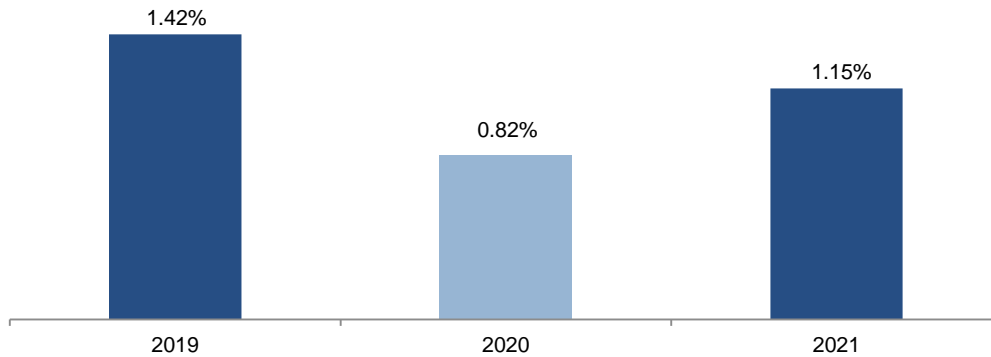
Profitability (USD mn)



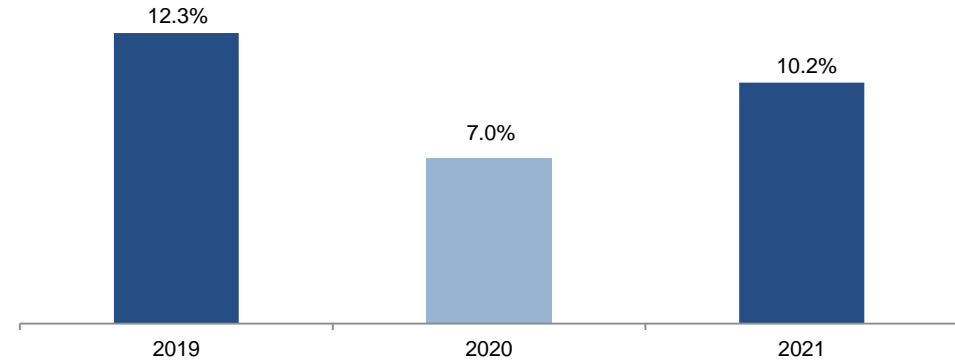
Operating Income Composition (USD mn)



Return on average assets (%)



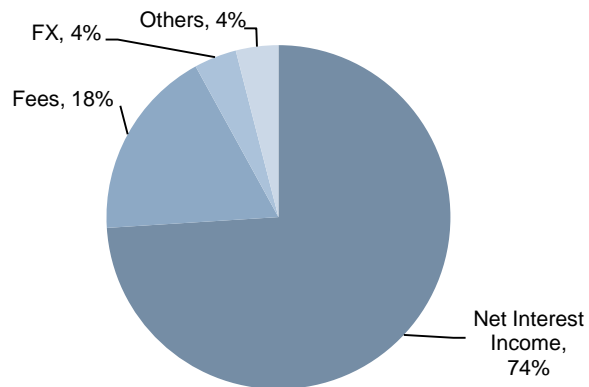
Return on average equity (%)



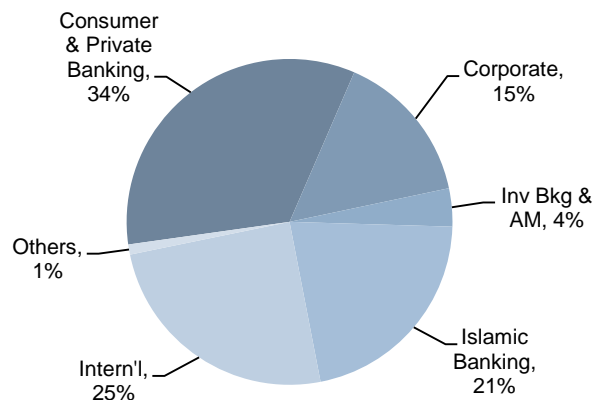


Operating Performance & Profitability (cont'd)

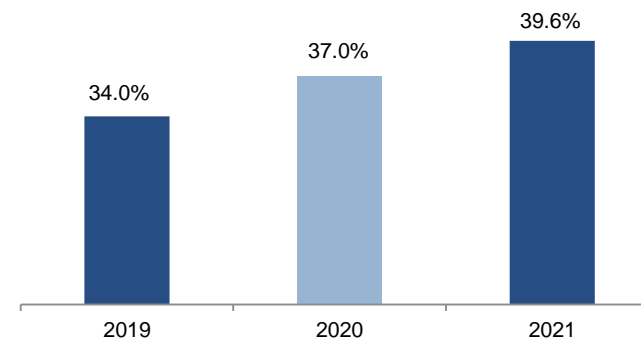
2021 Op. income by type (%)



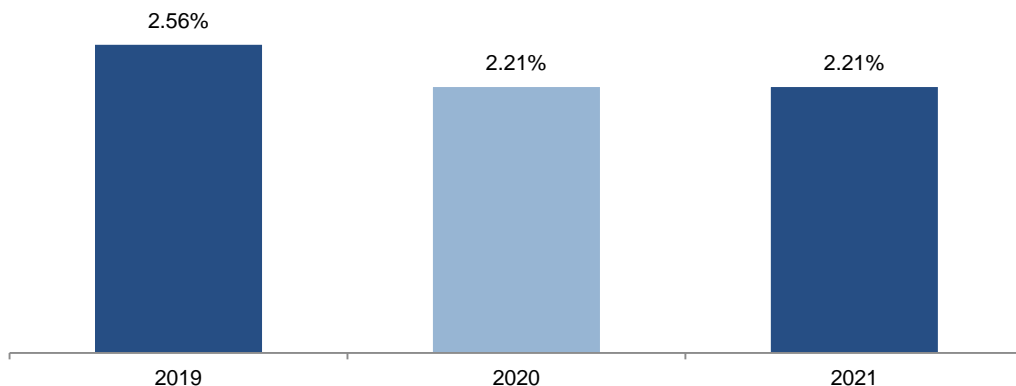
2021 Op. income by business line (%)



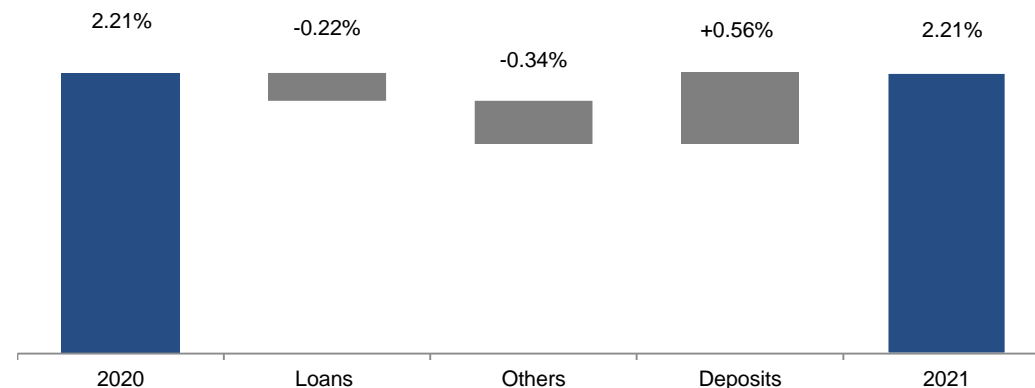
Cost to income (%)



Net Interest Margin (%)



Net Interest Margin Drivers

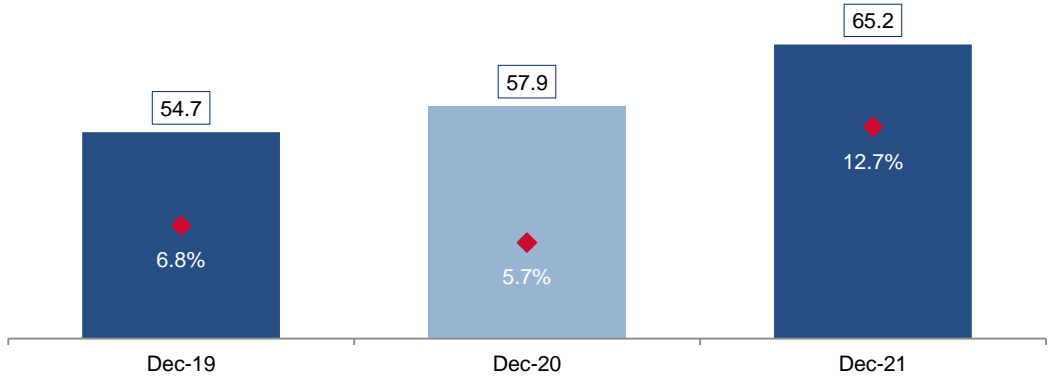




Balance Sheet Parameters

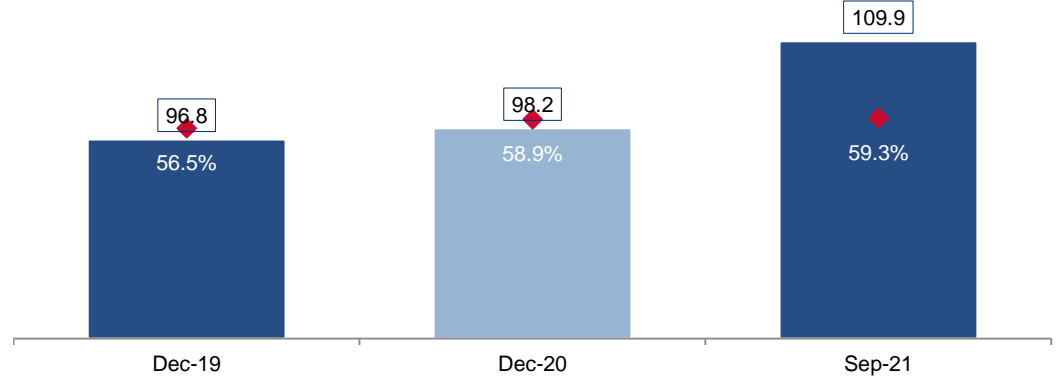
Net loan portfolio (USD bn)

■ Net Loans ◆ Net loan growth YoY (%)

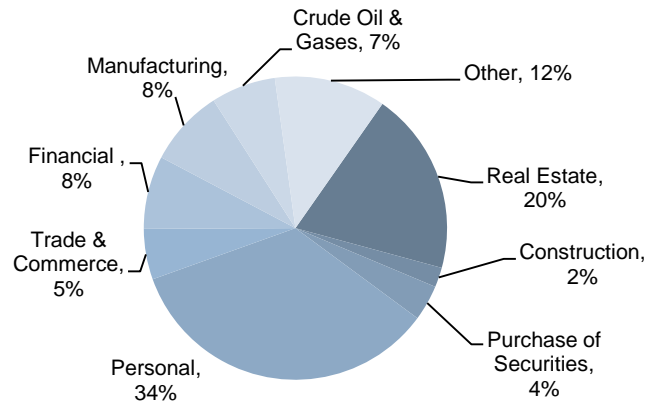


Loans to assets (USD bn)

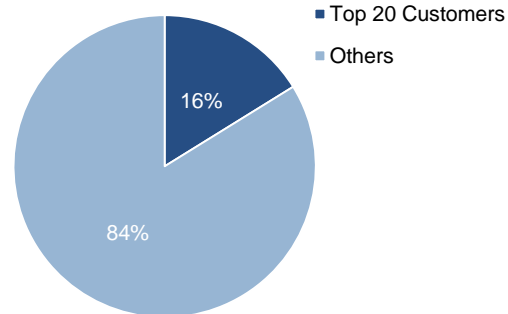
■ Total Assets ◆ Loans/Assets



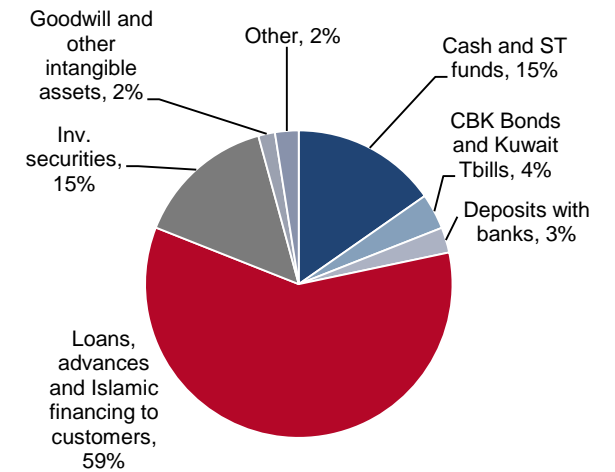
Loan exposure by sector (%) (as at 31 December 2021)



Low loan concentrations (as at 31 December 2021)



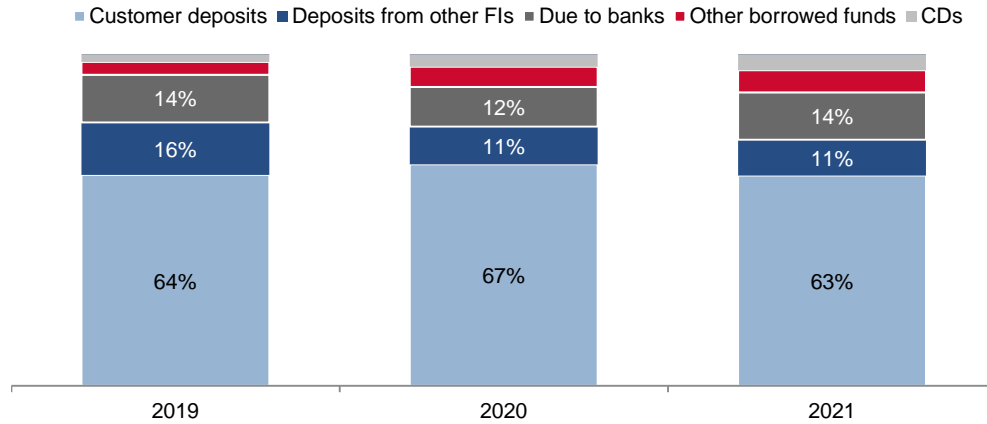
Assets by Type (as at 31 December 2021)



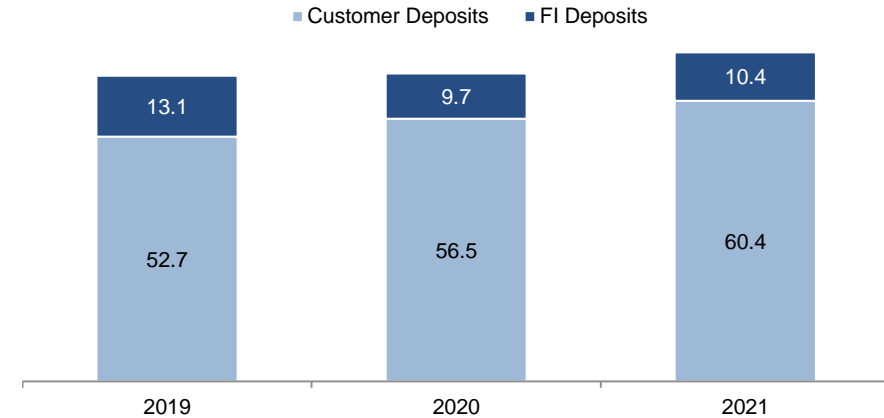


Funding and Liquidity Positions

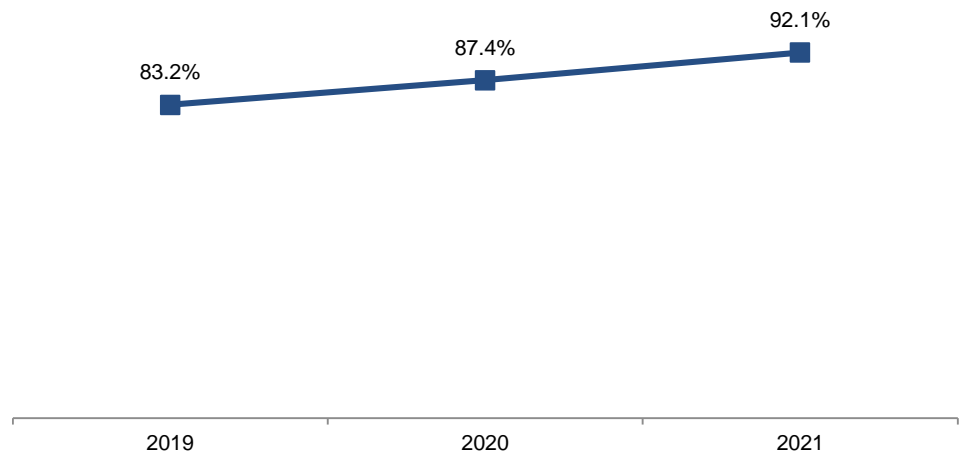
Funding Mix (Total Liabilities)



Customer and FI Deposits (USD bn)

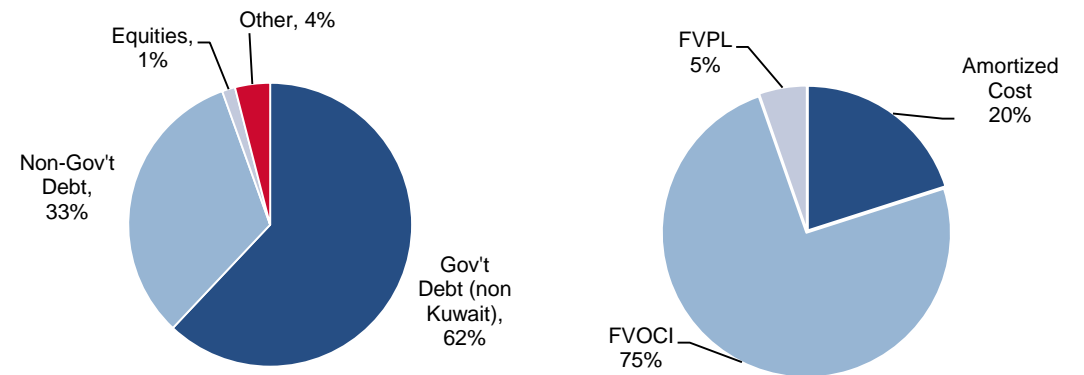


Loans to Customer and other FI Deposits Ratio (%)



Overview of Investment Securities¹ – USD 16.2 bn

As at 31 December 2021

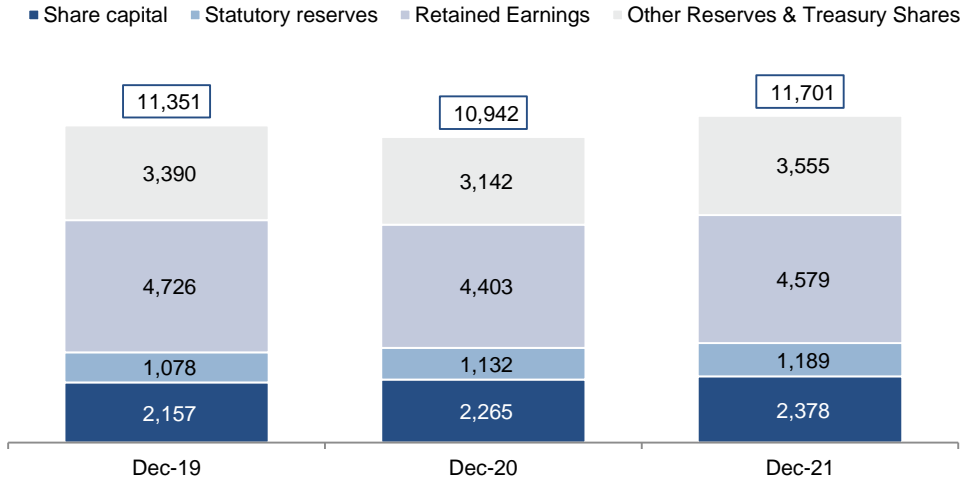


Notes:¹Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

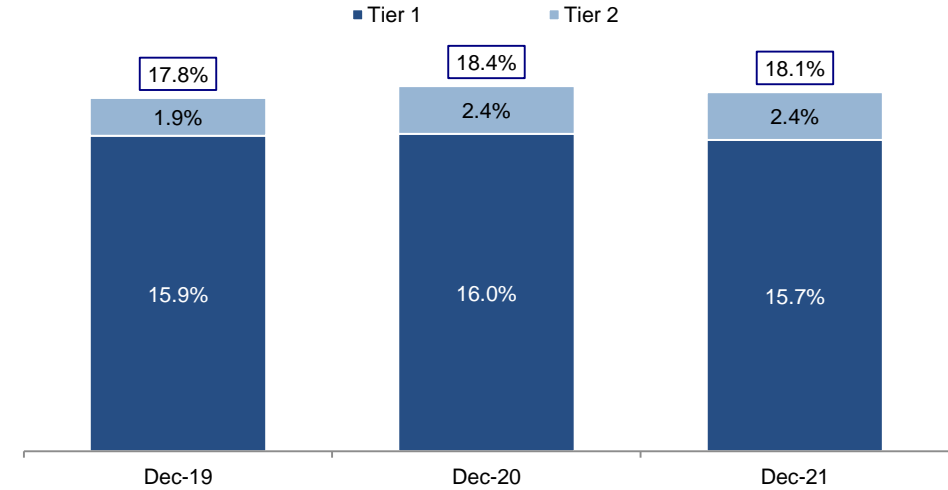


Capitalization and Asset Quality

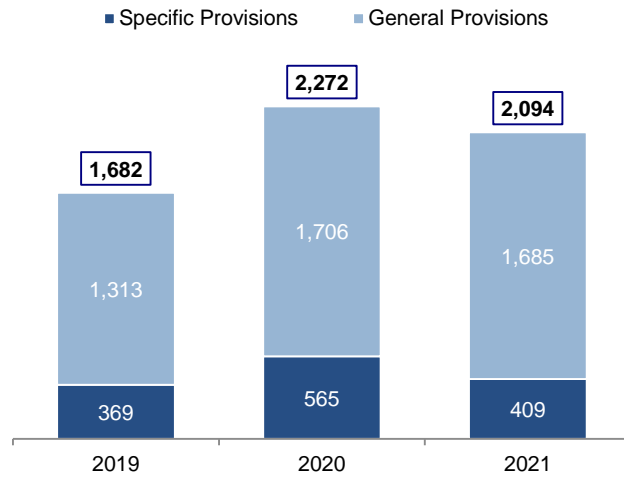
Total Equity¹ Breakdown (USD mn)



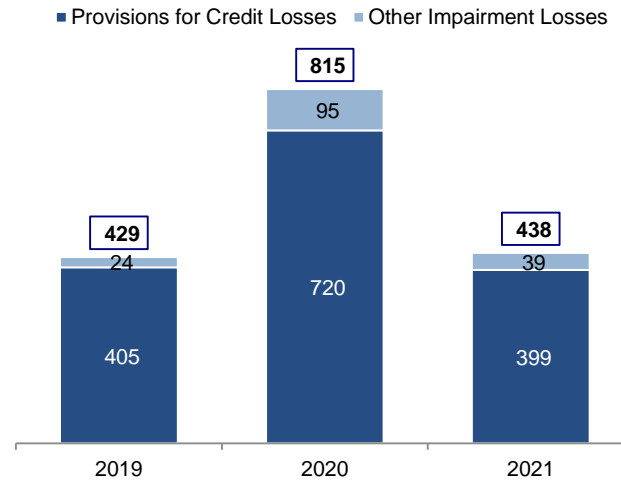
Prudent capitalization (%)



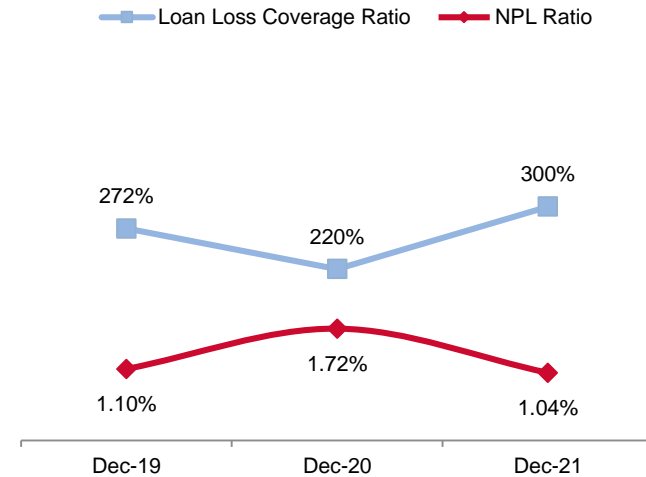
Prudent Provisioning (USD mn)



Provisions and Impairments Charges (USD mn)



Asset Quality Ratios (%)



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

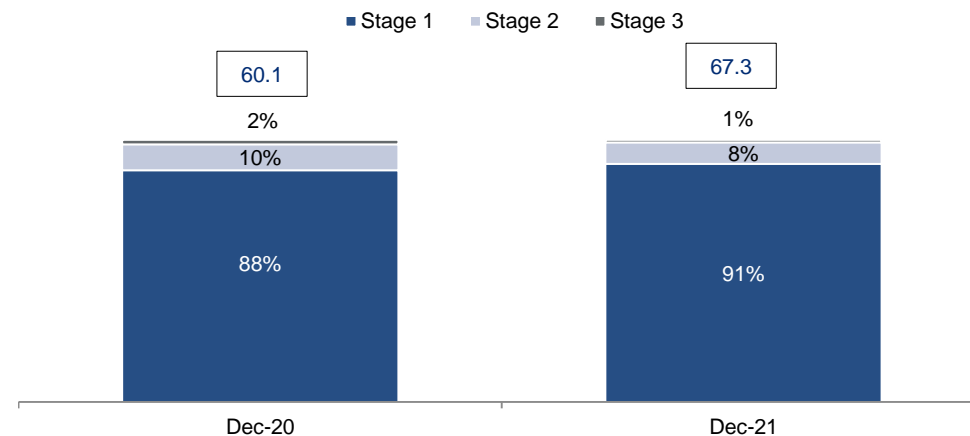


Expected Credit Losses (ECL) 2021

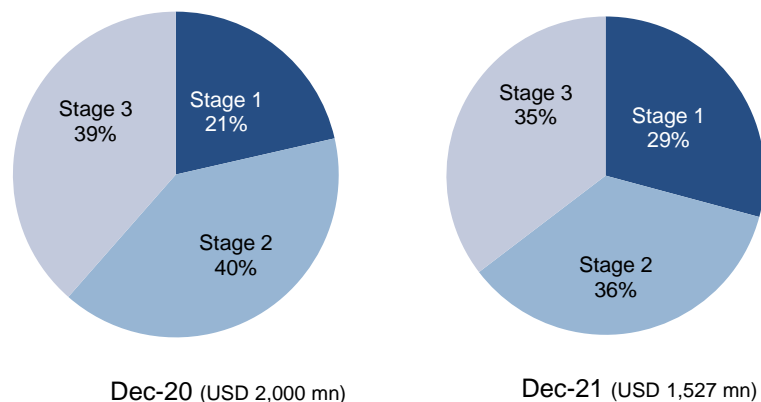
Financial Statements ECL Disclosure (USD mn)

31 Dec 2021	Stage1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	61,086	5,509	698	67,293
Contingent liabilities	12,293	2,216	96	14,605
ECL allowance for credit facilities	445	541	540	1,527

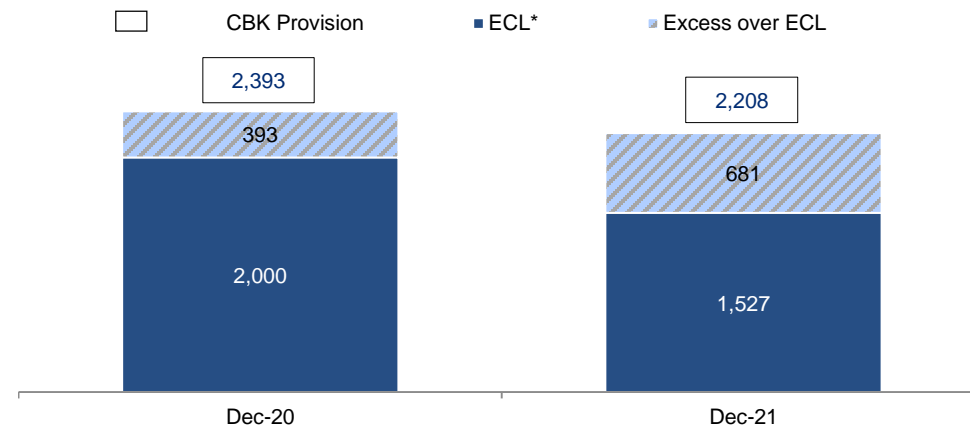
Total Gross Loans (USD bn)



ECL Allowance for Credit Facilities



CBK Credit Provisions vs IFRS 9 ECL (USD mn)



* ECLs as per CBK guidelines

Contents



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Section 2	Strategy and Business Overview
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Section 4	Financial Performance Highlights
Section 5	Appendix



Kuwait Selected Mega Projects

Project	Sector	Value (KD bn)	Scope	Status
South Al Mutlaa City	Housing	2.33	30,000 residential units, schools and other facilities	Underway: Construction works are ongoing as per schedule and are expected to be completed by February 2022 on Public Building in Mutlaa City (N8 & N9). The consultancy tender submission deadline has been extended to 12 October 2021 for wastewater treatment plant.
Jahra & Sulaibiya Low Cost Housing City	Housing	0.6	Low cost housing project north of Kuwait City; 824 Hectares	Underway: Infrastructure works completed. Project was in the execution stage as per latest update in June-2021 and scheduled to complete in 2030.
Kuwait Environmental Remediation Programme (KERP)	Oil & gas	0.65	Environmental remediation project to address the environmental damage resulting from the Gulf War	Underway: 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.
Clean Fuels Project (CFP)	Oil & gas	3.70	Specification upgrade and expansion of 2 existing refineries to produce 800,000 b/d	Complete: 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	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: Construction activities completed on West and East Raudhatain field, Sabriyah and Umm Niqa. JPF-4 & 5 were awarded on November 2021 for \$398 mn and \$426 mn respectively.
Petrochemical Facility at Al-Zour	Oil & gas	2.0	Petrochemical plant to be integrated with Al-Zour refinery	Planning/Underway: 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-2021. The Fire Station and Training Center tender is yet to be issued.
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	Bidding/Planning: Consultancy contract bid submission deadline in November 2021.
Al-Zour North (IWPP) – P2 to P5	Power & water	0.5	1800 MW of power generation capacity and 464,100m ³ /day of desalination capacity	Complete/Planning: 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 between 3 rd and 4 th quarter 2021. The P-4 & P-5 are under study.
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/Planning: KAPP obtained approval to award the Transaction Advisory Services contract . KAPP is expected to issue request for qualification between 3 rd and 4 th quarter 2021 for main contract.
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	Underway (pending): 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	On Hold: The project has been put on hold.
Kuwait Metropolitan Rapid Transit	Transport	5.4	165 km transit line running across Kuwait.	Planning: 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	1.90	To increase the annual handling capacity of the airport to 20 million passengers and new runways and infrastructure expansion	Underway/Bidding: Overall progress at 41%. Construction works ongoing on Terminal. P-2 contract for landside works is yet to be awarded. Crossroads contract bid submission deadline ended Jun-2021. The main contract tender is yet to be issued on P-1 of Package 1. The Cargo City (Package 4B) is still in its initial stage of development.



Consolidated financials 2021 (USD million)

<i>Income Statement (USD million)</i>	2020	2021	YoY Growth (%)	<i>Balance sheet (USD million)</i>	Dec-2020	Dec-2021	YoY Growth (%)
Interest Income	2,502	2,185	(13%)	Cash and short term funds	12,904	16,800	30%
Interest Expense	882	512	(42%)	Central Bank of Kuwait bonds	2,745	2,744	0%
Net Interest Income	1,621	1,673	3%	Kuwait Government Treasury bonds	1,530	1,379	(10%)
Murabaha and other Islamic financing income	744	753	1%	Deposits with banks	3,396	2,927	(14%)
Distribution to depositors and Murabaha costs	271	214	(21%)	Loans, advances and Islamic financing to customers	57,866	65,198	13%
Net Income from Islamic financing	474	539	14%	Investment securities	15,632	16,234	4%
NII and NI from Islamic financing	2,094	2,212	6%	Investment in associates	17	12	(28%)
Net fees and commissions	483	546	13%	Land, premises and equipment	1,411	1,508	7%
Net investment income	7	92	NM	Goodwill and other intangible assets	1,924	1,922	0%
Net gains from dealing in foreign currencies	126	132	4%	Other assets	814	1,216	49%
Other operating income	76	13	(82%)	Total Assets	98,239	109,939	12%
Non-interest income	691	784	13%	Due to banks	10,090	13,549	34%
Net Operating Income	2,785	2,996	8%	Deposits from other financial institutions	9,683	10,366	7%
Staff expenses	577	665	15%	Customer deposits	56,543	60,433	7%
Other administrative expenses	337	404	20%	Certificates of deposit issued	3,038	4,428	46%
Depreciation of premises and equipment	111	113	2%	Other borrowed funds	2,673	4,187	57%
Amortisation of intangible assets	5	5	0%	Other liabilities	2,522	2,209	(12%)
Operating Expenses	1,030	1,187	15%	Total Liabilities	84,550	95,172	13%
Pre-provision profits (and impairments)	1,755	1,810	3%	Share capital	2,265	2,378	5%
Provision charge for credit losses and impairment losses	815	438	(46%)	Proposed bonus shares	113	119	5%
Operating profit before taxation	941	1,371	46%	Statutory reserve	1,132	1,189	5%
Taxation	85	113	32%	Share premium account	2,655	2,655	0%
Director's remuneration	-	0	NM	Treasury share reserve	116	116	0%
Non-controlling interest	41	61	49%	Other reserves	4,662	5,245	13%
Profit attributable to shareholders of the Bank	814	1,198	47%	Equity attributable to shareholders	10,942	11,701	7%
				Perpetual Tier 1 Capital Securities	1,449	1,451	0%
				Non-controlling interests	1,298	1,615	24%
				Total equity	13,689	14,767	8%
				Total liabilities and equity	98,239	109,939	12%



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
Net Interest Income	1,867	1,621	1,673
Murabaha and other Islamic financing income	699	744	753
Finance cost and Distribution to depositors	288	271	214
Net Income from Islamic financing	411	474	539
Net interest income and net income from Islamic financing	2,278	2,094	2,212
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
Non-interest income	682	691	784
Net Operating Income	2,960	2,785	2,996
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
Operating Expenses	1,006	1,030	1,187
Op. profit before provision for credit losses and impairment losses	1,955	1,755	1,810
Provision charge for credit losses	405	720	399
Impairment losses	24	95	39
Operating profit before taxation	1,526	941	1,371
Taxation	117	85	113
Directors' remuneration	-	-	0
Non-controlling interest	82	41	61
Profit attributable to shareholders of the Bank	1,327	814	1,198



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
Total Assets	96,763	98,239	109,939
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
Total Liabilities	82,683	84,550	95,172
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
Equity attributable to shareholders of the bank	11,351	10,942	11,701
Perpetual Tier 1 Capital Securities	1,449	1,449	1,451
Non-controlling interests	1,279	1,298	1,615
Total equity	14,080	13,689	14,767
Total liabilities and equity	96,763	98,239	109,939

Contact

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Useful information

Download copies of NBK's:

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



National Bank of Kuwait

Investor Presentation

March 2022