



National Bank of Kuwait

Investor Presentation

October 2021

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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 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 5.60% as of September 2021) NBK's market capitalisation at 30 September 2021 was USD 22.7 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
	AA-	a-	Negative

Financial snapshot

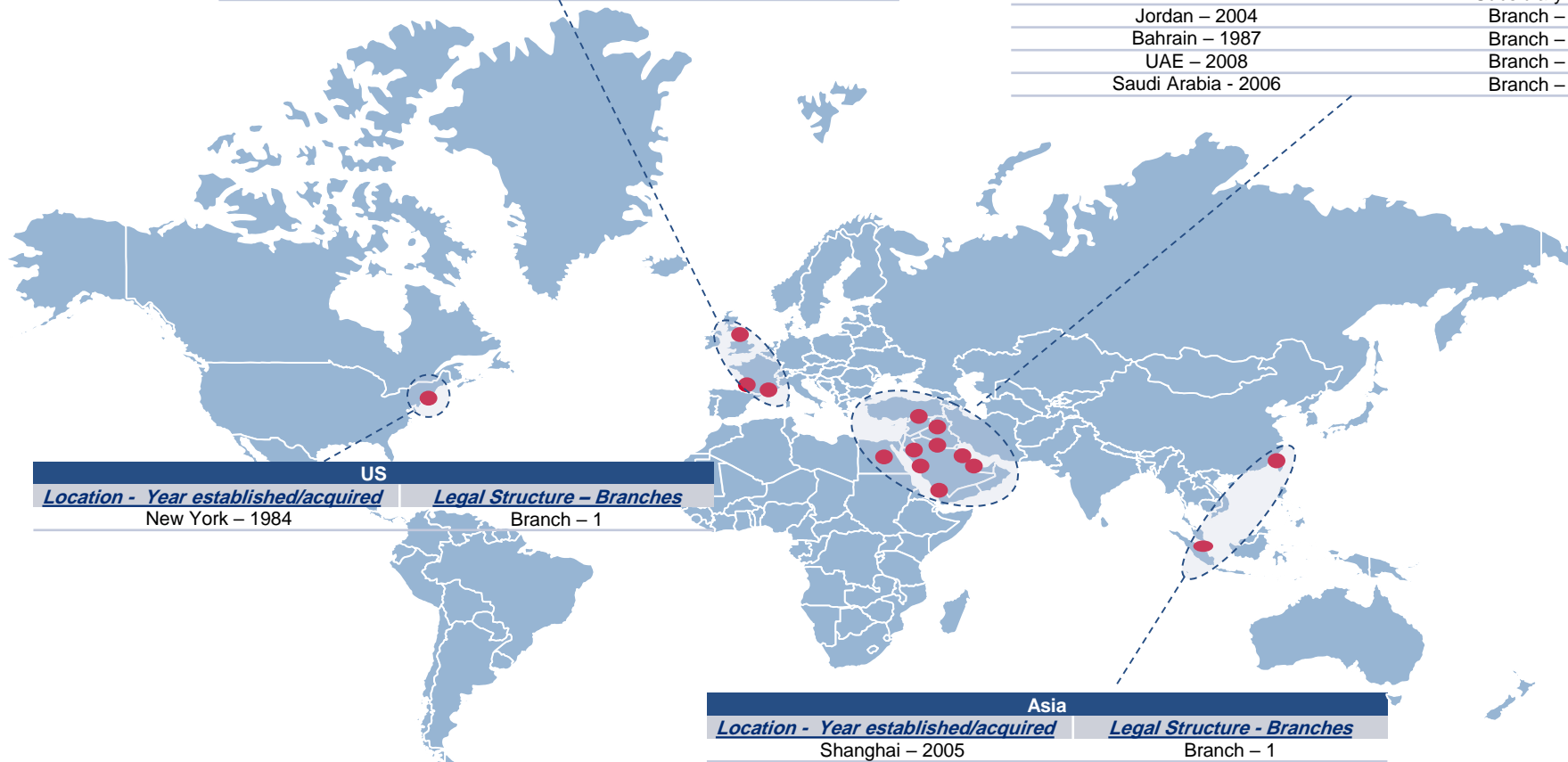
USD million	2018	2019	2020
Total Assets	90,447	96,524	97,996
Loans, advances & Islamic financing	51,124	54,584	57,722
Customer Deposits	47,449	52,533	56,403
Total Equity	12,205	14,045	13,656
Net Operating Income	2,913	2,953	2,778
Net Profit attributable	1,222	1,323	812
Cost to Income (%)	31.3%	34.0%	37.0%
Net Interest Margin (%)	2.69%	2.56%	2.21%
NPL Ratio (%)	1.38%	1.10%	1.72%
Loan Loss Coverage Ratio (%)	228%	272%	220%
Return on Average Equity (%)	12.0%	12.3%	7.0%
Tier 1 Ratio (%)	15.3%	15.9%	16.0%
Capital Adequacy Ratio (%)	17.2%	17.8%	18.4%



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 – 5
Lebanon – 1996	Subsidiary – 2
Jordan – 2004	Branch – 1
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 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 2020, 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 1.72% at end-2020
- 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 14 countries, 8 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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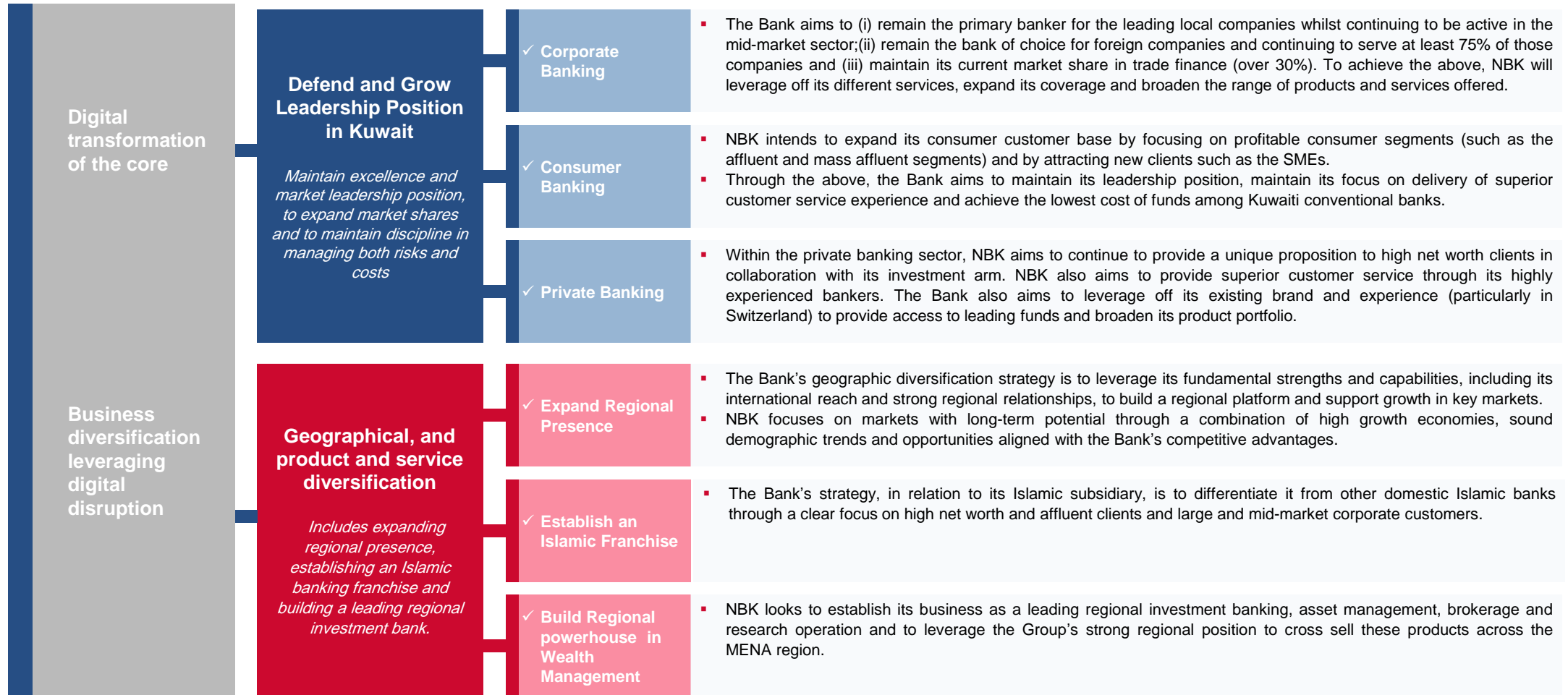
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NBK's Strategy

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	Consumer Banking	Private Banking
<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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

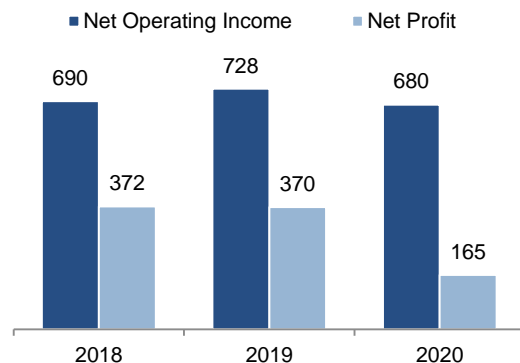
NBK is a full-service bank that offers a broad suite of financial services and products to clients, meeting their ever growing and evolving demands

International Operations

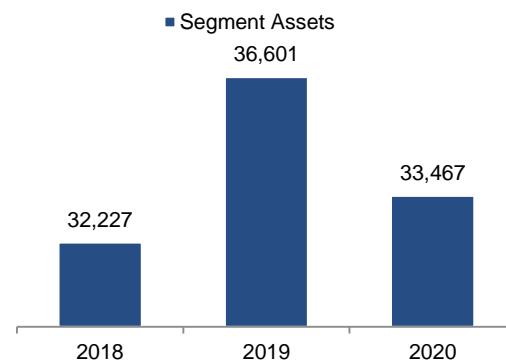
- NBK's international operations has been traditionally contributing up to circa 30% of the Group's bottom line with the Bank aspiring to increase this contribution.
- The Bank generally aims to maintain a majority stake in its subsidiaries or at least maintain a decision making role.
- NBK's international 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)

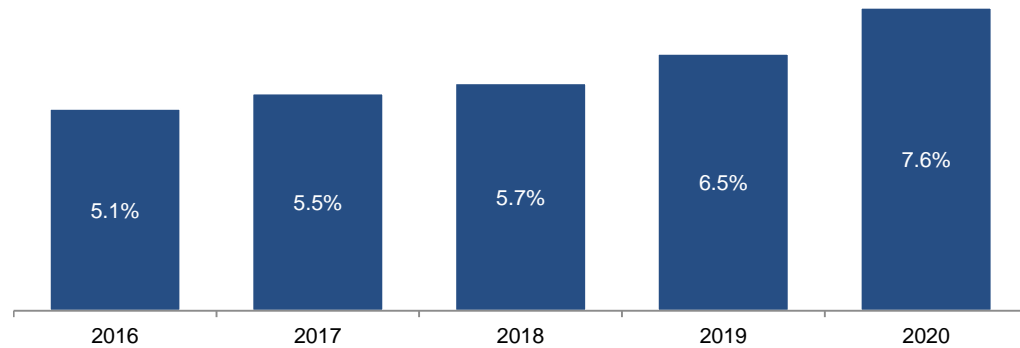


	Established or acquired	Branches	Legal structure
International			
London	1983	1	Subsidiary
New York	1984	1	Branch
Geneva	1984	1	Subsidiary
Singapore	1984	1	Branch
Paris	1987	1	Subsidiary
Shanghai	2005	1	Branch
MENA region			
Bahrain	1987	2	Branch
Lebanon	1996	2	Subsidiary
Jordan	2004	1	Branch
Iraq	2005	5	Subsidiary
Saudi Arabia	2006	3	Branch
Egypt	2007	52	Subsidiary
UAE	2008	2	Branch

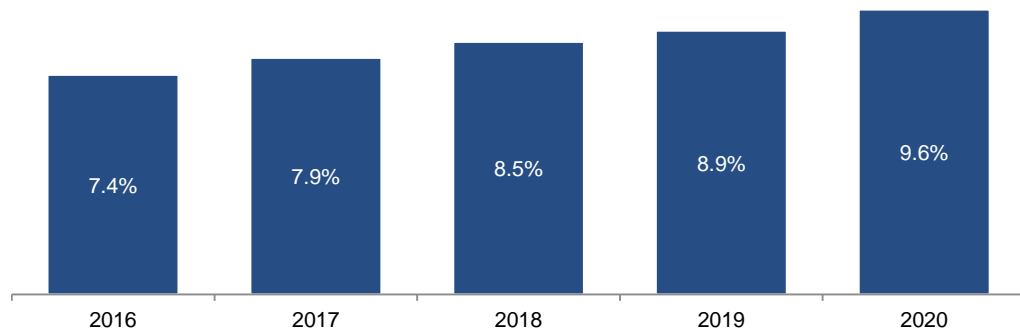


Boubyan Bank (59.9% owned subsidiary)

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.



Maintaining Course with Our Sustainability Directions

NBK Sustainability Pillars

Contributing
to Economic
Development

Serving
Customers

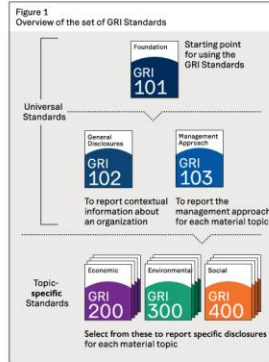
Leading in
Governance

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



Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



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.



NBK's 2020 ESG Highlights

Environmental

Caring for our environment is a priority as we actively measure and assess the environmental impacts of our business and operations.

- Completion of our new LEED Gold Headquarters
- Inclusion in Refinitiv AFE Low Carbon Select Index MENA
- 840 Kgs Plastic collected and recycled from branches
- 98 tons of paper recycled
- Total GHG emissions of 5,152 MT CO₂e

Social

Wellbeing of external and internal stakeholders is of critical importance as we remain committed to show our values to our people.

- 45.8% Female employee Ratio
- 72.7% Kuwaitization
- 51.9 k Employee training hours
- 77% Local Procurement
- Supporting nationalization programs in Kuwait including NBK Academy
- Provided training center facilities for 110 participants in LOYAC
- Organized training courses for 141 candidates (Ministry of Justice)
- Sponsoring TAMAKAN graduate training scheme (32 fresh graduates)

Governance

With leadership in business and governance among our sustainability priorities, NBK continues to strive to integrate sustainable practices into its corporate governance practices.

- Reformation of Board Risk Committee to Board Risk and Compliance Committee
- Appointment of two independent Board of Directors (March 2021)
- Updated and published various policies and statements including:
 - Human rights statement
 - Advertising Code policy
 - Brand protection policy

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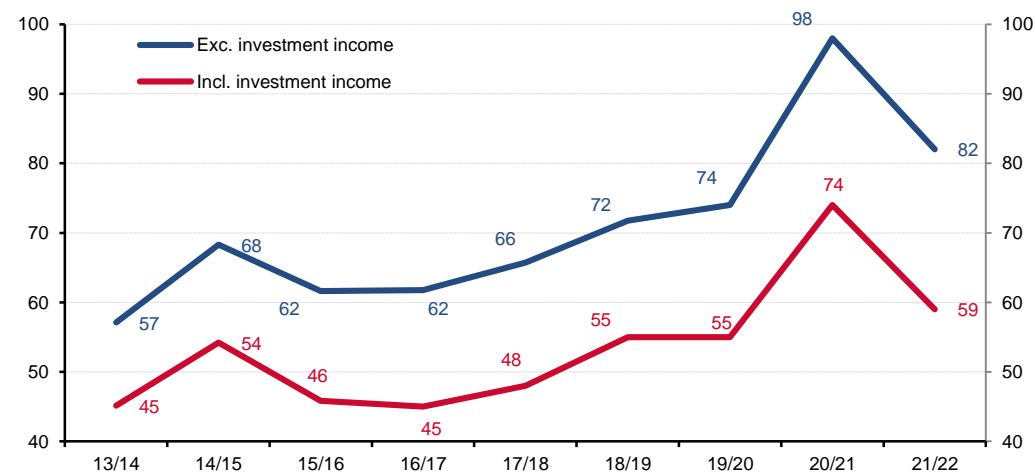
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Overview of Kuwait

Overview

- The State of Kuwait is a sovereign state on the coast of the Arabian Gulf with a population of 4.6 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 the 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	2020	2021F
Sovereign Ratings	A1 / A+ / AA (M / S / F)	
Current Account	\$22.4 bn	\$34.6 bn
Government Revenues* (% GDP)	32%	43%
Public Debt* (% GDP)	11%	14%

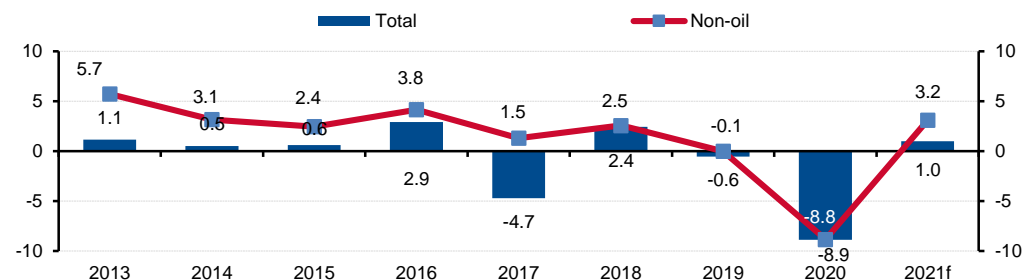
* Financial year. Debt projections assume debt law is approved in FY21/22

Kuwait's Economy

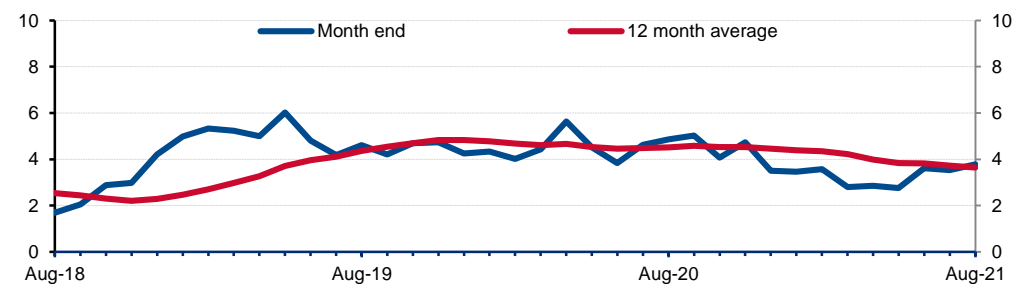
Recent Developments

GDP Growth	<ul style="list-style-type: none"> GDP declined by 8.9% in 2020 due to sharply lower oil production as Kuwait adhered to OPEC+ cuts and reduced non-oil activity resulting from the coronavirus pandemic. Headline growth could rebound to 1.0% in 2021 as these cuts are partially reversed. Non-oil GDP contracted by 8.8% in 2020 after mobility restrictions were imposed to contain the pandemic. Growth could rebound by 3.2% in 2021 as private consumption recovers and refining activity ramps up.
Public Finance and Inflation	<ul style="list-style-type: none"> After cutting spending in FY20/21 to address the fiscal deficit, the FY21/22 budget outlined a 7% rise in outlays, including a targeted 20% rise in capex. If implemented, this would help spur the recovery in economic growth. Inflation accelerated to 2.1% in 2020, mainly on higher food prices, and is expected to average 2.6% in 2021; there is some downside risk from potential softness in residential real estate rents.
Consumer Sector	<ul style="list-style-type: none"> Consumer spending took a major hit during the lockdown months, but has bounced back appreciably. Total spending (POS/ATM) was up 22.8% y/y in September 2021. Loan payment deferrals, the number of nationals in stable public sector jobs and reduced overseas travel have supported spending.
Credit Growth	<ul style="list-style-type: none"> Private credit growth was up 3.8% y/y at end-August, driven by strong household borrowing. Business credit has been slower to take off, but should benefit from the economy returning to a more normal footing. The policy interest rate is at 1.5%. Private and government deposit growth (-2.3% y/y and -2.6% y/y, respectively) was still negative in August; the reinstatement of loan repayment deferrals has been positive, as are higher oil prices, which have boosted government liquidity.
Real Estate Activity	<ul style="list-style-type: none"> Property sales have returned to pre-Covid levels, having been hard-hit in 2020. Recent strength is mostly from the residential sector which could hold up well given the solid demand base and potentially get a further boost if the mortgage law is approved.

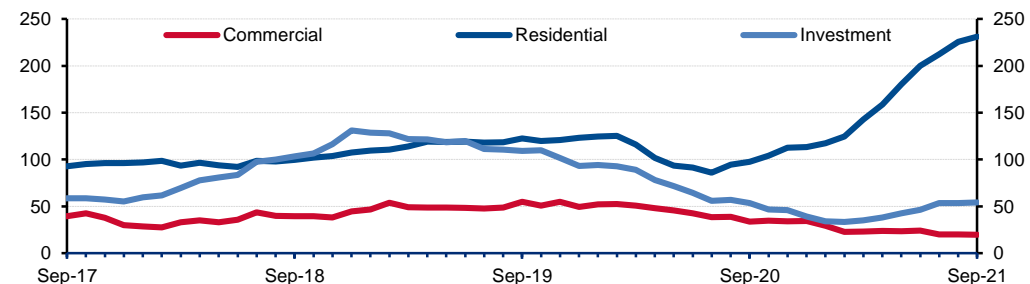
Real GDP (% y/y)



Private credit (change, % y/y)



Real estate sales 12m average (KD mn)



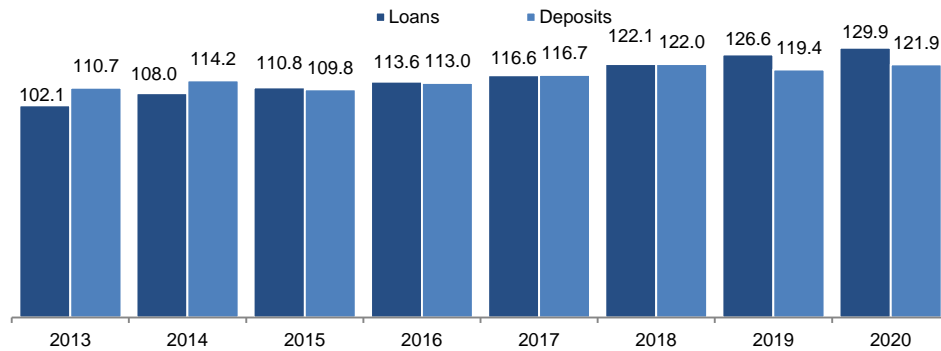


Kuwait's Banking Sector

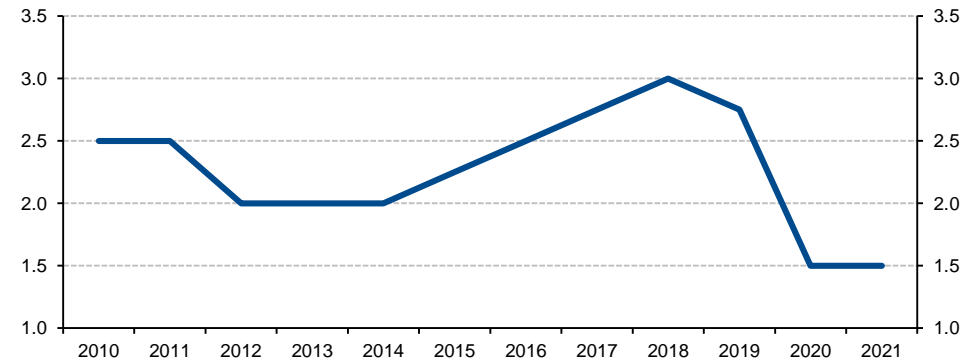
Snapshot

- **The Kuwaiti banking sector comprises 23 banks**, including 11 domestic banks (five conventional, five Shariah-compliant and one specialized), and branches of 12 international banks (11 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 18.7% in 1Q21, 8.2% higher than the required minimum of 10.5%. Non-performing loans to total loans stood at 2.3% in 1Q21.

Key indicators (USD bn, end year)¹



Development of the Discount rate (% end year)²



Sources: Central Bank of Kuwait / Refinitiv

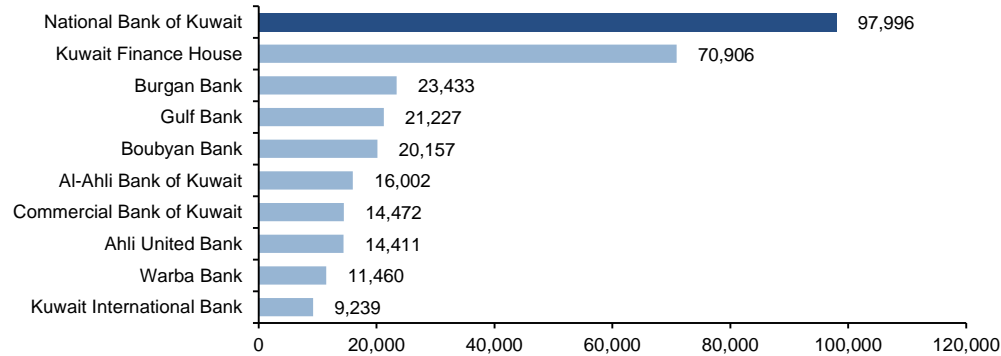
¹Loans refers to total credit facilities to residents and deposits refer to private resident deposits, all as reported by the Central Bank of Kuwait. ² Latest figure is for Oct 2021



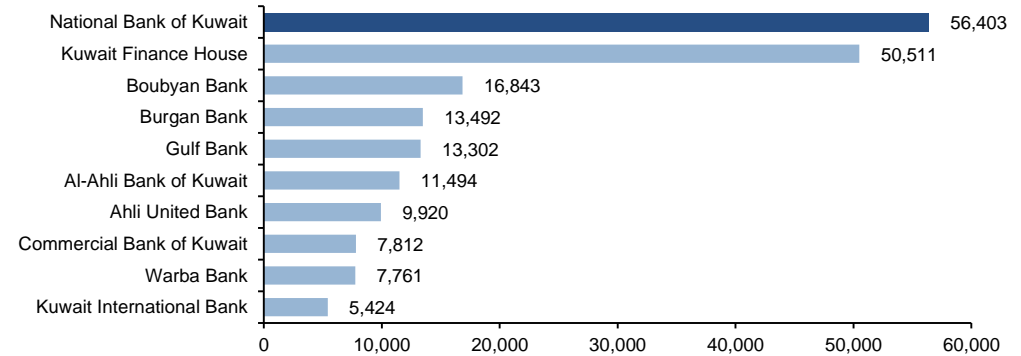
Dominant Kuwaiti Franchise

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

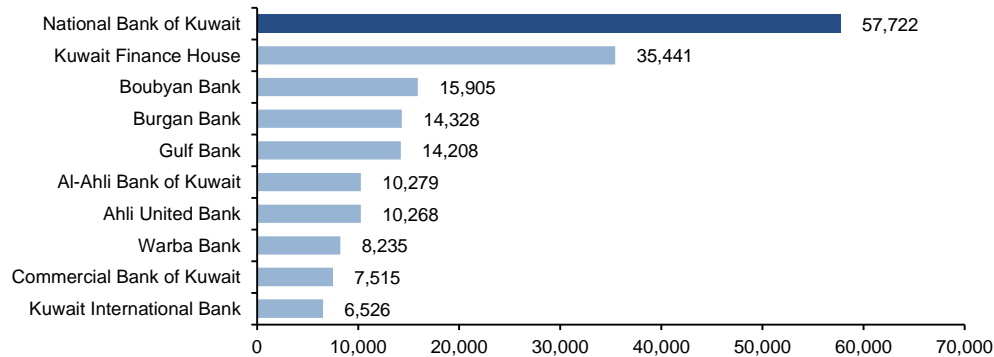
Total Assets (USD million)



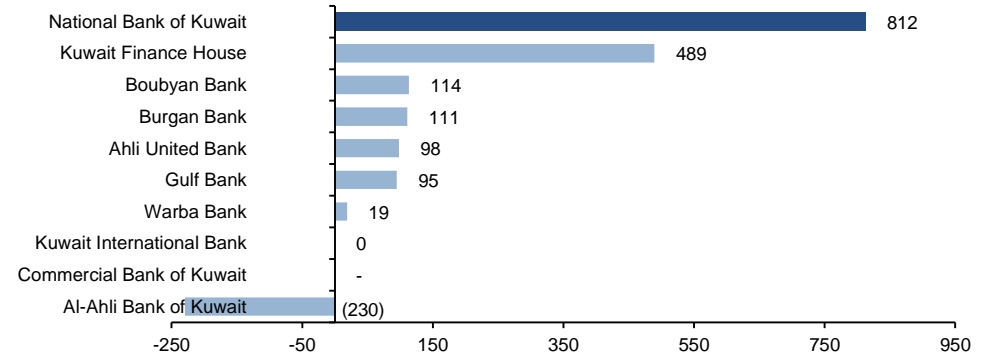
Customer Deposits (USD million)



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.

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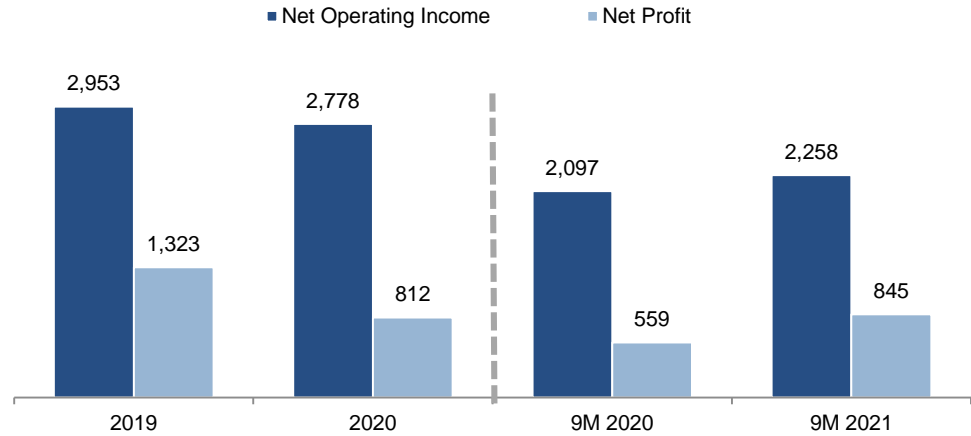
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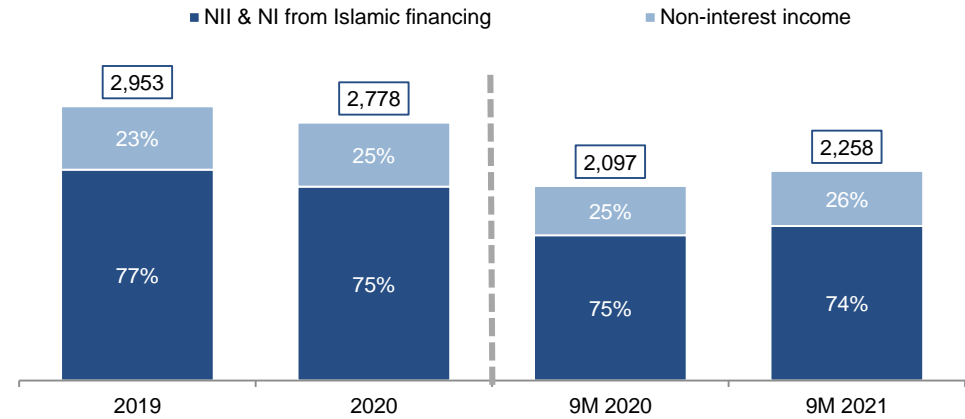


Operating Performance & Profitability

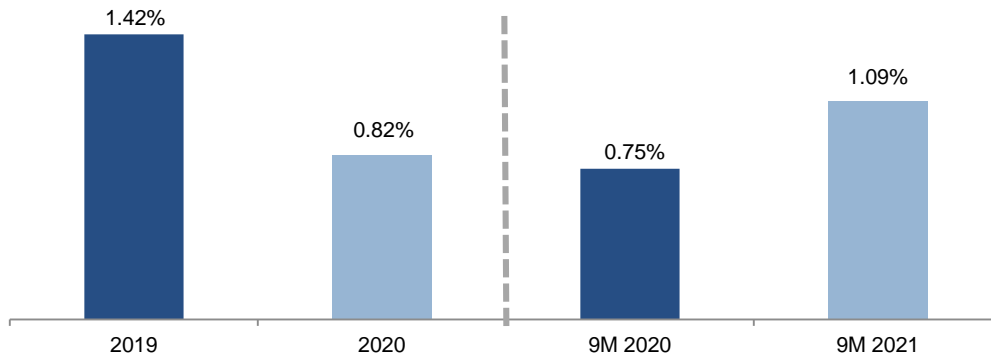
Profitability (USD mn)



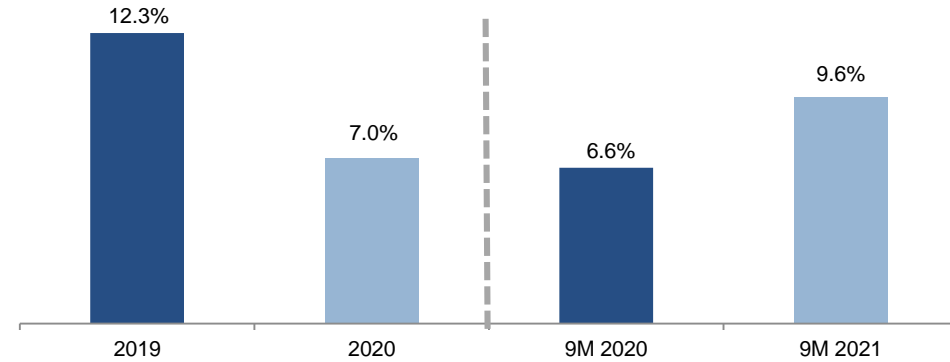
Operating Income Composition (USD mn)



Return on average assets (%)

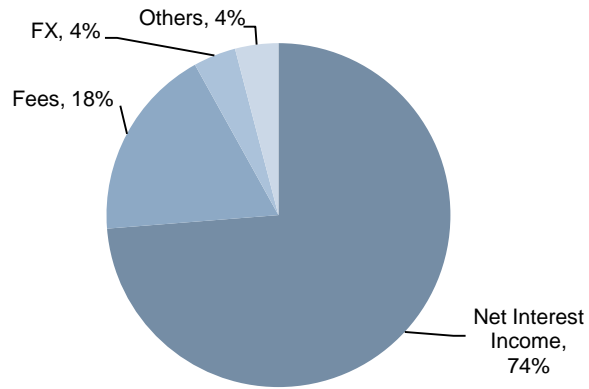


Return on average equity (%)

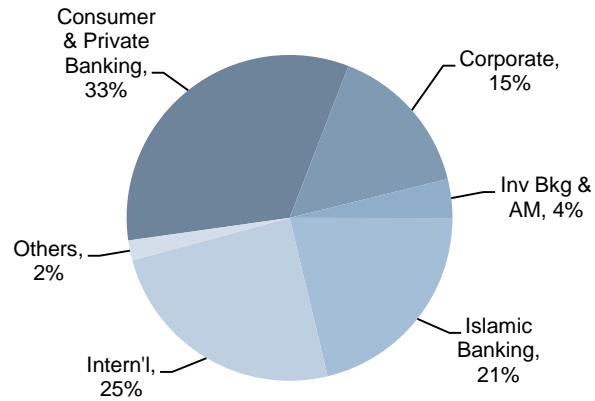


Operating Performance & Profitability (cont'd)

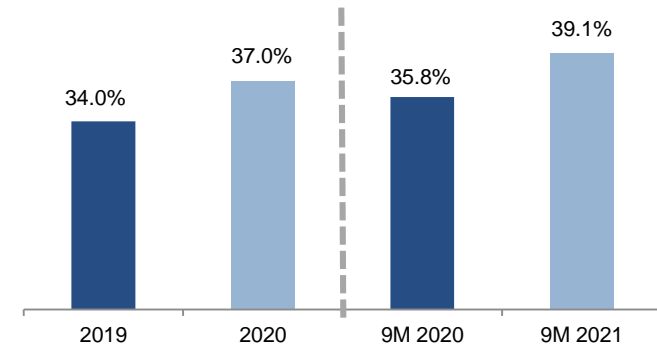
9M 2021 Op. income by type (%)



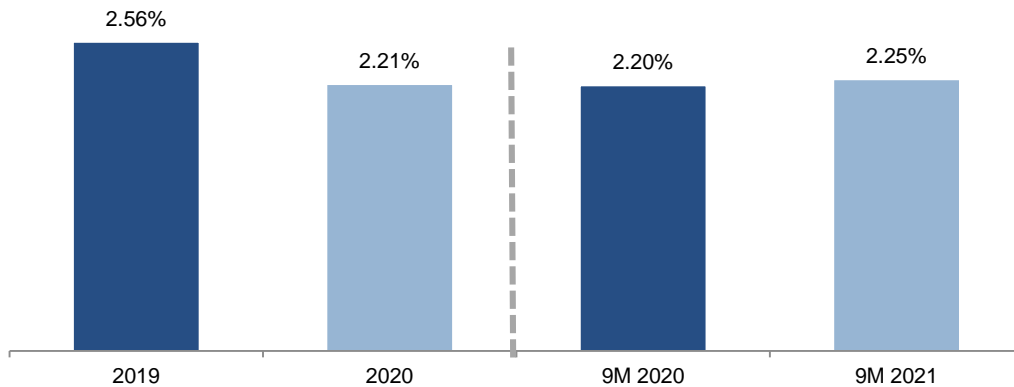
9M 2021 Op. income by business line (%)



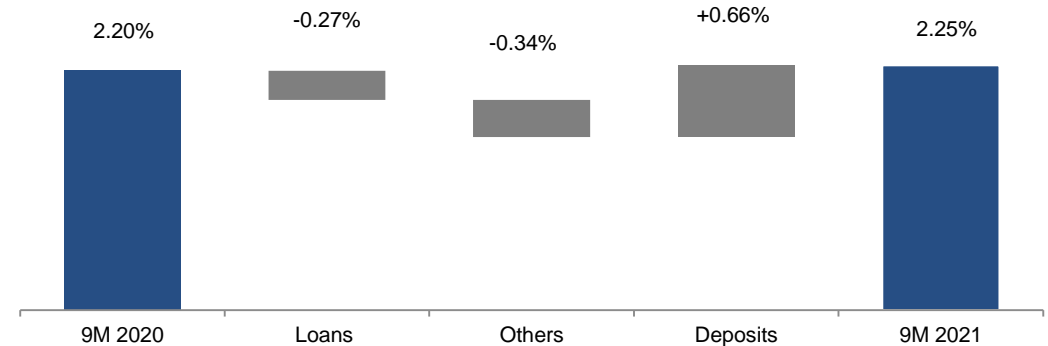
Cost to income (%)



Net Interest Margin (%)



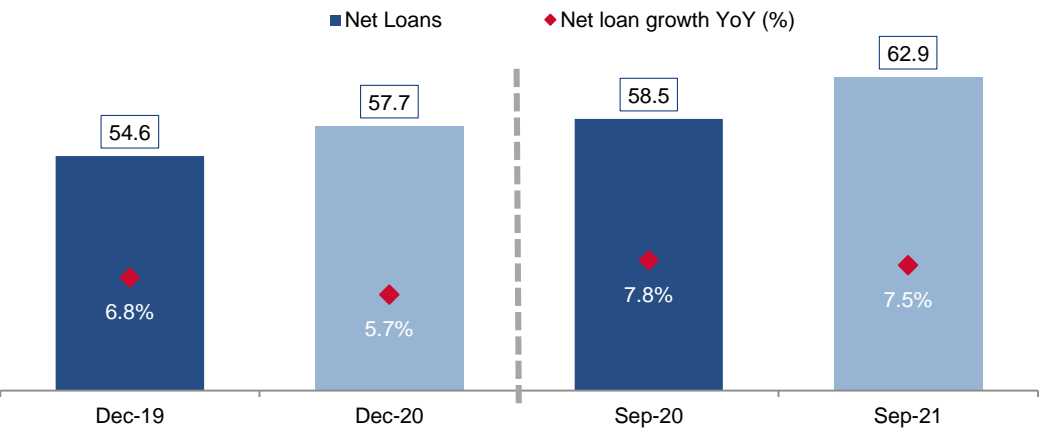
Net Interest Margin Drivers



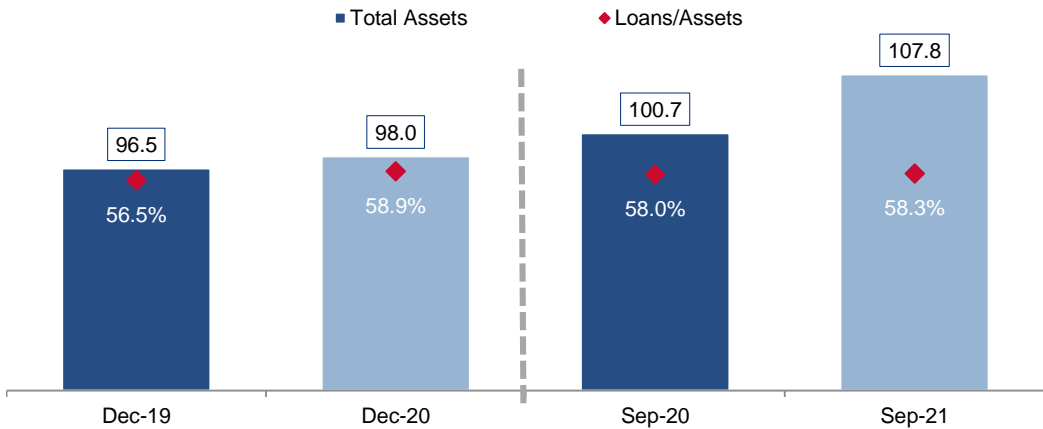


Balance Sheet Parameters

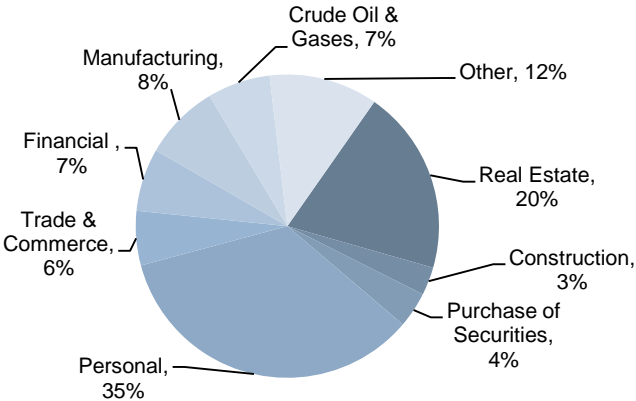
Net loan portfolio (USD bn)



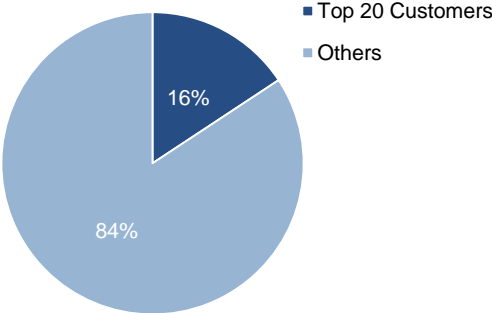
Loans to assets (USD bn)



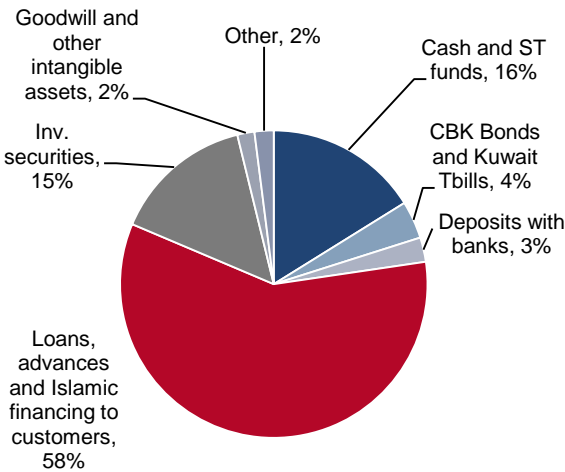
Loan exposure by sector (%) (as at 30 September 2021)



Low loan concentrations (as at 30 September 2021)



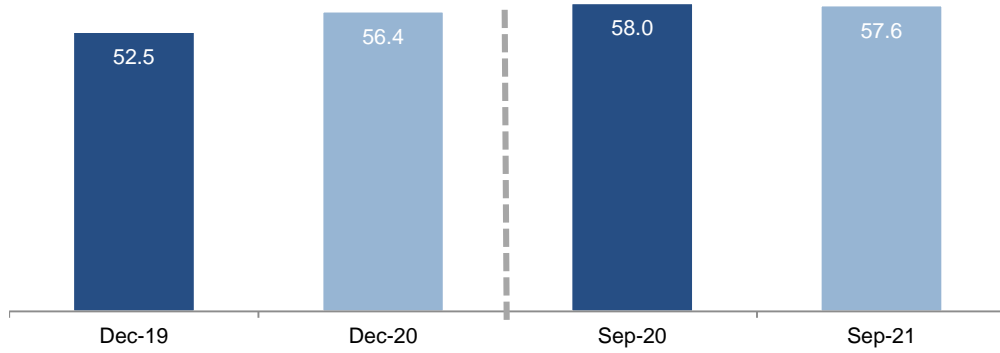
Assets by Type (as at 30 September 2021)



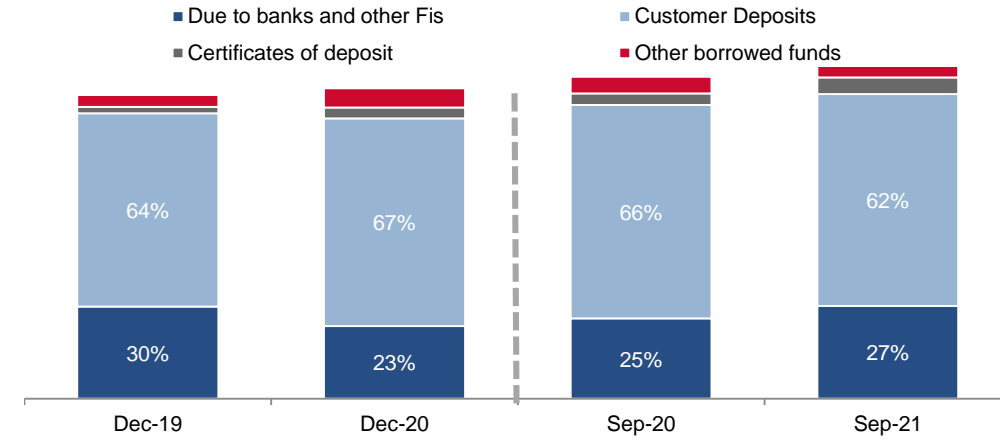


Funding and Liquidity Positions

Customer Deposits (USD bn)

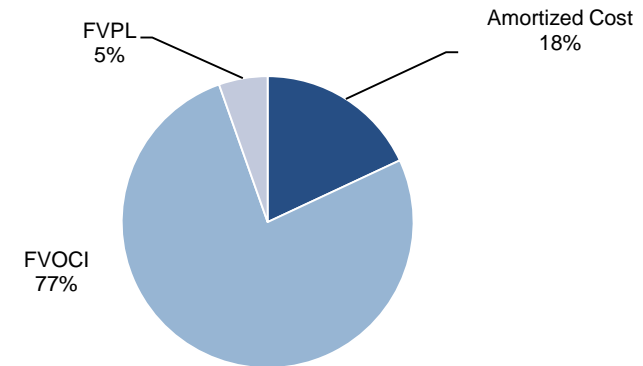
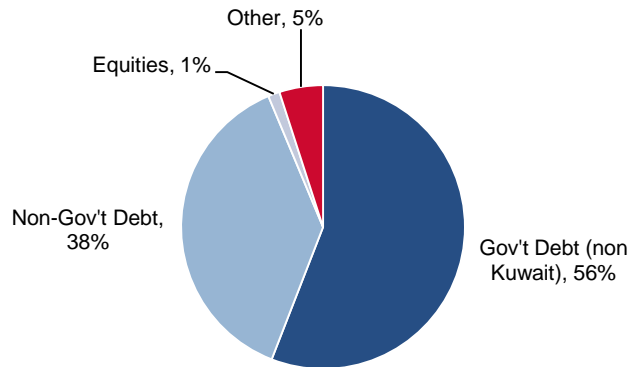


Funding Mix (Total Liabilities)



Overview of Investment Securities¹ – USD 15.6 bn

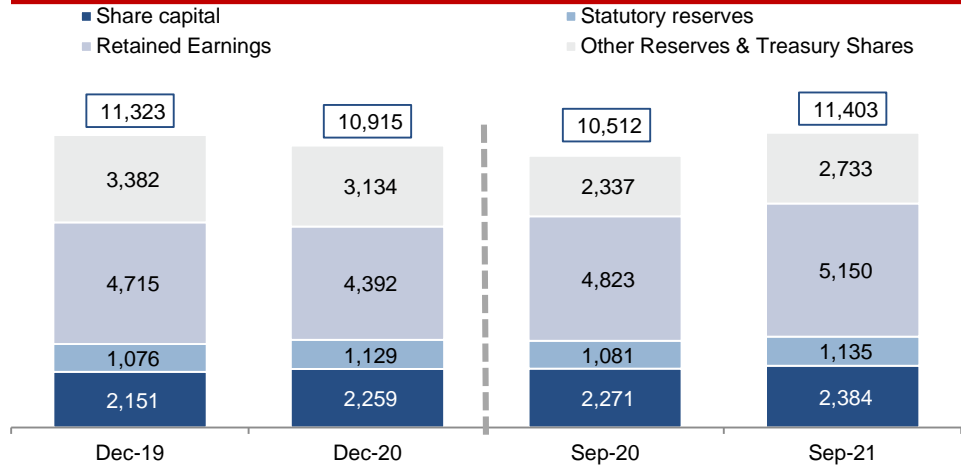
As at 31 December 2020



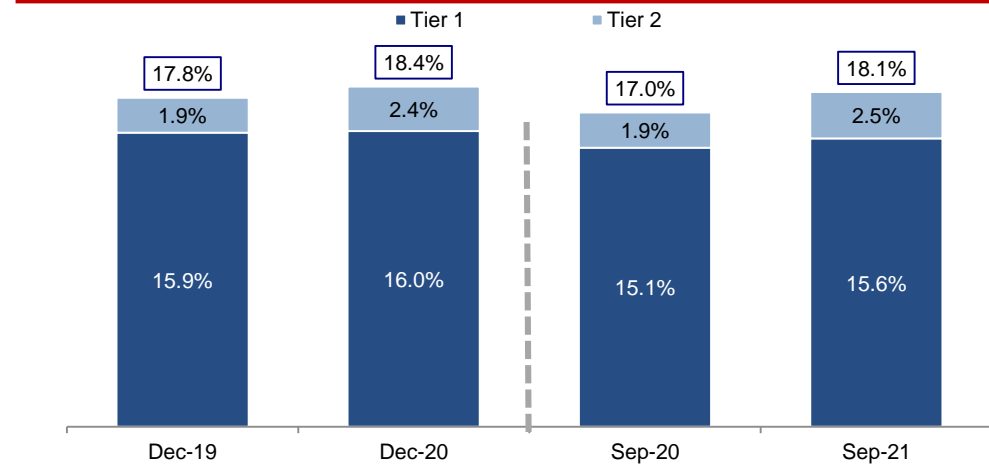
Notes:¹Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

Capitalization and Asset Quality

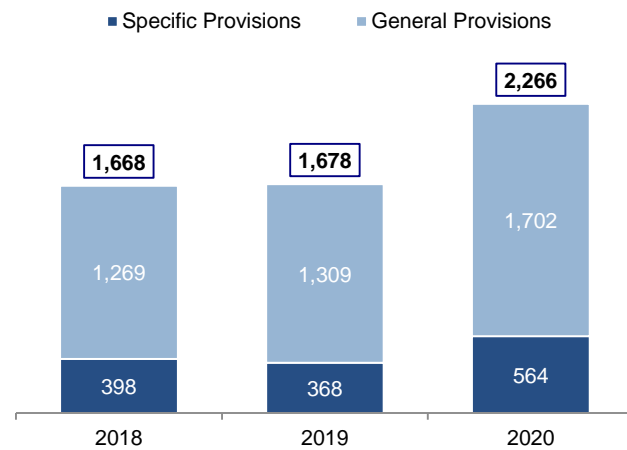
Total Equity¹ Breakdown (USD mn)



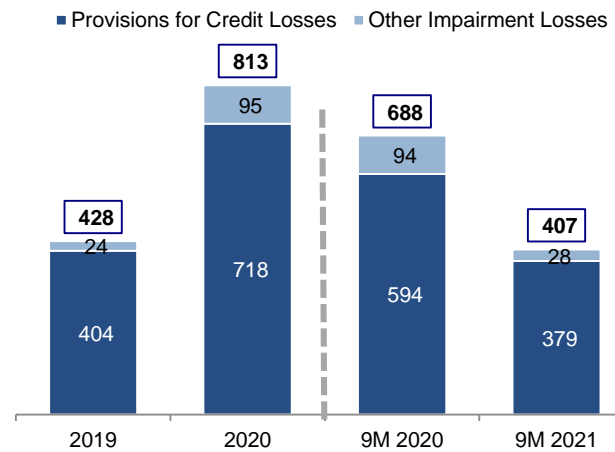
Prudent capitalization (%)



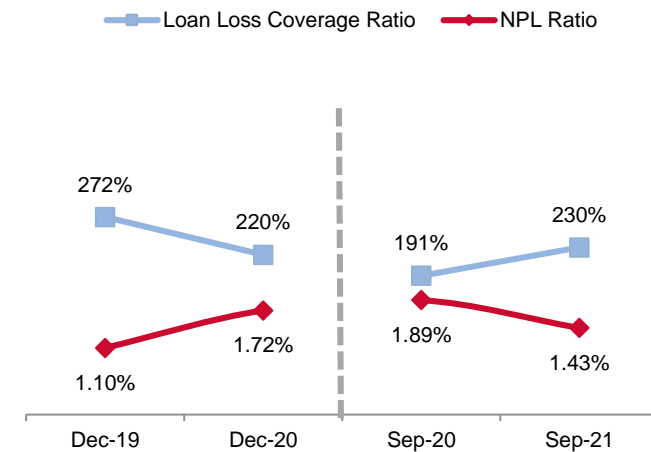
Prudent Provisioning (USD mn)



Provisions and Impairments Charges (USD mn)



Asset Quality Ratios (%)

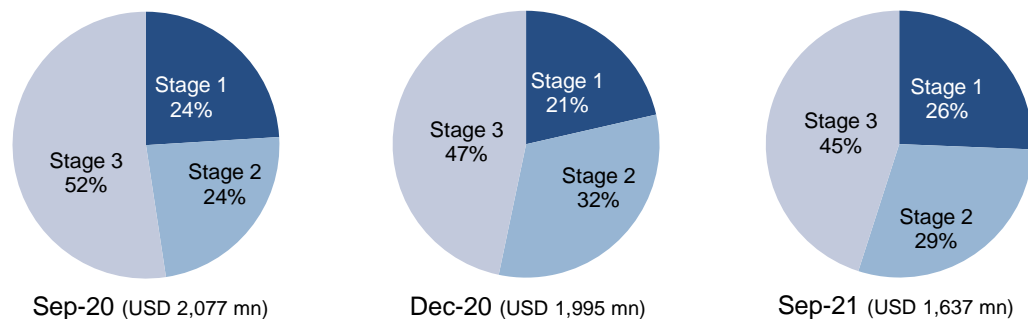


Expected Credit Losses (ECL) 9M 2021

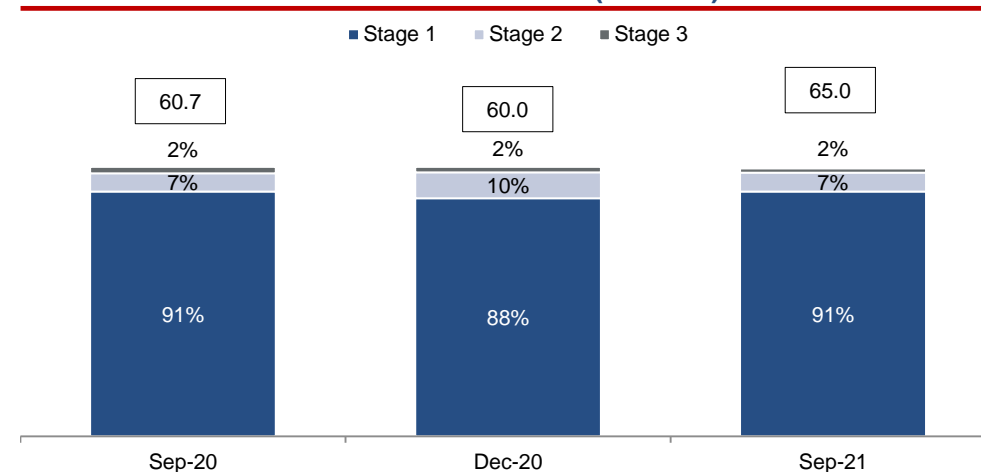
Financial Statements ECL Disclosure (USD mn)

30 September 2021	Stage 1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	59,069	4,913	1,006	64,988
Contingent liabilities	12,002	2,302	94	14,398
ECL allowance for credit facilities	420	480	737	1,637

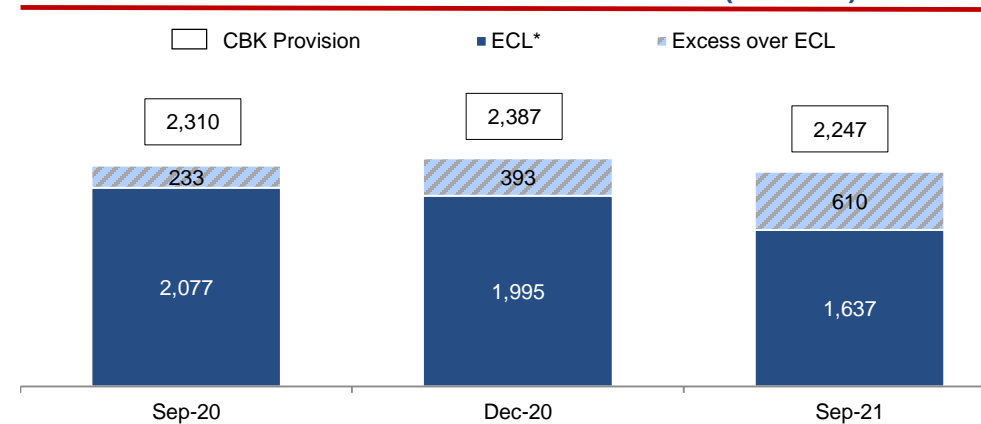
ECL Allowance for Credit Facilities



Total Gross Loans (USD bn)



CBK Credit Provisions vs IFRS 9 ECL (USD mn)



* ECLs as per CBK guidelines

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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.
New Refinery Project (NRP)	Oil & gas	3.90	New 615,000 bpd refinery by KNPC	Complete: Construction works are complete.
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 bids submitted.
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.
LNG Import and Regasification Terminal	Oil & gas	0.80	4 full containment LNG tanks each with a working capacity of 225,500 m ³ and a regasification plant with capacity of 1500 BBTU/day	Complete: The project is complete.
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.
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 9M 2021 (USD million)

<i>Income Statement (USD million)</i>	9M-2020	9M-2021	YoY Growth (%)
Interest Income	1,956	1,630	(17%)
Interest Expense	736	375	(49%)
Net Interest Income	1,220	1,255	3%
Murabaha and other Islamic financing income	561	566	(1%)
Distribution to depositors and Murabaha costs	215	156	(27%)
Net Income from Islamic financing	347	410	18%
NII and NI from Islamic financing	1,567	1,664	6%
Net fees and commissions	364	410	13%
Net investment income	2	79	NM
Net gains from dealing in foreign currencies	106	91	(14%)
Other operating income	58	13	(78%)
Non-interest income	530	593	12%
Net Operating Income	2,097	2,258	8%
Staff expenses	412	497	21%
Other administrative expenses	251	298	19%
Depreciation of premises and equipment	83	85	2%
Amortisation of intangible assets	4	4	0%
Operating Expenses	750	883	18%
Pre-provision profits (and impairments)	1,347	1,375	2%
Provision charge for credit losses and impairment losses	688	407	(41%)
Operating profit before taxation	659	967	47%
Taxation	71	84	19%
Non-controlling interest	29	39	35%
Profit attributable to shareholders of the Bank	559	845	51%

<i>Balance sheet (USD million)</i>	September-2020	September-2021	YoY Growth (%)
Cash and short term funds	14,603	17,291	18%
Central Bank of Kuwait bonds	2,754	2,754	0%
Kuwait Government Treasury bonds	1,583	1,481	(6%)
Deposits with banks	3,681	2,749	(25%)
Loans, advances and Islamic financing to customers	58,460	62,855	8%
Investment securities	15,362	15,859	3%
Investment in associates	21	14	(34%)
Land, premises and equipment	1,411	1,481	5%
Goodwill and other intangible assets	1,935	1,928	0%
Other assets	914	1,356	48%
Total Assets	100,723	107,767	7%
Due to banks and other financial institutions	21,788	25,180	16%
Customer deposits	58,012	57,567	(1%)
Certificates of deposit issued	3,145	4,544	44%
Other borrowed funds	1,957	3,689	88%
Other liabilities	2,570	2,331	(9%)
Total Liabilities	87,472	93,310	7%
Share capital	2,271	2,384	5%
Proposed bonus shares	-	-	NM
Statutory reserve	1,081	1,135	5%
Share premium account	2,662	2,662	0%
Treasury shares	(130)	-	NM
Treasury share reserve	83	116	39%
Other reserves	4,545	5,105	12%
Equity attributable to shareholders	10,512	11,403	8%
Perpetual Tier 1 Capital Securities	1,453	1,455	0%
Non-controlling interests	1,285	1,598	24%
Total equity	13,251	14,456	9%
Total liabilities and equity	100,723	107,767	7%

Consolidated Statement Of Income *(USD million)*

<i>USD million</i>	2018	2019	2020
Interest Income	2,959	3,253	2,496
Interest Expense	1,091	1,390	880
Net Interest Income	1,868	1,863	1,617
Murabaha and other Islamic financing income	614	697	742
Finance cost and Distribution to depositors	204	287	270
Net Income from Islamic financing	409	410	472
Net interest income and net income from Islamic financing	2,277	2,273	2,089
Net fees and commissions	495	518	481
Net investment income	7	28	7
Net gains from dealing in foreign currencies	129	130	126
Other operating income	5	5	75
Non-interest income	636	680	689
Net Operating Income	2,913	2,953	2,778
Staff expenses	528	579	575
Other administrative expenses	325	326	337
Depreciation of premises and equipment	48	87	110
Amortisation of intangible assets	10	11	5
Operating Expenses	911	1,003	1,027
Op. profit before provision for credit losses and impairment losses	2,001	1,950	1,751
Provision charge for credit losses	558	404	718
Impairment losses	34	24	95
Operating profit before taxation	1,409	1,522	938
Taxation	110	117	85
Non-controlling interest	77	81	41
Profit attributable to shareholders of the Bank	1,222	1,323	812

Consolidated Statement Of Financial Position *(USD million)*

<i>USD million</i>	2018	2019	2020
Cash and short term funds	9,783	12,489	12,782
Central Bank of Kuwait bonds	2,671	2,715	2,738
Kuwait Government treasury bonds	2,876	2,184	1,527
Deposits with banks	7,796	6,295	3,388
Loans, advances and Islamic financing to customers	51,124	54,584	57,722
Investment securities	12,129	13,898	15,594
Investment in associates	104	116	17
Land, premises and equipment	1,196	1,430	1,408
Goodwill and other intangible assets	1,909	1,922	1,919
Other assets	859	891	812
Total Assets	90,447	96,524	97,996
Due to banks and other financial institutions	26,679	25,002	19,725
Customer deposits	47,449	52,533	56,403
Certificates of deposit issued	1,488	1,776	3,030
Other borrowed funds	1,137	1,161	2,667
Other liabilities	1,488	2,007	2,516
Total Liabilities	78,241	82,478	84,341
Share capital	2,049	2,151	2,259
Proposed bonus shares	102	108	113
Statutory reserve	1,024	1,076	1,129
Share premium account	2,648	2,648	2,648
Treasury shares	(216)	(129)	-
Treasury share reserve	46	83	115
Other reserves	4,777	5,387	4,650
Equity attributable to shareholders of the bank	10,431	11,323	10,915
Perpetual Tier 1 Capital Securities	695	1,446	1,446
Non-controlling interests	1,079	1,276	1,295
Total equity	12,205	14,045	13,656
Total liabilities and equity	90,447	96,524	97,996



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Useful information

Download copies of NBK's:

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



National Bank of Kuwait

Investor Presentation

October 2021