



National Bank of Kuwait

Investor Presentation

1Q 2021 Earnings Call

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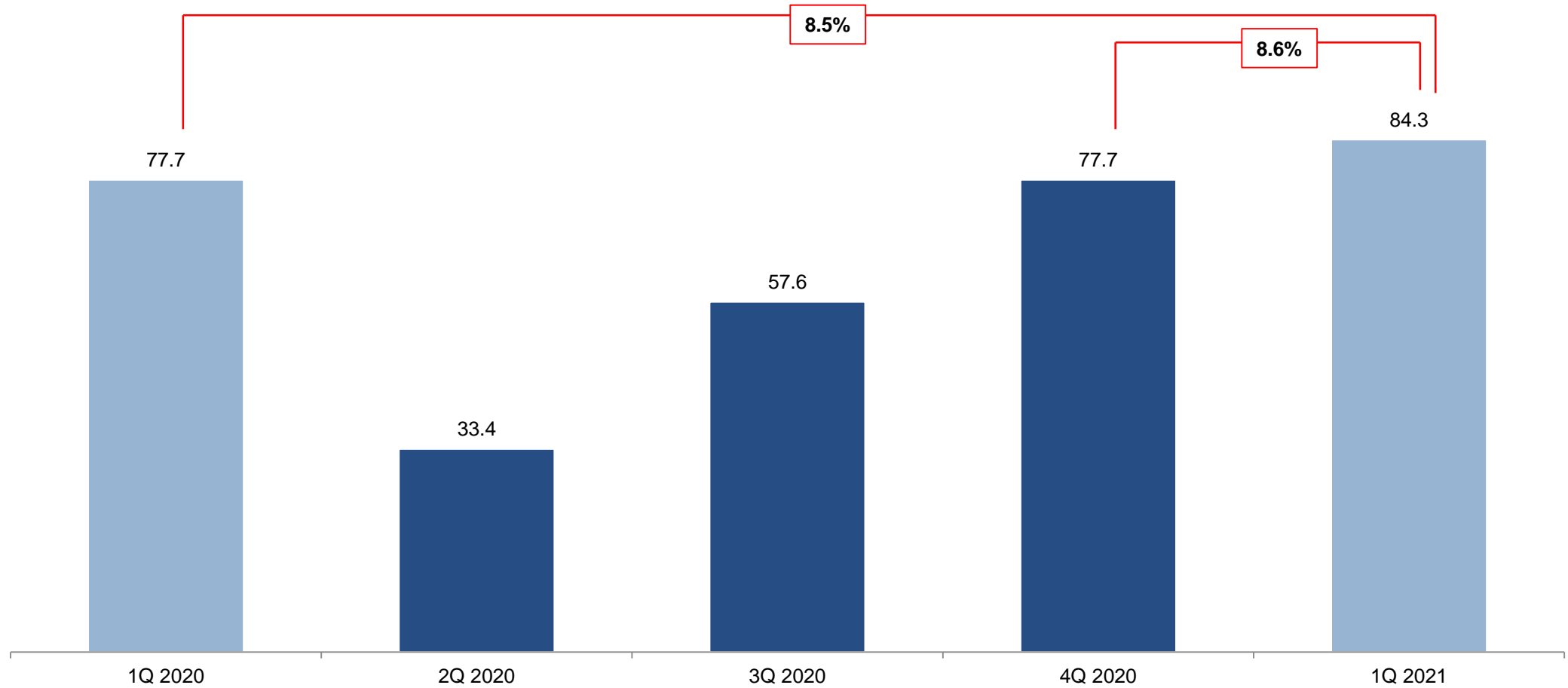
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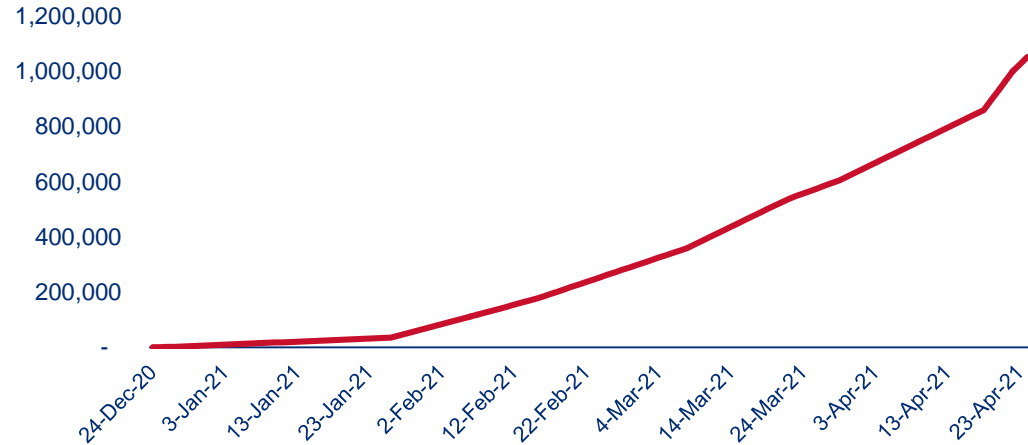
NBK Profitability (KDm)

Net Profit Attributable

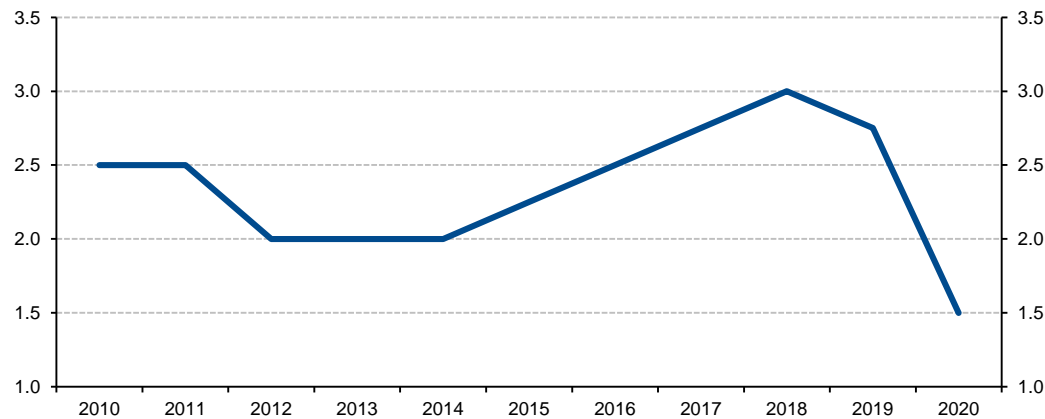


Key Econ and Financial Highlights

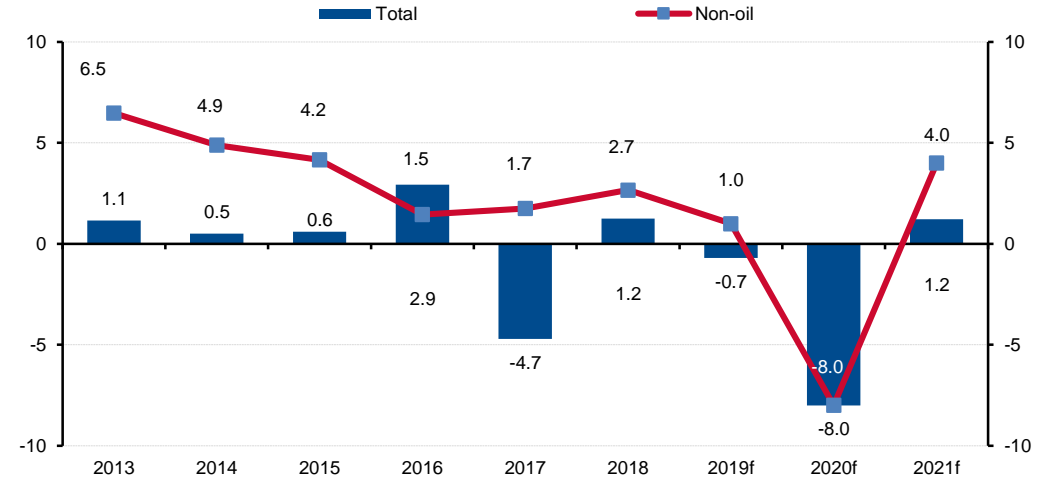
COVID-19 Vaccine Doses Administered



Development of the Discount Rate (%)



Real GDP (% y/y)



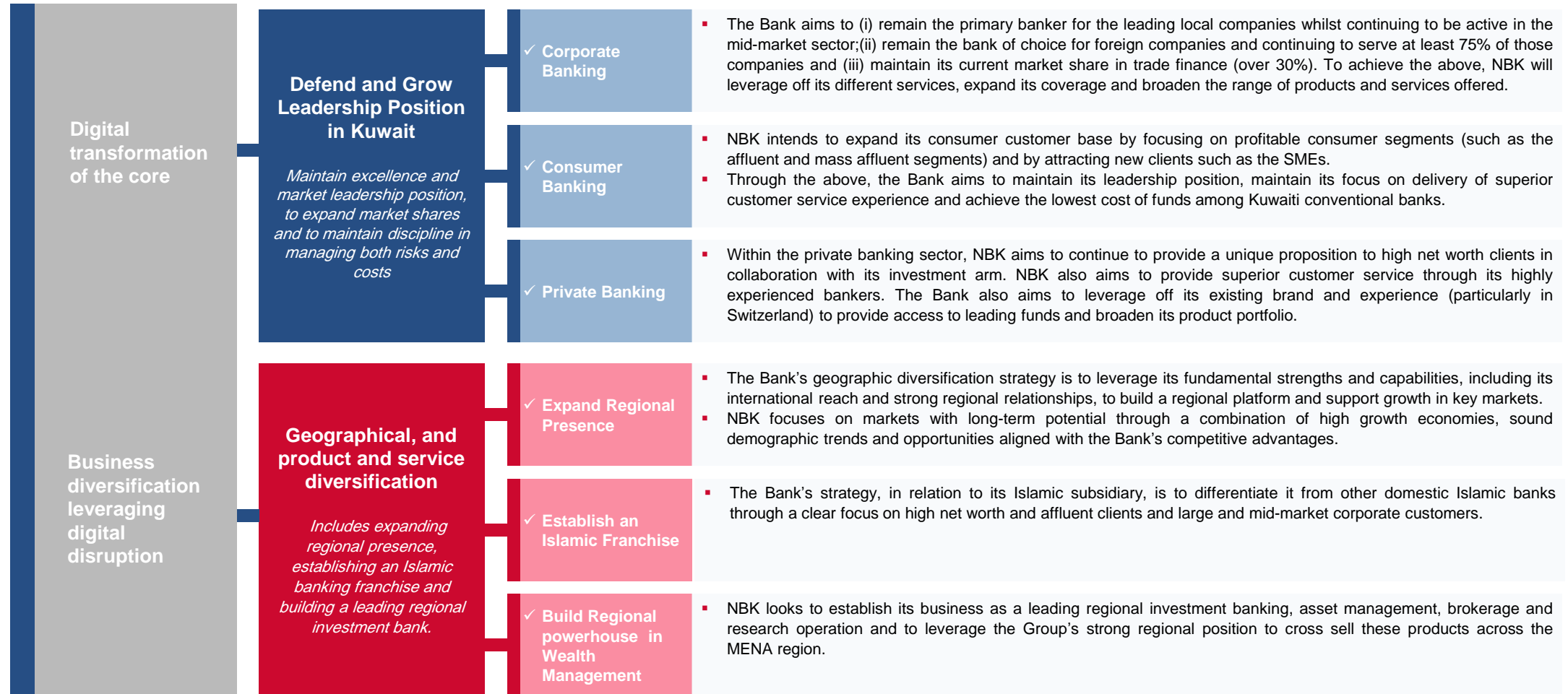
NBK Credit Ratings

Rating Agency	Long Term Rating	Standalone Rating	Outlook
MOODY'S	A1	a3	Stable
STANDARD & POOR'S	A	a-	Stable
FitchRatings	AA-	a-	Negative



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



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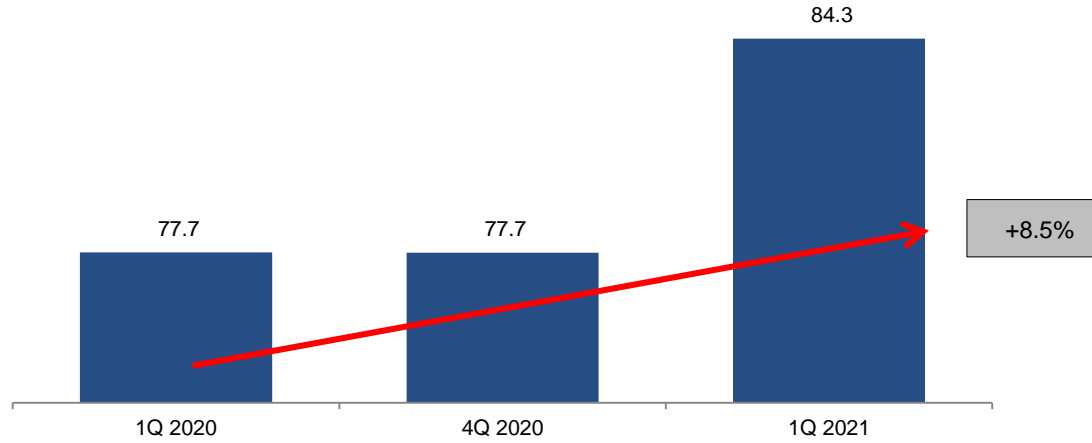
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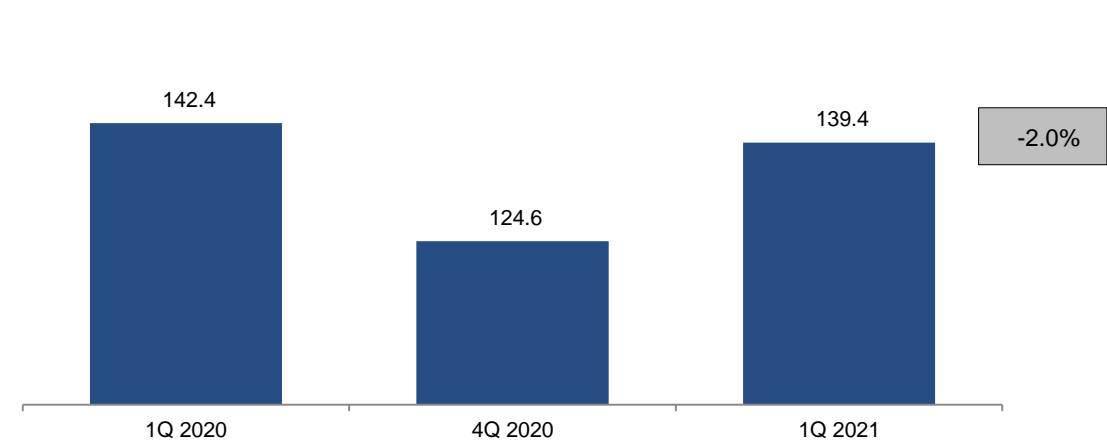


Operating Performance 1Q 2021

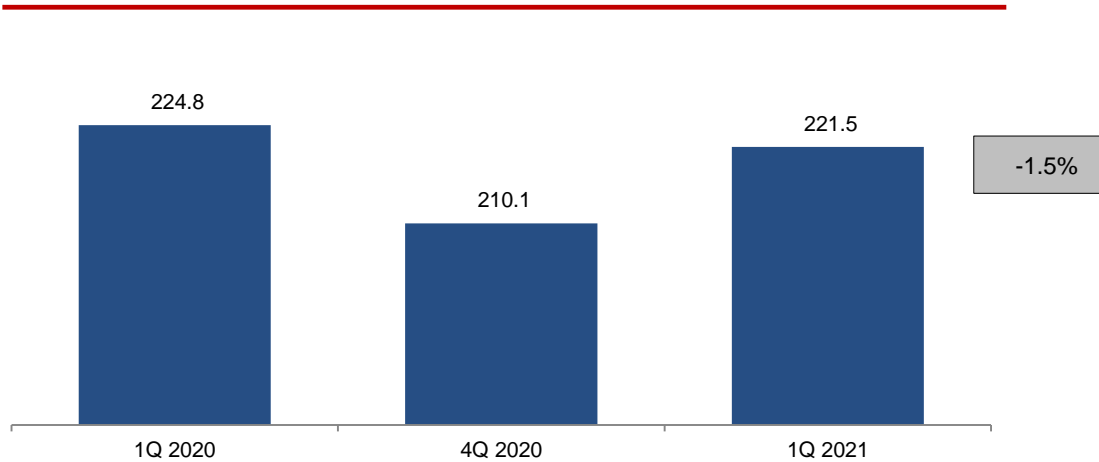
Net Profit (KDm)



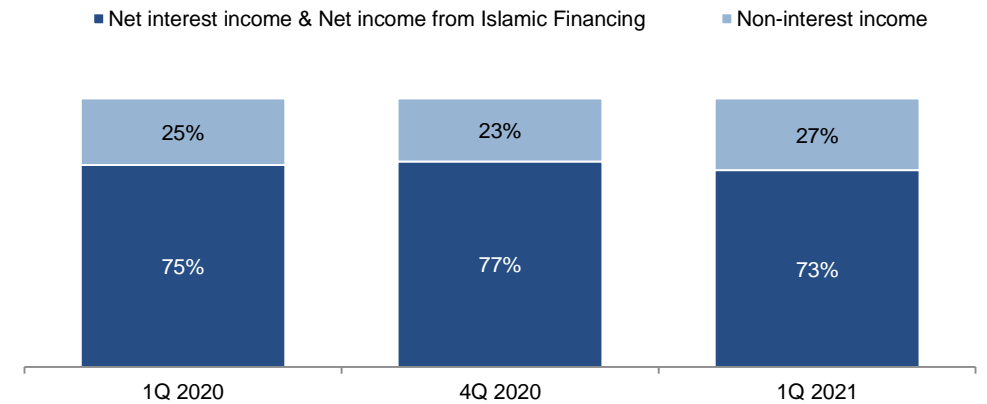
Operating Surplus (KDm)



Operating Income (KDm)



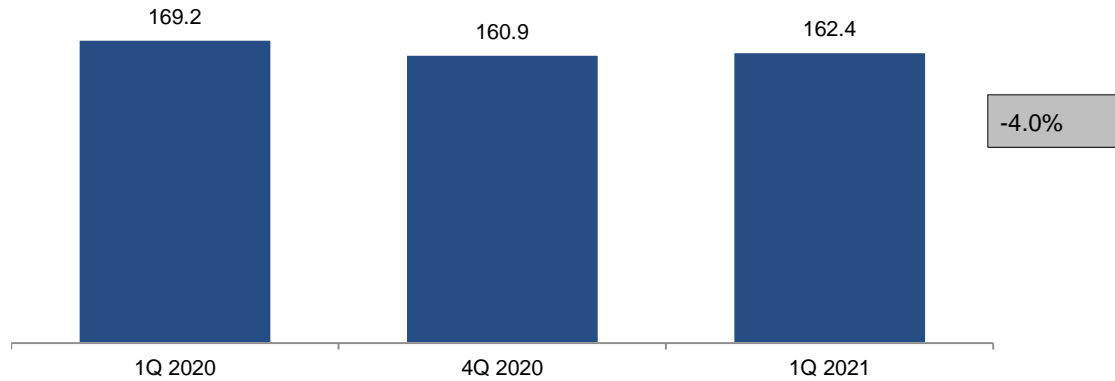
Operating Income Composition



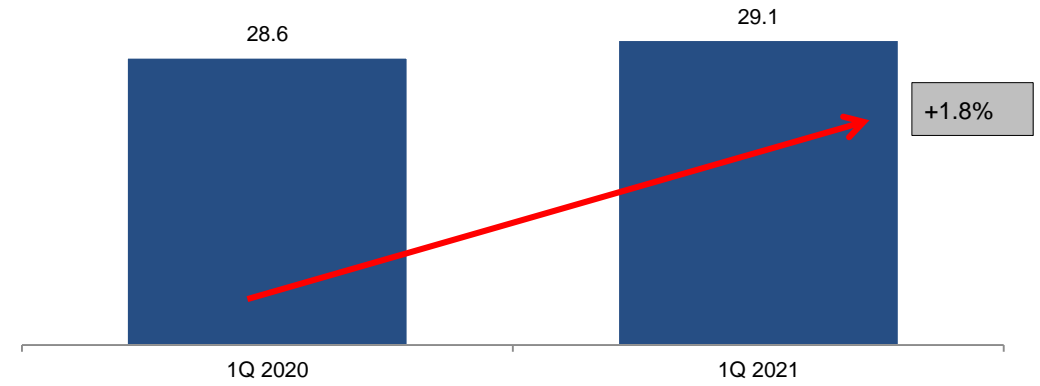


Operating Performance 1Q 2021

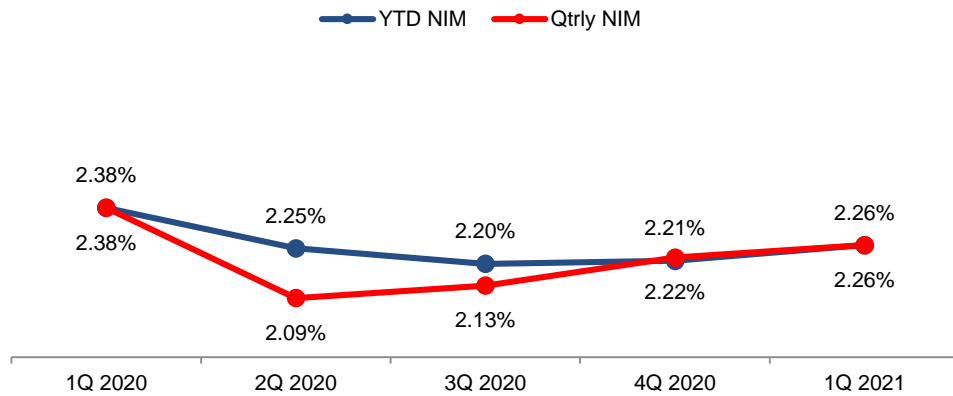
Net Interest Income* (KDm)



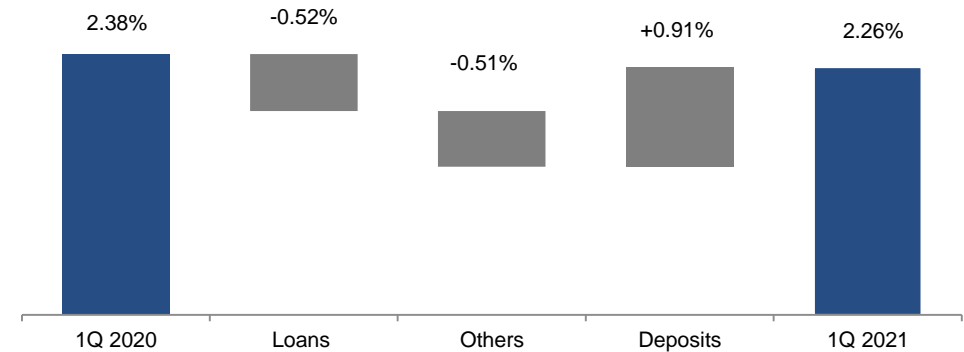
Average Interest Earning Assets (KDbn)



Net Interest Margin*



Net Interest Margin drivers



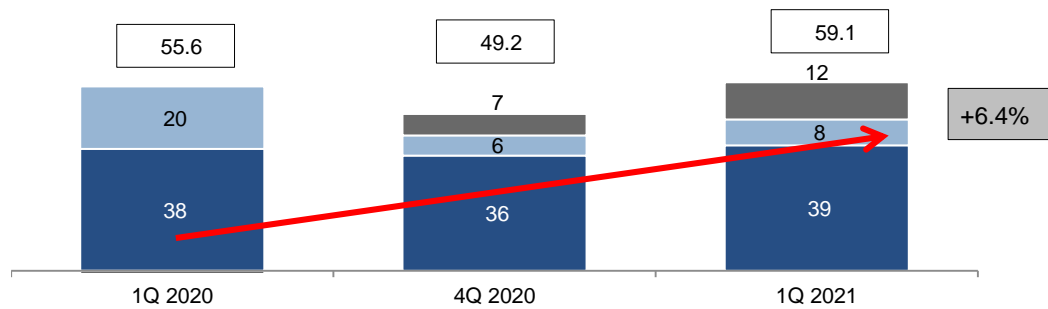
*Includes net interest income and net income from Islamic Financing



Operating Performance 1Q 2021

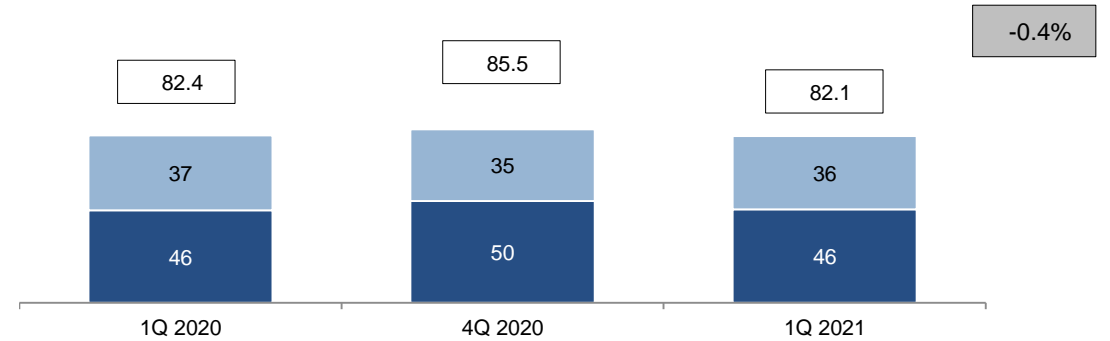
Non-interest income (KDM)

■ Net fees and commissions ■ Net gains from dealing in FX ■ Other non-interest income

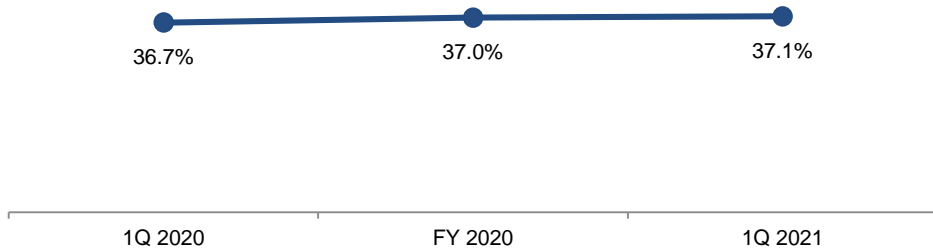


Operating Expenses (KDM)

■ Staff expenses ■ Other operating expenses

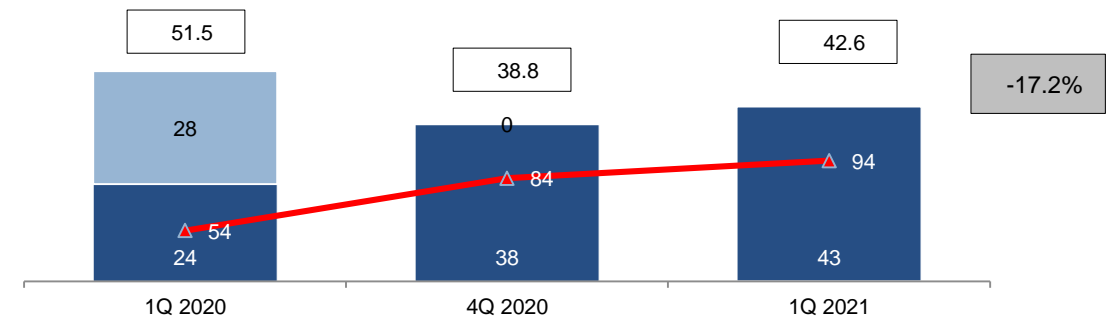


Cost to Income ratio



Provisions and Impairments (KDM)

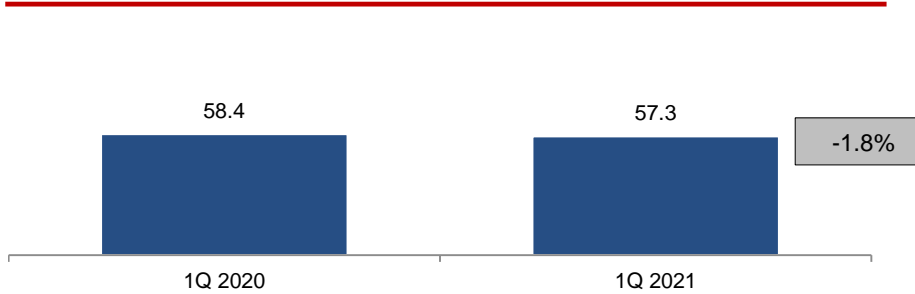
■ Prov chg for credit losses ■ Other impairment losses ▲ Cost of Risk



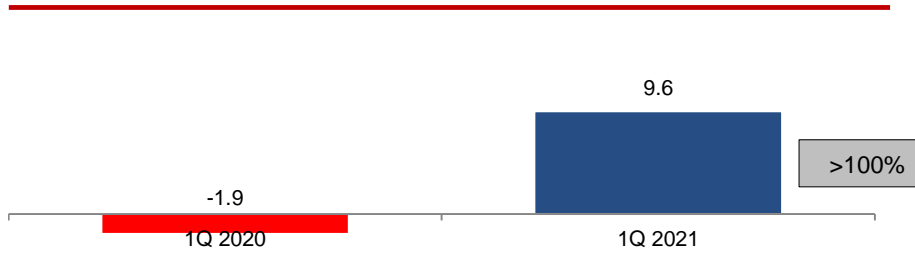


Operating Performance 1Q 2021

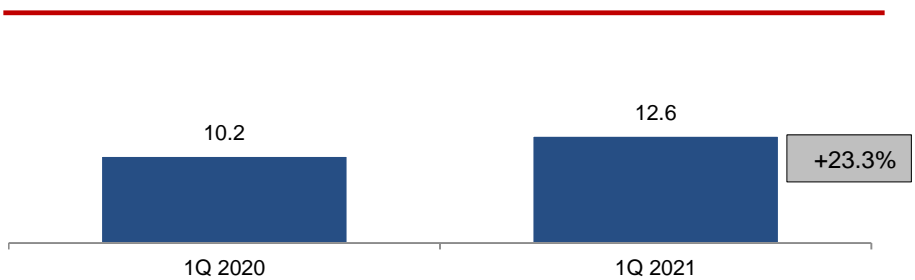
Operating Income (KDm) - International



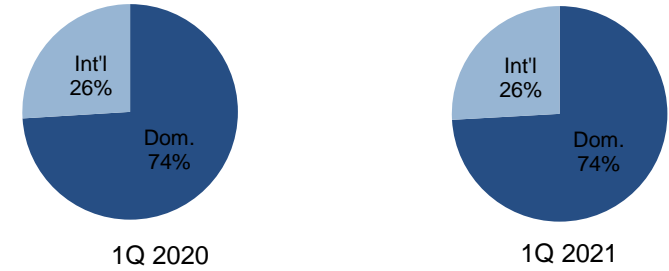
Net profit (KDm) - International



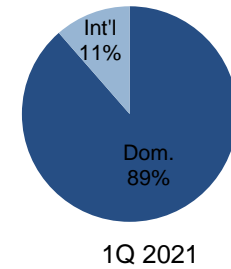
Net profit (KDm) - Boubyan Bank



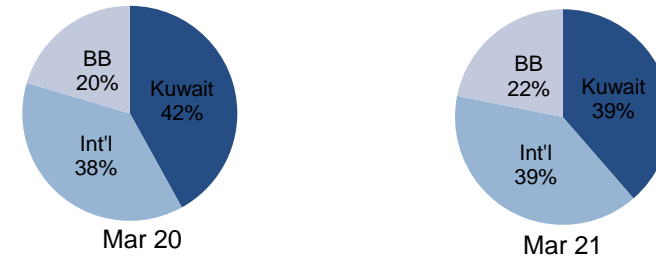
Operating Income (KDm)



Net Profit (KDm)



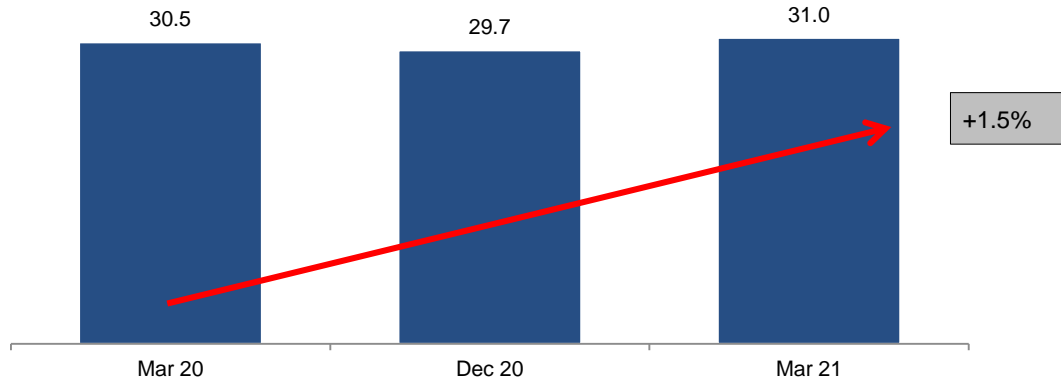
Total Assets (KD'bn)



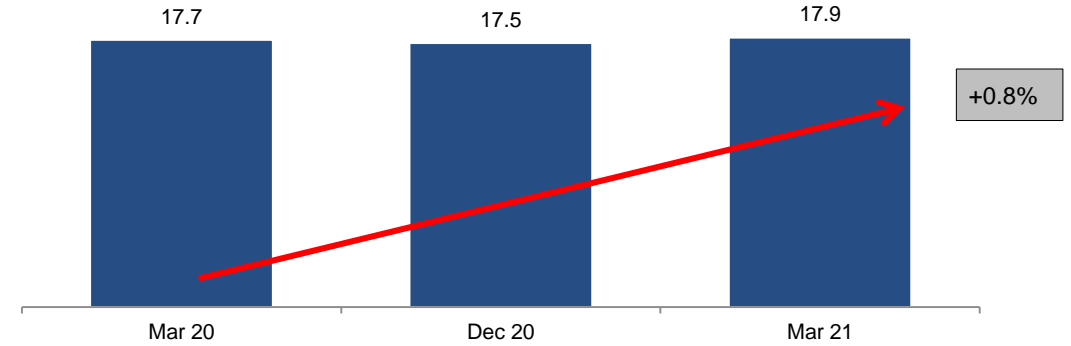


Operating Performance 1Q 2021

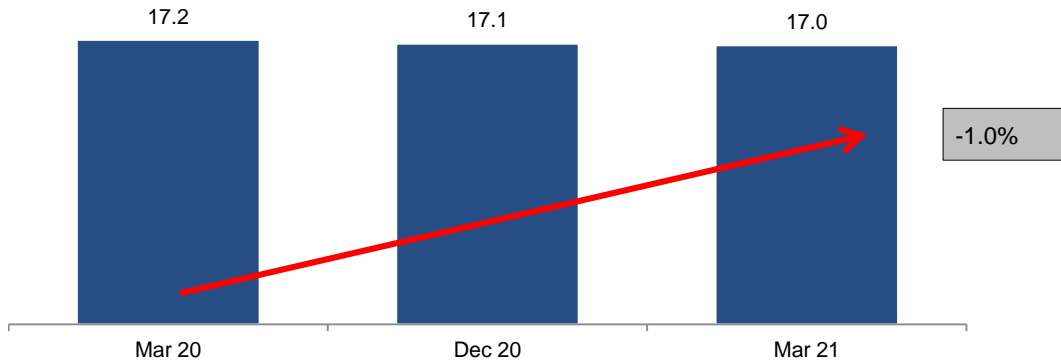
Total Assets (KDbn)



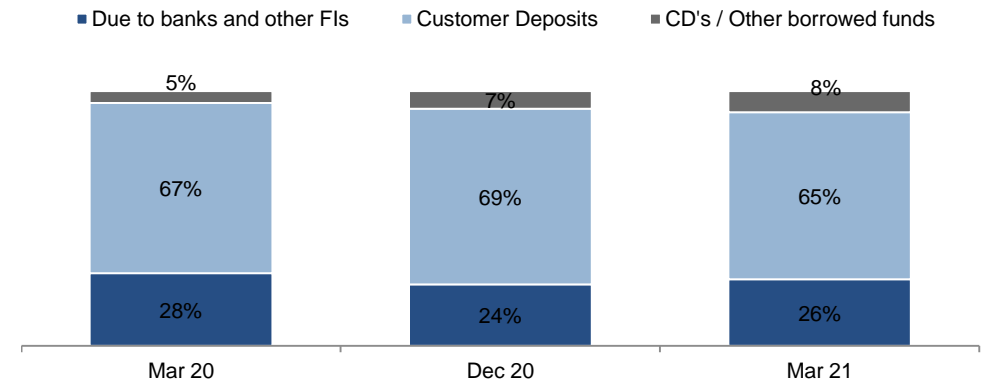
Loans, Advances and Islamic Financing (KDbn)



Customer Deposits (KDbn)



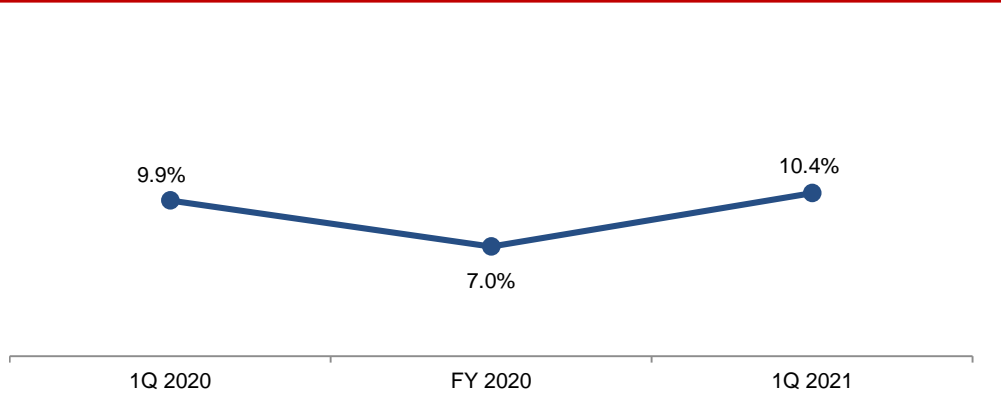
Funding Mix



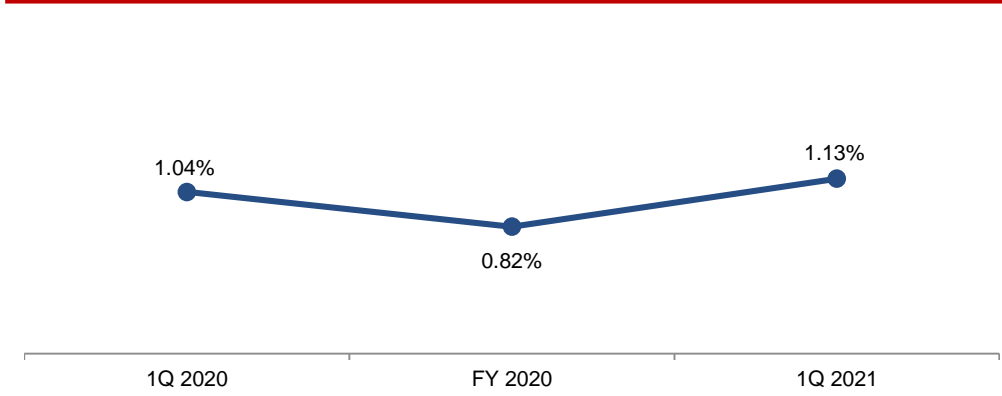


Performance and Asset Quality Ratios 1Q 2021

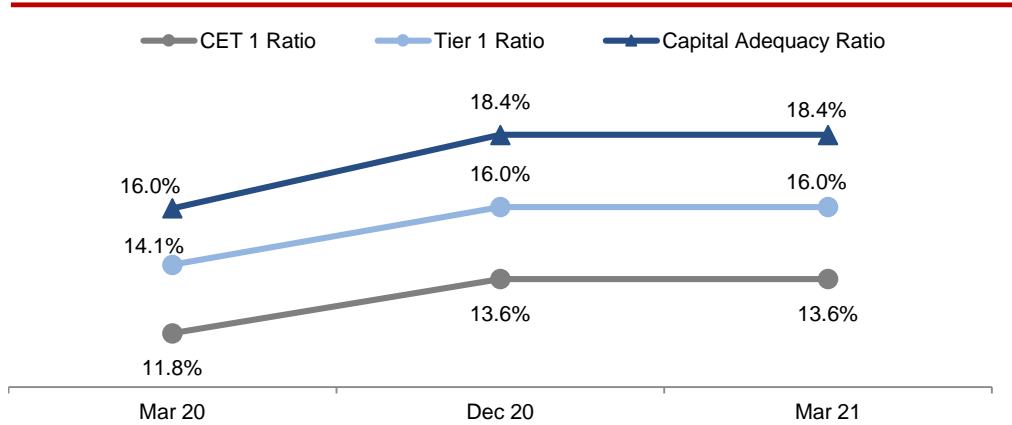
Return on Average Equity



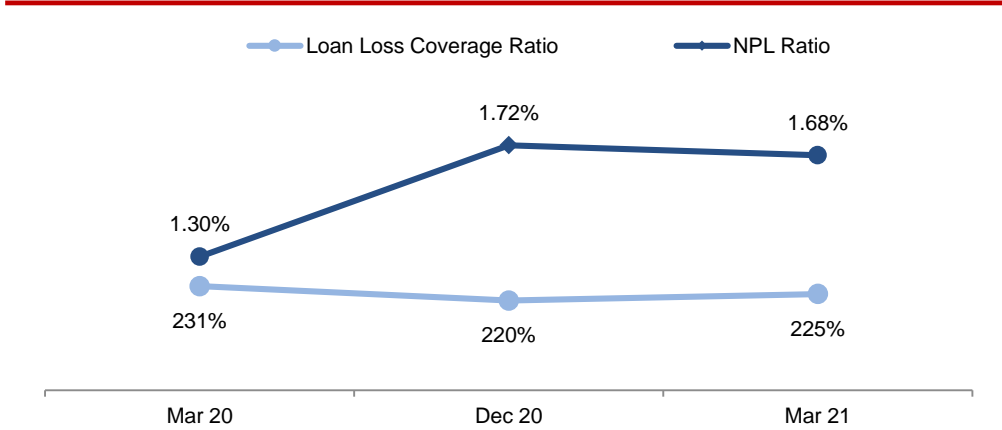
Return on Average Assets



Capital Adequacy Ratios



Asset Quality Ratios

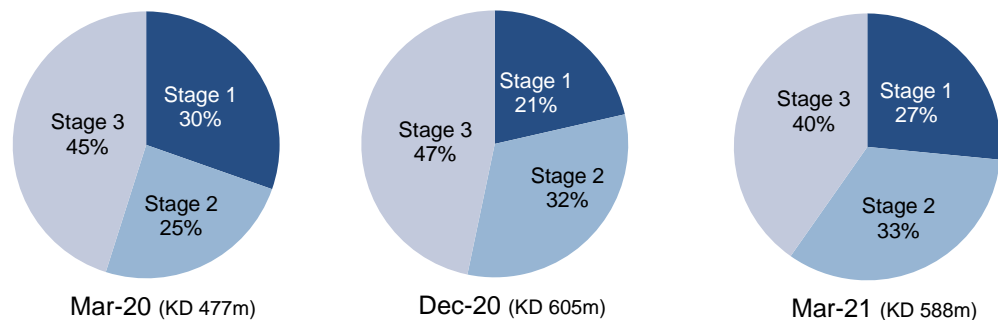


Expected Credit Losses (ECL) 1Q 2021

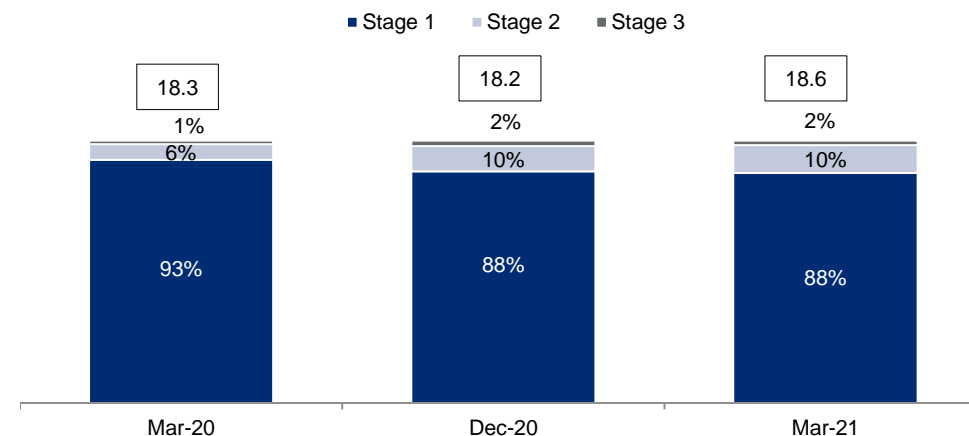
Financial Statements ECL Disclosure (KD'm)

31 March 2021	Stage1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	16,282	1,961	310	18,553
Contingent liabilities	3,852	715	13	4,580
ECL allowance for credit facilities	156	195	237	588

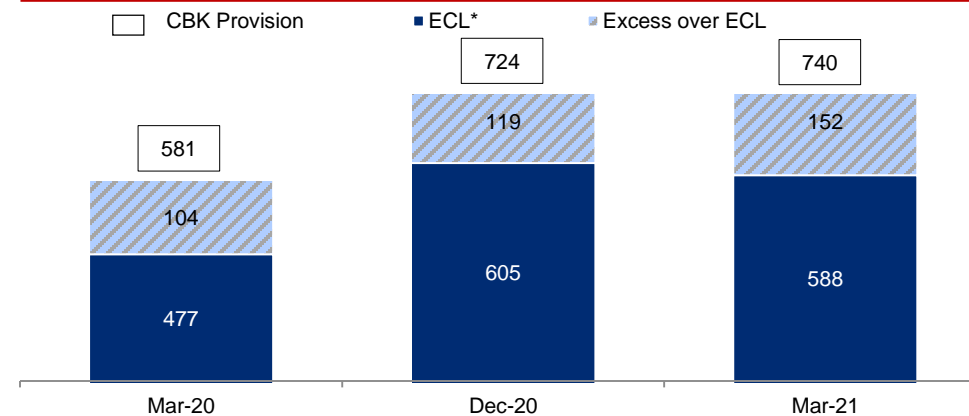
ECL Allowance for Credit Facilities (KD'm)



Total Gross Loans (KD'bn)



CBK Credit Provisions vs IFRS 9 ECL (KD'm)



* ECLs as per CBK guidelines



2021 Guidance

	1Q 2021	2021 Guidance
Loan Growth	+0.8%	Mid To High Single Digit
NIM	2.26%	Broadly Stable
Cost to Income ratio	37.1%	High 30s
Cost of Risk	<i>94bps</i>	
Earnings	<i>+8.5% yoy</i>	
Capital Adequacy	<i>18.4%</i>	

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Consolidated Statement Of Income *(KDM)*

<i>KDM</i>	1Q-2020	1Q-2021	YoY Growth (%)
Interest Income	228	160	(30%)
Interest Expense	93	38	(59%)
Net Interest Income	136	122	(10%)
Murabaha and other Islamic financing income	58	56	(4%)
Finance cost and Distribution to depositors	25	16	(37%)
Net Income from Islamic financing	34	40	20%
Net interest income and net income from Islamic financing	169	162	(4%)
Net fees and commissions	38	39	3%
Net investment income	(3)	8	NM
Net gains from dealing in foreign currencies	20	8	(58%)
Other operating income	1	3	NM
Non-interest income	56	59	6%
Net Operating Income	225	222	(1%)
Staff expenses	46	46	1%
Other administrative expenses	28	27	(5%)
Depreciation of premises and equipment	8	8	5%
Amortisation of intangible assets	0	0	0%
Operating Expenses	82	82	0%
Op. profit before provision for credit losses and impairment losses	142	139	(2%)
Provision charge for credit losses	24	43	80%
Impairment losses	28	(0)	NM
Operating profit before taxation	91	97	7%
Taxation	9	8	(13%)
Non-controlling interest	4	5	13%
Profit attributable to shareholders of the Bank	78	84	9%

Consolidated Statement Of Financial Position *(KDM)*

<i>KDM</i>	Mar-2020	Mar-2021	YoY Growth %
Cash and short term funds	3,773	4,705	25%
Central Bank of Kuwait bonds	826	831	1%
Kuwait Government treasury bonds	612	456	(26%)
Deposits with banks	1,864	1,171	(37%)
Loans, advances and Islamic financing to customers	17,718	17,851	1%
Investment securities	4,419	4,730	7%
Investment in associates	7	5	(25%)
Land, premises and equipment	450	429	(5%)
Goodwill and other intangible assets	585	581	(1%)
Other assets	287	243	(15%)
Total Assets	30,541	31,001	2%
Due to banks and other financial institutions	7,342	6,807	(7%)
Customer deposits	17,221	17,043	(1%)
Certificates of deposit issued	607	1,378	NM
Other borrowed funds	594	792	33%
Other liabilities	860	713	(17%)
Total Liabilities	26,624	26,735	0%
Share capital	685	719	5%
Proposed bonus shares	-	-	0%
Statutory reserve	326	343	5%
Share premium account	803	803	0%
Treasury shares	(39)	-	(100%)
Treasury share reserve	25	35	39%
Other reserves	1,273	1,376	8%
Equity attributable to shareholders of the bank	3,073	3,275	7%
Perpetual Tier 1 Capital Securities	438	592	35%
Non-controlling interests	405	399	(2%)
Total equity	3,917	4,266	9%
Total liabilities and equity	30,541	31,001	2%



Performance Measures 1Q 2021

%	Mar-2020	Mar-2021
Return on average assets	1.04%	1.13%
Return on average equity	9.9%	10.4%
Net interest margin	2.38%	2.26%
Cost to income	36.7%	37.1%
NPLs to gross loans	1.30%	1.68%
Loan loss reserves to NPLs	231%	225%
Tier 1 capital	14.1%	16.0%
Tier 2 capital	1.9%	2.4%
Capital adequacy ratio	16.0%	18.4%

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Questions?



Thank You



National Bank of Kuwait

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