

2021

Sustainability Report

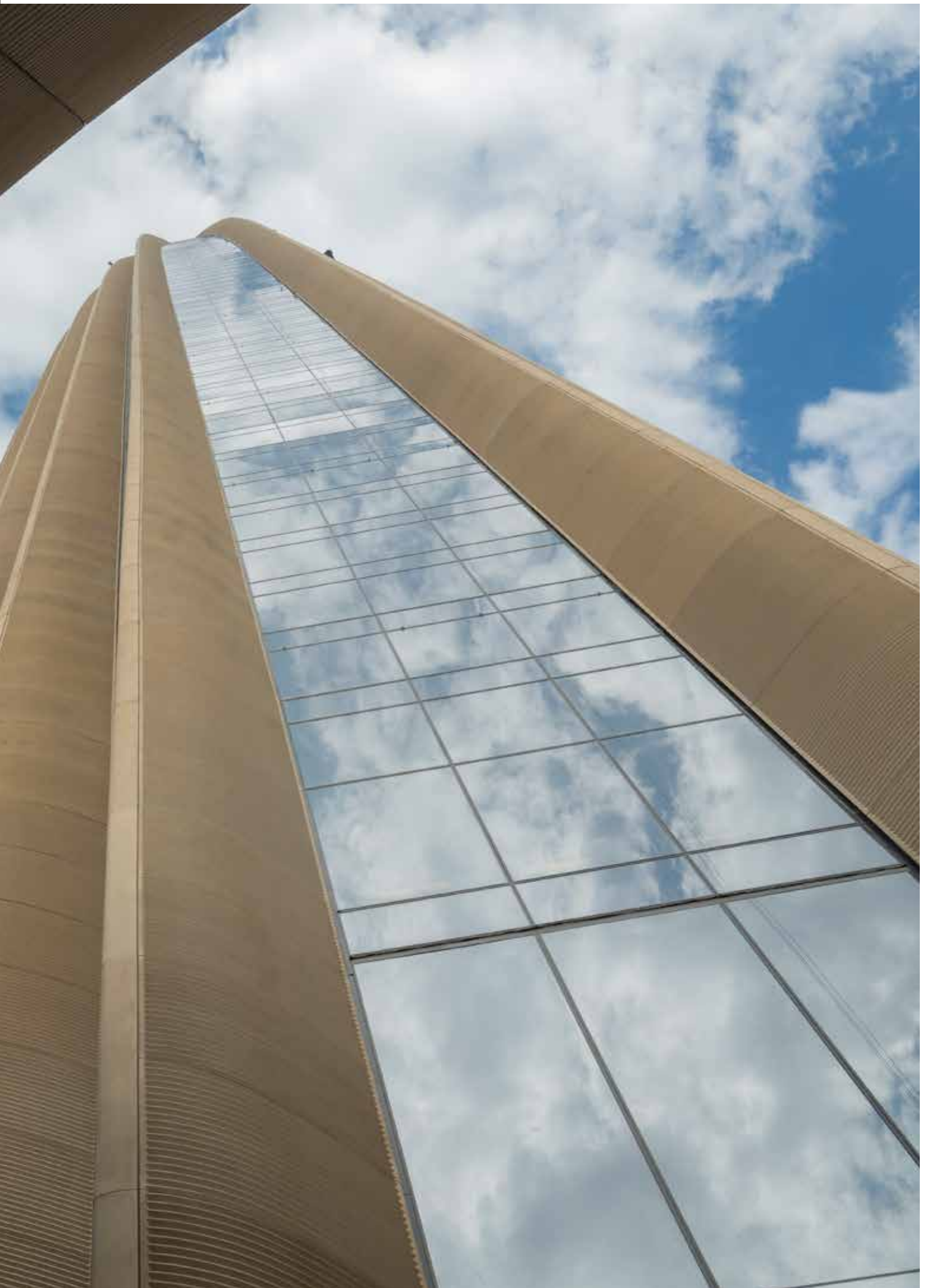
Strategic Growth Towards a Sustainable Future





About This Report

102-1,102-2, 102-3, 102-4, 102-5, 102-6, 102-7,
102-14, 102-16, 102-46, 102-49, 102-50, 102-
51, 102-52, 102-53, 102-54



NBK has published a Sustainability Report annually since 2016, when we began reporting on the full range of non-financial sustainability issues. Prior to that time, NBK provided Annual Reports covering governance practices and financial performance, which from 2008-2015 were supplemented with annual Corporate Responsibility (CR) Reports focused on community giving. Previous sustainability reports can be found on the NBK website. <https://www.nbk.com/nbk-group/sustainability/sustainability-reports.html>

Since that first Sustainability Report, NBK has seen a steady increase in investor and other stakeholder demand for information and data about NBK's sustainability policies, practices, and plans, and our understanding of the increasingly stringent expectations has increased substantially. Each year, NBK has made advancements as we build the foundational Environment, Social and Governance (ESG) policies, stakeholder engagement and materiality assessment processes, data collection, and managerial systems to improve our performance and disclosure.

This, our 6th Sustainability Report, covers NBK's ESG-related impacts, performance, and initiatives for the reporting period of January 1 to December 31, 2021. Unless otherwise stated,

information and data represent NBK operations in Kuwait. Additionally, a number of governance structures, practices, policies, compliance and risk management for four of NBK's overseas entities are described in Section 6, Governance.

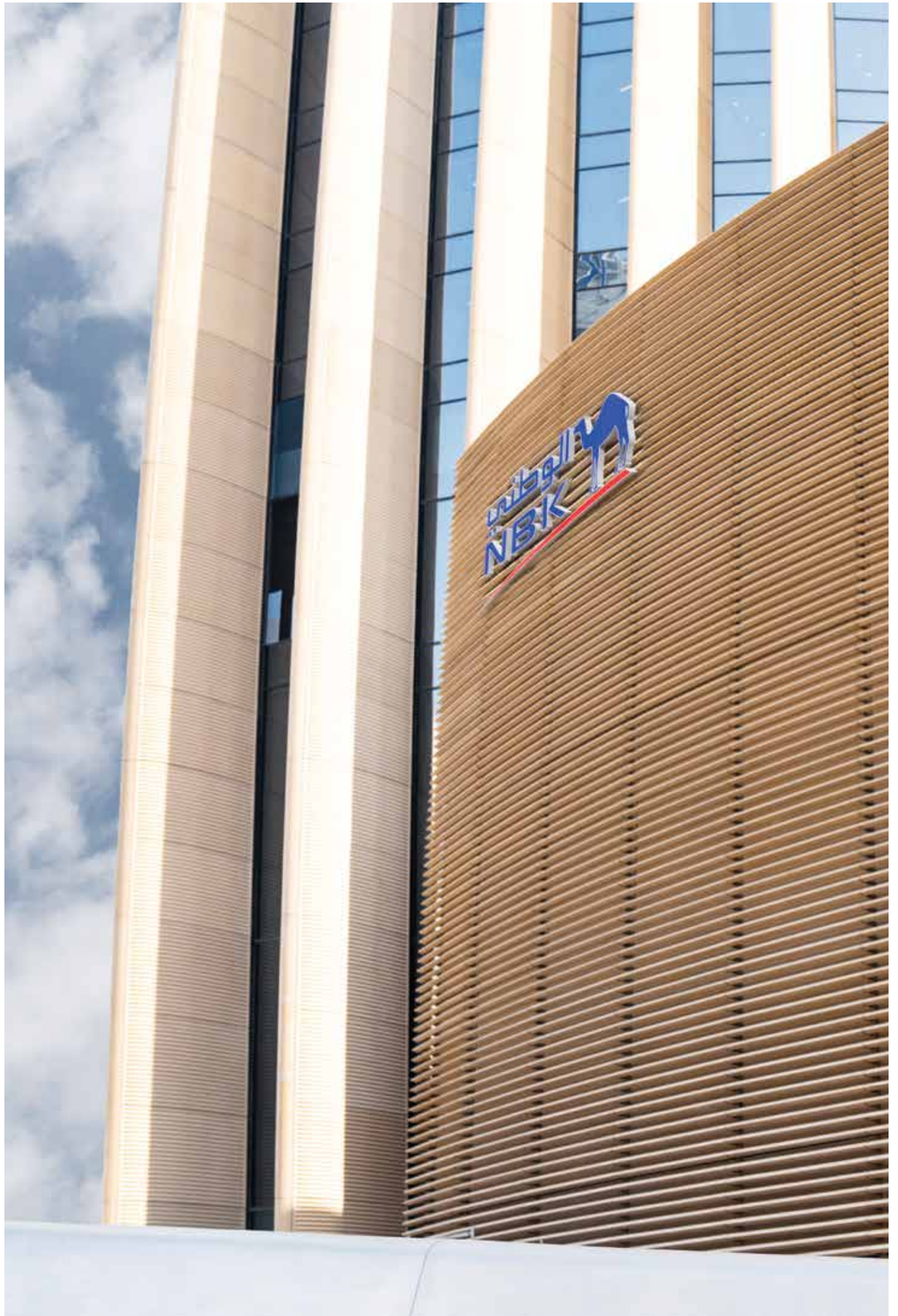
The report is designed to focus on those issues identified as most important to stakeholders in our recent materiality assessment process. Topics, key performance indicators, and type of information shared are influenced by the Global Reporting Initiative (GRI) standards, external ESG rater criteria for our industry, and other national and international sustainability frameworks and guidelines. Our 2021 Sustainability Report is in alignment with GRI-Core option. For reference, please refer to the notation of standards following each title and the GRI Content Index in Appendix 7.1.

This report is complemented by NBK's 2021 Annual Report, as well as a compilation of policies and information found on our website.

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2021 Sustainability Highlights

Fostering Workforce Development and Engagement



NBK Kuwait employee training averaged 5.2 hours per employee



Total training hours were calculated at 41,037 training hours (excluding Digital Mindset training)



Invested KD 1,021,277 into employee training - 71% increase from 2020



Kuwaitization rate at NBK is 74.6%

Leading in the Marketplace: Customer Experience



Superior External Financial Stability Ratings Long-term ratings -- Moody's A1; Standard and Poors A, and FitchRatings A+



94% Customer Satisfaction Index (CSI)



56% Net Promoter Score (NPS)



Consumer Banking average turnaround time for resolving customer complaints averaged 4 days, a 20% improvement from 2020

Exercising Stewardship over Our Environmental Impact



Headquarter Building LEED GOLD Certified



Increased recycling rate by 1.7% to achieve 100% paper recycling - 84.5 tons
Decreased plastics consumption by 64%



Transparently assessed and reported a total of 38,885 MT CO2e across Greenhouse gas (GHG) emissions of Scope1, 2, and 3

Digitization



Launched Weyay Bank, the first digital bank in Kuwait



NBK Mobile Banking activation rate was 58.8%



"Innovation in Digital Banking Award - Middle East 2021" by The Banker

Evolving our Social Impact



Contributed KD 17,705,000 in total community investment



Had 59 employee volunteers

Data Security



ISO 27001 certification in three key areas: Information Technology, Security Techniques, and Information Security Management Systems

Strengthening Our Governance



Published NBK Human Rights Statement



Added two new independent directors to our Board of Directors; one with extensive ESG experience

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Message From NBK's Chairman

(102-14)

I am proud to share with you our 2021 Sustainability Report, titled "Strategic Growth Towards a Sustainable Future," which we are happy to be publishing for the 6th year in a row.

We take pride in the progress we have achieved in implementing the highest standards of corporate governance whilst embedding sustainability as an integral part of our corporate culture and operations. We will continue meeting our promises to achieve responsible and sustainable growth and to share our successes with the communities in which we operate.

Once again, this year, we have organized our report to be focused on Environmental, Social, and Governance (ESG) factors, while also including sections that reflect the importance we place on our employees and our customers as part of our ESG initiatives.

We also continue our alignment with our six key sustainability focus areas as well as key national and international visions, standards, and frameworks – most notably the Kuwait National Development Plan (KNDP), UN Sustainable Development Goals (SDGs), and the Global Reporting Initiative (GRI) standards.

Our six sustainability focus areas that have guided our work over the past several years are:

1. Serving Customers
2. Caring for Our Environment
3. Contributing to Sustainable Economic Development
4. Respecting and Developing People
5. Giving Back to the Community
6. Leading in Governance

This year, we are most gratified to have fully moved into our new LEED-Gold-Certified headquarters office tower. The reduced environmental impact from this building will provide a lasting contribution to Kuwait and the larger environment, one that we look forward to continuously improving upon through our careful operations.

NBK will continue in our responsible role of supporting the global objective of low-carbon emissions and mitigating the risks of climate change whilst delivering progress on other sustainability initiatives. In this regard, we have set specific goals for sustainable business, and are keen on embedding climate-related considerations as part of our business model in the future.



Nasser MUSAED Abdulla Al-Sayer
Chairman of the Board of Directors

On behalf of the Board of Directors, I extend my gratitude to all NBK stakeholders who were involved in continuously supporting and enabling our sustainability practices.

In conclusion, we hope that this Sustainability Report proves to be a valuable tool for you, our cherished stakeholders, in understanding our ESG efforts and we look forward to receiving your feedback.

“This year, we have organized our report to be focused on Environmental, Social, and Governance (ESG) factors.”



About NBK

(102-3, 102-4, 102-6)

Overview

For almost 70 years, National Bank of Kuwait (NBK) has been a regional leader in financial services provision. NBK is the leading banking group in Kuwait in terms of assets, customer deposits and customer loans and advances. NBK holds one of the highest credit ratings in the MENA region.

Rating agency	Long-term rating	Standalone rating	Outlook
MOODY'S	A1	a3	Stable
STANDARD & POOR'S	A	a-	Negative
FitchRatings	A+	a-	Stable

*Note: All ratings and outlooks from Moody's, Standard and Poor's and Fitch Ratings are as of 10 February 2022.

Since our founding in 1952, NBK has retained the same core shareholder base. NBK's shares are listed on the Kuwait Stock Exchange since 1984, and have only one shareholder holding owning more than 5% of the Bank's share capital. The Public Institution for Social Security (PIFSS) owns 5.77% as of December 2021. NBK's market capitalization on 31 December 2021 was USD 23.7 Billion.

NBK has a strong regional presence and international network, operating across 14 countries in the Middle East, Europe, Asia and North America, with a predominant focus on the MENA region.

Regional and International Geographic Presence



Location	Branches	NBK Ownership
International		
London	1	Subsidiary
Paris	1	Subsidiary
Geneva	1	Subsidiary
New York	1	Branch
Singapore	1	Branch
Shanghai	1	Branch

Location	Branches	NBK Ownership
MENA		
Kuwait	68	Parent
Lebanon	2	Subsidiary
Jordan	1	Branch
Bahrain	2	Branch
Saudi Arabia	3	Branch
UAE	2	Branch
Iraq-CBI	4	Subsidiary
Egypt	52	Subsidiary

Business Activities, Products and Services

NBK is a full-service bank that offers a broad suite of financial services and products to customers, meeting their ever-growing and evolving needs. NBK Headquarters location is in Kuwait City (Al Shuhada Street, Sharq), Kuwait. NBK's core businesses are: (i) Consumer and private banking, (ii) Corporate banking, (iii) Islamic

banking and (iv) Investment banking and asset management. NBK conducts its investment banking and asset management business through its subsidiary, Watani Investment Company K.S.C.C. (also known as NBK Capital).

Consumer and Private Banking	Corporate Banking / SME's	Islamic Banking*	Investment Banking
Provides loans, credit cards, foreign exchange, deposits, and other branch-related services	Provides deposits, lending, foreign exchange, trade finance, and advisory services to corporate	Provides Islamic banking services and Islamic finance in Kuwait	Provides advisory and execution services for capital, market, wealth and asset management, brokerage, custody, and research

*Note: delivered through our subsidiary, Boubyan Bank since 2012

For more information regarding NBK's scale, and various financial and non-financial information, please refer to:

NBK's Annual Report:

<https://www.nbk.com/nbk-group/investor-relations/latest-annual-report.html>

NBK's Financial Statements:

<https://www.nbk.com/nbk-group/investor-relations/financial-reports.html>

Vision, Mission, and Values

(102-16)

The following are NBK's vision, mission, and values. NBK's visionary directions and sustainable performance are directed by our ambitious vision, robust mission, and noble values, which are accordingly the foundation upon which our operations and business practices are constructed.

Vision

The NBK vision is to be the trusted Bank of choice, building on our core values, people and expertise.

Mission

To deliver world class products and the highest service quality to our customers.

To attract, develop and retain the best Banking talent in the region.

To support the communities in which we operate.

To adhere to our core values of passion, integrity, conservatism and knowledge.

Values

Passion

Integrity

Conservatism

Knowledge

Awards and Recognition

NBK collected several awards, and the following lists summarize the year 2021.

Awards and Accolades



- Best Bank in Kuwait 2021
- The Innovators Best Financial Innovation Labs - Kuwait 2021
- Best Digital Bank Consumer - Kuwait 2021
- Best Digital Bank Consumer - Middle East 2021
- Most Innovative Digital Bank - Kuwait 2021
- Most Innovative Digital Bank - Middle East 2021
- Best Mobile Banking App - Kuwait 2021
- Best Bill Payment & Presentment - Kuwait 2021
- Best in Social Media Marketing and Services - Kuwait 2021
- Best in Lending - Kuwait 2021
- Best Online Product Offerings - Kuwait 2021
- Best Online Product Offerings - Middle East 2021
- Best Private Bank Award 2022
- Best Trade Finance Provider -Kuwait 2022
- FX Providers - Kuwait 2022
- Best SME Bank Award 2022
- Most Innovative Private Bank - Middle East 2022

- Best Bank in Kuwait 2021 (Euromoney)
- Best Private Bank/Wealth Manager for Ultra High Net Worth Clients - Kuwait 2022 (Euromoney)
- Best Private Bank/Wealth Manager for Mass/Super Affluent Clients - Kuwait 2022 (Euromoney)
- Technology Innovative for Emerging Technology Adoption - Kuwait 2022 (Euromoney)
- Best Trade Finance Bank - Kuwait 2021 (GTR)
- Innovation in Digital Banking Award - Middle East 2021 (The Banker)
- Bank of the Year 2021 (The Banker)
- Best Retail Bank - Kuwait 2021 (MEED)
- Best Loyalty/Rewards Program - Middle East 2021 (MEED)
- Commercial Property Project of the Year - MEED Project Awards 2021 (MEED)



NBK's rating at 'BB' per the MSCI audit



FTSE4Good

Constituent of the FTSE4Good Index Series

Brand Finance[®]

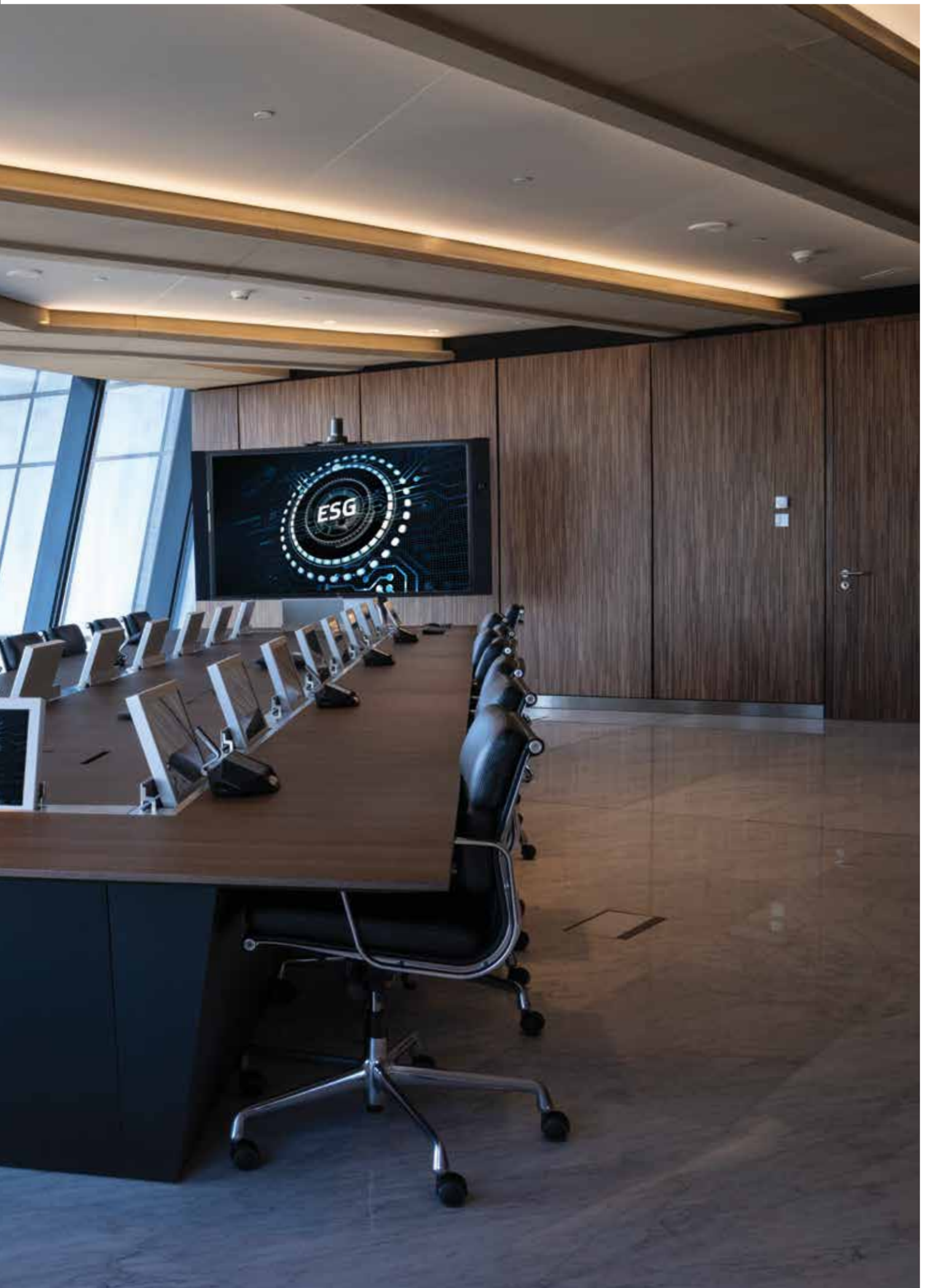
Number 1 Banking Brand in Kuwait



Advancing ESG at NBK

102-8, 102-12, 102-15, 102-20, 102-21, 102-29,
102-32, 102-40, 102-43, 102-44, 102-47, 103-1,
103-2, 103-3

NBK is steadily advancing ESG as a core component of our corporate strategy and market readiness. We are engaging stakeholders to identify our key material ESG issues, aligning our initiatives, and reporting in response to these. We are in the process of developing performance indicators and targets, clarifying governance structures and policies, and exploring initiatives to improve our ESG performance and ESG strategy. Additionally, NBK works to align our practices and reporting with ESG-related frameworks and plans.



2.1 NBK's ESG Context and Strategy

Building on the foundation of decades of NBK's outstanding customer service, robust financial quality/soundness, and extensive community giving, NBK has worked proactively since 2016 to evolve our sustainability performance to address the full range of today's stakeholder expectations regarding Sustainability and ESG (Environmental, Social and Governance) performance and disclosure.

NBK's sustainability strategy, initiatives and KPIs are defined within the framework of our "Six Pillars of Sustainability" developed in 2016:

1. Contributing to ECONOMIC DEVELOPMENT
2. Serving Our CUSTOMERS
3. Leading in CORPORATE GOVERNANCE
4. Respecting and Developing Our PEOPLE
5. Caring for Our ENVIRONMENT
6. Giving Back to Our COMMUNITY

**Maintaining Course with Our
Sustainability Directions**



**Contributing to
Economic
Development**

**Serving
Customers**

Today, our sustainability strategy, priority initiatives, and disclosures are informed by insights from our comprehensive multi-stakeholder materiality assessment process, information on expectations from external ESG raters and investors, and regulatory requirements. Additionally, we work to be aligned with the Global Reporting Initiative (GRI), Kuwait National Development Plan (KNDP), Boursa Kuwait Sustainability Indicators, and UN Sustainable Development Goals (SDGs), as well as other leading national and international ESG and sustainability frameworks and standards. They include, ISO 27001 Certification and the Women's Empowerment Principles



(WEP) founded by the United Nations and UN Global Compact.

Our increasingly rigorous stakeholder engagement and materiality assessment process guides our ESG /Sustainability strategy and reporting. This process, and the results of our 2021 materiality assessment, are detailed in Section 1.4 below.

We are currently working on establishing NBK's ESG strategy with the following process:

1. Understanding current and emerging stakeholder expectations regarding ESG in our industry and region,
2. Conducting our multi-stakeholder materiality assessment process to identify priority issues as seen by both internal and external stakeholders,
3. Researching ESG-related trends, standards, frameworks, and rating methodologies (e.g., GRI, S&P Global, MSCI, etc.),
4. Deepening NBK leaders' understanding of ESG as an important strategic issue for our industry,
5. Identifying relevant KPI's, informed by internal existing data and external expectations and ESG framework standards,
6. Building our measurement and assessment processes for relevant ESG topics and aspects,
7. Identifying NBK's strengths and gaps by examining external raters' assessments of NBK,
8. Examining competitors', peers', and industry leaders' policies, initiatives, and practices to broaden our understanding of how ESG can be governed and operationalized in practice,
9. Navigating organizational, marketplace, and community requirements and emerging priorities, including a proactive response to the COVID-19 pandemic.

Since we began pursuing our commitment to broadly define sustainability in 2016, NBK has implemented many ESG initiatives and actions, including, but not limited to:

- Clarifying recommended changes to our governance structure and processes, most critically by identifying additional leadership and oversight roles and responsibilities over ESG for the NBK Board of Directors and relevant board committees,
- Establishing and/or strengthening ESG-related policies, and identifying needed additional managerial processes and due diligence procedures (see sidebar),
- Building the infrastructure, culture and capabilities needed for digital transformation, consumer protection, and data security,
- Responding to extensive surveys and data inquiries from several major external raters and carefully reviewing and improving NBK's ratings,
- Designing and moving into our new LEED-GOLD certified headquarters building on August 2020, which is expected to provide major reductions in energy use, GHG emissions, and water consumption long into the future,
- Ensuring NBK's resilience throughout the COVID-19 crisis, rapidly building the required technology infrastructure and social programs that enabled remote transactions and work, protected customers' health and financial security and played a leadership role for the state of Kuwait in communicating COVID-19 awareness and responses to customers, employees and community members,
- Taking proactive measures to promote workforce health and well-being, maintain our commitment to Kuwaitization, and advance programs for employee learning and development,
- Continuing NBK's substantial financial contributions to our community, especially in supporting NBK Hospital in Kuwait,
- Analyzing the implications for NBK's strategy of leading practices in a variety of ESG-related areas.

NBK abides by a range of internal policies, charters, and statements. A few of these have strong correlations to environment, social, and governance (ESG) aspects.

2.2 ESG Directions and Market Readiness

Market readiness for NBK encompasses our capability and agility at meeting the current and emerging business environment, including and beyond ensuring our readiness to deliver products and services in our selected markets. Successfully deploying NBK's diversification and expansion strategy and achieving our goals is dependent upon NBK's readiness to meet the specific market requirements and leading company and industry demands of each country and region. ESG requirements play an increasingly central role, and every market is different. NBK must be "market ready" for the rigorous and varied ESG-related regulations, reporting requirements, corporate priorities, financial markets, customer needs, risks and opportunities in each market, all in the context of the ever-shifting business environment. NBK is in the process of elevating our Sustainability/ ESG Strategy to better align with and support our strategic direction and goals. At present, NBK is in the process of developing a Sustainability Committee, whereas, so far, we have defined the role and responsibilities. Further, ESG intelligence can provide vital information to our Group-wide and regional business and marketing strategy formulation.

NBK is also significantly impacted both directly and indirectly by trends and dynamics in the financial, economic-socio-political, and business environment. As climate and ESG-related risks and opportunities play an increasingly important role in business financial stability and success, investor concern about ESG issues have increased dramatically. An increasing number of international ESG raters rates NBK's ESG performance and disclosures annually. Each year, the criteria becomes more rigorous and our competitors and peers more sophisticated, which is impactful when comparing ESG performance to competitors and peers. An estimated 50% of NBK's investors are ESG-conscious. Further, there are implications for NBK as national and international sustainability goals, requirements and initiatives influence regulations, infrastructure, and economic development projects.

2.3 Stakeholder Engagement

Stakeholders are groups or entities affected by and/or whose decisions or opinion can affect your organization's activities or success. NBK's key stakeholders are governmental authorities, local communities where we operate, customer, employees, suppliers, and partners and investors/shareholders. NBK employs a variety of ways of communicating with and engaging these stakeholders, as described in the chart below.

Engagement Methods Used for Each Stakeholder Group

Stakeholders	Selected Engagement Methods
Governmental Authorities	<ul style="list-style-type: none"> • Annual Reports • Official Letters • Meetings • Emails
Local Community	<ul style="list-style-type: none"> • Social Media Platforms Community Events Press Releases Website
Customers	<ul style="list-style-type: none"> • Press Releases Website • Helpdesk • Social Media Platforms
Employees	<ul style="list-style-type: none"> • Emails • Evaluations • Training • Code of Conduct Employee Events Phone Calls • Meetings • Social Media Platform
Suppliers	<ul style="list-style-type: none"> • Phone Calls • Emails • Contracts • Meetings
Partners and Shareholders /Investors	<ul style="list-style-type: none"> • Official Letters • Annual Reports • Phone Calls • Meetings

2.4 Materiality Assessment

Our Assessment Process:

As with previous years, NBK’s materiality assessment process involved conducting surveys with key external and internal stakeholders. In 2021, NBK requested input regarding our ESG impacts, issues, risks, and opportunities from the following stakeholders.

- External stakeholders: Customers and other external stakeholders. For customers, the total sample consists of 571 completed surveys distributed among various demographics. Demographic breakdown shows allocation among nationalities—ie. between Kuwaitis (65%) and Non-Kuwaitis (35%)—between genders—ie. males (75%) and females (25%)—and among ages—ie. 18-29 years old (11%), 30-45 years old (60%), 45+ years old (29%)
- Internal stakeholders: NBK employees. The total sample consists of 30 surveys (statistically significant), completed by NBK’s strategic managers from across NBK.

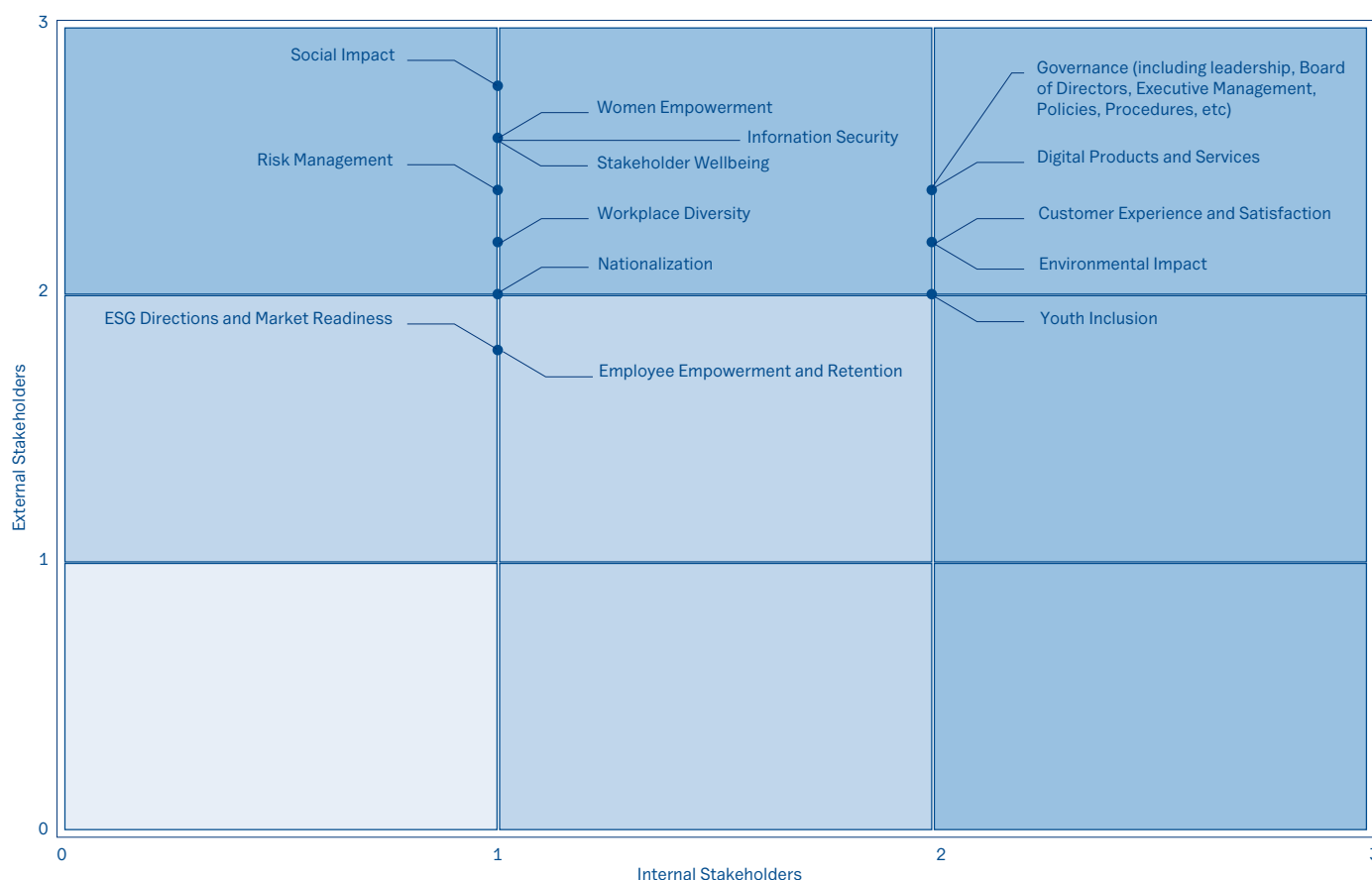
NBK Material Issues:

Our 2021 materiality assessment with internal and external stakeholders revealed 14 material topics. Both internal and external stakeholders rated five material topics as most highly important: Governance, Digital Products and Services, Customer Experience and Satisfaction, Environmental Impact and Youth Inclusion. Six material topics were rated “Medium-High” (meaning they had medium significance among internal stakeholders and

high significance among external stakeholders): Social Impact, Women Empowerment, Information Security, Stakeholder Wellbeing, Risk Management, and Workplace Diversity. Three material topics were rated “Medium” (meaning they had medium significant among internal stakeholders and the medium significance among internal stakeholders): Nationalization, ESG Direction and Market Readiness, Employee Empowerment and Retention.

Level	Rank	Material Topics
HIGH	1	Governance
HIGH	2	Digital Products and Services
HIGH	3	Customer Experience and Satisfaction
HIGH	4	Environmental Impact
HIGH	5	Youth Inclusion
MED-HIGH	7	Social Impact
MED-HIGH	8	Women Empowerment
MED-HIGH	9	Information Security
MED-HIGH	10	Stakeholder Wellbeing
MED-HIGH	11	Risk Management
MED-HIGH	12	Workplace Diversity
MEDIUM	14	Nationalization
MEDIUM	15	Employee empowerment and retention
MEDIUM	16	ESG directions and market readiness

NBK’s Materiality Matrix



The chart below illustrates 2021's material issues, impacted stakeholder group, and relevant NBK products, services, and initiatives.

Material Topic	Stakeholder Group	Selected Ways that NBK Impacts
Digital Products and Services	Customers	<ul style="list-style-type: none"> * Robotic Process Automation (RPA) * Weyay Bank * ITMs * Online banking * Mobile banking * Social media channels
Information Security	Customers Employees	<ul style="list-style-type: none"> * Personal Data Privacy Policy * Information Classification Policy * ISO 27001 * No breaches in 2020/2021
Youth Inclusion	Community	<ul style="list-style-type: none"> * Internship program * Shabab Prepaid Visa/Debit Card * Sponsoring several events
Workplace Diversity	Employees	<ul style="list-style-type: none"> * 2 special needs employees * 30% female in all management positions
Nationalization	Employees	<ul style="list-style-type: none"> * Kuwaitization rate is 74.6% * 154 Kuwaiti's at senior management and above * 9 Kuwaiti's in general management and above
Stakeholder Wellbeing	Employees Customers Suppliers Governmental Authorities Partners and Shareholders / Investors Community	<ul style="list-style-type: none"> * Various wellbeing programs and constant communication regarding importance and safety of vaccinations * No incidents of non-compliance with health and safety regulations
Social Impact	Community	<ul style="list-style-type: none"> * KD 17,705,000 in community investment * KD 247,221 in sponsorships * KD 15,434 in donations
Environmental Impact	Community	<ul style="list-style-type: none"> * Tap and Pay * Three digital wallets * Eliminate paper brochure
Governance	Partners and Shareholders/ Investors Employees	<ul style="list-style-type: none"> * Annual assessment of Board of Directors overall performance * Succession planning
ESG Directions and Market Readiness	Community Employees Customers Suppliers Partners and Shareholders / Investors	<ul style="list-style-type: none"> * NBK made a commitment to tie sustainability pillars with business practices * An estimated 50% of NBK's investors are ESG-conscious * Highest foreign institutional ownership among Kuwaiti banks

Risk Management	Employees	<ul style="list-style-type: none"> * HR Head of Center of Excellence objectives * NBK training on discrimination and harassment in workplace * Group Risk Management (GRM) Policy and Procedures reviewed annually * Yearly gap assessment
Customer Experience and Satisfaction	Customers	<ul style="list-style-type: none"> * Serve customers through multiple channels * 10 awards from Global Finance including 'Best Digital Consumer Bank' * 2 types of customer complaints official (reported to CBK) and unofficial * Rewards and Instant Discount Program
Women Empowerment	Community Employees	<ul style="list-style-type: none"> * 165 women in managerial level position * 30% in all management positions * Women Empowerment Principles (WEP's)
Employee Empowerment and Retention	Employees	<ul style="list-style-type: none"> * NBK Clinic * Medical insurance * Your Voice Matters Employee Engagement survey * Degree programs and certifications offered

2.5 How Our ESG Strategy Fits Within the Overall Corporate Strategy for NBK

NBK Group's 2021 corporate strategy is based on two main pillars: defending and growing our leadership position in Kuwait whilst also diversifying our business. A number of key identified material ESG issues are highly relevant to these two core elements of NBK's business strategy.

In 2021, NBK's most material ESG issues were NBK's digital products, services, and governance. Digitization is a critical component of NBK's resilience in ensuring maintenance of financial services and business continuity, infrastructure for off-site service delivery, customer and employee safety, and NBK's presence in our community. Digital transformation is vital to NBK's profitability. Accelerating the digitization of back- and front-end operations is critical to meeting increasingly stringent customer expectations, assuring data security and privacy, creating product, service and business innovations, and increasing operational efficiency.

Our progress was well underway but accelerated by the demands from the pandemic. In 2020, we achieved a 38% increase in active mobile banking customers. By the end of 2021, the percentage of active users of NBK Mobile Banking was 46%.

As we shared in our 2020 Annual Report: "Our digital transformation deserves special attention, playing a more vital role than ever before as lockdowns and social distancing limited economic activity and human interaction. In this context, in 2020 and 2021, NBK's digital roadmap not only remained on track, but also accelerated. Earlier decisions to prioritize the delivery of the roadmap quickly paid off as the global pandemic made our digital capabilities – both back- and front-end – essential for business continuity."

Governance involves oversight of many ESG-related elements, such as risk management, ESG policies, ethical and responsible business practices, regulatory compliance, and sustainability finance. Assessment of risks and opportunities are a major component of strategy development and represent major arenas in which we develop ESG initiatives. ESG factors are increasingly important as NBK pursues diversification by expanding outside the core of our Kuwait business, a key objective in our corporate

strategy. ESG performance is especially relevant to NBK's profitability and goal of "continuous expansion of our presence and customer base in MENA" and our goal of "building a global network facilitating our customers' trade, investment and wider banking needs". NBK's diversification and business success is partially impacted by the specific market conditions of each geographic area in which we do business: the ESG-related regulatory environment, corporate and individual customer expectations, national sustainable development goals, and product and service opportunities are but a few examples. In particular, the goal of building a regional powerhouse in wealth management will increasingly be impacted by ESG/ Sustainability-related risks and opportunities. In addition to enabling expansion of our customer base, diversification acts as both a risk mitigation factor and an opportunity to widen our product and service offerings.

NBK's ability to achieve our strategic goal of transforming our business and delivering market-leading and superior customer experiences is also strengthened through our successful implementation of several ESG-related initiatives. Since the emergence of COVID-19, customer health and safety, availability of remote access to financial services, support in the transition to mobile banking, and extension of loan payment requirements have been urgent and critical to customer satisfaction. More regularly, ESG issues important to NBK customers include financial security and performance, data security, customer protection and information sharing, competence and service orientation of front line and customer support employees, and consideration of customers with special needs. NBK has grown stronger through our recognition of emerging customer opportunities for ESG-related product and service offerings.

Our human capital development, including organizational culture, management of people, and talent development, is of critical importance to virtually everything that is central to us. These dimensions cover a range of aspects, which are NBK's business performance, customer service quality, satisfaction and loyalty, execution of strategic initiatives, agility in responding to challenges, and capacity for innovation, among others. Ethical behavior is also a major priority to exhibit, comprising areas of

compliance with NBK's Code of Conduct, Anti-Fraud, Anti-Bribery, and Anti-Money Laundering policies, as well as our overall reputation and contribution in the community. Furthermore, NBK's consistency in caring for our people was critical to achieving our digitization strategic objective by building digital culture and execution capacity. NBK's consistency in caring for our people was critical to achieving our digitization strategic objective by building digital culture and execution capacity.

Further, ESG risk and opportunity assessments will be increasingly relevant to NBK's strategic goal of diversification and increased profitability through the building of a global Private Banking and Asset Management franchise serving regional customer bases.

NBK acquires and brings forward ESG intelligence regarding investor expectations, current and projected future regulatory trends and macroeconomic trends, brand value and positioning, competitive benchmarking, and the emerging business and investment environment and integrates all of that into NBK's business strategy.

Core to ESG is the organizational commitment to meeting the needs of all stakeholders, not only shareholders. Our 2020 Annual Report describes how "NBK's business model strives to deliver value to all key stakeholders – from customers and employees to the local community, regulators and shareholders."

NBK strives to provide value for stakeholders:

- Customers: Delivering positive outcomes to customers and enabling them to protect their wealth
- Employees: Providing opportunities for our workforce to learn innovate and transform into valued assets
- Shareholders: Delivering consistent returns and long-term value
- Regulators and Governments: Responsible growth, ensuring transparency and robust governance
- Communities: Positive change, supporting social and sustainable economic development.

2.6 ESG Performance Targets

In 2017, as a foundation for our “Sustainability Roadmap”, NBK conducted a current state assessment of NBK’s sustainability activities on 17 dimensions of 1) our Vision, direction, goals and objectives, 2) our execution, and 3) our monitoring and measurement. We established five-year targets for key elements of serving customers, caring for our environment, contributing to sustainable economic development, and respecting and developing people. The table below summarizes our progress on these five-year targets that we set in 2017.

2021 Status

Focus Area	5-Year Target	2021 Status	Exceeded/Achieved/ In Progress
Serving Customers	Maintain customer satisfaction rate at or above 94%	Consumer Banking CSI was 94%	Achieved
	Achieve turnaround time for complaints (submitted to CBK) of 15 days	Consumer Banking average turnaround time for resolving customer complaints averaged 4 days, a 20% decrease (improvement) from the previous year’s figure of 5 days.	Exceeded
	Achieve percentage of active users for NBK Mobile Banking of 50%	NBK Mobile Banking activation rate was 58.8%	Exceeded
Caring for Environment	Achieve LEED Gold for new Headquarters building	New Headquarters completed and LEED certified	Achieved LEED GOLD Certificate in Caring for Environment
	Have complete, reliable data on total waste generated by EOY 2020	Some waste data being collected but not yet comprehensive or complete	In Progress
Contributing to Sustainable Economic Development	Maintain % of Local Suppliers at 72% or Higher	71.4% local suppliers	In Progress
Respecting and Developing People	Maintain % of Number of Women in Workforce at 45% or Higher	45%	Achieved
	Meet CBK Regulations to Progress on Kuwaitization Targets	74.6% exceeding CBK’s target of 70%	Exceeded

2.7 Alignment of our Report with ESG-Related Frameworks

NBK’s ESG efforts and priorities are strongly informed by and aligned with international frameworks and ESG Raters.

The table in the next few pages illustrates the relationship between our material topics and GRI, the United Nations Sustainable Development Goals (SDGs), Environment, Social or Governance (E, S, and G) arena, Kuwait National Development Plan (KNDP) and Bursa Kuwait Disclosures.



Material Topics	Global Reporting Initiative (GRI)	UN Sustainable Development Goals (SDG)	Environmental, Social, and Governance (E, S, G) Area	Kuwait National Development Plan (KNDP)	Boursa Kuwait Disclosures
Digital Products and Services	417	SDG 8. Decent Work and Economic Growth SDG 9. Industry, Innovation and Infrastructure	Social	Global Positioning Living Environment Economy	Sustainability Report
Information Security	410	SDG 8. Decent Work and Economic Growth SDG 9. Industry, Innovation and Infrastructure	Social	Global Positioning	Sustainability Report Data Privacy
Youth Inclusion	413	SDG. 4 Good Education SDG. 8 Decent Work and Economic Growth SDG. 9 Industry, Innovation and Infrastructure SDG. 11 Sustainable Cities and Communities	Social	Global Positioning Diversified Economy Creative Human Capital	Sustainability Report
Workplace Diversity	405-1	SDG.5 Gender Equality SDG.10 Reduced Inequalities	Social	Global Positioning Human Capital	Nationalization Employee Turnover Gender Diversity
Nationalization	405-1	SDG 8. Decent Work and Economic Growth SDG 10. Reduced Inequalities	Social	Global Positioning Human Capital	Nationalization
Stakeholder Wellbeing	403	SDG 3. Good Health and Well-being SDG.6 Clean Water and Sanitation	Social	Global Positioning High Quality Healthcare	Injury Rate Global Health and Safety
Social Impact	400	SDG 1. No Poverty SDG 2. Zero Hunger SDG 3. Good Health and Well-being SDG 4. Quality Education SDG 11. Sustainable Cities and Communities SDG 17. Partnerships for the Goals	Social	Global Positioning	Global Health and Safety Human Rights

Environmental Impact	300	SDG 6. Clean Water and Sanitation SDG.7 Affordable and Clean Energy SDG.11 Sustainable Cities and Communities SDG.12 Responsible Consumption and Production SDG.13 Climate Action SDG.14 Life Below Water SDG.15 Life on Land	Environmental	Global Positioning Sustainable Living Environment	Sustainability Report
Governance (including Leadership, Board of Directors, Executive Management, Policies, Procedures, etc.)	405-1	SDG.8 Decent Work and Economic Growth	Governance	Global Positioning	Board Diversity Board Independence
ESG Directions and Market Readiness	413	SDG.8 Decent Work and Economic Growth SDG. 16 Peace, Justice and Strong Institutions SDG. 17 Partnerships for the Goals	ESG	Global Positioning	Sustainability Report
Risk Management	207-2	SDG. 8 Decent Work and Economic Growth	Economic	Global Positioning	Sustainability Report
Customer Experience and Satisfaction	103	SDG.8 Decent Work and Economic Growth SDG.9 Industry, Innovation and Infrastructure SDG.10 Reduced Inequalities SDG.11 Sustainable Cities and Communities SDG.12 Responsible Consumption and Production	Social	Global Positioning Diversified Economy	Sustainability Report Ethics and Anti-Corruption
Women Empowerment	405-1	SDG.5 Gender Equality SDG.10 Reduced Inequalities	Social	Global Positioning Human Capital	Sustainability Report
Employee Empowerment and Retention	402-1, 404	SDG.5 Gender Equality SDG.8 Decent Work and Economic Growth SDG.10 Reduced Inequalities	Social	Global Positioning Human Capital	Nationalization Employee Turnover Gender Diversity



Fostering Workforce Development and Engagement

102-8, 102-16, 102-16, 102-20, 102-31, 201-3, 202-1, 202-2, 205-2, 401-1, 401-2, 401-3, 402-1, 403-1, 403-3, 403-6, 403-7, 403-9, 404-1, 405-1, 408-1, 409-1, 412-1, 416-2

NBK is dedicated to fostering the development and engagement of our workforce. We operationalize this commitment through our programs to attract, develop, engage and retain competent and committed employees, our efforts to promote diversity and meet nationalization goals, measures to ensure employee health, safety and wellbeing, and policies and practices to promote labor and human rights are upheld.





3.1 Focus on Talent Management

NBK recognizes that employees' competence, commitment and attitude have a strong influence on customer satisfaction and loyalty, service quality, organizational agility in responding to a changing business environment, technology adaptation, innovation, competitiveness, and employees' ability to support execution of our business strategy. NBK's talent management policies, programs and practices aim to ensure we attract, develop and retain highly competent and skilled employees reflecting our diversity and nationalization goals and talent pool.

Human capital development is at the core of everything we do at NBK. We invest a lot in our talent through specialized programs like NBK Academy, where we select high potential local talent and prepare them for their career, middle management programs, all the way up to executive education. NBK conducts the manpower planning process annually in Q3, once the headcount plan is approved for the next year. This plan includes all roles within NBK, replacement and investment roles.

Since developing our talent is an ongoing practice, we have many other activities we focus on throughout the year such as succession planning, aspiration interviews, and following up with our employees to ensure everyone is satisfied with their career. Yearly and mid-year performance reviews also allow us to get an indication of what areas staff need to focus on in order to reach their full potential. Details about these central aspects of our Group Human Resource practices are provided in the rest of this section on fostering workforce development and engagement.

Attracting Talent:

Our unique Employer Value Proposition (EVP) is composed of three key pillars that speak clearly to current and future employees of NBK:

1. **Our Success Story:** You are part of an incredible powerful brand and legacy. Together we continue our journey of success.
2. **Professional Excellence:** You work with outstanding professionals, who uphold high standards and encourage you to achieve ambitious goals.
3. **Accelerated Learning:** You continuously learn in a culture that drives personal growth and truly values long-term careers.

Recruitment:

In general, we promote NBK's employer brand by participating in Career Fairs, social media postings, and press releases. As part of attracting talent at NBK, we focus on sourcing, onboarding, and hiring talent. NBK Group Human Resources uses diligent procedures to ensure that each potential candidate is hired for the best-fit job. NBK is also implementing a "Competency Framework" into the recruitment process, and applying a scientific recruitment approach to enhance the effectiveness of our selection process.

NBK also has a strong talent pipeline development strategy. Our talent management framework provides distinctive special development programs that are unique. Two of these programs are described below:

- The NBK Academy, one of the key programs specifically created for hiring young Kuwaitis, is a legacy program NBK has proudly offered since 2008. The Academy is a four-to-five month introductory training program presented by the NBK for fresh graduates to develop the required skillsets to operate in different areas of the bank. This year, NBK Academy had 25 participants as the cohort for 2021.
- NBK 'High Fliers' Program is a six-month intensive program delivered in partnership with a well-known and top tier business school. The program, which occurs every two years, targets talented NBK employees with proven record of high performance and leadership potential. It is designed to provide the participants with knowledge, skills and behaviors they need in order to fulfill a potential managerial role within the Bank. The program focuses primarily on management and leadership disciplines. It is designed to provide the participants with knowledge, skills and behaviors they need to fulfill their potential as the next generation of NBK leaders. The High Fliers Program has proven to be a coveted program amongst NBK employees and recruits.

Retention:

NBK Group Human Resources (GHR) strives to bolster talent retention through branch/business area visits involving group and individual discussions with all staff. Our efforts focus on ensuring key employees receive GHR's support. We also use exit interviews to hear employee concerns, provide solutions and alternative options, and where possible, convince the staff to withdraw their resignations. Another approach is to facilitate internal transfer of employees based on the benefit that they may provide to the new organization they are joining. Given changes in employment conditions impact employee job satisfaction and retention, minimum notice periods regarding informing employees about any operational changes in NBK would be a minimum of at least 2 months prior, earlier where possible.

Turnover:

In 2021, NBK turnover rate was 12.3%, compared to 10.4% in 2020. This is a 1.9% increase from the previous year. There was a slowdown in resignations in 2020 due to the country's shutdown and COVID-19 restrictions. Thus, after partial opening in 2021, the opportunity to complete the exit process inflated the 2021 turnover numbers. Based on quarterly and yearly exit reports, NBK assesses turnover rates and analyzes comparisons between the current and previous year. Exit interviews are conducted with all employees who resign. A general staff complaint process exists where potential leavers are identified and issues are addressed.

In 2021, there were 70 net jobs created by NBK. This was a great improvement from the 2020 figure, where the total headcount decreased by one. Overseas, NBK created a net of 46 jobs. This was a 33% decrease from the 69 new jobs created abroad in 2020. NBK did not have any "major layoffs," defined as layoffs that affect at least 10% of staff or over 1,000 employees.

Absenteeism:

Leave types in our estimated absentee rate calculation includes confirmed leaves for currently active employees with the following leave types: compassionate, hospitalization, maternity, pandemic, sick, personal, unauthorized, and unpaid leaves. The rate calculation excludes annual leave, study leave, training leave, business trips, Haj leave, and Omra leave.

NBK's annual absentee rates for the past four years (expressed as a percentage of total days scheduled) are illustrated in the following graph.

Absentee Rates per Year

Year	2018	2019	2020	2021
Rates	1.9%	2.1%	2.4%	2.9%

Our expectation is that the COVID-19 pandemic is a primary factor in the increase in absenteeism. Because of this circumstance, a completely new leave category was created, Pandemic Leave, which did not exist until 2020, and contributed such an increase in the rates. However, we are also hopeful that our employee wellness initiatives and other measures may reduce absenteeism in the future.

Workforce Breakdown:

NBK's workforce currently consists of 2,338 as of 2021, which is a 3%-change increase from the previous year's 2,268 employees. This is broken down as follows into senior manager (SM) and above on one hand, and the remaining levels on the other hand. Further analysis is provided regarding the %-change and %-allocation of each level and totals.

NBK Workforce Breakdown per Level per Year

Year	2021		2020		% Change	
	Number	% Allocation of Workforce	Number	% Allocation of Workforce	% Change of Number	% Change of % Allocation of Workplace
Junior up to level Manager (M) (includes SP and SPC)	1,981	84.7%	1,940	85.5%	2%	-1%
Senior Manager (SM) and above	357	15.3%	328	14.5%	9%	6%
Total	2,338	100%	2,268	100%	3%	0%

3.2 Workplace Diversity

NBK ensures diversity on our shortlisting and interview panels, maintain content used in job posts that represents the diverse talent pool, target different sourcing channels where diverse candidates are likely to congregate, encourage diverse employees to refer their connections, and offer internships to targeted groups.

Gender Diversity:

The following figure summarizes the number and percentage of employees by gender for 2020 and 2021. Women made up 45% of NBK's total workforce, a 1% decrease from 46% in 2020.

Number of Employees Per Gender

	Year	2021	2020	% Change
Numbers	Men	1289	1230	5%
	Women	1049	1038	1%
	Total	2338	2268	3%
Allocations	Men	55%	54%	
	Women	45%	46%	
	Total	100%	100%	

Science Technology Engineering Mathematics (STEM) Reporting:

NBK analyzes gender representation in STEM roles. In 2021, women made up 25.7% of all STEM employees, a 5% decrease from 27.15% the prior year. The various percent changes and allocations in totals and per gender are presented as follows.

Number of Employees per STEM Area per Gender per Year

Year	2021			2020			% Change		
	Male	Female	Total Employees	Male	Female	Total Employees	% Change of Male	% Change of Female	% Change of Total
Employees in Science	0	0	0	0	0	0	0%	0%	0%
Employees in Technology	47	15	62	43	18	61	9%	-17%	2%
Employees in Engineering	6	3	9	7	4	11	-14%	-25%	-18%
Employees in Mathematics	60	21	81	60	19	79	0%	11%	3%
Total STEM employees	113	39	152	110	41	151	3%	-5%	1%
Total non-STEM employees	1176	1010	2186	1120	997	2117	5%	1%	3%
Total Employees	1289	1049	2338	1230	1038	2268	5%	1%	3%

Percentage Allocation of Employees per STEM Area per Gender

Year	2021		
	Male	Female	Total Employees
Employees in Science	N/A	N/A	N/A
Employees in Technology	76%	24%	100%
Employees in Engineering	67%	33%	100%
Employees in Mathematics	74%	26%	100%
Total STEM employees	74%	26%	100%
Total non-STEM employees	54%	46%	100%
Total Employees	55%	45%	100%

NBK also examined the issue of gender pay gap, and found generally positive implications in terms of gender diversity / equality in pay. This is discussed in the section on Compensation under the topic of Pay Equity.

Age Diversity:

Every year, NBK transparently measures and reports on the diversity of our workplace through the perspective of age diversity as a demographic dimension. Accordingly, the following figure presents our workforce broken down into three age groups, with results showing increases in two age groups and a decrease in one age group when compared to the previous year.

Age Diversity per Age Group per Year

Age Group	Year	2021	2020	% Change
	Under 30		731	717
30-50		1460	1375	6%
Over 50		147	176	-16%
Total		2338	2268	3%

3.3 Nationalization

NBK stays loyal to the vision and mission to always invest in local talent and to act in accordance with the CBK requirement of Kuwaitization. NBK is required to have a minimum of 70% Kuwaitization, which NBK currently exceeds. As of year-end 2021, the Kuwaitization rate at NBK is 74.6%. This was a 2% increase over 2020's Kuwaitization rate of 72.7%.

NBK ensures a high Kuwaitization rate by participating in Career Fairs, prioritizing recruitment of national talent, restricting some areas to strictly hire national manpower, and collaborating with different universities to provide national talent.

Kuwaitization in Management:

Looking at our Kuwaitization rate by management level, in 2021:

- There were 154 Kuwaiti nationals on a Senior Manager (SM) level and above, a 9% increase from the previous year's number of 141.
- There were nine Kuwaiti nationals in general management and above, which was the same as the previous year. In general management and above positions, the Kuwaitization rate is 50% (being 9 out of the total 18 general management positions).

3.4 Occupational Safety, Health and Wellbeing

The health, safety and wellbeing of our workforce is of utmost importance. In general, the financial services industry is a relatively safe work environment. NBK had zero occupational injury incidents in 2021. NBK put extensive measures in place to protect employees from the COVID-19 virus. These are detailed in the sidebar titled "Measures to Ensure Proper Workplace Health and Safety, Including COVID-19 Measures." Sadly, despite this, NBK had one employee death due to COVID-19.

NBK provides a comprehensive health care program, wellness programs, and guidance on measures to ensure workplace health and safety. For example, programs include medical insurance, frequent health communications, gymnasium with membership available to employees, educational communication to employees regarding key aspects of wellbeing (diet, mental health, chronic diseases, etc.), and financial planning awareness through the Central Bank of Kuwait (CBK) campaign.

This section focuses on occupational health and safety, but it is important to note that NBK is also committed to customer safety and wellbeing, as evidenced by our protective measures and relentless effort to create customer awareness regarding COVID-19 guidance and protection. NBK has had no incidents of non-compliance with regulations concerning health and safety impacts of products and services, child labor, or forced labor.

NBK Health Care Program:

This program was found engaging and impactful amongst majority of respondents (80%). 76% of respondents reported that they feel more confident about their wellbeing after seeing NBK's health communications. Respondents reported that NBK Health Care Program:

1. Shows that NBK cares about the staff
2. Provides employees with relevant information that is needed in an engaging way that in return increases awareness towards COVID-19 and other diseases
3. Comprehensive: Covers many healthcare subjects

This year, NBK continued its health care program for its employees as part of our continuous efforts during the COVID-19 pandemic to provide the mental and physical healthcare of its employees.

The health campaigns included health awareness tips, family health campaign, heart and chronic diseases, mental health, nutrition and wellbeing, sports and fitness sessions, blood tests, physiotherapy campaign, breast cancer campaign, and diabetes campaigns. We worked very closely with physicians to provide medical advice in different fields (hypertension, general practice, psychiatry, nutrition) through videos, posts, Instagram lives and physicians' visits to our clinics to provide free or discounted consultations at NBK Clinic to employees.

Our health care program aims to improve the work environment, provide health and medical support to all employees covering different aspects, including:

1. Increase awareness towards health issues and wellbeing in addition to Covid-19 related awareness.
2. Helps keep staff's health in check.
3. Free or discounted consultations, including: providing direct consultation for staff, and facilitating the communication and meetings between patients and doctors, despite the pandemic.
4. Promote a healthier workplace

Outcomes:

- 8 physicians visited NBK Clinic to provide consultation
- 169 staff booked for physicians' consultation at the clinic
- 527 booked for My lab (blood test clinic visits)
- 65 internal messages circulated to staff through email
- 24 social media messages between Instagram TV (IGTV) and posts on I AM NBK Instagram.

NBK Clinic:

As we take the health and safety of our staff very seriously, the Bank has set up a fully equipped medical clinic at NBK Headquarters.

NBK Gym:

NBK conducted an employee survey on NBK's plan for a new fitness center to assess NBK staff reactions towards the idea of having a gym at NBK Headquarters, the concept of mix versus segregated by gender gym, willingness to subscribe and expected pricing to pay. One of the key findings was that NBK staff showed a high level of appeal to the idea of a gym in NBK Headquarters with an overall acceptance rate of 93%, mainly for the convenience of the gym being at the NBK Headquarters and the positive thought of the NBK management to encourage staff exercise and wellbeing. 80% said they were "Likely" or "Very Likely" to join.

NBK Opened the Gym at its Headquarters, Which:

- Is accessible for all NBK staff members who subscribe for membership
- Will be operated and managed by a well-known fitness service operator, Inspire Sahara Health Club
- Will be open 7 days a week
- Will have a well-equipped fitness area as well as spacious studios for personal training and group classes
- Is a mixed gym, however, gym group classes are segregated by gender, allowing employees to choose based on their preference
- Has flexible membership plans (monthly or yearly) with competitive rates giving members the possibility of accessing an additional gym location outside NBK premises.

NBK's Continued Response to COVID-19 Threat:

Constant communications were circulated regarding the importance and safety of the vaccinations, and safety measures and protocols were designed, implemented and communicated to employees frequently. We organized a seminar attended by a selection of Kuwaiti Physicians. They emphasized the safety of the approved vaccines and cautioned against inaccurate information. We organized provision of vaccinations at NBK Headquarters in three separate campaigns.

NBK's Insight group facilitated the NBK Health Pulse Survey, which was done every 2 weeks to see the current situation within NBK. The survey helped us monitor the number of people experiencing symptoms, having contracted COVID-19, having interacted with someone who had contracted COVID-19, having been vaccinated, etc. The COVID-19 Staff Health Survey was conducted in 16 waves, bi-weekly, spanning from January to September 2021.

A set of health measures/protocols were developed to maximize safety during the pandemic. The Employee Relations (ER) team requests sanitization after a positive case is reported. Sanitization also takes place every weekend at all NBK premises. Temperature checks are being done at all entrances at NBK premises. Creating a COVID-19 system for staff to provide all the details on a form regarding both suspected and confirmed COVID-19 cases for ER's action.

NBK created a "Return to Work" guide for all NBK staff to follow and ensure a safe return to the workplace. The guideline contains safety protocols to follow, information regarding work shifts and staff rotation, protocols for reporting cases, and contact details of the teams involved in providing support in COVID-19 related matters.

NBK's Measures to Protect Employees against COVID-19

In 2021, the following protection measures against COVID-19 were maintained.

NBK remains committed to providing constant support to its employees during these exceptional circumstances, keeping their health and safety as a top priority. Continuing on the previous year, the COVID-19 measures include:

Communications: NBK continued with its safety measures communication campaigns via all NBK internal communication channels, to remind the staff of the latest protocols to follow, and ensure a safe workplace environment.

Employee Wellbeing: Staff were offered free appointments with physicians to provide them with consultations and support to their mental and physical health at NBK Headquarters.

Bi-weekly Health Assessment Survey: A bi-weekly survey circulated online for all employees to take part regarding COVID-19 related matters—with the purpose to check on NBK's overall health pulse. We received positive feedback, where 95% of the staff are aware of the health and safety measures taken by NBK, and 91% was the level of confidence in the measures taken.

Vaccination Campaign: In cooperation with the Ministry of Health, NBK provided 1,000 vaccines to employees in two separate campaigns at NBK Headquarters. We reached a high percentage of vaccinated employees at 82% by the third quarter of the 2021. Before the campaigns, staff who took the first dose were at 40%; after the campaign, it reached 64%. For the second dose, it was at 15% before the campaign, and reached to 17% after.

Organizing a Seminar on the Importance of COVID-19 Vaccination: As part of the social responsibility efforts to combat the coronavirus, NBK organized a seminar for its employees to raise awareness about the importance of the COVID-19 vaccination. The seminar was attended by a selection of Kuwaiti physicians, as they emphasized on the safety of the approved vaccines, and cautioned against inaccurate information.

COVID-19 Champions Award: NBK management have recognized the efforts of those who supported Group Human Resources across the Bank by reporting COVID-19 cases in their respective business groups since the start of the pandemic. Their constant support was highly appreciated by the management and were provided with a COVID-19 Champions Award.

In addition, NBK's Group Human Resources was highly involved in promoting health and safety, including: communicating safety measures; ensuring staff followed safety protocols; supporting staff by providing free PCR tests; doing three vaccination campaigns for over 1,500 staff members; and sending the bi-weekly survey to all staff to check on the overall health pulse of the Bank. This comes as a part of implementing the Pandemic Response Plan, which was created by NBK to ensure staff and customer safety, in addition to business continuity.

Medical Insurance:

All employees and their direct family (spouse and two children up to the age of 23 years) are entitled to medical insurance coverage according to the NBK Medical Insurance Scheme.

3.5 Building Careers and Skills

Human capital development is critical to achieve our business strategy as well as to attract, develop, and retain talent employees. This section describes NBK initiatives for employee engagement and empowerment, leadership and succession planning, training and development, and performance management and compensation.

3.5.1 Employee Empowerment and Engagement

Employee engagement encompasses employees' satisfaction, willingness to "go the extra mile", commitment and connection to the organization, and enthusiasm and dedication for their job. It is the degree to which employees invest their cognitive, emotional, and behavioral energies toward positive organizational performance. Employee engagement is correlated with a myriad of organizational performance factors: productivity, customer satisfaction and loyalty, retention, absenteeism and even shareholder value. NBK strives to engage and empower employees, and to build a positive organizational culture and workplace environment. We endeavor to enhance employee engagement through all of our Human Resource programs and managerial practices.

Employee Engagement Survey:

In 2018, we held the first bank-wide Employee Experience Survey called "Your Voice Matters," where employees had the chance to tell us what it is like to work at NBK across 15 fundamental topics, such as pay and rewards, management, communications, development, among others. In 2021, we decided to relaunch this initiative and welcome staff back to "Your Voice Matters." We collaborated with the same third-party organization to help design, implement and analyze the survey to ensure utmost confidentiality.

In 2018, the results helped us identify the areas that need to be improved, and benchmarked us against other leading companies in our field. Since then, we have been working individually with every concerned business head and their leadership team to implement and achieve unique actions designed especially for each group and division. Over the past 2 years, employees have experienced those actions at a group level and a bank level. Although we had many ambitious plans to further implement these action plans, the work disruption that resulted from the pandemic forced a shift in our attention to other initiatives. Alternatively, during last year, we have also achieved many objectives that made a huge difference to our staff resulting from the pandemic.

Today, our management continues to demonstrate our commitment to make NBK an even greater place to work, where the best people want to join, stay and thrive. Employee input will help us shape the future of the business.

With the 2021 launch, we decided to roll out the survey across Kuwait as well as our international locations, whose employees experienced it for the first time. We again achieved an impressive response rate of 88% at NBK Group level, which is 1% higher than our last survey and significantly higher than the global average response rate of 65% - 75%.

Not only did we achieve an impressive response rate, but our results are very positive as well. We achieved a Group-wide Sustainable Engagement score of 83%, which is 4% higher than the Financial Services industry benchmark. NBK Kuwait achieved an engagement score of 87%, which is 5% above our 2018 score. It is very pleasing to know that NBK staff have high levels of pride and commitment to the Bank, and see NBK as a great place to work in.

NBK Kuwait saw significant improvements across all engagement topics. The survey highlighted NBK's key strengths, which were the way we perceive the quality of our services, the image and reputation of the bank, and our investment in learning and development. The survey continued to reinforce our three EVP Pillars, by scoring high on key elements that contribute to our promise to delivering on 'Our Success Story', 'Professional Excellence' and 'Accelerated Learning'. The survey results also highlighted that whilst COVID-19 was challenging for all of our people, NBK's response during the pandemic allowed us to stay safe and remain business-focused.

Each international location will work with their local HR colleagues to review their results in the context of their own unique countries and regions. With high participation rates across the overseas branches, each entity will have a wealth of data to

begin the next phase of action planning. Currently, we continue to review the results in more detail, identify areas for follow up, and formulate action plans for improvement across all business groups including IBG locations. This is a great challenge. Now we are excited to start engaging our management and champions in creating the desired actions that we will be embarking on the next couple of years.

NBK's Insight facilitates NBK employee surveys. Different division satisfaction surveys are conducted, in order to collect feedback from other internal stakeholders on how satisfied they are when dealing with those divisions. We also survey to collect staff feedback and reactions towards new ideas or services to be introduced by NBK's Group Human Relations or Public Relations functions.

Communications:

At NBK, we ensure that we have open communication through internal communications, manager discussions, and an open-door policy, as well as our annual Employee Engagement Survey, which allows staff to be as transparent as they wish to communicate any issues they might face. In addition, we encourage teamwork in any initiative, as we believe this is essential for growth and development, and it promotes circulation of new ideas. Employees within NBK are free to voice their opinions and provide as many ideas as they wish; however, we work to ensure that the final decision is in line with NBK's strategies and contributes toward the growth of the Bank.

Setting goals, having clear guidelines, meeting with staff regularly, problem solving, and open communication are some of many ways we at NBK like to function. We have our own principles—"1 AM NBK"—that are derived from core NBK values in ensuring we foster a culture of integrity, respect, and excellence, and provides a way for management and staff to collectively work together through empowerment and on-the-job learning experiences.

Employee Complaints or Grievances:

In 2021, NBK received five employee complaints. Out of the five employee complaints received, one of them was related to ethical matters, and none were related to any legal matters. Depending on the case, all employee complaints required immediate investigation and action by a special committee.

Volunteering:

NBK is keen to develop the practice of volunteering among its employees by encouraging them to be part of its humanitarian and social activities. The concept of volunteering has become a practice among the Bank's employees. Through encouraging employee volunteerism, NBK aims to strengthen the team spirit, develop employees' social and technical skills, and actively shape their social environment.

Volunteerism helps NBK forge stronger relationships with the communities in which we operate. NBK does not have an official volunteers' program at the time being. We have, however, a number of Corporate Social Responsibility (CSR) programs and events in which our employees can take part to serve a specific cause. Public Relations (PR) at NBK arranges volunteer groups to help in organizing and accomplishing events, including:

- NBK Hospital Activities (temporarily on hold due to COVID-19)
- NBK Run (formerly NBK Walkathon)
- Ramadan Good Deeds
- Various philanthropic campaigns

In 2021, NBK had 59 employee volunteers contributing 568 volunteering hours throughout the year. More details on how the employee volunteering hours are utilized across community initiatives will be elaborated on Section 4 (Evolving our Social Impact).

NBK Employee Volunteering

Number of Employee Volunteer Participants by Event	Number of Employee Volunteering Hours per Initiative per Volunteer
NBK Run: 35	NBK Run: 9 hrs
Winter supplies: 8	Winter supplies: 3-4 hrs
Vaccination tours: 6	Vaccination tours: 15 hrs
Camping tours: 5	Camping tours: 12 hrs
Ramadan: 5	Ramadan: 15 hrs

3 / Fostering Workforce Development and Engagement

NBK uses a variety of digital channels and platforms for employee engagement and communications, which include, among others:

- I AM NBK Instagram
- MyNBK Intranet Webpage
- Email circulars via Outlook

NBK brought a festive spirit into our Headquarters throughout the

last year. This ongoing seasonal and monthly initiative aims to enhance engagement with employees and fulfill their desires and requests with fun, entertaining and rewarding activities. In addition, NBK launched dozens of rewarding competitions and draws among staff, in addition to annual celebrations, such as the Graish Event before Ramadan and the New Year celebrations. The table below summarizes NBK employee engagement events, duration, and employee participation.

Summary of Employee Engagement Events

Name of Event	Duration of Event	Number of Employees who Attended the Event
<p>January Activities (Draws): Employees wrote down their resolutions on sticky notes and hung them at the Seasonal Occasions' Corner. A draw was held at the end of January to reward 14 participants with cash prizes.</p>	One Month	More than 2,000 participated and we had 14 winners
<p>December/January from Pick Yo: On the occasion of new year's celebrations, NBK sent to all staff invitations from Pick through our Mail Department. Employees should submit their invitations at Pick (at NBK's cafeteria) to receive their free Pick Yo frozen yoghurt with their desired toppings.</p>	December/January	All Employees
<p>Graish Virtual Event: Despite social distancing, NBK organized a live Pre-Ramadan gathering (Graish) through the employees' Instagram Page "I Am NBK". NBK's Executive Management and staff members celebrated Graish together from home. NBK Group CEO, Issam Al-Sager, NBK Deputy Group CEO, Sheikha Al-Bahar, NBK-Kuwait CEO Salah Al-Fulaij and NBK-Kuwait Deputy CEO, Sulaiman Al-Marzouq attended the virtual occasion alongside a large number of other NBK Executives. This annual celebration to welcome Ramadan brought NBK family closer. It aimed to find a way to show that the ties between the NBK family members are as stronger in these difficult times. The Graish virtual event witnessed an array of entertaining activities and contests. Many NBK employees were awarded valuable prizes; they received calls from NBK PR team to inform them that they were one of the lucky winners.</p>	3 hours	More than 500 joined 23 winners
<p>Thursday Cash: A monthly competition that takes place every Thursday. It tests your knowledge of general facts and rewards 4 to 5 winners each month.</p>	Every Thursday, All Year	4 winners each month
<p>October Draws: Want to win a bicycle? All staff were eligible to scan a QR code placed at the cafeteria, then answers the questions to enter the draw to win one of five bicycles.</p>	October	All the employees participated in the draw and we had 5 winners
<p>Summer draws: Get a Chance To Travel to Your Favorite Destination Summer bursts into flavor at our cafeteria. NBK brought all the fun needed to step in to summer vacation with excitement. A draw was held to win ticket to favorite destinations. All participating staff posted their favorite destination on the cafeteria's wall to enter the draw. Five winners were rewarded!</p>	July	All the employees participated in the draw and we had 5 winners

<p>Cafeteria Themes: (NBK brought the festive spirit in to our Headquarters throughout last year. This seasonal/monthly initiative is ongoing and it aims to enhance engagement with employees and fulfill their desires and requests with fun, entertaining and rewarding activities. These seasonal/monthly activities are hosted at the cafeteria every month with a different setup revealing a different theme (i.e, New Year's, Kuwait's National and Liberation Days, Spring, Ramadan, Summer theme, "Adha" theme, Fitness theme, camping theme, etc.)</p>	All months	All employees
<p>Dose Café Distributions: All staff received an invitation to pick their favorite coffee and dessert from "Coffee Dose" at the cafeteria. "Coffee Dose" visited the branches too. A selection of fresh coffee and dessert was also delivered to our colleagues there.</p>	April	All employees
<p>December Ice Cream from Melenzane: For the occasion of New Year's celebrations, a free treat was distributed at the cafeteria for all staff. An invitation was sent to all employees to pick their favorite Italian ice cream from Melenzane. Melenzane also visited all branches, delivering ice cream to our colleagues there.</p>	December	All employees
NBK Care Program-Mental Health via Instagram and staff announcement.	All year	All employees

3.5.2 Leadership and Succession Management

Career Discussions and Individual Development Plan (IDP):

NBK's IDP is a tool to assist employees in career development. Its primary purpose is to help employees reach short and long-term career goals, as well as improve current job performance.

NBK's Middle Management Program:

This program is designed for new and emerging managers entering new managerial roles and becoming heads of units tackling issues in leadership. Our mid management program provides target review upcoming trends and 'need to know' of banking and the industry to prepare our future leaders for upcoming trends.

NBK Collective Executive Management Program:

NBK partners with leading international business schools in designing an intensive training program specifically tailored for the Bank's executive management team.

Other Leadership Programs:

These other leadership programs focus on developing our leaders and potential future leaders who work for various groups of the Bank. Such programs help the incumbents improve their overall skillset in terms of leadership, behavioral and technical skills.

Succession Planning:

NBK's succession planning process is based on talent identification through talent management forums on Business Group and CEO level to identify and confirm successors for level 1 and level 2 roles. These sessions occur annually. In an effort to continuously provide the best to our identified high-potential employees, NBK focuses on always providing ongoing training and development to fit their positions and to prepare them for more leadership positions in the future. This is a combined effort of providing training from top executive schools. In addition, several succession-planning initiatives occur in parallel to better understanding employees' aspirations and development opportunities and allow the Talent Management team to cater to their growth and their needs. Individual plans are uniquely created for every successor in coordination with them and their business group leadership, and facilitated by the Talent Management team. Full policies and process are set in place to ensure these activities are properly rolled out and in accordance with our best practices.

3.5.3 Training and Development

On average, each NBK Kuwait employee was trained for about 5.2 hours—calculated as 41,037 training hours overall (excluding Digital Mindset training reported further on). In 2021, NBK invested a total of KD 1,021,277 into employee training. This was a 71% increase from the previous year's expenditure of KD 598,563 invested in training.

Learning and Development Blended Learning:

In addition to new recruit and in-house workshops, most of NBK's current curriculum, soft and technical trainings have shifted to a blended approach from classroom to virtual/live and e-learning to accommodate to a distance learning situation.

Digital Mindset Training:

In line with the GHR strategy efforts to drive the Bank to support the adoption of a digital culture at NBK, we designed a Digital Mindset Training Curriculum that caters to all NBK staff, including overseas branches and subsidiaries. The curriculum has been developed in coordination with the Group Digital Office (GDO) and was approved by Executive Management.

This designed curriculum targets NBK's initiative towards enabling the NBK Digital Mindset through embracing, changing, innovating and implementing an agile culture whilst promoting a startup mindset amongst the organization. The Digital Mindset Training Curriculum was launched in Q3 2021 with 1,962 participants (including 659 from overseas locations) attending the training. In Q4 of 2021, we started with a full Digital Mindset Journey for NBK Kuwait and international branches which includes:

- Business heads and Executive Management
- Managerial roles
- Supervisory and operational roles
- NBK Learning Hub

In 2021, 833,469 training hours were recorded solely for the Digital Mindset training.

Furthermore, we enhanced the training platform to incorporate the majority of staff behavioral learning needs aligned with NBK competencies for all employees. It is an advanced digital platform accessible through desktop and app on all devices offering:

- Induction program for onboarding new recruits
- Compliance training
- Mandatory programs
- Core competencies
- Testing tool and survey engine.

Degrees and Certifications Programs:

NBK has a number of degree programs and certifications offered for NBK's employees. A comprehensive list can be found in Appendix 7.4.

ESG-Related Training

NBK conducted training courses for staff concerning Anti-Bribery and Corruption, Anti-Money Laundering, and Fraud Awareness. These courses are mandatory for all employees and are repeated either annually or bi-annually. More details are as follows:

- A) Name of the course: Anti-Bribery and Corruption Training
- B) Number of employees received the course 2,756
- C) Number of training hours conducted 5,512 hours

- A) Name of the course Anti-Money Laundering Program
- B) Number of employees received the course 2,729
- C) Number of training hours conducted 10,916 hours

- A) Name of the course Fraud Awareness Training
- B) Number of employees received the course 2,759
- C) Number of training hours conducted 5,518 hours

Name of the course	Number of employees received the course	Number of training hours conducted
Anti-Bribery and Corruption Training	2,756	5,512 hours
Anti-Money Laundering Program	2,729	10,916 hours
Fraud Awareness Training	2,759	5,518 hours

Training Highlights

- 5.2 training hours per employee
- KD 1,021,277 invested in employee training
- 41,037 training hours (excluding Digital Mindset training)
- 833,469 training hours for Digital Mindset training



Policy Awareness and Understanding:

NBK has a strong training program to ensure that employees develop a clear understanding of NBK's policies and expectations around principles and practices for ethical behavior, information security, and customer protection as well as job-related competencies and skills and general knowledge.

All employees are provided an Employee Handbook and Code of Business Ethics and Conduct. The tables illustrated below provide a sense of areas covered in both the Employee Handbook section and the Code of Business Ethics and Conduct respectively.

Employee Handbook - Areas Covered
General Employment Terms and Conditions
Leaves and Official Holidays
Staff Benefits
Compensation and Career Opportunities
Training and Development
Talent Management
Resignation/Termination of Employment
Staff Complaints
MVP
Government Services
Communication with Human Resources Group

Code of Business Ethics and Conduct - Areas Covered

General Guidelines
Compliance with Regulatory Requirements
Dress Code and Appearance
Personal and Professional Behavior
Integrity in inter-Personal Relationships
The NBK Brand
Smoking
Harassment
Privacy and use of Personal and Official Information
Acceptance of Commissions, Gifts or Benefits
Confidentiality
Enquires from the Authorities
Conflict of Interest
Anti-Money Laundering
Tax Compliance
Other General Rules
Use of Information Technology
Non-Compliance

In 2021, NBK International Banking Group (IBG) conducted Information Security Awareness compliance training for 700 staff members in 11 international locations. More information is provided in **Appendix 7.7. Compliance Training – Information Security Awareness 2021 (e-learning)**.

3.5.4 Performance Management and Compensation

For performance management of all employees, NBK adopts the balanced scorecard methodology that provides a balanced measure between the key technical and soft skills required for the employee to perform their jobs.

Performance management includes, in general, the following process:

- 1) business planning,
- 2) performance cascading and contracting,
- 3) performance observation and monitoring,
- 4) midyear review,
- 5) performance observation and monitoring,
- 6) year-end evaluation,
- 7) employee feedback.

All employees within NBK are eligible for receiving performance and career development reviews and it is part of the key responsibility of each manager. NBK recently introduced the midyear review discussion, which is a formal discussion that occurs during the middle of the year to ensure open and transparent communication between managers and employees.

The performance management evaluation in NBK is a year-round practice of measuring employees' performance in relation to their job role.

During COVID-19, NBK adhered to safety guidelines to ensure the proper precautionary measures are put in place the proper precautionary measures are put in place during the performance management process.

In addition, the assigned KPIs were aligned with the new strategic business goals following the pandemic. The normal performance management process prevailed.

NBK overall strives to ensure that all employee performance management review and compensation is free of bias due to gender or nationality. We monitor pay differentials for similar work for any bias or discrimination. This includes differences at managerial and executive levels.

NBK does not yet have an employee performance appraisal system that integrates compliance or code of conduct.

Compensation:

In 2021, the total amount spent on employee compensation and remuneration was KD 201.1 million, a 15% increase from KD 174.4 million in 2020.

NBK applies Kuwait Labor Law addressing minimum wage. Additionally, NBK's practice is that in the salary review every year, every employee who meets or exceeds expectations will be eligible for a minimum increment in compensation.

Around 60% of total remuneration for covered employees is variable and linked to the amount of products and services sold. NBK's non-salary benefits provided include: ticket allowance, health insurance, schooling for some levels, and life insurance (in case of death of employee).

NBK has a CEO Equity Policy, which is applicable from Assistant General Manager (AGM) to CEO levels.

As of 2021, the average (mean) amount of executive pay, in consideration of all NBK executives is KD 306,817 annually. This was a 35% increase compared to the previous year's KD 227,967. NBK has received no formal complaints regarding areas of concern related to executive compensation. We are studying best practices in linking executive pay to ESG performance, but did not have this in place in 2021.

Pay Equity:

Our goal is equal pay for equal work. In 2021, one indicator of pay equity is the mean pay between genders. Currently, the ratio between female and male pay is slightly short of 100% (or slightly short of 1:1 ratio). Looking at the mean fixed pay per grade/level at NBK, the majority of the grade levels are at 100% with very few exceptions of which the highest maximum gender pay gap is 2.93% per grade/level.

Phantom Shares Option Plan:

The objectives of the NBK Key Employees Phantom Shares Option Plan are to:

- (a) Motivate the Bank key employees, including Kuwaiti and Non-Kuwaiti employees to create sustained valuable performance and ensure their loyalty and commitment to its future through their granting a cash remuneration equaling the sale price of a certain number of the Bank's shares at certain date, and
- (b) Attract and retain crucial skills and competencies to support the Bank's business growth

3.6. Labor Practice and Human Rights

NBK has recently released Human Rights Statement and is currently working on our Policy for Human Resources Management (HRM), which expands on our Group Human Resource Policy. In it, we clarify our commitment to responsible employment and managing and developing our employees, who we view as one of our most important strategic assets and as the vital force through which we serve and build relationships with our customers, design and implement business processes, and achieve essential innovation. NBK also aims to incorporate humanitarian considerations into our business operations and decisions, and we support the SDGs and other international and national goals, requirements, guidelines and voluntary standards that are relevant to our business and industry. NBK believes that

our Group Human Resources should support our strategy and be responsive to changing conditions in our work environment.

NBK works to engage, develop, and motivate our employees, as well as promote labor and human rights. This is undertaken through a number of ways, wherein NBK:

- has our comprehensive and responsible human resources policies and procedures, which protect employee rights,
- provides a workplace free from any form of harassment,
- promotes diversity, equity, and inclusion,
- recruits and retains excellent talent,
- provides fair and competitive compensation commensurate with each job or task at hand,
- advances occupational safety, health and wellbeing,
- builds a responsible work culture that encourages ethical behavior, and guides employees through formal procedures to deal with complaints and grievances.

Details of NBK's commitment to Human Rights are defined in our Human Rights Statement. <https://www.nbk.com/nbk-group/sustainability/sustainability-policies.html>

NBK has 14 employee-related policies, which are owned by Group Human Resources. The policies are approved by the Executive Committee and then the Board of Directors, and published on MyNBK website (our intranet) under Policy and Procedure Repository, which is accessible by all active staff. All new recruits are given the Employee Handbook, where there are directives to look into the policies on MyNBK website and the Employee Handbook and Code of Business Ethics and Conduct that include all necessary details.

NBK has a non-discrimination commitment, described in the Employee Handbook and Code of Business Ethics and Conduct as follows: Avoid harassment or discrimination against employees in work practices on the grounds of sex, race (including color, ethnic background or national identity), marital status, disability, religious belief and age.

NBK's anti-harassment commitment, described in the Employee Hand Book - Code of Business Ethics and Conduct states: Harassment is unacceptable conduct within the Bank and all reported incidents will be investigated and dealt with accordingly. Harassment is directed against an individual or group by another individual or group and is derived from the misuse of power over the target through behavior. This may include:

- Verbal abuse
- Physical abuse
- Excluding or isolating behavior
- Deliberately withholding information vital for effective work performance

Employee Relations (ER) involvement in employee discrimination or harassment incidents occurs when employees submit a staff complaint. ER team will investigate and involve all concerned staff members and take the necessary action. Depending on the discrimination incident, the ER team will support Head of Group Human Resources and GHR Operations in investigating the incident and taking the necessary action.

NBK has an employee working hours and living standards commitment, described in the Employee Handbook as follows: All employees should abide by the official working hours each within their line of service. The standard working day is eight hours and the standard working week is forty hours, beginning on Sunday and ending on Thursday.

Working Hours Vary as Mentioned Below:

- Normal Working Days:
 - o Sunday to Thursday
- Normal Working Hours:
 - o 7:30 AM - 3:30 PM

Branches Working Hours - One Shift:

- Working Days:
 - o Sunday to Thursday
- Working Hours:
 - o 8:30 AM - 3:00 PM

Branches Working Hours - Two Shifts:

- Working Days:
 - o Sunday to Wednesday (2 shifts) and Thursday (1 shift)
- Working Hours:
 - o 9:00 AM - 1:00 PM (morning shift)
 - o 5:00 PM - 7:00 PM (afternoon shift)

Based on our Staff Complaints policy, the concerned employee that has a complaint first discusses it with their direct manager, who tries to resolve it. If the complaint is not resolved, then the employee raises the complaint to the Group Head. If the complaint is not resolved, the employee fills out the staff complaint form to submit to Employee Relations.

NBK has not been subject to human rights reviews or impact assessments. None of NBK's operations have been subject to human rights reviews or impact assessments.

In 2021, 37 female employees were entitled to maternal leave. This was a 54% increase from the previous year's figure of 24 female employees. As percentage, 3.5% of female employees were entitled to maternal leave. This was a 52% increase from the previous year's percentage of 2.3%. NBK's employees are not entitled to paternal leave.



Leading in the Marketplace

205-1, 403-2, 415-1, 418-1

As a leading bank, we excel in the marketplace through our state-of-the-art digitization developments, financial stability and security, as well as customer satisfaction and protection.

In fact, NBK's digital transformation has escalated significantly during this reporting year. Similarly, information security and privacy protection has been assured through our policies and procedures, which are aligned with global standards. Additionally, our proper policies and procedures support ethical business and guarantee utmost customer satisfaction and protection.



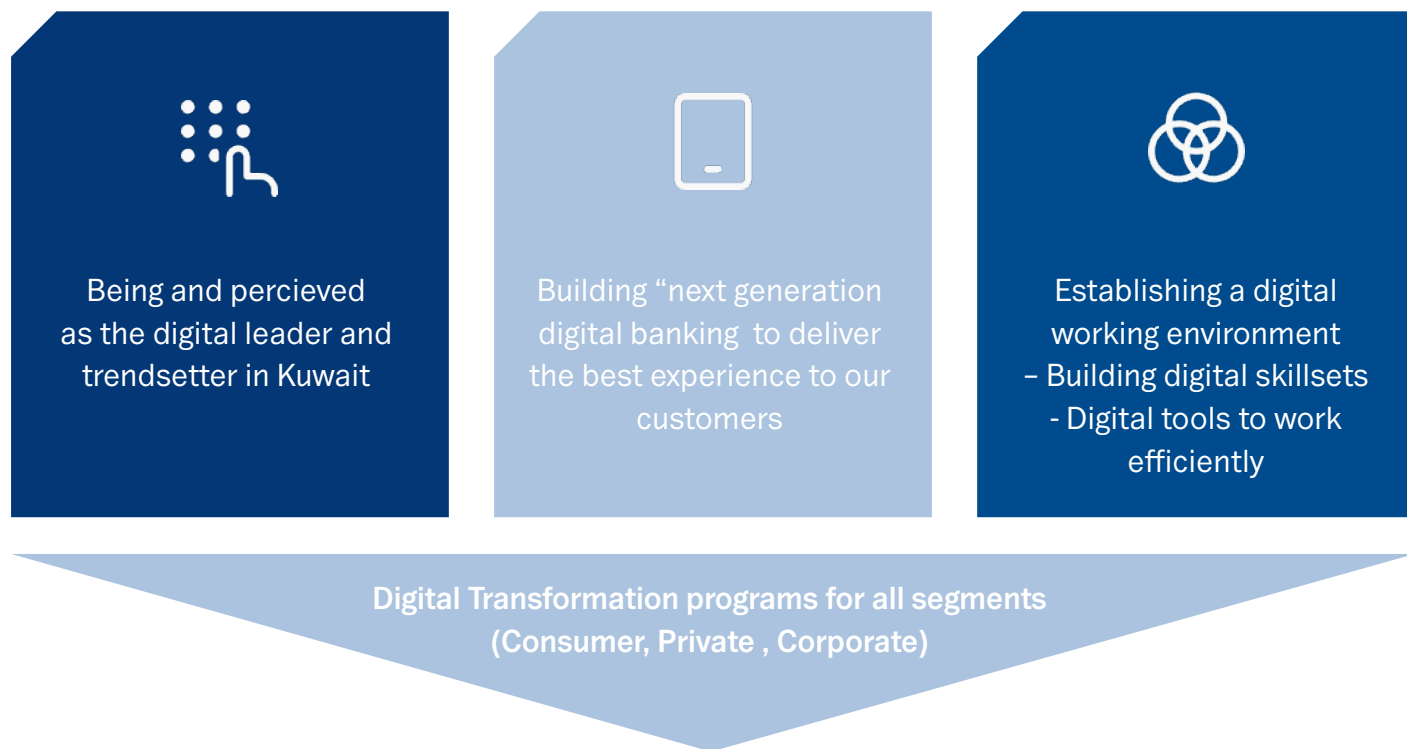
4.1 Championing Digitization and Technology

Adapting to the ongoing digitization of the economy and of society in general is arguably the most challenging transformation every business is currently facing. Digitization is a central component of NBK’s business strategy. The graphic below summarizes our digital transformation strategy, outlining our digital agenda and the following six pillars for leveraging change:

Digital Transformation Strategy Aspects

1. Enhancing Existing Channels Experience
2. Develop New Channels
3. Building New Digital Capabilities
4. Digital Value Proposition
5. New Way of Working
6. Trendsetting Innovation

NBK Developed Its Digital Agenda With Strong Ambitions

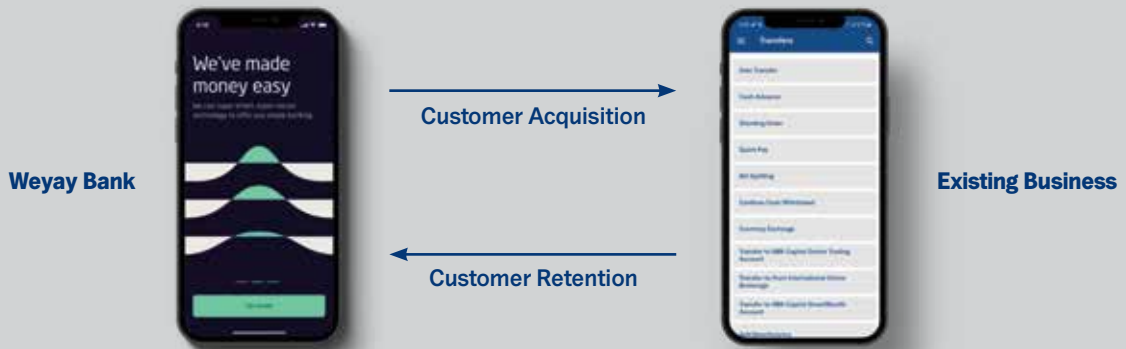


Leveraging the Change Through Six Main Pillars



The success of NBK's digital transformation is evident in our successful launch of Weyay Bank, the first digital bank in Kuwait, the high rate of digital adoption by customers using mobile banking and self-service channels for transactions, and the external awards received by NBK.

NBK Launched The First Digital Bank in Kuwait



Increased Digital Adoption at a High Rate

KPI's	2020 (End of Dec)	Actual (Dec 2021)
NBK Mobile Banking of Targeted Segments	48.6%	58.5%
Digital Transaction Ratio for All Self Service Channels of Targeted Segments	97.1%	97.6%

Bank Recognized From International Digital 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

4.1.1 Digital Products and Services

NBK has successfully built new digital capabilities, developed, and facilitated adoption of customer-facing products and services as well as internal operational digital platforms. With an ambitious mindset and a well-structured action plan, we are working toward our goal of "digital excellence." Customer-facing initiatives and our channels are crucial in this regard. NBK is providing services to customers wherever they are and whenever they want through different digital channels. We are adopting a Mobile First strategy, and NBK Mobile Banking allows customers to manage their financials anytime, anywhere.

It is one thing to articulate a strategy. It is another to execute it. It is important to note that our success was due to extraordinary competence and accomplishment of NBK staff collaborating in a truly cross-functional, cross-business unit effort. Regarding our accomplishments, these include: award-winning new and improved digital products and services, new digital technologies used internally, and opening of the first fully digital bank in Kuwait.

To support our "Mobile-First" strategy, we are constantly introducing new features to our mobile banking application. In 2021, new features and functionalities were added to our existing mobile banking and online banking experience, as well as other digital tools—with a list of these presented in **Appendix 7.8. NBK Selected Digital Releases and Features**.

Mega Projects:

During 2021, NBK Domestic Corporate Banking Group (DCBG) have been working on two mega projects. The brief on the projects is as follows:

Customer 360:

It is an advancement of the existing customer relationship solution that would deliver a 360 degree view on the corporate customers in our portfolio, to effectively manage our customer relationships and enrich our internal reporting and management.

Corporate Online Banking:

It is a new platform that would replace NBK's current online corporate banking services with an improved front-end interface in addition to regional integration with other entities under the NBK Group.

Digital Payment Domain:

Investments also continued in the digital payment domain. We have expanded our ATM networks, especially Mobile ATMs (i.e. self-contained units that can be placed in almost any location, typically wireless transmission of transaction data).

Weyay Bank:

Weyay Bank, the first end-to-end digital bank in Kuwait, is NBK's most exciting digital accomplishment of 2021. It exemplifies our strategy of creating a fully digital value proposition. Weyay Bank's youth orientation makes it a solid investment for our future customer base. Our journey to create this innovative banking experience targeted at young clientele is described in the sidebar as follows.

Weyay Bank: The First Digital Bank in Kuwait

NBK has always been the pioneer of banking at different fronts, and youth is an excellent segment in which to ensure NBK has a leadership position. Our goal is to lead in terms of market share and other factors in a competitive landscape.

Competing within business as usual (BAU) type of banking where you provide competitive offers no longer provides a competitive edge. Boundaries of industries are blurred, and customer expectations are not limited to what the banks are offering. We determined that streamlining the customer experience was the way to go about achieving competitive advantage. From this point of view the Bank put together different levers to design a differentiated and unique experience -- resulting in NBK's launch of Weyay as the first digital bank in Kuwait.

A typical strategy is to launch with minimum viable product and try to meet the core needs of the target audience. In the beginning, our target audience was the youth as a starting point, so offerings, look and feel, and the service experience were geared to deliver value to youth. As we move forward, NBK will target other customers and will meet the needs of other customers.

Research was a core part of our process from day 1. We understood that there is a gap in the market and the way it is being served today. We today are still researching to make sure we are guided by the customer preferences. Weyay is essentially "The first digital bank for the youth by the youth" since youth were such an integral part of value proposition process.

NBK conducted research to understand the preferences, pain points, lifestyles, etc. of our target market. Our goal was understanding the mindsets and lifestyle of youth, and understanding their banking needs. As we were developing features and services, they constantly guided us. Testing includes focus groups, interviews, app user testing, surveys, etc. We were also guided by examples that we examined internationally.

NBK identified core principles and process elements for successful design derived from the research:

- incorporating constant user guidance in developing the features
- working in a time-boxed manner (sprint)
- agreeing which features users want to design
- designing customer journeys, then arranging user design sessions involving different ages and profiles as target audience
- conducting moderated sessions with the business team with prototypes prepared of the features designed (when needed)
- having specific questions that are free from bias
- getting feedback, then analyzing information with the wider team
- having outcomes, and then amending the concept of the features
- making sure that whatever user are designing, they are interested in.

NBK has not yet looked at the environmental aspects of Weyay, but it is straightforward to expect a positive impact, since it is paperless, branchless banking. Compared to average branch visits in CBG for this age group, all the paperwork is scrapped out completely.

Our experience has been amazing. We are the first digital bank in Kuwait, through which we enable customers, within 3-4 minutes, to open an account without signing any paper or visiting a branch. Ratings were 90%+ on experience with onboarding.

Note that Weyay users do have to meet criteria for acceptance. Customers have to be residents of Kuwait, with valid Civil Identification issued from Kuwait. They onboard through either scanning Civil ID or PACI authentication from Kuwait Mobile ID and check to ensure the Application Programming Interface (API) third party user is working well.

A great deal of testing is going into Weyay Bank. We completed the beta testing, then launched for a limited set of customers. We then removed restrictions and gradually opened-up. An important objective during this phase is to gauge the customer experience and improve.

As of Dec 31, 2021, we operated a limited beta release targeting 100 users -- a mix of staff plus a few family and friends comprising a close loop testing community.

www.weyaybank.com

Weyay has a separate Solutions Center from NBK's call center. This Solutions Center / Weyay is separate, standalone unit under NBK Consumer Banking Group (CBG).

In the following sidebars, we will elaborate on NBK's digital transformation and the role of different departments regarding digital transformation topics.

Group Digital Office (GDO) Advances Digitization

NBK defined its strategy and roadmap to achieve successful digital transformation. In parallel to that, the pandemic shifted the gravity of the banking sector to excellence in "digital." We have shaped our strategy, objectives, and projects to reflect the increasing importance of digital-only services. Our ambition is to transition the majority of our customer base to digital, nudging them to transact in digital platforms, especially using mobile banking in alignment with our "Mobile First" strategy. The digital agenda has been developed with solid targets as :

- 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

During the COVID-19 outbreak, NBK quickly responded to create effective and safe solutions for both customers and our employees. We successfully adapted the way of working and enabled remote working capabilities for our employees.

GDO established the Design Center with internal designers as well as with a partnership with a globally well known design agency to accelerate design and UX-related tasks required for digital product/service development, and take on the Bank's digital projects. Design Center is intended to actively deliver design related projects that boost customer experience. This Center is responsible for designing, overseeing and facilitating the digital design systems, digital customer journeys and experiences, procedures for the Bank and actively deliver compelling and immersive design related experiences that create immediate and long-lasting value for customers.

Through this establishment, the Design Center is now equipped and in the process of enhancing several key areas of the bank's

digital product portfolio. Overall, we created a design system that is scalable, reusable and focuses on the brand values of NBK.

The Digital Office hosted the NBK Online Hackathon, in collaboration with CODED Academy, with the objective of delivering new ideas and innovations to develop NBK Mobile and develop the talent pool. In addition, in line with our strategy to drive digitization that supports the adoption of a digital culture in NBK, GDO supported GHR for Digital Mindset Trainings for all of our employees.

Group Digital Office acts as an internal digital transformation agency, working on different important digital initiatives. The facelifting of the NBK mobile application is underway - redesigning the whole application with a focus on the customer experience and seamless daily banking, capitalizing on new design trends. Moreover, the Personal Finance Manager (PFM) Project looks to provide customers with deeper control and insights into their finances. This also empowers customers to make better informed financial decisions, thus providing an engaging and innovative mobile experience. The aim is to achieve this through a key fintech partnership. Project connect positions our mobile banking application as an engagement platform between our customers and Smartwealth. Additionally digital onboarding to achieve end-to-end experience to create our customer base are some examples. GDO is also working on bringing new ideas through fintech partnerships to increase product and service portfolio of the bank.

NBK's Group Digital Office is constantly scouting, experiencing and predicting new technologies, channels and solutions for our customers.

Group Human Resource (GHR) Role in Digital Transformation

NBK's Group Human Resources played an instrumental role in implementing NBK's digital agenda. With support of GHR employees, NBK promoted digital training culture, transformed

traditional training, conducted employee surveys, sponsored career fairs, and ran a COVID-19 vaccination campaign aimed at guarding employees' health and welfare.

Group Human Resources (GHR) Process and Platform Evolution to Support NBK's Digital Transformation Strategy

NBK's GHR function supported the overall digital strategy of NBK by developing a strategic pillar named "Digital Transformation". Several initiatives are planned in the next 3 years based on this agenda.

The automated processes used specifically by NBK's HR function are:

- Employee Certificates Human Resource Management System (HRMS)
- Teller Allowance user RPA
- Onboarding passport for senior and executive staff
- SharePoint including parking allowance, handover form, staff file request, data request form, and mid-year performance.

Digital transformation affected GHR in the following ways:

- The SharePoint platform created an automated tracking tool for different HR processes from request initiation through end result. It has also saved time by adding all the required details in the request and excluding the manual signatures on the hard copy log.

- Automating the workflow for requesting a parking allowance has eliminated all paper work and hard copies, which has saved around 2,000+ papers.

- Loan Origination System (LOS) system has automated loan generation and minimized Customer Relationship Management (CRM) processes where most forms are generated by the system.

Additional ways that HR is promoting and contributing to digitalization include:

- Various enhancements implemented in Oracle I applied to recruitment, Learning Management, and automation of processes in HR operations
- Initiating Mobile Application Project
- Upgrading Learning and Development (L&D) Service Offering through Digitalization
 - Most of NBK's current curriculums, and soft and technical trainings were shifted to a blended learning approach of online and in-person
 - Implemented the NBK Learning Hub L&D platform including Induction Program for onboarding new recruits, compliance training, core competencies and other courses.
- NBK contracted a firm to audit the Grading system, and the project is divided into 3 phases :
 - 1) Audit and review Grading System
 - 2) Compensation Structure Review
 - 3) Finalize Design, and Plan implementation and Communication

During 2021, we successfully finalized Phase 1 and are planning and executing Phase 2 during 2022.

Internally, our GHR adopted Robotic Process Automation (RPA) in two processes during 2021: Teller Allowance and AMC blocking users. Deploying RPA in GHR processes helped to eliminate human intervention, and saved time, effort, and turnaround time marginally. An additional benefit of the RPA process is having more controls than with the previous process. GHR is continuing to explore other processes for RPA application.

Moreover, the Bank launched Digital Account Opening, enabling the entire process of opening an account to be completed digitally.

Digital Communications:

NBK ensures to communicate with customers and staff on a regular basis and through different digital channels, from the social media accounts with 1.8 million followers to the Bank's website, nbk.com, where they can find all the needed information about the Bank's products and services, as well as the latest campaigns. The Bank communicates with customers as well through SMS, App notification, e-mails, press releases, nbk.com, screens at the branches, and the ATMs.

Reducing Environmental Impact:

NBK has successfully reduced the use of plastic cards during transactions by enabling contactless payments through Tap and Pay, promoting online transactions and launching 3 types of digital wallets. This has significantly extended the usable life of plastic cards. Consequently, NBK increased the card expiry date from 3 years to 5 years, cutting plastic consumption by 40% eventually.

Digitization-Related Awards

NBK's awards received concerning Digitization include:

- Global Finance 2021
- Group Digital Office has been awarded as ""Best Financial Innovation Labs 2021""
- Under Digital Banking Awards from Global Finance Magazine
- Best Consumer Digital Bank
- Best Online Product Offerings
- Best Bill Payment and Presentment
- Best Mobile Banking App
- Best in Social Media Marketing and Services
- Best in Lending
- Most Innovative Digital Bank
- Awarded by The Banker: Best Bank in Innovation in Digital Banking in the Middle East

Importantly, NBK met the rapid expansion of remote access in both 2020 and 2021 with zero incidents related to data leakage or unauthorized access (no data breaches).

In 2020, NBK adopted cybersecurity as a strategic theme emphasizing protection against cyber threat through implementation of new technologies and enhanced controls of existing security solutions. NBK established several policies related to data protection. These include:

- Personal Data Privacy Policy (to secure customer personal information through implementation of required procedures),
- Information Classification Policy (information classification in accordance with the sensitivity of the information),
- Information Classification and Handling Guidelines.

NBK's Data Classification Framework has been implemented with associated security controls. Collectively these documents allow staff to manage personal data irrespective of its type or form (electronic or physical) from threats and effectively minimize business risk. This includes protecting the rights of data subjects when collecting, processing, transferring, storing and disposing personal data, and defining conditions / circumstances for processing data as per global standards and regulatory requirements.

NBK's information security policy is based on ISO 27001 and Central Bank Cyber Security Framework. We have IT-related ISO certifications, including the achievement of ISO 27:0001:2013.

NBK has implemented numerous security solutions to protect against risk of information leakage, including:

- Host Data Loss Prevention (DLP) and Network DLP
- Device Control for connecting external media
- Secure File Transfer (for external data sharing)
- Implemented Virtual Private Network (VPN) for remote access to provide seamless connectivity.
- Restricted data sharing over Remote Desktop

NBK has an effective cybersecurity program that covers the following:

- Regular internal security audits or vulnerability assessments or penetration testing of the company's systems, products and practices affecting user data
- Management system certified to ISO 27001 standards
- Governance structures in place for cybersecurity management
- Regular external security audits or vulnerability assessments of the company's systems, products and practices affecting user data

4.1.2 Information Security and Privacy Protection

As summarized in our last Sustainability Report, "Information security and protection against cyber leaks is of utmost importance to NBK and our customers, and is increasingly a material issue. To protect against company and customer data leaks, NBK has controls and measures in place. We have implemented various security solutions and performed user awareness to manage cyber risk related to data leakage. As part of this, we implement a Cyber Security Incident Management Framework and an HR Security Policy.

As was true in 2019 and 2020, NBK did not lose any company data as leaks in 2021.

NBK's information security policies and procedures are implemented annually. In alignment with global standards, in 2013 NBK achieved ISO 27001 certification covering three key areas:

1. Information Technology,
2. Security Techniques, and
3. Information Security Management Systems.
4. As part of maintaining our information security management system, NBK makes updates as new threats or business needs emerge.

- Regular employee training on cybersecurity issues
- Operational measures to monitor and respond to data breaches and cyberattacks
- IT infrastructure certified for ISO 27001
- Annual internal and external penetration testing
- Data protection policy that governs all relevant business lines/subsidiaries
- NBK did not have any attack vectors
- External independent audits of Information Security Policies and Systems conducted at least once every two years

NBK conducts annual audit reviews on information security policies and systems. The last review was conducted in Q4 2021. NBK strives to improve information security awareness among employees, by conducting Information Security Awareness training for employees, providing regular security tips, and conducting phishing simulation tests.

For external stakeholders (i.e. customers), information security awareness is conducted through security awareness messages.

NBK conducts training for NBK employees on data security and privacy related procedures and risks. The Data Security is ISO governed, while the Chief Data Office governs the Data Protection training.

Data Protection training was covered in 2020 for NBK Kuwait (92% of staff completed) and select IBG locations 100% completed (Jordan - KSA - UAE). The online course and assessment were not restricted to a number of hours. Data Protection 2022 is set for deployment in Q2.

4.2 Financial Services Stability and Security

NBK has a longstanding reputation for our financial stability, strong capitalization, very stable management, and high asset quality. The stability and security of our financial services is reflected in the strong 2021 ratings and awards summarized in the About NBK section: Long-term ratings Moody's A1; Standard and Poor's A, and FitchRatings A+.

The most pressing issue for NBK and other companies globally is business continuity in the face of the COVID-19 pandemic. We have proven to be exceptionally resilient in overcoming technological, customer services and support, and human resource management issues driven by lockdowns, technological

challenges in supporting customers' transition to online banking services and employees' remote work, and need to protect the health, safety and wellbeing of our employees, our customers, and our community. NBK's business continuity plan, culture of customer service and agility, and innovation capability came to the fore.

Responsibility for ensuring the stability and security of NBK's financial services starts at the top. NBK's Board of Directors' Risk and Compliance Committee oversees risk assessment and management by monitoring and planning for technological, operational, credit, market, business continuity, regulatory and emerging risks. As described in the Governance section 6, NBK has strong risk management organization and rigorous risk assessment processes and practices.

NBK also assigns high importance to responsible and ethical business management. We have strong policies against corruption, money laundering, bribery, human rights abuses, and for customer privacy and data security. Our corporate practices are aligned with these policies. For example, NBK reports on related-party transactions every year through the financial statements. NBK makes exactly zero political contributions directly and indirectly.

Overall, NBK's reputation and business survival depend on the strength, stability and security of our financial services.

4.3 Customer Experience and Satisfaction

NBK is dedicated to providing an optimal customer experience and earning their enduring loyalty. This starts with providing high quality, stable financial services. Customer feedback on service excellence and satisfaction with the total customer experience are rigorously monitored. Below we summarize NBK's mechanisms for assessing customer satisfaction, then report on 2021 scores and feedback for Domestic Consumer Banking and Domestic Corporate Banking

Monitoring Customer Experience

NBK always monitors the impact and effectiveness of its products, services and communication. When it comes to products' daily monitoring of the portfolio and its growth is an essential task within the Retail Marketing team, there are monthly reports that show the usage of our services to observe its impact customers. Monthly reports are conducted to monitor customer's reaction and behavior towards the communication we use on all channels by looking at conversion rates. In addition, NBK's Insight team conducts an annual customer satisfaction survey, to provide us with a clear understanding of customer's feedback on our products and service. Action plans are then agreed upon based on customer feedback to enhance and improve customer experience. NBK follows guidelines established in the NBK Advertising Code.

<https://www.nbk.com/nbk-group/sustainability/sustainability-policies.html>

Monitoring Customer Satisfaction

In 2021, approximately 25,000 customers were successfully surveyed and asked to assess their experience with our different touchpoints: both digital and physical. This was a 25% increase from the previous year's figure of approximately 20,000 customers surveyed. The response rate from customers range from 3% to 30%, depending on the target audience and the research techniques used.

NBK Insight conducted numerous staff and customer surveys, including:

- The Campaign and Brand Tracker, which measures the strength of the NBK brand vs other competitors, as well as how well the NBK ads vs other banks have done in terms of being relevant and engaging with customers

- Customer Experience Surveys measuring the satisfaction of all NBK customers across the different touchpoints (Branches, Mobile and Online Banking, ATMs, Call Center, etc.), either during their visit (via QR Code) or by receiving an email after conducting the transaction
- Advertising Testing Studies: Several studies were done to understand how engaging and relevant NBK ads are, prior to their launch, as we want customers to relate to the NBK ads and ensure the launch is successful.
- Tech Initiatives: Using our customer experience (CX) community, we conducted several initiative testing studies to understand how customers react to new tech and digital initiatives that NBK will be releasing soon.
- Staff surveys related to internal collaboration, testing new ideas and concepts, as well as measuring how staff are doing during the COVID19 crisis.

During this year, NBK Insight extended its coverage of customer's experience to cover:

1. Global Wealth Management (Customer experience and needs survey); and
2. NBK Egypt (Customer Experience program covering several channels: branches, digital, call center, etc.)

Reducing Paper Consumption

In the Insight's area, there were two main research programs (Customer Satisfaction Index - CSI and Brand Tracker) that were shifted from Paper and Pen Interview (PAPI) to Computed Assisted Personal Interview (CAPI). This helped save around 50,000 pages per year. In 2021, 82% of the surveys were collected digitally (pushed via email / pop-up or using QR code in the branches). This figure was 72% in 2020 and only 21% in 2019--showing increases year by year. We also integrate ESG related metrics whenever relevant in our different studies.

NBK Consumer Banking Customer Satisfaction Index (CSI):

We maintained our high overall customer satisfaction score of 94% in 2021 versus 93% in 2020. Further analysis showed high customer satisfaction scores (94% or above) for our online banking, debit card, mobile app, Cash Deposit Machine (CDM), branch (non-staff), branch staff, and ATM experience. Even though NBK scores on other products or channels were below 94% satisfaction, most often we scored above competitors in the region, e.g., credit card, prepaid card, call center still were rated at 90% or over Customer Satisfaction score. It is worth mentioning that branch staff received a 97% satisfaction rating for "Courtesy When Serving You", 93% for "Knowledge of the

Bank's Products and Services, and follow up on requests". Non-staff elements were also highly rated: working hours and level of privacy were above 90%. Our Mobile Banking continued to register high satisfaction score of 96% versus 94% in 2020 with an increase across several attributes: "Ease of Conducting Transaction" and "Range of Transactions Available" with both scoring 96% and "Layout and Design" at 95%.

NBK closely analyzes customer feedback regarding strengths and weaknesses, using this intelligence as a basis for enhancing overall customer experience.

These high satisfaction scores contributed to the strong NPS score recorded by NBK 56% indicating a high customer loyalty. Net Promoter Score (NPS) asks customers, considering their experience, to rate their likelihood of recommending NBK's products and services to other companies. When it comes to the Customer Effort Score (CES), NBK was seen by retail banking customers as the Bank that requires the least effort to deal with. NBK registered the highest score in the market with a score of 95%.

NBK Corporate Banking Customer Satisfaction Index (CSI):

Satisfaction with NBK Corporate Banking is significantly high. Corporate Banking's CSI score was 96% in 2021, up from 94% in 2018, and 91% in 2016. Satisfied customers praised NBK's "Prompt, Responsive and Professional Customer Service" and "Easy and Fast Transactions". Large and super large companies were the most satisfied. We found credit facilities and Relationship Officers (ROs) have the highest impact on overall satisfaction. Corporate Banking's NPS is 66%, up from 43% in 2018.

NBK Brand:

NBK's brand awareness is strong. NBK has the highest brand value and the strongest brand power in Kuwait. NBK remains the most known bank in Kuwait and the one that comes the most often to people's mind when being asked about the banks they have seen or heard of. NBK brand consideration has significantly grown compared to 2020, allowing the brand to regain its pre-COVID-19 level and to remain the preferred bank. See NBK's Advertising and Marketing Communications Practice Code for more information.

<https://www.nbk.com/nbk-group/sustainability/sustainability-policies.html>

Consumer Banking Group (CBG) Products and Communication Channels:

Consumer Banking Group is responsible for all retail banking activities at NBK in Kuwait. CBG teams work diligently to provide customers with the latest and best-in-class financial products and services. CBG serves one of the largest and widest customer bases composed of multiple segments with different needs. Our customer base extends across Zeina (children), Shabab (youth), salaried and non-salaried base across income range from lower end to our privilege customers. In addition, we also serve the banking needs of business banking customer—ie. Small and Medium-sized Enterprises (SME) segment in Kuwait.

The primary products focused on by CBG include loans, cards, liabilities and merchant acquiring through Point of Sales (POS) and Payment Gateway. We have the widest range of product portfolio especially our credit card portfolio offering a multitude of benefits across miles, rewards, cashback, lounge access, NBK rewards program (largest in Kuwait, 900+ merchants). We also offer multiple types of banking accounts to serve needs of the customers from every day banking to savings accounts and term deposit accounts.

We serve our customers through multiple channels including online (Mobile and Online banking), branches (largest network in Kuwait), widest ATM network (including CDMs and ITMs) and one of the largest state-of-the-art contact center in Kuwait. We also serve our customer through social media channels, WhatsApp and online chat option. We have a high number of followers in social media. As of 2021, NBK has 1.8 million followers across social media accounts. Compared to previous year, this was a 6%-change increase from the amount of 1.7 million followers in 2019.

Importantly, as summarized in the four Consumer Banking customer activity charts in the next pages, Consumer Banking increased Mobile banking customers (transactors) to 164,315, a 23% increase from 2020, and reached 40,405,493 transactions done from outside the branch, a 22% increase from 2020. CBG increased the number of human-to-human responses in the call center to 2,521,795, a 7% increase from the previous year.

Activity by Customer Segments: Consumer Banking Group

Customer Group	Number of Customers in 2021	Number of Customers in 2020	2021 % Change from 2020
ATM customers	414,234	398,579	4% increase
Mobile Banking customers (i.e., transactors)	164,315	133,567	23% increase
Cash Deposit Machine customers (i.e., transactors)	95,992	81,651	18% increase
NBK Online Banking customers (i.e., transactors)	20,274	25,562	23% decrease
Total customers banking physically in branches each year (i.e. transactors)	44,781	38,567	16% increase
Percentage of active users of NBK Mobile Banking (Note: Active means user login at least 1 in 3 months)	46%	38%	Increased
Percentage of active users of NBK Online Banking (Note: Active means user login at least 1 in 3 months)	9%	10%	Decreased
Youth segment percentage out of total NBK customer segments (i.e., Active CBG Customer 'Youth/Total Active CBG base' on)	15.6%	13.6%	Increased
Total number of customers visited the branches each year	1,951,120	1,733,350	13% increase
Transactions in total that were conducted with customers in the physical branches each year	1,066,267	940,808	13% increase
Unique consumers with an active credit card account in	149,302	145,328	3% increase
Unique consumers with an active pre-paid debit card account	108,950	100,833	8% increase
Credit card accounts	172,918	175,046	1% decrease
Pre-paid debit card accounts	152,342	141,160	8% increase
Debit card accounts	1,027,056	1,019,890	1% decrease

Digital/Mobile Banking Transformation: Consumer Bank Group

Customer Group	Number of Customers in 2021	Number of Customers in 2020	2021 % Change from 2020
Total customers doing their banking digitally	885,362	801,855	10% increase
Total customers using ATM	447,722	411,130	9% increase
Total customers NBK Mobile Banking	283,909	240,480	18% increase
Total customers using Cash Deposit Machines	101,258	91,806	10% increase
Total customers using WTB	9,666	10,929	12% decrease
Total customers using NBK Online Banking	30,056	35,303	15% decrease
Total customers doing banking digitally (other)	12,583	12,153	4% increase
Total customers using ITM	168	54	311% increase
Total active customers doing their banking digitally	394,323	334,392	18% increase
Transactions in total done with customers outside the branches	40,405,493	33,146,467	22% increase

Call Center Activity: Consumer Banking Group

	Number of Customer Calls in 2021	Number of Customer Calls in 2020	2021 % Change from 2020
Customer calls received by contact center	8,887,554	9,980,927	11% decrease
Human-to-human calls only received by contact center (not automated responses)	2,521,795	2,354,836	7% increase
Automated non-human calls only received by contact center	6,180,945	7,329,918	7% decrease

CBG Customers: Total Number and By Customer Type

Customer Segments	Number of Customers in 2021	Number of Customers in 2020	2021 % Change from 2020
Total number of customers (total active CBG)	838,000	827,000	1% increase
Zeina	43,416	40,818	6% increase
Shabab	87,403	71,683	22% increase
Thahabi	91,977	82,863	11% increase
Privilege	31,737	27,334	16% increase

NBK Loyalty Program:

There are two facets of our Loyalty Program, both rewarding customers for credit and prepaid card transactions – NBK Rewards and Instant Discount. NBK Rewards is a closed loop, merchant funded point based rewarding scheme, offering up to 25% of transaction value as points, whereas Instant Discount, as the name suggests, is discount offered (up to 40%) by merchants during checkout (in-store as well as online).

The following are broadly the categories for our Rewards and Instant Discount program:

- Automotive
- Education
- Entertainment
- Flower boutique
- Food and beverage
- Grocery
- Health and fitness
- Home repair and maintenance
- Kids
- Leisure and travel
- Pets
- Shopping
- Transportation

New NBK self-service branch at Khairan Square:

NBK has established a new self-service branch at Khairan Square, which operates 24/7. The branch works with machines (ITM, CDM, ATM) without any NBK staff. Customers can do any all the transactions and any inquiries regarding their accounts or products in NBK.

NBK's new Business Banking Plus (+):

NBK offers customers with a range of advanced features under the New Business Banking Plus (+), which include:

- Dedicated Relationship Manager (RM)
- Preferential access to teller services at branches
- Premium concierge service
- Special pricing on payment solutions
- Free cheque book
- Complimentary premium package for business owners

Incorporating the Voice of the Customer:

NBK's Real Customer Experience Committee was created to embrace the voice of customers into NBK's initiatives in order to capture proactive feedback pre-launching to ensure providing the best customer experience. The Committee reviewed initiatives such as:

- Adding Beneficiary and Quick Transfer via QR Code on NBK Mobile Banking app
- Split Payment on NBK Mobile Banking app.

Provisions for Special Needs Customers:

NBK has six branches with special needs accessibility: Head office, Cinema Salmiya, Rehab, Mubarak Al Kabeer, Fahaheel Al Saheli, Saad Al Abdullah. Each of these full-service branches has an employee able to communicate in sign language.

Resilience in the time of COVID-19:

The sidebar below summarizes Consumer Banking Group's response to the challenges posed by the COVID-19 pandemic.

CBG Reflections on COVID-19 Challenges and Resilience

Throughout the COVID-19 pandemic, CBG successfully adapted to global changes by increasingly shifting our channels to digital platforms. During COVID-19, our physical channels witnessed a significant decline in transactions where as our digital channels experienced a major increase in usage. This market trend of digitization has persisted in 2021 and is expected to continue as digital remains the most convenient form of banking. Despite the challenges in serving customer during pandemic, we optimized our resources to ensure the banking needs of customers are always met - through our multiple enhancements in our online channels, launching Mobile branches during the pandemic, providing customers ability to book online appointments in case there is a need to visit the branch.

As with all public health emergencies, the safety and well-being of CBG employees is of paramount importance. To ensure that CBG played its role in curbing the rate of COVID-19 cases, all CBG functions were requested to implement the Work from Home Policy in line with regulations.

The COVID-19 pandemic tested the robustness of CBG digital capabilities and pushed NBK's digital innovation to new heights. In a sense, overcoming the challenges of the pandemic made all CBG teams emerge with an evolved outlook and a renewed sense of optimism for the future ahead.

Consumer Banking Awards:

Despite facing a challenging year, NBK was awarded 10 awards from Global Finance including Best Digital Consumer Bank in the region. Additionally, NBK was awarded two awards from Retail Banker International including "Best Retail Bank in Kuwait" and "Innovation in Digital Banking" by The Banker. NBK also introduced multiple first-to-market services and products and we continue to improve the digital journey, focusing on mobile-first strategy and enhancing customer experience.

Customer Acquisition:

Customer acquisition through online channels is a key focus area. NBK's products portfolio are entirely available online including - loans, cards, savings and digital account opening. All of our online products and services have witnessed yearly increased adoption. Currently more than 90% of NBK features are available in the NBK mobile banking application

Social Media Engagement:

Given NBK has 1.85 million followers across all social media platforms, NBK follows a meticulously constructed social media strategy, with a social response team that has successfully lowered the response time by addressing customer queries in less than 10 min and maximized connection and engagement with customer by utilizing video content and competitions.

Domestic Corporate Banking (DCB) Complaint Handling:

All Corporate customers are assigned with a dedicated Corporate Relationship Officer (RO). In case of a complaint, the customer submits their matter directly to them for effective resolution. If the matter cannot be resolved by the Corporate RO, it can be further escalated by the customer to the senior management for

assistance. Customers with financial difficulties can bring the matter to the attention of their Corporate RO who will assist them with their request. The Corporate RO gathers the requirements related to the customer request for modification and presents the case to the relevant Credit Committee. All decisions are taken by the panel in the relevant credit committee to facilitate the customer based on their financial and other related circumstances. In NBK Corporate Banking Group, our customers are mainly corporate/companies that are legal entities licensed by the Kuwaiti government. As per our business strategy, we aim to serve customers that have a strong and stable financial profile. NBK established a Customer Complaint Unit Standard Operating Procedure (SOP).

Foreign Corporate Banking (FCB) Complaint Handling:

In case of customers' complaints, FCB speaks with the customers and find out the root of the problem, and then implements a solution to make sure the matters do not recur.

Consumer Banking Group (CBG) Complaint Handling:

There are 2 types of customer complaints: official (written and reported to CBK) and unofficial.

In 2021:

- The number of customer complaints received through the contact center was 14,920. This was a 97% increase from the previous year's 7,581 complaints.
- The number of customer complaints received across channels was 17,363 complaints, an 87% increase compared to the previous year's 9,289 complaints.

NBK has made noteworthy progress in reducing the time for resolving customer complaints:

- The average turnaround time for resolving customer complaints in 2021 was an average of 4 days, a 20% improvement from the previous year's figure of 5 days.
- The average turnaround time for resolving customer complaints on social media only was 2 days in 2021, a 50% improvement from the previous year's 4 days turnaround time.
- The number of customer complaints solved within 24 hours was 3,767 complaints in 2021, a 318%-change increase from the previous year's 902 customer complaints.
- The percentage of customers who completed Interactive Voice Response (IVR) survey and agreed that their issue / request were solved or fulfilled was 87% out of total call center complaints, a slight increase from the 2020 figure of 86%.

More details on NBK's turnaround time for various types of complaints are presented in the tables below.

Average turnaround time per type on Social Media complaints

Category in Social Media Only	2021 MTTR
Accounts	2 Days
Cards	2 Days
Loans	3 Days
Remote Channels	2 Days
Staff Related	2 Days
Third Party Issues	3 Days
Waiting Time	2 Days

Average turnaround time per type on total complaints

Category	2021 MTTR	2020 MTTR	2019 MTTR
Accounts	4 Days	5 Days	4 Days
Cards	4 Days	5 Days	4 Days
Loans	4 Days	5 Days	1 Day
Remote Channels	3 Days	6 Days	5 Days
Staff Related	4 Days	5 Days	5 Days
Third Party Issues	3 Days	5 Days	6 Days
Waiting Time	3 Days	4 Days	3 Days

Information Technology-Related Customer Complaints

NBK's Information Technology monitors customer and employee complaints about IT-related performance and services. In 2021, 18 complaints from customers were reported to Customer Complaints related to IT. This was a 13% increase compared to the previous year's 16 complaints of this type. The turnaround time related to these types of complaints had varied depending on the nature of the problem. Our sense is that given our significant increase in customer use of online and digital banking service and the number of transactions, this complaint number is very low.

In 2021, the number of IT complaints received by internal stakeholders (i.e. employees) was 24,422. This was a 44% increase compared to the previous year's 16,796 internal IT complaints. These incidents have been reported to the IT Service desk by NBK staff.

For these IT complaints by staff, the average turnaround time in 2021 was 4.79 hours. This was a 2% improvement from the previous year's average turnaround time of 4.91 hours. These complaints provide valuable information about where to focus our improvement efforts.

4.4 Customer Protection

Customer protection is of utmost importance to honoring NBK's values and commitment to our customers, as well as to our business success and reputation in the community. Additionally, NBK is regulated by the Central Bank of Kuwait (CBK), which oversees and enforces a set of customer protection policies that protects the rights and interests of the Bank's customers. NBK carefully abides by those customer protection policies.

As part of our Responsible Marketing Policy, NBK employs rigid evaluation criteria and clear communication, providing customers with safety and security of information about NBK's products and services. NBK is always transparent in its communication with customers, where the information about products and services are available through the Bank's different channels. There are no hidden fees and charges for NBK's products and services. All tariffs are published at NBK's branches and online. NBK gives the customer a choice to insure loans with an insurance company. In case the customer accepts, NBK bears half the cost of the insurance premium. NBK Marketing also refrains from incentivizing customers for taking financial products. All marketing material are vetted by professionals from across the bank to ensure clarity and avoid any ambiguity in our communication. There have been zero incidents of non-compliance with regulations concerning product and service information and labelling and marketing.

In addition, regular financial education is conducted in coordination with the CBK to educate customers on fraud, product misuse and crypto currencies. In 2021, NBK emphasized frequent fraud awareness campaigns to guide customers on how to protect their account information and avoid falling a victim of any fraudulent activity.

Also aligned with our goal of customer protection, NBK encouraged customers to avoid using cash, and was the first in Kuwait to launch contactless payment solutions like Garmin Pay, Fitbit Pay and Samsung Pay.

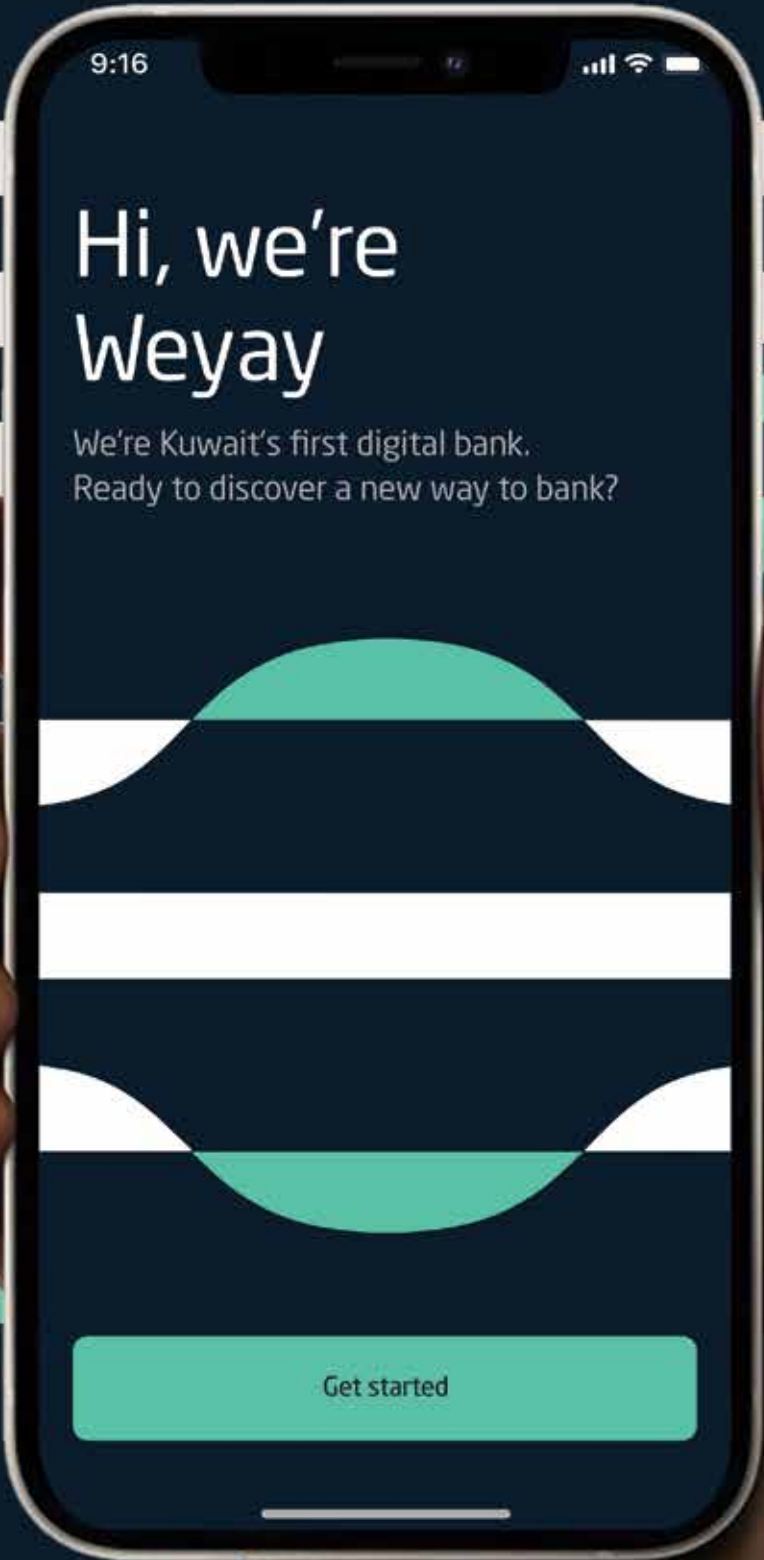
Due to COVID-19 health situation, NBK also implemented many procedures to help customers avoid visiting to the branch and provided them instead with many online services such as:

- Increased transfer limit for NBK Quick Pay during the partial and full lockdown
- Digital Account Opening
- Apply for NBK Credit Card online
- Report lost or stolen NBK Card and request a replacement
- Branch Booking appointment, where customers can book their appointment online to visit the branch and avoid the traffic inside the branch
- NBK also provided customers with Mobile branches that reached their home to conduct needed financial services.

NBK promoted and reflected the highest growth in contact-less transactions amounts. As such, we received the "VISA Service Quality Award" for the same.

Consumer Financial Protection Training:

To bolster staff knowledge about issues related to protecting our customers, in 2021, NBK trained 349 employees on consumer financial protection.



 **Weyay**



Exercising Stewardship over Our Environmental Impacts

**102-15, 102-29, 102-48, 201-2, 301-1, 301-2,
302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-5,
305-1, 305-2, 305-3, 305-4, 305-5, 306-2**

In 2021, NBK began to return to more normal working patterns as we all emerged from the COVID-19 pandemic; we also moved into our new LEED HQ building. Given these two major changes, we will be using 2021 as our new environmental performance baseline, to which we will compare our improvements in the coming years. We also continued our long-standing practice of annually assessing and reporting on our environmental performance, including our energy and water consumption, waste and resource use, and greenhouse gas (GHG) emissions.



5.1 Recognizing the Climate Challenge

The world is increasingly recognizing the absolute urgency of the climate challenge facing us all. For our industrial society in general as well as for NBK specifically, climate change is already having pervasive impacts and will cause ever more challenging effects in the years ahead, to which we need to be ready to respond and to lead.

This climate challenge presents risks and opportunities for NBK. We are currently examining in detail the best role for NBK to play in supporting our societal effort to overcome this challenge and to grow the Bank through the wisest pursuit of specific opportunities.

NBK's primary role will be in financing efforts to effectively respond to this challenge. In particular, we are examining:

- **Mitigation strategies:** including financing energy efficient infrastructural retrofitting, renewable energy projects.

- **Adaptation strategies:** including financing projects that help protect people from extreme heat, early-warning communication systems, and providing public health messaging.
- **Climate resilient development strategies:** including financing climate resilient infrastructure projects.
- **Transformation strategies:** including offering financing mechanisms like green bonds and funding major geo-engineering projects, and collaborating with Kuwait to assess and plan for the wisest path forward.

NBK is also increasing our focus on the climate change challenge in our risk management processes.

5.2 LEED-Certified Headquarters Buildings

NBK spent our first full year in our new LEED-Gold-Certified Headquarters in 2021—having completed all official requirements and correspondences for completed LEED-Gold certification.





The Headquarters reflects our commitment to the principle that the greatest approach to reducing environmental impact is through major design initiatives. The iconic NBK Headquarters in the heart of Kuwait City stands a colossal 300 meters tall and is the first LEED-Gold-Certified tower in Kuwait. Our new Headquarters includes a wide range of important environmental benefits and design elements, and lowers energy use by 34% and water consumption by 40%. Major design features include:

- More than 60% of the tower's land footprint is open space
- 100% of the lighting is energy-saving light-emitting diode (LED) lighting
- Thermal shading through a system of exterior vertical fins
- Thermal energy storage, chilling ice overnight for use in the tower's air conditioning during the day
- Under-floor air conditioning on all floors
- Grey-water recycling system for hand-basins and showers, with the grey water used for irrigation
- Energy-saving light management system
- Refrigerant-management system to prevent ozone and other damaging emissions
- 20% of all material used was recycled material
- Use of low-emission materials, including paints
- Building-wide waste management system

Because we have now spent this first full year in our new Headquarters, we will be using 2021 as our new performance baseline for the building's metrics. It is our expectation that our new Headquarters will significantly reduce our environmental footprint and we are striving to achieve improvements in energy and water consumption every year going forward in comparison to our 2021 performance.

In addition to our Headquarters in Kuwait, the building that NBK-NY occupies in New York, 299 Park Avenue, achieved LEED Silver certification. This building's best-in-class engineering team and regularly modernized building equipment created a nearly 30% reduction in energy consumption last year.

5.3 Our Environmentally Responsible Operations

Now that we are moved into our new Headquarters, NBK is able to more fully implement our environmentally responsible operations. Our new NBK tower exemplifies a premise in harmony with the environment, including numerous features that reduce environmental impact.

Our cooling systems are split into dedicated outdoor air cooling and treatment air handling units (AHUs) that distribute fresh air on-demand to all recirculating AHUs, under floor AC units, and fan coil units (FCUs). For heating, the cooling tower condenser water is utilized to provide centralized heating to dedicated outdoor air (OA) AHUs heating coils, in addition to terminal electric heaters that are utilized as needed with Floor Tile Units as well as FCUs.

Energy conservation operations include our high-performance building envelope with vertical fins providing a high degree of exterior shading for east-, west-, and south-facing glazed surfaces, complemented with high performance selective double glazing with integrated ceramic fritting for extra heat gain protection. The main building facade is oriented towards the north, thereby receiving minimal direct sun radiation. Our under-floor air conditioning system, with cooled treated air introduced directly to the occupied zone, results in reduced fan use and cooling energy.

All light fixtures use light-emitting diode (LED) technology with line printer daemon (LPD), meeting or exceeding international standards and thresholds - i.e., American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) 90.1. An advanced multi-theme lighting control system is part of our operations, with daylight harvesting and occupant-presence control features. We also operate an advanced automated interior glass shade system to optimize daylight utilization based on exterior sun irradiance sensing. Finally, we have installed sensors for automatic ON/OFF switching to reduce power consumption.

We are improving our water efficiency through the use of water-efficient fixtures (sensor-controlled taps) and dual-flush fixtures. In addition, we operate a grey water treatment system for 25% of the water-closet (WC) flushing demand of the building, and this also helps with plant irrigation.

We have also designed and are now operating a solid waste management and materials sorting infrastructure.

5.4 Energy Consumption and Reduction

NBK's energy consumption produces a significant portion of our overall environmental impact, due to the GHG emissions associated with that energy use. NBK is committed to doing all we can to reduce our energy consumption and thus our GHG emissions. Our move into our new LEED-Gold-Certified Headquarters has been a major step in that direction. We will be using our energy consumption in 2021 as our new baseline year for performance comparisons in the future, but our working assumption based on the design parameters of the building is that our new building is already over 30% more energy efficient than our previous office spaces.

In addition to this starting point of improved performance by design from our Headquarters, we are also systematically pursuing a range of energy conservation practices, including energy optimization protocols, auto switch-off technologies, heating and cooling auto savings technologies, highly efficient lighting fixtures, the Tarsheed power reduction campaign (done annually), and an active maintenance program that effectively manages and improves our energy efficiency.

Accordingly, looking only at Kuwait operations that include the HQ, 68 branches, and 4 other buildings, we have calculated total electricity consumption in 2021. We have taken it a step further by calculating electricity consumption per employee—both of which are displayed as followed.

2021 Total Electricity Consumption:	60,443,730 kWh
2021 Electricity Intensity:	25,853 kWh/employee

With 2021 representing the first full year we have occupied our new HQ building with a reasonably full contingent of employees, and with high confidence in our current measurement system of our energy consumption, we will use 2021 as our new baseline year for judging all our future energy performance progress.

“With the move into our new LEED-Gold Headquarters complete and our employees back to working full-time in the office, we are establishing 2021 as our new baseline year against which we will assess our future energy performance improvements.”

NBK-UK Implemented Energy Efficiency Measures as They Returned to the Office:

NBK-UK implemented a number of measures in 2021 at their George Street location, including as they welcomed employees back to the offices there:

- Replacement of the residential lift serving the 6th floor flat from hydraulic to a high-efficiency electric traction lift;
- Installation of new VAV (variable air volume) boxes and BMS (building management system) controllers on the ground floor to replace the now obsolete and leaky pneumatic controllers/actuators and 'Redlaw' VAV air terminals;
- Ground floor Annexe lighting replaced to LED with Pyroelectric Infrared (PIR) and daylight sensing;
- Ground floor Annexe heating and air conditioning changed to new R32 high-efficiency mini-VRV system;
- Ground floor Annexe provided a new Mechanical Ventilation with Heat Recovery (MVHR) (AHU, air handling unit) ventilation system;
- Central toilet extract and supply fans replaced with new recuperation type AHU with high efficiency fans;
- Ground floor Annexe toilet and tea point fans replaced with new high-efficiency fans with DC motors—low SFP (specific fan power);
- The new electrical distribution boards installed on the ground floor and ground floor Annexe are split lighting and power boards to allow sub-metering of boards in future.

Fuel Consumption in Our Generators And Cars:

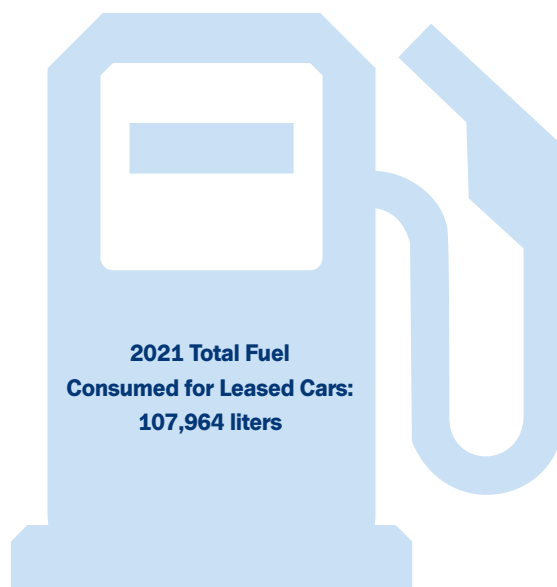
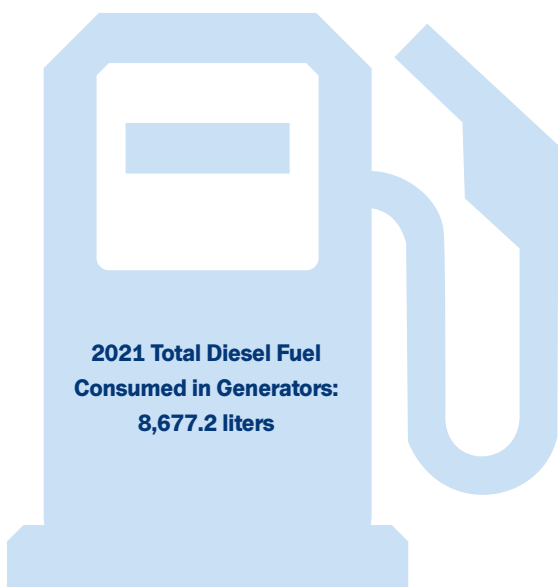
While the vast majority of our energy consumption was our purchased electricity, we also consumed diesel for generators as well as diesel and gasoline in leased cars.

Diesel Fuel in Our Generators:

Throughout this year, we operated a number of generators, at both our Headquarters and in our branches. We recorded the total diesel fuel consumption of our generators as follows.

Fuel Consumption for Leased Cars

As has been the case in the most recent years, we have no NBK-owned cars and instead leased all the cars that we used. Our total overall fuel consumption for all cars was as follows.



5.5 Greenhouse Gas (GHG) Emissions

NBK is committed to measuring, assessing, and reporting our greenhouse (GHG) emissions. At the foundational level, this commitment has been reflected in our design and construction of our new LEED-Gold Headquarters, which we were able to fully occupy for the first complete year in 2021. Beyond this, we are also taking steps every day in our operational practices to increase our energy efficiency and reduce our energy consumption.

Accordingly, in this section, we have assessed and reported on our various GHG emissions, noting that this year 2021 is considered the baseline* for comparison purposes. This will provide a fair and accurate basis for assessing our impact, setting reduction targets, and evaluating our improvement efforts.

*The year 2021 is considered the baseline for a number of environmental reporting matters, including GHG emissions, for a number of reasons. Firstly, 2021 is the first full-year where NBK occupies 1 headquarters building, being moved from multiple head offices previously. Secondly, 2021 reflects a full-year where NBK staff had been operating at full capacity, compared to previous year's lockdowns, curfews, and partial capacities of staff. Thirdly, while previous years had considered different sources that were applicable at the time, 2021 GHG emissions had expanded on this with additional sources of emissions to be assessed and reported on. Therefore, 2021 serves as an appropriate and realistic baseline year for comparison purposes.

Our Greenhouse Gas (GHG) Emissions and Intensity

NBK measures GHG emissions across Scope 1, Scope 2, and Scope 3 emissions.

Scope 1 GHG Emissions:

Scope 1 GHG emissions are a very small portion of our total GHG emissions (around 0.06%). Scope 1 emissions are defined as the direct emissions from activities under our control, which for us in 2021 come from our numerous generators. Overall, our Scope 1 GHG emissions from generators, derived from diesel consumption, was the following.

Scope 1 Emissions Breakdown

Year	2021
MTCO ₂ e	22
Volume (liters)	8,677

Scope 2 GHG Emissions:

A large majority of our GHG emissions are our Scope 2 emissions, derived from our purchased electricity. We have reported our electricity GHG emissions every year since 2014. However, we were able to occupy our new LEED-Gold environmentally friendly Headquarters for the entire year in 2021, a first for us with no historical precedent.

Therefore, we will be establishing the year 2021 as our new baseline year. This will enable us to fairly evaluate our goals and our performance post-COVID-19 and from our new high-performing Headquarters.

Accordingly, results of our Scope 2 GHG emissions, derived from our electricity consumption, is as follows. Similarly, the scope 2 GHG emissions cover the Headquarters, 68 branches, and 4 other buildings.

Scope 2 Emissions Breakdown

Year	2021
Electricity Consumption(kWh)	60,443,730
Scope 2 Electricity GHG Amount (MT CO ₂ e)	38,522

Scope 3 GHG Emissions:

The last classification of our GHG emissions is Scope 3, which are indirect emissions from assets that NBK does not directly own, but are indirectly impacted in the value chain. For NBK's purposes, these include rented cars, air travels, and courier services.

Regarding our rented cars, we have recorded emissions of 254 MT CO₂e in 2021, derived from the fuel consumption of the rented cars. The breakdown is as follows.

Rented Cars - Breakdown

Year	2021
MTCO ₂ e	254
Volume consumption (liters)	107,964

As for business air travel, NBK has recorded 87.17 MT CO₂e of emissions in this area, derived from the business air travel trips. The GHG emissions from air travel is as follows, with further information about the air travel trips in Appendix 7.9 Business Air Travel Details.

Air Travel

Year	2021
MT CO ₂ e	87.17

For this year's sustainability report, NBK is assessing Scope 3 emissions derived from the use of courier services. Specifically, we have recorded around 0.3 MT CO₂e, presented in the following the emissions and estimated fuel consumption.

Courier Trips - Breakdown

Year	2021
Fuel consumption (US gallons)	34
MTCO ₂ e	0.3

In total, our Scope 3 emissions, deriving from rented cars, courier services, and air travel are as follows.

2021 Total Scope 3 GHG Emissions: 341 Metric Tons CO₂e

Total and Intensity GHG Emissions:

Finally, we are able to aggregate our Scope 1, 2, and 3 emissions, resulting in the following as total numbers, intensity emissions per employee, as well as percentage allocations—yielding a total of 38,885 MT Co2e in 2021.

2021 TOTAL GHG EMISSIONS – MT CO2e

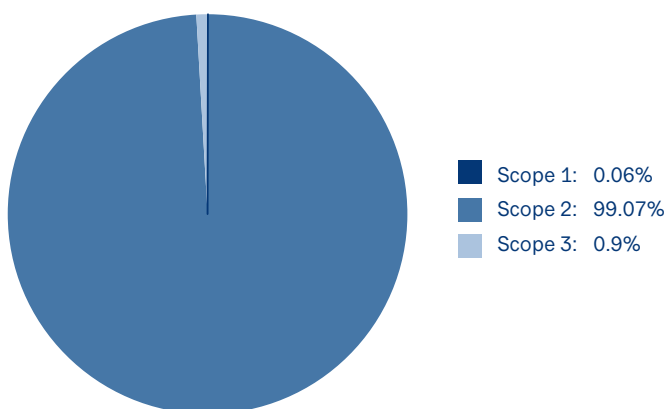
GHG Emissions Scope	2021 CO2 Emissions (MT CO2e)
Scope 1	22
Scope 2	38,522
Scope 3	341
Total	38,885

2021 INTENSITY of GHG EMISSIONS – MT CO2e / Employee

GHG Emissions Scope	Intensity (MTCO2e /employee)
Scope 1	0.01
Scope 2	16
Scope 3	0.1
Scope 1, 2, 3	16.6

2021 Allocation of GHG EMISSIONS – %

GHG Emissions Scope	Allocation (%)
Scope 1	0.06%
Scope 2	99.07%
Scope 3	0.9%



5.6 Water Consumption

Because water is a major environmental concern throughout the Middle East, NBK is making significant efforts to reduce our water consumption.

Our move into our new LEED-Gold office Headquarters has allowed us to significantly decrease our water consumption. Both highly efficient technologies and a range of operations and practices are contributing to these reductions. Our efforts include sensor operated faucets for all office floors, live cleaning of cooling towers using a tailor-made solution, thus reducing wastage in draining, low-flow fixtures, grey water recycling, and various water-smart technologies.

At the same time, just as with our energy consumption, the COVID-19 pandemic dramatically reduced how many employees worked from our offices in 2020, and water consumption was dramatically lower in 2020 than in typical prior years. With our employees' return to work inside our offices in 2021, water consumption increased significantly. Therefore, it is difficult for us to evaluate the effects of our water conservation strategies and practices. Because of this, exactly the same as we will do with our energy consumption, we will use 2021 as our new baseline year for water consumption, so that going forward we will be able to accurately and fairly determine what our conservation goals should be, and how well our plans and actions are working. With 2021 being our first full year in our new environmentally responsible Headquarters and the first year following the pandemic in which our employees are returning to the office, this new baseline will provide us with a true and reasonable standard for assessing our progress. We look forward to continuing to build on our conservation efforts in our new building and within our operations and practices.

Accordingly, our 2021 water consumption, in both total and intensity per employee, are displayed as follows, noting that these cover the HQ and a total of 55 branches. Note that the numbers of branches would not necessarily be the same coverage in parallel to water, due to matters regarding oversight and control over readings, as well as rental contract arrangements.

Water Consumption and Intensity	2021
Total Water Consumption (IG)	41,929,918
Water Intensity (IG/employee)	17,934

As part of ensuring sustainable water management and occupational health and safety, we further report on our water cleaning efforts; NBK has 47 water tanks at Headquarters, which are cleaned twice a year to ensure limiting the bacterial content in stored water.

5.7 Waste Management

NBK continued our work throughout 2021 to reduce waste, increase recycling, and decrease material resource throughputs in our operations.

Paper Consumption and Recycling:

We reduced paper consumption and increased our paper-recycling rate. NBK decreased our paper consumption by 15.6% in 2021 – a reduction of 7,473 packets from 48,000* packets in 2020 to 40,527 packets in 2021. In addition, we recycled 84.5 metric tons of that paper, a 14% change decrease from the previous year’s figure of 98.4 metric tons of paper recycled. Even though our total volume of recycled paper was less than last year (due to less paper used), our recycling efforts achieved a 1.7% higher success rate this year and we were able to achieve 100% recycling of all paper. When translated into environmental impact results, our recycling saved significant amounts of energy, GHG emissions, and water.

* 48,000 packets is a corrected restatement of our paper consumption for 2020.



S-ROI	Impact Level	Value Outcomes
Reduction in paper consumption	High*	<ul style="list-style-type: none"> • GHG Saving • Cost saving • Water saving • Energy saving

- *Legend:
- Medium: 1%-50%
 - High: 51%-400%
 - Very High: above 400%

Plastic Consumption:

We decreased our consumption of plastics by 840 kg in 2021 – using 63.6% less plastic than we did in 2020 – with a total of 480 kg of plastics consumed last year compared to 1,320 kg of plastics used in 2020.

“We consumed 64% less plastic in 2021 than we did in 2020.”

2021 Environmental Savings of Paper Recycling

Energy Saved (kWh)	694,578
GHG Emissions Saved (metric tons CO2e)	758
Water Saved (IG)	1,990,000
Quantity of Paper Recycled (metric tons)	85

“We recycled 84.5 metric tons of paper in 2021.”

In addition, assessment of the sustainability return on investment (S-ROI) of the reduction of paper packets is as follows.

In addition, we encouraged our staff to reduce the use of plastic water bottles and cups, by distributing both glass water bottles and ceramic coffee/tea mugs to all employees. We note that the distribution of glass and ceramic to all employees was a very well received initiative to decrease plastic consumption, which staff gradually cut down from using plastic bottles and instead would fill their glass water bottles, and refill the water bottles from the water coolers located on each floor of NBK Headquarters and all of our branches.

Furthermore, NBK placed water coolers – those that are directly connected to the filters/water systems (as opposed to those where a 2-gallon plastic water jug are continuously replaced) on all floors of NBK Headquarters and branches.

This water cooler system minimized the employees usage of plastic bottles from their homes. With water coolers placed on all floors of the Headquarters and across all branches, we minimized the purchase of plastic water bottles for all business units from water bottling distribution companies.

All of these directions resulted in a nearly 64% decrease in the number of the plastic bottles and plastic cups we consumed for the year.

Manage Printing Service (MPS) and Other Printing Reduction Initiatives:

NBK continued our Manage Printing Service (MPS) initiative in 2021, as well as adding a new content management system, an electronic statement system, paperless technology, and an e-banking project. MPS has now been implemented on all of the floors of our Headquarters. We expect that MPS will reduce paper consumption by 30% this year. Our MPS initiative supported us to reduce the number of printer ink cartridges we used by 26% in 2021, consuming only 4,982 ink cartridges compared to 6,720 in 2020.

“We reduced our consumption of printer ink cartridges 26% this year.”

Digital Services in Consumer Banking Continued to Help Reduce Environmental Impact

In 2021, NBK continued to develop our digitization activities to help reduce our environmental impact and carbon footprint.

These activities included reducing the number of printed brochures and flyers and more often utilizing alternative digital channels to communicate with customers. We launched Digital Account Opening, where all the processes of opening banking accounts can be completed digitally, as well as Weyay Bank, which provides completely digital end-to-end banking.

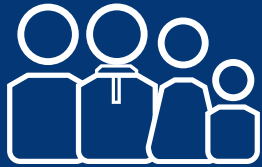
Once the customers are part of our “family,” NBK ensures effective communication with both customers and staff on a regular basis through several different digital channels, from social media accounts to the bank's website, where customers can find all the information they need about the bank's products and services as well as the latest campaigns, via SMS, e-mails, press releases, screens at the branches, and nationwide ATMs.

To help customers understand the value of these digitized services, when we are reaching out to our customers we emphasize the environmental and customer service value of using our digital channels and avoiding printed collaterals.

To further encourage customers to use these services, NBK's products and services include robust processes to ensure safety and security of information. The bank emphasized in 2021 frequent fraud awareness campaigns to give guidance to customers on how to protect their account information and avoid falling victim to any fraudulent activity.

NBK also encouraged customers to avoid using cash and was the first in Kuwait to launch contactless payment solutions like Garmin Pay, Fitbit Pay, and Samsung Pay.





Evolving our Social Impact

**102-9, 102-10, 102-12, 102-21, 203-1, 203-2,
204-1 205-1, 413-1, 414-1, 414-2**

NBK is founded with the mission of providing financial services and creating positive impact in the state of Kuwait and community. For decades, NBK has contributed through substantial community investment in healthcare, education, and youth. Today, with deepened understanding of the potential role of financial institutions in bettering society, we also focus on programs for promoting financial inclusion and access to finance, local procurement, leveraging social media and community awareness, and women empowerment.

A wooden sign hanging from a rope, set against a dark blue background. The sign is white with blue text. The text is arranged in four lines: 'WELCOME' in a large, thin, sans-serif font; 'WE ARE' in a smaller, thin, sans-serif font between two horizontal lines; 'OPEN' in a very large, bold, sans-serif font; and 'PLEASE COME IN' in a smaller, thin, sans-serif font between two horizontal lines.

WELCOME

WE ARE

OPEN

PLEASE COME IN

6.1 Financial Inclusion / Access to Finance

As Kuwait's first national bank and the first shareholding company in the entire Gulf region. NBK is founded on the principle of ensuring the people of Kuwait had access to finance and helping the economic growth of the country. We are now working to improve our understanding of what this principle means today and how it applies to our global operations and impact.

NBK is committed to defining and applying the principle of inclusive finance as a core element of responsible banking and financial services and increasing our positive social impact. This commitment involves providing accessible, affordable, and appropriate financial services, in particular to the underbanked and unbanked populations and enterprises in the communities in which we do business. It also involves the Bank's proactivity in meeting financial needs of underserved populations, adaptations to meet customers' special needs, and our response in times of crisis, such as NBK's loan deferrals to support customers and customers in dealing with the economic impact of the COVID-19 pandemic.

Ultimately, pursuing inclusive finance means leveraging the force of access to capital to improve livelihoods, reduce poverty and inequity, and advance community economic development. Inclusive finance is instrumental in advancing progress in several of NBK's core pillars of sustainability, most directly in "Serving Customers" and "Giving Back to our Community," in addition to "Contributing to Economic Development". Additionally, access to finance and digital accessibility are important considerations as we pursue our digitization strategy, strive to improve customer centricity, and innovate our products, services, and managerial processes. It is important that we understand the opportunities and risks related to digital innovations, and the barriers and challenges faced by people experiencing discrimination, disability or financial exclusion.

NBK's digitization strategy and initiatives to promote mobile banking advance access to financial services to all. In 2020 and 2021, NBK held a number of campaigns to increase awareness and utilization of NBK financial services. For example:

- Smartwatch: Where customers who register to NBK Mobile Banking app the first time enter a draw to win a smartwatch to encourage registration and digital usage (2020 and 2021)
- Push Notification Campaign: Register to Push Notification and enter a draw to win prizes to encourage Push Notification registration

Beside the campaigns, NBK sponsors regular ads on social media to announce new services, and increase awareness about existing services.

Going forward, NBK will deepen our analysis and response to advancing financial inclusion and access to finance as part of our commitment to responsible banking and financial services and evolving our social impact. For now, NBK has one branch serving low-income employees, located in the Sabhan area, serving customers from KD 50 salary up to KD 400.

In order to support customers in dealing with the economic impact of COVID-19 crisis, NBK offered 6 months of loan deferrals during 2020 and 2021. In 2020, this was the Banks initiative to postpone loan installments for our customers for 6 months. Thus, in 2020, approximately 150 thousand customers (Kuwaitis and non-Kuwaitis) had their loan installments postponed for 6 months. An estimated KD 300 million in installment amounts were postponed for 6 months. In 2021, the Kuwaiti Government gave Kuwaiti citizens the option to postpone their loan installments for an additional 6 months. In 2021, approximately 108 thousand customers (Kuwaitis only) had their loan installments postponed for 6 months. This amounted to an estimated KD 240 million in installment amounts postponed for 6 months. In terms of disclosing the cost of impact, that was recorded at KD 88 million in 2021 to be compensated with government grant. By definition, the cost of impact is the deferral loss on consumer and instalment loans customers eligible for Instalment Deferment scheme in accordance with the guidelines prescribed for in the International Financial Reporting Standards (IFRS).

6.2 Support for SMEs

Small and medium-sized enterprises (SME) are the backbone of the economy, yet often face challenges accessing the capital needed to survive and grow. As a financial institution committed to responsible and sustainable finance and integrating ESG into our core business, providing financial services and fostering sustainability within SMEs is an important element of NBK's business strategy and opportunity to increase our positive social impact. Further, ESG performance of SMEs in the supply chain of large cap corporations can influence risks and opportunities, and are important considerations in investment and loan portfolios. NBK is examining opportunities for expanding our support of SME Green/ESG-related financing products and services in the future.

In 2021, the total amount of money lent to SMEs 2021 was KD 15.58 million, a 15% increase from the KD 13.55 million lent in 2020. In 2021, 20 outstanding loans totaling KD 1.10 million were issued to qualified programs designed to promote small business and community development and the total number of loans to SMEs was 2,276. The table below summarizes additional details of NBK lending to SMEs in 2021 as compared to 2020.

NBK's Financial Support For SMEs

SME Loan Activity	2021	2020	% Change
Total amount of money lent to SMEs	KD 15.58 m	KD 13.55 m	15% increase
KD amount of loans outstanding qualified to programs designed to promote small business and community development	KD 1.10 M	KD 0.94 M	13% increase
Total number of loans to SMEs	2,276	2,028	10% increase
Number of loans outstanding qualified to programs designed to promote small business and community development	20	18	11% increase
Number of past due and nonaccrual loans qualified to programs designed to promote small business and community development	11	10	10% decrease
KD amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	KD 0.24 M	KD 0.16 M	56% increase

6.3 Sustainable Procurement

Integration of ESG into our procurement decisions and supply chain management is an element of NBK's sustainability platform. Sustainable procurement includes a wide range of topics, including using the power of our purchasing and procurement to support local businesses, SMEs, women, minorities and disadvantaged population-owned businesses; using ESG-related criteria in purchasing and procurement decisions; and collaborating with suppliers and service providers in reducing ESG-related risks and pursuing ESG-related opportunities. Supplier risk management issues most relevant for NBK include issues related to privacy protection, data security, corruption and bribery, money laundering, customer protection, ethics and code of conduct, human rights, environmental impact, and social impact. NBK has policies and practices regarding many of these topics, and is committed to evolving our supplier engagement on these and other ESG-related issues. Notably, our Human Rights Statement covering forced labor and human trafficking, child labor, labor rights, and

non-discrimination includes suppliers and partners; our Code of Conduct, Customer Privacy Policy and Customer Protection Guide apply to suppliers as well.

All outsourcing contracts includes the terms of Kuwaiti Labor Law. In addition, all vendors are signing the Vendor Declaration Form, where clauses related to Human rights are included. No suppliers (0%) are identified as having significant actual or potential negative social impacts (e.g., child labor, or forced labor).

In 2021, of NBK's total 914 suppliers, 71% were local as compared to 29% foreign. NBK increased the number of local suppliers to 653 in 2021 (compared to 608 in 2020), a 7.4% increase. NBK contributed a total of KD 82.1 million in local supplier expenditure in 2021, a 23% increase over 2020's KD 66.8 million. Of our total 2021 procurement spending, our expenditure was 84% for local suppliers and 16% for foreign suppliers.

NBK Local VS Foreign Procurement

	2021	2020	% Change
Total amount spent on local suppliers	82.1 mil	66.8 mil	23% Increase
Total number of local suppliers	653	608	7.4% Increase
Total amount spent on foreign suppliers	15.4 mil	11.3 mil	36% Increase
Total number of foreign suppliers	261	209	25% Increase

NBK does not yet officially screen suppliers against social criteria. However, other criteria considered for suppliers include social and ethical related aspects, such as labor practices and code

of conduct, which are covered in the suppliers' contracts. In addition, the Bank does not yet officially align suppliers' operations to the UN Sustainable Development Goals (SDGs).

6.4 Community Investment and Initiatives

Since its inception in 1952, NBK remained dedicated to serving the people in Kuwait, and NBK CSR strategy comes in line with our mission as a Bank to serve our community and contribute to its long-term growth and stability.

Our strategy aims at contributing to the national development and building a prosperous future for the coming generations. Our CSR plans are responsible for launching educational, environmental, health, professional, social, environmental and sports programs.

6.4.1 NBK Community Investment

NBK invests in our community through a range of areas, which include events and initiatives, donations, and sponsorships.

Throughout these initiatives, we conducted surveys related to our CSR to gather community feedback related to conducted events.

The first table below provides the total community contribution by NBK in 2021, across events / initiatives, donations, and sponsorships, for a total of KD 779,509 in community contribution. Compared to the previous year, this was a 78% decrease, which was mainly circumstantial due to COVID-19. Specifically, 2020 saw high amounts of contributions for the COVID-19 cause, while the crisis had been relatively eased in 2021. Accordingly, community contributions remained in 2021 comparable to pre-COVID-19 circumstances. In addition to the community contribution, NBK contributed to the community through National Labor Support Tax (NLST), Kuwait Foundation for the Advancement of Science (KFAS), and Zakat—for a total community investment amount of about KD 18 million, a 19% increase, as per the second table. Details on organizations supported in 2021 are in [Appendix 7.5](#).

NBK Community Contribution

Community Contribution	2021	2020	%-Change
Community Events / Initiatives	516,854	320,551	61% increase
Donations	15,434	3,013,530	99% decrease
Sponsorships	247,221	240,534	3% increase
Total Community Contribution	779,509	3,574,615	78% decrease

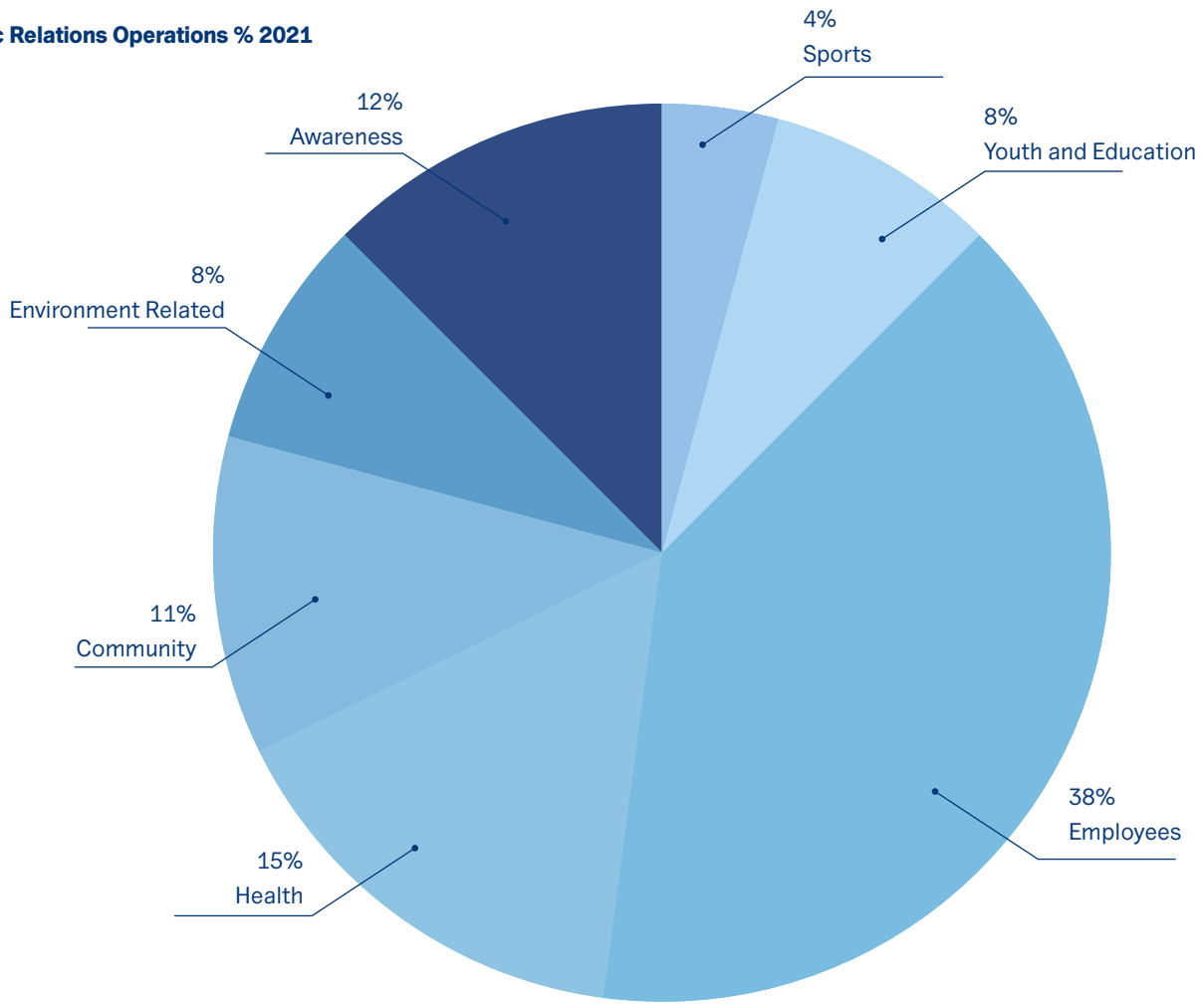
Total Community Investment

Community Investment	2021	2020	%-Change
Community contribution	767,000	3,585,000	78% decrease
NLST	9,239,000	6,366,000	45% increase
KFAS	3,651,000	2,178,000	70% increase
Zakat	4,048,000	2,814,000	44% increase
Total Community Investment	17,705,000	14,943,000	19% increase
Rounded Total:	18 million	15 million	

NBK's Public Relations Content Areas and Initiatives:

Focus areas of NBK PR's 2021 operations are summarized below.

Public Relations Operations % 2021



The table below summarizes NBK Public Relation's initiatives classified by the number of initiatives per area.

Initiatives	Number of Initiatives in 2021
Employees	10
Health	4
Awareness	3
Community	3
Youth and education	2
Environment-Related	2
Sports	1
Women empowerment	1

The following table summarizes NBK's Corporate Social Responsibility initiatives.

Summary of NBK Corporate Social Responsibility (CSR) Initiatives

Name of initiative	Brief description of initiative
Supporting Kuwait Red Crescent Society (KRCS) in Distributing Essential Winter Supplies for Cleaning Workers	NBK and Kuwait Red Crescent Society (KRCS) distributed essential winter supplies to 5,000 cleaning workers in Kuwait. The campaign aims to offer a warmer winter for low-income workers facing hard weather conditions. The campaign is a way of showing appreciation to workers especially during cold weather.
Supporting Ministry of Health (MOH) Vaccination Efforts	<p>NBK supported Kuwait Vaccination Centers in different governorates as part of its commitment to support the Ministry of Health (MOH) and the Kuwait Red Crescent Society (KRCS) efforts to protect the community from COVID-19. NBK provided fridges to the drive-thru vaccination station on the southern island of the Sheikh Jaber Al-Ahmad Al-Sabah Causeway Bridge.</p> <p>NBK also provided 25 fridges to 5 different vaccination centers, in addition to Kuwait International Fair Grounds in Mishref Area. These 5 centers are located in Farwaniya, Al Assimah, Hawally, Al Ahmadi and Al Jahra governorates.</p> <p>In collaboration with Aqua Gulf, NBK volunteers visited vaccination stations to ensure that water was delivered on a daily basis to the donated 25 fridges.</p> <p>NBK's donation also included Golf Carts to provide free rides for elderly patients and people with disability to and from the parking area and/or shelters to the outdoor waiting areas at the Kuwait Vaccination Center in Kuwait International Fair Ground, Mishref.</p> <p>NBK visited front liners working in Jaber al Ahmad Hospital and the vaccination centers located in Mishref and Sheikh Jaber Al-Ahmad Al-Sabah Causeway Bridge to show support and solidarity.</p> <p>Television commercial (TVC) titled: "Forever grateful, till the end": NBK's dedicated a TVC to the health workers and the medical staff of the Ministry of Health (MOH) as a solidarity gesture to salute their efforts to combat COVID-19.</p>

<p>LOYAC</p>	<p>1- Cybercrime Committee NBK continues its support to LOYAC and sponsors its Cybercrime Committee Program as part of its commitment toward corporate social responsibility. NBK’s sponsorship to the program aims to raise awareness on the cybercrime protection laws in Kuwait and the most common mistakes that youth make on social media. The Cyber Crime Committee Program ran for 3 weeks. Participants explore and research (with specialists from the Ministry of Interior) about topics that encourage their role as active members in our society. The Program addresses cybercrime in Kuwait, the legal issues, and how to correctly use online platforms. The participants create and display an awareness campaign based on their research and information they received. In 2021, LOYAC and NBK’s Cyber Crime Awareness Committee training was conducted for 3 weeks, 2 days/week and each day is 2 hours from 5-7pm. There were 23 participants, including 17 Kuwaiti and 6 non-Kuwaiti, as well as breakdown into 14 female and 9 male participants.</p> <p>2- KON: As a platinum sponsor for the 5th year, NBK welcomes the participants from LOYAC’s program “KON”. This social entrepreneurship program is co-created with Babson College, a prestigious entrepreneurship college in the United States. The program aims to introduce young adults between the ages of 12 to 16 to the business world, and to turn their ideas into action. NBK took part in the training sessions that ran until the 15th of July 2021. Throughout the 3-week program, leaders from NBK along with a group of local and regional professional leaders, mentors and trainers, encouraged the participants to create a profitable business that solves social challenges. KON students experienced different stages during the program: thinking, planning and doing. The experiential learning journey the students undertake throughout the 3 weeks supports them in learning skills that include creativity, critical thinking, problem solving, communication and collaboration. The students also learn technical skills to write up a successful business plan, and how to pitch their business ideas to investors. By the end of the program, students are able to present their business ideas before a jury panel, in addition to a professor from Babson College. The Kon-P1 program, which ran for 2 ½ hours per day for 3 weeks in 2021, had 8 trainers and mentors, 7 volunteers and 35 participants age 12-16 (13 female, 22 male, 30 Kuwaiti, 5 Non-Kuwaiti), all for a total of 36 hours.</p>
<p>Center 21</p>	<p>NBK continues to support Center 21. The Bank sponsors rehabilitation activities for young adults with disabilities. The Center includes a range of activities like entertainment, field trips, development of courses, rehabilitation sessions, physical therapy, speech therapy, occupational therapy focus skills, nutritional counseling, and encouraging self-reliance and independence. We are proud to put our resources to such good use and are planning to diversify many more such initiatives in the future.</p>
<p>Cybercrime Awareness Campaign in Partnership with Ministry of Interior (MOI)</p>	<p>NBK collaborated with the Ministry of Interior (MOI), to raise awareness on social media for combating cybercrimes and protecting society from the related challenges. The partnership ran a successful cybercrime awareness campaign, which achieved high engagement rates on the Bank’s social media channels. This sponsorship comes in support of anti-cybercrime efforts and the Central Bank of Kuwait’s “Let’s Be Aware” campaign. Awareness messages cover key topics in this area, including protection from fraudulent banking messages, hacking of banking applications and other topics directly related to the security of customers and their accounts. As part of its efforts to support the anti-cybercrime in Kuwait, NBK saves no effort in educating the community about the risks of these crimes and supporting the efforts of governmental institutions in Kuwait in this regard. NBK frequently organizes various activities that contribute to raising awareness about the myriad of topics related to the banking sector. It also organizes a wide range of training courses in the areas of combating fraud and financial crime, and frequently posts related awareness material on our social platforms.</p>

Name of initiative	Brief description of initiative
NBK Sponsored "Safe Education" Awareness Campaign	<p>NBK sponsored "Safe Education" awareness campaign, and visited educational institutions to ensure a safe return of students to their schools and a safe educational environment with high levels of prevention.</p> <p>The campaign came as a result of collaboration with different ministries, including the Ministry of Education (MOE), Ministry of Health (MOH), Ministry of Interior, and Ministry of Information. It aims to raise awareness and encourage students and their families to support the governmental efforts for a safe return to the academic year 2021-2022.</p>
TAMAKAN	<p>TAMAKAN is a hands-on innovative training experience for young Kuwaiti graduates that takes them onto the next level of self-development and growth.</p> <p>TAMAKAN is being conducted through close cooperation with Creative Confidence, a Kuwaiti-based training partner that specializes in collaboration, innovation, creativity and entrepreneurship training. The partner ran the program in collaboration with NBK for the 2nd year in a row.</p> <p>The program was a full-time commitment of 10 weeks, 5 days a week, from 8:00 am - 4:00 pm that revolved around working on a real business challenge and shaping business ideas. Participants were exposed to the latest methods and tools that helps them in designing solutions and shaping ideas in any field. The training sessions provided a real business challenge that participants worked on into the final stages of the training. After completing the program, participants can add this experience to their resume.</p> <p>To join the program, applicants complete an online form. Candidates fitting the required profile are contacted via email for an interview. Following all interviews, candidates are notified of the results.</p>
Kuwait Association for the Care of Children in Hospital (KACCH)	<p>NBK advocates for the provision of optimal conditions for children and their families in the hospital in order to reduce the adverse effects of hospitalization on their development and well-being. NBK provides annual financial support. NBK works closely with KAACH to maximize its reach to children in need and to give top priority to sick children with life-threatening illnesses. In addition, NBK supports a team of doctors working at KACCH by paying for their expenses.</p>
BACCH- Bayt Abdallah Children's Hospice	<p>Bayt Abdullah Children's Hospice provides multi-professional, specialist, pediatric palliative care and support to children with life limiting or life-threatening illnesses who are resident in Kuwait, and their families. They aim to improve the quality of life for children and their families from diagnosis and beyond by offering these services, tailored to the individual family's needs, in the location of their choice, whether at home, in Bayt Abdullah or through an outreach program in their local hospital.</p>
Orange the World	<p>For the second consecutive year, NBK supported General Secretariat of the Supreme Council for Planning and Development (GS-SCPD), in collaboration with Soroptimist International Kuwait, in the campaign for the Elimination of Violence against Women in Kuwait.</p> <p>NBK Headquarters lit up in orange on November 25 every year for the International Day for the Elimination of Violence against Women.</p> <p>The 16 Days of Activism against Gender-Based Violence initiative coincides with the annual 16-day campaign that ends on Human Rights Day, on December 10, to promote an end to gender-based violence. This initiative was covered on all NBK official social media channels and was broadcasted and published in press and other media platforms.</p>
NBK Run	<p>For the past 25 years and in line with the Bank's social responsibility, NBK encouraged people to walk step-by-step for their health and wellbeing in the NBK Walkathon. This year, as the health crisis gradually abates, NBK Walkathon was transformed into NBK Run to pave the way for both professional runners and a beginner to enjoy challenges and competitions. Eight of every ten participants were positively impacted by the experience.</p>

Camping Season-Raising Awareness for Safety	<p>NBK and the Kuwait Fire Force arranged an awareness safety campaign during the camping season.</p> <p>NBK volunteers along with the Kuwait Fire Force team visited various camping sites in north of Kuwait to provide campers with a safety camping, which includes a fire extinguisher, fire alarm and first aid support, ensuring that camps adhere to regulations for safety and waste removal.</p>
<p>Do Good Deeds:</p> <p>1- Partnership with Refood</p> <p>2- Promoting Health and Wellbeing</p> <p>3- Social Media Awareness</p>	<p>Ramadan Do Good Deeds Campaign:</p> <p>This year, NBK Ramadan Social Program included more than 3,000 “Ramadan Baskets” to low-income families. This initiative is a food solidarity initiative that is launched in partnership with Refood to make a difference in the community. Through this initiative, rescuing food and saving the environment goes hand in hand. Refood’s initiative works to bridge-the gap between excess food in the industry that would have gone to waste and instead give it to those in need across Kuwait.</p> <p>Promoting Health and Wellbeing:</p> <p>NBK Mobile ATM visited different parks in Kuwait during the outdoor exercise period allowed during the curfew. NBK challenged people who achieved or exceeded ten thousand steps walking to win prizes. This initiative aimed at promoting positive health effects and wellbeing.</p> <p>Social Media Activities:</p> <p>NBK Ramadan Social Program included daily awareness videos, competitions and health tips through the official social media channels of NBK.</p> <p>CSR TV Campaign:</p> <p>The theme behind the Ramadan television commercial (TVC) was under the hashtag #save where it showed two individuals spending exorbitantly, especially on items that were unnecessary and shown in a comedic fashion. The meaning behind both versions of the Ramadan TVC was to encourage saving and targeted both males and females.</p> <p>The Eid Al Fitr TVC was about “Eidiya” (Eid gift) and was also under the hashtag #save. The TVC focused on a young boy who understood the meaning of “Eidiya” and how much it means to receive it during Eid. The TVC also featured local artist Khaled Al Mulla.</p>

NBK actively engaged with the KAACH and BAACH programs in 2021. See details in the sidebar below.

NBK Support of KACCH and BACCH

NBK has been one of KACCH and BACCH's loyal supporters since 1999, with annual monetary and annual carnival celebration sponsorships at Bayt Abdullah to patients and their families.

In 2021, NBK donated the amount of KD 60,000 to BACCH and the amount of KD 25,000 to KACCH towards the pediatric psychosocial and palliative care services. The KACCH and BACCH team worked with the NBK Public Relations to facilitate:

- a) School bags distribution for 93 NBK Children's Hospital (NBKCH) patients on 15th and 16th September, 2021
- b) Coloring hats activity and activity boxes distribution for patients in NBKCH on 12th October, 2021
- c) Toys donations handling and sanitization at Bayt Abdullah.

NBK's annual support to KACCH and BACCH goes towards supporting the overall services provided by KACCH and BACCH teams across eight government hospitals and Bayt Abdullah Children's Hospice.

In 2021, people impacted included:

- 3,194 patients, 271 siblings and 5,516 parents/caregivers received in-person and Telehealth Child Life interventions by KACCH and BACCH Child Life Specialists in eight government hospitals.
- 5,595 patients, 1,770 siblings and 4,833 parents/caregivers received in-person and Telehealth therapeutic Play Services by KACCH and BACCH Play Leaders in eight government hospitals.
- 78 patients, 190 siblings, 148 parents/caregivers at Bayt Abdullah Children's Hospice received in-person and Telehealth clinical, psychosocial, home and outreach services from the hospice team.

Training for Ministry of Justice (MoJ):

In 2020, NBK, in cooperation with the Ministry of Justice, organized a training course themed “Explaining the Mechanism of Banking Business According to the Central Bank of Kuwait's Governing Laws and Decisions and Its Work Nature” to qualify and train 141 legal experts from the new recruits in the General Directorate of Experts at the MoJ. The course objective was to qualify and train new experts in banking operations areas in order to facilitate litigation proceedings and speed up the resolution of lawsuits related to the banking and financial sector. NBK Group Human Resources organized the course in cooperation with our Legal Affairs Group.

Training for the Ministry of Interior (MOI):

In 2021, NBK organized a training program for the staff of Ports Security Affairs of the Ministry of Interior, on the protocols of dealing with the public and customer service. The program was attended by 75 participants and comprised several sessions and workshops. NBK collaborated with the Ministry of Interior to raise awareness on social media for combating cybercrimes and protecting the society from the related challenges.

6.4.3 NBK Community Awareness and Social Media

NBK is a leader in organizing events that contribute to educating society on issues related to the banking sector. Identifying our primary stakeholders and relevant communications channels is a first step. The Bank then engages with this range of stakeholders through a variety of means.

Engaging our Stakeholders:

NBK engages with the external stakeholders such as BACCH, KAACH, Center 21, KRCS, LOYAC, Ministry of the Interior, NBK Hospital, Ministry of Health, and Refood. We also engage with the following internal stakeholders, primarily through NBK Public Relations: GHR, CBG, Engineering, IT, Security, and Administration. External social media stakeholders are primarily Creative agencies/freelancers.

NBK Website Management:

In determining scope and content for NBK website, we strive to ensure all content used for communication is reviewed and approved by various stakeholders, in addition to applying proper quality checking process before publishing any information. This is covered as part of website governance process. To ensure our strategy is aligned with all website stakeholders, NBK website team conducted several workshops with them to understand

their priorities, goals, challenges and directions. In addition, we reviewed an Analytics and Benchmark Report as a comparison with all global banks, helping us identify key initiatives and decide the roadmap for improvements. This process resulted in several implemented ideas, such as improving the customer journey, merging website communication flow with social media, and increasing leads generated through our website.

NBK Social Media Engagement by the Numbers:

As of 2021, NBK had 1.85 million followers across social media channels. NBK Social Media channels include YouTube, Facebook, Instagram, Twitter, LinkedIn, and Snapchat. Compared to the previous year, this was a 9% increase from the 2020 figure of 1.7 million followers.

As of 2021, engagement across NBK's social media platforms was 4.5 million people. This was a 13% increase from the previous year figure of 4 million. Topics concerning ESG that were covered on our social media channels include:

1. NBK Run
2. Ramadan Campaign
3. Refood
4. Tribute to First Liners during COVID-19 through multiple TVCs
5. “Save Campaign”, encouraging customers to spend wisely and save money

Social Media and PR Objectives:

NBK's internal objectives for social media and PR events are to:

- Drive leads and revenue through the sharing of custom campaign links landing on NBK website
- Create buzz and awareness by covering events live on our channels and time-effective high-quality videography
- Reduce Call Center volume by solving customer complaints online without directing them towards alternative channels
- Support recruiting
- Elevate Brand Image through content consistency and relevancy
- Maintain leadership across all social media channels
- Increase engagement with interactive and informative content
- Be recognized as part of the young community by providing support and being part of the conversation
- Create content that helps drive digital acquisition of new customers and up selling to existing customers.

These Objectives are Achieved Through:

1. Our PR's planned and sustained effort to establish and maintain goodwill and mutual understanding between the Bank and its community.
2. Our increasingly communicating credibly with key audiences and stakeholders who affect our business results, such as social media influencers, policymakers and policy influencers, customers and shareholders.
3. The growth and popularity of NBK social media.
4. Internally communicating NBK brand attributes and characteristics (their values and supporting behaviors) to inform our employees of NBK's positioning on different issues to support change initiatives to underscore credibility.

NBK delivers positive and consistent brand image and reputation through our brand communications. All content is created in line with Branding Toolkit provided by NBK Brand Management Department. All content runs through a process of approval to ensure it.

An automated request system was created for our social media covering all units under Communications. This would result in less time to process and execute requests.

Internal social media topics related to health:

Mental Health	General Health
<p>Focused on 3 physicians: 1- Maryam Al Awadhi 2- Zaina Al Zabin 3- Dr. M. Al Suwaidan</p> <p>Topics:</p> <ul style="list-style-type: none"> • Burnout • Dealing with anxiety • Depression • Irritable Bowel Syndrom (IBS) • Stress and anxiety • Resilience and reset your self 	<p>Focused on 2 physicians (internal medicine and general medicine): 1- Mohamad Al Mousawi 2- Ali Al Qattan</p> <p>Topics:</p> <ul style="list-style-type: none"> • Health issues or other chronic problems • Geriatric medicine • Medical oncology, breast cancer survivors' stories • Pain management and sports rehab • Eye exam, detection, and prevention <p>Blood donation (awareness messages)</p> <ul style="list-style-type: none"> • It's Still Safe to Donate Blood During the Pandemic • During the Pandemic, Who Can Give Blood? • You Cannot Get COVID-19 by Donating Blood • The Need for Blood is Constant, Donate Today • Become a Donor <p>Eye care and check-ups: Dr. Talal Al Abdulijalil</p> <ul style="list-style-type: none"> • Eye Checkup and Retina • Awareness messages and clinic visits

COVID-19 Related CSR Activities:

Evidently, this crisis tested our commitment to ethical business conduct and CSR. Notably, NBK proactively engaged in various CSR activities, particularly those that offered immediate help and assistance to the fight against the virus. NBK focused our CSR activities on areas such as social, health, mental wellbeing, education and awareness. During 2021, we continued our

donations to support COVID-19 relief efforts. Internally, we continued our health care program that offered clinical visits at NBK clinic and awareness health videos and counseling with specialized doctors addressing major and mental health concerns.

Spotlight on Diraya Campaign

NBK is a key supporter and partner in all initiatives of the Central Bank of Kuwait (CBK) aimed at raising financial awareness. The Bank contributed through CBK's Diraya Campaign raising awareness for customers' banking rights. In cooperation with Kuwaiti banks, the campaign enhances financial culture among different segments of society and raises awareness among banks' customers of their rights and responsibilities and the best ways to benefit from various banking services. The campaign also aims to promote the saving and investment culture, as well as other related topics, by publishing a variety of awareness material and information relevant to financial culture.

NBK was active in financial education and stakeholder outreach through this campaign. We recorded 44,130 website views and on social media, the reach of the Diraya Campaign was 135 million, with total views of 1 million, impressions of 360,000, and engagement of 120,000. This initiative was also communicated internally, with 27 internal messages communicated to NBK staff.

6.5 Youth Inclusion

NBK sees youth as more than a community population needing support, more than a market segment, but as an important influencer and key lever in creating the future success of our company and societal community. NBK has been concentrating on the youth generation and has sponsored several events:

- Oceanminded
- Comfest
- Local and international student bodies - Alrayah and Almustaqila sponsorships

Additionally, NBK has conducted multiple campaigns focusing on youth needs and interests, such as:

- Discount with British Council – 100+ redemptions since Feb 2021
- Deliveroo 3 KD vouchers – 165 weekly redemptions on average
- Vox BOGO – 1,085 total redemptions since Sep 2021
- Bunka - 100 new Shabab prepaid issued
- Oceanminded – 120 accounts
- Comfest – 400 accounts
- Local and international student bodies – 161 accounts from Alrayah and Almustaqila

NBK's has several products targeting youth, including:

- Shabab Prepaid Visa
- Shabab Debit Card
- Prepaid Foreign Currency Visa

NBK ensures its continuous presence on university campuses to support the banking needs of the youth and increase their awareness about the various campaigns and services presented to support their lifestyle. Our presence are at:

- Kuwait University (KU)
 - College of Business Administration
 - College of Science
 - College of Education
 - College of Engineering
- Australian College of Kuwait (ACK)
- Public Authority for Applied Education and Training (PAAET)
- Gulf University for Science and Technology (GUST)
- American University of The Middle East (AUM)

Health Program + Doctor	Number of Patients Visit the Clinic	How Many Visit	Duration of Each Visit	Number of Posts	Number of Videos	Staff Announcement
Maryam Al Awadhi: Mental Health	NA	NA	NA	NA	5	5
Mohamad Al Mousawi: (Internal and General Medicine)	20	1	10 mins	NA	1	2
Zaina Al Zabin: Mental Health	19	1	20 mins	NA	1	6
Ali Al Qattan: (Internal and General Medicine)	13	1	20 mins	NA	1	3
Mohamad Al Mousawi: (Internal and General Medicine)	19	1	15 mins	NA	1	3
Breast Cancer: Anwar Al Nouri	8	1	20 mins	NA	5	6
DISC tips for NBK RUN	NA	NA	NA	2 cover pages having the word" health tips"	2 videos for the NBK RUN	NA
Blood Donation Awareness Campaign						10
DISC for Free Consultation about Physiotherapy	15	1	15 mins	NA	1	For the visit 2
Talal Al Abdul Jalil Eye Care	75	1	7-10 mins	NA	5	For his Visit: 2 Medical Videos: 4 Total: 6
Blood Tests at NBK Clinic (MY lab)	12 visits through out the year	Around 527 employee booked since Jan				12
Hypertension Awareness						4
COVID-19 Related Awareness						6

TAMAKAN

TAMAKAN is a hands-on innovative training experience for young Kuwaiti graduates offered in collaboration between NBK and Creative Confidence Consulting Company. The program's goal is to take recent graduates to the next level of self-development and growth before starting their careers. The program is a full time 10-12-week commitment that revolves around working on a real business challenge and shaping business ideas.

In selecting participants, our goal is to support 2 dimensions of diversity:

1. Diversity of participants, i.e., gender, background, social economics, academics, and age. Our ideal participant is a Kuwaiti fresh graduate, with desired character attributes; and
2. Diversity in the chosen careers later on most go into private sector, some into the public sector, some own businesses, some pursue a Master's degrees.

This immersive learning experience focuses on the development of multiple skills with a focus on:

- Creativity
- Teamwork
- Problem solving
- Empathy
- Collaboration
- Innovation
- Working remotely
- Entrepreneurship
- Communication
- Developing a flexible mindset
- Project management
- De-risking ideas

TAMAKAN creates solution designers. Participants learn how to diverge and converge, tackle any problem, approaching it with different tools than the standard approach. They learn customer centricity.

The program started with 30 accepted participants, recruited mainly through a digital campaign. More than 600 applied, who were then shortlisted to meet our diversity goals, and 200 interviews conducted. The program grew steadily, so that there are now 100 youth graduates, either alumni or currently in program. This creates community among the young participants, to grow and learn with each other, network, and build connection. NBK was sole sponsor of this program. The program's primary goal is not to impact our bottom line, but intends a purely social impact.

The program involves intensive skill and personal development

training (with 2 companies – Foresight and Strategizers) using online and in-person training, workshops, guest speakers (NBK and international), team projects, design challenges, segments defined, discovery interviews, ideation and value proposition, idea analysis, customer experimentation (prototypes of solutions and got ideas), then early validation showing ideas had traction with the customers. Participants received feedback, celebrated their graduation. Each person is given a personalized post. After the program, we help graduates to find job opportunities.

The COVID-19 crisis impacted TAMAKAN, as we had participants testing positive a number of times. We quickly moved the program to a full online experience, and was successful.

In 2021, the total number of participants joining and graduating from the TAMAKAN program was 40. This is a successful 33% increase from the previous year's figure of 30 participants.

Outcomes:

As a result of the program, 200 hypotheses were generated, 20 experiences, 450 customer interviews conducted, 150+ ideas explored.

Assessing the impact of the program on young participants is subjective, based on self-report of what they learned from the program (in either content or acquisition of the intended skill set); how they benefitted. Participants reported benefits include eligibility in the market, public speaking, acquired skill sets, availability of coaching, self-exploration, personal development skills such as agility, empathy, career guidance and support, and community elements like friends, support and networking.

In 2021, there were 40 participants in the TAMAKAN program. At the culmination of the program, out of the 40 participants:

- 8 were recruited by NBK
- 8 were recruited by the private sector
- 7 were recruited to the government sector
- 5 were recruited to the oil sector
- 5 went into continued education
- 2 took on internships
- 6 are looking for opportunities

Regarding specifically NBK's efforts to recruit TAMAKAN participants, in 2021, the eight participants recruited by NBK constitute 20% of total TAMAKAN participants, which is double the previous year's number of four participants hired by NBK from TAMAKAN.

6.5 Women Empowerment

NBK is committed to empowering women in our workforce, our community, and society in general. Internally our focus is on improving gender equity in our workforce, pay equity, non-discrimination in hiring, promotion, compensation, and other managerial processes. We strive to create an organizational culture that is supportive to empowering women, and offer training and development.

NBK is committed to advancing gender equality within the Bank as a key element of our Talent Development and Management. We focus on empowering women throughout their careers to enable them to be present in more leadership positions through learning and development, career development, non-discrimination, equal opportunity, and gender diversity. NBK organized two interactive workshops under the themes of “Women’s Leadership Development” and “Inclusion at NBK- Moving Beyond Gender Diversity.” The 55 NBK employee participants were extremely satisfied with the outcome of the topics of the programs as well as the tools offered to help them further foster their leadership capabilities. We also continuously support the UN Women and the United Nations Global Compact (UNGC) Women Empowerment Principals (WEP) as a signatory and a sponsor, which was signed by Ms. Shaikha Al-Bahar, Deputy Group CEO of NBK. The WEP’s focus is promoting gender equality and women’s empowerment in the workplace, marketplace, and community. These initiatives are described in some detail as follows.

In 2021, in NBK the number of women in managerial level positions (i.e., managers and above) was 165. This was an 11% increase compared to the previous year’s number of 148 female managers and above. In terms of percentage allocation, females comprise of 30% of all management positions (i.e., managers and above). This was a 6% increase from the previous year’s proportion of 28% females in management positions. There are no female Board of Directors members at the reporting period of this report. However, appointing female Board of Directors members is a key objective for 2022.

From the Learning and Development point of view throughout 2019-2021, we conducted several development programs specifically targeting female staff between middle managerial and supervisor levels. The aim of these programs was to provide females with the necessary tools to enable them to become the future leaders of NBK. Additionally, we conducted a diversity and inclusion program with to tackle the differences between the genders and how to understand these differences. In 2021, 2 NBK key female executives were nominated to attend extensive female leadership programs; ‘Women in Leadership’ by London Business School and ‘Women Transforming Leadership Program’ by Oxford University to support our commitment to advance females further into executive positions. Finally, we are designing a one of a kind holistic program specifically designed for female leaders at NBK, which aims at

advancing them into future leadership positions. The program launched on March 2021 and will be rolled out in interventions across 2022. There will be several touch points, which include training, live learning, mentoring, personal development journey, and several forums by leading female executives.

When it comes to Executive Management involvement, Ms. Shaikha Al-Bahar, Deputy Group CEO, participated in ‘Ring the Bell’ during Women’s International Day, March 8, 2021. The Women Empowerment ceremony was organized by Boursa Kuwait, supported by the Women Research and Studies Center (WRSC) at Kuwait University, the UN Development Program (UNDP), and the UN Women. In this ceremony, Ms. Al-Bahar discussed NBK’s aspects relevant to the Women Empowerment Principles (WEP), focusing on WEP 3 on “Employee Health, Safety and Wellbeing,” and WEP 5 on “Enterprise Development, Supply Chain and Marketing Practices”. Ms. Al-Bahar also discussed in depth the health and wellbeing efforts that have taken place throughout the pandemic to ensure that NBK offers the support our employees’ need through the troubled times and giving the parents the flexibility to commit to their children’s education via online learning.

Additionally, Mr. Emad Al-Ablani, General Manager, Group Human Resources, participated in a women empowerment forum on 8th December on 2021 called ‘I Stand With Her’ organized by Soroptimist Kuwait, an organization that works to educate, empower and enable women globally. He elaborated further on NBK practices and position towards supporting its female workforce.

As described earlier, NBK sponsors TAMAKAN, delivered through collaboration with the local consulting firm Creative Confidence. The company is run by two females who aim at supporting them to make the transition from student to starting their professional career. NBK further empowers the community through the contacting of local firms run by leading females and supporting them by sharing our staff’s knowledge and experiences.

In the realm of staff demographics, women remain under-represented in senior management positions representing about 15% in the private sectors in Kuwait and 16% in NBK, versus 14% in NBK from 2019. For NBK’s succession planning, females represent 19% of positions within the plan, as of 2021, noting that the plan is developed to identify successors for critical positions. However, we aim to raise the representation of women in this regard.

In terms of special benefits for women, NBK provides 70 days paid maternity leave and job protection, 2-hour break for nursing infants, equal pay for equal work, and protection from hazardous or exploitive work. There are no differences in policies. Moreover, throughout the pandemic, NBK management was keen to provide its employees with key wellbeing specialists and experts to help its females -and male- staff cope through this pandemic. Part of these benefits were being offered time off three times a week to help parents be there for their children throughout their virtual learning.

As touched on earlier, celebrating International Women's Day, NBK participated in the 'Ring the Bell Event,' organized by UN Women and in cooperation with the Supreme Council for Planning and Development (SCPD) and Boursa Kuwait to promote the empowerment of women in various fields. UN Women themed this year's event "Women in Leadership: Achieving an Equal Future in a COVID-19 World", in celebration of the great efforts made by women for recovery from the COVID-19 pandemic. NBK participated in the event, which was held virtually, represented by Shaikha Al-Bahar, Deputy Group CEO, and Emad Al-Ablani, General Manager, Group Human Resources, who shed light on the Bank's achievements in promoting gender diversity and inclusion as a cornerstone of the Bank's system.

The event discussed ways to consolidate efforts and visions to promote the seven principles of the empowerment of women launched by UN Women and UN Global Compact. In 2021, the focus was on the 3rd and 5th of these principles regarding guaranteeing the health, safety, and well-being of all women and men workers, and implementing enterprise development, supply chain and marketing practices that empower women.

NBK are proud contributors to Women Empowerment initiatives. Since signing the WEPs in 2018, we have been taking active and conscious steps to ensure that the principles are being abided by and practiced.

Women's Empowerment Principles (WEPs)

The Women's Empowerment Principles (WEPs) are a set of seven Principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. The Women's Empowerment Principles (WEPs) are a primary vehicle for corporate delivery on gender equality dimensions of the 2030 Agenda of the United Nations Sustainable Development Goals (SDGs). WEPs signatories therefore stand in solidarity with the United Nations to end gender inequality in the workplace, marketplace and community, and establish high-level corporate leadership for gender equality.

Principle 1: Establish high-level corporate leadership for gender equality

- NBK is creating several development programs for that purpose and is working actively towards increasing the female representation of the NBK executive team.

Principle 2: Treat all women and men fairly at work- respect and support human rights and nondiscrimination

- Discrimination and harassment policies are already set in place at NBK for any work-related issues with a full procedure of action in case of any incidents.

Principle 3: Ensure the health, safety, and wellbeing of all women and men workers

- Both men and women are treated equally in NBK's workplace and health and safety is the utmost priority. Employee wellbeing campaigns are available and provide consultants, experts, and any help staff need to have a healthy life balance. Moreover, the Headquarters has a full-fledged clinic with nurses to accommodate any staff's health issues.

Principle 4: Promote education, training, and professional development for women

- Programs are being created especially for the female workforce since 2019 at NBK to cater to their future development. Executive management is sponsoring these programs.

Principle 5: Implement enterprise development, supply chain, and marketing practices that empower women

- NBK deals with many external vendors to provide various services; whether the purchasing of any product, or even the training of our staff. We pride ourselves on not discriminating when dealing with these vendors and a couple of our key community sponsorship programs (training for youth, and recycling programs) are in coordination with local firms owned and led by women. Moreover, our advertisements do not discriminate gender, and when female models are viewed, they are diverse in look and backgrounds.



Principle 6: Promote equality through community initiatives and advocacy

- Community initiatives are at the heart of our core values at NBK. They range from development programs to feeding the needy. We have a range of programs set in place and work actively to help our community no matter who. We continuously advocate to make Kuwait a better place through these initiatives.

Principle 7: Measure and publicly report on progress to achieve gender equality

- NBK signed the WEPs during a ceremony that took place at Boursa Kuwait in 2018 in coordination with UN Women and Kuwait Women's Research Center.

Women's Empowerment Principles (WEPs)

	High-Level Corporate Leadership		Enterprise Development, Supply Chain and Marketing Practices
	Treat all Women and Men Fairly at Work without Discrimination		Community Initiatives and Advocacy
	Employee Health, Well-Being and Safety		Measurement and Reporting
	Education and Training for Career Advancement		

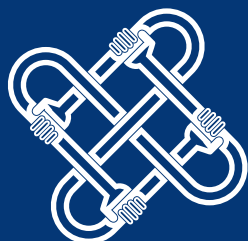
Girls for Girls

During 2021, NBK met with Kuwaiti women, alumni of Harvard University who represent the global initiative Girls for Girls in Kuwait. The discussions addressed the persistent gender inequality in leadership positions and the ways to generate a pipeline of girls ready to take on leadership positions across key areas in government, business, or civil society.

As the result of this meeting, Girls for Girls representatives suggested that NBK support their upcoming program for 2022 that will be conducted with the cooperation of the Women Cultural and Social Society in Kuwait (WCSS). The program consists of five training sessions, and will bring together insights from key leaders and a global mentoring network to empower young women to play a greater role in leadership.

- Beneficiaries: around 150 participants in total, young girls and women ages 15-40 years
- Number of sessions: from Jan - Oct, each month 6 sessions , around 21 hours weekly
- Number of guest speakers and mentors: 7-10

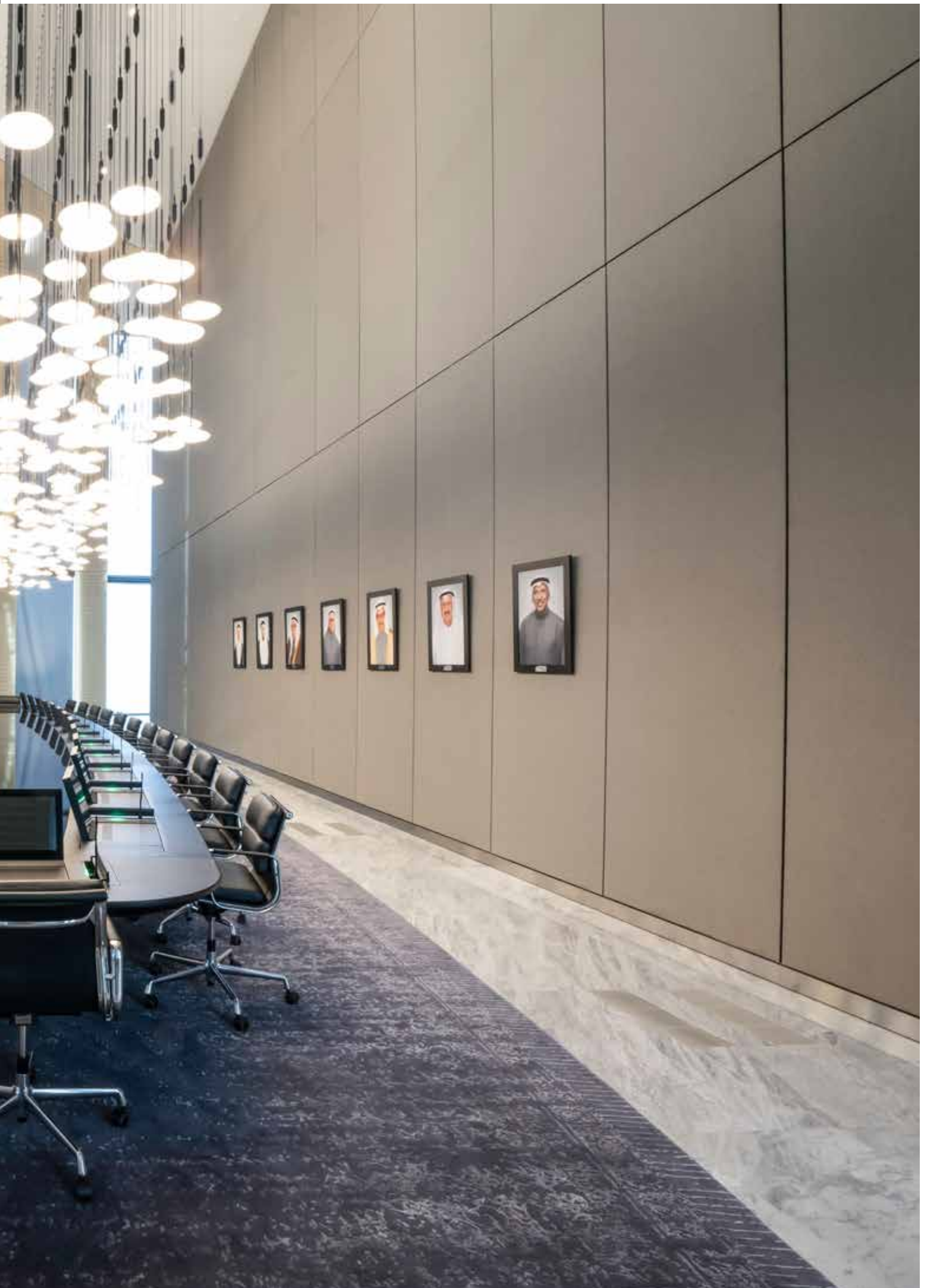
NBK announced their partnership with the initiative and the WCSS on December 2021. The initiative was announced in media and NBK official Social platforms.



Strengthening Our Governance

102-11, 102-13, 102-15, 102-16, 102-17, 102-18, 102-20, 102-22, 102-23, 102-24, 102-26, 102-27, 102-28, 102-30, 102-31, 102-35, 102-36, 102-38, 102-39, 102-41, 102-42, 205-1, 205-3, 302-5, 307-1, 407-1

NBK is continuing to strengthen our governance practices and disclosures, both in general and in relation to ESG. This section presents overviews of our governance structures, processes, and compliance performance, our commitment to ethical leadership, our ability to manage well in these turbulent times, and our increasing strategic focus on sustainable finance.



7.1 Corporate Governance

NBK views corporate governance as largely involving two major elements: the foundational aspects of our corporate strategy, and the full complement of our governance structures, processes, practices, values, and ethics.

Strategic Planning Process:

NBK's strategy planning process cycles every 5-years, along with intermittent updates, for a robust approach to the strategy delivered to the Board of Directors. On an annual basis, an executive management strategy session takes place where qualitative and quantitative KPIs are finalized. Several major business groups include significant ESG elements in their strategy development.

All strategic projects follow a governance framework, and recently, due to an increase in digital projects, an innovation governance framework has been developed to ensure agility and efficiency in implementation.

With an approved 5-year strategy in mind, the annual strategy session for the business units are conducted and the results are approved by top management, which is later combined to create the overall Bank-wide strategy document. KPIs are agreed upon and communicated to heads of business units, which

later develop their own KPIs that are aligned with the Bank-wide strategic direction and KPIs. Each individual business group owns strategic initiatives.

Strategy Implementation within NBK went through three stages: Pre-COVID-19, during COVID-19, and during the transition to a more normal state. Pre-COVID-19, a roadmap of strategic initiatives was tracked on a monthly basis with NBK strategy members also sitting on steering committees for key strategic projects. The strategic projects followed the project governance framework in addition to either the normal or the innovation governance frameworks. All projects were reviewed for a benefit realization exercise with the project owner 6 months from closure. Then, during COVID-19, NBK adopted a remote work environment smoothly. Now, with the transition to a more normal state, there is transition into a staggered approach of online and offline meetings and updates.

Additionally, in compliance with regulations and to maximize transparency between management and shareholders, NBK Strategy business area now reports directly to the Chairman of the Board.



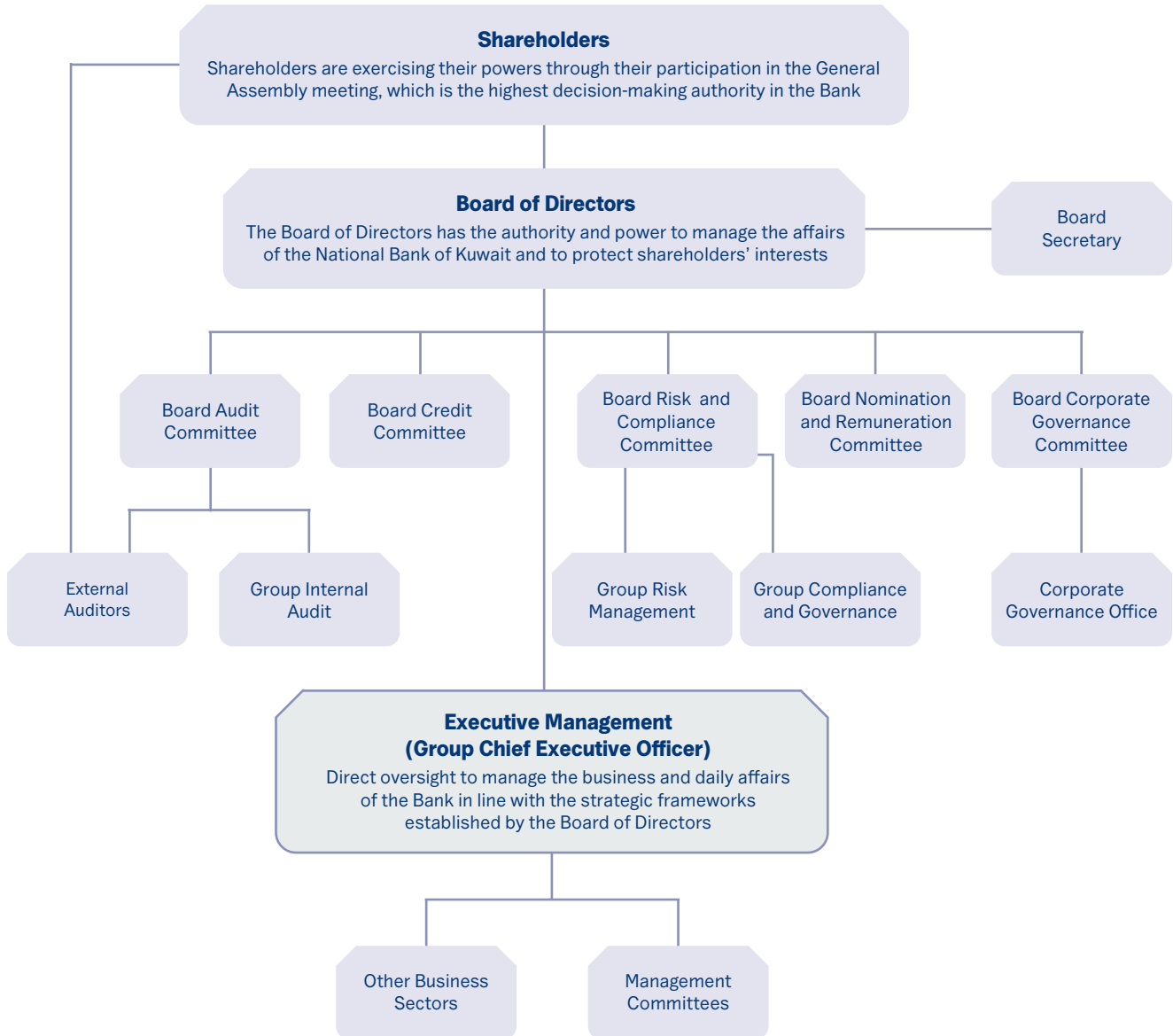
"We take pride in the progress we have achieved in implementing the highest standards of corporate governance whilst embedding sustainability as an integral part of our corporate culture and operations. We will continue meeting our promises to achieve responsible and sustainable growth and share our successes with the communities in which we operate.

"NBK will continue in its responsible role of supporting the global objective of low-carbon emissions and mitigating the risks of climate change whilst delivering progress on other sustainability initiatives. In this regard, we have set specific goals for sustainable business, and are keen on embedding climate-related considerations as part of our business model in the future."

Nasser Al-Sayer
NBK Group Chairman

Governance Structure:

NBK’s governance structure, along with our processes, practices, ethics, and values provides for effective oversight and leadership, strong compliance and risk management, and the authority to help integrate ESG as a key priority for us.



*On 6/10/2021, Non-Executive Board member Mr. Talal Jassem Al-Kharafi submitted his resignation from Board membership. As such, the current Board of Directors continued in its current form of (10 members) until members of the Board of Director are elected for the upcoming three years term in 2022. In this respect, the nomination for Board of Directors membership (Executive, non-executive and independent) was opened on 1/11/2021 for the upcoming three years term starting from the date of the Ordinary General Assembly’s appointment resolution of Board of Directors.

7.1.1 Board of Directors

The Board of Directors (BoD) serves as NBK's highest governance body, championing the long-term success of NBK. The BoD sets the tone for our corporate culture and ensures that the Corporate Governance framework is implemented through a robust set of policies, procedures, and standards. In 2021, NBK Group continued to operationalize our corporate values and improve our corporate governance and compliance culture across our entire organization. Our goal is to adhere to the highest ethical standards.

In line with the CBK regulations issued in October 2019 concerning the required appointment of 4 new Independent Board members, in the General Assembly Meeting convened in March 2021, NBK appointed 2 Independent Board members, and by the next General Assembly meeting that will convene in March 2022 additional 2 Independent Board members will be appointed. The two independent directors have extensive experience and expertise in banking to the Board.

This requirement is intended to increase diversity and relevant expertise at the Board level. We wholeheartedly support the goals and intentions behind this regulation. NBK Board comprises of 10 members of which 2 members are independent.

The two new independent directors added in 2021 are Dr. Nasser Saidi (Chairman of the Board Audit Committee) and Dr. Robert Eid (Chairman of Board Risk and Compliance Committee and Board Nomination and Remuneration Committee).

Dr. Saidi was the Minister of Economy and Trade and Minister of Industry of Lebanon between 1998 and 2000. He was the first Vice-Governor of the Central Bank of Lebanon for two successive mandates, 1993-1998 and 1998-2003. Dr. Saidi has a number of ESG credentials and contributions. He is the former Chief Economist and Head of External Relations of Dubai International

Financial Center (DIFC) and Executive Director of the Hawkamah-Institute for Corporate Governance. Jointly developed with S&P DJI, the S&P/Hawkamah ESG Pan Arab Index measures the performance of 50 of the best performing stocks in the MENA region as measured by environmental, social and governance factors. He chairs the MENA Clean Energy Business Council.

Dr. Eid served as a Managing Director and Chief Executive Officer of the Arab National Bank in Saudi Arabia from 2005 until January 2021. He also spent over 22 years with the NBK as the head of the International Banking Group (IBG) in addition to his previous positions as a Managing Director and Chief Executive Officer (CEO) of the NBK (International) PLC from 1998 until 2005. He has nearly 4 decades of international experience in banking.

The roles and responsibilities of the Board Chairman are listed in NBK's Board of Directors Charter. In addition, there is a segregation of duties where the Board chairperson cannot be the Chief Executive Officer (CEO).

The Board of Directors forms committees and elects committee members based on the skills and expertise of each person. The Board possesses wide-ranging knowledge and expertise relevant to NBK's business and to their being able to provide effective leadership in the committees on which they serve. Board members collectively hold experience and knowledge in the areas of accounting, finance, economics, strategic planning, corporate governance, internal control and risk management, in addition to outstanding experience in the local and regional business environment.

All Board members for 2021 are non-executives. They are elected and appointed for three years by the General Assembly of the Bank. Currently, all 10 members are men. Nevertheless, as we go to press, we are finalizing the addition of two new independent directors.

Board Member's Name	Independence Status	Attendance rate	Nationality
Nasser Musaed Abdullah Al Sayer	Non-Executive / Not Independent	100%	Kuwaiti
Ghassan Ahmad Saud Al Khaled	Non- Executive / Not Independent	N/A	Kuwaiti
Hamad Abdulaziz Al Hamad Al Saqer	Non- Executive / Not Independent	90%	Kuwaiti
Yaqoub Yousef Abdulaziz Al Fulaij	Non- Executive / Not Independent	80%	Kuwaiti
Hamad Mohammad Abdulrahman Al Bahar	Non- Executive / Not Independent	70%	Kuwaiti
Muthana Mohammad Ahmad Al Hamad	Non- Executive / Not Independent	100%	Kuwaiti
Haitham Sulaiman Hamoud Al Khaled	Non- Executive / Not Independent	100%	Kuwaiti
Emad Mohammad Abdulrahman Al Bahar	Non- Executive / Not Independent	50%	Kuwaiti
Robert Maroun Eid	Independent (Non-Executive)	100%	Lebanese
Nasser Amin Hassan Saidi	Independent (Non-Executive)	100%	British



Mr. Nasser Musaed
Abdullah Al-Sayer
Group Chairman



Mr. Ghassan Ahmed
Saoud Al-Khaled
Vice-Chairman



Mr. Hamad Abdul Aziz
Al-Sager
Board Member



Mr. Yacoub Yousef
Al-Fulaij
Board Member



Mr. Hamad Mohamed
Al-Bahar
Board Member



Mr. Muthana Mohamed
Ahmed Al-Hamad
Board Member



Mr. Haitham Sulaiman
Hamoud Al-Khaled
Board Member



Mr. Emad Mohamed
Al-Bahar
Board Member



Dr. Robert Maroun
Eid
Independent Board Member



Dr. Nasser Amin
Hassan Saidi
Independent Board Member

Our board members fulfill their responsibilities with diligence, commitment, and expertise. An attendance rate of 79% average for all our board members reflects their conviction about carrying out their roles at the highest levels of performance.

" Board Remuneration in 2021: Non-Independent Board members did not receive any compensation for 2021. Each Independent Board members received KD 60,000 per year. "

7.1.2 Board Committees

Board committee roles are stipulated in the charters for each, with the summary of roles and responsibilities as follows:

Corporate Governance Committee	Nomination and Remuneration Committee	Risk and Compliance Committee	Audit Committee	Credit Committee
<p>Committee's Mission:</p> <p>Assist the Board in overseeing the implementation of the Group's Corporate Governance. The Committee is also responsible for monitoring the implementation progress of the policies and procedures pertaining to governance.</p>	<p>Committee's Mission:</p> <p>Assist the Board in carrying out the Nomination and Remuneration responsibilities pertaining to the Board of Directors and Executive Management. The Committee also supports the Board in reviewing and enhancing Board structure and development of the caliber of the Board Members. It also assists the Board in setting up the Group's remuneration framework and ensures effective implementation in accordance with Group remuneration policy.</p>	<p>Committee's Mission:</p> <p>Assists the Board in carrying out its responsibilities with respect to the Group's risk management and Group Compliance & Governance functions by evaluating and monitoring the risk governance framework, risk appetite, risk strategy and capital planning. In addition to its role of overseeing the adequacy of regulatory compliance and enhancing compliance culture across the Group.</p>	<p>Committee's Mission:</p> <p>Assists the Board in a supervisory role regarding the efficiency and independence of the internal and external audit operations for the Group. Also oversees the preparation of the periodic financial statements and other regulatory reports.</p>	<p>Committee's Mission:</p> <p>Responsible for reviewing the quality and performance of the Group's credit portfolio. The Board has authorized the Committee to approve credit facilities that exceed the authorization granted to Senior Management, in accordance with the Credit Policy and the approved authority matrix of the Group in accordance with the related regulatory instruction.</p>

7.1.3 Executive Management

NBK's executive managers lead the organization in carrying out all day-to-day strategy development and operations.



“NBK will remain agile in positioning and endorsing ESG as a core principle for the way we conduct and operate our business, with initiatives for identifying and quantifying ESG already in place. Our commitment is ongoing, with special focus on assessing the direct and indirect environmental impact of our operations, especially as the risks of climate change continue to emerge.”

Issam J. Al-Sager
Group Chief Executive Officer (GCEO)

The Executive Management consists of:

Name	Title
Issam Jassem Al Hamad Al-Sager	Group Chief Executive Officer
Shaikhah Khaled Al-Bahar	Deputy Group Chief Executive Officer
Salah Yousef Al-Fuliaj	Chief Executive Officer - Kuwait
Sulaiman Barrak Al-Marzouq	Deputy Chief Executive Officer - Kuwait
Faisal Abdulatif Yousef Al-Hamad	Chief Executive Officer - Global Wealth Management
Omar Bouhadiba	Chief Executive Officer International Banking Group
Parkson Cheong	Group Chief Risk Officer
Emad Al-Ablani	General Manager - Group Human Resources
Walid Jamal Al Dean Al-Seyoufi	Group Chief Compliance and Governance Officer
Malek Khalife	Deputy CEO - Head of Global Private Banking
Mohammed Al-Othman	General Manager - Head of Consumer Banking Group
Suijit Ronghe	Acting Group Chief Financial Officer
Ahmed Bourisly	General Manager - Corporate Banking Group
Pradeep Handa	General Manager - Foreign Corporate, Oil and Trade Finance Group
Mohammed Al-Kharafi	Group Operations Head
Jad Zakhour	General Manager - Head of Treasury Group

Compensation Disclosures

The following discloses the compensation provided to certain positions within NBK, specifically classified as senior management, material risk takers, and financial and risk control positions.

	2021 Total Compensation (KD '000s)	2020 Total Compensation (KD '000s)	% Change
Senior Management	15,911	11,708	36%
Material Risk Takers	14,912	10,566	41%
Financial and Risk Control	2,578	2,266	14%
Total	33,401	24,540	36%

As stated in the NBK Group Remuneration Policy, remuneration is linked with long-term and short-term performance objectives and is determined based on the achievement of KPIs toward the overall Group's strategy; this includes financial and non-financial criteria and Key Risk Indicators (KRIs) at the Group level.

Sustainable Finance Committee:

We are currently in the final stages of developing our Sustainable Finance Committee, which is planned for 2022.

7.1-4 Governance Disclosures

Attendance:

NBK's Board of Directors is mandated to meet at least 6 times per year. NBK's BoD actually met 10 times in 2021. The average overall attendance percentage for each board meeting was 79%.

Board Evaluation:

To evaluate the Board, there is an annual self-assessment performance report conducted under the supervision of the Board's Nomination and Remuneration Committee for all Board sub-committees, the Board, and individual members. This annual assessment of both the Board overall and of each individual member is submitted to the Board in fulfillment of a Central Bank of Kuwait (CBK) requirement.

Kuwait Banking Association (KBA):

There are no reports submitted to Kuwait Banking Association (KBA). However, NBK has representatives (Board Chairman, and executive members) who attend KBA meeting, including executive and specialized committees.

Major Shareholders:

NBK only has one major government shareholder: The Public Institution for Social Security (PIFSS), which owns 5.77% of the capital of NBK.

Voting Rights:

No founding family member owns more than 5% of NBK's voting rights. With regard to voting rights, one share equals one vote, and shareholders vote in the Annual General Meeting (AGM) on Director appointments and dismissals.

Auditing:

NBK is audited through both internal and external auditors. Audit engagement partners from two external firms are rotated on a periodic basis.

NBK-Egypt's Board of Directors

- The majority (78%) of Board members (7 out of 9) are non-executives, in line with CBE Corporate Governance Instructions
- 22% of Board members are independent (2 out of 9)
- The roles of the Chairman and CEO is separated, as per CBE requirement
- Attendance for the 9 Board members was 100% in 2021 – every member attended every meeting
- The Board conducts a self-evaluation annually
- Maximum Tenure for non- executives board members is 6 years (two consecutive board tenures with every tenure being 3 years)

NBK-France's Board of Directors

- No Board members are independent
- 14% of the Board is female (1 of 7)
- The Board is mandated to meet at least 4 times per year - and they met five times in 2021
- Attendance for the 7 Board members was 91.4% in 2021
- The Board conducts a self-evaluation every 2 years
- Maximum Board tenure is 6 years and no current member has served longer than four years
- Board members receive no remuneration

NBK-UK's Board of Directors

- 38% of Board members are independent
- 25% of the Board is female (2 of 8)
- The Board is mandated to meet at least 4 times per year, and met 5 times in 2021
- Attendance for Board members was 100% in 2021 – every member attended every meeting
- The Board conducts a self-evaluation every year
- All shareholders have equal voting rights – one share one vote
- Maximum Board tenure for independent directors is 9 years; all non-executive directors (independent and non-independent) stand for re-election every 3 years, and no current member has served longer than 15 years

7.2 Commitment to Responsible Banking

Over the past few years, NBK has been expanding our understanding of and commitment to responsible banking. By responsible banking, we mean serving a full complement of stakeholders with a focus on meeting a comprehensive range of their needs from a foundation of the highest ethical standards. For us, this specifically also means increasing our focus on regional leadership in sustainable finance.

7.2.1 Regulatory Compliance

Responsible banking begins at the most fundamental level with strong compliance with all regulatory requirements. In 2021, NBK was fully compliant with the Kuwait Labor Law. NBK also fully complied with all deadlines for submitting all regulatory reports required by CBK, Capital Markets Authority (CMA), and other authorities. NBK employees currently are not involved with any unionization or collective bargaining agreements.

At NBK, compliance is managed and assured by our Group Compliance and Governance functions. Our Group Compliance and Governance actively manages seven specific areas of compliance. Group Compliance and Governance is headed by the Group Chief Compliance and Governance Officer, who reports directly to the Board Risk and Compliance Committee (BRCC).

"There were zero incidents of non-compliance with regulations concerning product and service information, labelling, and marketing in 2021."

7.2.2 Ethical Practices: Code of Conduct, Policies and Measures

While compliance may be the "law" behind responsible banking, ethical behavior is the "spirit" behind it and has been the basis of NBK's work with each other, our customers, our partners, and all our stakeholders since our founding 70 years ago.

To ensure the relentless application of all of NBK's ethics-related policies and principles, employees can seek advice and guidance throughout their line management starting with their direct manager/supervisor. Additionally, all employees have the right to file complaints. We always aim to create a healthy work environment by trying to solve any case at the lowest level without escalation. For any case not solved locally, the Employee Relations (ER) department follows the "Staff Complaint Policy."

NBK's Code of Business Ethics and Conduct reaffirms NBK's basic policies and ethical conduct that every employee must strive to uphold. All new recruits are given the Employee Handbook and Code of Business Ethics and Conduct, and the Code is reviewed annually by Board of Directors. Our Code was last updated in December 2021.

In addition, our Code of Conduct and related ethical guidelines and supporting practices are available on the MyNBK website, the Bank's Intranet under Policy and Procedure Repository-GHR Policies, which is accessible by all active staff.

The foundation of our Code of Conduct consists of basic standards of personal and professional behavior:

- Employees should perform the duties associated with their position to the best of their ability, diligently, impartially and conscientiously.
- All employees must always bear in mind that their personal conduct may affect the standing of NBK, or the way in which NBK is perceived by the public.

Employees should:

- Comply with legislative obligations and administrative policies
- Strive to keep up to date with advances and changes in the knowledge and the professional and ethical standards relevant to their areas and expertise
- Treat all persons with courtesy and sensitivity to their rights and provide all necessary and appropriate assistance

- Not take or seek to take improper advantage of any official information gained throughout their employment with NBK
- Avoid harassment or discrimination against any other employees in work practices on the grounds of gender, race (including color, ethnic background or national identity), marital status, disability, religious belief or age

Similarly, our key subsidiaries also publish, and train their employees on their own Codes of Conduct, which include all the same policies and expectations as our Group Code of Conduct, as well as specific practices and expectations for each locale.

NBK's Anti-Bribery – Anti-Corruption Program

NBK operates an effective anti-bribery and anti-corruption program, under supervision of the Board Risk and Compliance Committee. This program involves: managerial responsibility over bribery and corruption, regular training on bribery and corruption, operating guidelines addressing record keeping, approval procedures, appropriate behavior, and charitable contributions and sponsorships, an internal monitoring system to detect corruption, regular bribery and corruption risk assessments, annual signoff of the policy on bribery and corruption by employees, and mechanisms for employees to consult on ethical issues. Our systems for Anti-Money Laundering (AML) / Combatting the Financing of Terrorism (CFT) / Compliance are verified by third parties.

Strong Anti-corruption, Anti-Fraud, Anti-Money Laundering and Combating Financing of Terrorism Performance:

NBK had zero confirmed incidents of corruption identified, reported, or managed in 2021.

The total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, and other related financial industry laws or regulations (in KD) in 2021: **Zero**

NBK-Egypt had zero confirmed bribery incidents in 2021.

NBK-Egypt's total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations (in KD): **Zero**

NBK-France had zero confirmed corruption, money laundering, or bribery incidents in 2021.

NBK-France's total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations (in KD): **Zero**

NBK also has developed, and employees abide by, our Whistleblowing Policy and Procedures. In addition, all our subsidiaries, including NBK-Egypt, NBK-UK, and NBK-France, maintain their own whistleblowing policies as well. Our whistleblowing policy encourages openness and trust among employees. It helps employees report any complaint, whether relating to bad behavior or illegal or unprofessional actions. There are three lines of reporting employees concerns one of them is raise concern directly to the Chairman of the Board and the information received remains confidential and, if necessary, saved anonymously, to provide protection to the employee. This mechanism is subject to review by the Group Internal Audit.

NBK as a Group, as well as all our major subsidiaries, including NBK-Egypt, NBK-UK, and NBK-France, have developed and follow a range of internal policies, charters, and statements, many of which are focused on environment, social, and governance (ESG) elements, including:

- Anti-Corruption Policy
- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Anti-Fraud Policy
- Brand Protection Policy
- Procurement Policy
- Human Rights Statement
- Corporate Social Responsibility Committee Charter
- Code of Conduct
- Ethics Code
- Whistleblowing Policy
- Staff Complaint Policy
- Conflict of Interest Policy
- Information Security Policy
- Data Privacy Policy
- Data Classification Policy
- Social Media Policy
- Termination and Disciplinary Actions Policy
- Group Confidentiality Policy
- Disclosure and Transparency Manual
- Group Corporate Governance Policy
- Remuneration Policy
- Related Party Transaction Policy
- Stakeholders' Rights Protection Policy
- Bank Customer Protection Guide

Commitment to Human Rights

NBK is committed to respecting, protecting and advancing human rights across our enterprise, within our organizational practices, culture, operations and investment choices, and in all regions in which we do business. This new Human Rights Statement affirms this commitment and helps guide all our employees and our suppliers in supporting that goal.

<https://www.nbk.com/nbk-group/sustainability/sustainability-policies.html>

"NBK-Egypt: Number of incidents of non-compliance with regulations concerning health and safety impacts of products and services, child labor, or forced labor in 2021: **Zero**"

Two Major Subsidiaries in High Tax Jurisdictions Actively Support Our Boards on Tax Matters

Our two major subsidiaries in high tax jurisdictions – NBK-UK and NBK-Egypt – provide specific support to their Board regarding tax matters.

NBK-UK has signed up to the HMRC code and has an appropriate framework and key policies in place. All main tax matters are discussed at the Board Audit Committee (BAC) and any changes to policies around taxation are approved by the BAC and recommended to the Board.

The external tax consultant engaged by NBK-Egypt to review the income tax returns and advise the Bank on tax treatment also updates the Board quarterly -during Board Audit Committee (BAC) meetings- on new tax laws and the outcome of any tax review by regulatory authorities.

NBK-Egypt Develops Comprehensive Corporate Social Responsibility (CSR) Charter, CSR Policies, and Reconstitutes CSR Committee

In line with Central Bank of Egypt (CBE) instructions and guiding principles, including the Egyptian Code of Corporate Governance, the Financial Regulatory Authority (FRA), and the Government of Egypt's long-term strategy, NBK-Egypt has developed a comprehensive Corporate Social Responsibility (CSR) Charter and Committee that supports a number of CSR policies and implementation activities of the bank. The Charter highlights NBK-Egypt's commitment toward sustainable development and outlines the bank's specific responsibilities to a full range of stakeholders including employees, suppliers, regulators, and communities. The Charter is designed to help ensure that NBK-Egypt is an active participant in Egypt's sustainable development journey and aligns all the Bank's ESG work with the UN Sustainable Development Goals (SDGs) and with Egypt's national vision and strategy—Egypt Vision 2030.

7.2.3 Sustainable Finance: Incorporating ESG into Core Business Management

As the world increasingly comes to understand the importance of resilient and even transformative sustainable development, the role of sustainable financing is taking on ever more significance for financial institutions. In addition, regulators, ESG investors, and responsible stakeholders are all expecting genuine progress from us in the area of sustainable financing. New business models, new areas of growth, and more reliable economic benefits are all likely outcomes for us as we move further into our commitment to sustainable finance.

Supporting environmentally friendly and cleaner energy infrastructure projects is one of the main strategic goals of our sustainability strategy. NBK ensures that all projects financed through our Project Finance department are in line with prevailing Kuwaiti environmental laws. However, if multilateral financiers are involved, projects are required to follow the standards and requirements that are more conservative and often stricter than local regulations. The Bank pursued several opportunities, as outlined below.

Illustrative Examples of Sustainable Finance Projects

Project	Overview	Details
Shamal Az Zour Independent Water and Power Plant (IWPP)	Shamal Az-Zour Al-Oula Power and Water Company K.S.C. (Public) was established in 2013 to develop, construct and operate the Az-Zour North One Power and Water Plant (Independent Water and Power Plant Project). The company operates under the legal framework of the Independent Water and Power Plant Project (IWPPs) and Public-Private Partnerships (PPPs). The Az-Zour North One Power and Water Plant is Kuwait's first privately-owned gas-fired combined cycle power and water desalination plant. The output is supplied to the country's national power and water grid under a 40-year long-term Energy Conversion and Water Purchase Agreement (ECWPA) with the Kuwait Ministry of Electricity and Water (MEW)	The Az-Zour North One Power and Water Plant is the first of five phases planned for the Independent Water and Power Project Plant (IWPP) and currently supplies the cleanest source of electricity in the State of Kuwait. The company commenced full commercial operation in November 2016 and currently provides around 10% of Kuwait's installed power generation capacity and around 20% of the country's installed water capacity. The Az-Zour North One Power and Water Plant is a combined-cycle power plant that utilizes gas and steam turbines to produce up to 50% more electricity than a traditional simple-cycle plant. It produces a total of 1,539.2MW in net contracted power capacity from five General Electric GTG 9F-3 turbines generating 225.8 MW each, and two General Electric STG D1 turbines generating 251 MW each. The Az-Zour North One Power and Water Plant comprises a Multiple Effect Distillation (MED) unit capable of producing 107 million imperial gallons per day (MIGD) net, the equivalent of 486,400 m ³ /d of desalinated water. It provides 20% of Kuwait's installed water capacity through 10 desalination SIDEM MED units generating 10.84 MIGD each.
Utilities Development Company (UDC)	UDC has set up Sulaibiya Wastewater Treatment and Reclamation Plant. The plant is the largest of its kind using the reverse osmosis (RO) technique in domestic wastewater reclamation.	A wastewater treatment plant is a sustainable form of water management since it captures, and reuses wastewater from residential and commercial buildings. The water output of the wastewater plant, is then be used to irrigate landscaping and parks. As a result, this supports the protection of groundwater sources and reduces water demand from energy intensive desalination plants. The Sulaibiya Wastewater Treatment and Reclamation Plant is not only the first infrastructure facility of its size in the Middle East to be executed on Build Operate and Transfer (BOT) basis but also worldwide as it is the largest of its kind using the reverse osmosis (RO) technique in domestic wastewater reclamation. The Plant initially treated up to 375,000 cubic meter of raw domestic wastewater per day when it begins operations in year 2004. The plant capacity reached 600,000 cubic meter per day in year 2019, and it will continue till end of concession period in year 2032. The Plant treats around 60% of Kuwait's total domestic wastewater. The Concession Period started on the 7th of July 2002. UDC is now operating and maintaining the Plant and until the expiry of the Concession Period. The Government of the State of Kuwait buys all the Plant production of Reclaimed Water.

<p>Kuwait National Petroleum Company (KNPC) - Clean Fuel Project (CFP)</p>	<p>The Clean Fuel Project (CFP) is one of Kuwait National Petroleum Company's key projects aimed at upgrading and expanding the Mina Abdulla and Mina Al Ahmadi Refinery. The CFP aims to upgrade, modernize and enhance KNPC's existing refineries into an integrated merchant refining complex to meet future environmentally friendly and diversified international market requirements. Following the completion of the CFP, the refining capacity in MAA and MAB is anticipated to reach up to 800,000 barrels per day (BPD).</p>	<p>KNPC expects its refineries to have the following features after the CFP is completed: an integrated refining complex to meet diversified needs, meet demand and specification for refined petroleum products in local and international markets, enhanced environmental and safety performance, conversion of high sulfur fuel to higher value products, and employment opportunities for Kuwaitis in refining. The project commenced production in 2020 and achieved full operations in September 2021.</p>
<p>Kuwait Integrated Petroleum Industries Company (KIPIC) - Liquefied Natural Gas (LNG)</p>	<p>Kuwait Integrated Petroleum Industries Company is developing a permanent Liquefied Natural Gas (LNG) regasification plant and associated facilities which will facilitate the importation of LNG, for a cleaner feedstock from an environmental standpoint for consumption in the domestic power market and will also provide flexibility for LNG export</p>	<p>The LNG project is the world's largest capacity LNG storage and regasification green field project. The terminal will be the largest import terminal in the Middle East, with eight storage tanks with a capacity of about 225,000 cubic meters and a regasification facility with a capacity of three billion cubic meters of gas per day. The terminal was established to meet Kuwait's growing demand for cleaner fuel to generate electricity as well as the needs of natural gas consumers such as oil refineries and petrochemical industries. The terminal received its first shipment from Qatar in July 2021.</p>

The involvement of NBK in the project financing requires Environment and Social Impact Assessments (ESIA), as well as compliance with a suite of international standards, such as the International Finance Corporation (IFC) Environment and Social Performance Standards and the Equator Principles.

NBK-Egypt Complies with Central Bank of Egypt's (CBE) Guiding Principles for Sustainable Financing

The Central Bank of Egypt (CBE) issued, on 18 July 2021, the guiding principles for sustainable financing. The principles will provide the basis for planning and laying out the general framework for applying sustainable financing in Egyptian banks. They will also help build capacities, and provide the necessary resources to implement these principles. Sustainable financing refers to financing projects at banks that take into account the environmental component of society, such as clean and renewable energy projects. They also take into account projects that cover the social component of micro, small, and medium industry projects. This is in addition to labor-intensive projects that create more job opportunities, work to reduce

poverty rates, and raise the quality of living. The application of the sustainable financing principles will lead to enhanced investment opportunities and the injection of more foreign currency to Egypt. This will occur by attracting a new segment of investors who are focused on sustainable financing, in addition to attracting Foreign Direct Investment (FDI) in the banking sector and the national economy. The principles are an important step in supporting Egypt's development efforts and the country's plans to achieve sustainable growth in all fields. They will also provide the necessary funding for projects that contribute to achieving the UN Sustainable Development Goals (SDGs) that Egypt is focusing on.

"NBK-New York: As of 2021, 15.3% of our total portfolio is classified as environmentally-friendly investments."

7.3 Risk Management Framework and Crisis Management

The Group's risk management framework is integral to our operations and culture, and we seek to manage risk in a structured, systematic manner through a global risk policy, which embeds comprehensive risk management into the organizational structure, risk measurement and monitoring processes.

Ultimate responsibility for setting out risk appetite and effective management of risk rests with the Board. This is managed through the Board Risk and Compliance Committee (BRCC) and the Group Executive Committee (EC), which ensure that risk-taking authority and policies are effectively communicated from the Board to the appropriate business units. The Group's risk management, compliance and internal audit function assists the Executive Management in controlling and actively managing the Group's overall risk profile.

The key elements of the Board-approved risk strategy are:

- Maintaining stability and business continuity during stress situations;
- Ensuring effective and adequate compliance with Regulatory Capital requirements and internal capital targets in keeping with the Group's strategy;
- Developing the Group's IT infrastructure and using modern methods to raise the professional level and levels of experience of human resources;
- Effective risk planning through an appropriate risk appetite; and
- Performing stress tests consistently to assess the impact on the Group's capital requirements, capital base and liquidity position.

The Group's risk appetite defines the maximum limit of risk that the Group is willing to accept in relevant business categories in order to achieve an optimal balance of risk and return, which will enable the achievement of its strategic objectives. Any risk that breaches the Group's stated risk appetite must be mitigated as a matter of priority to within acceptable levels.

The risk appetite is reviewed at least on an annual basis and presented by the BRCC and to the Board for final approval. This ensures the risk appetite statements are consistent with the Group's strategy and business environment. Through the risk appetite statements, the Board communicates to Management the acceptable level of risk for the Group, determined in a manner that meets the objectives of shareholders, depositors and regulators. This also ensures that the risk appetite remains aligned to the Group's strategic objectives, expectations of regulators and stakeholders, including customers, investors, and financial markets, and remains fit for purpose.

The Group Risk Management (GRM) and Group Compliance and Governance functions aim to identify early warnings of risk limit and risk appetite breaches, and are responsible for notifying the BRCC and the Board about them.

The GRM Policy and Procedures (P&P) are reviewed annually and/or as prescribed in individual documents, taking into account regulatory changes, any emerging risks that have the potential to materially impact financial performance of the Group, or any change in business model and business suitability factors. This ensures the P&P remains aligned to the Group's strategic objectives and the expectations of regulators and remains fit for purpose.

From a risk governance perspective, NBK manages risk from both the top down and throughout our operations. The Board has a dedicated Board Risk and Compliance Committee overseeing

Compliance and Risk Management. Business units have direct communication to the Board members through this committee. The committee meets regularly, and the format is a standard presentation covering all aspects of the bank's risks and compliance, including macroeconomic and global risk direction, what is relevant to the region, and what affects the Bank.

NBK has a robust process and procedures for applying the precautionary principle approach in risk management, which we are continuing to strengthen. In addition to managing risks associated with compliance, we strive to proactively identify and analyze a wide range of types of risks, such as impacts of new products and services, operational risk, technology/IT risk, legal risk, and financial-related risk (e.g., insurance risk, credit risk, and risk financing).

NBK Group's Risk Appetite Framework

Through the Group's risk management framework, transactions and outstanding risk exposures are quantified and compared against authorized limits, whereas non-quantifiable risks are monitored against policy guidelines and key risk and control indicators. Any discrepancies, excesses or deviations are escalated to the respective authorities as per policies for appropriate action.

The Group applies 3 lines of defense:

- First Line: The business owns and manages risks in adherence to risk policies governing the business and across the value chain in line with risk appetites and various operational and IT risk indicators.

- Second Line: The GRM develops and maintains the risk management framework, policy and models, which enables the business to manage the risk and control environment within the Board-approved risk appetite.

- Third Line: Internal Audit independently tests, verifies and evaluates controls for effective risk management and the implementation of policies and procedures.

The Group's risk management framework enables the Group to identify, assess, limit and monitor risks using a comprehensive range of quantitative and qualitative tools. Some of these tools are common to a number of risk categories, while others are tailored to the particular features of specific risk categories and enable generation of information such as:

- Credit risk in commercial and consumer lending and other asset exposures, such as collateral coverage ratio, limit utilization, and past-due alerts.
- Market and liquidity risk: Regular and effective monitoring and reporting of exposures, market prices, valuation of financial instruments and risk measures such as Value at Risk (VaR) and Stressed VaR reporting of overall positions and asset class level, counterparty credit risk, sensitivity analysis etc. There is clear segregation of "front," "back," and "middle" office role and responsibilities. The Group's liquidity management is guided by our internal liquidity policy, which is reviewed annually and approved by the Board. The Executive Committee (EC) assigns responsibilities and ensures the Group has sufficient resources to carry out liquidity risk management work in an independent and effective manner. The primary responsibilities for the management of liquidity are with the Asset and Liability Executive Committee (ALEC), regional asset and liability committees, the Group Treasurer and local Treasurers.

- Operational risks are managed at the Group level through a Board-approved operational risk management framework which defines the roles and responsibilities of the BRCC, the EC, the operational risk management function and the internal audit function for monitoring, managing and reporting operational risk. The key components of the Board-approved framework are:
 - (a) comprehensive policies, procedures and controls that reflect CBK and Basel III guidelines for internal controls and sound practices for managing and supervising operational risks in banks;
 - (b) annual and ad-hoc risk and control self-assessments conducted by business line management in coordination with and supported by the operational risk management function;
 - (c) quarterly KRI submission and validation to identify risk trends and develop mitigating actions;
 - (d) operational incident and loss reporting and investigation of causes and failed controls; and
 - (e) assessment of external operational loss incidents occurring at other banks, which are cross-checked against the Group's internal control system to proactively identify any potential control weaknesses.
- Quantification of the susceptibility of the market value of single positions or portfolios to changes in market parameters (commonly referred to as sensitivity analysis).
- Quantification of exposure to losses due to extreme movements in market prices or rates.

The Group regularly assesses the adequacy and effectiveness of our reporting tools and metrics in light of the changing risk environment. The reports are submitted to various authorities: management, executive committee, Board committee and the Board. The frequency of report is based on reporting requirements: Daily, weekly, monthly, quarterly, and various ad-hoc requirements.

The Group augments our overall framework for governance and capital planning and management by undertaking an internal capital adequacy assessment process (ICAAP), which includes "scenario testing" at periodic, regular intervals. Amongst the key objectives of the ICAAP is to quantify potential inherent risks, which the Group faces not covered under Pillar 1. In line with the guidelines from the Basel Committee and CBK, the key principles of the Group's ICAAP include:

- Responsibilities of the Board and Senior Management.
- Sound capital management.
- Comprehensive assessment of Pillar II risks, Credit (sector, name, and geographic concentration), residual credit risk, residual market risk, Liquidity, Legal, Reputational, Strategic Risks and other specific risks including model risk which are not covered in Pillar 1
- Monitoring and reporting.
- Control and review of the process.

NBK Group Compliance and Governance are headed by Group Chief Compliance and Governance Officer who reports directly to the Board Risk and Compliance Committee.

Group Compliance and Governance has the following objectives and responsibilities (as stipulated in Board Risk and Compliance Committee Charter approved by the Board):

- Identify, assess, monitor and report on the compliance risks faced by NBK Group.
- Review the compliance risk processes that are in place to anticipate and effectively manage the impact of regulatory change on the Group's operations.
- Ensure NBK Group and each subsidiary and branch in every jurisdiction of operation abides by all relevant laws and regulations applicable to each of them.
- Assess/Review the implementation of compliance procedures needed to verify compliance with the laws, regulations, procedures and directives issued by relevant Regulatory Bodies.
- Ensure the Bank's compliance with the regulations related to Anti-Financial Crime and the Foreign Account Tax Compliance Act (FATCA), Common Reporting Standard (CRS) and other similar applicable regulations.
- Ensure sound Corporate Governance implementation across the Group.

Risks Related to New Products and Services in Treasury Group:

NBK has two formal approval committees related to new products and services risks, including:

- Senior Product Approval Committee (SPAC)
- Treasury Product Approval Committee (TPAC)

Technological Risks:

All technology initiatives in the bank go through a project management framework. Risk management processes are integral to the project management framework and are handled throughout the life cycle of the project. Technology process risks are assessed routinely through a Risk Control Self-Assessment (RCSA) framework that is aligned to the Operational Risk Framework of the Bank. Key risk metrics are also identified and monitored on a quarterly basis by the dedicated Technology Risk Team.

Operational Risks:

Risk is embedded in any business process, since there is always some inherent risk. Business Teams as the first line of defense take relevant measures to identify and mitigate the risks in respect to their processes, products and services.

Additionally, our more formal process involves the RCSA, identifying potential risks, reviewing controls and measuring residual risks to formulate appropriate risk remediation strategies. These assessments are reviewed independently by the Group Risk Management (GRM), Operational Risk function.

Risk remediation strategies and plans are regularly monitored independently by the GRM's Operational Risk function alongside Key Risk Indicators that are reported by the various business and operational functions.

Financial-Related Risks:

Financial risks include credit risk, market risk and insurance risk. The Group's risk management framework enables the Group to identify, assess, limit and monitor financial risks using a comprehensive range of quantitative and qualitative tools. Some of these tools are common to a number of risk categories, while others are tailored to the particular features of specific risk categories and enable generation of risk-related information. The Group regularly assesses the adequacy and effectiveness of our reporting tools and metrics in light of the changing risk environment. The financial risk reports are submitted to various authorities: management, executive committee, Board committee and the Board. The frequency of report is based on reporting requirements: daily, weekly, monthly, quarterly, and various ad-hoc requirements.

Market Risks:

We have a standard market risk package examining issues like repricing gaps and liquidity. Liquidity risk is monitored at a Group wide level. Market risk is examined across all the three levels: Kuwait regulatory worldwide, overseas jurisdictions, and internal policies and standards.

Business Continuity Management (BCM) Risks:

BCM is preventive in its nature. Every Business Unit (BU) in the Bank maintains a set of BCM documents -i.e. Business Impact analysis (BIA), Business Recovery Plan (BRP), and Call Tree, which are reviewed and updated at least once a year. These documents identify key processes, systems, dependencies, Recovery Time Objective (RTO), Recovery Point Objective (RPO), Maximum Tolerable Period of Disruption (MTPD), vital records, and the all the resources required by the BU in order to recover its processes in the event of a disaster. These requirements are then made available to the BUs at the alternative site to ensure the recovery of their functions following an interruption. A full-fledged BCM / Disaster-Recovery test is conducted at least once a year where a crisis scenario is simulated, and all BUs participate to test their recovery plans. IBG locations who have systems hosted in Kuwait are also engaged. BCM also maintains a comprehensive Crisis Management Plan (CMP) that addresses multiple crisis scenarios, identifies key stakeholders for managing a crisis situation, and the actions required to resolve and manage those scenarios / threats if they occur. The CMP is also reviewed and updated at least once a year.

Succession Risks:

NBK has a succession plan for executive management in the event of anticipated or unforeseen circumstances. This plan is operated under the Group Chief Executive Officer (GCEO), supported by our Group Human Resources. We have defined levels cascaded down for orderly succession, outlining what happens in sudden situations. We also have scenarios for immediate changes. Depending on day-to-day circumstances or the deputy, we also groom selected eligible successors. (Eligible successors are kept confidential, but we have actual names for designated successors and the timeframes required). In an emergency, we have personnel who can be positioned down, up, or sideways.

Regulatory Risks:

NBK monitors both national and international regulations and anticipates their impact.

Building an effective risk management system and culture:

NBK has detailed policies and procedures for all key processes. These are reviewed by operational risk annually, and have a set of KRIs to capture the potential risks that are monitored on a regular basis. Additionally, NBK is building processes to identify emerging risks and embed an effective risk management culture. All staff are expected to take mandatory courses related to risk published on NBK's Intranet. Courses are mandatory for management. NBK worked with the champions and focal points from different departments. In addition, NBK conducts trainings for all employees on discrimination and harassment in the workplace as part of our Code of Conduct - Employee Handbook E-Learning mandatory training for all new employees.

NBK-Egypt's Risk Appetite Framework

NBK-Egypt follows a risk strategy in the form of the Risk Appetite Framework. The framework is an integral part of the risk management strategy and practices at the Bank. The Board reviews and approves the framework on annual basis or more frequently when significant changes in the prevailing market conditions necessitate. Prior to its submission to the Board, the framework is examined, challenged and approved by the Board Risk Committee, and adjustments, if any are required, are made.

The Risk Appetite Framework describes the quantum and types of risks that NBK-Egypt is willing to take in executing its strategy. The framework is central to an integrated approach to risk, capital management, and business supervision, and it acts as a main support to the Bank in achieving the required returns on capital and on assets, as well as being a key element in ensuring adherence to all regulatory requirements, Basel or otherwise, as well as internally set limits.

The Risk Appetite statement, including all the risk types and limits included in the framework is presented to the Board Risk Committee on quarterly basis. Any breach in the limits are either justified and approved by the Board Risk Committee or a correction plan is required to remedy the breach.

NBK-Egypt abides by a series of policies, procedures, and manuals related to risk management.

Policies and procedures manuals are reviewed every 3 years depending on the policies/manuals criticality. Where major developments that may affect the Bank have taken place, the policies/manuals may be revised more frequently.

The results of the various elements of the Business Continuity Plan (BCP), the full disaster recovery exercise, call tree exercise, and evacuation drill are all reported to the Board Risk Committee during its meeting that follows the exercise. The Board Risk Committee in turn reports such results to the Board.

The BCP is communicated internally to all departments and branches through the division heads. In addition, the Bank's Communication Department has custody of the communication plan, which they publish according to the event / situation needs.

The Bank has a New Products Committee, which has among its members, the head of market risk, the head of operational risk, the head of credit risk, and the Chief Risk Officer (CRO). All new products must be reviewed and approved by the members of the New Products Committee before launching.

A Cybersecurity Policy is in place along with ISO monitoring and System and Organization Controls (SOC) monitoring. We also have a Data Loss Protection (DLP) tool in place for emails and we are in the process of acquiring a new network level DLP tool. Moreover, we do a risk assessment for the security risks and controls in place. Furthermore, there is an incident management process in place in which all IT / cybersecurity incidents are logged and reviewed by different stakeholders, including IT Risk.

All new projects / business cases are checked for regulatory compliance. For non-compliance issues, we conduct a risk assessment to agree on the required controls / action plans and target dates.

NBK-Egypt currently does not provide any climate-related risk analysis; however, this is something that is scheduled to be considered in the future.

With regards to risk mitigation, the NBK-Egypt uses different techniques to mitigate risk ranging from obtaining collateral and support for credit facilities whenever possible, using netting agreements, putting the required controls in place for operations such as using a 2-level approval system.

In addition, NBK-Egypt conducts risk assessments for all its processes, new products and services, identifying KRIs for the most significant risks and monitoring, such risks on regular basis.

Suppliers risk is assessed by the operations risk team based on a matrix that includes a number of factors such as experience, financial position, reputation in the market, after-sale service quality and availability, employees' experience and satisfaction.

NBK-Egypt uses a top down approach stress testing to evaluate the impact of shocks on its capital base. This approach tests the impact of macroeconomic shocks using some assumptions developed by risk experts and approved by management to measure the capital strength of the NBK-Egypt and also the correction actions that can be taken if such triggers and assumptions convert into fact.

NBK-Egypt conducts scenario planning and stress testing at least once per year within the ICAAP report or upon request from regulators for unexpected risk events such as COVID-19.

The approach used for stress testing depends on the impact of macroeconomic scenarios on the NBK-Egypt's financials and this impact includes the profit and loss (P&L) items and the Expected Credit Loss (ECL), which will affect the net profit, which may require some corrective actions such as change in the appetite of concentration or lending strategy to avoid its negative impact on NBK-Egypt adequacy ratios. Also, retention of profits is considered, as well as calling for subordinated debt or additional capital as a last resort if need be.

Environmental issues are considered for customers that apply for loans offered through funds provided by international financial institutions that require certain environmental standards. In addition, our investigation department obtains proof of social security payment and examines the governance structure of the customer.

When granting credit facilities, NBK-Egypt asks for proof of payment of social security for the borrower employees. When granting credit facilities, NBK-Egypt risk officers examine the governance structure of the borrower for all larger companies financed. NBK-Egypt applies the three types of controls (preventive, corrective, and detective) where and as applicable. The first type (preventative) is the most desirable; however in situations where that is not possible, NBK-Egypt reverts to the other 2 types of controls.

7.4 Investor Relations

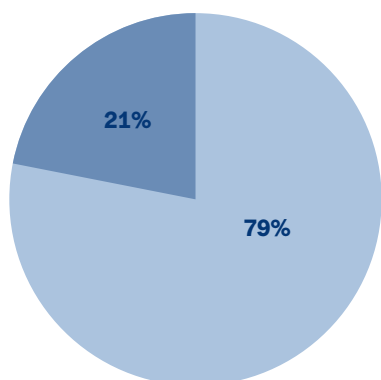
NBK's Investor Relations area is key to engaging and communicating with investors. During 2021, we increased our investor engagements, provided more focus on ESG, and improved our transparency and governance disclosures.

The methods of engagement with investors included, among others, virtual roadshows, virtual conferences, emailed queries, direct calls, investor presentations, earnings calls, annual reports, sustainability reports, and Annual General Meeting (AGM).

NBK's foreign investors constitute ~21% of NBK's investors as of the end of 2021. This is a ~5% increase from the previous year's figure of ~20% foreign investors.

NBK's local investors from Kuwait made up ~79% of NBK's investors. This is a ~1% decrease in the percentage of local investors compared to 2020.

High Proportion of Kuwaiti as Compared to Foreign Investors



*Kuwaiti investors: ~79%

*Foreign investors: ~21%

We have enhanced our level of engagement with our foreign investors and currently NBK maintains the highest level of foreign institutional ownership among all Kuwaiti banks.

NBK ensures frequent updates with and inclusion of shareholders, with a high degree of transparency and regular communications. Shareholders and investors have facilitated access to management in case of any issues or communication needs.

NBK is working on a project to automate report generation on the Investor Relations section of the website. This includes a number of widgets and tools that allow investors to extract information in an easier way from the NBK website and personalize reports in the best way to serve their specific investment needs.

We have been increasingly more active in disclosing our ESG approach and how ESG is becoming an important factor in the way we are doing business. Accordingly, this sustainability report reflects NBK's commitment and transparency various ESG disclosures.

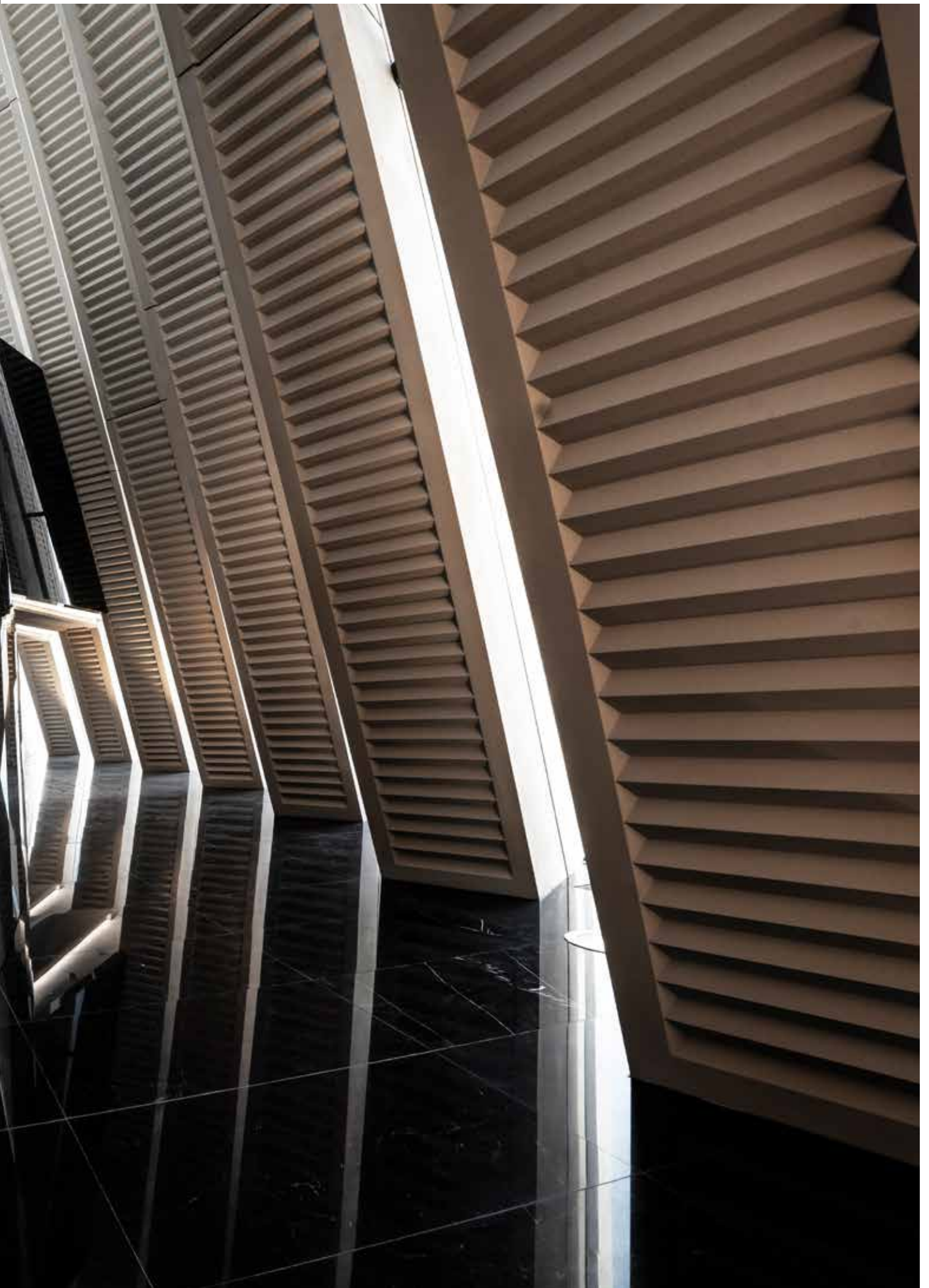
An estimated 50% of NBK's investors identified themselves as ESG-conscious in 2021 – up from about 40% in 2020.

The total amount of shareholder dividends paid in 2021 for FY2020 was KD 137,003,704. This was a 39% decrease from the previous year, where KD 226,372,506 was paid in 2020 for FY 2019.



Appendices

102-45



8.1 GRI Context Index

GRI Standard Disclosure Number	Individual Disclosure Items	Disclosure / Page Number
General Disclosures:		
102-1	Name of the organization	National Bank of Kuwait (NBK). /10
102-2	Activities, brands, products, and services	Business Activities, Products and Services. /11
102-3	Location of headquarters	NBK Headquarters location is in Kuwait City, (Al Shuhada Street, Sharq), Kuwait. /11
102-4	Location of operation	NBK has a strong regional presence and international network, operating across 14 countries in the Middle East, Europe, Asia and North America, with a predominant focus on the MENA region. / 10
102-5	Ownership and legal form	11
102-6	Markets served	NBK's core businesses are: (i) Consumer and private banking, (ii) Corporate banking, (iii) Islamic banking and (iv) Investment banking and asset management. /11
102-7	Scale of the organization	For more information regarding NBK's scale, including various financial and non-financial information, please refer to: NBK's Annual Report: https://www.nbk.com/nbk-group/investor-relations/financial-reports.html NBK's Financial Statements: https://www.nbk.com/nbk-group/investor-relations/financial-reports.html 11
102-8	Information on employees and other workers	19, 30, 31, 32, 33
102-9	Supply chain	77
102-10	Significant changes to the organization and its supply chain	90
102-11	Precautionary principles or approach	NBK has a robust process and procedures for applying the precautionary principle approach in risk management, which we are continuing to strengthen. In addition to managing risks associated with compliance, we strive to proactively identify and analyze a wide range of types of risks, such as impacts of new products and services, operational risk, technology/IT risk, legal risk, and financial-related risk (e.g., insurance risk, credit risk, and risk financing). / 107
102-12	External initiatives	21, (78-91)
102-13	Membership of associations	There are no reports submitted to Kuwait Banking Association (KBA). However, NBK has representatives (Board Chairman, and executive members) who attend KBA meeting, including executive and specialized committees. / 100
Strategy:		
102-14	Statement from senior decision-maker	8,9
102-15	Key impacts, risks and opportunities	21,64,107,108
Ethics and Integrity:		
102-16	Values, principles, standards, and norms of behavior	12,37,41,101,106
102-17	Mechanisms for advice and concerns about ethics	NBK also has developed, and employees abide by, our Whistleblowing Policy and Procedures. / 103

Governance:		
102-18	Governance structure	95
102-19	Delegating authority	N/A
102-20	Executive-level responsibility for economic, environmental, and social topics	19, 53,99,106,107,
102-21	Consulting stakeholders on economic, environmental, and social topics	20, 85
102-22	Composition of the highest governance body and its committees	96,97
102-23	Chair of the highest governance body	Mr. Nasser Musaed Abdullah Al-Sayer Group Chairman / 97
102-24	Nominating and selecting the highest governance body	They are elected and appointed for three years by the General Assembly of the Bank. / 96
102-25	Conflicts of interest	41, 103
102-26	Role of highest governance body in setting purpose, values, and strategy	96
102-27	Collective knowledge of highest governance body	96
102-28	Evaluating the highest governance body's performance	100
102-29	Identifying and managing economic, environmental, and social impacts	21,66-72
102-30	Effectiveness of risk management processes	107
102-31	Review of economic, environmental, and social topics	28 - 43, 53, 103
102-32	Highest governance body's role in sustainability reporting	NBK has implemented many ESG initiatives and actions, including, but not limited to: Clarifying recommended changes to our governance structure and processes, most critically by identifying additional leadership and oversight roles and responsibilities over ESG for the NBK Board of Directors and relevant board committees. / 18
102-33	Communicating critical concerns	37, 43
102-34	Nature and total number of critical concerns	41, 42, 58, 59, 120, 128
102-35	Remuneration policies	103
102-36	Process for determining remuneration	As stated in the NBK Group Remuneration Policy, remuneration is linked with long-term and short-term performance objectives and is determined based on the achievement of KPIs toward the overall Group's strategy; this includes financial and non-financial criteria and Key Risk Indicators (KRIs) at the Group level. / 100
102-37	Stakeholders involvement in remuneration	100
102-38	Annual total compensation ratio	100
102-39	Percentage increase in annual total compensation ratio	36% / 100

Stakeholder Engagement:		
102-40	List of stakeholder groups	19
102-41	Collective bargaining agreements	NBK employees currently are not involved with any unionization or collective bargaining agreements. / 103
102-42	Identifying and selecting stakeholders	BCM also maintains a comprehensive Crisis Management Plan (CMP) that addresses multiple crisis scenarios, identifies key stakeholders for managing a crisis situation, and the actions required to resolve and manage those scenarios / threats if they occur. The CMP is also reviewed and updated at least once a year. / 109
102-43	Approach to stakeholder engagement	19
102-44	Key topics and concerns raised	21
Reporting Practice:		
102-45	Entities included in the consolidated financial statements	129
102-46	Defining report content and topic boundaries	The report is designed to focus on those issues identified as most important to stakeholders in our recent materiality assessment process. Topics, key performance indicators, and type of information shared are influenced by the Global Reporting Initiative (GRI) standards, external ESG rater criteria for our industry, and other national and international sustainability frameworks and guidelines. Our 2021 Sustainability report is in aligned with GRI-Core option. / 4
102-47	List of material topics	20
102-48	Restatements of information	48,000 packets is a corrected restatement of our paper consumption for 2020. / 71
102-49	Changes in reporting	Prior to that time, NBK provided Annual Reports covering governance practices and financial performance, which from 2008-2015 were supplemented with annual Corporate Responsibility (CR) Reports focused on community giving. / 4
102-50	Reporting period	This, our 6th Sustainability Report, covers NBK Group ESG-related impacts, performance, and initiatives for the reporting period of January 1 to December 31, 2021. / 4
102-51	Date of most recent report	NBK has published a Sustainability Report annually since 2016. / 4
102-52	Reporting cycle	NBK has published a Sustainability Report annually since 2016. / 4
102-53	Contact point for questions regarding the report	Contact: sustainability@nbk.com Tel: +965 22292665 / 4
102-54	Claims of reporting in accordance with the GRI Standards	Our 2021 Sustainability report is aligned with GRI-Core option. / 4
102-55	GRI content index	114
102-56	External assurance	Not conducted
Management Approach – Material Topics:		
103-1	Explaining of the material topic and its Boundary	20,21
103	Digital products and services	In materiality and throughout the report / 20,21
103	Information security	In materiality and throughout the report / 20,21
103	Youth inclusion	In materiality and throughout the report / 20,21
103	Workplace diversity	In materiality and throughout the report / 20,21
103	Nationalization	In materiality and throughout the report / 20,21
103	Stakeholder wellbeing	In materiality and throughout the report / 20,21
103	Social impact	In materiality and throughout the report / 20,21
103	Environmental impact	In materiality and throughout the report / 20,21

103	Governance	In materiality and throughout the report / 20,21
103	ESG directions and market readiness	In materiality and throughout the report / 20,21
103	Risk management	In materiality and throughout the report / 20,21
103	Customer experience and satisfaction	In materiality and throughout the report / 20,21
103	Women empowerment	In materiality and throughout the report / 20,21
103	Employee empowerment and retention	In materiality and throughout the report / 20,21
103-2	The management approach and its components	In materiality and throughout the report / 20,21
103-3	Evaluation of the management approach	In materiality and throughout the report / 20,21
Topic Specific Standards:		
GRI 200: Economic		
201: Economic Performance		
201-1	Direct economic value generated and distributed	
201-2	Financial implications and other risks and opportunities due to climate change	64
201-3	Defined benefit plan obligations and other retirement plans	NBK's non-salary benefits provided include: ticket allowance, health insurance, schooling for some levels, and life insurance (in case of death of employee). / 42
201-4	Financial assistance received from Government	N/A
202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	NBK applies Kuwait Labor Law addressing minimum wage. / 42
202-2	Proportion of senior management hired from the local community	There were 154 Kuwaiti nationals on a Senior Manager (SM) level and above, a 9% increase from the previous year's number of 141. There were nine Kuwaiti nationals in general management and above, which was the same as the previous year. In general management and above positions, the Kuwaitization rate is 50% (being 9 out of the total 18 general management positions). / 33
203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	76,78
203-2	Significant indirect economic impacts	79
204: Procurement Practices		
204-1	Proportion of spending on local suppliers	Of our total 2021 procurement spending, our expenditure was 84% for local suppliers and 16% for foreign suppliers. / 77
205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	53, 77,102
205-2	Communication and training about anti- corruption policies and procedures	40,41
205-3	Confirmed incidents of corruption and actions taken	102

206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	102
207: Tax		
207-2	Tax governance, control, and risk management	103
GRI 300: Environmental		
301: Material		
301-1	Materials used by weight or volume	71
301-2	Recycled input materials used	We recycled 84.5 metric tons of paper in 2021. / 71
301-3	Reclaimed products and their packaging materials	N/A
302: Energy		
302-1	Energy consumption within the organization	70
302-2	Energy consumption outside of the organization	69
302-3	Energy intensity	70
302-4	Reduction of energy consumption	71
302-5	Reduction in energy requirements of products and services	104
303: Water and Effluents		
303-1	Interactions with water as a shared resource	70
303-2	Management of water discharge-related impacts	N/A
303-3	Water withdrawal	N/A
303-4	Water discharge	N/A
303-5	Water consumption	Total Water Consumption (IG) 41,929,918 / 70
304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable to our industry
304-3	Habitats protected or restored	Not applicable to our industry
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable to our industry
305: Emissions		
305-1	Direct (Scope 1) GHG emissions	69,70
305-2	Energy indirect (Scope 2) GHG emissions	69, 70
305-3	Other indirect (Scope 3) GHG emissions	69,70
305-4	GHG emissions intensity	70

305-5	Reduction of GHG emissions	In addition, we were able to occupy our new LEED-Gold environmentally friendly Headquarters for the entire year in 2021, a first for us with no historical precedent. / 68
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not applicable
306: Effluents and Waste		
306-1	Waste discharge by quality and destination	Not applicable
306-2	Waste by type and disposal method	71
306-3	Significant spills	Not applicable
306-4	Transport of hazardous waste	Not applicable
306-5	Water bodies affected by water discharges and/or runoff	Not applicable
307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	NBK ensures that all projects financed through our Project Finance department are in line with prevailing Kuwaiti environmental Laws. / 104
308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Not applicable
308-2	Negative environmental impacts in the supply chain and actions taken	Not applicable
GRI 400: Social		
401: Employment		
401-1	New employee hires and employee turnover	In 2021, NBK turnover rate was 12.3%. / 30
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	NBK's non-salary benefits provided include: ticket allowance, health insurance, schooling for some levels, and life insurance (in case of death of employee). / 42
401-3	Parental leave	NBK's employees are not entitled to paternal leave. / 43
402: Labor/Management Relation		
402-1	Minimum notice periods regarding operational changes	Minimum notice periods regarding informing employees about any operational changes in NBK would be a minimum of at least 2 months prior, earlier where possible. / 30
403: Occupational Health and Safety		
403-1	Occupational health and safety management system	34
403-2	Hazard identification, risk assessment, and incident investigation	NBK's Board of Directors' Risk and Compliance Committee oversees risk assessment and management by monitoring and planning for technological, operational, credit, market, business continuity, regulatory and emerging risks. As described in the Governance section 6, NBK has strong risk management organization and rigorous risk assessment processes and practices. / 53
403-3	Occupational health services	34
403-4	Worker participation, consultation, and communication on Occupational health and safety	35
403-5	Worker training on occupational health and safety	Not applicable
403-6	Promotion of worker health	35

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35
403-8	Workers covered by an occupational health and safety management system	Not applicable
403-9	Work-related injuries	NBK had zero occupational injury incidents in 2021. / 34
403-10	Work-related ill health	Not applicable
404: Training and Education		
404-1	Average hours of training per year per employee	On average, each NBK Kuwait employee was trained for about 5.2 hours—calculated as 41,037 training hours overall (excluding Digital Mindset training reported further on). / 40
404-2	Programs for upgrading employee skills and transition assistance programs	90
404-3	Percentage of employees receiving regular performance and career development reviews	42
405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	32,33
405-2	Ratio of basic salary and remuneration of women to men	42
406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	22, 42, 43, 77, 89, 90, 91, 102, 109
407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and bargaining may be at risk	NBK employees currently are not involved with any unionization or collective bargaining agreements. / 101
408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	NBK has had no incidents of non-compliance with regulations concerning health and safety impacts of products and services, child labor, or forced labor. / 34
409: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	NBK has had no incidents of non-compliance with regulations concerning health and safety impacts of products and services, child labor, or forced labor. / 34
410: Security Practices		
410-1	Security personnel trained in human rights policies or procedures	Not applicable
411: Rights of Indigenous People		
411-1	Incidents of violations involving rights of indigenous peoples	N/A
412: Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	NBK has not been subject to human rights reviews or impact assessments. None of NBK's operations have been subject to human rights reviews or impact assessments. /43
412-2	Employee training on human rights policies or procedures	N/A

412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	77
413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	74 - 94
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	NBK does not yet officially screen suppliers against social criteria. / 77
414-2	Negative social impacts in the supply chain and actions taken	No suppliers (0%) are identified as having significant actual or potential negative social impacts (e.g., child labor, or forced labor). / 77
415: Public Policy		
415-1	Political contributions	NBK makes exactly zero political contributions directly and indirectly. / 53
416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	N/A
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	NBK has had no incidents of non-compliance with regulations concerning health and safety impacts of products and services, child labor, or forced labor. / 34
417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	N/A
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
417-3	Incidents of non-compliance concerning marketing communications	N/A
418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	NBK met the rapid expansion of remote access in both 2020 and 2021 with zero incidents related to data leakage or unauthorized access (no data breaches). / 52
419: Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	N/A

8.2 Boursa Kuwait Sustainability Disclosures Index

Metric	Calculation	Disclosure / Page Number
Environmental		
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	22 Metric Tons CO2e / 69
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	38,522 Metric Tons CO2e / 69
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	341 Metric Tons CO2e / 70
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	16.6 MT CO2e per employee / 70
	E2.2) Total non-GHG emissions per output scaling factor	N/A
Energy Usage	E3.1) Total amount of energy directly consumed	Electricity Consumption(kWh) 60,443,730 / 69
	E3.2) Total amount of energy indirectly consumed	N/A
Energy Intensity	Total direct energy usage per output scaling factor	25,853 kWh/employee
Energy Mix	Percentage: Energy usage by generation type	67 - 68
Water Usage	E6.1) Total amount of water consumed	41,929,918 IG / 70
	E6.2) Total amount of water reclaimed	N/A
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, No	N/A
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	66, 71
	E7.3) Does your company use a recognized energy management system? Yes/ No	N/A
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	NBK is also increasing our focus on the climate change challenge in our risk management processes / 65
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes / 97
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	Yes / 64 - 66
Social		
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	Median gender pay ratio is not disclosed, though other gender pay matters are reported / 42
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	12.3% / 30
	S3.2) Percentage: Year-over-year change for part-time employees	N/A
	S3.3) Percentage: Year-over-year change for contractors and/or consultants	N/A
Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Total 2338 Men : 55%, Women: 45% / 32
	S4.2) Percentage: Entry- and mid-level positions held by men and women	84.7% / 31
	S4.3) Percentage: Senior- and executive-level positions held by men and women	15.3% / 31

Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	N/A
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	N/A
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes / 90
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Zero
Global Health and Safety	Does your company follow an occupational health and/ or global health and safety policy? Yes/No	N/A
Child and Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	34, 77
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	77
Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	Human Rights Statement / 103
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes / 77
Nationalization	S11.1) Percentage of national employees	74.6% / 33
	S11.2) Direct and indirect local job creation	32
Governance		
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	100% Occupied by men / 97
	G1.2) Percentage: Committee chairs occupied by men and women	100% Occupied by men / 97
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No	Yes / 96
	G2.2) Percentage: Total board seats occupied by independents	20% / 96
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	No
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	Zero / 101
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	Yes / 77
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	77
Ethics and Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/ No	Yes / 102
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	102
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No	Yes / 103
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	N/A
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No	Yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	N/A
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	No / 24
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/ No	No

8.3 Sustainability Accounting Standards Board (SASB) Metrics Alignment Index

SASB Consumer Finance

Topic	SASB Metric (Accounting / Activity)	NBK Disclosure
Customer Privacy	Number of account holders whose information is used for secondary purposes	<Not disclosed>
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Nil
Data Security	1) Number of data breaches	0
	2) Percentage involving personally identifiable information (PII)	NA
	3) number of account holders affected	NA
	Card related fraud losses from:	
	1) card-not-present fraud	0 KD
	2) card-present and other fraud	0 KD
	Description of approach to identifying and addressing data security risks	Data Classification Framework has been implemented and associate security controls including Microsoft AIP, Host DLP and Network DLP have been implemented
Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold (in %) between 55 % and 60%
	Approval rate for:	
	1) credit for applicants with FICO scores above and below 660	Not applicable to NBK Kuwait. NBK Kuwait uses a different approach to credit exposure limits approved with a defined approval authority framework.
	2) pre-paid products for applicants with FICO scores above and below 660	Not applicable to NBK Kuwait. NBK Kuwait uses a different approach to credit exposure limits approved with a defined approval authority framework.
	1) Average fees from add-on products for customers with FICO scores above and below 660	Not applicable to NBK Kuwait. NBK Kuwait uses a different approach to credit exposure limits approved with a defined approval authority framework.
	2) average APR for customers with FICO scores above and below 660	Not applicable to NBK Kuwait. NBK Kuwait uses a different approach to credit exposure limits approved with a defined approval authority framework.

Selling Practices	3) average age of accounts for customers with FICO scores above and below 660	Not applicable to NBK Kuwait. NBK Kuwait uses a different approach to credit exposure limits approved with a defined approval authority framework.
	4) average number of trade lines for customers with FICO scores above and below 660	Not applicable to NBK Kuwait. NBK Kuwait uses a different approach to credit exposure limits approved with a defined approval authority framework.
	5) average annual fees for pre-paid products for customers with FICO scores above and below 660	Not applicable to NBK Kuwait. NBK Kuwait uses a different approach to credit exposure limits approved with a defined approval authority framework.
	1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB)	NA
	Number of complaints filed with any other regulatory body that oversees consumer financial protection in the jurisdiction	In 2021: there were 14 complaints
	2) percentage with monetary or non-monetary relief	100% are monetary complaints
	3) percentage disputed by consumer	100% of those complaints have been disputed by the consumer
	4) percentage that resulted in investigation by the CFPB	100% of the consumer cases were raised to the Central Bank of Kuwait (CBK)
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	NA (Confidential)
N/A	Number of unique consumers with an active	
	1) credit card account	*2021: 145,328
	2) pre-paid debit card account	*2021: 108,950
N/A	Number of	
	1) credit card accounts	*2021: 172,918
	2) pre-paid debt card accounts	*2021: 152,342

SASB Commercial Banks

Topic	SASB Metric (Accounting / Activity)	NBK Disclosure
Data Security	1) Number of data breaches	No
	2) percentage involving personally identifiable information (PII)	NA
	3) number of account holders affected	NA
	Description of approach to identifying and addressing data security risks	Data Classification Framework has been implemented and associate security controls including Microsoft AIP, Host DLP and Network DLP have been implemented
Financial Inclusion and Capacity Building	1) Number	20
	2) amount of loans outstanding qualified to programs designed to promote small business and community development	KD 1.10 M
	1) Number	10
	2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	KD 0.24 M
	Number of no-cast retail checking accounts provided to previously unbanked or underbanked customers	306,664
	Number of participants in financial literacy initiatives for unbanked, underbanked, or undeserved customers	<Not disclosed>
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	<Not disclosed>
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	NA

Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Zero
	Description of whistleblower policies and procedures	NBK Whistle-Blowing Policy and Procedure
Systemic Risk Management	Global systemically Important Bank (G-SIB) score, by category	NBK is not classified as a G-SIB Bank, but rather is a D-SIB bank in Kuwait.
N/A	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	<Not disclosed>
N/A	1a) Number of checking accounts by segment	Personal: 788 thousand Small Business: 15 thousand
	1b) Number of savings accounts by segment	Personal: 214 thousand Small Business: 13 thousand
	2a) Value of checking accounts by segment (KD)	Personal: 2.75 billion Small Business: 240 million
	2b) Value of savings accounts by segment (KD)	Personal: 971 million Small Business: 2 million
N/A	1) Number of loans by segment	65,217 retail loans (housing and consumer loans)
	2) Value of loans by segment	KD 867 mn in net loan volumes (housing and consumer loans)

8.4 Training Courses

Training Courses
10th Yalla Watani - CC 2021
11th Yalla Watani DBD - 2021
12th Yalla Watani CC - 2021
13th Yalla Watani DBD - 2021
14th Yalla Watani CC - 2021
15th Yalla Watani DBD - 2021
17th Yalla Watani CC - 2021
18th Yalla Watani CC - 2021
19th Yalla Watani - CC
1st Arab Banking Cyber Security Forum
1st Yalla Watani DBD - 2021
2nd Yalla Watani CC - 2021
360 Leadership 02-04 Nov'21
360 Leadership 17-20 Oct'21
360 Leadership 26-28 Jul'21
360 Leadership 8-10 June'21
360 Leadership 8-10 Mar'21
3rd Yalla Watani - CC 2021
4th Yalla Watani DBD - 2021
5th Annual Credit Risk Management, Modelling and Validation
5th Yalla Watani DBD - 2021
7th Annual Liquidity Management and ALM
8th Yalla Watani CC - 2021
9th Yalla Watani DBD - 2021
Accredited Operation Specialist 13-16 Dec'21
Advanced Certified Scrum Master ACSM - Jun'21
Advanced Negotiation Skills 01-04 Nov'21
Advanced Negotiation Skills 15-18 Mar '21
Advanced Negotiation Skills 17-20 Oct'21
Advanced Negotiation Skills 20-23 Sep'21
Advanced Negotiation Skills 24-27 May '21
Advanced Sales Skills in Persuasion - Session 1
Advanced Sales Skills in Persuasion - Session 2
Advanced Sales Skills in Persuasion - Session 3
Advanced Treasury Audit Training (Virtual)
Agile Auditing
AOO Workshop G1 - 2021
Assertiveness and Decision Making 14-16 Nov'21
Assertiveness and Decision Making 14-16 Sep'21

Assertiveness and Decision Making 5-7 Oct'21
Best Practices in Social Customer Care
Building a Performance Driven Culture Training 10-11 and 14 Feb'21
Building a Performance Driven Culture Training 17-19 Jan'21
Building a Performance Driven Culture Training 20-21 and 24 Jan'21
Building a Performance Driven Culture Training 26-28 Jan'21
Building a Performance Driven Culture Training 7-9 Feb'21
Business Writing Techniques 08-09 Nov'21
Business Writing Techniques 1-2 Sep'21
Business Writing Techniques 13-14 Oct'21
Business Writing Techniques 2-3 Aug'21
Call Center Excellence 14-16 Nov'21
CBBM G1 - Mar 2021
CBBM G2 - Mar 2021
CC Transfer to DBD 2021 - G1
Certified Bank Relationship Manager - G1 - 2021
Certified Bank Relationship Manager - G2 - 2021
Certified Enterprise Risk Manager 31jan-4feb'21
Certified Scaled Agile Framework Leading SAFe
Certified Scrum Product Owner (CSPO)
Change Management 24-26 Oct'21
Change Management Strategies for Digital Transformation and Social Customer Care
CISI - International Introduction to Securities and Investments G1 22-23 June'21
CISI - International Introduction to Securities and Investments G2 12 and 14 Jul'21
Compliance and Risk Assurance
Corporate Cash Flow Analysis and Projections - 7-10 June 2021
Corporate Credit Risk Analysis - 30 May – 3 June 2021
Creative Problem Solving 22-23 Nov'21
Creative Problem Solving 4-5 Oct'21
Creative Problem Solving 7-8 July'21
Creativity and Innovation 01-02 June '21
Creativity and Innovation 29-30June '21
Creativity and Innovation 18-19 Aug'21
Creativity and Innovation 29-30 Nov'21
Creativity and Innovation 6-7 Oct'21
Data Analytics - M1 - SAS Programming 1 3-7 Oct'21
Data Analytics - M2 - SAS Programming 2 25-28 Oct'21
Data Analytics - M3 - Introduction to Statistical Concepts 10-11 Nov'21
Data Analytics - M4 - Statistics 1 28Nov-2Dec'21
Data Analysis W25
Design Thinking for HR program
Digital Leadership - March 14-16

Effective Coaching and Team Building 22-23 Mar'21
Effective Coaching and Team Building 27-28 Sep21
Effective Coaching and Team Building 28-29 Jul'21
Effective Coaching and Team Building 4-5 Aug'21
Effective Credit Applications - 21-22 June 2021
Empowerment and Delegation 12-14 Oct '21
Empowerment and Delegation 16-18 Mar '21
Empowerment and Delegation 16-18 Nov '21
Empowerment , Delegation and Motivation 03-04 Nov'21
Empowerment , Delegation and Motivation 24-25 Mar'21
Empowerment , Delegation and Motivation 27-28 Oct'21
Empowerment , Delegation and Motivation 29-30 Aug'21
EQ Insights - G1 - 2021
EQ Insights - G2 - 2021
Financial Accounting and Reporting Analysis W25
Financial Statements Analysis - 2021
FINTECH: Powering the Financial Revolution
Flexibility and Accepting Change and Overcoming Barriers - Supervisory 28-29Nov'21
Flexibility and Accepting Change and Overcoming Barriers- Supervisory 23-24 Aug'21
Flexibility and Accepting Change and Overcoming Barriers-Supervisory Level 29-30Mar
Flexibility and Accepting Change and Overcoming Barriers-Supervisory Level 9-10Nov21
Fraud Mitigation Audit Training (Virtual)
Fundamentals of Data Driven Strategy - Feb 7-9
Influencing and Communication Skills - 5-6 July 2021
Innovation for Growth
Introduction to Banking - 24 May 2021
Introduction to Risk Management W25
Kuwait CMA Rules and Regulations G1 6 and 8 Jul'21
Kuwait CMA Rules and Regulations G2 26 and 28 July'21
Managing Conflict 13-14 Sep'21
Managing Conflict 15-16 Nov'21
Managing Pressure and Maintaining Balance 12-13 Jul'21
Managing Pressure and Maintaining Balance 16-17 Aug'21
Managing Pressure and Maintaining Balance 28-29 Mar'21
Managing Pressure and Maintaining Balance 5-6 Dec'21
Middle Management Program - Cohort 22 - Part 1
Middle Management Program - Cohort 22 - Part 2
Middle Management Program - Cohort 22 - Part 3
Middle Management Program - Cohort 22 - Part 4
Middle Management Program - Cohort 23 - Part 1
Middle Management Program - Cohort 23 - Part 2
Middle Management Program - Cohort 23 - Part 3

Middle Management Program - Cohort 23 - Part 4
Middle Management Program - G18 - P4
Middle Management Program - G18 - P3
Middle Management Program - G19 - P4
Middle Management Program - G19 - P3
Middle Management Program - G20 -P5
Middle Management Program - G21 -P5
MIT Sloan - Mastering Design Thinking Program
Moody's Credit Training Program – Intermediate Level C4 - M1
Moody's Credit Training Program – Intermediate Level C4 - M2
Moody's Credit Training Program – Intermediate Level C4 - M3
Moody's Credit Training Program – Intermediate Level C4 - M4
Moody's Credit Training Program – Intermediate Level C4 - M5
Moody's Credit Training Program – Intermediate Level C5 - M1
Moody's Credit Training Program – Intermediate Level C5 - M2
Moody's Credit Training Program – Intermediate Level C5 - M3
Moody's Credit Training Program – Intermediate Level C5 - M4
Moody's Credit Training Program – Intermediate Level C5 - M5
Negotiation Skills 5-6 Jul'21
Negotiation Skills 8-9 Dec'21
Negotiation Skills 8-9 Sep'21
New Recruits Induction - Aug 2021
New Recruits Induction - July 2021
New Recruits Induction - June 2021
New Recruits Induction - March 2021
New Recruits Induction - Oct 2021
New Recruits Induction - Sep 2021
PBO Workshops G1 - 2021
PBO Workshops G2 - 2021
Photoshop Course
Planning , Managing Tasks and Achieving Goals 08-09 March'21
Planning , Managing Tasks and Achieving Goals 15-16 Dec'21
Planning , Managing Tasks and Achieving Goals 23-24 July'21
PMP Preparation Course - March 2021
Presenting to Credit Committee - 7-8 July 2021
PRMIA Associate Professional Risk Manager
Problem Credits - 27-29 June 2021
Professional Business Writing course G1
Professional Business Writing course G2
Project Management Essentials
Relationship Management Fundamentals - 30 June – 1 July 2021
RO Workshops - G1 2021

RO Workshops - G2 2021
RO Workshops - G3 2021
Scool of Trade Finance - Module 1
Scool of Trade Finance - Module 2 - P1
Scool of Trade Finance - Module 2 - P2
Scool of Trade Finance - Module 3 - P1
Scool of Trade Finance - Module 3 - P2
Scool of Trade Finance - Module 4 - P1
Scool of Trade Finance - Module 4 - P2
SO Workshop G1 - 2021 (Virtual)
SO Workshop G2 - 2021
Social Media
Strategic and Decision Making 11-12 Oct'21
Strategic and Decision Making 14-15 Jul'21
Strategic and Decision Making 16-17Jun'21
Strategic and Decision Making 27-28 Jun'21
Strategic and Decision Making 6-7 Sep'21
Structure Risk - 15-17 June 2021
Supervisory and Managing people 1-2 Dec'21
Supervisory and Managing people 14-15 Jun'21
Supervisory and Managing people 19-20 Oct'21
Supervisory and Managing people 25-26 Aug'21
Team work and Collaboration 10-11 Nov'21
Team work and Collaboration 21-22 June'21
The Art of Negotiation and Persuasion (for Customer Retention) 26-27 Jul'21
Think, Act, and Influence Strategically
TOGAF® 9 Training Course: Certified Level - P1- 11-14 Jul'21
TOGAF® 9 Training Course: Certified Level - P2- 25-28 Jul'21
TOGAF® 9 Training Course: Certified Level - P3- 1-3 Aug'21
UX Designer
Working with People and Adaptability 16-17 Jun'21
Working with People and Adaptability 24-25 Nov'21
Working with People and Adaptability 25-26 Oct'21

8.5 Other Disclosures

Disclosure	2021	2020	%-change
Non-audit fees paid (in KD)	596 K	431 K	38%
Total number of customers who visited the branches each year	1,951,120	1,733,350	13%
Transactions in total that were conducted with customers in the physical branches each year	1,066,267	940,808	13%
Number of unique consumers with an active credit card account	145,328	149,302	-3%
Number of unique consumers with an active pre-paid debit card account	108,950	100,833	8%
Number of credit card accounts	172,918	175,046	-1%
Number of pre-paid card accounts	152,342	141,160	8%
Number of debit card accounts	1,027,056	1,019,890	1%
Percentage of active users of NBK Mobile Banking (Note: Active means user login at least 1 in 3 months)	46%	38%	21%
Percentage of active users of NBK Online Banking (Note: Active means user login at least 1 in 3 months)	9%	10%	-10%
Number of customer complaints received by contact center (out of total calls)	14,920	NA	NA
Number of customer complaints received per channel (ie. calls, social media, website, etc.)	17,363	NA	NA
Average turnaround time for customer complaints, in total, per type of channel, and per type of complaint	4 Days	5 Days	-20%
Average turnaround time for customer complaints, in total and per type of complaint -- in call center only	4 Days	5 Days	-20%
Average turnaround time for customer complaints, in total and per type of complaint -- on social media only	2 Days	4 Days	-50%
Number of customer complaints solved within 24 hours	3,767	902	318%
Number of customer complaints solved at the call center level (without escalation to other business units)	87%	86%	1%
Number of customer complaints that required escalation to other business units before closing	78%	80%	-3%
Total customers are doing their banking physically in branches each year (ie. transactors)	44,781	38,567	16%
Regular training on responsible product offering and marketing	No	NA	NA
ATM customers (ie. transactors)	414,234	398,579	4%

CDM customers (ie. transactors)	95,992	81,651	18%																										
NBK Mobile Banking customers (ie. transactors)	164,315	133,567	23%																										
NBK Online Banking customers (ie. transactors)	20,274	25,562	-21%																										
NBK Mobile Banking customers (ie. transactors)	164,315	133,567	23%																										
ESG integration into financing	Certain ESG related aspects are embedded into our financing activities as a sort of criteria or decision-making. Specifically, financing related to fossil fuel energy, nuclear energy and defense are excluded from the financing by NBK's sustainability financing	N/A	N/A																										
Entities included in NBK's financial statements.	<p>Principle Operating Subsidiaries:</p> <table border="1"> <thead> <tr> <th>Name of Entities</th> <th>Country of Incorporation</th> </tr> </thead> <tbody> <tr> <td>Boubyan Bank K.S.C.P.</td> <td>Kuwait</td> </tr> <tr> <td>National Bank of Kuwait - Egypt S.A.E.</td> <td>Egypt</td> </tr> <tr> <td>Watani Investment Company K.S.C. (Closed)</td> <td>Kuwait</td> </tr> <tr> <td>National Bank of Kuwait (International) PLC</td> <td>United Kingdom</td> </tr> <tr> <td>National Bank of Kuwait France S.A.</td> <td>France</td> </tr> <tr> <td>NBK Bank Privée (Suisse) S.A.</td> <td>Switzerland</td> </tr> <tr> <td>National Bank of Kuwait (Lebanon) S.A.L.</td> <td>Lebanon</td> </tr> <tr> <td>Credit Bank of Iraq S.A.</td> <td>Iraq</td> </tr> <tr> <td>National Investors Group Holdings Limited</td> <td>Cayman Islands</td> </tr> <tr> <td>Watani Wealth Management Company</td> <td>Saudi Arabia</td> </tr> <tr> <td>Watani Financial Brokerage Company K.S.C. (Closed)</td> <td>Kuwait</td> </tr> <tr> <td>Bank of London and the Middle East (held through Boubyan Bank K.S.C.P.)</td> <td>United Kingdom</td> </tr> </tbody> </table>	Name of Entities	Country of Incorporation	Boubyan Bank K.S.C.P.	Kuwait	National Bank of Kuwait - Egypt S.A.E.	Egypt	Watani Investment Company K.S.C. (Closed)	Kuwait	National Bank of Kuwait (International) PLC	United Kingdom	National Bank of Kuwait France S.A.	France	NBK Bank Privée (Suisse) S.A.	Switzerland	National Bank of Kuwait (Lebanon) S.A.L.	Lebanon	Credit Bank of Iraq S.A.	Iraq	National Investors Group Holdings Limited	Cayman Islands	Watani Wealth Management Company	Saudi Arabia	Watani Financial Brokerage Company K.S.C. (Closed)	Kuwait	Bank of London and the Middle East (held through Boubyan Bank K.S.C.P.)	United Kingdom	N/A	N/A
Name of Entities	Country of Incorporation																												
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Bank of London and the Middle East (held through Boubyan Bank K.S.C.P.)	United Kingdom																												
External assurance on sustainability reporting	No sustainability assurance has been conducted for our sustainability report 2021	N/A	N/A																										
ESG due diligence for consumer and commercial loans	Regarding commercial loans, based on the review of NBK Domestic Credit Request process that we have in place, the ESG due diligence is covered. This is reflected specifically for credit requests. Regarding consumer loans, ESG due diligence is not currently conducted.																												
Integration of Task Force on Climate-Related Financial Disclosures (TCFD)	NBK is not yet integrated with full adherence to TCFD.																												
Other disclosures in NBK Annual Report 2021	https://www.nbk.com/nbk-group/investor-relations/latest-annual-report.html																												
Other disclosures in NBK ESG Profile microsite	https://www.nbk.com/nbk-group/sustainability/esg-profile.html https://www.nbk.com/nbk-group/investor-relations.html#esg-profile																												

Non-Performing Loans (NPL) Ratio	1.04%	1.72%	-40%
Linking executive pay to ESG performance	NBK does not currently link executive pay to ESG performance as of 2021		
Audit of ethical standards	NBK has official ethical standards, and there are regular audits of ethical standards (at least once every 3 years)		
UNEPFI Signatory	NBK is not a signatory of UN Environmental Programme Finance Initiative (UNEPFI).		
Key concerns	NBK does not have key concerns over: shareholder rights, shareholder rights to convene, or executive pay disclosure.		
Mandatory bid provision	No mandatory bid provision as part of the takeover provisions		
Fair price provisions	NBK does not have fair price provisions as part of takeover provisions.		
Percentage of employees trained	61.64% of NBK employees have received physical or virtual training. 90.81% of NBK employees have received E-learning.		

8.6 Other Community Related Information

Selected Community Event Name
Children Hospital's costs
Creative Confidence Consulting Co. (NBK Youth Innov. Prog. Tamakan)
UN Campaign Orange the World: Raise Money to End Violence against Women and Girls (NBK Headquarters Orange Lighting)
Video Frontiners By Dr. Ahmad Nabeel
Rewards to Medal Winners - Tokyo Olympics 2020
Vaccination Campaign
Kuwait Fire Force Campaign
Project On Documenting Kuwait's Old Landmarks And Heritage
NBK Sponsorship Girls For Girls
Awareness Campaign For New Academic Year
Brooklyn for Managing Conference Co. - Comfest 2020
Ramadan Costs
Walkathon / NBK Run
Others

Entity Name Amount was Donated to
NBK Share to Corona Fund
Donated to Support Kuwait's Vaccination Efforts
NBK Donation to Kuwait Red Crescent Society

Name of Sponsorship
BAYT Abdullah Children's Hospice BACCH
Lothan Youth Achievement Center LOYAC (Annual Partnership Renewal)
Shaheed Park LOYAC (E-commerce event)
Kuwait Association for Care of Children in Hospital (Child Life Program) KACCH
Kuwait Red Crescent Society (Education Campaign for 2020)
Kuwait Airways Corp. (65 years Anniversary)
Center 21 for Special need services
Institute Of Banking Studies
Kuwait Autism Society
Kuwait Association For Learning Differences (KALD)
Children's Cancer Center of Lebanon (CCCL)
NBK Sponsoring Kuwait Youth Forum For Environmental Solutions And Sustainable Development
NBK Sponsoring Roadrush Festive

8.7 Compliance Training – Information Security Awareness 2021 (e-learning)

NBK IBC	Number of Employees Completed	Total Minutes	Total Hours
NBK Bahrain	71	6,035	101
NBK Iraq	88	7,480	125
NBK Jordan	51	4,335	72
NBK KSA	101	8,585	143
NBK Lebanon	75	6,375	106
NBK London	124	10,540	176
NBK New York	37	3,145	52
NBK Paris	38	3,230	54
NBK Shanghai	22	1,870	31
NBK Singapore	31	2,635	44
NBK UAE	62	5,270	88
Grand Total	700	59,500	992

8.8 NBK Selected Digital Releases and Features

NBK Mobile Banking Releases and Features in 2021

- Facelift for our existing mobile banking application to provide better and more convenient customer experience to increase engagement and satisfaction
- Adding Corona Charity link online
- Enhance error message for Open Account Balance Limit for first initial deposit/transfer (between own account and another NBK customer)
- Enhance error message for restricting Opening Link Account for Business Banking/Corporate
- Increase transfer limits through Quick Pay on NBK Mobile Banking
- Implement more security controls on NBK Mobile Banking App based on ISO report (NBK Mobile Banking One-Time Password (OTP) for e-bill)
- Buy-Sell Currency Adding new function called buying and selling currencies via NBK Mobile Banking and NBK Mobile Banking, and additional requirements for Global Payments Innovation (GPI) transfer tracking through NBK Mobile Banking
- Enhance transfers and adding beneficiaries process through NBK Online Banking -Phase B
- Update minimum age rule applicable to open accounts in NBK Online Banking and NBK Mobile Banking
- Online and Mobile banking changes pertaining to loan insurance and loan details
- Change parameters on cash advance for Online and Mobile Banking
- Increase the limits for e-payment transactions through NBK Online Banking and NBK Mobile Banking
- Incorporating remitter name in front line applications
- Gulf Cooperation Council Real Time Gross Settlement (GCC RTGS) - NBK Mobile Banking change only
- Mobile Banking - service password credentials encryption
- NBK Kuwait Airways co brand card launch
- Add 'Transfer to International Online Brokerage' – to and from feature to NBK's Mobile App
- Implement more security controls on Mobile and Online banking applications based on CBK new requirements
- Place the new appointment system on NBK servers
- Enable notifications through NBK Mobile Banking app - without marketing
- Bill splitting on NBK Mobile Banking
- Update credit card opened branch in card issuer table
- Amend Al Jawhara account rules to cap the maximum amount allowed by Civil ID
- Link to Public Authority for Civil Information (PACI) onboarding application
- Restrict credit cards\debit cards (lost\stolen) - debit cards as Phase 1
- Transfer to NBK Capital SmartWealth Account from NBK Online Banking and Mobile Banking

NBK Online Banking Releases and Features in 2021

- Service Unavailability response for prepaid load and unload during batch load
- Disallowing Mobile Banking and Online Banking applications to open more than 1 session at the same time
- Update mobile number and email address through digital channels
- Restrict known fraud mobile numbers
- Loan installments—2nd postponement as per new law for Kuwaiti customers
- OTP Requirement by ISO and Central Bank of Kuwait (CBK)
- Salary/allowance transfer form on Online Banking and NBK Mobile Banking
- Manage My Cards During Travel on NBK Mobile Banking and NBK Online Banking
- Enable KD currency for international transfers
- Transfer to NBK Capital SmartWealth Account from NBK Mobile Banking and NBK Mobile Banking (enabling NBK Mobile customers to open NBK Capital SmartWealth account digitally and transfer money to their accounts in a hassle-free way via NBK Mobile app. The development was completed and planned to launch in Q1 2022)
- Activate inactive cards through e-channels
- Payment rules

Other Releases and Features

Money transfer and add beneficiary via QR code: For the first time in Kuwait, the NBK Mobile App user can now scan a QR code to add a beneficiary, transfer and receive money

- NBK Mobile Widgets to display quick data
- NBK Mobile Banking side menu re-arrangement
- AppStore re-design
- Samsung Pay in app enrollment
- Activate cards instantly through the Mobile Banking Application
- Robotic Process Automation (RPA) services
- Report lost/stolen card
- Controls over jail broken devices
- My Card Spends: Augmented Reality (AR) feature for card expenditure distribution
- Get a queue number prior to arriving to the branch through eQmatic service (My Ticket) on the NBK Mobile App and Branch Visit Booking
- Union of European Football Associations (UEFA) credit and prepaid card
- Update phone/e-mail through NBK Mobile Banking and NBK Online Banking
- Eid cash via mobile branch
- Best offer mechanism in pilot for digital acquisition
- Salary allowance transfer form on NBK Mobile Banking and NBK Online Banking
- WhatsApp Business for Business Banking customers
- PACI signature on NBK Mobile Banking
- 1st self-service branch in Khairan
- Open banking initiative in Bahrain

8.9 Business Air Travel Details

Departure Location	Destination Location	Class	Number of Trips
Kuwait	USA	Business Class	1
Kuwait	UAE	Economy Class	5
Kuwait	UAE	Business Class	5
Kuwait	London	Business Class	6
Kuwait	London	First Class	1
Kuwait	KSA	Business Class	6
Kuwait	KSA	Economy Class	1
Kuwait	Geneva and London	First Class	2
Kuwait	Geneva and London	Business Class	1
Kuwait	Egypt	Business Class	4
Kuwait	Egypt	First Class	1
Kuala Lumpur	Kuwait	Economy Class	1
Lebanon	Kuwait	Economy Class	1
Bahrain	Kuwait	Economy Class	1
Bahrain	Kuwait	Business Class	2
Total			38