

Financial Results Form Kuwaiti Company (KWD)		نموذج نتائج البيانات المالية الشركات الكويتية (د.ك.)
Company Name	National Bank of Kuwait S.A.K.P	اسم الشركة بنك الكويت الوطني ش.م.ك.ع

Financial Year Ended on	2021-12-31	نتائج السنة المالية المنتهية في
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Board of Directors Meeting Date	2022-01-12	تاريخ اجتماع مجلس الإدارة
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Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم إرفاق هذه المستندات

التغيير (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	2020-12-31	2021-12-31	
47.1%	246,341,000	362,249,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
52.6%	31	47	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
12.2%	14,334,586,000	16,085,385,000	الموجودات المتداولة Current Assets
11.9%	29,717,391,000	33,256,586,000	إجمالي الموجودات Total Assets
12.6%	23,783,059,000	26,778,125,000	المطلوبات المتداولة Current Liabilities
12.6%	25,576,336,000	28,789,469,000	إجمالي المطلوبات Total Liabilities
6.9%	3,310,009,000	3,539,567,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
7.6%	842,521,000	906,318,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
3.1%	530,942,000	547,375,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
Not Applicable/ لا ينطبق	لا يوجد خسائر متراكمة No accumulated losses	لا يوجد خسائر متراكمة No accumulated losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	الربع الرابع المقارن	الربع الرابع الحالي	البيان
Change (%)	Fourth quarter Comparison Year	Fourth quarter Current	Statement
	2020-12-31	2021-12-31	
38.3%	77,665,000	107,430,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
54.3%	9	14	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
7.2%	210,100,000	225,247,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
6.5%	124,622,000	132,726,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

سبب ارتفاع/انخفاض صافي الربح (الخسارة)	Increase/Decrease in Net Profit (Loss) is due to
تعود الزيادة في صافي الربح للسنة المنتهية في 31 ديسمبر 2021 بالمقارنة مع السنة المنتهية في 31 ديسمبر 2020 بشكل أساسي إلى ارتفاع صافي إيرادات التشغيل بالإضافة إلى انخفاض مخصص خسائر الائتمان وخسائر انخفاض القيمة، فيما قابل ذلك جزئياً ارتفاعاً في مصروفات التشغيل.	The increase in net profit for the year ended 31 December 2021 as compared to the year ended 31 December 2020 was primarily due to higher net operating income and lower provision charge for credit losses and impairment losses, partially offset by higher operating expenses.

Total Revenue realized from dealing with related parties (value, KWD)	KD 1,213,000	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Total Expenditures incurred from dealing with related parties (value, KWD)	KD 519,000	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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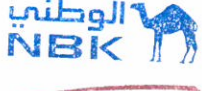

Auditor Opinion		رأي مراقب الحسابات
1. Unqualified Opinion	<input checked="" type="checkbox"/>	1. رأي غير متحفظ
2. Qualified Opinion	<input type="checkbox"/>	2. رأي متحفظ
3. Disclaimer of Opinion	<input type="checkbox"/>	3. عدم إبداء الرأي
4. Adverse Opinion	<input type="checkbox"/>	4. رأي معاكس

In the event of selecting item No. 2, 3 or 4, the following table must be filled out, and this form is not considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

نص رأي مراقب الحسابات كما ورد في التقرير	لا ينطبق/Not Applicable
شرح تفصيلي بالحالة التي استندت مراقب الحسابات لإبداء الرأي	لا ينطبق/Not Applicable
الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات	لا ينطبق/Not Applicable
الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات	لا ينطبق/Not Applicable

01/1

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
30 Fils	KD 215,780,833.200	توزيعات نقدية Cash Dividends	
5 %	KD 35,963,472.200	توزيعات أسهم منحة Bonus Share	
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	توزيعات أخرى Other Dividend	
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	عدم توزيع أرباح No Dividends	
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	زيادة رأس المال Capital Increase	تخفيض رأس المال Capital Decrease
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	علاوة الإصدار Issue Premium	Not Applicable/ لا ينطبق
ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
 R.C. 8310 - 03		رئيس مجموعة الرقابة المالية بالإنابة	رونجهي سوجيت انيل



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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of National Bank of Kuwait S.A.K.P. (the "Bank") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by Central Bank of Kuwait ("CBK") for use by the State of Kuwait.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each key audit matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

We have identified the following key audit matters:

a) Credit losses on loans, advances and Islamic financing to customers

The recognition of credit losses on loans, advances and Islamic financing ("credit facilities") to customers is the higher of Expected Credit Loss ("ECL") under International Financial Reporting Standard 9: Financial Instruments ("IFRS 9"), determined in accordance with the CBK guidelines, and the provision required by the CBK rules on classification of credit facilities and calculation of their provision (the "CBK rules") as disclosed in the accounting policies and in Note 13 to the consolidated financial statements.

Recognition of ECL under IFRS 9, determined in accordance with CBK guidelines, is a complex accounting policy, which requires considerable judgement in its implementation. ECL is dependent on management's judgement in assessing significant increase in credit risk and classification of credit facilities into various stages, determining when a default has occurred, development of models for assessing the probability of default of customers and estimating cash flows from recovery procedures or realization of collateral. As disclosed in Note 31, the COVID-19 global pandemic significantly impacted management's determination of the ECL and required the application of heightened judgment. As a result, the ECL has a higher than usual degree of uncertainty and the inputs used are inherently subject to change, which may materially change the estimate in future periods.

Recognition of specific provision on impaired facility under the CBK rules is based on the instructions by CBK on the minimum provision to be recognized together with any additional provision to be recognised based on management estimate of expected cash flows related to that credit facility.

Due to the significance of credit facilities and the related estimation uncertainty and judgement in the impairment calculation, this was considered as a key audit matter. This is further heightened by the high degree of estimation uncertainty due to the economic impacts of COVID-19.

Our audit procedures included assessing the design and implementation of controls over the inputs and assumptions used by the Group in developing the models, its governance and review controls performed by the management in determining the adequacy of credit losses. Further, our audit procedures were updated to incorporate consideration of the economic disruption caused by COVID-19, including a focus on rescheduled credit facilities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

a) Credit losses on loans, advances and Islamic financing to customers (continued)

With respect to the ECL based on IFRS 9, determined in accordance with the CBK guidelines, we have selected samples of credit facilities outstanding as at the reporting date, which included rescheduled credit facilities, and evaluated the Group's determination of significant increase in credit risk and the resultant basis for classification of the credit facilities into various stages. We involved our specialists to review the ECL model in terms of key data, methods and assumptions used to ensure they are in line with IFRS 9 requirements, determined in accordance with CBK guidelines. For a sample of credit facilities, we have evaluated the Group's staging criteria, Exposure at Default ("EAD") Probability of Default ("PD") and Loss Given Default ("LGD") including the eligibility and value of collateral considered in the ECL models used by the Group and the overlays considered by management in view of the ongoing COVID-19 pandemic, in order to determine ECL taking into consideration CBK guidelines. We have also evaluated the various inputs and assumptions used by the Group's management to determine ECL.

Further, for the CBK rules provision requirements, we have assessed the criteria for determining whether there is a requirement to calculate any credit loss in accordance with the related regulations and, if required, it has been computed accordingly. For the samples selected, which included rescheduled credit facilities, we have verified whether all impairment events have been identified by the Group's management. For the selected samples which also included impaired credit facilities, we have assessed the valuation of collateral and checked the resultant provision calculations.

b) Impairment of goodwill and other intangible assets

The Group has goodwill and other intangible assets with carrying value of KD 581,264 thousand as at 31 December 2021. The impairment tests of goodwill and other intangible assets performed by management are significant to our audit because the assessment of the recoverable amount of goodwill and other intangible assets under the value-in-use basis is complex and requires considerable judgments on part of management, especially due to the ongoing COVID-19 pandemic. Estimates of future cash flows are based on management's views of variables such as the growth in the banking sector, economic conditions such as the economic growth and expected inflation rates and yield. Therefore, we identified the impairment testing of goodwill and other intangible assets as a key audit matter.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

b) Impairment of goodwill and other intangible assets (continued)

As part of our audit procedures, we have verified prevailing market prices where management has used these as a benchmark to compute the recoverable value. Where "value in use" is the basis to compute the recoverable value we obtained management's impairment calculations and tested the reasonableness of key assumptions, including profit forecasts and the selection of growth rates and discount rates. We also involved our valuation specialists and challenged the management to substantiate the assumptions, including the comparison of relevant assumptions to industry benchmarks and economic forecasts. We tested the integrity of supporting calculations and corroborated certain information with third party sources. We agreed the underlying cash flows to approved budgets and assessed growth rates and discount rates by comparison with third party information, the Group's cost of capital and relevant risk factors. Future cash flow assumptions were also assessed through comparison to current trading performance against budget and forecasts, considering the historical accuracy of budgeting and forecasting and the understanding of the reasons for growth profiles used. We further evaluated management's sensitivity analysis to ascertain the impact of reasonably possible changes to key assumptions.

We also assessed the adequacy of the Group's disclosures regarding those assumptions, which are disclosed in Note 15 to the consolidated financial statements.

Other information included in the Group's 2021 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Group's 2021 Annual Report, other than the consolidated financial statements and our auditors' report thereon. We obtained the report of the Bank's Board of Directors, prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Group's Annual Report for the year ended 31 December 2021 after the date of our auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of other information; we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRSs as adopted for use by the State of Kuwait, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

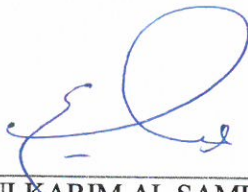
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NATIONAL BANK OF KUWAIT S.A.K.P. (continued)

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Bank and the consolidated financial statements, together with the contents of the report of the Bank's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Capital Adequacy Regulations and Financial Leverage Ratio Regulations issued by the Central Bank of Kuwait ("CBK") as stipulated in CBK Circular Nos. 2/RB, RBA/336/2014 dated 24 June 2014 and its amendments, and 2/BS/342/2014 dated 21 October 2014, and its amendments, respectively, the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or by the Bank's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Capital Adequacy Regulations and Financial Leverage Ratio Regulations issued by the CBK as stipulated in CBK Circular Nos. 2/RB, RBA/336/2014 dated 24 June 2014 and its amendments, and 2/BS/342/2014 dated 21 October 2014, and its amendments, respectively, the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2021 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our audit, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the CBK and the organisation of banking business, and its related regulations during the year ended 31 December 2021 that might have had a material effect on the business of the Bank or on its financial position.



ABDULKARIM AL SAMDAN
LICENCE NO. 208 A
EY
AL-AIBAN, AL-OSAIMI & PARTNERS



BADER A. AL-WAZZAN
LICENCE NO. 62 A
DELOITTE & TOUCHE
AL WAZZAN & CO.

26 January 2022
Kuwait

National Bank of Kuwait Group
CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2021

	Notes	2021 KD 000's	2020 KD 000's
Interest income	4	661,056	756,984
Interest expense	5	154,889	266,752
Net interest income		506,167	490,232
Murabaha and other Islamic financing income		227,849	225,137
Finance cost and Distribution to depositors		64,757	81,902
Net income from Islamic financing		163,092	143,235
Net interest income and net income from Islamic financing		669,259	633,467
Net fees and commissions	6	165,271	145,981
Net investment income	7	27,905	2,041
Net gains from dealing in foreign currencies		39,829	38,159
Other operating income		4,054	22,873
Non-interest income		237,059	209,054
Net operating income		906,318	842,521
Staff expenses		201,113	174,442
Other administrative expenses		122,134	102,058
Depreciation of premises and equipment		34,049	33,432
Amortisation of intangible assets	15	1,647	1,647
Operating expenses		358,943	311,579
Operating profit before provision for credit losses and impairment losses		547,375	530,942
Provision charge for credit losses and impairment losses	8	132,498	246,438
Operating profit before taxation and directors' remuneration		414,877	284,504
Taxation	9	34,136	25,842
Directors' remuneration	27	120	-
Profit for the year		380,621	258,662
Attributable to:			
Shareholders of the Bank		362,249	246,341
Non-controlling interests		18,372	12,321
		380,621	258,662
Basic earnings per share attributable to shareholders of the Bank	10	47 fils	31 fils

The attached notes 1 to 32 form part of these consolidated financial statements.

National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 KD 000's	2020 KD 000's
Profit for the year		380,621	258,662
Other comprehensive income:			
Investment in debt securities measured at FVOCI:			
Net change in fair value		48,123	(36,568)
Net transfer to consolidated statement of income		(10,818)	12,578
		37,305	(23,990)
Share of other comprehensive loss of associates		(13)	(291)
Exchange differences on translation of foreign operations		(5,911)	(2,431)
Other comprehensive income (loss) for the year reclassifiable to consolidated statement of income in subsequent years		31,381	(26,712)
Net loss on investments in equity instruments designated at FVOCI		(1,009)	(7,566)
Actuarial loss in respect of defined benefit plans	18	(484)	(7,239)
Other comprehensive loss for the year not reclassifiable to consolidated statement of income in subsequent years		(1,493)	(14,805)
Other comprehensive income (loss) for the year		29,888	(41,517)
Total comprehensive income for the year		410,509	217,145
Attributable to:			
Shareholders of the Bank		391,438	209,935
Non-controlling interests		19,071	7,210
		410,509	217,145

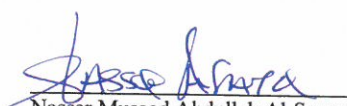
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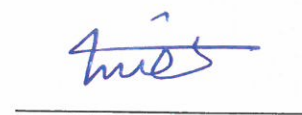
National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 KD 000's	2020 KD 000's
Assets			
Cash and short term funds	11	5,081,991	3,903,371
Central Bank of Kuwait bonds	14	830,054	830,233
Kuwait Government treasury bonds	14	417,016	462,922
Deposits with banks	12	885,280	1,027,373
Loans, advances and Islamic financing to customers	13	19,722,471	17,504,342
Investment securities	14	4,910,798	4,728,778
Investment in associates		3,746	5,195
Land, premises and equipment		456,209	426,963
Goodwill and other intangible assets	15	581,264	581,881
Other assets	16	367,757	246,333
Total assets		33,256,586	29,717,391
Liabilities			
Due to banks		4,098,688	3,052,326
Deposits from other financial institutions		3,135,629	2,929,247
Customer deposits		18,280,989	17,104,232
Certificates of deposit issued		1,339,354	918,862
Other borrowed funds	17	1,266,582	808,665
Other liabilities	18	668,227	763,004
Total liabilities		28,789,469	25,576,336
Equity			
Share capital	19	719,269	685,019
Proposed bonus shares	20	35,964	34,250
Statutory reserve	19	359,637	342,511
Share premium account	19	803,028	803,028
Treasury share reserve	19	34,961	34,961
Other reserves	19	1,586,708	1,410,240
Equity attributable to shareholders of the Bank		3,539,567	3,310,009
Perpetual Tier 1 Capital Securities	21	439,032	438,438
Non-controlling interests	24	488,518	392,608
Total equity		4,467,117	4,141,055
Total liabilities and equity		33,256,586	29,717,391


Nasser Musaad Abdullah Al-Sayer
Chairman


Isam J. Al Sager
Group Chief Executive Officer

The attached notes 1 to 32 form part of these consolidated financial statements.

National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	2021 KD 000's	2020 KD 000's
Operating activities			
Profit for the year		380,621	258,662
Adjustments for:			
Net investment income	7	(27,905)	(2,041)
Depreciation of premises and equipment		34,049	33,432
Amortisation of intangible assets	15	1,647	1,647
Provision charge for credit losses and impairment losses	8	132,498	246,438
Taxation	9	34,136	25,842
Gain on sale of land, premises and equipment		-	(12,715)
Cash flows from operating activities before changes in operating assets and liabilities		555,046	551,265
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		-	(7,004)
Kuwait Government treasury bonds		45,906	199,253
Deposits with banks		129,375	871,020
Loans, advances and Islamic financing to customers		(2,341,207)	(675,727)
Other assets		(159,753)	35,139
Due to banks		1,046,362	(671,636)
Deposits from other financial institutions		206,382	(1,016,366)
Customer deposits		1,176,757	777,774
Certificates of deposit issued		420,492	380,251
Other liabilities		(25,576)	(89,994)
Tax paid		(28,500)	(36,128)
Net cash from operating activities		1,025,284	317,847
Investing activities			
Purchase of investment securities		(3,322,569)	(2,020,261)
Proceeds from sale/redemption of investment securities		3,121,755	1,617,668
Dividend income	7	2,399	907
Proceeds from sale of investment in associate		-	694
Dividend from associates		-	36
Proceeds from sale of land, premises and equipment		592	34,995
Purchase of land, premises and equipment		(56,117)	(38,848)
Acquisition of subsidiary net of cash acquired		-	(325)
Transaction costs related to acquisition of a subsidiary		-	(1,815)
Proceeds from sale of investment properties		26,636	-
Net cash used in investing activities		(227,304)	(406,949)
Financing activities			
Net proceeds from issue of Perpetual Tier 1 Capital Securities		210,436	-
Redemption of Perpetual Tier 1 Capital Securities		(210,700)	-
Interest paid on Perpetual Tier 1 Capital Securities		(19,881)	(22,796)
Net Proceeds from issuance of Perpetual Tier 1 Sukuk by a subsidiary		149,775	-
Redemption of Perpetual Tier 1 Sukuk by a subsidiary		(75,388)	-
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary		(5,421)	(5,186)
Net proceeds from issue of subordinated Tier 2 bonds		-	116,620
Proceeds from issuance of Sukuk by a subsidiary		-	228,600
Net movement in other borrowed funds		464,399	75,796
Proceeds from sale of treasury shares		-	49,104
Dividends paid	20	(137,004)	(226,373)
Change in holding in subsidiaries		4,424	-
Dividends paid by subsidiaries to non-controlling interests		-	(10,465)
Net cash from financing activities		380,640	205,300
Increase in cash and short term funds		1,178,620	116,198
Cash and short term funds at the beginning of the year		3,903,371	3,787,173
Cash and short term funds at the end of the year	11	5,081,991	3,903,371

The attached notes 1 to 32 form part of these consolidated financial statements.



التاريخ : 23 جمادى الآخرة 1443
الموافق : 26 يناير 2022
الإشارة : 2022/285/105/2

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د. محمد يوسف الهاشل
المحافظ

الأخ الفاضل ناصر مساعد عبدالله السايير
رئيس مجلس إدارة بنك الكويت الوطني

تحية طيبة وبعد،

بالإشارة إلى كتابكم المؤرخ 2022/1/12 المرفق به نسخة من البيانات المالية الختامية المجمعة لمصرفكم لعام 2021، وعطفاً على البيانات والإيضاحات الواردة إلينا في هذا الخصوص والتي كان آخرها بتاريخ 2022/1/24.

أود الإفادة بأنه بناءً على ما انتهت إليه دراسة البيانات المالية المشار إليها، فإنه لا يوجد لدينا ملاحظات في هذا الشأن، كما نفيديكم بموافقة بنك الكويت المركزي على قيام مصرفكم بتوزيع أرباح نقدية بنسبة 30% من القيمة الاسمية للسهم الواحد، أي بواقع ثلاثين فلساً لكل سهم، وكذلك بتوزيع أسهم منحة بنسبة 5%.

وبناءً على ما تقدم، فإنه يمكن لمصرفكم اتخاذ الإجراءات اللازمة مع الجهات المختصة لعقد الجمعية العامة للبنك.

مع أطيب التحيات.

د. محمد يوسف الهاشل

287 - نسخة لهيئة أسواق المال .

286 - نسخة لبورصة الكويت .