

Kuwait: 26<sup>th</sup> of October 2020

Mr. Mohammad Saud Al-Osaimi  
Chief Executive Officer - Bursa Kuwait Company  
State of Kuwait

Dear Sirs,

**Subject: Interim Consolidated Financial Information  
for the period ended 30/9/2020**

As per chapter No.4 of the “Disclosure & Transparency” Module of the Capital Markets Authority’s Executive Bylaws and its Law No. 7/2010 and amendments issued on 9/11/2015 regarding disclosure of Material Information.

National Bank of Kuwait would like to disclose that Central Bank of Kuwait has approved NBK’s Interim Consolidated Financial Information for the period ended 30/9/2020.

Attached; Financial Results Form for Kuwaiti Companies for Q3 ended 30/9/2020 published on Bursa Kuwait Company website and a copy of Central Bank of Kuwait approval.

With reference to Bursa Kuwait Rule Book requirements issued as per the decision No (1) for year 2018 and since National Bank of Kuwait has been classified under the “Premier Market” category. The Bank is glad to announce a quarterly Analysts/Investors Conference that will take place through a Live Webcast at 3 p.m. (according to local time) on Wednesday 28/10/2020. Interested parties should reach out to the Bank through the following email address: [Investor-Relations@nbk.com](mailto:Investor-Relations@nbk.com) in order to provide them with the invitation and access details for the aforementioned conference.

Sincerely yours,

*Isam J. Al-Sager*  
On behalf of National Bank of Kuwait (S.A.K.P.)

*Isam J. Al-Sager*  
Isam J. Al-Sager  
Group Chief Executive Officer

بنك الكويت الوطني  
National Bank of Kuwait  
ش.م.ك.م. س.ا.ك.ب.س

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ص.ب. 95 الصفاة 13001 الكويت  
P.O. Box 95 Safat 13001 Kuwait

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C.R. No. 8490 سجل تجاري رقم

رأس المال المصدر والمدفوع د.ك. 685,018,518/100 Issued and paid-up capital

**Financial Results Form  
Kuwaiti Company (KWD)**

نموذج نتائج البيانات المالية  
الشركات الكويتية (د.ك.)

Third quarter results Ended on 2020-09-30 نتائج الربع الثالث المنتهي في

Company Name	اسم الشركة
National Bank of Kuwait S.A.K.P	بنك الكويت الوطني ش.م.ك.ع
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2020-10-08	
Required Documents	المستندات الواجب إرفاقها بالنموذج
<input checked="" type="checkbox"/> Approved financial statements	<input checked="" type="checkbox"/> نسخة من البيانات المالية المعتمدة
<input checked="" type="checkbox"/> Approved auditor's report	<input checked="" type="checkbox"/> نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	فترة التسعة اشهر المقارنة	فترة التسعة اشهر الحالية	البيان Statement
Change (%)	Nine Month Comparative Period	Nine Month Current Period	
	2019-09-30	2020-09-30	
-44.2%	302,168,000	168,676,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-47.4%	44	23	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
6.4%	14,365,527,000	15,287,597,000	الموجودات المتداولة Current Assets
5.1%	28,909,237,000	30,383,089,000	إجمالي الموجودات Total Assets
6.3%	23,473,663,000	24,956,316,000	المطلوبات المتداولة Current Liabilities
5.6%	24,992,828,000	26,385,948,000	إجمالي المطلوبات Total Liabilities
-4.4%	3,316,250,000	3,171,080,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
-6.0%	672,755,000	632,421,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
-9.9%	450,962,000	406,320,000	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 (%) Change (%)	الربع الثالث المقارن	الربع الثالث الحالي	البيان Statement
	Third quarter Comparat Period	Third quarter Current Period	
	2019-09-30	2020-09-30	
-38.1%	93,075,000	57,584,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-38.2%	14	8	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
-1.4%	220,879,000	217,864,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
0.8%	144,918,000	146,060,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)



• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
<p>September 2020 financial results reflect changes in operating environment resulting from the Covid-19 pandemic and regulatory responses to the same.</p> <p>The decrease in net profit for the period ended 30 September 2020 as compared to the period ended 30 September 2019 was primarily due to higher provision charges for credit losses and impairment losses and lower net operating income.</p>	<p>تعكس النتائج المالية لفترة الربع الثالث المنتهي في 30 سبتمبر 2020 التغييرات في البيئة التشغيلية الناتجة عن جائحة كورونا والإجراءات الرقابية المتخذة في هذا الشأن.</p> <p>ويعود سبب الانخفاض في صافي الربح للفترة المنتهية في 30 سبتمبر 2020 مقارنة بالفترة المنتهية في 30 سبتمبر 2019 بشكل رئيسي إلى ارتفاع مخصصات خسائر الائتمان وخسائر انخفاض القيمة وانخفاض صافي إيرادات التشغيل.</p>
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 2,995,000	2,995,000 دينار كويتي
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 241,000	241,000 دينار كويتي

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق		توزيعات نقدية Cash Dividends
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق		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	علاوة الإصدار Issue Premium	زيادة رأس المال Capital Increase
			تخفيض رأس المال Capital Decrease

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مراقب الحسابات بإبداء ملاحظات أو تحفظات
None	لا يوجد

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
 R.C. 8310 - 03		المراقب المالي للمجموعة	سوجيت رونجه

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب ارفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مراقب الحسابات المعتمد





Ernst & Young  
Al Aiban, Al Osaimi & Partners  
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Safat Square 13001, Kuwait

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# Deloitte.

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Al-Wazzan & Co.**

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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL BANK OF KUWAIT S.A.K.P.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of National Bank of Kuwait S.A.K.P. (the "Bank") and its subsidiaries (collectively the "Group") as at 30 September 2020, and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended, and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

### **Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulation, as amended, or of the Bank's Articles of Association and Memorandum of Incorporation, as amended, during the nine months period ended 30 September 2020 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 review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, or of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine months period ended 30 September 2020 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  
ERNST & YOUNG  
AL AIBAN, AL OSAIMI & PARTNERS

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

8 October 2020  
Kuwait

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

30 September 2020 (Unaudited)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 KD 000's	2019 KD 000's	2020 KD 000's	2019 KD 000's
Interest income		171,227	248,397	590,001	740,777
Interest expense		53,894	106,602	221,950	314,924
<b>Net interest income</b>		<b>117,333</b>	<b>141,795</b>	<b>368,051</b>	<b>425,853</b>
Murabaha and other Islamic financing income		55,215	53,879	169,291	155,339
Finance cost and Distribution to depositors		18,477	23,084	64,747	64,215
<b>Net income from Islamic financing</b>		<b>36,738</b>	<b>30,795</b>	<b>104,544</b>	<b>91,124</b>
<b>Net interest income and net income from Islamic financing</b>		<b>154,071</b>	<b>172,590</b>	<b>472,595</b>	<b>516,977</b>
Net fees and commissions		38,266	38,125	109,781	116,825
Net investment income (loss)		3,393	(1,802)	610	6,913
Net gains from dealing in foreign currencies		6,246	11,758	31,859	31,028
Other operating income	5,15	15,888	208	17,576	1,012
<b>Non-interest income</b>		<b>63,793</b>	<b>48,289</b>	<b>159,826</b>	<b>155,778</b>
<b>Net operating income</b>		<b>217,864</b>	<b>220,879</b>	<b>632,421</b>	<b>672,755</b>
Staff expenses		39,466	43,108	124,276	129,435
Other administrative expenses		23,565	25,349	75,566	70,809
Depreciation of premises and equipment		8,361	6,698	25,024	19,165
Amortisation of intangible assets		412	806	1,235	2,384
<b>Operating expenses</b>		<b>71,804</b>	<b>75,961</b>	<b>226,101</b>	<b>221,793</b>
<b>Operating profit before provision for credit losses and impairment losses</b>		<b>146,060</b>	<b>144,918</b>	<b>406,320</b>	<b>450,962</b>
Provision charge for credit losses and impairment losses	3	81,005	37,531	207,649	104,656
<b>Operating profit before taxation</b>		<b>65,055</b>	<b>107,387</b>	<b>198,671</b>	<b>346,306</b>
Taxation	4	5,887	7,841	21,327	26,324
<b>Profit for the period</b>		<b>59,168</b>	<b>99,546</b>	<b>177,344</b>	<b>319,982</b>
<b>Attributable to:</b>					
Shareholders of the Bank		57,584	93,075	168,676	302,168
Non-controlling interests		1,584	6,471	8,668	17,814
		<b>59,168</b>	<b>99,546</b>	<b>177,344</b>	<b>319,982</b>
<b>Basic earnings per share attributable to shareholders of the Bank</b>	6	<b>8 fils</b>	<b>14 fils</b>	<b>23 fils</b>	<b>44 fils</b>

The attached notes 1 to 15 form part of these interim condensed consolidated financial information.

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

30 September 2020 (Unaudited)

	Three months ended 30 September		Nine months ended 30 September	
	2020 KD 000's	2019 KD 000's	2020 KD 000's	2019 KD 000's
<b>Profit for the period</b>	<b>59,168</b>	<b>99,546</b>	<b>177,344</b>	<b>319,982</b>
<b>Other comprehensive income (loss):</b>				
Investment in debt securities measured at FVOCI:				
Net change in fair value	25,698	19,357	(89,746)	28,031
Net transfer to interim condensed consolidated statement of income	3,703	(130)	14,099	2,948
	<u>29,401</u>	<u>19,227</u>	<u>(75,647)</u>	<u>30,979</u>
Share of other comprehensive income of associates	(4)	3	(293)	(61)
Exchange differences on translation of foreign operations	7,504	4,268	14,472	16,187
<b>Other comprehensive income (loss) for the period reclassifiable to interim condensed consolidated statement of income in subsequent periods</b>	<b>36,901</b>	<b>23,498</b>	<b>(61,468)</b>	<b>47,105</b>
Net gain (loss) on investments in equity instruments designated at FVOCI (not reclassifiable to consolidated statement of income in subsequent periods)	183	16	(7,082)	59
<b>Other comprehensive income (loss) for the period</b>	<b>37,084</b>	<b>23,514</b>	<b>(68,550)</b>	<b>47,164</b>
<b>Total comprehensive income for the period</b>	<b>96,252</b>	<b>123,060</b>	<b>108,794</b>	<b>367,146</b>
<b>Attributable to:</b>				
Shareholders of the Bank	91,527	115,728	107,244	347,540
Non-controlling interests	4,725	7,332	1,550	19,606
	<u>96,252</u>	<u>123,060</u>	<u>108,794</u>	<u>367,146</u>

The attached notes 1 to 15 form part of these interim condensed consolidated financial information.

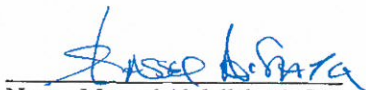


# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 September 2020 (Unaudited)

		30 September 2020	Audited 31 December 2019	30 September 2019
	Notes	KD 000's	KD 000's	KD 000's
<b>Assets</b>				
Cash and short term funds		4,404,865	3,787,173	3,579,791
Central Bank of Kuwait bonds		830,645	823,229	825,140
Kuwait Government treasury bonds		477,438	662,175	709,174
Deposits with banks		1,110,462	1,909,081	2,169,763
Loans, advances and Islamic financing to customers		17,634,436	16,552,598	16,359,257
Investment securities		4,633,922	4,214,562	3,995,648
Investment in associates	14	6,257	35,297	33,323
Land, premises and equipment		425,652	433,540	422,447
Goodwill and other intangible assets		583,712	582,927	583,086
Other assets		275,700	270,171	231,608
<b>Total assets</b>		<b>30,383,089</b>	<b>29,270,753</b>	<b>28,909,237</b>
<b>Liabilities</b>				
Due to banks and other financial institutions		6,572,322	7,581,929	7,505,022
Customer deposits		17,499,220	15,930,577	15,786,835
Certificates of deposit issued		948,696	538,611	696,959
Global medium term notes		235,249	227,159	228,638
Subordinated Tier 2 bonds		124,816	124,801	124,793
Sukuk issued	7	230,410	-	-
Other liabilities		775,235	608,516	650,581
<b>Total liabilities</b>		<b>26,385,948</b>	<b>25,011,593</b>	<b>24,992,828</b>
<b>Equity</b>				
Share capital	8	685,019	652,399	652,399
Proposed bonus shares	8	-	32,620	-
Statutory reserve		326,199	326,199	310,666
Share premium account		803,028	803,028	803,028
Treasury shares	8	(39,258)	(39,258)	(45,061)
Treasury shares reserve		25,115	25,115	22,800
Other reserves	8	1,370,977	1,633,641	1,572,418
Equity attributable to shareholders of the Bank		3,171,080	3,433,744	3,316,250
Perpetual Tier 1 Capital Securities		438,438	438,438	210,700
Non-controlling interests		387,623	386,978	389,459
<b>Total equity</b>		<b>3,997,141</b>	<b>4,259,160</b>	<b>3,916,409</b>
<b>Total liabilities and equity</b>		<b>30,383,089</b>	<b>29,270,753</b>	<b>28,909,237</b>

  
 Nasser Musaead Abdullah Al- Sayer  
 Chairman

The attached notes 1 to 15 form part of these interim condensed consolidated financial information.



# National Bank of Kuwait Group

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

30 September 2020 (Unaudited)

	Notes	Nine months ended 30 September	
		2020 KD 000's	2019 KD 000's
<b>Operating activities</b>			
Profit for the period		177,344	319,982
Adjustments for:			
Net investment income		(610)	(6,913)
Depreciation of premises and equipment		25,024	19,165
Amortisation of intangible assets		1,235	2,384
Provision charge for credit losses and impairment losses	3	207,649	104,656
Taxation	4	21,327	26,324
Gain on sale of land, premises and equipment	5	(9,896)	-
<b>Operating profit before changes in operating assets and liabilities</b>		<b>422,073</b>	<b>465,598</b>
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		(7,416)	(15,269)
Kuwait Government treasury bonds		184,737	162,868
Deposits with banks		789,158	194,479
Loans, advances and Islamic financing to customers		(782,976)	(957,230)
Other assets		20,544	26,276
Due to banks and other financial institutions		(1,159,029)	(585,462)
Customer deposits		1,203,759	1,397,999
Certificates of deposit issued		410,085	245,831
Other liabilities		(58,925)	179,989
Tax paid		(36,151)	(26,523)
<b>Net cash from operating activities</b>		<b>985,859</b>	<b>1,088,556</b>
<b>Investing activities</b>			
Purchase of investment securities		(1,408,042)	(1,097,091)
Proceeds from sale/redemption of investment securities		1,063,330	812,149
Dividend income		649	1,453
Proceeds from sale of investment in associate		694	-
Dividend from associates		-	153
Acquisition of subsidiary net of cash acquired	14	(325)	-
Transaction costs related to acquisition of a subsidiary	14	(1,815)	-
Proceeds from sale of land, premises and equipment		30,978	761
Purchase of land, premises and equipment		(31,316)	(40,541)
<b>Net cash used in investing activities</b>		<b>(345,847)</b>	<b>(323,116)</b>
<b>Financing activities</b>			
Proceeds from issuance of Sukuk	7	228,600	-
Proceeds from sale of treasury shares		-	29,154
Dividends paid		(226,373)	(214,344)
Interest paid on Perpetual Tier 1 capital securities		(11,474)	(6,125)
Profit distribution on Perpetual Tier 1 sukuk by a subsidiary		(2,608)	(2,563)
Dividend paid by a subsidiary to non-controlling interests		(10,465)	(8,093)
Capital increase in a subsidiary contributed by non-controlling interest		-	49,615
<b>Net cash used in financing activities</b>		<b>(22,320)</b>	<b>(152,356)</b>
<b>Increase in cash and short term funds</b>		<b>617,692</b>	<b>613,084</b>
Cash and short term funds at 1 January		3,787,173	2,966,707
<b>Cash and short term funds at 30 September</b>		<b>4,404,865</b>	<b>3,579,791</b>

The attached notes 1 to 15 form part of these interim condensed consolidated financial information.



الإشارة : ...../105/2...../Ref. :

التاريخ : 8 ربيع الأول 1442... Date :  
الموافق : 25 أكتوبر 2020.....

السيد الرئيس التنفيذي لمجموعة بنك الكويت الوطني المحترم

تحية طيبة وبعد ،

بالإشارة إلى كتابكم المؤرخ 2020/10/8 المرفق به البيانات المالية المرحلية المجمعة لمصرفكم عن الفترة المنتهية في 2020/9/30 والتي تم إعدادها لأغراض النشر وفقاً لمتطلبات بورصة الكويت، وعطفاً على الإيضاحات والبيانات التفصيلية الواردة إلينا في هذا الشأن والتي كان آخرها بتاريخ 2020/10/25.

نفيدكم بأن بنك الكويت المركزي قد أحيط علماً بما جاء في البيانات المشار إليها ، وعليه فإنه يمكنكم اتخاذ كافة الإجراءات الضرورية المتبعة في مثل هذا الخصوص .

وتفضلوا بقبول فائق الاحترام ،،،

  
وليد محمود العوضي

- نسخة إلى بورصة الكويت .