A large, stylized graphic of a globe dominates the background. The globe is rendered in shades of red and blue, with white grid lines representing latitude and longitude. The globe is tilted, showing the Middle East and parts of Africa and Europe. The overall design is modern and professional.

National Bank of Kuwait
Investor Presentation
3Q/9M 2020 Earnings Call

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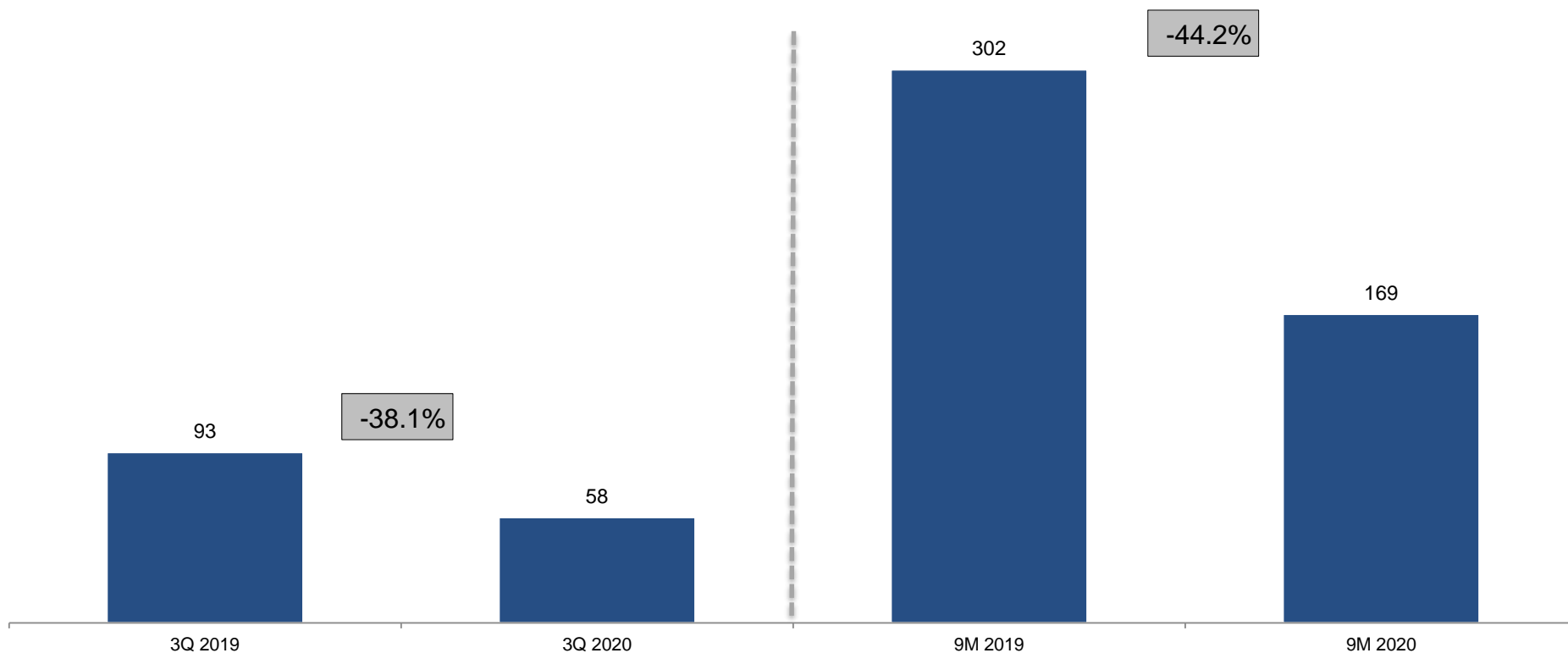
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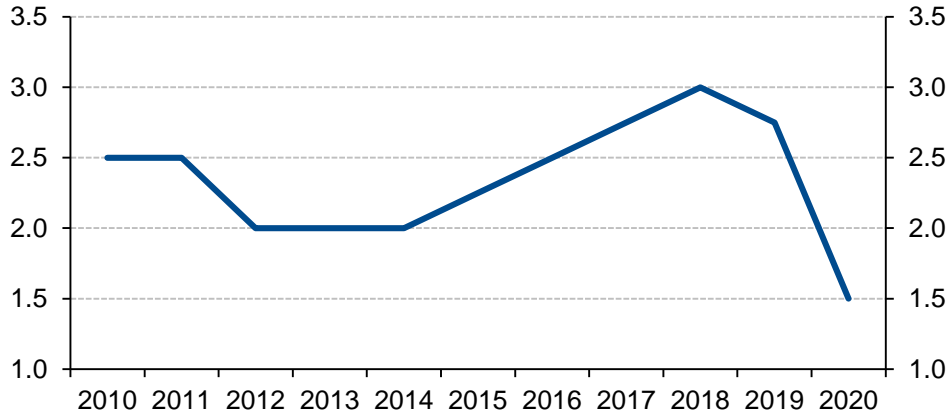
NBK Profitability (KWD mn)

Net attributable Profit

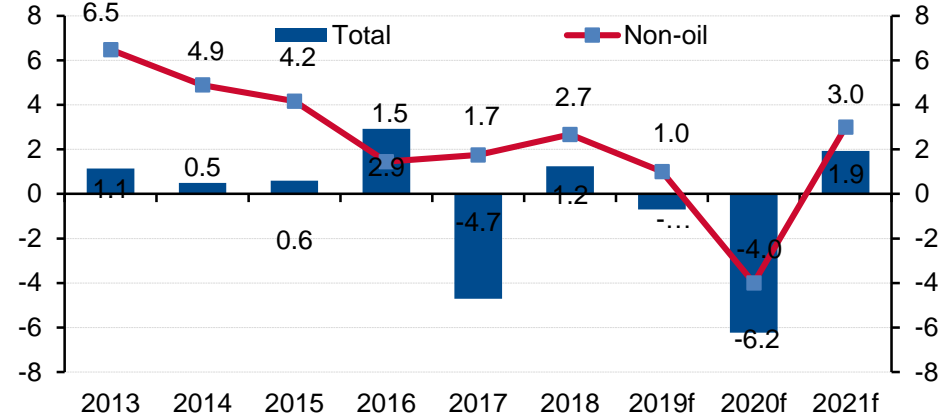


Key Economic and Financial Highlights

Development of the Discount rate (% , end year²)



Real GDP (% y/y)



NBK Credit Ratings

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

Financial snapshot

KWD million	2017	2018	2019
Net Operating Income	823	883	896
Net Profit attributable	322	371	401
NPL Ratio (%)	1.42%	1.38%	1.10%
Loan Loss Coverage Ratio (%)	287.5%	228.1%	272.2%
Return on Average Equity (%)	10.8%	12.0%	12.3%
Tier 1 Ratio (%)	15.8%	15.3%	15.9%
Capital Adequacy Ratio (%)	17.8%	17.2%	17.8%

Key strengths

High credit ratings and among the top brand values regionally

- NBK has one of the highest credit ratings in the MENA region
- Ranked amongst the 50 safest banks in the world by Global Finance, named most valuable banking brand in Kuwait and among the top 10 in the Middle East by Brand Finance

Largest banking group in Kuwait with dominant market position

- As at 31 December 2019, the Bank was the largest bank in Kuwait in terms of total assets, loans and customer deposits. In addition, the Bank enjoys a dominant market share across its business segments
- NBK also has one of the largest and most diversified distribution networks

Sound and consistent financial performance

- Long history of profitability, even throughout the global financial crisis
- Excellent asset quality with an NPL ratio standing at 1.10% at end-2019
- Strong liquidity serving as a buffer in times of need

Stable shareholder base and strong management team

- Established in 1952 by a group of leading Kuwaiti merchants and has retained the same core shareholder base since
- NBK's stable shareholder base is complemented by a strong and stable Board of Directors and a long-serving executive team with in-depth experience



Only banking group in Kuwait to provide both conventional and Islamic banking

- Following its consolidation of Boubyan Bank in 2012, NBK became the only banking group in Kuwait to offer both conventional and Islamic banking services
- This has allowed the Bank to leverage off the opportunities across both markets, particularly given the growing importance of Islamic Finance in Kuwait

A strong regional and international network

- Operations in 15 countries, 9 of which are in the MENA region.
- The Bank continues to explore opportunities to expand geographically with a primary focus on further strengthening operations in MENA region

Strong investment banking capability

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

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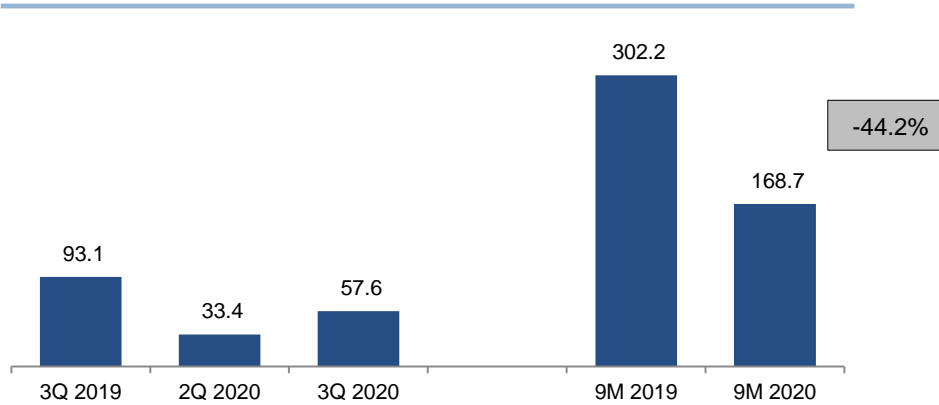
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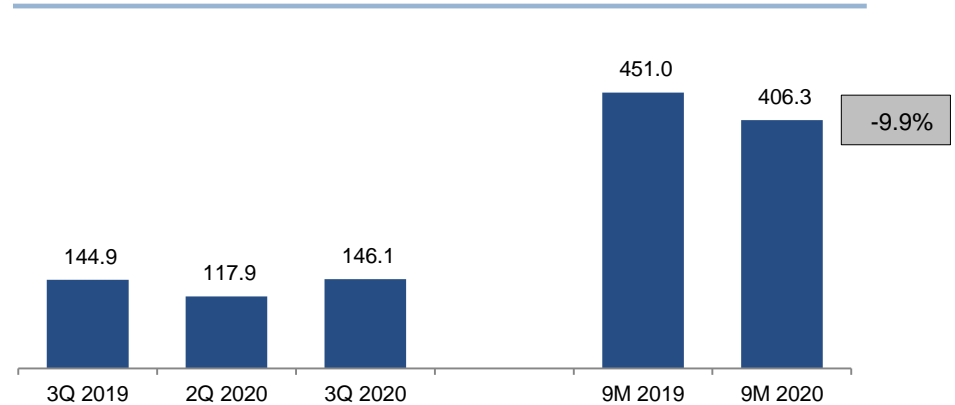
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Operating Performance 9M 2020

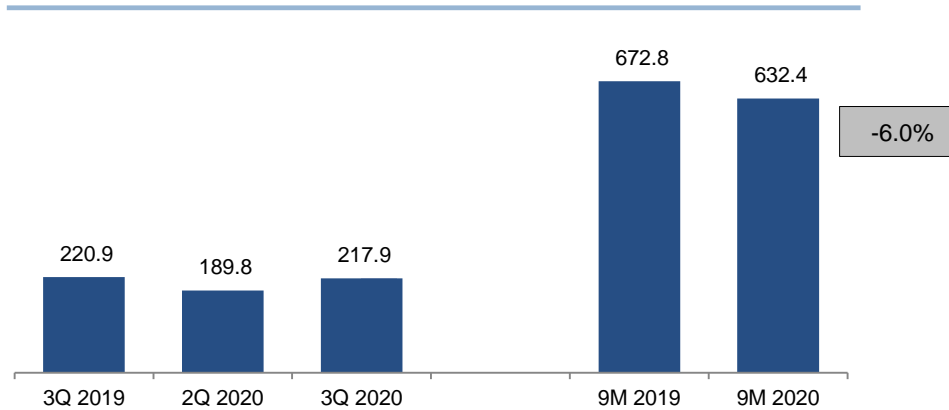
Net Profit (KDm)



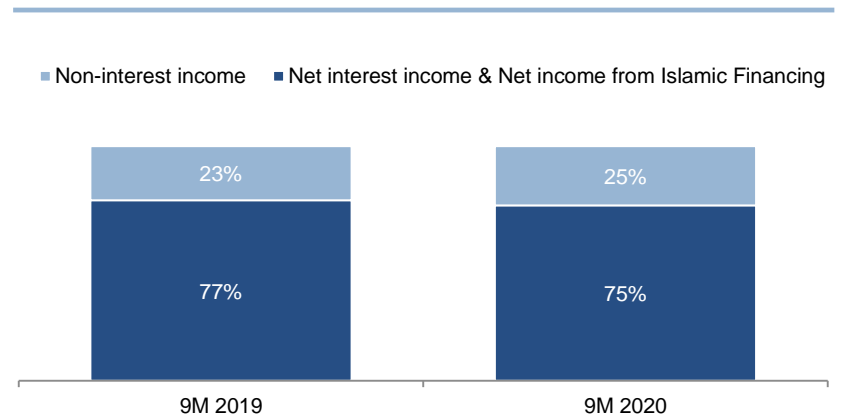
Operating Surplus (KDm)



Operating Income (KDm)

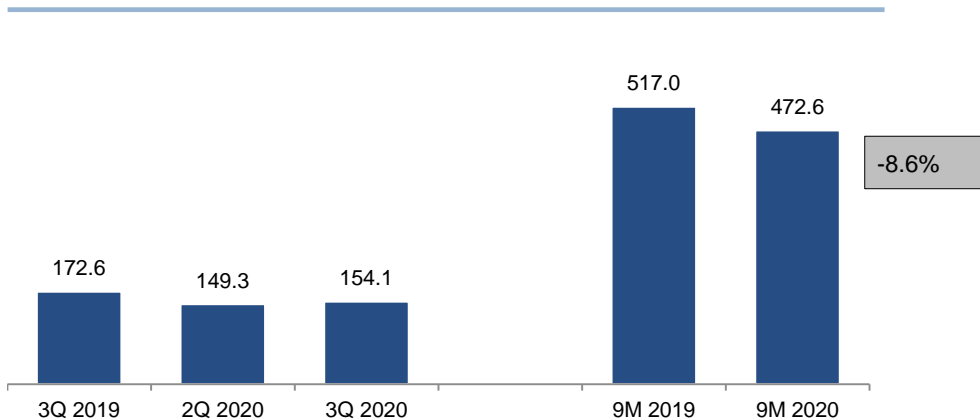


Operating Income

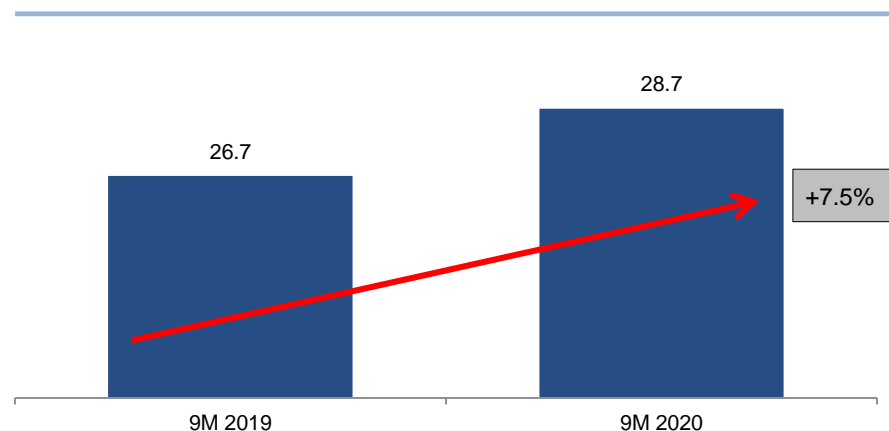


Operating Performance 9M 2020

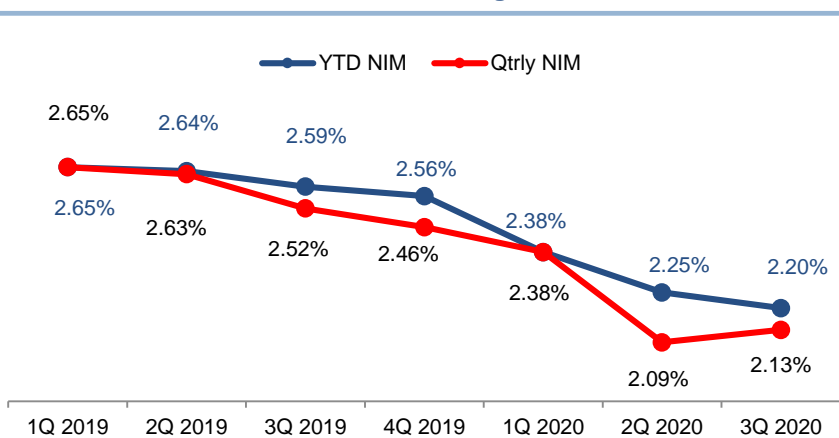
Net Interest Income (KDM)



Average Interest Earning Assets (KDbn)

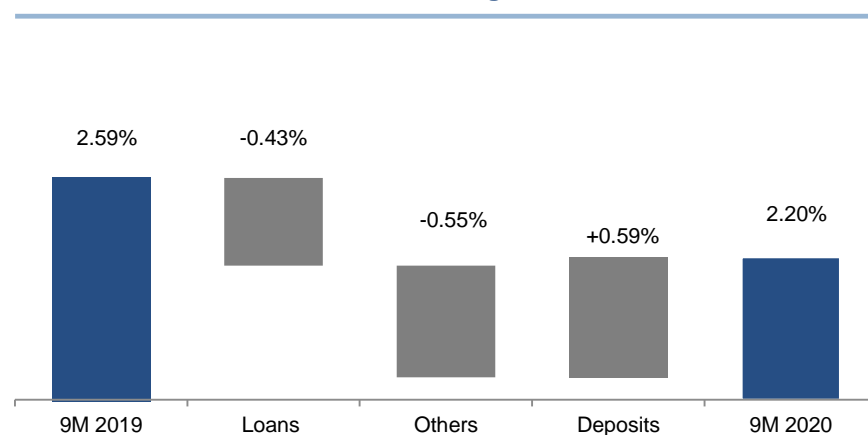


Net Interest Margin*



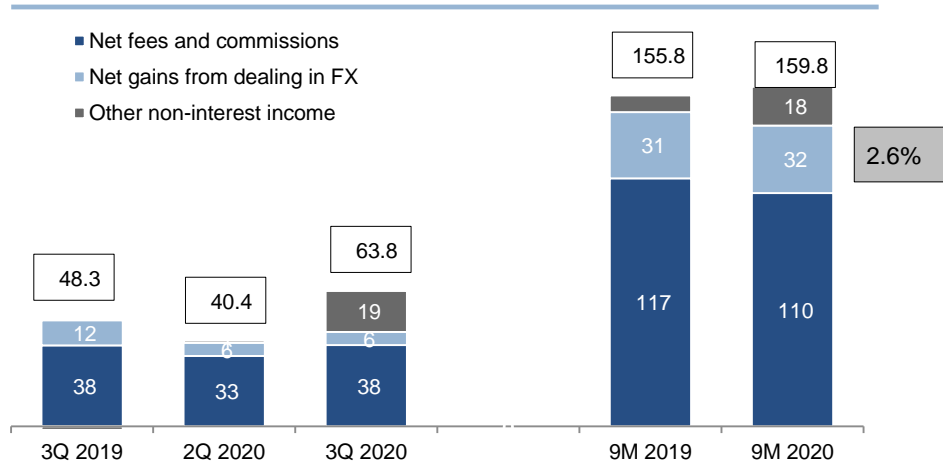
*Above includes net interest income and net income from Islamic Financing

Net Interest Margin drivers

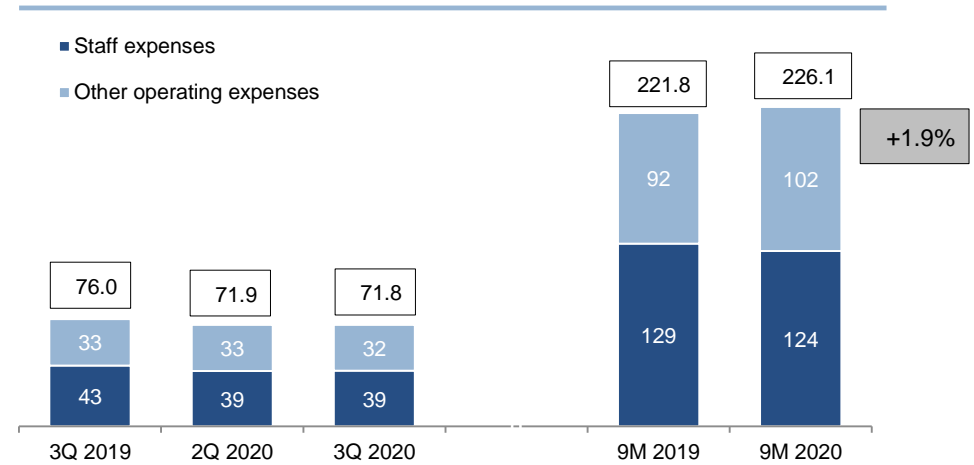


Operating Performance 9M 2020

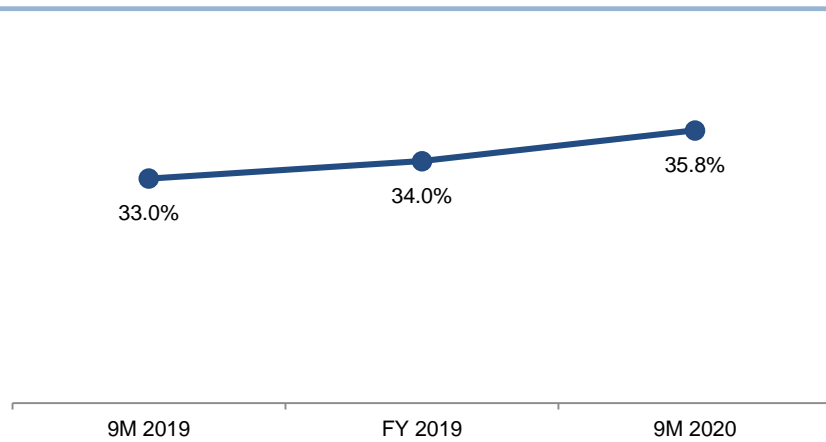
Non-interest income (KDM)



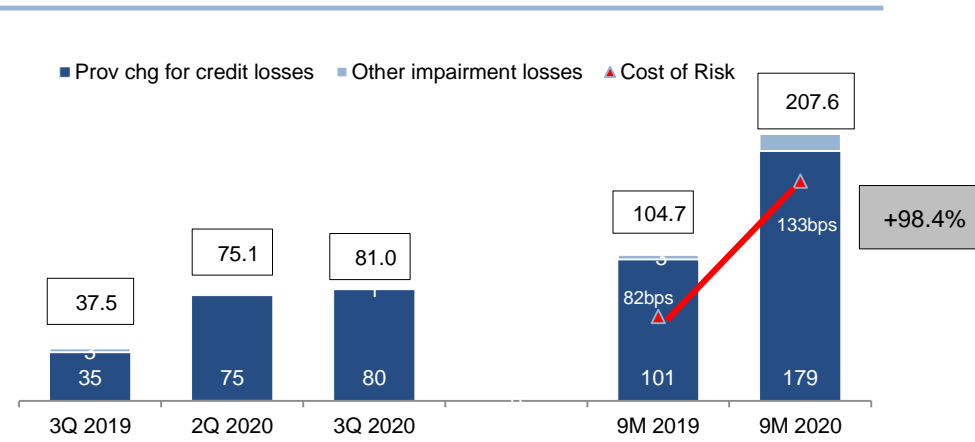
Operating Expenses (KDM)



Cost to Income ratio

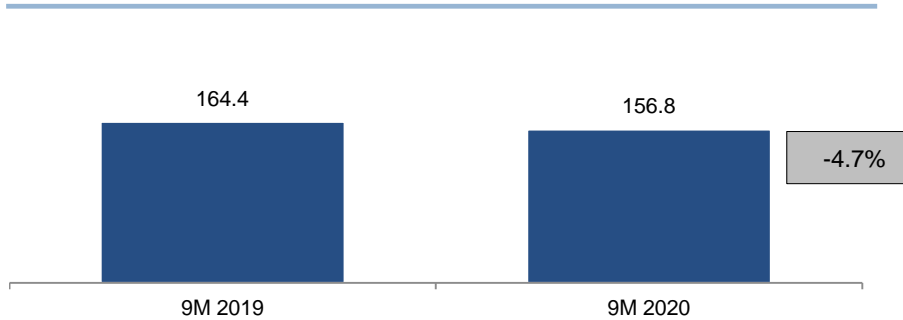


Provisions and Impairments (KDM)

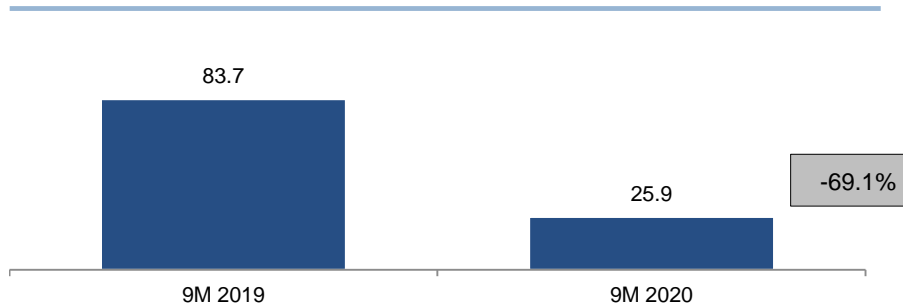


Operating Performance 9M 2020

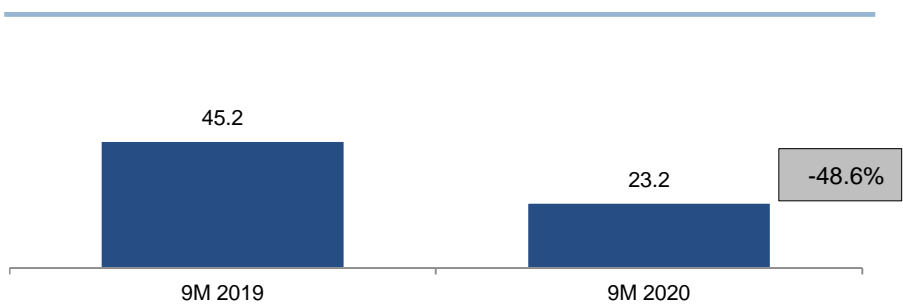
Operating Income (KDm) - International



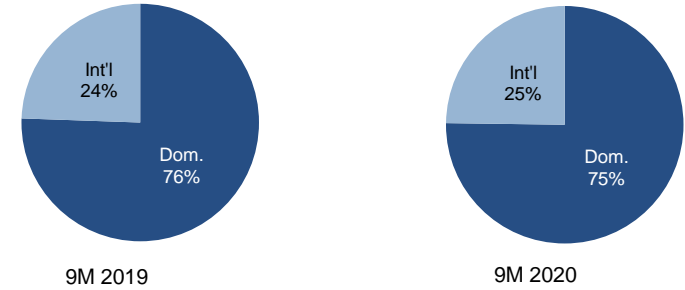
Net profit (KDm) - International



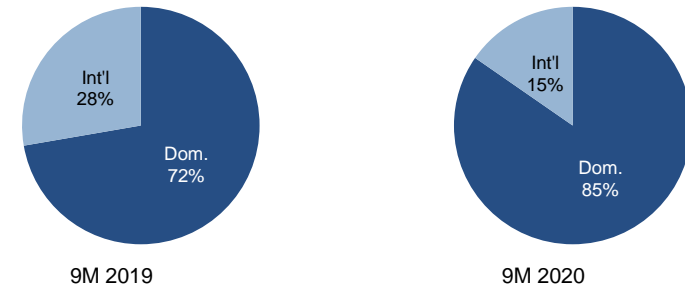
Net profit (KDm) - Boubyan Bank



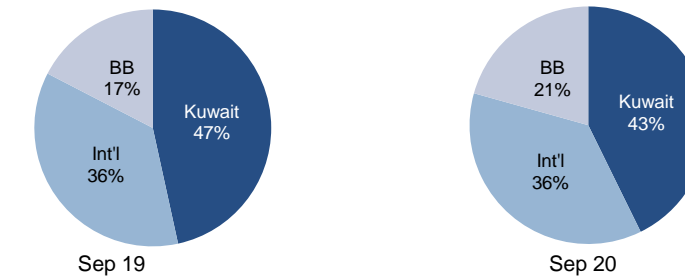
Operating Income (KDm)



Net Profit (KDm)

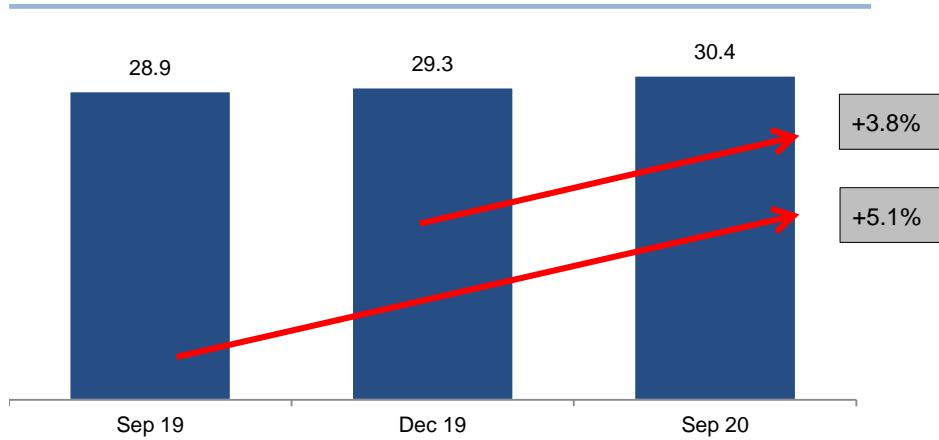


Total Assets (KD'bn)

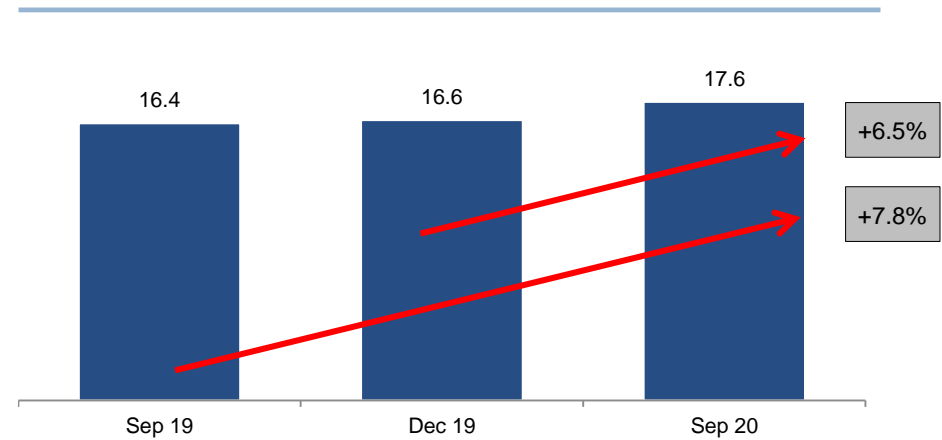


Operating Performance 9M 2020

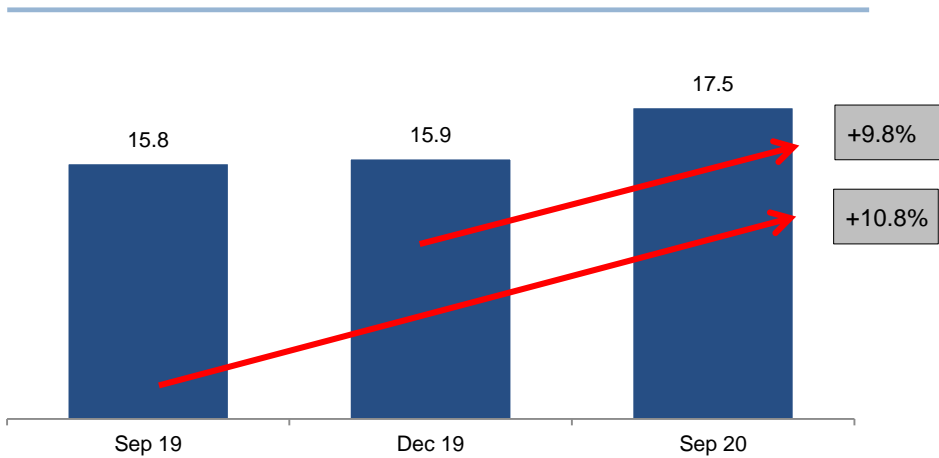
Total Assets (KDbn)



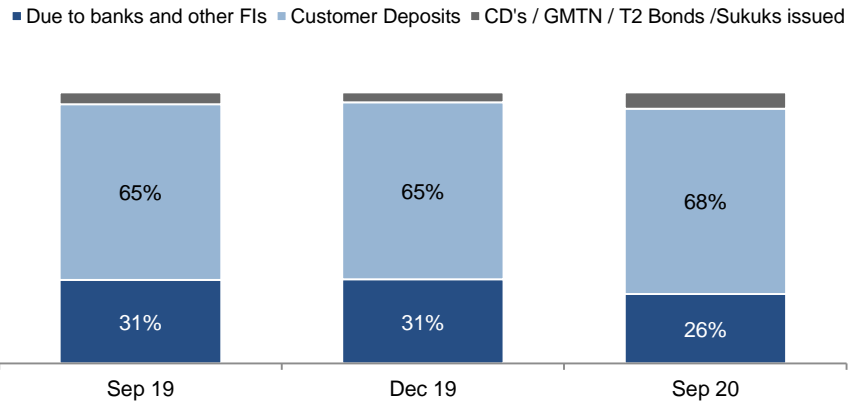
Loans, Advances and Islamic Financing (KDbn)



Customer Deposits (KDbn)

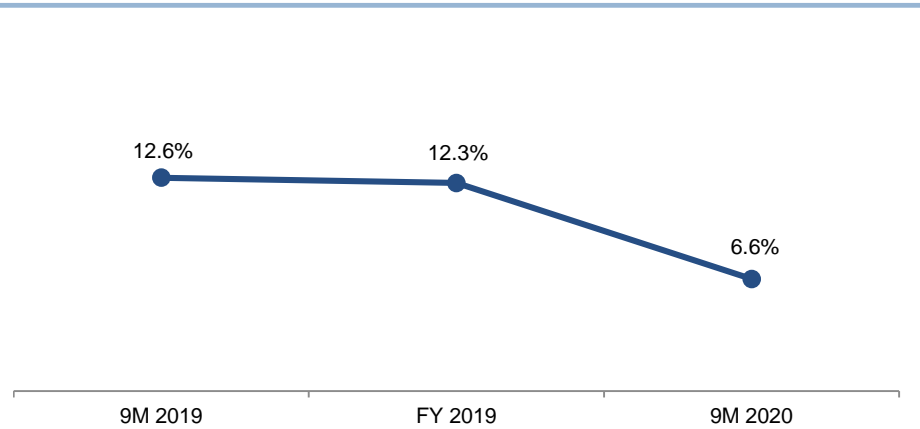


Funding Mix

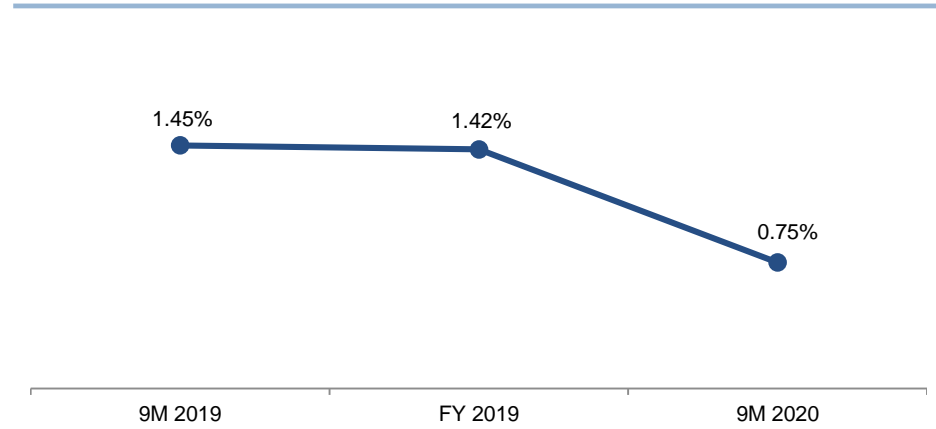


Performance and Asset Quality ratios 9M 2020

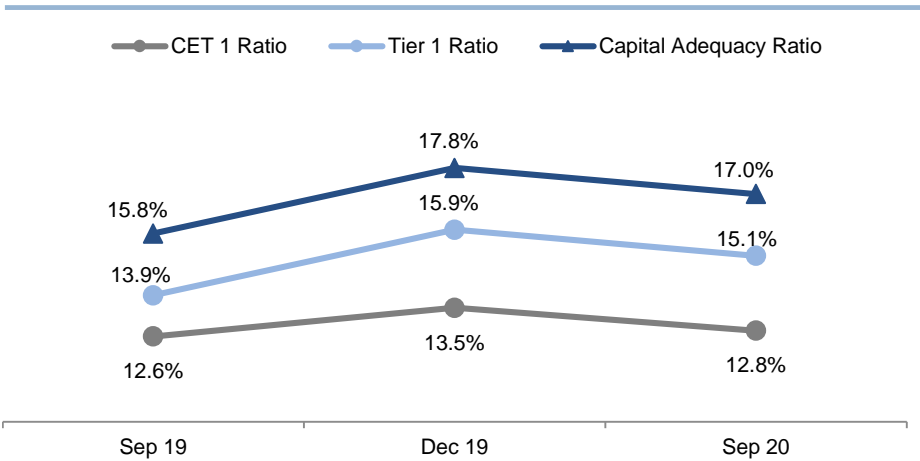
Return on Average Equity



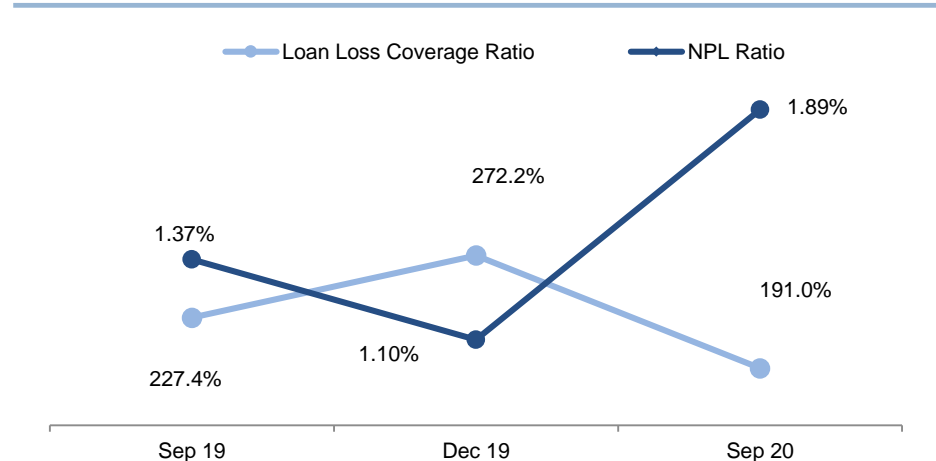
Return on Average Assets



Capital Adequacy Ratios



Asset Quality Ratios



2020 Guidance

	9M 2020	2020 Guidance
Loan Growth	+6.5% ytd	Mid To High Single Digit
NIM	2.20%	Tighter
Cost to Income ratio	35.8%	Broadly Stable
<i>Cost of Risk</i>	<i>133bps</i>	
<i>Earnings</i>	<i>-44.2% yoy</i>	
<i>Capital Adequacy</i>	<i>17.0%</i>	

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Consolidated Financials 9M 2020 (KWD million)

<i>Income Statement (KWD million)</i>	9M-2019	9M-2020	YoY Growth (%)	<i>Balance sheet (KWD million)</i>	Sep-2019	Sep-2020	YoY Growth (%)
Interest Income	741	590	(20%)	Cash and short term funds	3,580	4,405	23%
Interest Expense	315	222	(30%)	Central Bank of Kuwait bonds	825	831	1%
Net Interest Income	426	368	(14%)	Kuwait Government Treasury bonds	709	477	(33%)
Murabaha and other Islamic financing income	155	169	9%	Deposits with banks	2,170	1,110	(49%)
Distribution to depositors and Murabaha costs	64	65	1%	Loans, advances and Islamic financing to customers	16,359	17,634	8%
Net Income from Islamic financing	91	105	15%	Investment securities	3,996	4,634	16%
NII and NI from Islamic financing	517	473	(9%)	Investment in associates	33	6	(81%)
Net fees and commissions	117	110	(6%)	Land, premises and equipment	422	426	1%
Net investment income	7	1	(91%)	Goodwill and other intangible assets	583	584	0%
Net gains from dealing in foreign currencies	31	32	3%	Other assets	232	276	19%
Other operating income	1	18	NM	Total Assets	28,909	30,383	5%
Non-interest income	156	160	3%	Due to banks and other financial institutions	7,505	6,572	(12%)
Net Operating Income	673	632	(6%)	Customer deposits	15,787	17,499	11%
Staff expenses	129	124	(4%)	Certificates of deposit issued	697	949	36%
Other administrative expenses	71	76	7%	Global Medium Term Notes (GMTN)	229	235	3%
Depreciation of premises and equipment	19	25	31%	Subordinated Tier 2 bonds	125	125	0%
Amortisation of intangible assets	2	1	(48%)	Sukuk issued	-	230	NM
Operating Expenses	222	226	2%	Other liabilities	651	775	19%
Pre-provision profits (and impairments)	451	406	(10%)	Total Liabilities	24,993	26,386	6%
Provision charge for credit losses and impairment losses	105	208	98%	Share capital	652	685	5%
Operating profit before taxation	346	199	(43%)	Proposed bonus shares	-	-	NM
Taxation	26	21	(19%)	Statutory reserve	311	326	5%
Non-controlling interest	18	9	(51%)	Share premium account	803	803	0%
Profit attributable to shareholders of the Bank	302	169	(44%)	Treasury shares	(45)	(39)	(13%)
				Treasury share reserve	23	25	10%
				Other reserves	1,572	1,371	(13%)
				Equity attributable to shareholders	3,316	3,171	(4%)
				Perpetual Tier 1 Capital Securities	211	438	NM
				Non-controlling interests	389	388	0%
				Total equity	3,916	3,997	2%
				Total liabilities and equity	28,909	30,383	5%

Performance Measures 9M 2020

%	9M 2019	9M 2020
Return on average assets	1.45%	0.75%
Return on average equity	12.6%	6.6%
Net interest margin	2.59%	2.20%
Cost to income	33.0%	35.8%
NPLs to gross loans	1.37%	1.89%
Loan loss reserves to NPLs	227.4%	191.0%
Tier 1 capital	13.9%	15.1%
Tier 2 capital	1.9%	1.9%
Capital adequacy ratio	15.8%	17.0%




Consolidated Statement Of Income *(KWD million)*

<i>KWD million</i>	2017	2018	2019
Interest Income	743	897	987
Interest Expense	224	331	422
Net Interest Income	519	566	565
Murabaha and other Islamic financing income	156	186	211
Finance cost and Distribution to depositors	46	62	87
Net Income from Islamic financing	110	124	124
Net interest income and net income from Islamic financing	629	690	689
Net fees and commissions	139	150	157
Net investment income	20	2	8
Net gains from dealing in foreign currencies	34	39	39
Other operating income	2	1	1
Non-interest income	194	193	206
Net Operating Income	823	883	896
Staff expenses	154	160	176
Other administrative expenses	93	99	99
Depreciation of premises and equipment	15	15	26
Amortisation of intangible assets	3	3	3
Operating Expenses	265	276	304
Op. profit before provision for credit losses and impairment losses	557	607	591
Provision charge for credit losses	175	169	123
Impairment losses	13	10	7
Operating profit before taxation	369	427	462
Taxation	27	33	36
Non-controlling interest	20	23	25
Profit attributable to shareholders of the Bank	322	371	401

Consolidated Statement Of Financial Position (*KWD million*)

<i>KWD million</i>	2017	2018	2019
Cash and short term funds	2,744	2,967	3,787
Central Bank of Kuwait bonds	656	810	823
Kuwait Government treasury bonds	1,076	872	662
Deposits with banks	2,488	2,364	1,909
Loans, advances and Islamic financing to customers	14,503	15,503	16,553
Investment securities	3,349	3,678	4,215
Investment in associates	63	31	35
Land, premises and equipment	324	363	434
Goodwill and other intangible assets	582	579	583
Other assets	250	260	270
Total Assets	26,035	27,428	29,271
Due to banks and other financial institutions	7,469	8,090	7,582
Customer deposits	13,780	14,389	15,931
Certificates of deposit issued	491	451	539
Global medium term notes (GMTN)	221	220	227
Subordinated Tier 2 bonds	125	125	125
Other liabilities	388	451	609
Total Liabilities	22,474	23,727	25,012
Share capital	592	621	652
Proposed bonus shares	30	31	33
Statutory reserve	296	311	326
Share premium account	803	803	803
Treasury shares	(78)	(65)	(39)
Treasury share reserve	14	14	25
Other reserves	1,373	1,449	1,634
Equity attributable to shareholders of the bank	3,029	3,163	3,434
Perpetual Tier 1 Capital Securities	211	211	438
Non-controlling interests	321	327	387
Total equity	3,561	3,701	4,259
Total liabilities and equity	26,035	27,428	29,271

Stable Credit Ratings

Rating Agency	Long-term Rating	Standalone Rating	Outlook	Key Rating Drivers
	A1	a3	Stable	<ul style="list-style-type: none"> • Dominant domestic market position • Resilient profitability and growth prospects • Robust asset quality, adequate capitalization and ample liquidity
	A	a-	Stable	<ul style="list-style-type: none"> • Leading position in Kuwait • More diversified business model • Exceptional asset quality and capitalization
	AA-	a-	Stable	<ul style="list-style-type: none"> • Kuwait's flagship bank • Diversified business model reducing concentrations compared to peers • Strong management & profitability, resilient asset quality, solid capitalization and stable funding and liquidity

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Thank You



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