

National Bank of Kuwait Sustainability Report 2016

Towards a More Comprehensive View of Sustainability

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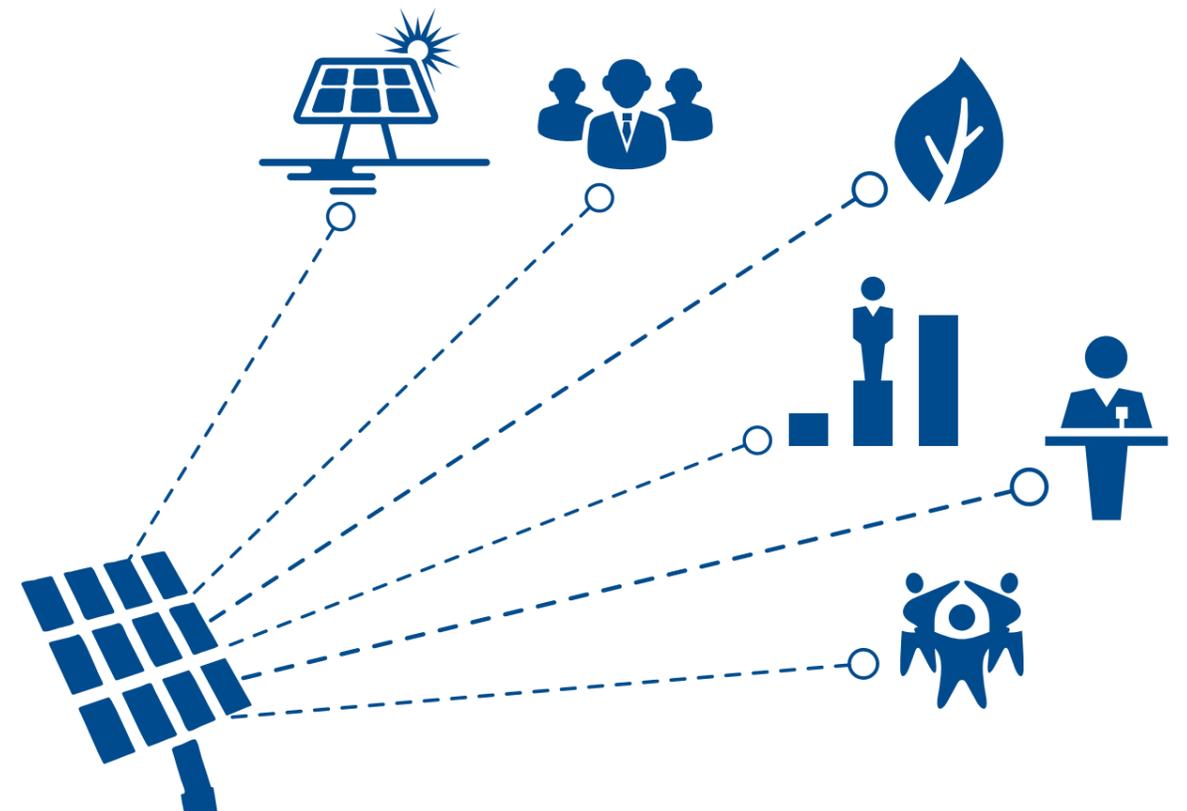
About NBK Sustainability Reporting

Evolution of NBK Sustainability-Related Reporting and Disclosure

NBK's governance practices and financial performance have been covered in NBK's Annual Reports since our incorporation 65 years ago. Since 2008, NBK has also published an annual Corporate Social Responsibility (CSR) Report. In the past, these CSR reports focused primarily on our community giving initiatives in Kuwait, while also highlighting our key environmental programs. We now release this 2016 NBK Sustainability Report as a new approach to our reporting of a wider range of sustainability-related impacts, issues and opportunities of interest to our stakeholders. This report, our first "full" sustainability report, describes NBK's environment, social and governance (ESG) practices, performance and initiatives in recent years up to and including 2016. At this time, our operational environmental footprint data focuses on our Kuwait-owned facilities.

Our Stakeholders and Material Issues

NBK's key stakeholders include employees, customers, investors, communities, non-governmental organizations (NGOs), industry and sector bodies, suppliers, regulators and governments. In defining the material issues of concern for NBK, we benchmarked sustainability leaders and competitors in our region, examined leading sustainability indices and raters globally and in the MENA region, and reviewed the Global Reporting Initiative (GRI) Financial Sector guidelines. We also gathered input from managers representing different functional areas within NBK, including Investor Relations. Based on this analysis we identified the six focus areas for moving toward Sustainability at NBK discussed in this report: Contributing to Economic Development, Serving Customers, Leading in Corporate Governance, Respecting and Developing People, Caring for Our Environment, and Giving Back to Our Community.



Leadership Commitment and Highlights



Message from NBK Chairman: Advancing Sustainability at NBK

On behalf of the board and our employees, it is my great pleasure to announce the launch of the National Bank of Kuwait's (NBK) first Sustainability Report. We have taken a step-leap forward in assessing and describing our sustainability and corporate social responsibility-related impacts, policies, strategies, and improvement programs and initiatives.

Growth, Rooted in Our Core Values

2016 has been a year of growth and success for NBK. Taking this movement forward, our priority will be to continue building trust and loyalty with our stakeholders and the communities we serve.

Passion, Integrity, Conservatism, and Knowledge—our core values—have been an integral part of our business strategies, decisions, and relationships. In addition to providing superb financial services, we strive relentlessly to bring about measurable economic, social, and environmental benefits to our region. We have dedicated ourselves to fueling innovation, human development and

economic prosperity, protecting our environment and people through numerous social initiatives, and working to build healthy communities.

NBK will continue to meet increasing demands for change and transformation. We are implementing technological advancements in our products and services to capture growth opportunities in emerging markets. Along with bank growth, we are pursuing strategies to weave sustainability into our product and service offerings and our overall governance policies and practices. We fully recognize that our stakeholders now expect this integration of sustainability.

Our Stakeholders and Material Issues

We are strategizing effective solutions to boost our performance in six key sustainability-related areas identified as important to stakeholders: Contributing to Economic Development, Serving Customers, Leading in Governance, Respecting and Developing People, Caring for Our Environment, and Giving Back to Our Community.

These six form the heart of this Sustainability Report. Going forward, we are committed to an even higher level of stakeholder inclusiveness and material issues identification.

Contributing to Economic Development

NBK has aligned our growth objectives to support Kuwait's 2035 vision and development plans, thereby playing a pivotal role in supporting accelerated growth within the region. Apart from financing the Kuwait Government's Infrastructure Development Projects, NBK also finances mega developmental projects, Public-Private-Partnership, and corporate expansion projects. These initiatives taken by NBK will help establish a prominent place for NBK in the region and in foreign markets as the "Bank of Choice." Some of the sustainability projects that NBK has financed in the recent past, or committed to finance, include fuel refinery upgrades, solar energy projects, waste-to-energy incinerators, sea water desalination plants, housing development, and construction of hospitals.

Serving Customers

NBK's primary focus is making banking services easier to use, faster and more informative. Valuing customer time and enhancing their service experience, NBK has created robust customer experience mechanisms to meet customer needs across the lifecycle. Based on our strengths in providing quality service, customer satisfaction, innovative banking solutions, advanced technology accessibility, services for customers with special needs, and continuous customer engagement, NBK is geared up to provide an optimized customer experience in sustainable banking.

Leading in Governance

The Bank reviews our corporate governance framework periodically and adopts stringent measures to effectively supervise and improve the Governance Manual and Policies related to Corporate Governance, such as Code of Conduct, Disclosure and Transparency, Whistle-Blowing, Confidentiality, and Stakeholders' Rights Protection. Our current focus is on effective and continuous development of our Group Corporate Governance Framework to improve the governance and compliance culture across group entities.

Respecting and Developing People

NBK's work environment and supportive organizational culture make us one of the "best places to work" in the region. To provide a healthy working environment, NBK has promoted and implemented programs beneficial to employees, such as training and development, health and

safety, and various other initiatives for human resources. Supporting nationalization by hiring local talents and developing them for management positions is another key sustainability initiative undertaken. NBK promotes diversity in the workplace by maintaining a good percentage of women and multinational employees at various positions.

Caring for Our Environment

By taking sustainability initiatives to the next level and strengthening our efforts to improve the environmental footprint of our operations, NBK's transition to a low-carbon bank that complies with the Equator Principles has gained significant momentum. Our LEED-Gold Headquarters in Kuwait City was designed to ensure energy conservation, waste reduction, and minimization of carbon emissions and provide a healthy, comfortable and green environment for our employees. It is being constructed using recycled and local materials. Following our view of sustainability as a core value of business excellence, NBK will continue to address environmental topics across our operations and functions.

Giving Back to Our Community

Uncompromisingly committed to giving back to society, NBK has been regularly investing in Corporate Social Responsibility initiatives, which have exceeded KWD 170 million during the last two decades. Identifying and supporting developmental causes in youth and healthcare development have been top priorities. One of the milestones recently achieved is setting up the first specialized center for bone marrow transplantation for children in Kuwait. NBK has been recognized for this with the "Best Social Practice in Public Health" award from the Gulf University of Science and Technology.

Advancing Our Future

NBK's mission going forward is to realize the full potential of our organization in the pursuit of excellence in our operations and service offerings. By implementing a sustainability excellence model, we will strengthen our strategic approach and meet our goals in achieving and maintaining responsible financial services. We welcome feedback from our valued stakeholders to make this a robust initiative and fulfill our sustainability agenda.

Nasser Musaed Al-Sayer

Chairman of the Board of Directors
Chairman of the Bank and the Community Committee

NBK: Sixty-Five Years as a Regional Leader Providing Financial Services

In 1952, NBK started as the first private indigenous bank in Kuwait and the Arabian Gulf region. Since our founding as the first local bank in the emerging country of Kuwait, National Bank of Kuwait (NBK) has held a leadership position in the Gulf region's banking sector. Today, NBK offers a full spectrum of financial and investment services to corporate and business customers, institutional clients, and private, premium and personal banking clients in Kuwait and internationally.

During our first three decades, our focus was the Kuwaiti market. In the 1980s NBK started expanding geographically to Geneva, London, New York, Paris, Singapore, Bahrain and Lebanon. Our goals were to better meet the needs of our customers, provide convenient and secure locations for their deposits, and capture investment and trade flows with Kuwait.

In 2004, NBK began expansion into high-growth-potential MENA countries, making acquisitions in Iraq, Egypt and Turkey and establishing ourselves organically in Jordan, Saudi Arabia (Jeddah) and the United Arab Emirates (Dubai). In response to regional instability, NBK's growth strategy moved toward GCC (Gulf Cooperation Council)

countries. The Bank opened our Abu Dhabi branch in 2013. As of December 31, 2016, NBK now operates a network of 153 branches, subsidiaries and representative offices in 15 countries.

NBK Group is the leading banking group in Kuwait in terms of assets, deposits and customer loans and advances. NBK has significant market shares in customer deposits, Kuwaiti consumer bank customers and consumer credit card usage, and a dominant market share in the foreign corporates segment and trade finance. We are the only banking group in Kuwait to have access to both the conventional and Islamic banking markets. NBK strives to maintain a market leadership position in providing corporate, consumer and private banking services, and to expand our impact and geographic reach in ways that better serve our customers.

Currently, NBK's business strategy is to defend and grow our leadership position in Kuwait while diversifying our product portfolio and expanding our business geographically (particularly in Gulf Cooperation Council countries). Continuing our long history of trustworthy and responsible banking is core to this strategy.



Our Commitment to Sustainability at NBK

Service and Social Responsibility Are Core to Our Roots

Corporate Social Responsibility (CSR) has been part of NBK's core DNA from Day 1, and will always be central to our culture and contribution. The story of the prominent Kuwaiti merchant being refused a Letter of Guarantee from the British Bank of the Middle East without a guarantor that prompted our nine Kuwaiti family founders to establish the National Bank of Kuwait sixty-five years ago is widely known among NBK employees and customers even today. The incident gave rise to the idea of having a national bank with a mission to serve the national needs as a priority. NBK was the first local bank in Kuwait and the first national bank in the Arab Gulf region. Our consistent objective over this entire time has been to serve the financial needs of Kuwaitis and support the economic growth of the country.

From the beginning NBK has pursued a mission that embraces core elements of sustainability and corporate responsibility. When we first opened our doors, NBK constructed a small tap next to the bank so we could give free water to customers and people passing by. You might say it was our first act of philanthropy.

NBK has played, and continues to play, a prominent role in economic development and infrastructure construction in Kuwait. Building on this experience, we expanded our high quality, integrated financial and investment services and solutions for individuals, corporations and institutions in the region.

NBK has consistently achieved stable returns for our shareholders, all while advancing ethical governance and management practices, taking care of our people, pursuing ways to lower our environmental impact, and giving back to the community. We provide high quality service for our customers in country and around the globe and have earned a reputation as one of the safest, most trusted banks in the MENA region and the world.

Over the years, without calling it sustainability, NBK has integrated integrity, economic prudence and contribution, superior customer service, social responsibility and conscientious governance into our mission, objectives, and operating practices.

NBK is Now Taking a New Approach to Sustainability

Today, the business context in which NBK operates has shifted. We are working to embrace and leverage technological advancements, meet evolving customer needs and expectations for electronic banking and 24/7 access, strategize for success in a changing geo-political environment, and capitalize on emerging national and international growth opportunities. At the same time, with increasing evidence of climate change and other negative environmental and social impacts of our industrial system, customers', investors' and society's expectations for sustainability and corporate responsibility in financial institutions have intensified. We also note that globally, financial institutions are under more pressure to assess and mitigate sustainability-related risk associated with investments. Our stakeholders increasingly expect banking and financial services firms to integrate environmental, social and economic sustainability considerations into risk management and investment choices, product and service offerings, management of resource consumption and emissions, human resource development, safety and wellbeing, community engagement, governance policies and practices and ESG disclosure and reporting. NBK is committed to proactively evolving our sustainability policies and practices, more thoroughly reporting on our impact and management policies and practices, better communicating what we are already doing, and vigorously meeting these changing conditions and more rigorous expectations.

NBK has a strong foundation of stable senior leadership, deep community roots, and effective innovation and adaptiveness capabilities upon which to build. These, our values (described on page 8), and NBK's other key strengths underpin our sustainability commitment.

We are now taking a new approach that involves integrating sustainability considerations into our core business. In addition to fitting with our moral values and mission, this makes good business sense. Sustainability-savvy initiatives and investments reduce risk, stimulate innovative products and services, catalyze opportunities for growth, and improve customer satisfaction and demand. In addition, pursuing sustainability can increase our contribution and impact overall, enhance our reputation in the region and

abroad, and increase our brand value. Further, sustainability enables us to better meet investors’ and other stakeholders’ expectations, thereby increasing our access to capital and making our investment decisions more future-safe.

Our Vision, Mission and Values

Our vision is to be “The trusted bank of choice, building on our core values, people and expertise”. Our strategy, decisions, and relationships are aimed at achieving NBK’s vision and mission, while incorporating our core values.

NBK Mission	NBK Core Values
To deliver world class products and highest service quality to our customers	Passion
To attract, develop and retain the best banking talent in the region	Integrity
To support the communities in which we operate	Conservatism
To adhere to our core values of passion, integrity, conservatism and knowledge	Knowledge
By doing so, we believe that we will be able to achieve consistently superior returns to our shareholders	

Highlights of NBK’s Six Sustainability Focus Areas

We identified six focus areas for moving toward Sustainability at NBK. Below we provide a snapshot of our activity in each of these, and then the remainder of the report discusses our policies, performance, and initiatives in each in depth.

<p>Contributing to ECONOMIC DEVELOPMENT </p> <ul style="list-style-type: none"> • Key partner in financing Kuwait government’s infrastructure development projects • Bank of choice for leading corporations • Funding Sustainability-related Clean Fuels Project 	<p>Serving CUSTOMERS </p> <ul style="list-style-type: none"> • Amongst the World’s 50 Safest Banks for 11 consecutive times • Customer Satisfaction Ratings above 90% across NBK Group • Innovation to meet customer needs across the lifecycle • Modifications and additions for Special Needs customers 	<p>Leading in CORPORATE GOVERNANCE </p> <ul style="list-style-type: none"> • Strong Corporate Governance Framework • Training, workshops and awareness sessions on governance and regulatory requirements implementation • Assessment of Group’s effective implementation of governance policies
<p>Respecting and Developing PEOPLE </p> <ul style="list-style-type: none"> • 2,429* Group Total Employees in 2016 (As of Dec 31, 2,271 NBK Kuwait, 125 NBK Capital, 33 Watani Financial Brokerage Co.) • 282 Kuwaiti New Recruits in 2016 • In 2015-16, NBK invested KWD 2.55M in training and development programs on leadership and technical skills, anti-money laundering and banking studies • Powerful “I AM NBK” campaign contributes to customer service and satisfaction and employee engagement 	<p>Caring for Our ENVIRONMENT </p> <ul style="list-style-type: none"> • NBK new LEED-Gold Headquarters building • Many initiatives to reduce Environmental Footprint: energy consumption, paper consumption, electronic equipment recycling, and transportation reduction • Environmental Impact Assessment, Social Impact Assessment and Equator Principles standards required of all PPP (Public-Private-Partnership) financial investments 	<p>Giving Back to Our COMMUNITY </p> <ul style="list-style-type: none"> • Substantial initiatives within Four Pillars for NBK Corporate Social Responsibility: Social Development, Children’s Care, Health, and Environmental Development • ‘Signature’ Community Contributions: e.g., Kuwait Children’s Hospital, “I Have A Dream” Initiative, NBK Academy, Walkathon, and Beach Clean-Up • More than KWD 170M donated to CSR in last two decades

* Excluding NBK International and Boubyan Bank



Contributing to Economic Development

Supporting Economic Growth and Development | Partnering in Sustainability-Related Projects

Supporting Economic Growth and Development

In alignment with our objective to support the economic growth of Kuwait, NBK Group is leading the financing of the Kuwait government's infrastructure development projects within Kuwait's National Development Plan. NBK provided financing for government mega projects, such as the Al-Zour North IWPP and other Build Operate Transfer concessions (BOT Projects), such as expansion of Sulaibiya Waste Water Treatment plant. The Al-Zour North IWPP project commenced operations in November 2016, thereby increasing the power generation capacity in the country significantly. The electricity generated in the Al-Zour North IWPP Project is one of the lowest cost electricity generations in the country. The project has created large opportunities for employment of Kuwaiti nationals. The expansion of Sulaibiya Waste Water Treatment Plant is in an advanced stage of construction and is expected to be completed in 2017.

Under the Public-Private-Partnership (PPP) projects, NBK is the leading bank supporting various consortia in their bids for such projects. During 2016, NBK supported consortia bidding for Al-Zour North II IWPP; Kabd Waste to Energy project; and Al-Abdaliya Integrated Solar Combined Cycle Power Project. Further, to facilitate support to infrastructure and development projects, NBK has recently set up a specialized Project Finance division which is engaged in origination, structuring and monitoring of such exposures.

The division is comprised of professionals with large experience financing such projects in the region.

During the year, NBK was the coordinator and initial Mandated Lead Arranger for \$5 billion senior financing of Equate Petrochemicals and \$280 million financing of Kuwait Styrene Company. The financing supported the significant growth in international operations of Equate Petrochemicals.

Our prominent market position – supported by our large experience in structuring/underwriting mega deals and our leading legal lending limit – has been a differentiator for NBK Group. As a result of the experienced team, sophisticated service quality and advanced product offerings, we continue to dominate market share in most business lines. NBK is leading in cash and non-cash lending and enjoys supremacy as the bank of choice in Kuwait.

NBK Group dominates the market as the preferred bank for leading corporations in Kuwait. NBK's Corporate Banking Group, with our prominent market position and unique experience in structuring and underwriting large capital market deals, is very well positioned to capture any attractive business opportunities and continue supporting the country's longer-term development ambitions.

Kuwait 2035 Development Plan

The State of Kuwait is pursuing His Highness the Amir of Kuwait, Sheikh Sabah Al Ahmad's "Kuwait Vision 2035". The government agenda and vision is aimed at establishing Kuwait as a financial and economic hub in the region and the world.

Five Strategic Goals Were Established:

- 1- The private sector leads to development following stimulating mechanisms
- 2- Developing population policies to support development
- 3- Efficient government administration
- 4- Supporting human and social development
- 5- Increasing GDP and raising citizens' livelihood

As the Kuwait Development Plan gains traction, NBK plays an important role in helping provide financing for infrastructure and economic development projects. Additionally, NBK has participated in the Kuwait National Development Plan Roundtable process.



Partnering in Sustainability-Related Projects

NBK is increasingly playing a primary role as financial partner in major sustainability-related projects. Projects already underway and in development phase include the clean fuels refinery upgrades, solar energy projects, a waste-to-energy incinerator, sea water desalination plants, housing provision, and hospital construction. KNPC's clean fuels project where NBK is the funding and financial partner is described below.

Clean Fuels Project



During the year, NBK coordinated, structured and arranged KWD 1.2 billion, financing from local banks for the strategic Clean Fuel Project of Kuwait National Petroleum Company (KNPC). This was the largest ever syndicated Kuwaiti Dinar Financing in the country and one of the largest structured financing arranged in the region. KNPC, a wholly-owned downstream subsidiary of Kuwait Petroleum Corporation (KPC), operates KPC's downstream activities relating to domestic oil refining and gas processing through its three local refineries (Shuaiba, Mina Al-Ahmadi (MAA) and Mina Abdullah (MAB)), with a capacity of 936,000 BPD (barrels per day). KNPC is also responsible for local marketing of fuel and manages and operates five marine export facilities as well as temporary import LNG facilities.

The project, which is part of Kuwait's USD 99.3 billion economic development plan, involves integration, modernization, and expansion of two of the Middle East's largest refineries, Mina Abdulla and Mina Al-Ahmadi. Modifications include a sulfur recovery unit and gas oil desulfurization (GOD) unit, expected to lower the sulfur content of petroleum products to 5%. Several offsite facilities of the refinery will be integrated within operations, slightly reducing transportation impacts. The second project, the new Al-Zour Refinery, is projected to supply 225,000 BPD of Low Sulfur Fuel Oil (LSFO) (less than 1% sulfur compared to current 4%) to local power plants.

Overall, the Clean Fuels Project (CFP) aims to upgrade, modernize and enhance MAA and MAB refineries to transform them into an integrated merchant refining complex that meets the diversified requirements of the world oil market, in an environment friendly manner.

KNPC expects its refinery to have the following features after the CFP is completed:

- a. An integrated refining complex to meet diversified markets
- b. Ability to meet 2020 demand and specifications for local and international markets
- c. Enhanced environmental and safety performance
- d. Conversion of high sulfur fuel oil to higher value products
- e. Employment opportunities provided for Kuwaitis in refining

Serving Customers

Delivering Quality Service | Access to Banking | Honest Communications

Delivering Quality Service

Since our founding NBK has been known as ‘The Bank You Know and Trust.’ Delivering the highest quality service has been foundational to NBK’s dominant position in the local market and growth in the region and beyond, and is integral to how we manage our business day to day. NBK’s strength stems from our profound understanding of customer needs; our ongoing customer research to ensure that we keep up with trends and changes in customer needs; our ability to launch pioneering products and services to meet these needs; our commitment to providing superior customer service; and our dedication to excellent and stable financial performance.

Banking Service Quality

NBK is widely recognized for the superior quality of our banking services, and customers chose and continue to choose NBK because of our longstanding performance as a safe and stable bank. The many awards received by NBK, summarized below, illustrate the strength of NBK’s banking services.

Brand Value

NBK enjoys a prestigious reputation and high brand awareness. Our brand value is strong and growing. NBK was identified amongst the top 10 most valuable banking brands in the Middle East and the most valuable banking brand in Kuwait, rating NBK’s brand as AA. Brand Finance’s assessment examines attributes such as financial performance, revenue forecasts, growth rates, brand strength index, sustainability, and analysts’ insights.



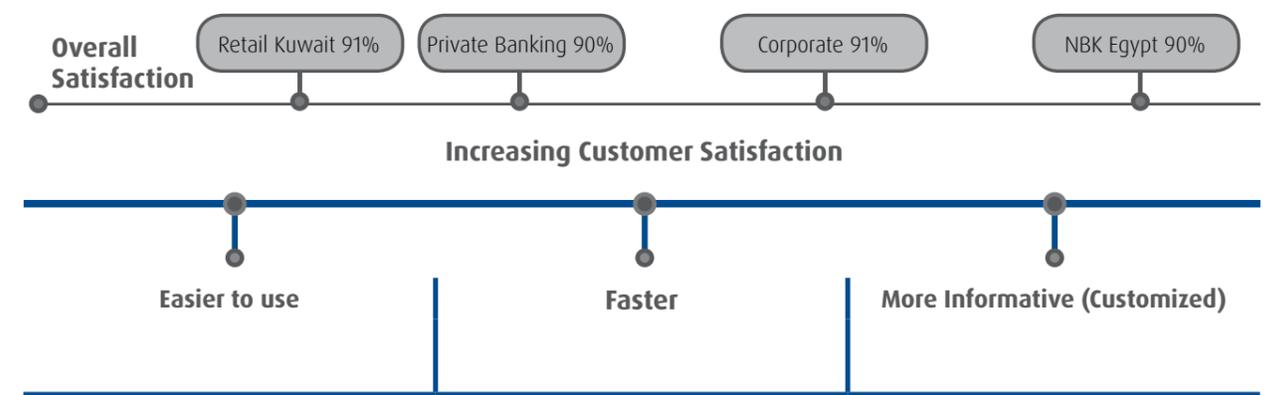
World’s Top 50 Safest Banks for 11 consecutive times from 2009 to 2016 (twice in 2009, 2012, 2013)	Best Bank in Kuwait 1994-2016	Bank of the Year in Kuwait 2007 - 2008, 2010 -2011, 2013 - 2015 - 2016
Best Emerging Market Bank in the Middle East 2010 - 2013 - 2015	Best Bank in the Middle East 2007 - 2008, 2010 - 2011, 2013	Bank of the Year in the Middle East 2007 - 2008, 2010 - 2011
Best Emerging Market Bank in Kuwait from 2010 to 2016	Best Managed Company in the Middle East 2012 - 2013	Best Customer Service and Project Finance in the Middle East 2009
Best Private Banking in Kuwait 2015 - 2016	Best Private Banking in Kuwait 2006, 2009 - 2015 - 2016 - 2017	Best Deal of the Year in the Middle East 2007, 2009
Best Bank for Financial Risk Management Middle East 2016	Best Investment Bank in Kuwait 2009	Best Deal of the Year in Kuwait 2001 - 2002, 2004, 2005 - 2007
Best Trade Finance Bank in Kuwait from 2008 to 2017	Outstanding Contribution to Middle East Banking 2008	
Best Foreign Exchange Provider in the Middle East 2013 - 2015 - 2016		
Best Foreign Exchange Provider in Kuwait from 2013 to 2016		
Best Provider of Money Markets Fund in the Middle East 2011 - 2012		

Customer Satisfaction

NBK’s leadership position has been achieved through dedication to providing our customers with superior service aligned to their needs. NBK employees work hard to ensure customers’ experiences in every segment of our business, meet and exceed their expectations. Overall, NBK receives excellent customer satisfaction ratings: 91% in retail banking in Kuwait, 90% in Private Banking, 91% in corporate banking services and 90% in NBK Egypt. At the same time customers' expectations are increasing in terms of making banking services easier to use, faster and more informative for specific needs.



Across NBK Group: Excellent Customer Experience and Common Improvement Areas*



*Source: NBK Insight

Innovation

Today, our customer focus is leading us into new territory. We are transforming our thinking and adopting new technologies that better serve customer needs, wherever they are in life or in their community within Kuwait or abroad. We are working to make retail banking future-safe, relevant, and fit to customers' lifestyles and expectations for mobile, convenient 24/7 access. NBK is designing products to meet customers' evolving needs at each stage in their lives, adding offerings focused on youth, and moving our services to malls, which continue to be a social destination. One example is our new "NBK Tap & Pay" service aimed at saving customers' time and enhancing their service experience. This cutting-edge banking technology enables customers to make payments up to KWD 10 by simply tapping their card on the enabled point-of-sale terminals without having to enter a pin number whilst maintaining high levels of security. NBK also recently launched Interactive Teller Machine (ITM) technology to facilitate remote banking transactions through video.

Access to Banking

NBK is actively developing services to meet the special needs of our customers. Based on the Central Bank of Kuwait (CBK) mandate to provide services to customers with special needs at one branch per governorate, specific branches have been identified to service customers with physical disabilities, visual impairments and hearing difficulties.

- All of our NBK branches have wheelchair friendly access and dedicated parking bays
- A designated special needs branch is available in every area:
 - NBK Head Office Branch
 - Cinema Salmiya Branch
 - Fahaheel Sahily Branch
 - Mubarak Al Kbeer Branch
 - Saad Al Abdulla Branch
 - Rehab Branch
- Most of these NBK branches have safe deposit boxes that will provide special needs customers with priority, for ease and accessibility
- One special needs friendly ATM in each of the above-mentioned branches provides comfort and security as it is in a private enclosed room:
 - Height of the ATM keyboard makes it appropriate for wheelchair customers
 - Headphone capability
 - Braille keypad
- A Braille printer is available in these six special needs branches to provide customers with copies of required documents printed on the spot in Braille, if requested
- Ability to identify special needs customers' accounts when provided with the required documentation is in place to assure customers are recognized in the branch
- At least one relationship officer will be available in these branches to serve special needs customers and will be sign language literate
- Terms and conditions are available in audio format (English and Arabic) on a special iPad in the office of our sales staff for visually impaired customers
- A debit and credit card with a photo for easy identification is provided, if required, to our special needs customers
- Seven NBK staff members have been trained to speak sign language. Staff has been dispatched to six branches covering all governorates in order to serve customers with special needs



We have installed Special Needs ATMs in six branches covering all six governorates and in the Society for the Blind, bringing the total Special Needs ATMs to seven. Basically, these ATMs have an added function of a headphone port whereby visually impaired customers can plug in their headphones and use the keypad of the ATM to interact and make withdrawals. During the transaction, the screen is blank to avoid bystanders seeing the screen. Another feature of this ATM is that the height of the ATM is wheelchair-friendly allowing comfortable use by customers in wheelchairs.

Honest Communications With Customers

NBK continuously strives to achieve honest, transparent communications with all stakeholders. Investors are provided with clear, comprehensive summaries of our performance, business analyses, and strategy. Our NBK staff engage in direct, honest and timely communications with customers about products and services, but also about customers' financial risks and decisions. We have maintained strong relations with regulators and comply with all applicable laws and regulations. All new staff receive training on anti-money laundering (AML) regulations, and employees are trained on an ongoing basis to ensure that they are kept up to date with any changes. See our description of Training and Development for more details on our AML initiative and "I AM NBK" program to engage employees to enhance customer service. One of NBK's strengths is our ability to build and maintain strong strategic relationships across these multiple sectors. This competence, underlined by honesty and trustworthiness, has proven absolutely critical to our business effectiveness and growth.



Leading in Governance

Corporate Governance | Risk Management | Ownership

Corporate Governance

NBK Group is committed to the highest standard of responsible and ethical corporate governance, and to transparency and integrity in our management practices and communications. Accordingly we have documented and published our Corporate Governance Structure, Framework and Policies in an effort to communicate them more openly to interested parties.

NBK Group is in line with the practices and international recommendations relating to corporate governance matters, risk management, and protecting stakeholder's rights. The Group complies with all provisions and requirements stated in Central Bank of Kuwait regulations concerning rules and standards of Corporate Governance in Banks issued in June 2012, and all other relevant regulatory instructions issued in all countries in which the Group operates.

The Group has focused on raising the governance and compliance culture across all our entities, through developing a comprehensive governance framework that creates effective corporate values across the Group and enhances shareholders' and other stakeholders' confidence. This happens by adopting a set of policies, systems, standards and controls and updating them regularly to be in line with the best international practices.



Key Accomplishments in 2016

During 2016, the Group achieved a number of key accomplishments in our corporate governance, including:

- Reviewed and developed the governance policies and charters in accordance with international practices, applicable rules and regulations issued in Kuwait and supervisory authorities in other countries where the Group operates
- Developed and implemented new automated systems for compliance, operational risk, Foreign Account Tax Compliance Act (U.S.A), Anti-Money Laundering, combating financing of terrorism
- Evaluated the effectiveness of Corporate Governance implementation and development across the Group through providing support and monitoring to governance units at the subsidiaries to help them manage Board and committee affairs at the subsidiaries
- Organized awareness sessions for employees across the Group regarding corporate governance implementation and other regulatory requirements
- Advanced continuous development to the Corporate Governance reporting system across the Group
- Complied with Capital Markets Authority regulations concerning Corporate Governance, with Watani Investment Company (NBK Capital) and Watani Financial Brokerage Company being ranked in the top (10) companies list that fulfill all the CMA requirements

Our website describes the following topics as part of NBK Group's Governance Framework:

- Group Governance Structure
- The Board of Directors
- Board Committees
- The Corporate Governance Office (CGO)
- Corporate Values
- Risk Management and Internal Control
- Remuneration Governance
- Disclosure and Transparency
- Stakeholders Rights
- Memorandum and Articles of Associations

Board and Committee Structure

The NBK Group Board of Directors is composed of nine non-executive members representing shareholders who were elected through the General Assembly Meeting for a period of three years. The Board aims to foster Group success over the long term and provide sustainable value to Group shareholders.

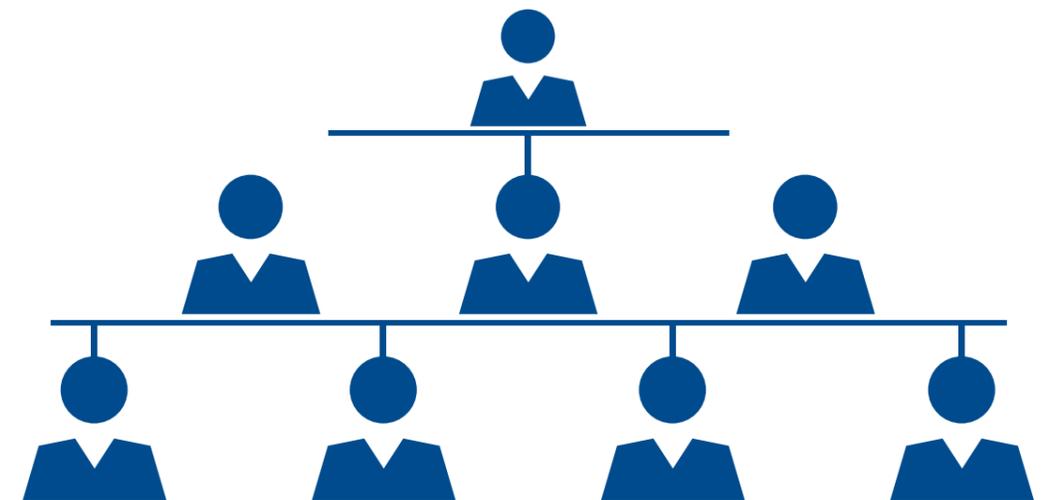
The Board has an adequate number of members and deep knowledge and experience relevant to banking and other business sectors. The Board collectively has the skills in finance, economics, strategic planning, governance, internal controls, and risk management, in addition to outstanding experience in the local and regional business environment.

NBK's balanced and non-complex Board structure facilitates exchange of information in a timely and accurate manner across the Group through building direct communication channels between Group entities and all stakeholders that foster disclosure and transparency principles about Group operations. Moreover, this Board structure maintains and enhances the effective supervisory role for the Board and its Committees.

As a quick summary of our Board Structure, NBK Group Board Committees are as follows:

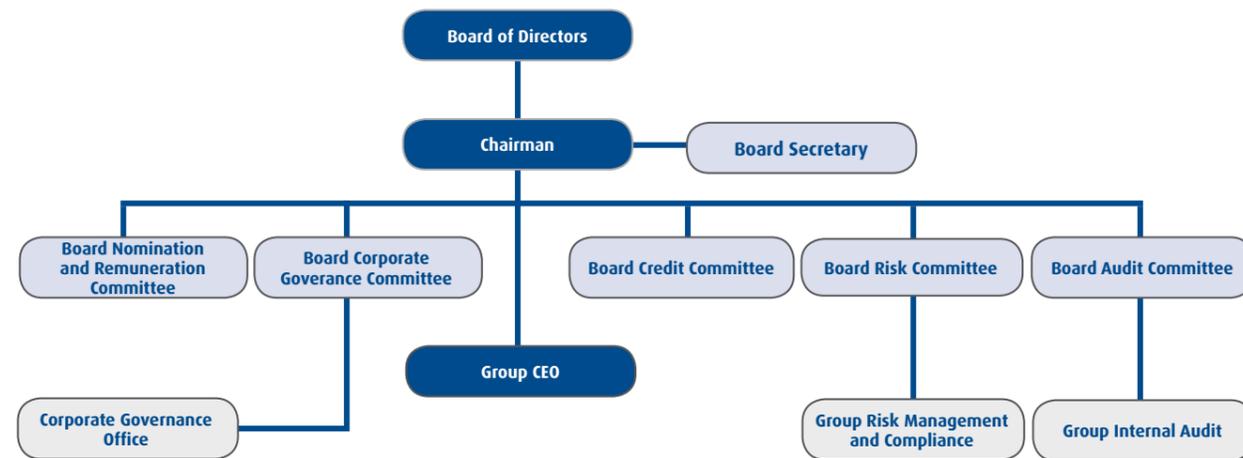
- Board Corporate Governance Committee
- Board Risk Committee
- Board Remuneration and Nomination Committee
- Board Credit Committee
- Board Audit Committee

NBK Group's governance framework is available in the "About NBK Group" section of the NBK website under the topic of Corporate Governance and is documented, updated and published within our Annual Report. It is also important to note that NBK Group's board is more diverse than others in the region that are commonly controlled by one family. NBK Group's board represents many of the founding families.



Corporate Governance Structure

NBK's Group Governance Structure supporting our Governance Framework is represented in the graphic below.



Our 2016 Annual Report provides details of each committee's mission, members, member attendance, and achievements. It also describes the Board of Directors self-assessment process, internal control review system, and results of a third-party review of our internal control process. The internal control process covered Corporate Governance, Risk Management, Anti-Money Laundering, Consumer Banking, Treasury, Corporate and Consumer Credit, Human Resources, Funds Control and Operations, Financial Control, Administration, Internal Audit, Information Technology, Legal, Financial Securities, and Confidentiality of Customer Information.

Code of Conduct

NBK's Code of Conduct Table of Contents is illustrated below to provide a quick view of the many topics covered.

1 INTRODUCTION

- BACKGROUND
- SCOPE OF THE COMPLIANCE MANUAL
- FAILURE TO COMPLY WITH INTERNAL COMPLIANCE OR REGULATORY REQUIREMENTS
- OWNER AND UPDATES TO THE MANUAL
- DEVIATIONS FROM REQUIREMENTS

2 NBK'S COMPLIANCE PRINCIPLES

- PROFESSIONALISM
- CUSTOMER'S SERVING INTEREST
- AVOID CONFLICTS OF INTEREST
- BANK SECRECY
- COMPLIANCE WITH REGULATORY REQUIREMENTS

3 CONFIDENTIAL INFORMATION

- DEFINITION OF CONFIDENTIAL INFORMATION
- DUTY OF CONFIDENTIALITY
- DISCLOSURE OF CONFIDENTIAL INFORMATION TO THIRD PARTIES
- GUIDELINES TO MAINTAIN CONFIDENTIALITY

4. INSIDER INFORMATION

- DEFINITION OF INSIDER INFORMATION
- POLICY REGARDING THE MISUSE OF INSIDER INFORMATION
- ADVISING GROUP COMPLIANCE FUNCTION WHEN INSIDER INFORMATION IS RECEIVED
- PRACTICAL EXAMPLES OF INSIDER INFORMATION
- PERIODS OF UNAUTHORIZED TRADING ACTIVITY

5. "CHINESE" WALLS

- GENERAL POLICY GUIDELINES
- PASSING INFORMATION BETWEEN BUSINESS UNIT

6. PERSONAL DEALING AND OUTSIDE BUSINESS INTERESTS

- POLICY
- OUTSIDE BUSINESS INTERESTS
- WHO IS COVERED BY THE RULE?
- WHOSE ACCOUNTS ARE COVERED?

7. OTHER GENERAL RULES APPLICABLE TO ALL EMPLOYEES

- INDUCEMENTS - PERSONAL GIFTS – ENTERTAINMENT
- PERSONAL DEALINGS WITH CUSTOMERS
- MAKING UP CUSTOMER LOSSES
- REGULATORY VISITS AND REGULATORY INQUIRIES
- EMPLOYEE'S PERSONAL MAIL
- DEALING ON OWN ACCOUNT
- PERSONAL LITIGATION
- OUTSIDE EMPLOYMENT
- SPEAKING ENGAGEMENTS, SEMINARS AND LECTURES
- GAMBLING AND OTHER ILLEGAL ACTIVITIES
- COMMUNICATION WITH THE MEDIA

8. POLICY STATEMENT ON MONEY LAUNDERING

- CUSTOMER IDENTIFICATION
- RECOGNITION AND REPORTING OF SUSPICIOUS TRANSACTIONS
- CO-OPERATION
- NON-DISCLOSURE
- HONESTY AND INTEGRITY

9. TAX COMPLIANCE



Related Parties Transactions

NBK's Group Related Party Transactions Policy describes our principles and processes for dealing with and managing transactions with related parties such as the Group and Board members, their companies and related parties, Executive Management and employees. This includes syndicated financing and trading activities. Our policy is in compliance with regulatory and IFRS standards.

Anti-Money Laundering and Combatting Terrorism Financing (AML/CTF)

NBK's Anti-Money Laundering and terrorism financing includes the following:

- Money laundering and terrorism financing is a criminal offense in Kuwait as per law 106/2013
- NBK's policies prohibit conducting business with shell banks and anonymous or numbered accounts
- AML/CTF officer assigned, with clearly defined roles, responsibilities, accountabilities
- AML/CTF policies and procedures include approval/periodic review by Board or senior committee, customer identification at inception of relationships in line with FATF standards, risk-based assessment of customers and transactions
- Enhanced due diligence as per customer risk rating/triggered events
- Established controls to reasonably identify origin of funds to customers' accounts
- No permit of transaction with non-identified customers
- Procedures to monitor large cash deposits and withdrawals
- Complete information provided for all payments transactions
- Process for monitoring and reporting suspicious activities
- Screening customers against names in relevant blacklists
- At least five years record retention for documentation regarding customers
- Annual AML/CTF training, with retention of records of attendee lists and training materials
- Annual independent audits/tests of AML/CTF compliance
- Policies regarding operating only with correspondent banks with licenses to operate in their country of origin
- Compliance with FATF Special Recommendation VII
- Policies prohibiting third party direct access with correspondent banks
- Policies protecting employees reporting in good faith any suspicious activities or transfers
- No regulatory or criminal enforcement actions resulting from violations of AML/CTF laws or regulations

Disclosure and Transparency

The Group has developed and adopted a Disclosure and Transparency Policy detailing disclosure requirements for financial, non-financial and regulatory disclosures, guidelines for internal communication, and corporate responsibilities. The disclosure framework covers the key quantitative and qualitative information related to financial performance and stability, risk management, remuneration, corporate governance, related-parties' transactions, conflict of interest, and substantial changes on the business. NBK Group has an independent centralized department responsible for administering the disclosure process within the Group. The unit is responsible for providing timely, accurate, high quality and consistent information.

More information about NBK's management approach and policy on Disclosure and Transparency and Annual Reports, NBK market analyses and other documents are provided on the NBK website.

Risk Management

Responsible banking and reliability are core to the Group's strategy and decision-making. As the leading financial institution in our region, NBK Group has always been vigilant about stability, strong financial performance and maximizing returns to shareholders. We work daily to build and maintain our reputation as a safe and trustworthy bank. Our credit ratings position NBK as one of the most highly rated banks in our region. NBK has been listed on Global Finance's World's 50 Safest Banks list for 11 consecutive times, earned an A+ from Standard and Poor's, a long-term rating from Moody's of Aa3, and from Fitch Rating of AA-.

NBK Group's Board of Directors and management carefully manage our financial capital-to-risk profile. As of December 2016 our Capital Adequacy Ratio was 17.7%, far exceeding the Central Bank of Kuwait's Basel III regulatory requirement that banks maintain a minimum ratio of capital-to-risk-weighted assets of 8% by the end of 2016. The ratio provides an indicator of banks' financial stability and efficiency.

NBK Group's Risk Management Strategy, Approach, and Structure, our Remuneration Policy and Framework, our Code of Ethics and Professional Conduct, and our policies on conflict of interest, confidentiality, and whistleblowing along with our statement of Stakeholder Rights are all published in our 2016 annual report.



Risk

Ownership

The following chart displays NBK's ownership structure.

Subsidiaries

Subsidiaries of the bank as of 31 December 2015 are as follows:

Name	Country of Incorporation	Primary Business	Holding
NBK Banque Privee (Suisse) S.A	Switzerland	Investment management	100.0%
National Bank of Kuwait (International) plc	United Kingdom	Banking	100.0%
National Investors Group Holding Limited	Cayman Islands	Investment Holding Company	100.0%
Watani Investment Company K.S.C (Closed)	Kuwait	Investment Banking	99.9%
National Bank of Kuwait – Egypt S.A.E	Egypt	Banking	98.5%
Watani Financial Brokerage Company K.S.C. (Closed)	Kuwait	Brokerage	86.7%
National Bank of Kuwait (Lebanon) S.A.L.	Lebanon	Banking	85.5%
Credit Bank of Iraq S.A.	Iraq	Banking	84.3%
Boubyan Bank K.S.C.P.	Kuwait	Islamic Banking	58.4%

As of 31 December 2015, 38.1% of the Bank's interest in National Bank of Kuwait (Lebanon) S.A.L. was held by an intermediate holding company, NBK Holding (Liban) S.A.L.

As of 31 March 2016, the following shareholders had direct and indirect holdings in excess of 5 percent of issued share capital:

Shareholder	Percentage of Shares
The Public Institution for Social Security	5.53%

Respecting and Developing People

Training and Development | Succession Planning | Diversity/Equal Opportunity | Engaging Employees | Employee Health and Safety | Compensation and Benefits | Labor and Human Rights

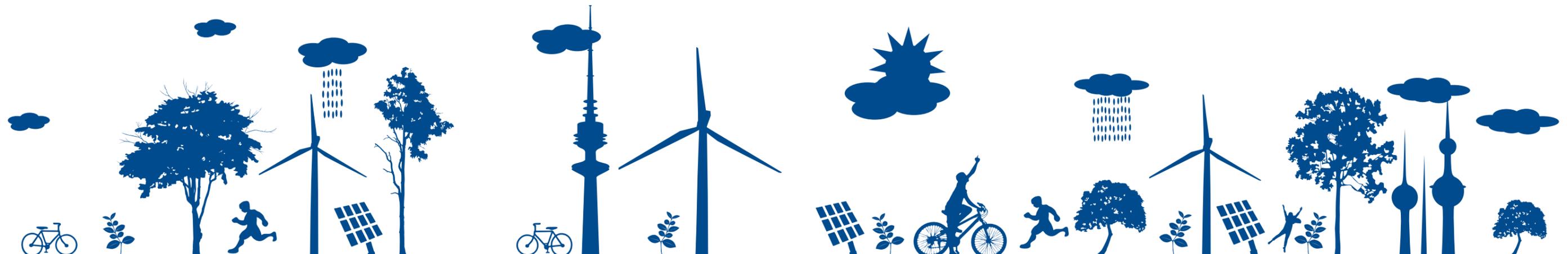
NBK recognizes that competent and committed employees are absolutely critical to building and maintaining customer loyalty and providing quality service. Additionally, employees develop our new product and service offerings to meet the evolving needs of customers. Their work and contribution enables NBK to protect and grow our strong market position, build our brand, and enhance our reputation in the community.

Our NBK staffing for 2015 -2016 was:

NBK Group Headcount Breakdown	2015	2016
NBK Kuwait	2,262	2,271
NBK Capital	125	125
Watani Financial Brokerage Co.	32	33
NBK Group Total Headcount*	2,419	2,429

* Excluding NBK International and Boubyan Bank.

NBK's professional work environment and supportive organizational culture makes us one of the most sought after employment places in the region. Our family orientation, open door communication policy and friendly atmosphere make NBK an employer-of-choice for many recruits. We aim to support both professional and personal needs and goals through a culture and practice of work-life balance. To grow even stronger, NBK is developing increasingly rigorous Human Resource programs for recruitment and placement, training and development, succession, employee engagement and responsiveness, diversity, and health and safety.. These are summarized on the next several pages.



Management Skills Curriculum offers technical and “soft skills” training courses. In 2015 and 2016 these courses targeted all employees across the bank (Junior and Seniors) covering mid and managerial levels. They include specialized training, technical skill training, and Institute of Banking Studies training. All trainings are coordinated among several vendors both locally and externally and are conducted at NBK premises. In 2015, 22 courses were conducted for 310 participants, and in 2016, 16 courses with 25 sessions were conducted for 248 participants.

Future Leaders Talent Development in 2015 focused on NBK launching our High Fliers Program aimed at developing the potential and leadership skills of NBK’s future leaders. As of 2016 the program has involved a total of 52 participants, 26 in each of Cohort Groups IV and V.

Leadership Development

During 2016 we provided leadership development opportunities to 38 employees. This program focuses on the development of senior employees in critical roles. These programs include Harvard Business School, the University of Chicago Booth School of Business and Kuwait Institute of Banking Studies (IBS).

Developing Kuwaiti Skilled Youth

As the largest employer in the private sector in Kuwait, the development of human talent and Kuwaiti skilled youth remains a top priority for NBK. In 2016, NBK hired 282 Kuwaiti citizens. As of 31 December, our Kuwaitization has now reached 66,4%. This confirms NBK’s full support of government efforts to employ young national cadres in the private sector and develop the human capital of Kuwait. NBK sponsors a large number of programs aimed at developing the skills of Kuwaiti youth.

Field Training Programs

Organized by the Human Resources, and as a show of commitment to invest, develop and rehabilitate national cadres, each field training session spans a period of two months, during which students undergo rigorous training within the various departments and branches. During 2016, field training programs have provided candidates with more than 150 seats at the bank. In addition to these specialized programs, NBK Human Resources has continued its commitment to constantly communicate with all staff and launched several initiatives to maintain a cadre of qualified talent, through periodic interviews to evaluate their performance, along with the traditional professional development programs across the various groups and departments at the bank.

NBK’s Anti-Money Laundering Training

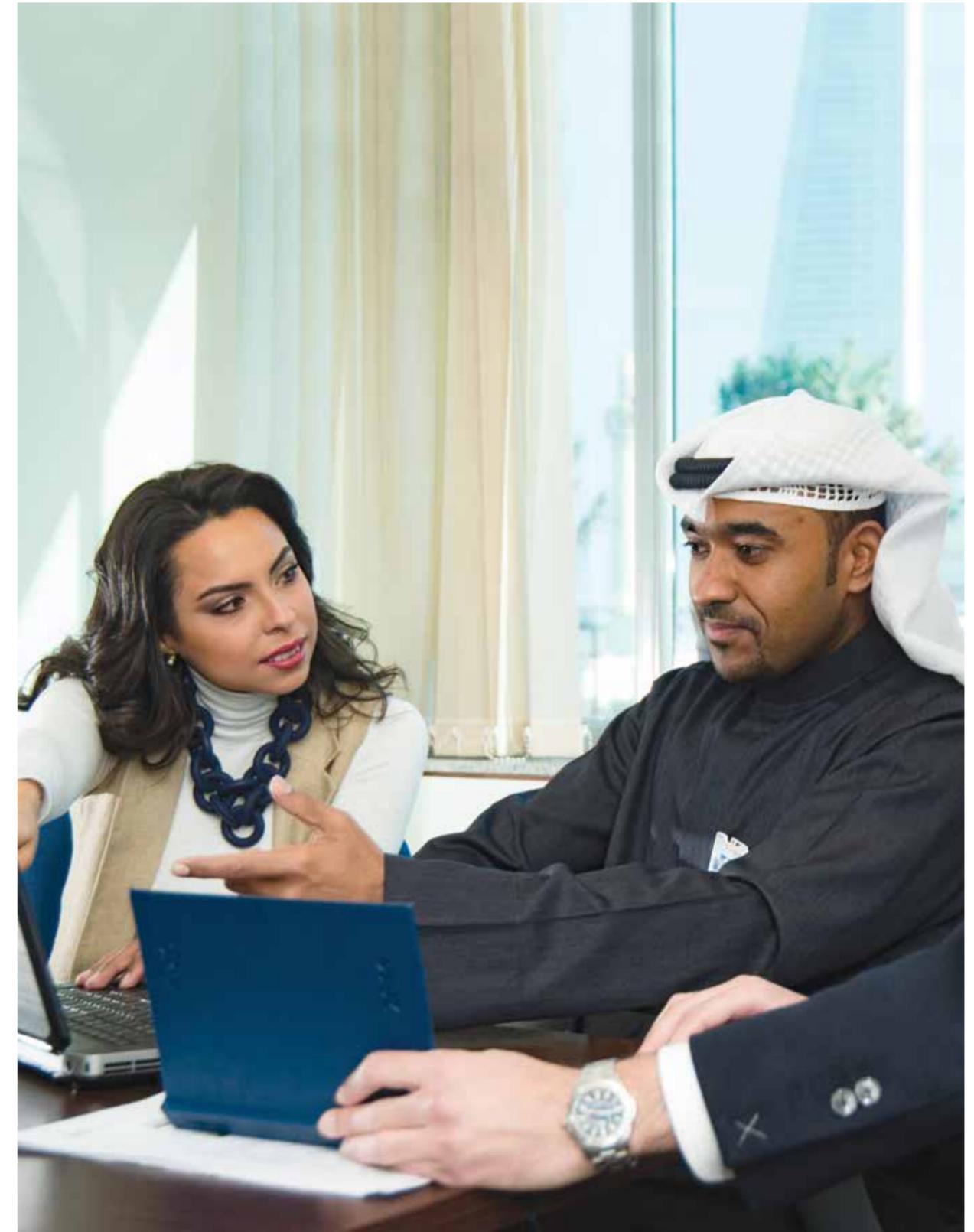
NBK’s anti-money laundering training is mandatory every two years as a CBK requirement. NBK’s approach is to use the course to build awareness among NBK staff for how to protect NBK from money laundering and terrorist risk.

Credit Training Programs

NBK developed a "Corporate Credit and Relationship Management Program" as part of our commitment to providing our employees with "best of class" development opportunities. The program is provided by Moody's and tailor-made for the needs of NBK professionals. The program provides a curriculum framework for professionals in Corporate Banking, Consumer Banking (Business Banking), Risk Management and International Banking. The curriculum blends the technical credit skills required with the relationship management skills, enabling NBK employees to serve and exceed our customers' expectations consistently. The curriculum provides development from the most junior level employee to senior employees and enables one credit risk language and approach in NBK. Similar initiatives are now developed for other areas in NBK during 2017 and 2018.

Support of University Financial Services Clubs

We sponsor university clubs relevant to financial services: the International Relations Club at the American University of Kuwait, the Kuwait University’s Financial Club, and the Public Administration Club at Kuwait University.



NBK Continues Strategic Focus On Succession Planning and Recruiting

Recruiting Kuwaiti Talent

In addition to providing training and development to enhance skills of current NBK employees, NBK has a strategy to attract and hire qualified nationals and improve their skills in order to prepare highly qualified Kuwaiti banking leaders in the future. Developing and hiring local workers is an especially important aspect of sustainability in countries with high levels of foreigners in general employment and key management positions. Kuwait is committed to this, given the high percentage of expats in our general population, which was estimated at 70% in 2016.

We are optimistic about NBK's ability to recruit new talent into the organization. In 2016, NBK was ranked as the #1 for "Employer Attractiveness" among Kuwait private companies* based on Universum's assessment of students' and young professionals' perceptions of:

- Employer Reputation and Image (e.g., exciting products, innovation, corporate social responsibility, prestige)
- Remuneration and Advancement Opportunities (e.g., path for advancement, competitive salary and benefits, future earning potential and advancement opportunities)
- People and Culture (e.g., creative, friendly work environment, commitment to diversity and inclusion, meritocracy)
- Job Characteristics (e.g., challenging work, customer focus, flexible working conditions, professional training and development)

*NBK was ranked 4th overall, however the top three companies were Kuwait Oil Company (government entity), Google (multi-national company), and Kuwait Investment Authority (government entity)

Performance Management

NBK's employee development is supported by our performance management system. This includes definition and development of identified competencies such as leadership and management, collaboration, teamwork, relationship building, accountability, analytical thinking and problem solving, and more.

Succession Planning

NBK has a robust succession planning process that is executed and updated at least yearly. The purpose of this exercise is to identify and develop potential successors for all the key roles that are vital to NBK's business continuity and long term success.

Succession planning is a systematic process of planning for the development and placement of people in key executive management and other critical positions. Critical positions are those roles that are essential for the effective functioning of the Bank, and when left vacant, harmfully impact the business' ability to achieve our strategic goals. In order to identify NBK's critical positions, NBK looks into roles in terms of the contribution to the enterprise, loss percentage, position/talent availability, bottleneck position and contribution to the Bank.

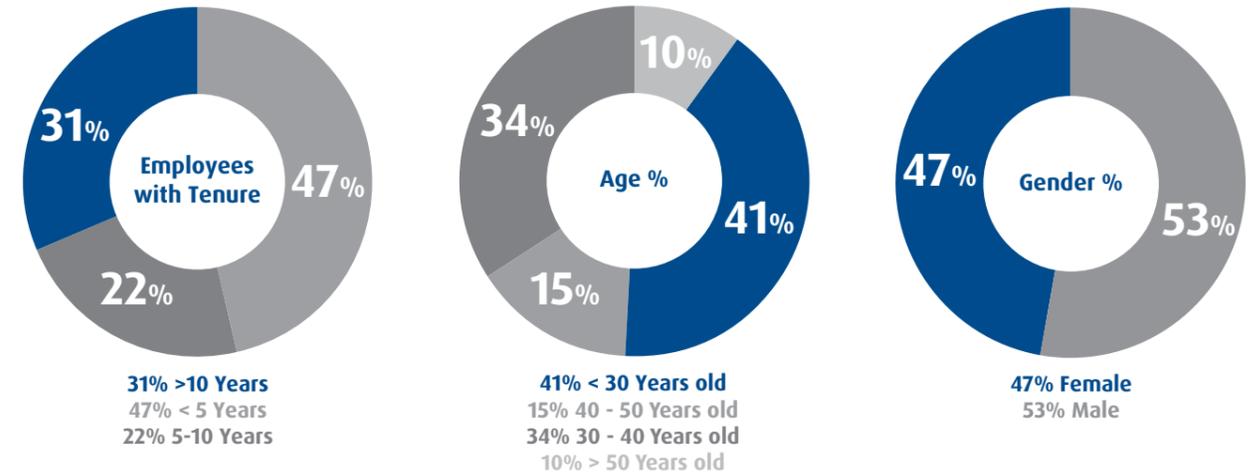
By identifying leadership talent early and cultivating it through training, mentoring, and job rotation, the organization can establish, maintain and nurture a pipeline of leadership talent.

NBK Promotion of Employee Businesses

Imagine you are an employee at the bank and you have your own business. NBK offers ways for you to promote your products to fellow employees, such as enabling you to set up a booth in the cafeteria area to sell your products. This NBK program to encourage employees in developing a side business is important for supporting employee development, enhancing business acumen, and promoting engagement.

Diversity/Equal Opportunity

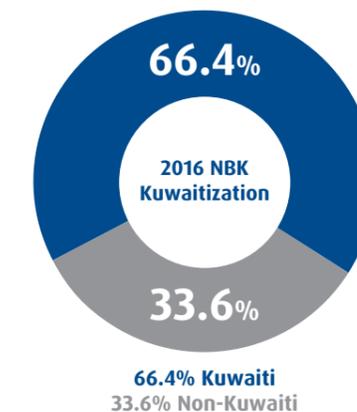
NBK's total staff in Kuwait in 2016 is 2,271 employees. The charts below illustrate the longevity, gender split and age distribution of NBK's Kuwait-based workforce in 2016.



NBK already has a diverse workforce of employees originally from other nations, which contributes to a broad representation of different nationalities, religions, ethnic groups, cultures, historical knowledge and worldviews. We currently have employees of 38 different nationalities.

NBK is committed to embracing diversity and equal opportunity in our workplace. For us, unlike most organizations, the most material diversity-related issue is increasing the percentage of Kuwaiti nationals in our workforce. As indicated in the chart below, in 2016, 66.4% of NBK's workforce was Kuwaiti. NBK has programs aimed at increasing this percentage.

NBK Kuwaitization



In 2015, 73% of junior level employees were Kuwaiti nationals, while 37% of senior level employees were. As mentioned earlier, with only 30% of Kuwait’s population being Kuwaiti nationals, NBK is implementing a number of recruitment and training and development programs to increase the percentage of our workforce who are Kuwaiti nationals.

In 2016, 86% of new hires (282 of 328) were Kuwaitis, attesting to the effectiveness of our efforts.

In addition to the NBK Academy and Al Shabab training and development programs already described, our recruitment efforts include:

- Internship training programs for more than 150 students per year, held in coordination with universities in and outside Kuwait
- Service level agreements between NBK and Kuwait University, Australian College (ACK) and GUST University
- Sponsoring OSTA office at Kuwait University
- Public Administrations Club (Kuwait University)
- Accounting Club – GUST University
- Participation in annual job fairs at universities (MGRP, Kuwait University, ACK, AUM University, GUST University)

NBK is also committed to a work environment and culture that help us recruit for, develop and promote gender diversity and equality. In our view, women’s empowerment and bridging the gender gap are important for fully accessing the value of all our human resources, as well as for enabling each individual woman to develop to her full potential.

As one step toward advancing women in management, NBK held a “Women in Leadership” forum.

In 2016, NBK’s total workforce was 53% male, 47% female. Women today make up more than 50% of our Junior workforce, creating a strong development pipeline for us, and around 25% of mid-level and executive management.

2016 Gender Diversity NBK Kuwait Employees	Total	Male	Female	Female %
Employee Gender NBK Total Workforce	2,271	1,209	1,062	47%
Employee Gender NBK Junior (Grade 4 - 11)	1,824	879	945	52%
Employee Gender NBK Mid Management	283	195	88	31%
Employee Gender NBK Executive Management	164	135	29	18%

Commitment to Women’s Empowerment Championed by NBK Senior Executive Deputy Group CEO Shaikha Al Bahar

National Bank of Kuwait (NBK) Deputy Group Chief Executive Officer Shaikha Al Bahar is probably NBK’s most vocal champion of gender equity. As the only female NBK executive officer, Al Bahar has been presenting the issue of gender equality in the Arab world at international conferences, such as the London Business School 12th Middle East Conference titled “Bridging the Gap”, held recently in the United Kingdom and the ‘Diversity in Leadership: Business Roundtable’ hosted by Pearl Initiative in March 2016.

Speaking of her own experience at NBK, Al Bahar was quoted as saying “At NBK, I have been fortunate to work with, and learn from, highly professional, educated and dynamic individuals from across the region and the wider world. The working environment is wholly supportive of individuals’ career aspirations irrespective of background, race, gender or creed. The culture at NBK is very diverse and results-oriented, with active encouragement given to those individuals keen to advance their knowledge and develop their skill set. The bank has made it a point to invest in its human resources, through management training and professional development programs at all levels. Women make excellent managers, and we do have our share of them at NBK. Their high standards, interpersonal and people-management skills as well as decision-making competencies hold them in good stead from middle management positions to the highest rungs of the corporate ladder.”

In describing the national and regional context for women’s role in business, Al Bahar said:

“Women’s share in the labor force has more than doubled from 20% in 1980 to 43% in 2013 and is still rising. Kuwait has the third highest female labor force participation rate in the Arab region and almost double the Arab average as well. Few or no limits have been placed on women’s rights in the commercial and business sphere. Women are entitled and free to own land, property and assets and can engage in financial transactions independently and freely.”



Engaging Employees

Employee engagement, loyalty, motivation, willingness to put in extra effort beyond their job description – all of these impact not only employees' experience and the work climate for all of NBK, but customer satisfaction and business performance overall. Recognizing this business rationale for supporting employees and creating a positive work environment led NBK to launch the 'I AM NBK' program in April 2012 in the Consumer Banking Group, and then organization-wide in June 2014. Our I AM NBK program focuses on engaging every employee in living our values and collaborating in serving customers.

The I AM NBK 8 Principles are listed in the sidebar. These include behavioral descriptions such as "My responsibility is to understand the problems you are facing and support you in finding a solution" and "I strive to deliver above your expectations." Major elements of the program are described below.

I AM NBK is an internal program centered around employees assuming responsibility and ownership as we strive to continuously exceed our customers' expectations and provide the best quality of service. The program recognizes staff and awards them for going above and beyond required job duties, for 'going the extra mile' in the day-to-day routine. I AM NBK's engagement focuses on enhancing employees' work environments to build a motivated culture as the program adds value to their work through recognition. It has been recorded that staff feel appreciated when visited by management to be awarded for I AM NBK in their place of work.



The program has been extremely effective. The introduction of I AM NBK has boosted Customer Satisfaction Score, Customer Experience and Service Quality, as shown below. In addition, sales performance has improved radically since 2011 and exceeded expectations in all products such as Loans, new Al Shabab Customers, Deposits, Salaried Customers and Credit Cards.

	2012	2013	2014	2015	2016
CSI Score	84%	88%	88%	92%	91%
CE Index	86%	86.50%	85.80%	85.80%	87.85%
SQ	94.50%	96%	96.50%	95.80%	96.11%

The impact of I AM NBK on employee engagement is measured qualitatively, not quantitatively. It appeared that the program has positively affected employee engagement across the various activities conducted throughout all communication channels across all NBK Groups. According to survey results in 2015, the overall majority of Consumer Banking Group staff believes that I AM NBK relates to them and agrees that the program is helping motivation and engagement across NBK that is enhancing excellence both internally and externally. This is due to the optimization of initiatives done to create awareness and build engagement to ensure employees receive recognition for their efforts and dedication to NBK. As such, there have been noticeable benefits seen after the inception of the I AM NBK program, separate from other initiatives launched to enhance employees' commitment. We have found that the higher employees' awards, the more loyal they are to NBK.

Employee 'Town Hall' events were one other important NBK initiative to improve employee engagement and foster two-way communication. NBK started town hall meetings in 2015 and these are done across all divisions with senior management present.

Employee Retention

As demonstrated in the chart below, in 2016 NBK had a relatively low voluntary employee turnover rate of 13.8%, a decrease from 2015, but not yet all the way back down to 2014's rate.

Turnover Rates in NBK 2014-2016	2014	2015	2016
Voluntary Turnover %	12.6%	14.4%	13.8%

To provide some context for this, according to the TD BANK 2015 Corporate Responsibility Report (with TD Bank being one of the most highly rated CR companies in the world), the TD BANK's total turnover rate was 21.3% in 2015 (an increase of 3% from 2014). Their voluntary turnover rate was 11.0% in Canada and 22.6% in the U.S..

NBK has a number of initiatives aimed at increasing retention and preventing loss of talent. These include:

- In 2016, starting to record data for each employee who has been retained during 2016 onwards
- Identifying areas/managers with high turnover rates and informing Human Resources Business Partner (HRBP)/Head of business
- Visiting branches/departments to identify/understand further potential issues that contribute to the attrition rate
- Working with HRBPs to identify areas for concern, e.g. managers with a high attrition rate in their area
- Working with Centers of Excellence to improve/change our processes/procedures when issues are identified
- Identifying staff who applied for more than three IHEs in a 12-month period and meeting them to ascertain if there is a risk of exit
- Offering one-on-one discussions for staff with issues

In addition, an NBK orientation program that aims at reducing the number of exits of staff who have served less than one year has been implemented on the 1st of May, 2016 and is currently ongoing. NBK's Human Resource Department is also currently reviewing the NBK Academy approach and has already surveyed 128 NBK Academy graduates. Their analysis and recommendations will be made to management.

Employee Health and Safety

NBK employees enjoy national health insurance, which provides them with very solid coverage. In 2015 NBK enhanced employee benefits by introducing a new insurance company that expanded the network of direct billing hospitals and clinics available to employees and their families.

Banking in general is a very safe work environment. NBK has programs such as on-site clinics in Kuwait branches, CPR training, flu vaccines, hypertension prevention, and fire drills to address health, wellness and safety issues. NBK also runs campaigns to prevent drunk driving and texting while driving.

Compensation and Benefits

In 2013, NBK contracted with the performance/reward consulting firm McLagan to conduct a thorough compensation benchmarking study, examining job titles and job descriptions. Over the past two years NBK began implementing recommendations from the benchmarking study to unify and update our salary scale with the external market.

During the 2015 salary review process, promotions and salary adjustments were made to better align the compensation of eligible staff with the median for their respective job titles. NBK refined our reward structure to retain and motivate top performing employees and reward selected professional certifications.

NBK provides an insurance coverage benefit for all staff, spouse and two children up to the age of 23 years old.

In addition, NBK Kuwaiti national employees benefit from the substantial benefits available to Kuwaiti nationals. These include healthcare, housing, and transportation allowances. For example, Kuwaiti nationals receive:

- MGRP's social allowance to encourage Kuwaitis to work in the private sector (e.g., marriage and child allowance, etc.)
- Rent allowance for all Kuwaiti married males who don't have a private accommodation
- PIFSS's deduction of a monthly amount from all Kuwaiti staff who are working in the private sector to obtain a salary when they retire

Labor Rights and Human Rights

NBK has a non-union workforce, however we have policies, practices and an organizational culture that support labor rights, high quality working conditions, and respect for human rights. NBK is in compliance with Kuwait Labor Law, which also covers human rights.

Within the context of the Environment Public Authority (EPA) of Kuwait standards and regulatory requirements, in both our internal operations and for the projects in which we invest, NBK adheres to regulations on human rights, such as indigenous rights and impacts on indigenous peoples and communities, protection of human health, protection of cultural properties, occupational health and safety, rights around involuntary resettlement, stakeholder engagement and participation. We are compliant with all laws regarding child and forced labor, freedom of association, collective bargaining, and non-discrimination. As mentioned, these requirements also apply to projects for which NBK provides financing, as projects failing to meet EPA's standards for environmental and labor practices will not be licensed.

Kuwait Labor Law

Ministry of Social Affairs and Labor

The minimum level of workers' rights defined by Kuwait Labor Law applies to all workers in the private sector. The Law covers:

- Employment, Apprenticeship and Professional Training
- Employment of Juveniles (No child labor for persons under 15 years of age)
- Employment of Women (70 days paid maternity leave and job protection, 2-hour break for feeding infants, equal pay for equal work, protection from hazardous or exploitive work)
- Work Contract
- Obligations of Workers and Employers and Disciplinary Penalties
- Termination of Work Contract and End of Service Benefit
- Work Systems and Conditions (Remuneration, Working Hours and Weekends, Paid Annual Leaves)
- Rules of Safety and Occupational Health
- Collective Work Relations (Workers, Employers' Organizations and Syndicate Right, Collective Work Contract, Collective Work Disputes)
- Work Inspection and Penalties



Caring for Our Environment

NBK's New LEED-Gold Headquarters Building | Our Environmental Footprint | Sustainability in Our Products and Services

NBK's New LEED-Gold Headquarters Building

NBK's new LEED-Gold Headquarters Building in Kuwait City is nearing completion. We will go from our current situation of spilling over into three buildings in different parts of the city to one stunning tower that will embellish Kuwait City's skyline and embrace our historical roots. Architects and engineers were given three functional requirements to guide the design process: The building had to be iconic, functional and sustainable.

The 62-floor, 130,000 m2 tower incorporates passive design, including among other things, high performance glass for the building envelop, giant shading fins that run 300 meters vertically along the sun path, and finishes that include local and recycled materials. It is equipped with energy saving features and advanced building management controls to reduce CO₂ emissions. One of the exciting features is under-floor AC technology, with a 7,000 m³ 'ice room' that will supplement the chillers and heat exchangers during peak loads to provide cooling using significantly less power by cooling air naturally before it enters the air conditioning system. Also, the building is equipped with twin-lift technology and destination control systems to improve efficiency, reduce building areas and reduce electricity consumption. The open-plan, public spaces and office space design are intended to cultivate both individual well-being and interdepartmental communication among NBK's employees working in the building. The tower will also have a gym, training rooms, function hall, an auditorium, prayer rooms, sky gardens, a staff cafeteria, a dedicated museum space of 600 m² to display historical documents and artifacts, and the NBK main branch.

Our striking LEED-Gold certified building is designed to meet our business office and working space needs in Kuwait's harsh climate as one of the hottest spots on the planet, where temperatures in July usually peak above 50 degrees C (122 degrees F). It embraces sustainable design features that include site sustainability, water efficiency, gray water recycling, energy and emissions reductions, indoor environmental quality, and social interaction, while meeting Kuwait's regulatory requirements. It serves as an exemplar of sustainable design in Kuwait.



NBK Headquarters LEED Design Targets

- Targeting LEED-GOLD
- Total points targeted: 69 of 110
- Approx. 40% energy performance enhancement
- Approx. 30% savings in indoor water use
- Min. 50% construction waste diversion rates
- 80% site open space
- Green Roofs
- Onsite Grey water recycling fulfilling minimum of 10% of total flushing demand
- Enhanced Commissioning
- Low VOC materials
- Targeting 30% RC
- Enhanced exterior views to +90% of regular occupants
- Targeting 100% Certified Wood
- Advanced Multi-Mode Lighting Control with daylight and presence controls



NBK Green Building – Sustainable Building Certification (LEED)

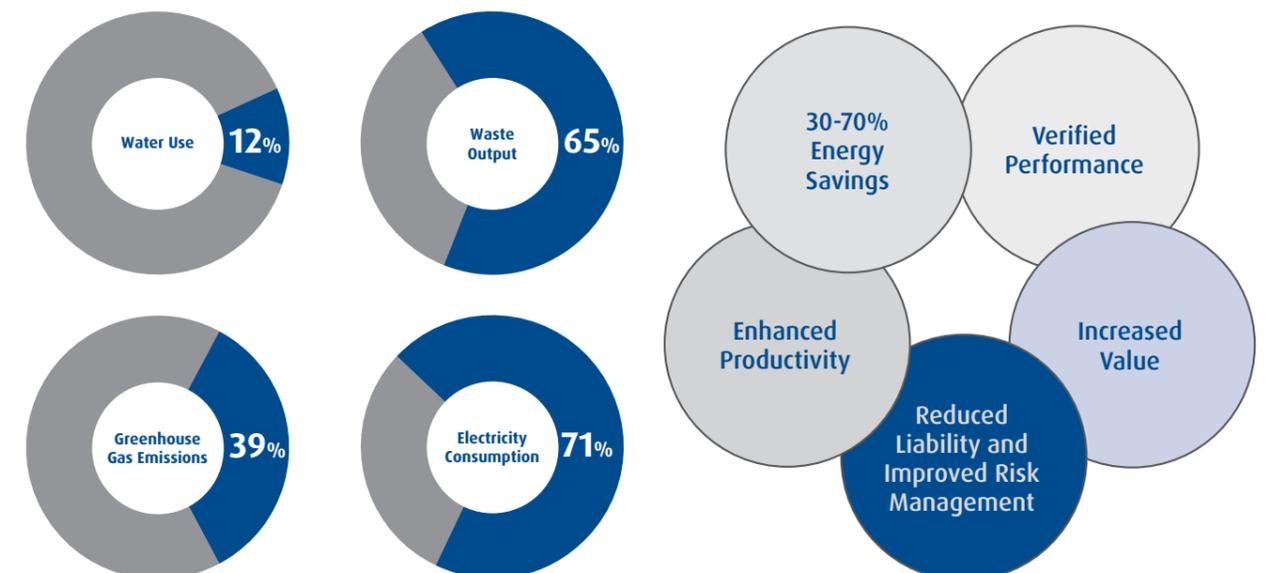
Traditional building practices often overlook the interrelationships between a building, its components, its surroundings, and its occupants. As a result, conventional buildings consume more resources than necessary, negatively impacting the environment and generating a large amount of waste. The United States Green Building Council (USGBC) estimates, that on average buildings alone in the U.S. are responsible for:

- 71% of electricity consumption
- 39% of energy use
- 39% of all carbon dioxide (CO₂) emissions
- 40% of raw materials use
- 65% of waste output (136 million tons annually)
- 12% of potable water consumption

These findings have ushered the construction industry into a new paradigm, that of sustainable development, which is not only concerned with producing iconic buildings, but doing so while prioritizing the buildings' added value to their occupants, local community and environment. Clients with various levels of social responsibility are now keen on portraying their commitments to their local communities through the construction of their new buildings, with major financial institutions leading the way. Green buildings promote resource conservation through energy efficiency, renewable energy, and water conservation features. These environmentally sensitive buildings consider environmental impacts, waste minimization and social impacts at the design stage. Additionally, they aim for:

- Healthy and comfortable environments
- Reduction of operation and maintenance costs
- Historical preservation
- Access to public transportation and other community infrastructure systems

The entire lifecycle of the building and its components is considered, as well as the economic and environmental impact and performance.



The negative impact of buildings on our environment as per the United States Green Building Council (USGBC)

Added value by sustainable buildings

NBK, the “veteran and premier financial organization in Kuwait and the Middle East”, has for 65 years been an integral part of the Kuwaiti Community, maintaining a significant impressive commitment to social involvement that is now evolving to meet the most pressing demand of the 21st century, namely “sustainability”.

Accordingly, the new headquarters tower must not only provide an excellent internal environment for the bank’s employees, but it must be an exemplar of construction and operation efficiency and become the “greenest” possible office building with the lowest possible building “carbon footprint” in the State of Kuwait. **NBK’s** new headquarters demonstrates the corporation’s commitment to environmental and social responsibility to the local community by actively supporting the Kuwaiti government in its global commitments about climate change, specifically the Kyoto protocol.

LEED as a Benchmarking Tool for NBK

The NBK headquarters tower should pronounce the bank’s global status through its sustainable commitment; demonstrating the bank’s global environmental awareness while attracting the highest caliber of international financial and banking professionals. The optimal method of doing so was by allowing the building construction and operation to be rated by an independent, international expert community such as the USGBC. **LEED** (Leadership in Energy and Environmental Design) certification is third-party validation of a building’s performance. **LEED** certified buildings cost almost 20% less to operate and maintain; consume 25% less energy and 11% less water; have 34% lower CO² emissions, have higher value for money than conventional buildings in their markets; are healthier and safer for occupants; and are a physical demonstration of the values of the organizations that own and occupy them.

NBK’s objective was set early on during the conceptualization phase of the project: to achieve a **Gold** rating for the **NBK HQ** tower as determined by **LEED New Construction (v3 - 2009)** rating system. Let’s look in detail at the plan to achieve this objective.



NBK LEED Assessment

There are 110 possible points and four ratings in **LEED v3**. Each rating corresponds to a required number of points:

- Certified (40-49 points)
- Silver (50-59 points)
- Gold (60-79 points)
- Platinum (80+points)

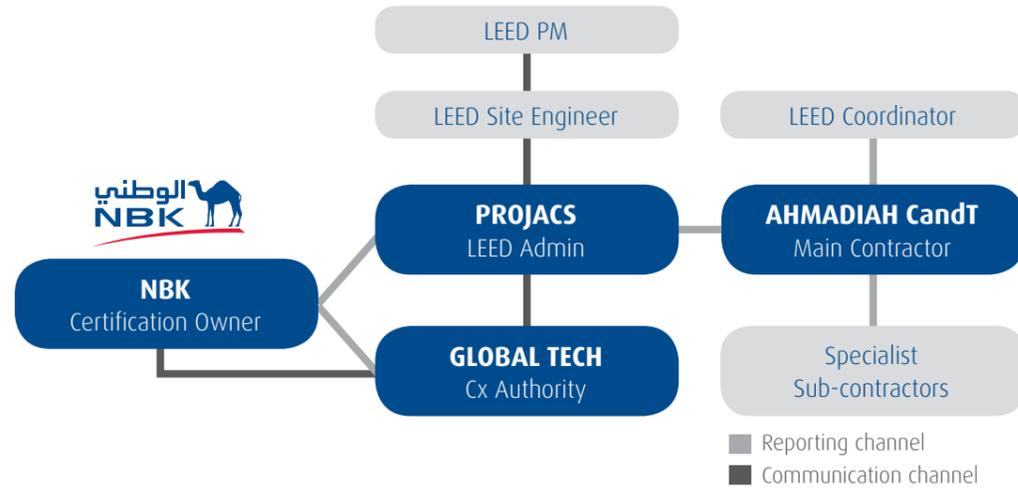
The **LEED v3** system is structured into seven main credit categories; of which two categories are related to additional **Bonus** credits contributing to a total of **10** possible points of the overall 110 points of the system. These categories are:

- Sustainable Sites (SS)
- Water Efficiency (WE)
- Energy and Atmosphere (EA)
- Materials and Resources (MR)
- Indoor Environmental Quality (IEQ)
- Innovation and Design Process (ID)
- Regional Priority (RP)

The project team examined the tower design and construction methods against the LEED rating system points and identified 69 targeted points that currently are on track to achieve a LEED-Gold rating. 32 of the 110 points have been deemed unachievable at this stage of the project, leaving 9 possible points that may prove to be achievable or not achievable according to their cost-benefit added value to the building. This current project target is summarized in the following simplified chart indicating targeted points under each major LEED system category.



It is important to note that the certification process, although principally managed by **Projacs International**, is a collective effort involving all members of the design and construction team, as depicted in the following LEED team organization.



The matrix overleaf identifies the **69** targeted credits/points and the necessary strategies currently implemented into the building's design for construction plan.

Our Environmental Footprint

For years, NBK has been leading initiatives within our internal operations and in the community aimed at conserving energy and resources and preserving our natural environment.



That said, formally assessing our internal environmental impact by monitoring energy and resource consumption, carbon footprint, Green House Gas (GHG) emissions, and waste is new to NBK. We are working to build the data management systems to accurately measure and effectively manage improvement in these areas. In this report, the information disclosed reflects our best understanding and available data to date.

Internal Environmental Sustainability Initiatives

NBK has a number of resource efficiency initiatives within our operations:

- Recycling paper
- Shutting off all lights in 68 branches over weekends to save energy
- Using power saving equipment
- Implementing power saving air conditioning and lighting measures
- Transitioning to digital rather than paper documentation and communications
- Incorporating resource efficiency actions within printing, such as recycled toners

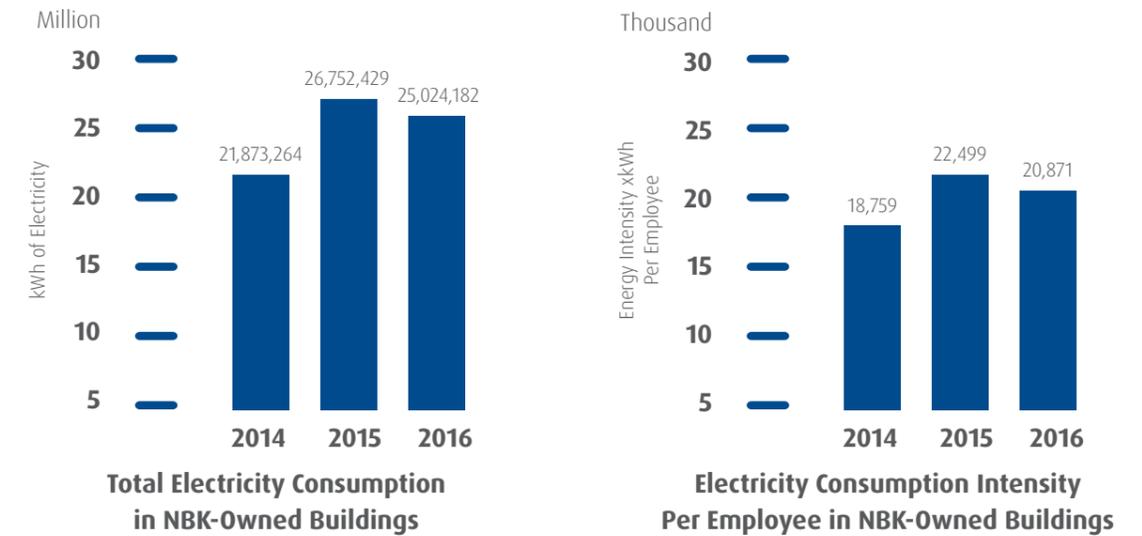
- Exploring paperless branches
- Reducing transportation
- Assigning staff close to residences when possible
- Reducing travel when possible
- Since 2006, making corporate shuttle service available between office buildings in Kuwait City to encourage ridesharing
- Conducting a feasibility study of reducing power consumption by using LED lights and renewable solar power in place of conventional lamps

The following section summarizes NBK's energy consumption, greenhouse gas emissions and water consumption in NBK-owned facilities for 2014, 2015 and 2016. Intensity data is calculated based on the 1,199 employees housed in the facilities for which we are reporting consumption data [2,271 (NBK Kuwait), plus 125* (NBK Capital), plus 33 (Watani Brokerage), minus 1,230 (Arraya)=1,199].

* Kuwait staff only.

Electricity Consumption at NBK-Owned Buildings*	2014	2015	2016
Total Electricity Consumed (kWh of Electricity)	21,873,264	26,752,429	25,024,182
Energy Intensity (kWh/FTE)	18,759	22,499	20,871

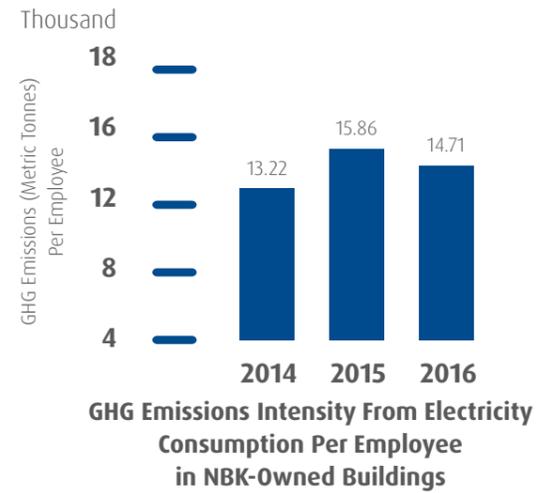
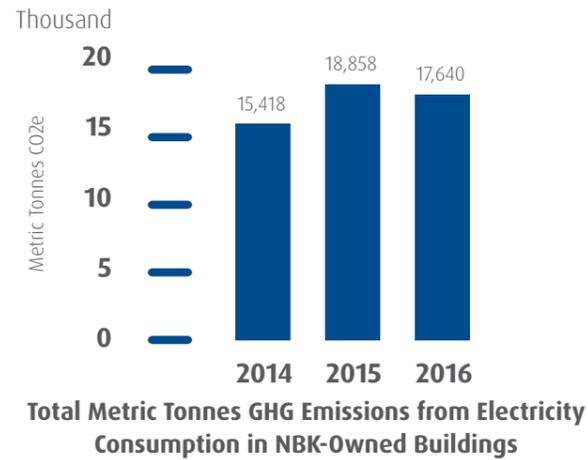
*Note: This does not include data from our Arraya facility, which is incorporated into our rental agreement so not tracked separately at this time.



GHG Footprint from Electricity Consumption at NBK-Owned Buildings*	2014	2015	2016
Total GHG Emissions (Metric Tonnes of CO₂e)	15,418	18,858	17,640
GHG Emissions Intensity** (Metric Tonnes/FTE)	13.22	15.86	14.71

*Note: This does not include data from our Arraya facility, which is incorporated into our rental agreement so not tracked separately at this time.

**Emissions factor Kilowatt Hour 0.72926 kgCO₂e/kWh from emissionsfactors.com database last update 2015 for calendar year 2014.



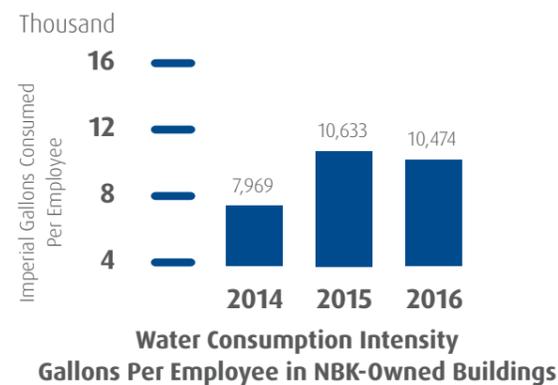
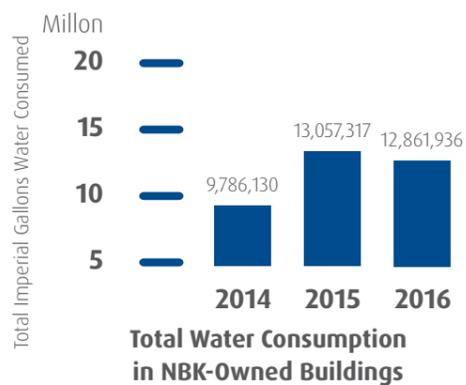
Water Consumption at NBK-Owned Buildings

Water consumption in NBK-owned Kuwait headquarters, branches and other facilities for 2014-16 are summarized in the chart below. At NBK, water is employed for employee use and cleaning.

Water Consumption	2014	2015**	2016
Total Water Consumed* (gallons)	9,786,130	13,057,317	12,861,936
Water Intensity (gallons/FTE)	7,969	10,633	10,474

*Note: like our energy data, this does not include data from our Arraya facility, which is incorporated into our rental agreement so not tracked separately at this time.

** In 2015, water consumption data for our Headquarters 1 Building (HQ1) was inaccurate due to faulty meters. The inaccurate meters were replaced by the Kuwait Ministry of Electricity and Water by May 2015. Therefore, determining 2015 water consumption required using our best estimate for HQ1 consumption. In order to estimate 2015 HQ1 consumption, we compared the consumption from 2014 to 2015 for all our other buildings: Headquarters 2 Building (HQ2), the branches and our storage facilities (all of which had accurate meter data). HQ2, the most comparable building to HQ1, increased 36.3% from 2014 to 2015; the branches increased 34.2% and our storage facilities increased 11.2%. Because of HQ1's similarity to HQ2 and because HQ2's increase was the largest of all our buildings, we used HQ2's percentage increase (rather than an average percentage increase across all our buildings) in order to develop the most conservative possible estimate for HQ1. Thus, total consumption for HQ1 for 2015 was obtained by multiplying its 2014 water consumption of 3,706,300 gallons by a 36.3% increase to create an estimate of 5,051,6867 gallons.



Unfortunately, our facilities-related energy consumption, GHG emissions, and water consumption increased between 2014 and 2015. Electricity and water use varies somewhat year to year because of weather temperature differences, with particularly high electricity consumption during months where high temperatures require air conditioning. In the summer months of June through September, Kuwait's temperature highs average over 42 degrees Celsius. This increase is also explained in part by the fact that in 2015 we had 3 more branches and added a large storage facility in Al Ahmadi. We did reduce both electricity and water use slightly from 2015 to 2016. We expect our environmental footprint related to facilities to decrease once we are established in our new, more sustainably designed headquarters building.

Waste: Electronic Equipment Recycling

Any obsolete office equipment such as computers, printers, fax machines, and photocopiers are usually sent from the business units to Jleeb Al-Shuyoukh stores as scrap items. Sometimes NBK re-sells them to staff through "a garage sale", and on many occasions, we sell everything as a whole to an outside buyer for reuse, refurbishing, recycling or resource recovery.



The revenue from sales of machines sold during the last three years was KWD 25,059, broken down as follows:

- 2014 = KWD 4,144
- 2015 = KWD 10,229
- 2016 = KWD 10,686

All electronic equipment is wiped clean of data by NBK's IT department prior to leaving the bank.

Waste: Paper Use Reduction and Paper Recycling

The average revenue made from paper recycling during the last 3 years was KWD 2,275 per year.



NBK has initiatives to promote automation and electronic payments (both internally and through encouraging customers to move toward being cash-less and paper-less). In 2016, 96% of all consumer transactions are NOT in branches. Increasingly, electronic materials are used rather than paper. We also have an automated procurement system which avoids paperwork in materials purchasing.

Transportation

NBK's new headquarters building is projected to have a significant reduction in our operational environmental footprint. In addition to the pleasant working environment and social engagement benefits, the new headquarters building will also have an immediate reduction of transportation energy and time that NBK staff currently spend commuting from building to building as they attend meetings throughout their regular workdays. NBK already incorporates a number of initiatives to reduce transportation, including: assigning staff close to residences when possible, reducing travel when possible, and enabling staff to use the corporate shuttle service between office buildings.

Integrating Sustainability into Products and Services

Major projects in the energy sector must comply with Kuwait's, the EU's and the World Bank's environmental standards – including Equator Principles – in order to be financed by NBK. (The Equator Principles are a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects. It is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making).

For Public-Private-Partnership (PPP) projects NBK finances, a project Environmental Impact Assessment (EIA) Study and Social Assessment are conducted as a condition precedent to financial close. The Project is assessed in relation to the overall environmental and social assessment and compliance requirements for Kuwait, IFC (International Finance Corporation) and the World Bank to ensure it meets the necessary standards. Additionally, we comply with the requirement regarding Project environmental standards as referred to in the technical guidance within the Kuwait Authority for Partnership Project's (KAPP) Request for Proposal (RFP) and the Project's Concession agreement.

In the case of these large PPP projects, NBK includes environmental and social analysis as a core part of NBK's responsible finance and investment process. The Projects follow Kuwait, World Bank/IFC environmental standards and adhere to the Equator Principles. The requirements for each of the three authorities are provided below.

Environmental and Social Impact Assessment Requirements Met by NBK-Financed Projects

Kuwait Environment Public Authority

Environment Public Authority (EPA) of Kuwait is an independent governmental organization dedicated to environmental action and domestic and international legislation and policy regarding the environment. The Environment Public Authority serves as the epicenter of governmental action regarding the preservation of the environment in Kuwait. It was founded in 1995 through law number 21. Since its establishment, the Environment Public Authority of Kuwait has been actively participating on a local, regional, and international scale with environmental legislation. The Environment Public Authority also enforces environmental legislation, alongside the environmental police of Kuwait, with penalties that vary depending on the environmental crime committed.

The Environment Public Authority prepares an executive regulation of authority established by law No. 21/1995 and amended with law No. 16/1996 concerning the environmental requirements, conditions, and standards required for the State of Kuwait. This law set standards by which all private institutions, citizens, and government institutions are to operate with regards to environmental law and protection of the environment. The law addresses the following:

- Development and Environment (including Environmental Impact Assessment and Business and Interior Environment)
- Land and Waste Management (including Chemicals and Hazardous Waste Management, Chemicals Management, Management of Hazardous, Toxic, Medical and Sludge Waste)
- Air Protection
- Coastal and Water Conservation (including Ecosystem Protection, Ship Pollution and Land Waste, Drinking Water and Groundwater, Coastal Environment Conservation)
- Biodiversity (including Rare Endangered Species, Natural Reserves, Kuwait Creek)
- Environmental Management (including Strategic Planning, Environmental Guards, Environmental Data Management, Environmental Crises and Disasters, Environmental Awareness and Publicity)
- Penalties
- Civil Responsibility and Compensation for Environmental Damage

NBK is fully compliant with the EPA's regulations, both internally (for example in our new Headquarters Building) and also for projects in which NBK invests. Projects are compliant with the following Ministry of Electricity and Water's regulations and energy conservation program, as relevant:

- General Specification for Electrical Installation (2016)
- Energy Conservation Measures in Residential Sector Building (2016)
- Energy Conservation Measures in Institutional and Commercial Sector Buildings, 2nd Edition (2016)
- Properties and Application of Insulating Materials for Buildings in Kuwait, 2nd Edition (2016)
- Regulations for Electrical Installations, 4th Edition (2016)
- Energy Conservation Measures in Hospital Building, 1st Edition (2014)
- Effect of Thermal Mass and Color on Building Heat Gains, 1st Edition (2012)
- Energy Conservation Programme, 2nd Edition (2016)
- Electrical Load Form and Related Explanatory Notes (2016)
- Use of Air-Cooled VS Water-Cooled Systems For AirConditioning of Kuwait's Buildings (2016)

Kuwait has committed to the Vienna Convention to protect the ozone layer, and the Montreal Protocol concerning exhausted material of ozone layer. These conventions brought forth an ozone layer protection committee that emerged from the Environment Public Authority of Kuwait to analyze and study the provisions of the protocol and convention. The Environment Public Authority also played a large role in the implementation of a special division within the Kuwaiti Ministry of Interior's police force that is tasked with environmental violations. The development of an 'Environmental Police' is considered the first of its kind in the region.

World Bank/IFC

The World Bank has its own specific environmental assessment and policy procedures, which are described in OP/BP (Operations Policy, Bank Procedures) 4.01 (1999, updated 2004). In addition to the general guidance, which closely accords with that of the Equator Principles and the IFC, there is also sector specific guidance. The Pollution Prevention and Abatement Handbook Thermal Power: Guidelines for New Plants (July 1998) provides guidance for environmental standards and abatement technology for power plants greater than 50 MW capacity.



The Equator Principles

Since June 2003, many financial institutions have adopted the Equator Principles. This is a voluntary set of guidelines based on IFC safeguard policies to ensure social and environmental issues are fully addressed. These have been revised and now apply globally to development projects in all industry sectors with a capital cost of \$10 million or more.

For projects with potential significant or limited adverse social or environmental impacts (Category A and B respectively) the borrower must complete and disclose a Social Environmental Assessment (SEA), previously called an Environmental and Social Impact Assessment (ESIA). The SEA must now comprise a detailed assessment of social and environmental impacts including labor, health and safety.

For projects located in non-OECD countries, as is the case for Kuwait, the SEA should also refer to the IFC Performance Standards on Social and Environmental Sustainability. The Equator Principles outline the industry approach taken by financial institutions in determining, assessing and managing environmental risk in project financing. Adoption of "The Statement of Principles" by the financial institutions stipulates the requirements for project financing in relation to the environmental assessment and compliance as follows:

- Project risks categorized in accordance with internal guidelines based upon the environmental and social screening criteria of the IFC
- For all Category "A" and Category "B" projects, the borrower has completed an Environmental Assessment, the preparation of which is consistent with the outcome of the IFC categorization processes and satisfactorily addresses key environmental and social issues
- In the context of the scope of the Project, the EIA report addresses the following, where applicable:
 - Baseline Environmental and Social Conditions
 - Relevant Host Country Laws and Regulations and Applicable Treaties and Agreements
 - Sustainable Development and Use of Renewable Resources
 - Protection of Human Health, Cultural Properties and Biodiversity, Including Endangered Species and Sensitive Ecosystems
 - Use of Dangerous Substances
 - Major Hazards
 - Occupational Health and Safety
 - Fire Prevention and Life Safety
 - Socioeconomic Impacts
 - Land Acquisition and Land Use
 - Involuntary Resettlement
 - Impacts on Indigenous Peoples and Communities
 - Cumulative Impacts of Existing Projects, the Proposed Project and Anticipated Future Projects
 - Participation of Affected Parties in the Design, Review and Implementation of the Project
 - Consideration of Feasible Environmentally and Socially Preferable Alternatives
 - Efficient Production, Delivery and Use of Energy
 - Pollution Prevention and Waste Minimization, Pollution Controls (Liquid Effluent and Air Emissions) and Solid and Chemical Waste Management

NBK recognizes responsible investment requires assessing risks associated with environmental and social impacts, and is committed to incorporating these sustainability considerations into our investment risk assessment and decision making more generally.

Giving Back to Our Community

Contributing to Our Communities | Highlights of Our Community Initiatives |

Our Four Community Contribution Pillars

Contributing to Our Communities

For 65 years, National Bank of Kuwait has remained dedicated to serving the people of Kuwait. We achieve this not only by providing the best banking services nationwide, but also through invaluable CSR programs aimed at enhancing Kuwait's community and society.

Since our founding in 1952, NBK has believed in the power and importance of giving back to the community. The table below summarizes NBK's CSR contributions from 1992 to 2016.

Summary of NBK's CSR contribution for the last two decades

KWD'000					
Aspects of Donation	Charitable donations, social and humanitarian contributions	The share paid to the Kuwait Foundation for Advancement of Sciences (KFAS)	The share paid to the National Labor Support Program	New NBK Children Hospital	Total in KWD
Year					
2014	606	2,372	6,489	169	9,636
2015	669	2,573	7,022	1,032	11,296
2016	750	2,520	7,263	3,500	14,033
Total in KWD					34,965
1992 - 2013 KWD					140,800
Total in KWD 1992 - 2016					175,765*

* Equivalent to USD 574.3 million as of 31/12/2016.

National Bank of Kuwait employees also play a significant part in the Bank's social initiatives. Our staff donate their time, energy, organizational skills (and even their blood) in campaigns and initiatives to support Kuwait's environmental improvements and its families in need.

Our CSR Reports over the years provide an accounting of the most noteworthy and important efforts by the Bank towards the people of Kuwait, demonstrating a clear record of NBK's continued dedication to the betterment of our beloved country for present and future generations. In the next section we quickly summarize the highlights of many of our more well-recognized community initiatives. After that, we describe NBK's strategic priorities, or 'Four Pillars' for our community contributions, followed by in-depth presentations of some of our work in each of these four strategic areas.

We take this responsibility very seriously and in line with this, we integrate social growth and development as a fundamental part of the Bank's mission and objectives.

Highlights of Our Community Initiatives

NBK is well known for our strong history of social contribution to the community, and we have traditionally served as a model for Corporate Social Responsibility in Kuwait. Over many years we have demonstrated our commitment to CSR, in particular by supporting healthcare, educational programs aimed at developing Kuwait's skilled youth, and community educational and healthy lifestyles initiatives. The table below lists key CSR initiatives over the last three years.

Summary of NBK's CSR contribution and noteworthy initiatives for the last three years

2014	2015	2016
"I Dream to Be" initiatives	NBK 20th walkathon	First Children's Bone Marrow Transplant Center in Kuwait
Summer Training Program	Bayt Abdullah Carnival	Support Education
Omniaty for Children with Cancer	Schools and Universities Visits	Be Aware Campaign for Breast Cancer Awareness Month
Cultural Support: NBK Museum	Sirdab Lab for SMEs	Blood Donation
Pin2 Challenge for School Students		"Abdullah Wins" Story Book for Sick Children
Ghadi Project for Syrian Refugees		Distributed More Than 1,000 Iftar Meals Daily During the Month of Ramadan
		Support KRCS
		Support Loyac
		Cultural Support: Al Shaheed Park
		Support Student Clubs in Universities and Colleges



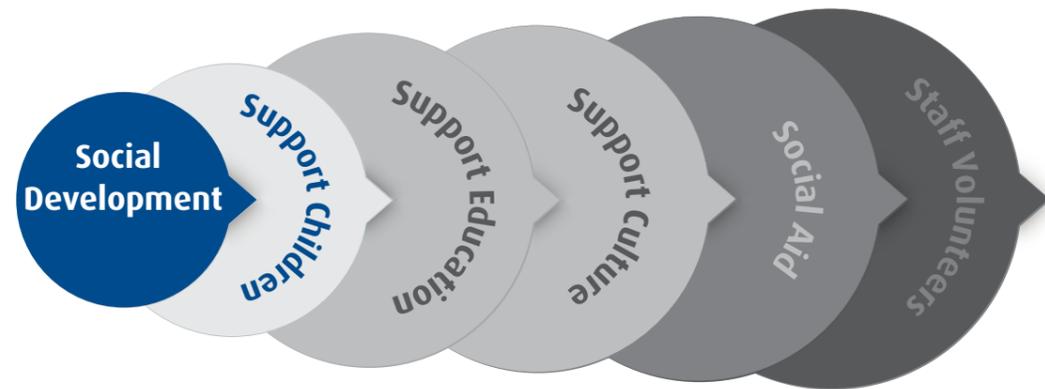
Our Four Community Contribution Pillars

NBK's community contribution focuses on Four Primary Pillars: Social Development, Children's Care, Health, and Environmental Development. Our core vision, plans and initiatives in each of these pillars are outlined in the following table. We then profile several of our most well-known philanthropic initiatives. Our Human Development programs are described in the People Section of this report, under Training and Development.

NBK's Strategic Approach to Community Contribution

Pillars	Vision and Plans	Initiatives
 <p>Social Development</p>	<ul style="list-style-type: none"> Support education programs Support sports activities Support children's programs Social welfare programs Social awareness and responsibility Support cultural activities Volunteering 	<ul style="list-style-type: none"> Honor high school graduates Mutual visits with universities and schools Sponsor 'Pin2' Challenge Employee engagement in CSR Supporting Al Shaheed park activities NBK Museum Iftar banquets
 <p>Children's Care</p>	<ul style="list-style-type: none"> Support children's care societies Support children with cancer Support children with autism Support children with learning difficulties Support children's celebrations and events 	<ul style="list-style-type: none"> Children's bone marrow transplant center NBK Children's Hospital Support Bayt Abdullah "I Dream to Be" initiatives Storybook for sick children Center 21
 <p>Health</p>	<ul style="list-style-type: none"> Breast cancer Blood bank Staff health Promotion of sports and active lifestyle 	<ul style="list-style-type: none"> Free health check-ups for employees Staff health offers Walkathon Contribution to support Kuwaiti participants in 2016 Rio Olympic Games Support Al Sedra Center
 <p>Environmental Development</p>	<ul style="list-style-type: none"> Awareness for environment protection and conservation Participation in events to raise awareness Support initiatives 	<ul style="list-style-type: none"> Support for Loyac environmental initiatives Beach clean-ups Recycling Energy conservation Clean Kuwait desert

Social Development



Summer Internship Program

NBK recognizes the value of real-life work experience and therefore offers all Shabab card holders opportunities for summer internship programs. Students from high schools and universities in Kuwait can participate in summer internship programs that introduce them to all aspects of banking, provide them with training courses and access to NBK Academy lectures and give them an opportunity to gain real-world work experience as a head start on their professional career ambitions.

Honoring High School Graduates

As part of our strategy, NBK honored outstanding high school graduates of public schools for the school year 2015-2016. The Bank expressed our appreciation to these students for their hard work through cash rewards and more importantly, professional training opportunities to encourage them to always work hard and excel.

Kuwait University Universities Fair

NBK was the main sponsor and organizer of the KU Universities Fair in 2016. Organized by KU's Student Affairs, the fair featured more than 50 educational institutes including public and private universities and colleges, the Ministry of Higher Education, the National Guard and all the military academies. Exhibitors met with high school graduates during the fair to help them choose among all the available academic disciplines, learn more about how to register and provide academic consultancies.

Al Shaheed Park

As part of our social development pillar, NBK sponsored Al Shaheed park's cultural events during 2016 in order to support cultural and heritage activities and encourage Kuwait's youth to develop community responsibility and engagement.

Support for the American University of Kuwait

NBK sponsored several AUK student activities during 2016. NBK's sponsorship is in line with the Bank's commitment toward encouraging merit-based educational activities and students' professional aspirations and ambitions.

Support for Gulf University for Science and Technology

NBK supported several student-led initiatives and activities at the Gulf University for Science and Technology as part of the Bank's CSR program to encourage merit-based professional development, innovation and creativity among Kuwait's youth.

Support for Kuwait University

NBK sponsored Kuwait University student activities as part of our corporate social responsibility toward the youth of Kuwait

in order to encourage a commitment to study, academics and hard work and develop youth cadres' future potential. In addition, NBK also sponsored Kuwait University's 50th Anniversary lecture titled "Present challenges and future visions".

Support for Australian College of Kuwait

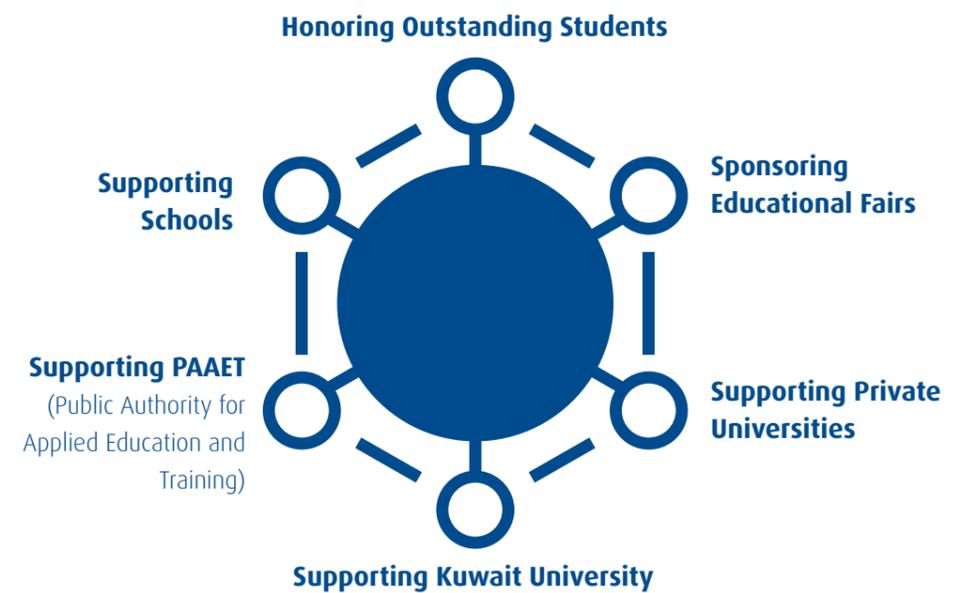
In line with our efforts to encourage the development of Kuwait's youth and provide a range of opportunities, NBK sponsored several ACK student-led programs and activities.

Support for PAAET (Public Authority for Applied Education and Training)

Reaching both public and private sector universities and colleges through the Bank's CSR program allows NBK to ensure that opportunities for development, training and support are shared equitably among Kuwait's youth cadres. The Bank supported several student-led initiatives at the Public Authority for Applied Education and Training as part of our larger CSR focus on developing Kuwait's youth and preparing them for a successful future career.

Schools

Further to its support for schools and various educational stages NBK sponsored the Youth Club at Dasman Bilingual School to help build youth leadership, talent and creative skills.



PIN2 Challenge

For the fourth year in a row, NBK sponsored the PIN2 Challenge for school students. The PIN2 Challenge aims to encourage merit-based excellence at the high school level and to that end offers a training program. This challenge invites high school student participants to work in a collaborative environment to develop a business plan. Students take part in a four-week series of workshops that provide theoretical and practical training in creative thinking, teamwork, means of self-expression and modern banking practices and procedures. Working as a team, students develop a business plan entirely from scratch.

Hosting Local Schools and Universities

During the school year, NBK hosted several groups of visiting school and university students in Kuwait on field visits to learn about the banking industry and day-to-day operations of various departments. NBK takes this opportunity to work in coordination with various educational institutions with the aim of helping graduating students successfully transition to the workforce.

Employee Engagement in CSR Volunteering

National Bank of Kuwait organized many volunteer and charity initiatives during 2016. Employees organized volunteer groups to distribute Iftar meals during the month of Ramadan, cleaning Kuwait's beaches during summer months and the cleaning public spaces throughout the seasons. They also donated blood for the Kuwait Blood Bank. Further, they distributed water to low income laborers during the summer. Finally, they donated new clothes to families in need, and organized other initiatives and activities aimed at supporting Kuwait's lower income communities.

Best Social Practices

NBK was honored during the Corporate Social Responsibility (CSR) Conference organized recently by Gulf University of Science and Technology (GUST), winning an award for 'best social practices and initiatives in Public Health for 2015' in recognition of NBK's many CSR activities and initiatives.

Humanitarian Strategic Partner

NBK was also honored by the Kuwait Red Crescent Society for our social and humanitarian activities, winning the 'Strategic Humanitarian Partner Honor' for our social support and initiatives with the KRCS. The award reaffirms the Bank's long standing commitment and deep-rooted values of social responsibility and support for the development and progress of Kuwait's society.

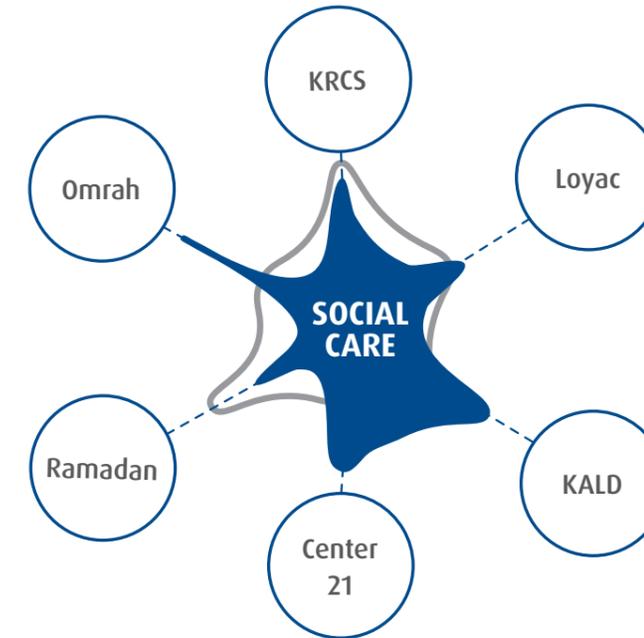
Awards: 2015-2016

'Best Social Practices and Initiatives' in the Gulf Cooperation Council	Red Crescent Authority of the United Arab Emirates
Humanitarian Strategic Partner	Kuwait Red Crescent Society
Best Social Practices and Initiatives in Public Health	GUST CSR Conference



Social Care: Broadening Our Approach to Social Development

In 2016, NBK implemented a series of philanthropic missions and social welfare programs as part of the "social development" pillar of our corporate social responsibility. NBK continues to be a leader in social development programs in Kuwait as part of its deeply-rooted commitment to Kuwait's society and our corporate social responsibility program.



Kuwait Red Crescent Society

NBK sponsored a project launched by the Kuwait Red Crescent Society to help fund the education of children of low-income families in Kuwait. NBK's support went directly to the "charitable fund for education" managed by the Private Education Department in the Ministry of Education. NBK's sponsorship is part of the annual strategic partnership with the Kuwaiti Red Crescent Society.

corporate social responsibility in Kuwait. NBK's sponsorship aims to help Loyac - which was founded by Kuwaiti women as a response to 9/11 - to develop and implement several of its programs tailored to developing Kuwait's youth including their professional skills while enhancing their personal growth and helping them find a sense of purpose by helping others.

Kuwait Association for Learning Difficulties (KALD)

NBK continued sponsoring the Kuwait Association for Learning Difficulties campaign to support children with learning difficulties, hyperactivity and attention deficit disorders. The program aims to encourage children with learning difficulties through a variety of initiatives including special activities like camps and carnivals. KALD supports children with learning difficulties through academic, psychological and social support in part through awareness, training and entertainment programs.

Center 21

NBK sponsored the Rehabilitation Workshop at Center 21 for young adults with mental disabilities over the age of 21, as part of its commitment toward corporate social responsibility. The center's activities include entertainment, field trips, development courses, and rehabilitation sessions in addition to development services such as physical therapy, speech therapy, occupational therapy focus skills, nutritional counselling and encouraging self-reliance and independence.

Sponsoring Loyac Activities

In 2016, NBK sponsored the non-profit organization Loyac as part of our long standing and deep commitment to

ATM Machine Service For Visually-Impaired Customers

NBK launched ATM machine service for visually-impaired customers, the first-of-its-kind initiative in Kuwait. The ATM machine provides unique services including a special operating system geared toward visually-impaired customers with special

tools similar to methods used in audio instructions. This step comes as part of NBK's continuous commitment for providing our customers with the best services and as part of the Bank's Corporate Social Responsibility. See the Serving Customers section of our Sustainability Report and Website for more information.

Do Good Deeds in Ramadan

For more than two decades, NBK has provided charitable, social and philanthropic programs during the Holy Month of Ramadan. Among our most prominent and successful Ramadan programs is the 'Do Good Deeds in Ramadan' initiative. Comprised of a series of activities and events aimed at encouraging community engagement and charity in Kuwait, "Do Good Deeds" exemplifies NBK's efforts to serve as a role model and community leader.

Daily Iftar Meals

Every Ramadan, NBK offers thousands of Iftar meals for fasters across the country as a social and charitable act. Areas that have large numbers of limited income workers are especially targeted and meals are delivered via special convoys.

Gergean

NBK's Public Relations staff paid a visit to NBK Children's Hospital and Ibn Sina Hospital at Sabah Medical district to share happy moments of Gergean with the children and distribute gifts amongst them. NBK's visits to both hospitals reflect the bank's active role in Kuwait's social and humanitarian initiatives as well as high sense of responsibility towards all segments of society. Gergean is a well rooted tradition that is widely celebrated in the region, where children will be given candy while dancing and singing special traditional songs.

Naif Palace

Driven by its annual 'Doing Good Deeds' program during the Holy Month of Ramadan, NBK hosted daily fast-breaking banquets at Naif Palace and sponsored Kuwait TV's Ramadan program that is aired during Iftar. On this occasion, Al Asimah Governor Major General Thabet Al-Muhanna recognized NBK for our commitment towards the community through leading "Doing Good Deeds" for more than 20 years. The appreciation ceremony was held in the presence of leaders from Al Asimah province, Ministry of Information, and delegates from NBK.

Omrah Trip

As part of CSR and support for staff, NBK organized our annual Omrah trip for the Bank's staff and their families to various holy

sites in Madina and Makka. Staff also had the opportunity to attend a number of lectures and activities held by the Bank's organizing committee.

NBK Museum – the first in the region to use multi-media tools

In 2013, NBK inaugurated the first-of-a-kind museum presenting Kuwait's history and the evolution of the National Bank of Kuwait since its establishment in 1952 as the first indigenous bank and Shareholding Company in Kuwait and the GCC countries. NBK Museum is the first in the region to use audio-visual and interactive displays to present the history of Kuwait and NBK in an innovative manner. The Museum highlights NBK's history and contributions in the development of the national economy. It also highlights the main periods in Kuwait's history. NBK Museum serves as an academic research location for the next generations.

Reinforce Citizenship

As a part of the Bank's social program, NBK annually sponsors a host of National Day activities and functions highlighting the spirit of the celebration. Five years ago, on the occasion of Kuwait's independence Golden Jubilee, one of NBK's noteworthy initiatives was the launch of the special musical operetta "Habibity ya Kuwait". In 2017, NBK launched a new musical work presented as a commemorative gift to Kuwait. Titled "Baqoon", The National Song initiative consists of a series of tableaux that depict the social responsibility carried by Kuwait.

GCC Traffic Week

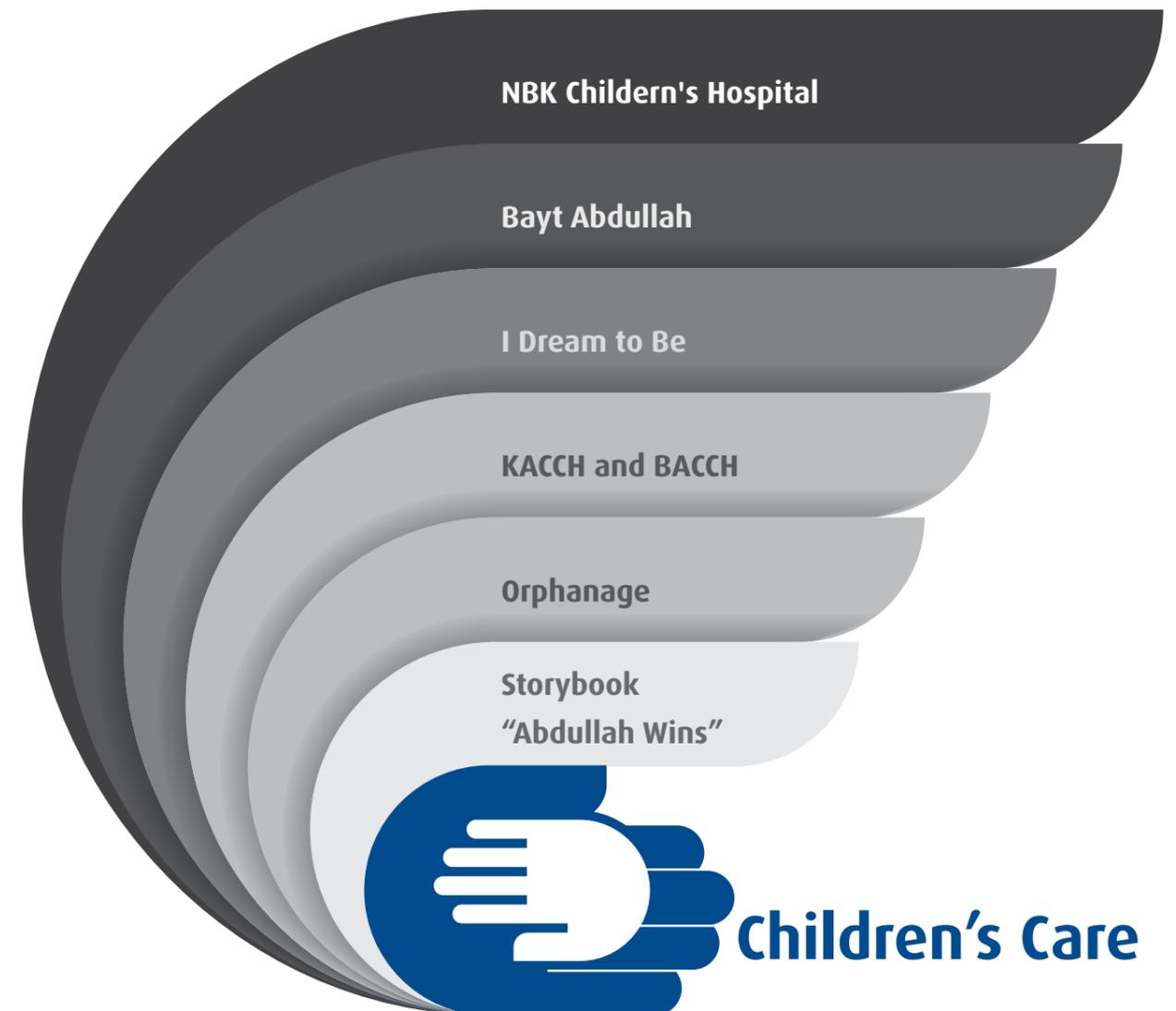
NBK sponsored GCC Traffic Week as part of its social responsibility program. The initiative aims to raise awareness about safe driving practices, road rules and regulations and the dangers of activities such as texting while driving and other unsafe traffic issues.

Fire Service Day

NBK also sponsored International Fire Service Day, organized by the Kuwait Fire Services Directorate as part of our support for public safety and awareness campaigns. The initiative aimed to raise awareness about basic fire safety among Kuwait's various communities and businesses and to help the KFSD expand fire safety practices to reduce fires across the country.

Children's Care

NBK gives top priority to children in need through our commitment to our Children's Care pillar. NBK works closely with several organizations in Kuwait to maximize our reach to all children through a variety of efforts and initiatives in numerous hospitals and schools.



NBK Children's Hospital

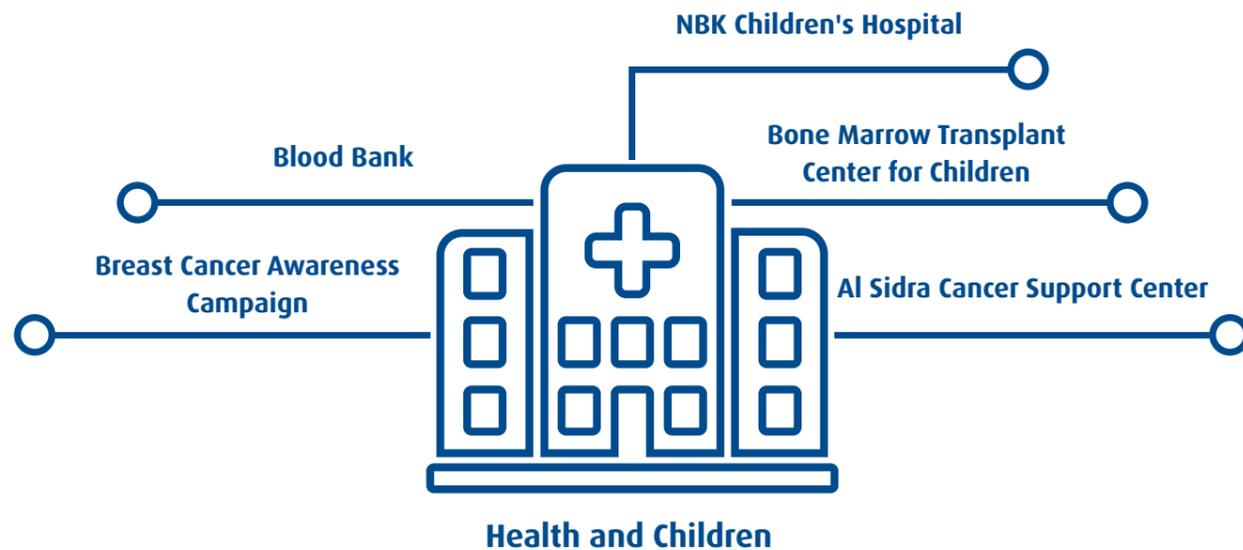
The First Children's Bone Marrow Transplant Center in Kuwait

NBK pioneered corporate social responsibility programs by funding the NBK Children's Hospital, which focuses on providing treatment for children suffering from chronic diseases. In 2012, NBK donated KWD 4 million to transform the hospital into a specialized bone marrow transplant center, the first in Kuwait to treat children.

NBK continues to support the transfer of knowledge and skills by hosting a team of experts from the prestigious Great Ormond Street Hospital in London which includes several specialists in blood diseases, cancer and pediatric neurosurgery to work at the hospital.

NBK Children's Hospital is one of NBK's signature "children's care" contributions. By providing world-class medical solutions for sick children previously unavailable in Kuwait, NBK provides a direct contribution to the Kuwait community's health and wellbeing. In April 2016, at a Corporate Social Responsibility Conference organized by Gulf University of Science and Technology (GUST), NBK was honored for our public health initiatives. We were recognized for "Best Social Practice in Public Health", in part for establishing the first specialized center for marrow transplantation for children in Kuwait, but also for NBK's leadership role in the social development of Gulf society.

NBK will continue our commitment and support for educational institutions, non-governmental organizations, charity groups, healthcare and professional institutions as well as other social welfare programs in first-of-their-kind partnerships for the development of Kuwait such as KRCS, Bayt Abdullah's Children's Hospice and LOYAC.



'I Dream to Be' Initiatives

For the third year in a row, NBK continued to implement the first-of-its-kind 'I Dream to Be' program for children in Kuwait hospitals facing life-threatening conditions. The effort helps children realize their 'dreams' in order to promote their emotional and psychological wellbeing and help them to fight their illnesses. The amount donated for each initiative varies, with some being free of charge, and others being low cost. NBK works with Kuwait Association for the Care of Children (KACCH) and Bayt Abdullah Children's Hospice (BACCH) as they help us meet the patient and his or her family. Below are some of the wishes NBK has granted.



I Dream To...
"Ride in a helicopter"

With the help of the Ministry of Interior - Air Forces, we arranged Hamad's lifetime dream where he got the chance to pick any location he would like to see from above in addition to a tour within the operations' department.

For more details please visit our Youtube channel NBKGroup



I Dream To...
"Spend a day with Hello Kitty"

Lujain and her friends enjoyed their time crafting cakes and pizzas and dining all together in Hello Kitty Restaurant. Gift vouchers at Hello Kitty Spa were also given to Lujain to pamper her.



I Dream To...
"See a Fashion Show"

Because we care, we organized exclusive shows and activities in cooperation with Kidzania to draw a smile on Farah's face. The tour included a special fashion show designed for Farah in addition to an exclusive Winter Carnival Show. Photo booths were designed for her to strike poses with her friends in addition to being the main star for each customized activity. They ended up the day creating their own burgers.



I Dream To...
"Be a Commando"

We organized a visit for Ali to the Kuwait Armed Forces where he was given his own commando outfit, in addition to a tour of various sections and a commando show. He had his lifetime dream fulfilled by experiencing the same activities the Kuwaiti commandos do to save the land and the Kuwaiti territory such as rope climbing, gun training activity and driving tanks.

I Dream To...
"Be a Princess!"

Jana Mohamad suffers chronic skin disease and has always dreamt to become a princess. NBK's Family organized and planned her 6th princess-themed birthday party with her family to surprise her with what she has always dreamt of. A Cinderella cake was offered from a bakery for the cause and her favorite cartoon character was present to sing and dance with her, wearing her Cinderella costume.



I Dream To...
"Be a Police Officer"

Monira, a 5-year old child who had undergone treatment at NBK Hospital, has always dreamt to become a police officer. NBK and the General Department of Traffic helped her make her dream come true. We organized a visit for Monira to the General Department of Traffic, where she was given her own police outfit, a tour of the different departments and an overview of police duties in taking charge of security.



I Dream To...
"Be an Engineer!"

Continuing in granting our wishes to children, Maher has experienced the engineering world, which is where he would like to focus his career. We wish you the best of luck in your future!



I Dream To...
"Be a Pastry Chef!"

Cake decorating is one of the sugar arts to make cakes more visually appealing. The National Bank of Kuwait has granted Sameera her wish to learn the basics of cake decorating in collaboration with J's Bakery.

Healing Book

As part of the Bank's commitment to support children battling against cancer, NBK introduced a short story book named "Abdallah Wins". The book tells the story of a young boy battling a life-threatening illness and shows how he works to overcome this challenge.

BACCH and KACCH

NBK works closely with the Kuwait Association for the Care of Children in Hospital (KACCH) and Bayt Abdullah's Children's Hospice (BACCH) to maximize our reach to children in need and to give top priority to sick children with life-threatening illnesses. In 2016, NBK organized and supported a children's carnival at Bayt Abdullah Children's Hospice, an initiative which included entertainment and activities for resident children.

NBK staff and volunteers also regularly visit wards at the NBK Children's Hospital and Bayt Abdullah during National Day holidays, Ramadan and Eid holidays. The team provides entertainment and engagement for patients to bolster their psychological health and wellbeing. Children are presented with felicitations and gifts. NBK also organizes events for these children including holiday parties, Gergean parties and other events, which are attended by NBK Executive Management, Public Relations Staff and NBK Board's BCC (Bank and Community Committee) members.

Orphanage Visit

As part of the Bank's CSR initiative during Ramadan, NBK arranged a visit to Kuwait orphanage to distribute Eid gifts to resident children.

Health

NBK strongly supports the country’s healthcare institutions. The Bank has a proven track record of supporting Kuwait’s healthcare sector through myriad efforts for adults and children.

Al Sidra

October is ‘breast cancer awareness’ month during which NBK sponsored the Art Therapy and Healing Event organized by Al Sidra Association, which specializes in the psychological care of female cancer patients. The event consisted of pairing all the cancer patients with professionals to draw and paint art pieces as a way to express themselves and heal.

Healthier Staff, Healthier Kuwait

NBK encourages staff to lead healthier, more balanced lifestyles that include regular physical activity, a balanced diet and regular wellness check-ups. In 2016, NBK organized a wellness day for staff at the NBK Head Office where dieticians, consultants and other health professionals provided check-ups. NBK also provides access for employees to discounted gym memberships, blood pressure check-ups, dietary consultations and diabetes awareness along with other efforts to support healthier lifestyle choices by staff.

Supporting the Blood Bank

In cooperation with Kuwait’s Blood Bank, NBK organized several successful blood donation campaigns for our employees. Hundreds of staff from various departments took part in the blood donation drives.

Supporting Awareness of the Healthcare Sector

NBK also organized a series of functions, conferences and events aimed at promoting awareness of the healthcare sector in Kuwait and building community support for healthcare initiatives. The Bank believes in demonstrating our continued commitment to the health and well-being of Kuwaiti society, serving as a role model for other companies and continuing the Bank’s partnership with the community of Kuwait.

Supporting Women’s Health Issues

NBK takes a leading role in Kuwait society to support and raise awareness about women’s health issues. In 2016, the Bank encouraged women’s health through the important ‘Be Aware’ breast cancer awareness program. As part of the initiative, NBK provided for discounted mammograms and wellness check-ups for female employees at local hospitals, distributed pink ribbon awareness pins to staff and also offered daily tips and information via NBK social media. Programs are available for both NBK staff and the public.



NBK Let’s Walk Together Walkathon

NBK includes activities for children: 90-meter sprint, trampolines, fitness center and an obstacle challenge that involves running and crawling around and over barriers. The data below provides a powerful picture of the level of engagement and health benefits of our Let’s Walk Together Walkathon.

Number of participants and steps during the last three years

2014	2015	2016
Number of Participants: all categories (10,180)	Number of Participants: all categories (8,543)	Number of Participants: all categories (8,189)
Destination: 8 km	Destination: Men (8 km) – Women (6 km)	Destination: 11 km
10,000 steps per person	8,750 steps per person	13,750 steps per person
500 calories per person	437 calories per person	687 calories per person
Total number of steps: 101,800,000	Total number of steps:* 74,751,250	Total number of steps: 112,598,750
Total number of calories burned: 5,090,000	Total number of calories burned:** 3,733,291	Total number of calories burned: 5,625,843

*Steps are calculated taking as an assumption that every KM is 1,250 walking steps.

**The drop in 2015 was due to a change of track location.

Supporting Our Olympic Heroes

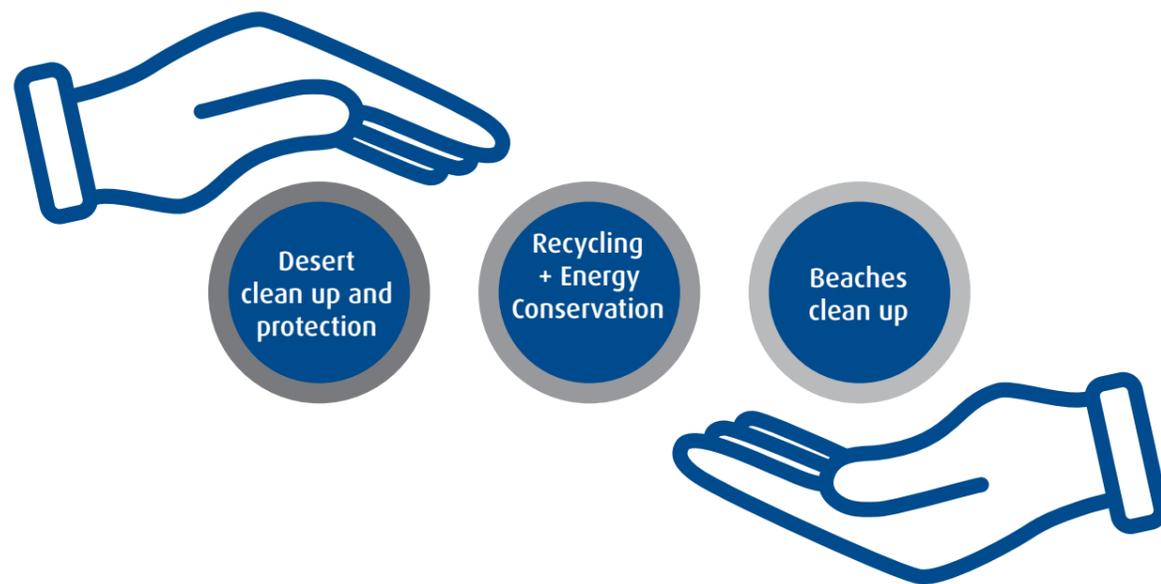
NBK contributed USD \$100,000 to Fehaid Al-Deihani as an expression of our great pride for his winning of a gold medal in the men's double trap competition of the 2016 Summer Olympic Games in Rio de Janeiro, Brazil. The achievement marked the first-ever gold medal won by a Kuwaiti athlete. NBK also presented USD \$40,000 to all the Kuwaiti athletes participating in this competition.



Environmental Development

National Bank of Kuwait deems protection and conservation of the environment as the fourth strategic pillar of our corporate social responsibility. In addition to our internal operational initiatives, NBK is proud to be the first environment-friendly bank in Kuwait through our pioneering CSR initiatives aimed at protecting and preserving Kuwait's natural environment.

NBK's 'Think Twice' environmental campaign encourages the Kuwait community to adopt sustainable practices for protecting the environment and conserving energy through a range of initiatives including beach and desert clean up campaigns, electricity conservation programs and other efforts.



Protecting the Environment

Put Your Energy into Saving Energy

NBK launched our energy conservation awareness campaign, 'Put Your Energy into Saving Energy' in a move that integrates with the government's efforts to encourage energy conservation in Kuwait. This initiative is characterized by the intensive voluntary participation of NBK staff and summer training students who were actively present in the campaign.

Hand-in-Hand to Preserve Our Beaches

In 2016, NBK continued our nationwide campaign for the clean-up and preservation of Kuwait's beaches. The Bank mounted an awareness drive to promote environmental protection and preservation among the Bank's staff and the society at large. Throughout the summer season, NBK staff and volunteers visited local popular beaches to collect trash, food leftovers and other debris left by visitors. The program aims to clean up the beaches and to also build awareness within the society for the protection and care of Kuwait's natural environment.

In Sum

Overall, NBK's spending on Corporate Social Responsibility (CSR) initiatives exceeded KWD 170 million during the last two decades, including annual contributions to the Kuwait Foundation for the Advancement of Sciences (KFAS) and the recruitment and development of Kuwaiti youth. NBK accounts for 34% of all Kuwaiti banks' contributions. In addition, National Bank of Kuwait contributions accounted for 37% of total banks' spending on the National Labor Support Program.

We are committed to continuing with our valuable work, fulfilling our responsibilities and contributing to the development of our beloved country – and to building a prosperous future for the coming generations.

