

Kuwait: 26th of January 2021

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

Dear Sirs,

Subject: Consolidated Financial Statements
for the financial year ended 31/12/2020

It is our pleasure to inform you that Central Bank of Kuwait has approved National Bank of Kuwait Consolidated Financial Statements for the financial year ended 31/12/2020, including the Balance Sheet, the Statement of Income and the External Auditors' notes.

We would like to inform you that NBK Board has convoked the General Assembly of the Shareholders to convene an ordinary meeting at 10:30 a.m. on Saturday 6/3/2021, followed – directly – by another extraordinary meeting in the Bank's Head Office, proposing the following distributions for the financial year ended 31/12/2020, after obtaining the approvals form competent authorities:

- 1- Distribution of cash dividend, representing 20% of the nominal value (Twenty fils per share).
- 2- Distribution of a 5% bonus shares from issued and paid up capital (Five shares for every 100 shares).

Attached; Financial Results Form - Kuwaiti Companies for the financial year ended on 31/12/2020 after satisfying the required data and a copy of Central Bank of Kuwait approval.

With reference to Boursa Kuwait Rule Book requirements issued as per the decision No (1) for year 2018 and since National Bank of Kuwait has been classified under the "Premier Market" category. The Bank is glad to announce a quarterly Analysts/Investors Conference that will take place through a Live Webcast at 3 p.m. (according to local time) on Tuesday 2/2/2021. Interested parties should reach out to the Bank through the following email address: Investor-Relations@nbk.com in order to provide them with the invitation and access details for the aforementioned conference.

Sincerely yours,

 On behalf of National Bank of Kuwait (S.A.K.P.)


Isam J. Al-Sager

Group Chief Executive Officer

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

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

Financial Year Ended on	2020-12-31	نتائج السنة المالية المنتهية في
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Company Name	National Bank of Kuwait S.A.K.P	اسم الشركة بنك الكويت الوطني ش.م.ك.ع
Board of Directors Meeting Date	2021-01-10	تاريخ اجتماع مجلس الإدارة
Required Documents	<input checked="" type="checkbox"/> Approved financial statements <input checked="" type="checkbox"/> Approved auditor's report	المستندات الواجب إرفاقها بالنموذج <input checked="" type="checkbox"/> نسخة من البيانات المالية المعتمدة <input checked="" type="checkbox"/> نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	2019-12-31	2020-12-31	
-38.6%	401,291,000	246,341,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-43.1%	57	32	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
-1.9%	14,606,287,000	14,334,586,000	الموجودات المتداولة Current Assets
1.5%	29,270,753,000	29,717,391,000	إجمالي الموجودات Total Assets
0.2%	23,738,349,000	23,783,059,000	المطلوبات المتداولة Current Liabilities
2.3%	25,011,593,000	25,576,336,000	إجمالي المطلوبات Total Liabilities
-3.6%	3,433,744,000	3,310,009,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
-5.9%	895,517,000	842,521,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
-10.2%	591,243,000	530,942,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
Not Applicable/ لا ينطبق	لا يوجد خسائر متراكمة No accumulated losses	لا يوجد خسائر متراكمة No accumulated losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital



التغيير (%)	الربع الرابع المقارن	الربع الرابع الحالي	البيان
Change (%)	Fourth quarter Comparative Year	Fourth quarter Current Year	Statement
	2019-12-31	2020-12-31	
-21.6%	99,123,000	77,665,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-29.4%	13	10	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
-5.7%	222,762,000	210,100,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
-11.2%	140,281,000	124,622,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
<p>31 December 2020 financial results reflect changes in operating environment resulting from the Covid-19 pandemic and regulatory responses to the same.</p> <p>The decrease in net profit for the year ended 31 December 2020 as compared to the year ended 31 December 2019 was primarily due to higher provision charges for credit losses and impairment losses and lower net operating income</p>	<p>تعكس النتائج للسنة المالية المنتهية في 31 ديسمبر 2020 التغييرات في البيئة التشغيلية وكذلك الإجراءات التنظيمية لمواجهة تداعيات جائحة كورونا.</p> <p>ويعود سبب الانخفاض في صافي الربح للسنة المالية المنتهية في 31 ديسمبر 2020 مقارنة بالسنة المالية المنتهية في 31 ديسمبر 2019 بشكل رئيسي إلى ارتفاع مخصصات خسائر الائتمان وخسائر انخفاض القيمة وانخفاض صافي إيرادات التشغيل.</p>
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 3,673,000	3,673,000 دينار كويتي
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 266,000	266,000 دينار كويتي

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
20 Fils	KD 137,003,703.620	توزيعات نقدية	Cash Dividends
5 %	KD 34,250,925.900	توزيعات أسهم منحة	Bonus Share
لا ينطبق / Not Applicable	لا ينطبق / Not Applicable	توزيعات أخرى	Other Dividend
لا ينطبق / Not Applicable	لا ينطبق / Not Applicable	عدم توزيع أرباح	No Dividends
لا ينطبق / Not Applicable	لا ينطبق / Not Applicable	زيادة رأس المال	Capital Increase
لا ينطبق / Not Applicable	لا ينطبق / Not Applicable	تخفيض رأس المال	Capital Decrease

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

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
 R.C. 8310 - 03		رئيس مجموعة الرقابة المالية بالإنابة	رونجهي سوجيت انيل

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

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



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working world

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of National Bank of Kuwait S.A.K.P. (the "Bank") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as adopted by Central Bank of Kuwait ("CBK") for use by the State of Kuwait.

Basis for Opinion

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

Key Audit Matters

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

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

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

Key Audit Matters (continued)

We have identified the following key audit matters:

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

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

Recognition of ECL under IFRS 9, determined in accordance with CBK guidelines, is a complex accounting policy, which requires considerable judgement in its implementation. ECL is dependent on management’s judgement in assessing significant increase in credit risk and classification of credit facilities into various stages, determining when a default has occurred, development of models for assessing the probability of default of customers and estimating cash flows from recovery procedures or realization of collateral. As disclosed in Note 33, the COVID-19 global pandemic significantly impacted management’s determination of the ECL and required the application of heightened judgment. As a result, the ECL has a higher than usual degree of uncertainty and the inputs used are inherently subject to change, which may materially change the estimate in future periods.

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

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

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

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

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

Key Audit Matters (continued)

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

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

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

b) Impairment of goodwill and other intangible assets

The Group has goodwill and other intangible assets with carrying value of KD 581,881 thousand as at 31 December 2020. The impairment tests of goodwill and other intangible assets performed by the management are significant to our audit because the assessment of the recoverable amount of goodwill and other intangible assets under the value-in-use basis is complex and requires considerable judgments on part of management, especially due to the ongoing COVID-19 pandemic. Estimates of future cash flows are based on management's views of variables such as the growth in the banking sector, economic conditions such as the economic growth and expected inflation rates and yield. Therefore, we identified the impairment testing of goodwill and other intangible assets as a key audit matter.

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

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

Key Audit Matters (continued)

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

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

We also assessed the adequacy of the Group’s disclosures regarding those assumptions, which are disclosed in Note 16 to the consolidated financial statements.

Other information included in the Annual Report of the Group for the year ended 31 December 2020

Management is responsible for the other information. Other information consists of the information included in the Annual Report of the Group for the year ended 31 December 2020, other than the consolidated financial statements and our auditors’ report thereon. We obtained the report of the Bank’s Board of Directors, prior to the date of our auditors’ report, and we expect to obtain the remaining sections of the Group’s Annual Report for the year ended 31 December 2020 after the date of our auditors’ report.

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Bank and the consolidated financial statements, together with the contents of the report of the Bank's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Capital Adequacy Regulations and Financial Leverage Ratio Regulations issued by the Central Bank of Kuwait ("CBK") as stipulated in CBK Circular Nos. 2/RB, RBA/336/2014 dated 24 June 2014 and its amendments, and 2/BS/342/2014 dated 21 October 2014, and its amendments, respectively, the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or by the Bank's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Capital Adequacy Regulations and Financial Leverage Ratio Regulations issued by the CBK as stipulated in CBK Circular Nos. 2/RB, RBA/336/2014 dated 24 June 2014 and its amendments, and 2/BS/342/2014 dated 21 October 2014, and its amendments, respectively, the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2020 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our audit, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the CBK and the organisation of banking business, and its related regulations during the year ended 31 December 2020 that might have had a material effect on the business of the Bank or on its financial position.



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



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

26 January 2021
Kuwait

National Bank of Kuwait Group
CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2020

	<i>Notes</i>	<i>2020 KD 000's</i>	<i>2019 KD 000's</i>
Interest income	4	756,984	986,526
Interest expense	5	266,752	421,618
Net interest income		490,232	564,908
Murabaha and other Islamic financing income		225,137	211,317
Finance cost and Distribution to depositors		81,902	87,001
Net income from Islamic financing		143,235	124,316
Net interest income and net income from Islamic financing		633,467	689,224
Net fees and commissions	6	145,981	157,152
Net investment income	7	2,041	8,419
Net gains from dealing in foreign currencies		38,159	39,343
Other operating income	8	22,873	1,379
Non-interest income		209,054	206,293
Net operating income		842,521	895,517
Staff expenses		174,442	175,731
Other administrative expenses		102,058	98,852
Depreciation of premises and equipment		33,432	26,493
Amortisation of intangible assets	16	1,647	3,198
Operating expenses		311,579	304,274
Operating profit before provision for credit losses and impairment losses		530,942	591,243
Provision charge for credit losses and impairment losses	9	246,438	129,715
Operating profit before taxation		284,504	461,528
Taxation	10	25,842	35,536
Profit for the year		258,662	425,992
Attributable to:			
Shareholders of the Bank		246,341	401,291
Non-controlling interests		12,321	24,701
		258,662	425,992
Basic earnings per share attributable to shareholders of the Bank	11	32 fils	57 fils

The attached notes 1 to 33 form part of these consolidated financial statements.

National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	<i>Note</i>	2020 KD 000's	2019 KD 000's
Profit for the year		258,662	425,992
Other comprehensive income:			
Investment in debt securities measured at FVOCI:			
Net change in fair value		(36,568)	50,791
Net transfer to consolidated statement of income		12,578	5,440
		(23,990)	56,231
Share of other comprehensive (loss) income of associates		(291)	158
Exchange differences on translation of foreign operations		(2,431)	19,066
Other comprehensive (loss) income for the year reclassifiable to consolidated statement of income in subsequent years		(26,712)	75,455
Net loss on investments in equity instruments designated at FVOCI		(7,566)	(15,801)
Actuarial loss in respect of defined benefit plans	19	(7,239)	-
Other comprehensive loss for the year not reclassifiable to consolidated statement of income in subsequent years		(14,805)	(15,801)
Other comprehensive (loss) income for the year		(41,517)	59,654
Total comprehensive income for the year		217,145	485,646
Attributable to:			
Shareholders of the Bank		209,935	462,211
Non-controlling interests		7,210	23,435
		217,145	485,646

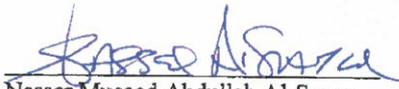
The attached notes 1 to 33 form part of these consolidated financial statements.

National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 KD 000's	2019 KD 000's
Assets			
Cash and short term funds	12	3,903,371	3,787,173
Central Bank of Kuwait bonds	14	830,233	823,229
Kuwait Government treasury bonds	14	462,922	662,175
Deposits with banks		1,027,373	1,909,081
Loans, advances and Islamic financing to customers	13	17,504,342	16,552,598
Investment securities	14	4,728,778	4,214,562
Investment in associates	15	5,195	35,297
Land, premises and equipment		426,963	433,540
Goodwill and other intangible assets	16	581,881	582,927
Other assets	17	246,333	270,171
Total assets		29,717,391	29,270,753
Liabilities			
Due to banks and other financial institutions		5,981,573	7,581,929
Customer deposits		17,104,232	15,930,577
Certificates of deposit issued		918,862	538,611
Other borrowed funds	18	808,665	351,960
Other liabilities	19	763,004	608,516
Total liabilities		25,576,336	25,011,593
Equity			
Share capital	20	685,019	652,399
Proposed bonus shares	21	34,250	32,620
Statutory reserve	20	342,511	326,199
Share premium account	20	803,028	803,028
Treasury shares	20	-	(39,258)
Treasury share reserve	20	34,961	25,115
Other reserves	20	1,410,240	1,633,641
Equity attributable to shareholders of the Bank		3,310,009	3,433,744
Perpetual Tier 1 Capital Securities	22	438,438	438,438
Non-controlling interests	25	392,608	386,978
Total equity		4,141,055	4,259,160
Total liabilities and equity		29,717,391	29,270,753


Nasser Musaed Abdullah Al-Sayer
Chairman


Isam J. Al Sager
Group Chief Executive Officer

National Bank of Kuwait Group

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	2020 KD 000's	2019 KD 000's
Operating activities			
Profit for the year		258,662	425,992
Adjustments for:			
Net investment income	7	(2,041)	(8,419)
Depreciation of premises and equipment		33,432	26,493
Amortisation of intangible assets	16	1,647	3,198
Provision charge for credit losses and impairment losses	9	246,438	129,715
Taxation	10	25,842	35,536
Gain on sale of land, premises and equipment	8	(12,715)	-
Cash flows from operating activities before changes in operating assets and liabilities		551,265	612,515
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		(7,004)	(13,358)
Kuwait Government treasury bonds		199,253	209,867
Deposits with banks		871,020	455,161
Loans, advances and Islamic financing to customers		(675,727)	(1,172,262)
Other assets		35,139	(12,387)
Due to banks and other financial institutions		(1,688,002)	(508,555)
Customer deposits		777,774	1,541,741
Certificates of deposit issued		380,251	87,483
Other liabilities		(89,994)	133,221
Tax paid		(36,128)	(32,702)
Net cash from operating activities		317,847	1,300,724
Investing activities			
Purchase of investment securities		(2,020,261)	(1,577,001)
Proceeds from sale/redemption of investment securities		1,617,668	1,079,220
Dividend income	7	907	2,685
Proceeds from sale of investment in associate		694	-
Dividend from associates		36	153
Proceeds from sale of land, premises and equipment		34,995	846
Purchase of land, premises and equipment		(38,848)	(57,935)
Acquisition of subsidiary net of cash acquired	26	(325)	-
Transaction costs related to acquisition of a subsidiary	26	(1,815)	-
Increase in holding in subsidiaries		-	(1,685)
Net cash used in investing activities		(406,949)	(553,717)
Financing activities			
Net proceeds from issue of Perpetual Tier 1 Capital Securities	22	-	226,857
Net proceeds from issue of subordinated Tier 2 bonds	18	116,620	-
Proceeds from issuance of Sukuk by a subsidiary	18	228,600	-
Other borrowings	18	75,796	-
Proceeds from sale of treasury shares		49,104	37,272
Dividends paid		(226,373)	(214,344)
Interest paid on Perpetual Tier 1 Capital Securities		(22,796)	(12,258)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary		(5,186)	(5,125)
Capital increase in a subsidiary contributed by non-controlling interest		-	49,615
Dividends paid by subsidiaries to non-controlling interests		(10,465)	(8,558)
Net cash from financing activities		205,300	73,459
Increase in cash and short term funds		116,198	820,466
Cash and short term funds at the beginning of the year		3,787,173	2,966,707
Cash and short term funds at the end of the year	12	3,903,371	3,787,173

The attached notes 1 to 33 form part of these consolidated financial statements.

الأخ الفاضل ناصر مساعد عبدالله الساير المحترم
رئيس مجلس إدارة بنك الكويت الوطني
تحية طيبة وبعد ،

بالإشارة إلى كتابكم المؤرخ 2021/1/10 المرفق به نسخة من البيانات المالية الختامية المجمعة لمصرفكم لعام 2020، وعطفاً على البيانات والإيضاحات الواردة إلينا في هذا الخصوص والتي كان آخرها بتاريخ 2021/1/25 .

أود الإفادة بأنه بناءً على ما انتهت إليه دراسة البيانات المالية المشار إليها، فإنه لا يوجد لدينا ملاحظات في هذا الشأن، كما نفيديكم بموافقة بنك الكويت المركزي على قيام مصرفكم بتوزيع أرباح نقدية بنسبة 20% من القيمة الاسمية للسهم الواحد، أي بواقع عشرون فلساً لكل سهم، وكذلك بتوزيع أسهم منحة بنسبة 5% .

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

مع أطيب التحيات .

يوسف جاسم العبيد

401 - نسخة لهيئة أسواق المال .

402 - نسخة لبورصة الكويت .