



National Bank of Kuwait

Investor Presentation

May 2023

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NBK is Kuwait's Leading Banking Group

Snapshot

Background	<ul style="list-style-type: none"> Established in 1952 as the first local and home-grown GCC bank, and first shareholding company in Kuwait The leading conventional banking group in Kuwait in terms of assets, customer deposits and customer loans and advances More than 30% market share of assets in Kuwait Named the most valuable banking brand in Kuwait, and among the top 10 in the region by Brand Finance
Ownership	<ul style="list-style-type: none"> Established by a group of leading Kuwaiti merchants, NBK has retained the same core shareholder base since its inception NBK's shares are listed on the Kuwait Stock Exchange since 1984 with only one shareholder owning more than 5% of the Bank's share capital (PIFSS owns 5.74% as of December 2022) NBK's market capitalization at 31 December 2022 was USD 26.6 bn.
Operations	<ul style="list-style-type: none"> The Bank's core businesses are (i) consumer and private banking, (ii) corporate banking, (iii) Islamic banking and (iv) investment banking and asset management The Bank operates across 13 countries with a predominant focus on the MENA region.

Credit Ratings

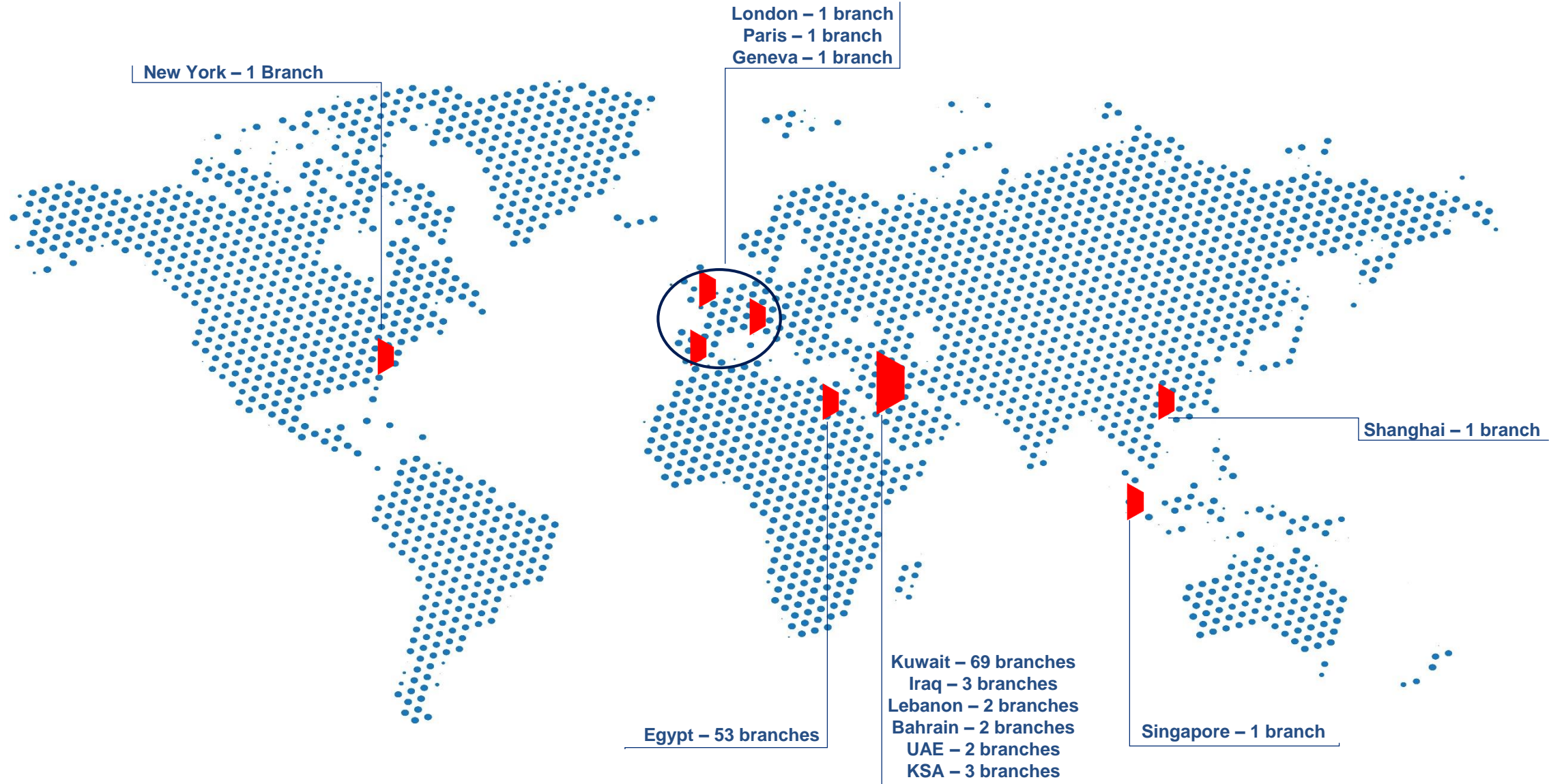
Rating Agency	Long Term Rating	Standalone Rating	Outlook
MOODY'S	A1	a3	Stable
STANDARD & POOR'S	A	a-	Stable
FitchRatings	A+	a-	Stable

Financial snapshot

USD million	2020	2021	2022
Total Assets	97,021	108,575	118,637
Loans, advances & Islamic financing	57,148	64,389	68,555
Customer Deposits	55,841	59,683	65,877
Total Equity	13,520	14,584	15,132
Net Operating Income	2,739	2,938	3,297
Net Profit attributable	804	1,183	1,662
Cost to Income (%)	36.7%	39.2%	38.2%
Net Interest Margin (%)	2.21%	2.21%	2.30%
NPL Ratio (%)	1.72%	1.04%	1.42%
Loan Loss Coverage Ratio (%)	220%	300%	267%
Return on Average Equity (%)	7.0%	10.2%	14.3%
Tier 1 Ratio (%)	16.0%	15.7%	15.0%
Capital Adequacy Ratio (%)	18.4%	18.1%	17.4%



Regional and International Geographic Presence





Key Strengths

High credit ratings and among the top brand values regionally

- NBK has one of the highest credit ratings in the MENA region
- Named the most valuable banking brand in Kuwait and among the top 10 in the Middle East by Brand Finance

A Leading market position in Kuwait

- NBK enjoys a dominant market share across various business segments in Kuwait
- The Bank has one of the largest and most diversified distribution networks, including its digital channels

Sound and consistent financial performance

- Long history of profitability, even throughout the global financial crisis
- Excellent asset quality with an NPL ratio standing at 1.42% at end-2022
- Strong liquidity serving as a buffer in times of need

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

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

Stable shareholder base and strong management team

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



A strong regional and international network

- Operations in 13 countries, 7 of which are in the MENA region.
- The Bank focuses on organic growth in its key growth markets in the MENA regions with special emphasis on digital banking.
- And remains opportunistic for any potential transaction that has strategic synergies and creates value

Strong wealth management capability

- NBK has established a strong global wealth management platform that builds on client accessibility in the region, offering best-in-class products and services and a seamless client experience throughout its global network

A well-defined sustainability strategy

- NBK's leadership is deeply committed to the bank's sustainability journey and views sustainability as integral to business performance
- Very ambitious and transformational ESG strategy with full management ownership and board oversight

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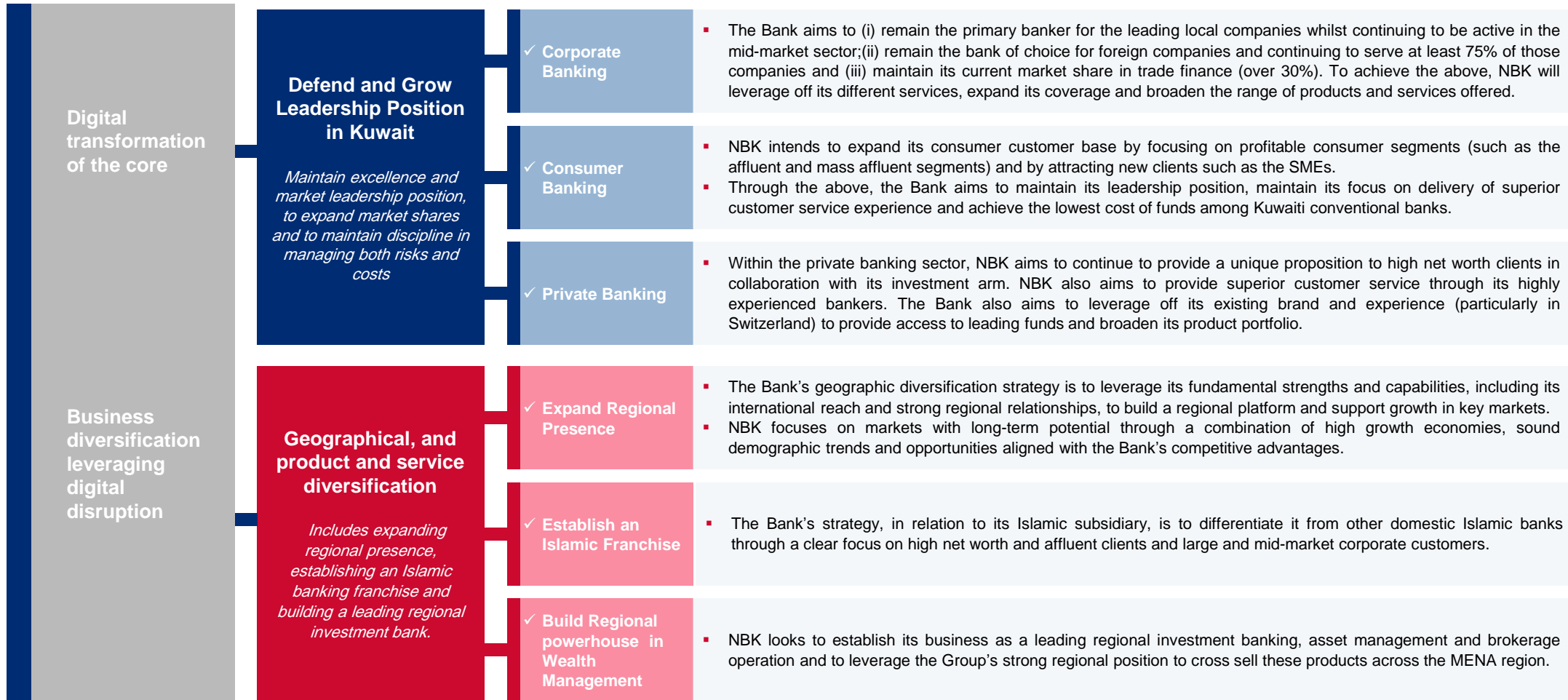


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NBK's Strategy

The Group's strategy, which is based on two main pillars, focuses on defending and growing its leadership position in Kuwait whilst also diversifying its business





Kuwait Operations

NBK



Corporate Banking



Consumer Banking



Private Banking

- Remain the primary banker for local blue-chip companies
- Remain bank of choice among foreign corporations; serving 75% of them active in the Kuwaiti market
- Maintain current market share in excess of 30% in trade finance
- Increase market share in medium corporate segment
- Focus on project finance benefiting from NBK's large capital base
- Maintain asset quality

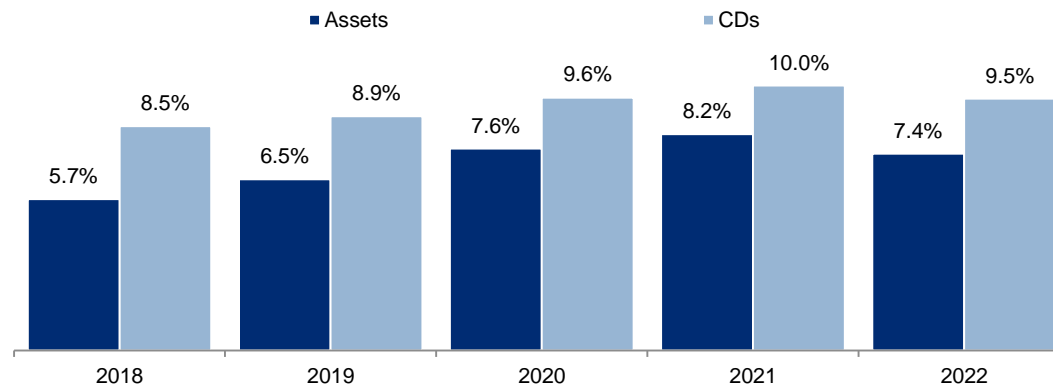
- Maintain leadership with largest market share and highest customer penetration
- Maintain focus on customer service
- Aim to attract new bankable clients such as SMEs
- Pioneer innovative products and services utilizing the latest tools and technologies
- Proactive attrition management
- Meet evolving banking demands

- Continue to provide a unique proposition to HNW
- Provide access to best of breed international funds leveraging NBK's wealth management expertise
- Leverage NBK's strong brand to acquire new clients and retain onshore relationships
- Broaden the product portfolio to accommodate growing needs

Islamic Banking (Boubyan Bank 60.1% owned subsidiary)

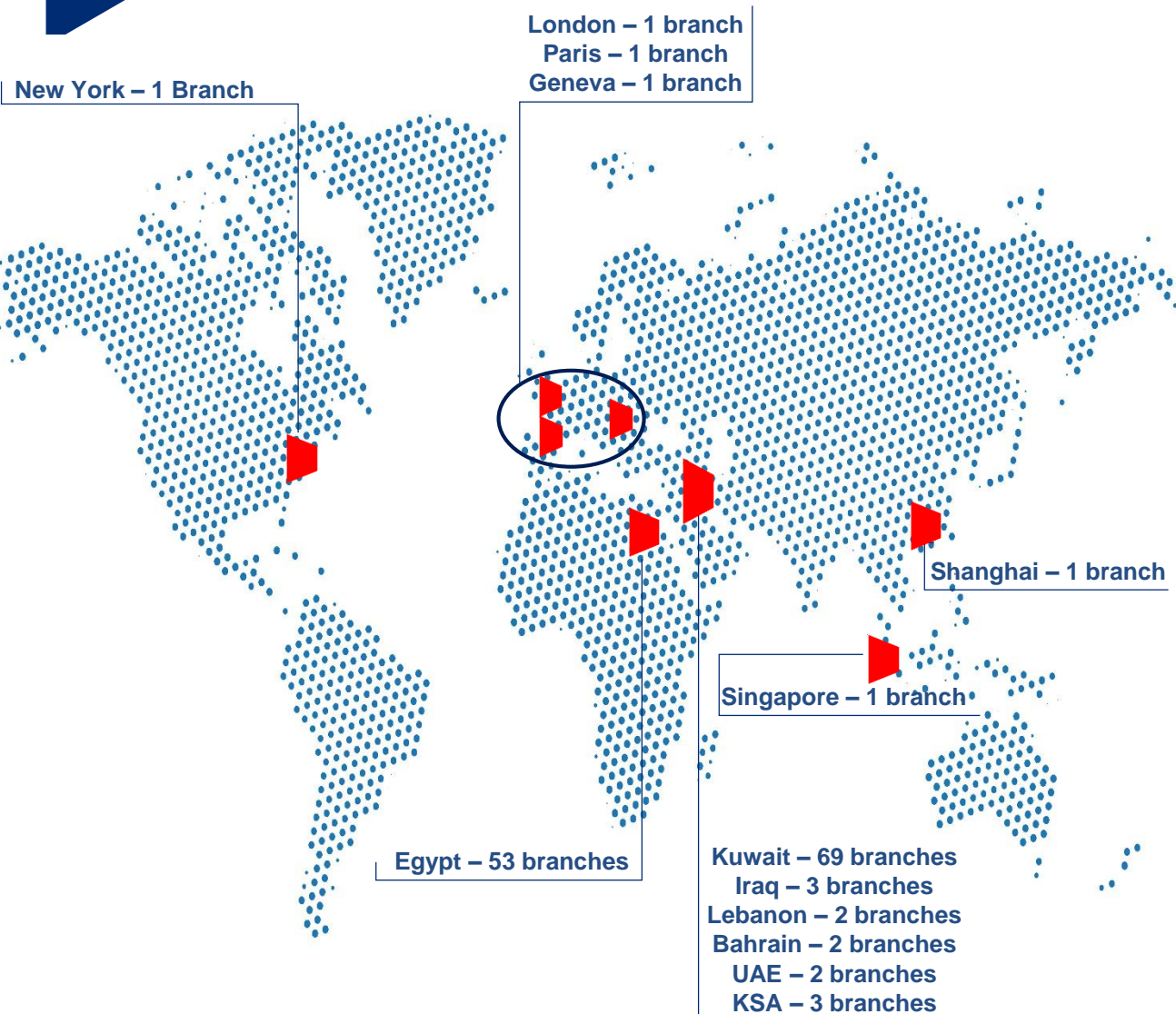
- After a series of gradual share acquisitions since 2009, NBK's stake in Boubyan bank reached 58.4% in 2012. Through Boubyan, NBK aims at diversifying its income stream, complementing its product offering as well as targeting a new segment of clients.
- The size and market share development of Boubyan relative to other Islamic banks leaves significant room for repositioning the bank and acquiring market share.
- NBK is committed to the future growth and transformation of Boubyan Bank and establishing a strong presence in the growing Islamic banking segment.
- The Bank's transformation and strategy implementation is led by a highly proficient management team with extensive regional banking experience, with key positions filled by NBK veterans aligned with the NBK culture.

Market share of Assets and Customer Deposits



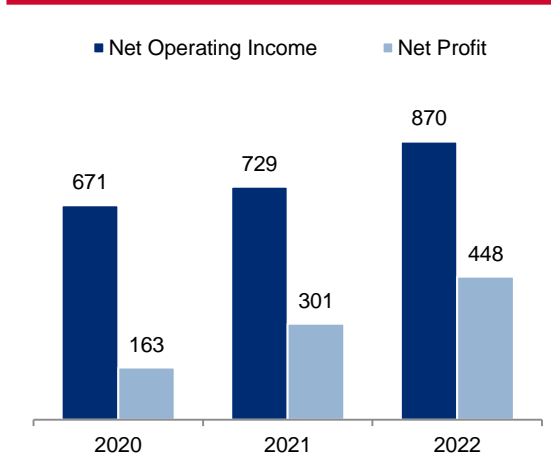


International Operations

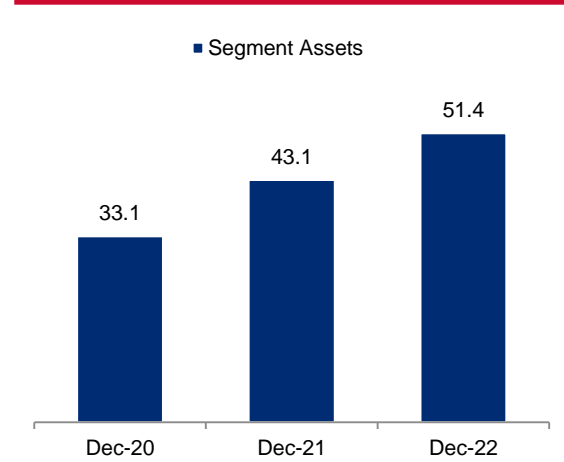


- NBK's international operations have been traditionally contributing 25% of the Group's bottom line.
- NBK's international presence is a differentiating factor for the Group, enabling better service and strengthening client relationships.
- The Bank is focused on growing its business in existing and new markets; meanwhile, across the international locations, the Bank's focus is on:
 - increasing its market share in Egypt and transforming the Retail Business in Egypt with enhanced digital capabilities.
 - building a regional powerhouse in wealth management
 - servicing its GCC-based corporate and private customers who are active internationally and growing its business with international corporates active in the MENA region
 - exploring expansion of the Bank's digital proposition in regional markets
- Within its international network, NBK is focused on managing risks and costs to improve efficiency and achieve long-term cost savings and productivity gains.

Revenue Trends (USD mn)



Balance Sheet Trends (USD bn)



Digital Transformation Strategy

With a solid digital transformation strategy, we are committed to our strong ambitions to be relevant to our customers' needs in the era of new normal, to enhance efficiency and to increase stakeholders' value through our two-pronged approach

1.

Digital transformation of the core (comprehensive program to transform our business in Kuwait)

2.

Business diversification leveraging digital disruption (our key markets outside Kuwait)

We developed our digital agenda with strong ambitions



Being and perceived as the digital leader and trendsetter in Kuwait



Building "next generation digital banking" to deliver the best experience to our customers



Establishing a digital working environment – Building digital skillsets - Digital tools to work efficiently

Digital Transformation programs across all segments
(Consumer, Private, Corporate)

Leveraging the change through six main pillars

Enhancing Existing Channels Experience

Developing New Channels

Building New Digital Capabilities

Fully Digital Value Proposition

New Way of Working

Trendsetting Innovation

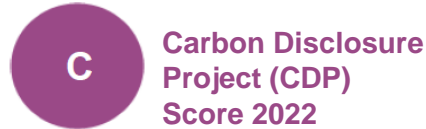
NBK ESG Strategy Framework





Building A Leading Journey In ESG

ESG Awards and Ratings



Aligned with National and Global Frameworks





2022-2023 Key ESG Achievements

We measure our progress against well-defined metrics and targets to achieve the greatest impact.

> Strategy Pillars

> Key Highlights

Responsible Banking

- Launched **NBK Sustainable Financing Framework** and received **SPO by S&P Global**.
- Developed a **roll-out plan for sustainable products** for 2023.
- Achieved the **LEED Gold Certification** for NBK Kuwait new Headquarters.
- **Committed to become carbon neutral by 2060** in line with the State of Kuwait's pledge to achieve carbon neutrality by 2060.
- **Established interim goals to reduce its gross operational emissions by 25% by 2025** through increasing dependency on renewable and clean energy solutions and transforming local branches to become eco-friendly.
- Installed **12 EV charging stations** at different levels of the multi-story car park attached to NBK's green Headquarters.

Governance for Resilience

- Approved the **new Group ESG Strategy**.
- Elected **eleven board members** for a three year term; including two additional Independent members – totaling **four independent members**, one with **extensive ESG experience**.
- Elected **first female Board Member**.
- Finalized and approved **ESG Governance Structure and Framework** that assigns ESG responsibility across members of the Executive Management.
- Established management-level **Sustainability Committee** headed by the Vice Chairman & GCEO and with direct oversight from the Board of Directors.
- Integrated **ESG metrics** into the **Board of Directors'** and **Executive Management responsibilities, charters, oversight, and affairs**.
- Joined the **United Nations Global Compact (UNGC)**.
- Received our **first CDP Score of 'C'** for both the Climate Change and Forest categories for the Financial Services sector.
- Aligned our operational environmental footprint with **GHG Protocol** global framework.
- Constituent in **Refinitiv AFE Low Carbon Select Index MENA**.

Investing in our Communities

- Launched **new designs for all our cards** with **customer-tailored features**, including design themes **especially for the visually impaired**.
- Launched **new mobile banking experience** for NBK customers themed "Tailored for You", to provide them with the latest and most advanced digital services.
- Launched the **"Bankee" financial literacy program** in Kuwait's public and private schools.
- **NBK Academy** named **"Best Youth Programme Initiative" by MEED** (MENA Banking Excellence Awards) international magazine.
- Received the **"Job Replacement and Nationalization Award"** on the GCC level. **Nationalization** rate currently stands at **75.1%**.
- Committed **USD 42.5 million** for the expansion of **NBK Children's Hospital** specialized in stem cell transplant, project to start 2023.
- **Community Investments** totaled **USD 75 million in 2022, a 45% increase from 2021**.

Capitalizing on our Capabilities

- Awarded **"Best Bank for Diversity and Inclusion in Kuwait" from Euromoney**.
- **Women in workforce 44.0%**, women in **management 29.3%**.
- Launched **NBK RISE**, a global leadership initiative designed to **elevate women** to more significant leadership roles.
- Engaged with external consultants to design a **specialized training module focused on Sustainability** that is planned to launch during 2023 for all employees.
- In 2022, **each employee** received an average of **5.7 hours of training**.
- Named **"Best Financial Innovation Lab in Kuwait 2022" by Global Finance** for pioneering innovation in the country and the region.
- Fostering **employee well-being**, NBK partnered with Wara Hospital to provide specialized on-site medical advice to staff.



NBK Sustainable Financing Framework

Expanding our sustainable financing activities in line with industry leading practices and standards.

NBK established a Sustainable Financing Framework to support and advance NBK's goal to integrate critical ESG issues into the business, culture and operations, thereby advancing the transition to a sustainable and low carbon economy and contributing to achieve New Kuwait 2035 vision.

Use of Proceeds

- Under this framework, an amount equivalent to the net proceeds from NBK's sustainable financing instruments will be used to finance or re-finance, in part or in full, Eligible Assets with social or environmental benefits:
 - Green Assets**, including but not limited to: Renewable Energy, Energy Efficiency, Sustainable Water, Green Buildings.
 - Social Assets**, including but not limited to: Healthcare & Education, Access to Essential Services, Affordable Housing.

Management of Proceeds

- NBK's Finance and Treasury teams will manage the allocation of an amount equivalent to the net proceeds of its Sustainable Financing Instruments to Eligible Assets using a portfolio approach.
- NBK will follow the process described in the Sustainable Financing Framework along with its professional judgement, discretion, and sustainability expertise when identifying the Eligible Assets.

Project Evaluation & Selection

- NBK has established a Sustainable Financing Working Group to govern the selection and monitoring of the Eligible Assets in accordance with the eligibility criteria defined by the Sustainable Financing Framework.
- The Sustainable Financing Working Group will be chaired by a member of Senior Management and consist of senior members from Finance, Treasury, Risk Management, Sustainability, and Investor Relations.

Reporting

- NBK commits to publish an allocation and impact report annually, and until full allocation of the proceeds, and in the event of any material changes until the relevant maturity date.
- NBK will request on an annual basis, starting one year after issuance and until full allocation, an assurance report on the allocation of the Sustainable Financing Instrument proceeds to eligible assets, provided by its external auditor.

NBK Sustainable Financing Framework has been externally verified with a Second Party Opinion (SPO) by S&P Global to confirm alignment with the ICMA 2021 Green Bond Principles, ICMA 2021 Social Bond Principles, ICMA 2021 Sustainability Bond Guidelines, LMA 2021 Green Loan Principles and LMA 2021 Social Loan Principles.

Use of Proceeds

Strong

Project Evaluation & Selection

Aligned


Management of Proceeds

Aligned

Reporting

Aligned

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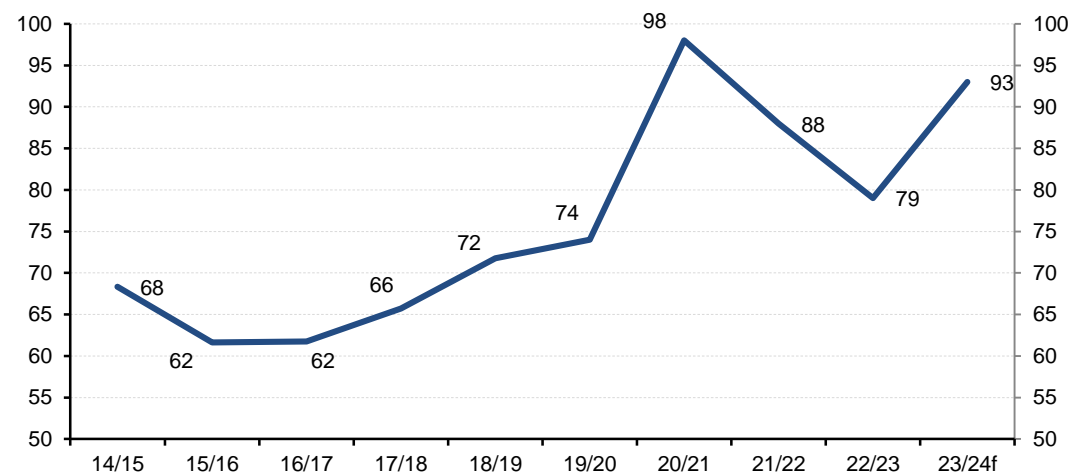


Overview of Kuwait

Overview

- The State of Kuwait is a sovereign state on the coast of the Arabian Gulf with a population of 4.74 million (PACI data).
- Kuwait is a constitutional monarchy, headed by His Highness the Emir, Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah.
- Kuwait enjoys an open economy, dominated by the government sector. Its economy is primarily dependent on the oil industry, but has witnessed growing contribution from non-oil sectors.
- Kuwait has one of the lowest industry breakeven oil prices in the world and a fiscal breakeven lower than some other GCC countries, making it more resilient to low oil prices. It has one of the world's largest sovereign wealth funds and very low debt, which underpins its investment grade sovereign credit rating.
- Kuwait has a long-term policy vision under the banner of “**Kuwait Vision 2035**”. It encompasses six strategic aims: increasing GDP growth; encouraging the private sector; supporting human and social development; promoting demographic policies; enhancing and improving the effectiveness of government administration and consolidating the country's Islamic and Arab identity.

Fiscal breakeven oil price*



Key economic indicators

Key Indicators	2022e	2023f
Sovereign Ratings	A1 / A+ / AA (M / S / F)	
Current Account	\$60.5bn	\$52.7bn
Government Revenues* (% GDP)	50.0%	44%
Public Debt* (% GDP)	3.0%	2.9%

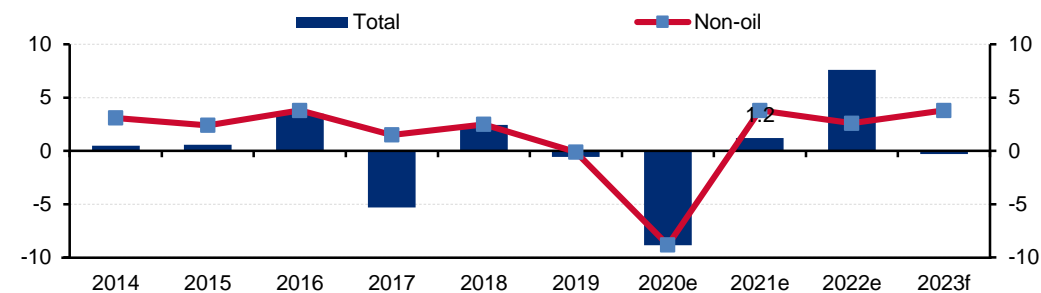
* Excludes investment income and on a fiscal year basis

Kuwait's Economy

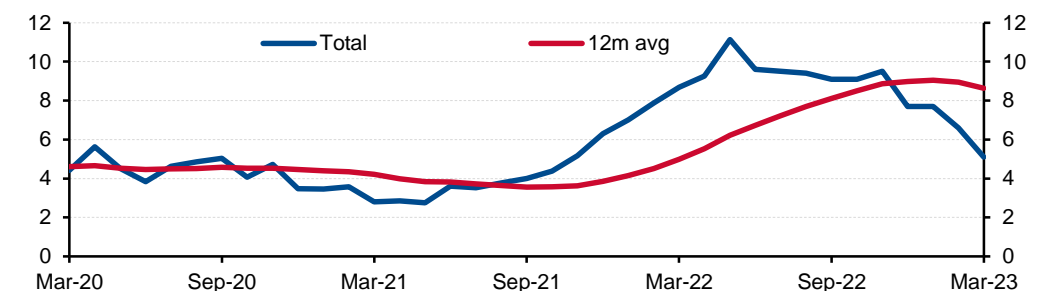
Recent Developments

GDP Growth	<ul style="list-style-type: none"> Oil sector output gains in 2022 (+12.1% y/y), coupled with consumer-led gains in the non-oil sector (+2.6%), are expected to have propelled headline GDP growth to a more-than-ten-year high of 7.6%. Looking ahead to 2023, headline growth could slow to -0.3%, largely on the back of OPEC-mandated oil production cuts, which will push Kuwait's oil sector GDP growth down to -3.7%. Non-oil activity is projected to increase by 3.8% (including refining) following the full commissioning of the Al-Zour refinery and by 3.0% excluding refining.
Public Finance and Inflation	<ul style="list-style-type: none"> The government is expected to post a fiscal surplus of 9.6% of GDP in FY22/23, its first since 2014, thanks to higher oil prices (\$97/bbl on average in FY22/23), but expenditures are rising to cover higher welfare spending. The FY23/24 draft budget projects a deficit of KD6.8 billion on higher outlays including KD1.2 billion worth of non-recurring accruals (fuel/electricity subsidies etc.) A potential deficit of 3% of GDP is expected in FY23/24. Inflation averaged 4.0% in 2022, up from 3.4% in 2021 on stronger demand and supply chain disruptions. Inflation was a still sticky 3.7% y/y in March 2023, but should ease to an average 3.1% in 2023 on fading pent-up demand and supply pressures and amid tighter monetary policy.
Consumer Sector	<ul style="list-style-type: none"> Consumer spending growth continued to moderate in 1Q23 (+13.8% y/y). In 2022 a total of KD42.5bn (+24% y/y) was spent, on robust demand supported by strong consumer confidence, employment gains and decent wage growth.
Credit Growth	<ul style="list-style-type: none"> Domestic credit growth slowed to 5.1% y/y in March 2023. Household and business credit increased by 6.7% y/y and 4.2% y/y, respectively. In 2022, the CBK hiked the discount rate by a cumulative of 200 bps to 3.5%, and followed this up in January 2023 with another 50 bps increase to 4.0%. Further moves by the CBK are expected, in line with anticipated US Fed rate hikes. Deposit growth eased to 3.4% y/y in March, with private sector deposits (around 79% of total deposits) increasing by 6.5% y/y over the same period, while government deposits rose by 6.2% y/y to KD3.4 billion.
Real Estate Activity	<ul style="list-style-type: none"> Real estate sales activity fell in April 2023 to KD125 million (-50.0% m/m; -68.0% y/y) on large declines in residential and investment real estate sales. Sales totaled KD3.63 billion in 2022, only slightly down on 2021's figure of KD3.68 billion. The outlook in 2023 is for solid but softer activity as economic activity normalizes after its post-pandemic boom. Financial conditions and continued high valuations are likely to weigh on residential sector demand especially.

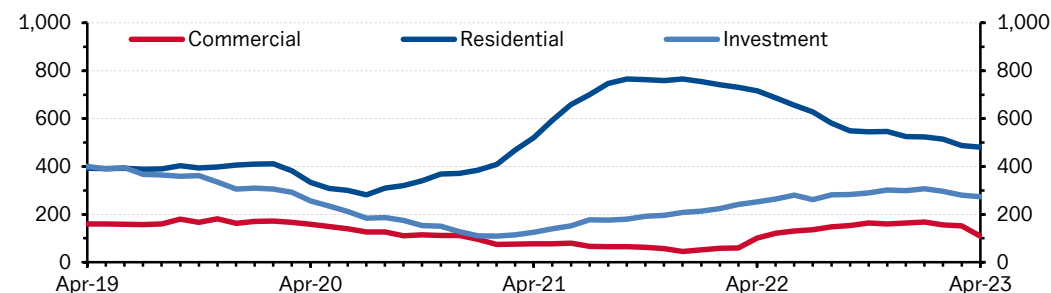
Real GDP (% y/y)



Private credit (change, % y/y)



Real estate sales 12m average (KD mn)



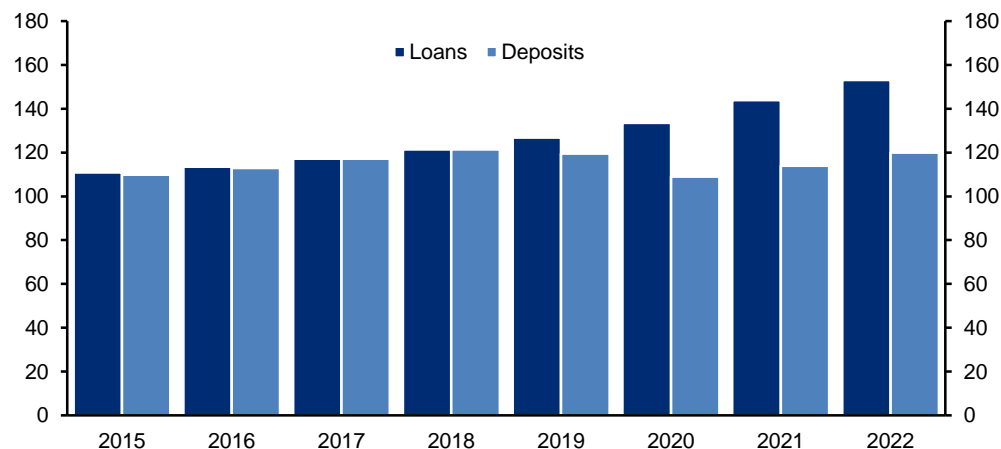


Kuwait's Banking Sector

Snapshot

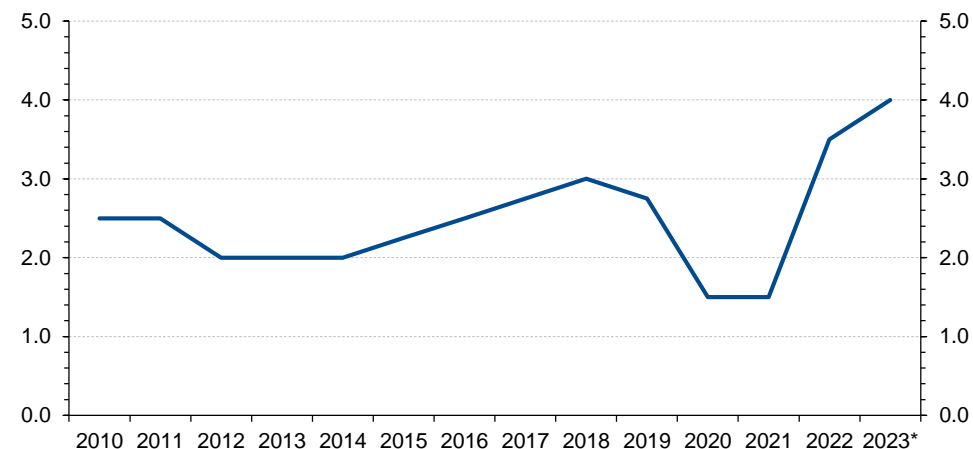
- **The Kuwaiti banking sector comprises 22 banks**, including 11 domestic banks (five conventional, five Shariah-compliant and one specialized), and branches of 11 international banks (10 conventional and one Islamic).
- **The sector is well regulated by the Central Bank of Kuwait** ("CBK") with a number of regulations and supervisory norms to ensure the safety of the banking sector including through strict supervision and imposition of prudential ratios, such as lending limits and concentrations, investment limits, liquidity and capital adequacy.
- **The banking sector has demonstrated strong resilience and elevated levels of financial soundness over the past 10 years.** In fact, the sector is very well capitalized, with an average Capital Adequacy Ratio of 18.4% in 4Q22, 7.9% higher than the required minimum of 10.5%. Non-performing loans to total loans stood at 1.4% during the same period with the coverage ratio (all provisions to gross non-performing loans) of 297.6%.

Key indicators (USD bn, end year) ¹



Sources: Central Bank of Kuwait / Refinitiv

Development of the Discount rate (% , end year)



¹Loans refers to total credit facilities to residents and deposits refer to private resident deposits, all as reported by the Central Bank of Kuwait

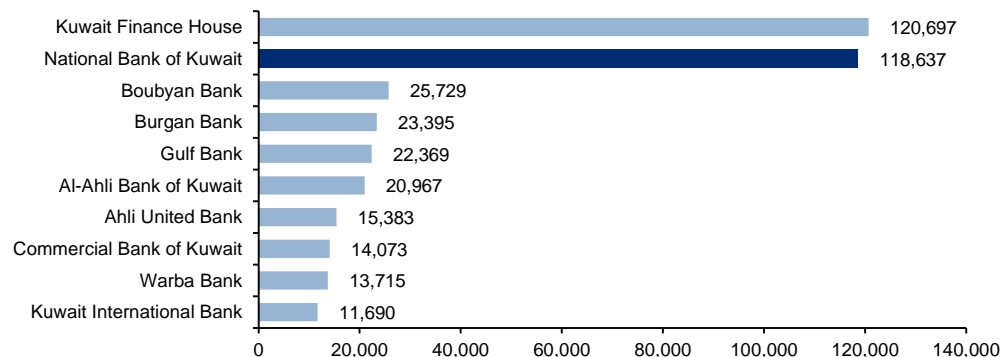
* As of May 2023



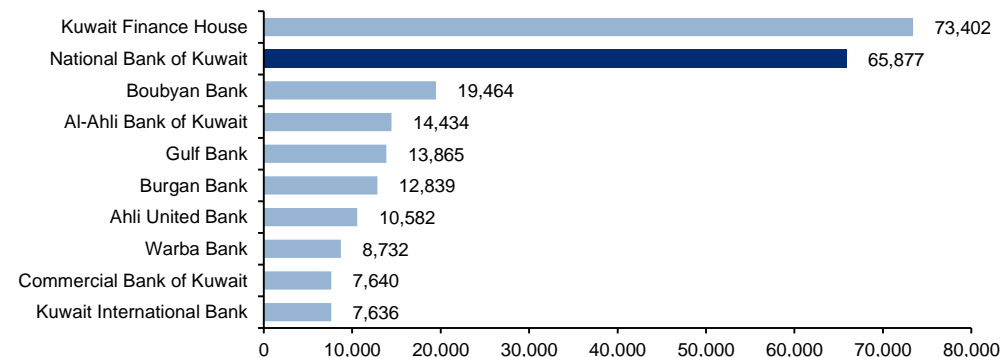
Dominant Kuwaiti Franchise

NBK is the leading banking group in Kuwait with a market leading position across its business segments

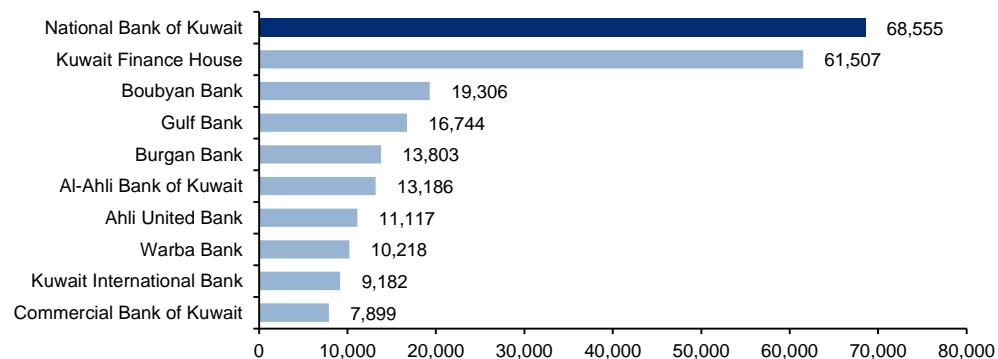
Total Assets (USD mn)



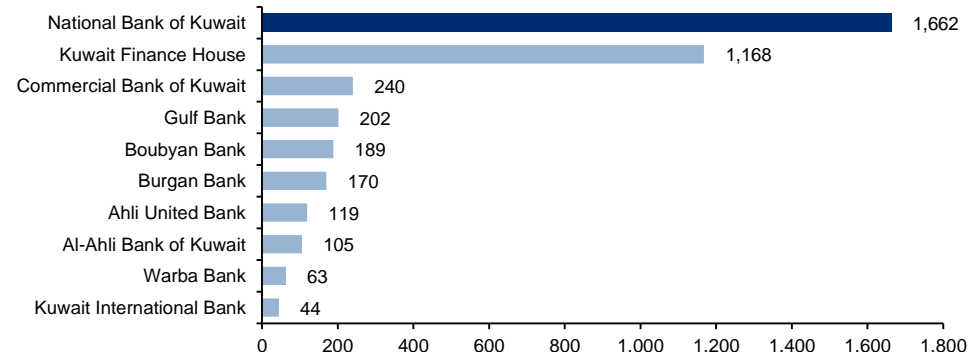
Customer Deposits (USD mn)



Customer Loans & Advances (USD mn)




Net Profit attributable to shareholders (USD mn)



Sources: Banks' annual reports. All data as of 31 December 2022 for Balance Sheet items and Income Statement Items.

Note: Kuwait Finance House, Boubyan Bank, AUB, KIB and Warba Bank are Islamic banks while Burgan Bank, Gulf Bank, Commercial Bank of Kuwait and Al-Ahli Bank of Kuwait are conventional banks.

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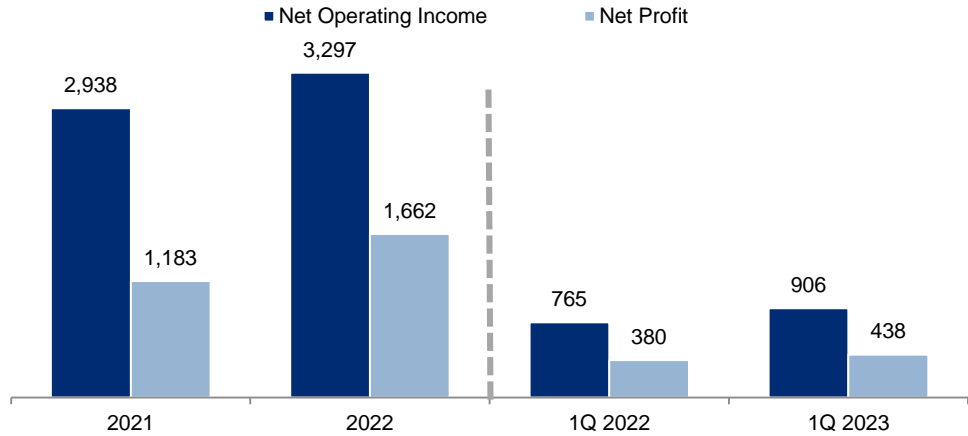


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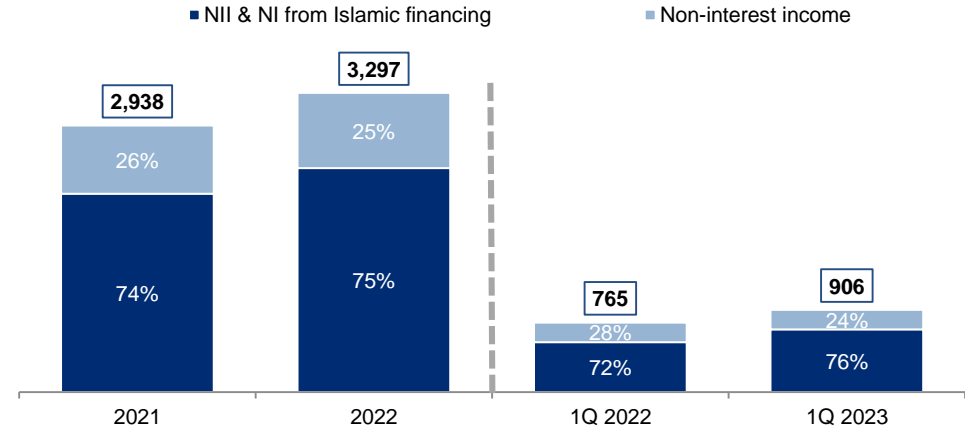


Operating Performance & Profitability

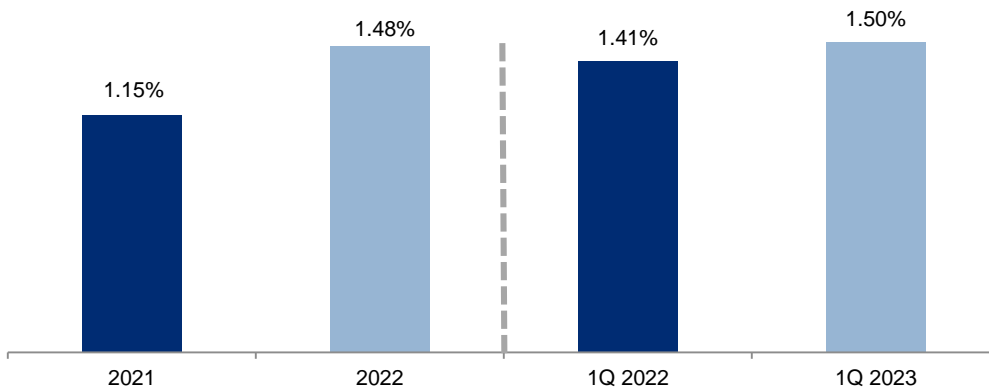
Profitability (USD mn)



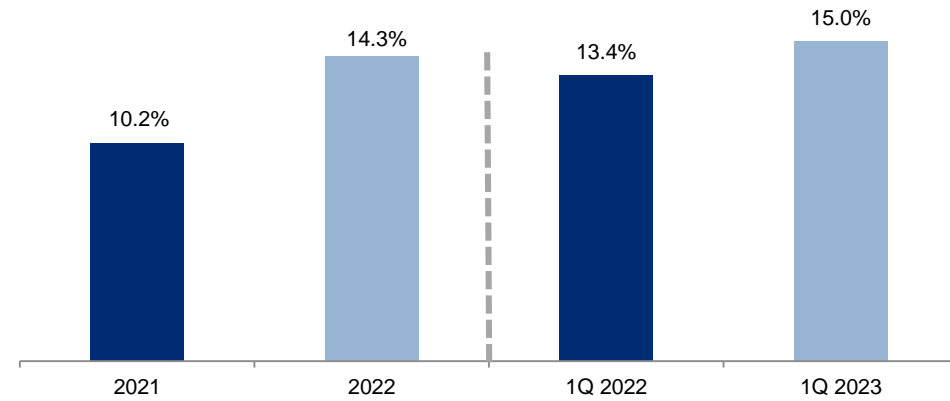
Operating Income Composition (USD mn)



Return on average assets (%)

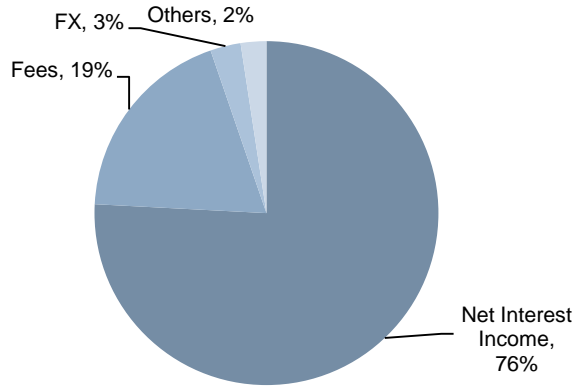


Return on average equity (%)

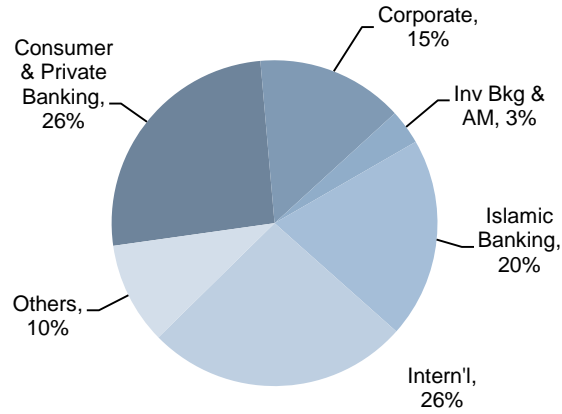


Operating Performance & Profitability (cont'd)

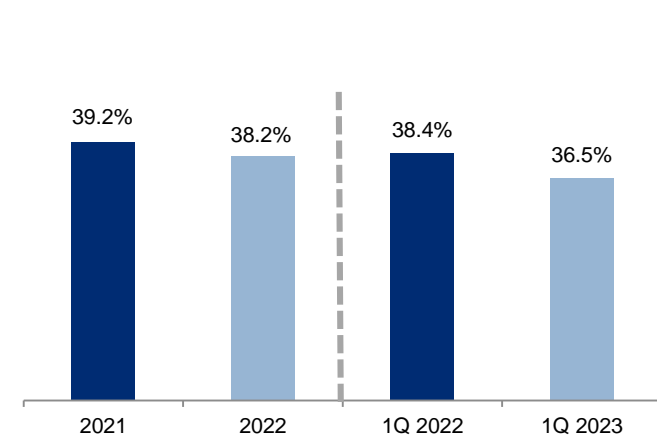
1Q 2023 Op. income by type (%)



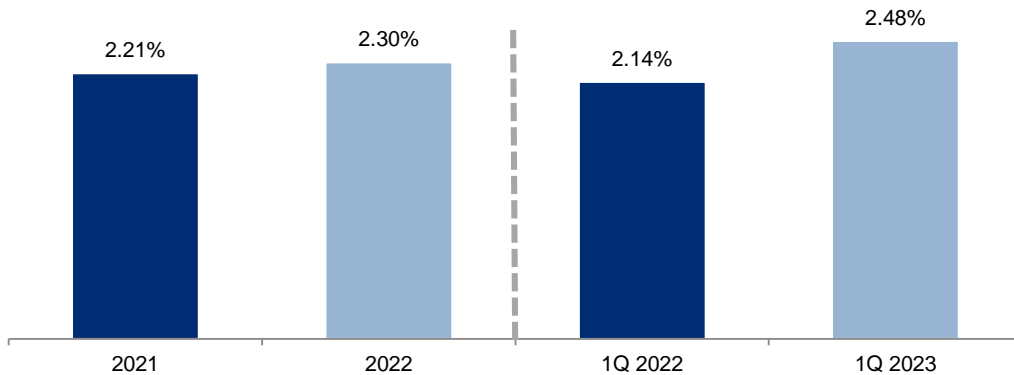
1Q 2023 Op. income by business line (%)



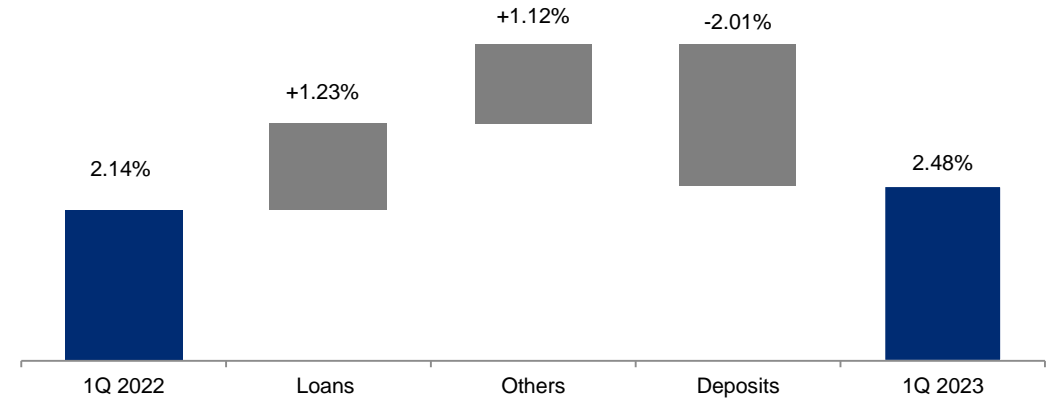
Cost to income (%)



Net Interest Margin (%)



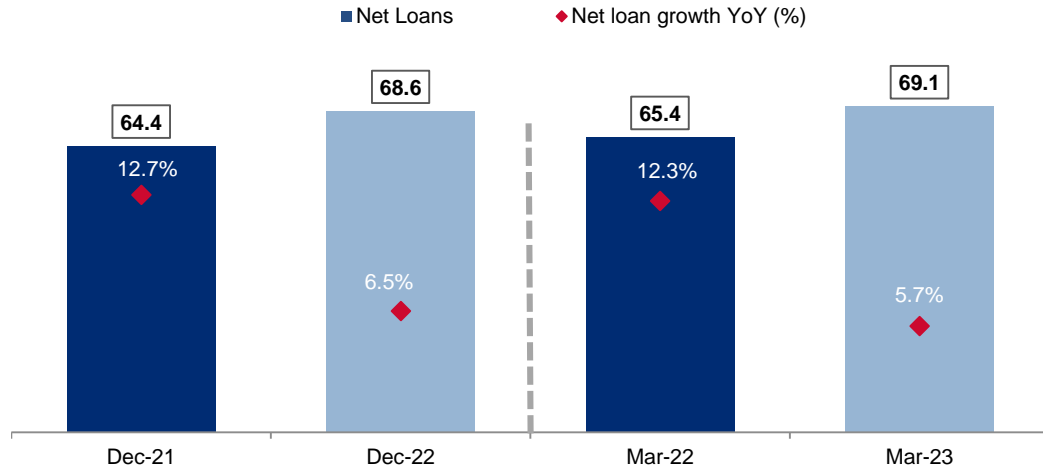
Net Interest Margin Drivers



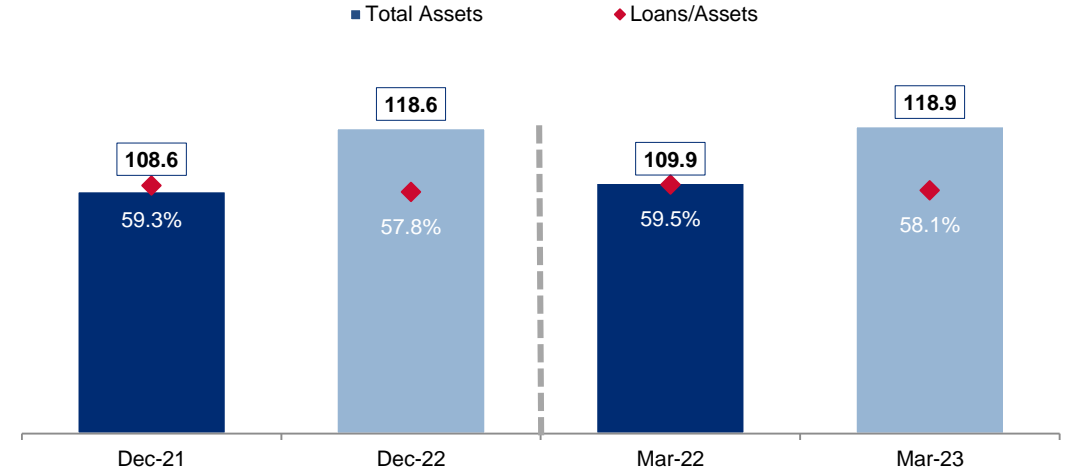


Balance Sheet Parameters

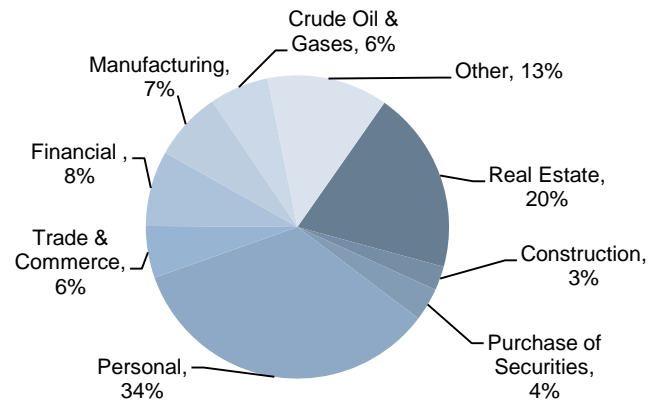
Net loan portfolio (USD bn)



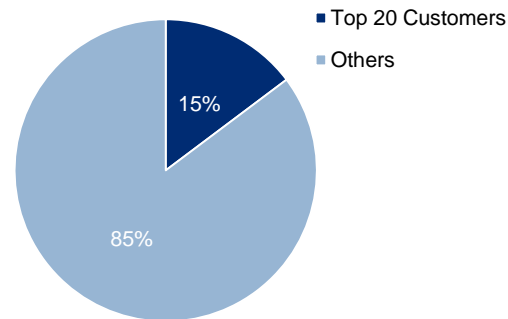
Loans to assets (USD bn)



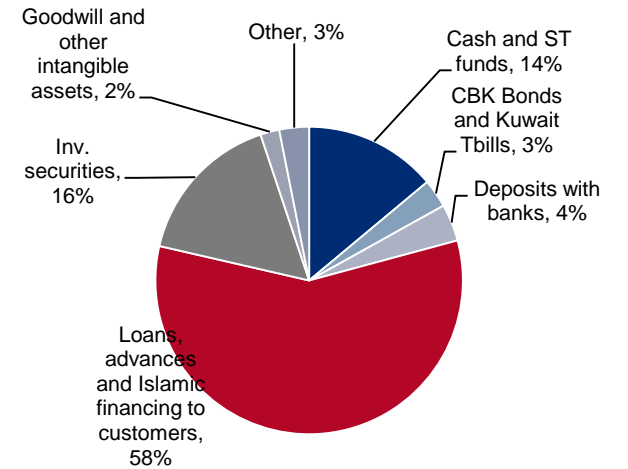
Loan exposure by sector (%) (as at 31 Mar. 2023)



Low loan concentrations (as at 31 Mar. 2023)



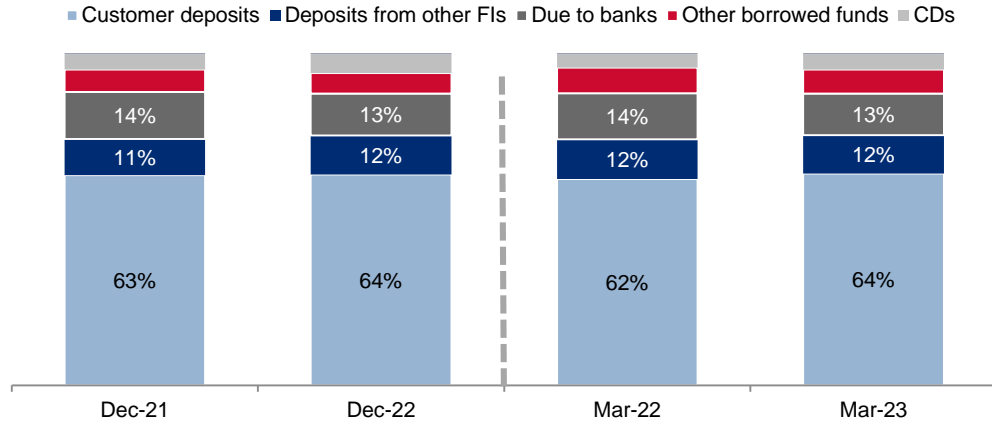
Assets by Type (as at 31 Mar. 2023)



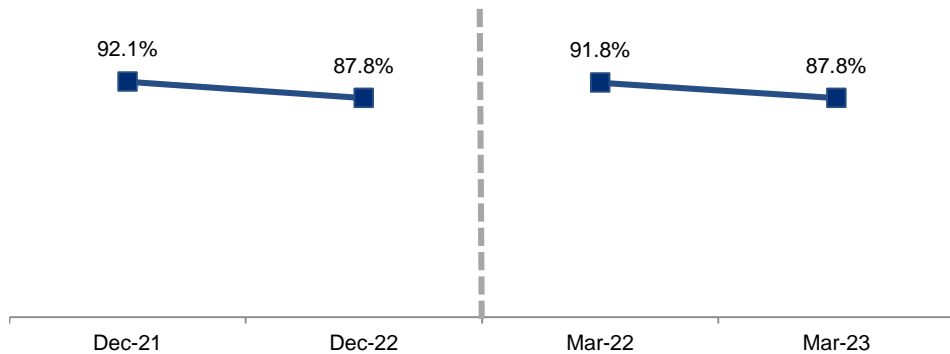


Funding and Liquidity Positions

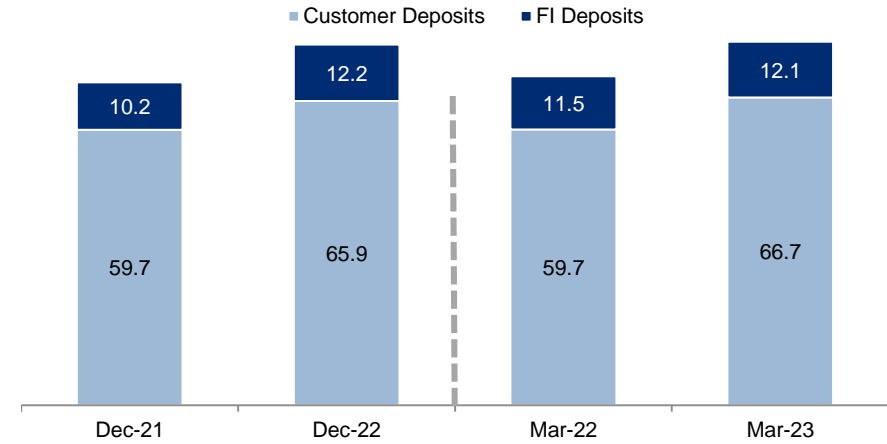
Funding Mix (Total Liabilities)



Loans to Customer and other FI Deposits Ratio (%)

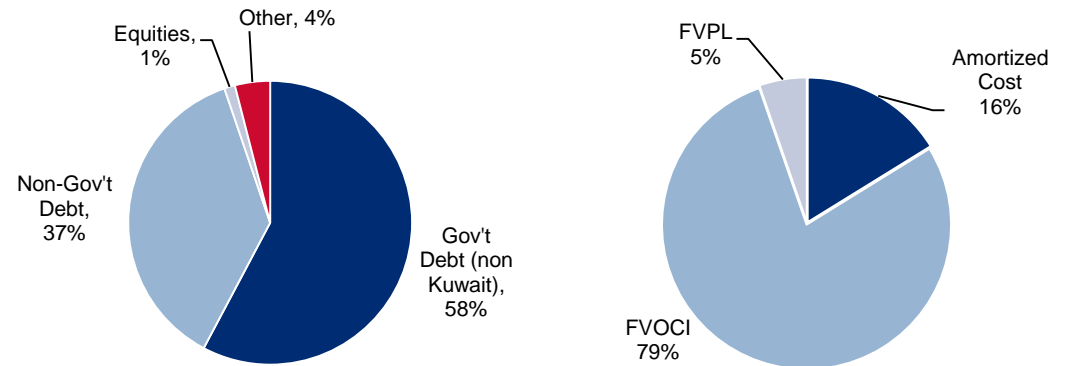


Customer and FI Deposits (USD bn)



Overview of Investment Securities¹ – USD 18.4 bn

As at 31 December 2022

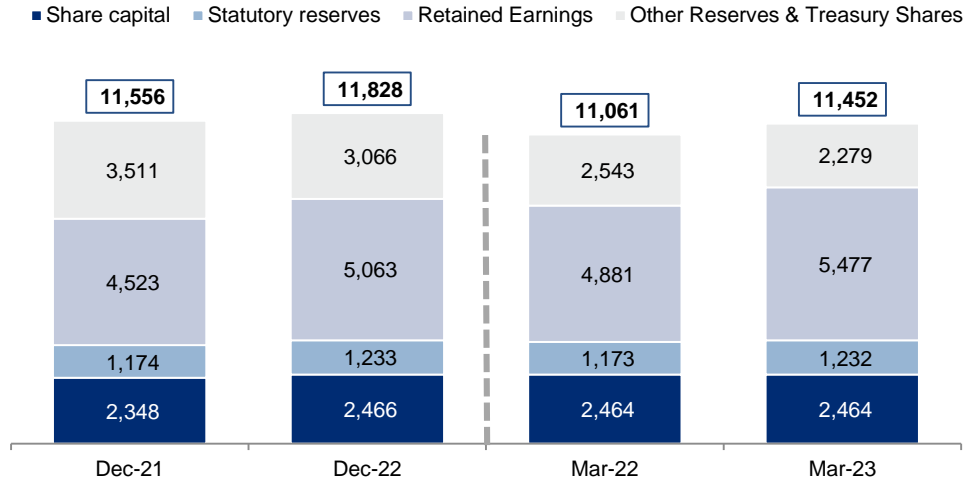


Notes:¹Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

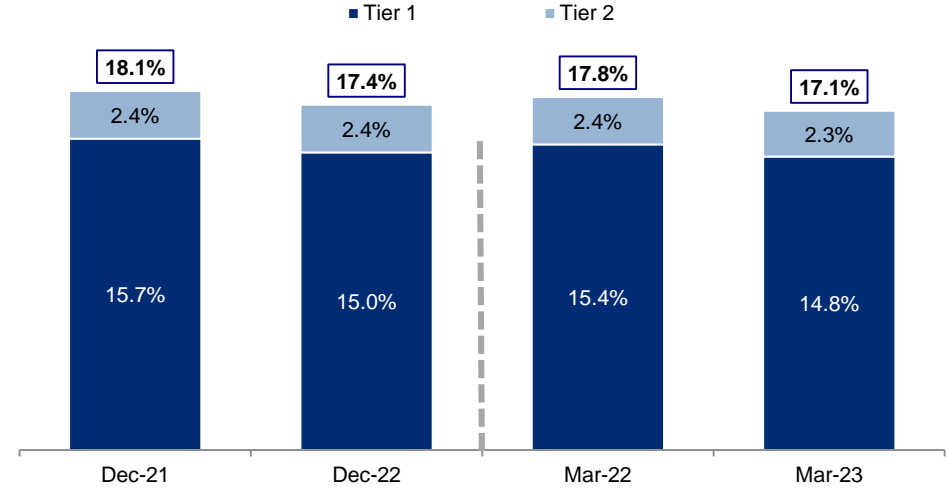


Capitalization and Asset Quality

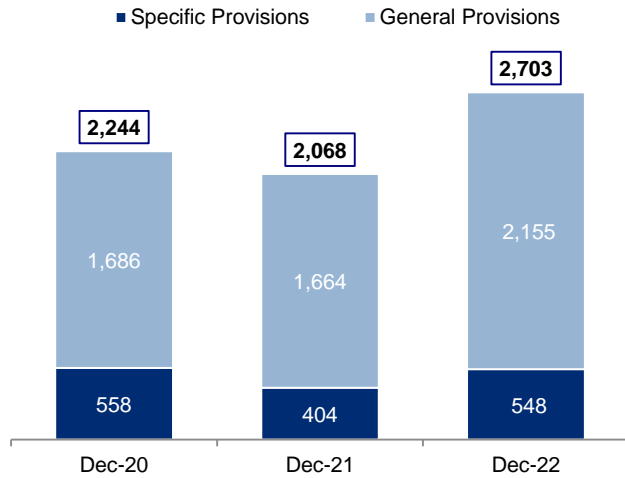
Total Equity¹ Breakdown (USD mn)



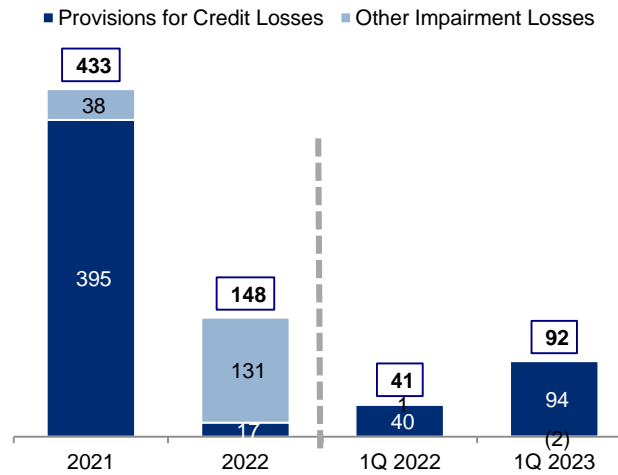
Prudent capitalization (%)



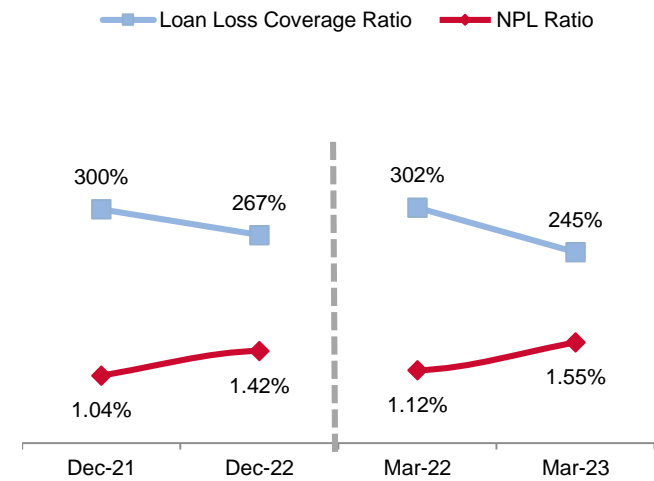
Prudent Provisioning (USD mn)



Provisions and Impairments Charges (USD mn)



Asset Quality Ratios (%)



Notes:¹Equity here refers to total equity attributable to the shareholders of National Bank of Kuwait S.A.K.P.

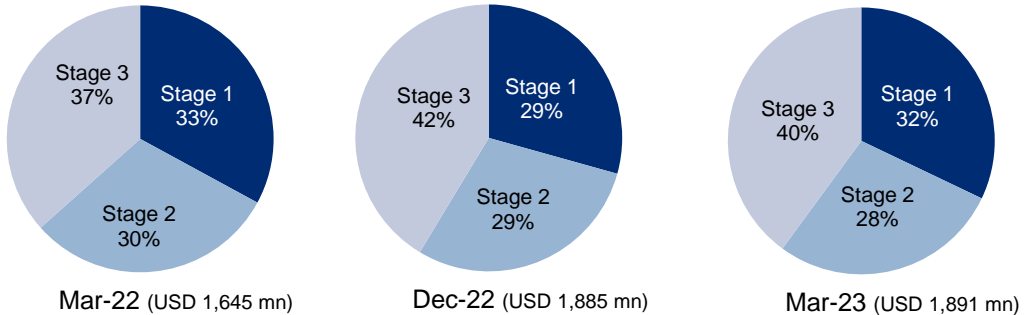


Expected Credit Losses (ECL) 1Q 2023

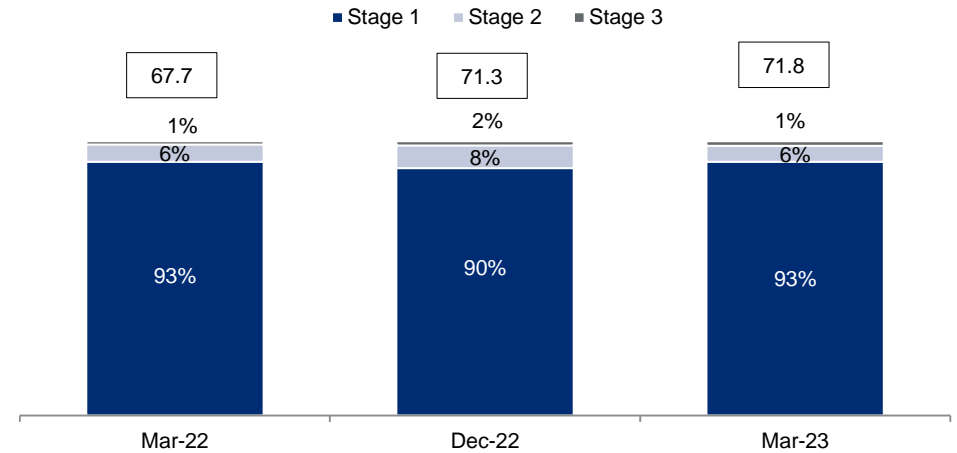
Financial Statements ECL Disclosure (USD mn)

31 March 2023	Stage1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	66,495	4,239	1,113	71,847
Contingent liabilities	12,182	2,145	39	14,366
Commitments (revocable and irrevocable) to extend credit	24,524	2,890	1	27,415
ECL allowance for credit facilities	607	529	755	1,891

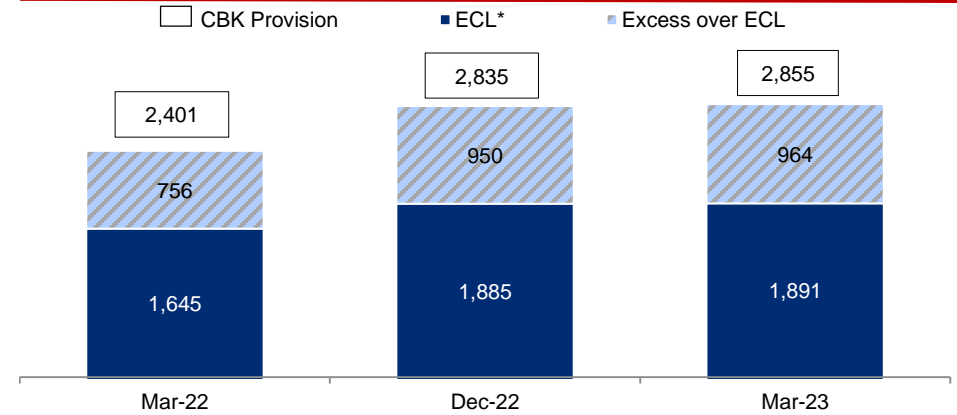
ECL Allowance for Credit Facilities



Total Gross Loans (USD bn)



CBK Credit Provisions vs IFRS 9 ECL (USD mn)



* ECLs as per CBK guidelines

Contents



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Section 2	Strategy and Business Overview
Section 3	Operating Environment
Section 4	Financial Performance Highlights
Section 5	Appendix



Kuwait Selected Mega Projects

Project	Sector	Budget (KD bn)	Scope	Status
South Al Mutlaa City	Construction	6.0	30,000 residential units, schools and other facilities	Underway: Egis has been awarded the Project Management Consultancy (PMC) contract and will provide programme level service management, construction logistics and interface management services.
Jahra & Sulaibiya Low Cost Housing City	Construction	0.5	Low cost housing project north of Kuwait City; 824 Hectares	Underway: Project was in the execution stage as per latest update in August 2019. Construction works on an infrastructure package are completed.
Kuwait Environmental Remediation Programme (KERP)	Oil & gas	0.5	Environmental remediation project to address the environmental damage resulting from the Gulf War	Underway: The bid submission date for the North & South Kuwait Revegetation Project is extended from April 16, 2023 to June 18, 2023.
Clean Fuels Project (CFP)	Oil & gas	3.70	Specification upgrade and expansion of 2 existing refineries to produce 800,000 b/d	Complete: Overall progress 100%. The project is currently under operation and the time for its shutdown mechanical maintenance is still unknown.
Jurassic Non Associated Oil & Gas Reserves Expansion: Phase 2	Oil & gas	0.8	Production of 120,000 b/d of wet crude and more than 300 million cubic feet a day (cf/d) of sour gas	Underway: Axen has been appointed as the technology provider and currently the project is in the design phase with the overall completion expected by early 2024.
Petrochemical Facility at Al-Zour	Oil & gas	2.0	Petrochemical plant to be integrated with Al-Zour refinery	Planning/Underway: FEED works completed. Project Engineering and Management Services for 6 years contract has been awarded. KIPIC qualified 7 bidders for the main contract tender expected before end-2021. The Fire Station and Training Center tender is yet to be issued.
North Shuaiba Power Plant	Power & Water	0.4	Dual-fuel plant with a net power generation capacity of 778 MW and includes 3 desalination units with a capacity of 45 MIGD	Bidding/Planning: Consultancy contract bid submission deadline in November 2021.
Al-Zour North (IWPP) – P2 to P5	Power & water	5.0	1800 MW of power generation capacity and 464,100m ³ /day of desalination capacity	Complete/Planning: P-1 is complete. Overall progress 55%. KAPP obtained approval to award the Transaction Advisory Services contract for P-2 & P-3;. The P-4 & P-5 are under study.
Al-Khairan Power & Desalination Plant (IWPP)	Power & water	1.0	Power and desalination plants; project involves three phases.	Bidding/Planning: The client has received the request for qualification (RFQ) documents from interested developers for the contract to develop the power and water desalination plant. The main contract tender is yet to be issued.
Umm Al Hayman Waste Water (PPP)	Power & water	0.4	Initial treatment capacity of 500,000 m ³ /d. Plant may replace Riqqa WWTP in future	Underway (pending): The Construction works are ongoing and the project is expected to be completed by November 2025.
Kabd Municipal Solid Waste Project	Power & water	0.2	Waste to energy facility; 50% of all the municipal solid waste produced in Kuwait will be processed at the facility	On Hold: The project has been put on hold.
Kuwait Metropolitan Rapid Transit	Transport	5.4	165 km transit line running across Kuwait.	Planning: Feasibility study for the project has been completed stating the PPP models is more economically viable than the traditional tendered approach.
Airport Expansion (New Passenger Building)	Transport	2.6	To increase the annual handling capacity of the airport to 20 million passengers and new runways and infrastructure expansion	Underway/Bidding: The main contract for the Terminal II Building: Air-side Works project is yet to be awarded.

Consolidated financials 1Q 2023 (USD mn)

<i>Income Statement (USD mn)</i>	1Q 2022	1Q 2023	YoY Growth (%)	<i>Balance sheet (USD mn)</i>	Mar- 22	Mar-23	YoY Growth (%)
Interest Income	561	1,179	NM	Cash and short term funds	16,044	16,664	4%
Interest Expense	152	662	NM	Central Bank of Kuwait bonds	2,710	2,915	8%
Net Interest Income	409	557	36%	Kuwait Government Treasury bonds	879	647	(26%)
Murabaha and other Islamic financing income	199	301	51%	Deposits with banks	3,466	4,656	34%
Distribution to depositors and Murabaha costs	57	167	NM	Loans, advances and Islamic financing to customers	65,412	69,122	6%
Net Income from Islamic financing	141	134	(5%)	Investment securities	16,406	19,475	19%
NII and NI from Islamic financing	550	691	26%	Land, premises and equipment	1,499	1,549	3%
Net fees and commissions	141	168	19%	Goodwill and other intangible assets	1,865	1,729	(7%)
Net investment income	40	19	(52%)	Other assets (incl. assets held for sale)	1,643	2,192	49%
Net gains from dealing in foreign currencies	33	26	(20%)	Total Assets	109,925	118,949	8%
Other operating income	2	3	91%	Due to banks	13,320	13,118	(2%)
Non-interest income	215	216	0%	Deposits from other financial institutions	11,488	12,071	5%
Net Operating Income	765	906	18%	Customer deposits	59,731	66,666	12%
Staff expenses	168	179	6%	Certificates of deposit issued	3,890	4,830	24%
Other administrative expenses	94	116	24%	Other borrowed funds	4,639	4,474	(4%)
Depreciation of premises and equipment	31	34	13%	Other liabilities	2,771	3,076	15%
Amortisation of intangible assets	1	1	0%	Total Liabilities	95,840	104,235	9%
Operating Expenses	294	331	13%	Share capital	2,464	2,464	0%
Pre-provision profits (and impairments)	471	575	22%	Proposed bonus shares	-	123	NA
Provision charge for credit losses and impairment losses	41	92	NM	Statutory reserve	1,173	1,232	5%
Operating profit before taxation	431	484	12%	Share premium account	2,620	2,620	0%
Taxation	28	29	4%	Treasury share reserve	114	114	0%
Non-controlling interest	22	17	(25%)	Other reserves	4,690	4,900	4%
Profit attributable to shareholders of the Bank	380	438	15%	Equity attributable to shareholders	11,061	11,452	4%
				Perpetual Tier 1 Capital Securities	1,432	1,432	0%
				Non-controlling interests	1,592	1,829	15%
				Total equity	14,085	14,713	4%
				Total liabilities and equity	109,925	118,949	8%



Consolidated Statement Of Income *(USD mn)*

<i>USD mn</i>	2020	2021	2022
Interest Income	2,471	2,158	3,094
Interest Expense	871	506	1,188
Net Interest Income	1,600	1,653	1,906
Murabaha and other Islamic financing income	735	744	939
Finance cost and Distribution to depositors	267	211	377
Net Income from Islamic financing	468	532	562
Net interest income and net income from Islamic financing	2,068	2,185	2,468
Net fees and commissions	483	551	593
Net investment income	7	91	51
Net gains from dealing in foreign currencies	107	97	181
Other operating income	75	13	3
Non-interest income	671	753	829
Net Operating Income	2,739	2,938	3,297
Staff expenses	570	657	719
Other administrative expenses	322	377	410
Depreciation of premises and equipment	109	111	127
Amortisation of intangible assets	5	5	5
Operating Expenses	1,006	1,151	1,261
Op. profit before provision for credit losses and impairment losses	1,733	1,787	2,036
Provision charge for credit losses	711	395	17
Impairment losses	94	38	131
Operating profit before taxation	929	1,354	1,888
Taxation	84	111	155
Directors' remuneration	-	0	3
Non-controlling interest	40	60	68
Profit attributable to shareholders of the Bank	804	1,183	1,662



Consolidated Statement Of Financial Position *(USD mn)*

<i>USD mn</i>	2020	2021	2022
Cash and short term funds	12,744	16,592	17,380
Central Bank of Kuwait bonds	2,711	2,710	2,877
Kuwait Government treasury bonds	1,511	1,361	691
Deposits with banks	3,354	2,890	4,865
Loans, advances and Islamic financing to customers	57,148	64,389	68,555
Investment securities	15,438	16,033	18,396
Investment in associates	17	12	10
Land, premises and equipment	1,394	1,489	1,550
Goodwill and other intangible assets	1,900	1,898	1,746
Other assets	804	1,201	2,566
Total Assets	97,021	108,575	118,637
Due to banks	9,965	13,381	13,118
Deposits from other financial institutions	9,563	10,237	12,213
Customer deposits	55,841	59,683	65,877
Certificates of deposit issued	3,000	4,373	5,882
Other borrowed funds	2,640	4,135	4,060
Other liabilities	2,491	2,182	2,355
Total Liabilities	83,501	93,991	103,504
Share capital	2,236	2,348	2,466
Proposed bonus shares	112	117	123
Statutory reserve	1,118	1,174	1,233
Share premium account	2,622	2,622	2,622
Treasury share reserve	114	114	114
Other reserves	4,604	5,180	5,271
Equity attributable to shareholders of the bank	10,806	11,556	11,828
Perpetual Tier 1 Capital Securities	1,431	1,433	1,433
Non-controlling interests	1,282	1,595	1,870
Total equity	13,520	14,584	15,132
Total liabilities and equity	97,021	108,575	118,637

Contact

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Useful information

Download copies of NBK's:

- [Financial statements](#)
- [Earnings release](#)
- [Annual report](#)



National Bank of Kuwait

Investor Presentation

May 2023