



National Bank of Kuwait

Investor Presentation

February 2024

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Contents






Section 1	Overview of NBK
Section 2	Strategy and Business Overview
Section 3	Operating Environment
Section 4	Financial Performance Highlights
Section 5	Appendix

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 has featured among the biggest Middle East brands 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 6.0% as of December 2023) NBK's market capitalization at 31 December 2023 was USD 23.1 bn
Operations	<ul style="list-style-type: none"> The Bank's core businesses are (i) Consumer Banking, (ii) Corporate Banking, (iii) Islamic Banking and (iv) NBK Wealth The Bank operates across 13 countries with a predominant focus on the MENA region.

Credit Ratings

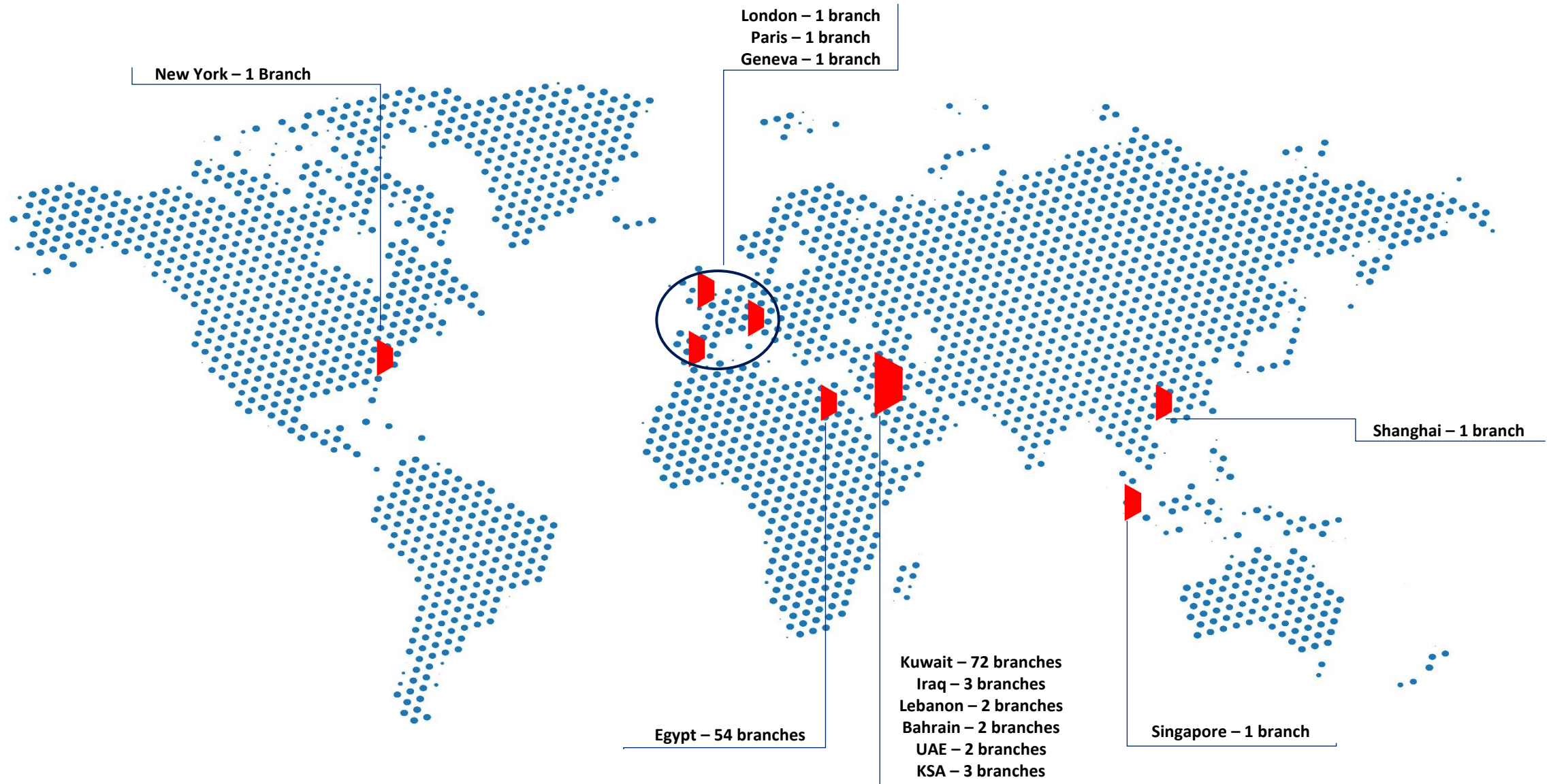
Rating Agency	Long Term Rating	Standalone Rating	Outlook
	A1	a3	Stable
	A	a-	Stable
	A+	a-	Stable

Financial snapshot

USD million	2021	2022	2023
Total Assets	108,416	118,462	122,787
Loans, Advances & Islamic financing	64,295	68,454	72,636
Customer Deposits	59,596	65,780	71,553
Total Equity	14,563	15,110	15,995
Net Operating Income	2,933	3,292	3,804
Net Profit attributable	1,181	1,660	1,828
Cost to Income (%)	39.2%	38.2%	36.6%
Net Interest Margin (%)	2.21%	2.30%	2.59%
NPL Ratio (%)	1.04%	1.42%	1.38%
Loan Loss Coverage Ratio (%)	300%	267%	271%
Return on Average Equity (%)	10.2%	14.3%	15.0%
Common Equity Tier 1 Ratio (%)	13.3%	12.9%	13.0%
Tier 1 Ratio (%)	15.7%	15.0%	15.0%
Capital Adequacy Ratio (%)	18.1%	17.4%	17.3%



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 has featured among the biggest Middle East brands 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 1.38% at end-2023
- 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 its inception
- 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

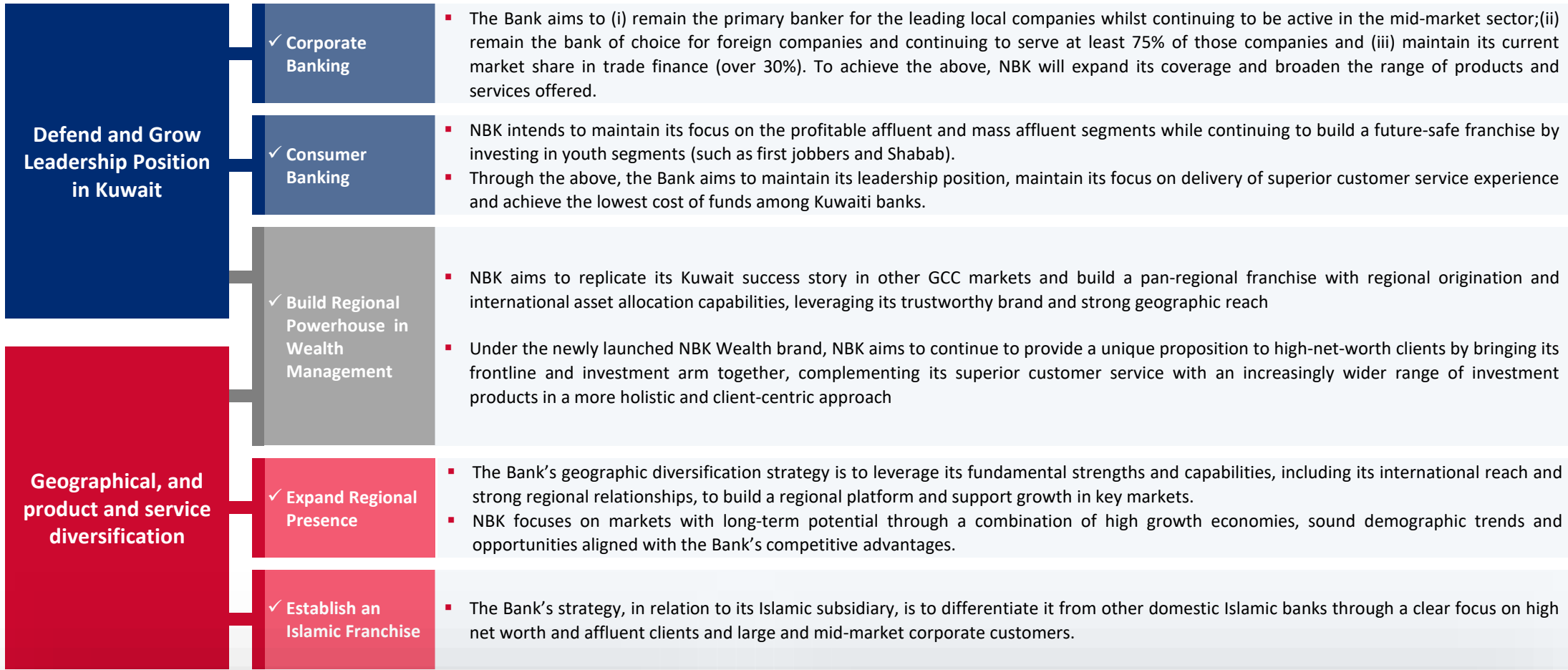
Contents



Section 1	Overview of NBK
Section 2	Strategy and Business Overview
Section 3	Operating Environment
Section 4	Financial Performance Highlights
Section 5	Appendix



NBK's Strategy



Digital Transformation

ESG Transition



Kuwait Operations

NBK

Corporate 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

Consumer Banking

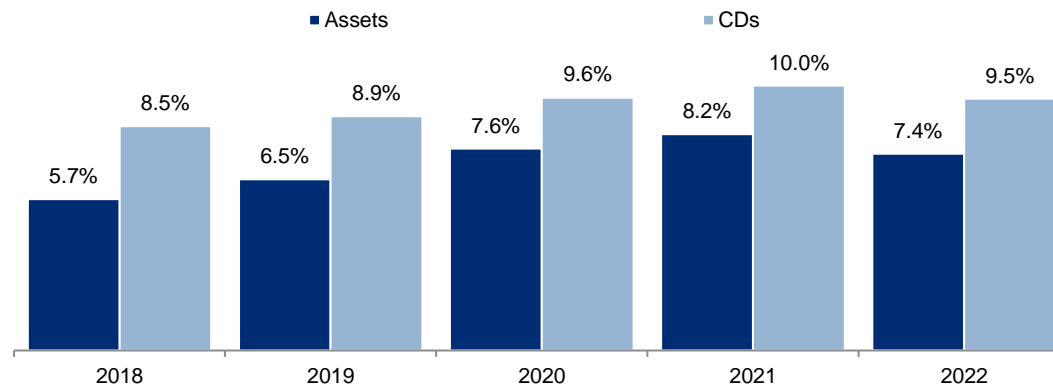


- Maintain leadership with largest market share and highest customer penetration
- Maintain focus on customer service
- Aim to attract new bankable clients such as SMEs
- Pioneer innovative products and services utilizing the latest tools and technologies
- Proactive attrition management
- Meet evolving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

Islamic Banking (Boubyan Bank 60.4% owned subsidiary)

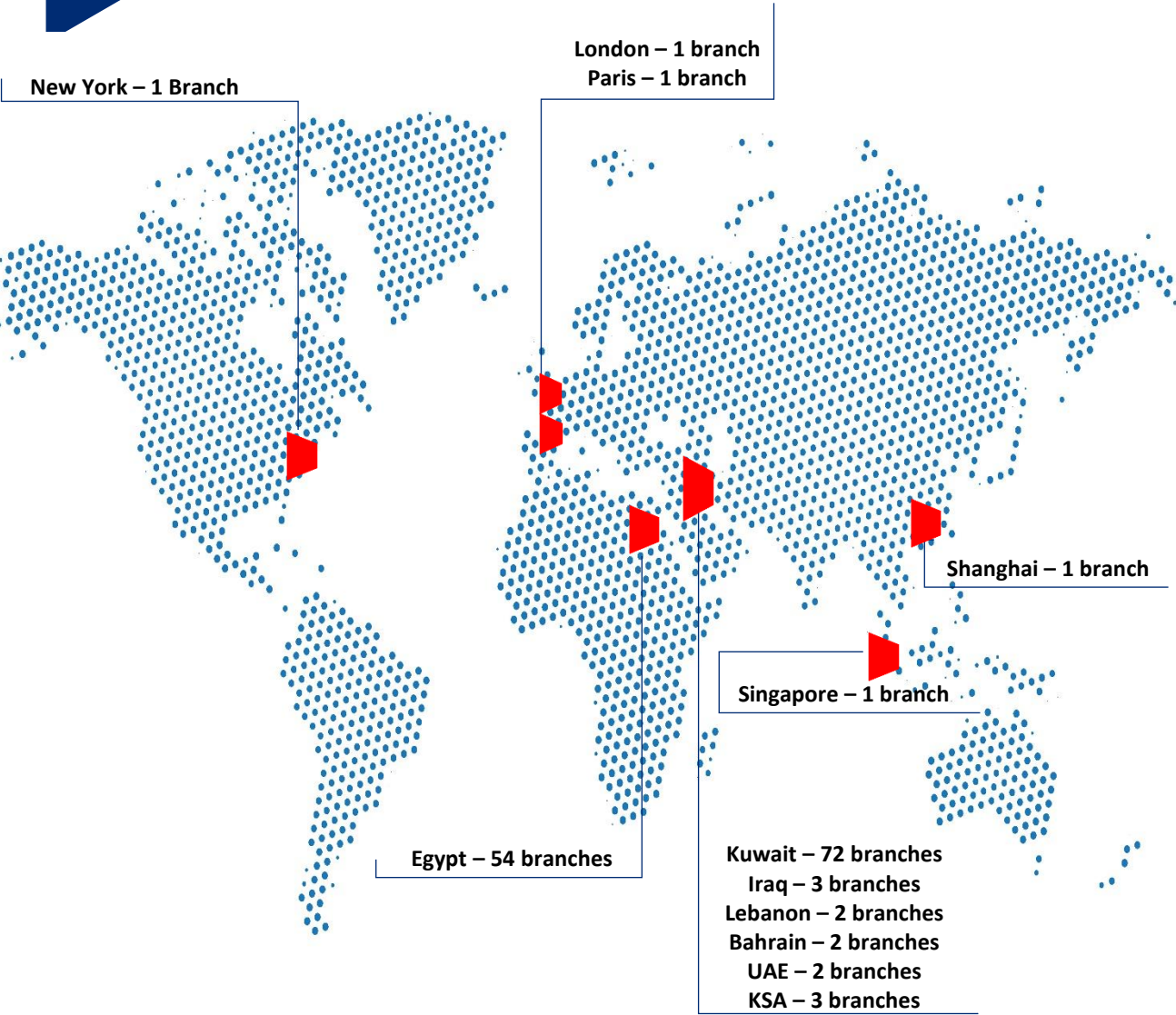
- After a series of gradual share acquisitions since 2009, NBK's stake in Boubyan bank reached 58.4% in 2012. Through Boubyan, NBK aims at diversifying its income stream, complementing its product offering as well as targeting a new segment of clients.
- The size and market share development of Boubyan 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



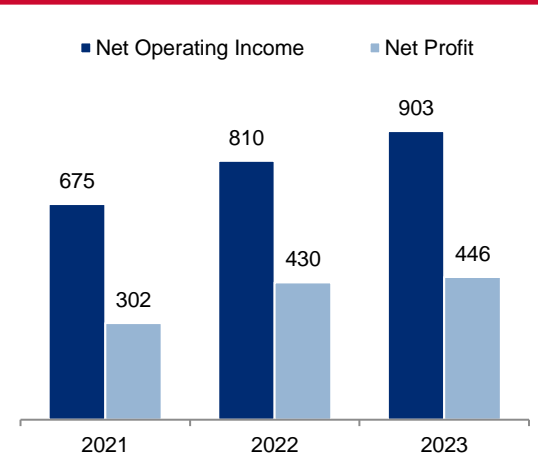


International Banking Operations

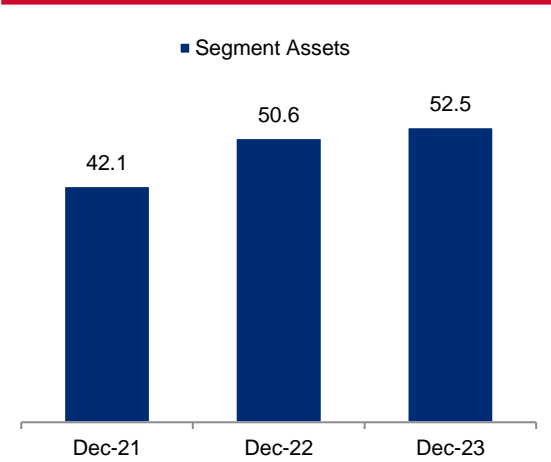


- NBK’s international banking operations have been traditionally contributing 25% of the Group’s bottom line.
- NBK’s international presence is a differentiating factor for the Group, enabling better service and strengthening client relationships.
- The Bank is focused on growing its business in existing 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.
 - 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)

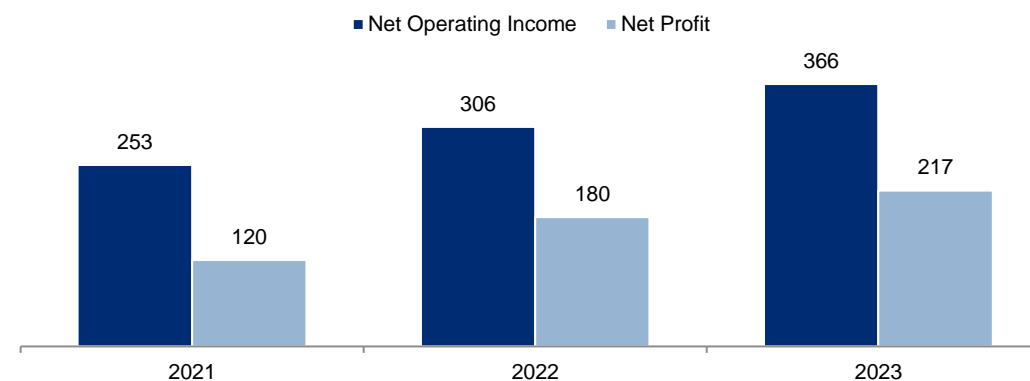


NBK Wealth

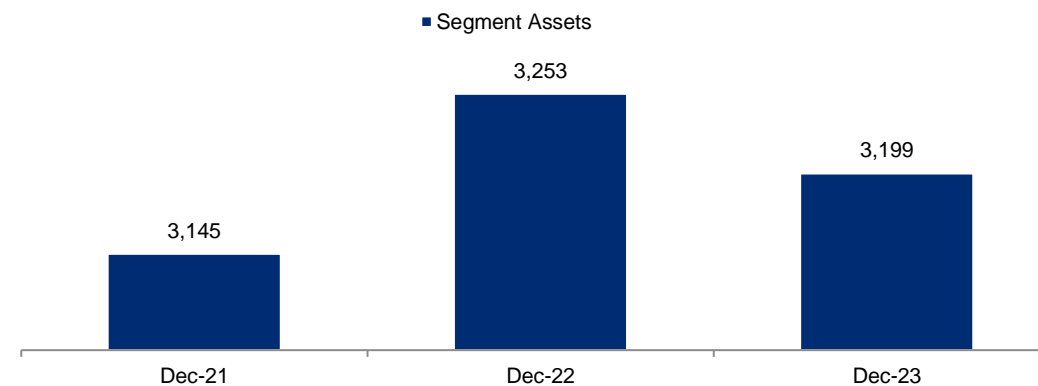
NBK Wealth emerged as the outcome of the transformation plan of merging NBK's private banking and asset management businesses under one leadership and one identity. The transformation plan was focused on client-centricity, and NBK Wealth now offer SHNWI/UHNWI/HNWI and institutional accounts a holistic and client-centric offering building on the decades-long trusted relationships with clients and aiming at meeting their ever-changing needs.

- Servicing clients in a holistic and client-centric approach by developing a deep understanding of their needs (beyond financial) and offering holistic solutions that meet their ever-changing requirements.
- Effective relationship management through continuous client interaction across all locations and client segments to develop a deep understanding of clients' holistic needs
- Availing clients with innovative solutions including:
 - **Advisory:** Client-specific and tailor-made wealth, portfolio investment, real estate planning, and advisory services, including using holistic multi-asset strategies.
 - **Product:** Providing access to a unique platform covering a wide array of investment vehicles across liquid and illiquid solutions, developed in-house or through partnerships with renowned global providers.
 - **Booking Centers:** expanded booking centers with the optionality of a relationship management coverage model at the choice of clients.
 - **Banking Services:** Differentiated propositions to HNWI for core banking products such as loans, deposits, and credit cards.

Revenue Trends (USD mn)



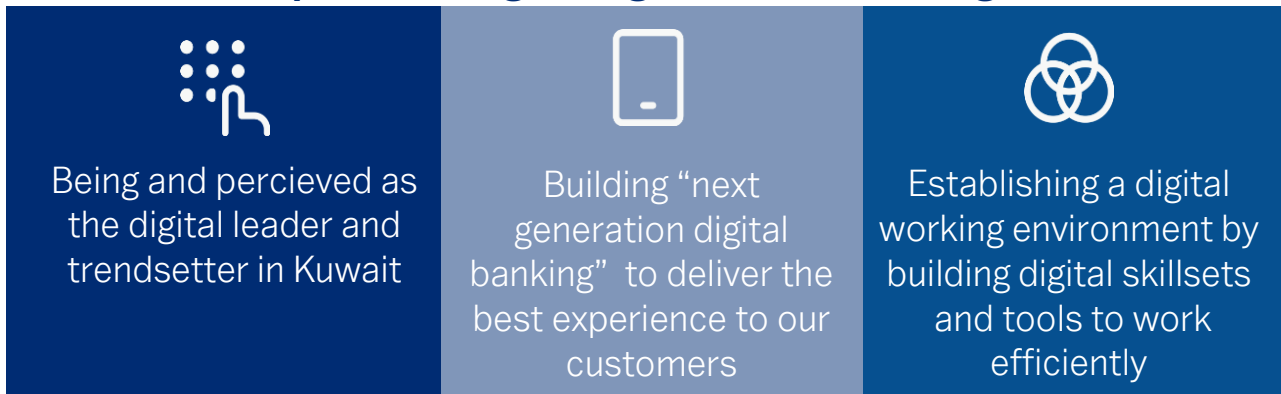
Balance Sheet Trends (USD mn)





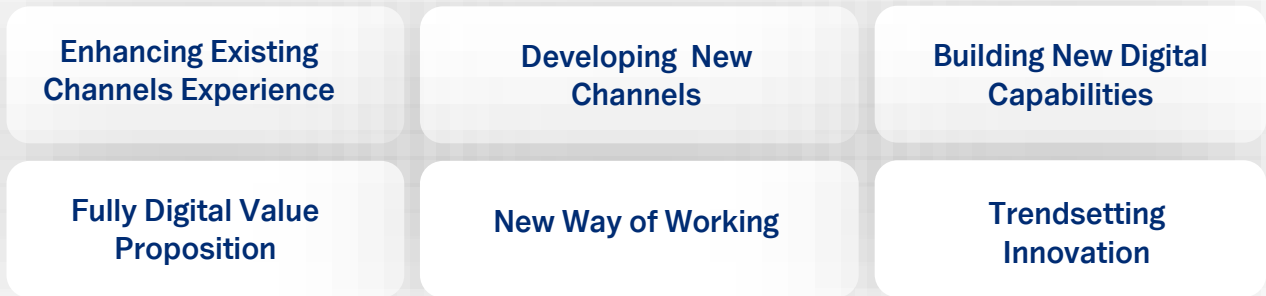
Digital Transformation Underpinning the Strategy of the Group

We developed our digital agenda with strong ambitions



Digital Transformation programs across all segments

Leveraging the change through six main pillars



NBK has embraced the changing business environment and evolving customer demands resulting from technological advances by launching a digital transformation plan adopting a two-pronged approach:

- 1.** Digital transformation of the core (comprehensive program to transform our business in Kuwait)
- 2.** Business diversification leveraging digital disruption (building new businesses outside the core)

NBK ESG Strategy Framework

Ambition

To support the transition to a sustainable economy and become a role model in our own transformation.

Strategic Initiatives

- Support the transition to a low carbon economy by delivering on our net zero ambitions.
- Capitalize on sustainable business opportunities and develop a best-in-class Sustainable Finance proposition.
- Engage with our clients to accelerate their transition plans and support them in achieving their net zero ambitions.
- Embed ESG across our supply chain.



Ambition

To drive sustainable business growth achieved through organizational resilience.

Strategic Initiatives

- Promote diversity, equity, and inclusion in the workplace.
- Promote group-wide ESG transformation through enhanced employee engagement and development programs.
- Cultivate and retain local talent by providing rewarding career development opportunities.
- Establish a digital and agile work environment.



STRATEGY PILLARS



Ambition

To commit to the highest standards of governance by embedding ESG across the Group.

Strategic Initiatives

- Build and implement the highest standards of ESG governance and accountability.
- Enhance stakeholder engagement, emphasizing our ESG narrative and commitments.
- Develop economic, environmental, and social risk resilience.



Ambition

To deliver a positive impact on the communities we serve.

Strategic Initiatives

- Empower communities to achieve financial independence, confidence, and security.
- Continued and enhanced focus to providing optimal customer experience and service excellence.
- Support national development plans to promote and nurture local talent.
- Expand our community investment efforts for optimal impact.
- Support equitable community and economic development.



Building A Leading Journey In ESG

ESG Ratings



NBK is at 27.4 – Medium Risk



MSCI upgraded NBK ESG ratings to 'BBB' in August 2023



Listed on Refinitiv AFE Low Carbon Select Index MENA



FTSE4Good

Constituent of the FTSE4Good Index Series



"C" score for 2022 for both the Climate Change and Forests Categories



NBK Headquarters awarded the Gold LEED Certification

ESG Awards

Global Finance 2023

- Best Innovation and Transformation – World
- Best SME Bank Award – Kuwait
- Best Private Bank for Sustainable Investing – Middle East
- Best Financial Innovation Labs – NBK Group Digital Office
- Best Consumer Digital Bank – Kuwait
- Best Innovation and Transformation – Middle East

Euromoney 2023

- Best Bank for Corporate Responsibility in the Middle East
- Best Bank for CSR in Kuwait

MEED – MENA Banking Excellence Awards 2023

- Best Youth Programme Initiative
- Best Initiative for Women in Business
- Best Implementation of Diversity & Inclusion Initiatives

Qorus-Accenture Banking Innovation Awards 2023

- Self-service Branches – Gold Award
- SME Bank of the Year – Silver Award
- Bankee Program – Bronze Award

National and Global Frameworks



WE SUPPORT



2023 Key ESG Achievements

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

> Strategy Pillars



Responsible Banking



Governance for Resilience



Investing in our Communities




Capitalizing on our Capabilities

> Key Highlights

- Committed to **become carbon neutral by 2060** and set an interim target to **reduce gross operational emissions by 25% by 2025**.
 - Installed **Building Energy Management System (BEMS)** in **22 of NBK's local branches** to monitor, control, and optimize the Bank's energy and water consumption.
 - Committed to **USD 10 billion Sustainable Assets by 2030**. As of 31 December 2023, **the Bank has around USD 2.5 billion of Sustainable Assets**.
 - Launched **Eco-friendly Auto Loan and Eco-friendly Housing Loan** for consumers.
 - Reviewed and updated **the Bank's Procurement policies** to embed ESG-related principles in its vendor sourcing and management processes.
 - In 2023, **NBK Egypt concluded an operational carbon footprint exercise** for the years 2021-2022 and is currently engaged on FY 2023 GHG footprint in line with Central Bank of Egypt regulations.
-
- Finalized and approved the **new Group ESG Strategy**.
 - 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.
 - Joined the **United Nations Global Compact (UNGC)**. The Bank's first Communication on Progress (COP) is due June 2024.
 - Developed a **Group-level ESG Policy** to orchestrate the Bank's sustainability activities and drive accountability across the Group network..
 - Constituent in **Refinitiv AFE Low Carbon Select Index MENA**.
 - Accounted for **climate change risks in the Pillar II Assessment presented in the ICAAP regulatory report**.
 - Institutionalized **alignment with the recommendations of Taskforce on Climate-related Financial Disclosures (TCFD)**. In the process of developing a **bank-wide Environmental & Social Risk Management (ESRM) Framework**.
-
- Launched **new designs for all our cards with customer-tailored features**, including design themes **especially for the visually impaired**.
 - Launched the **"Bankee" financial literacy program** in Kuwait's schools, with **15,000 students and 3,000 teachers participating**.
 - Continues to be the primary advocator of **Central Bank of Kuwait's "Let's Be Aware" Campaign** which aims to raise public awareness about key financial concepts and advance financial inclusion in Kuwait. In 2023, **engaged in more than 44 public interactions** across numerous channels and platforms in Kuwait.
 - Community Investments** totaled KD 28 million in 2023 (**USD 91 million**), a **22% increase from 2022**.
 - Launched **"She's Next" initiative in partnership with VISA**, a global advocacy program that aims to support women-owned small businesses.
 - Continued efforts to support and nurture local talent. As of 31 December 2023, **Nationalization rate was 76.7%**.
 - NBK organized a **Media Awareness Workshop on Sustainability and Climate Change**, the first-of-its-kind in Kuwait.
 - Awarded **"Best Bank for Corporate Responsibility in the Middle East 2023"** by Euromoney.
-
- Women in workforce 44.3%**, women in **management 29.3%**.
 - Provided key **Sustainability Champions** across the Bank with a **Global Reporting Initiative (GRI) Standards training program**.
 - Launched **Sustainability Essentials Training Program across the Group**, providing employees with capacity building on key sustainability concepts.
 - In 2023, NBK Kuwait employees received more than **200,000 training hours**. This includes **3,313 hours on ESG-related topics** with focus on Sustainability Awareness, Sustainable Finance, and Climate Risk Management.
 - In 2023, launched first of its kind **NBK Tech Academy** to provide the Kuwaiti youth with a **best-in-class and innovative program in digital transformation**.
 - Developed an **Employee Grievance Policy**, which was circulated to all employees and published on NBK Group Website.
 - In an effort to make NBK a better and inclusive workplace, launched the **Employee Engagement Survey "Your Voice Matters" 2023**.
 - Launched **new mobile banking experience** for NBK customers themed "Tailored for You", to provide them with the latest and most advanced digital services.

Contents



Section 1	Overview of NBK
Section 2	Strategy and Business Overview
Section 3	Operating Environment
Section 4	Financial Performance Highlights
Section 5	Appendix



Kuwait Overview

Key Highlights

- Kuwait is a constitutional monarchy, headed by H.E. the Emir, Sheikh Meshal Al-Ahmad Al-Sabah, with a population of 4.8 million (June 2023).
- It is a founding member of the Organization of the Petroleum Exporting Countries (OPEC) and the Gulf Cooperation Council (GCC).
- Kuwait has the 6th largest proven crude oil reserves in the world (101.5 billion barrels) and was the 8th largest oil producer in 2022 (2.4 mb/d).
- GDP is estimated at \$181 billion and \$38,250 on a per-capita basis in 2022.
- The oil sector's share of GDP was 55% in 2022, and Kuwait has one of the lowest industry breakeven oil prices in the world. Oil exports constitute around 90% of both total exports and government revenues.
- Kuwait is an open, oil-dependent economy dominated by the government sector. Private non-oil activity is centered on finance, construction, trade, logistics and real estate.
- The Kuwaiti banking sector comprises 22 banks, including 11 domestic banks (5 conventional, 5 Sharia-compliant and 1 specialized), and branches of 11 international banks (10 conventional and 1 Islamic).
- The banking 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.

Key Indicators

Indicator	2021	2022	2023 ^f	2024 ^f
Nominal GDP (USD billion)	141.7	181.2	164.7	164.3
Real GDP (% y/y)	1.7	6.1	-0.7	-0.2
Real non-oil GDP (incl. refining, % y/y)	4.4	0.3	3.3	2.6
Consumer price inflation (% y/y, avg.) ¹	3.4	4.0	3.6	2.5
Fiscal balance (KD billion) ¹	-4.3	6.5	-3.6	-3.2
Fiscal balance (% of GDP) ¹	-10.2	11.5	-7.0	-6.5
Fiscal break even oil price (USD/bbl)	96.0	76.0	90.0	88.0
Public debt (% of GDP)	4.4	3.0	3.0	2.7

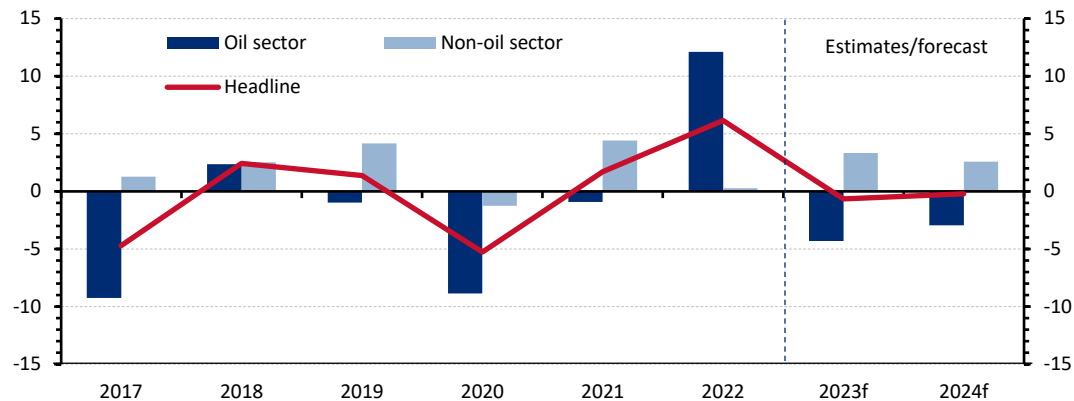
Sovereign Credit Ratings

Rating Agency	FC credit rating	Outlook	Rating Action/date
S&P Global	A+	Stable	Affirmed/Dec'23
Moody's	A1	Stable	Affirmed/Jun'23
Fitch	AA-	Stable	Affirmed/Sep'23

Sources: ¹Official sources and only to 2022; all other figures are NBK estimates/forecasts

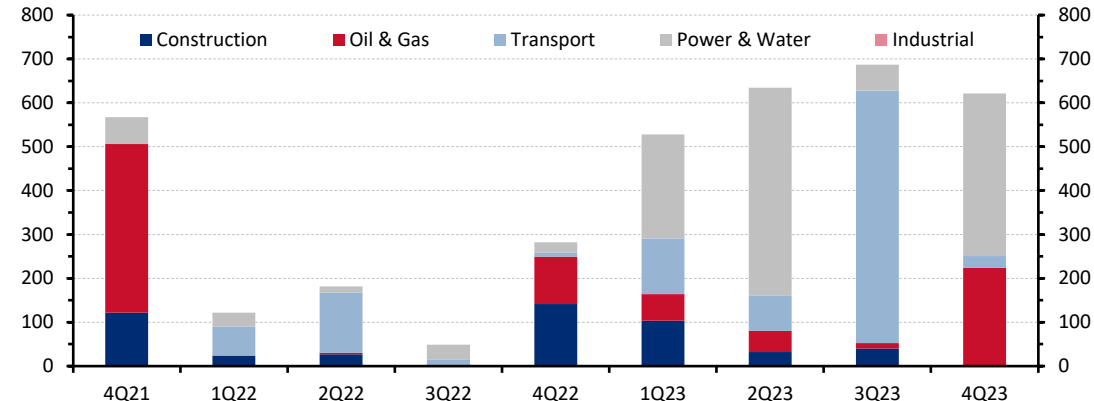
Kuwait's Economy

Real GDP Growth¹ (% y/y)



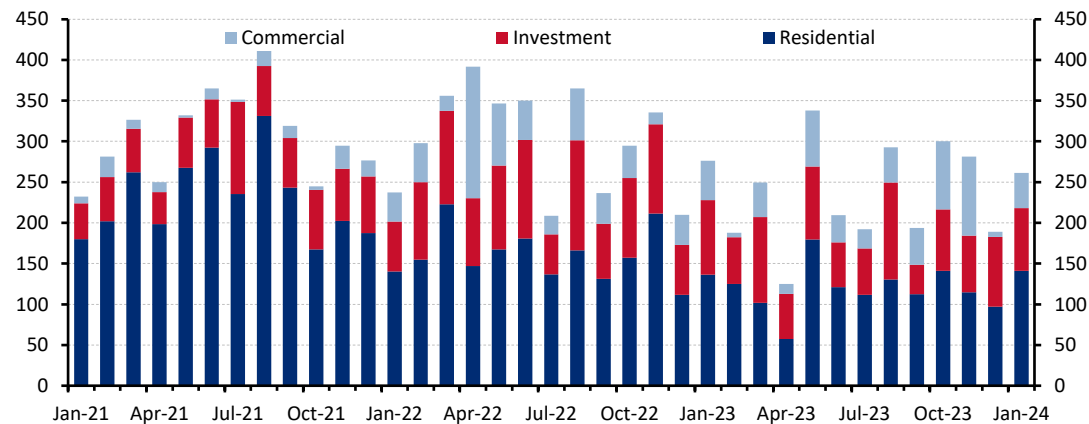
GDP growth estimates have been lowered following the release of preliminary official GDP data (2021-2022) and after Kuwait agreed to additional OPEC+ voluntary oil production cuts for 2024.

Project Awards² (KD million)



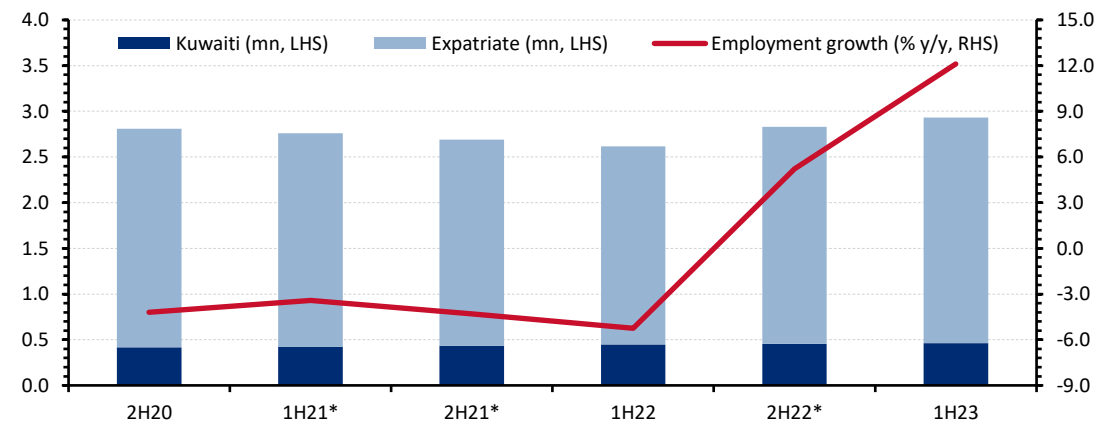
Project awards (value) fell to KD621mn (-9.6% q/q) in Q4 2023. But 2023's total of KD2.5bn was still more than three times higher than the previous year's outturn.

Real Estate Sales³ (KD million)



Real estate sales (by value) ticked up in January 2024 to KD261.5 million (+38% m/m; -5.4% y/y). The increase was driven by the residential and commercial sectors.

Employment⁴ (million, *estimated, annualized)

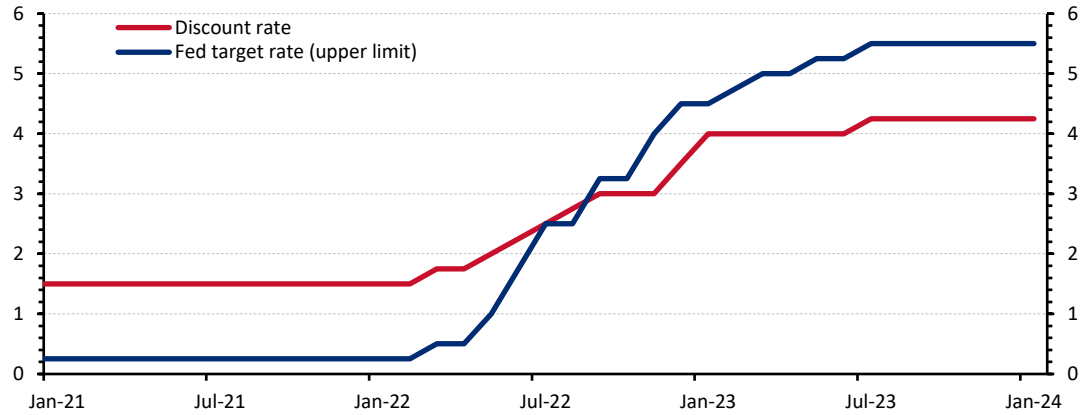


Employment growth accelerated in 1H23 on increased expatriate inflows. This has helped ease some labor shortages and likely reflects improved business activity.



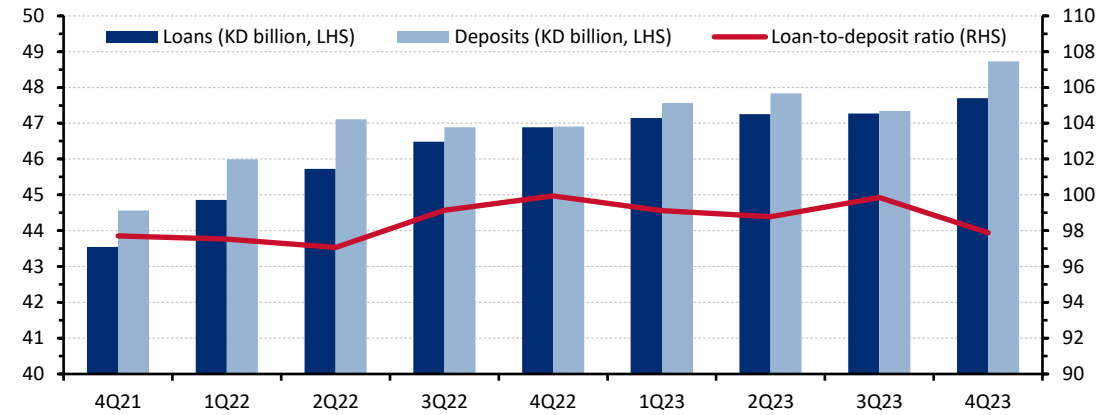
Kuwait's Banking Sector

Kuwait Discount Rate¹ (%)



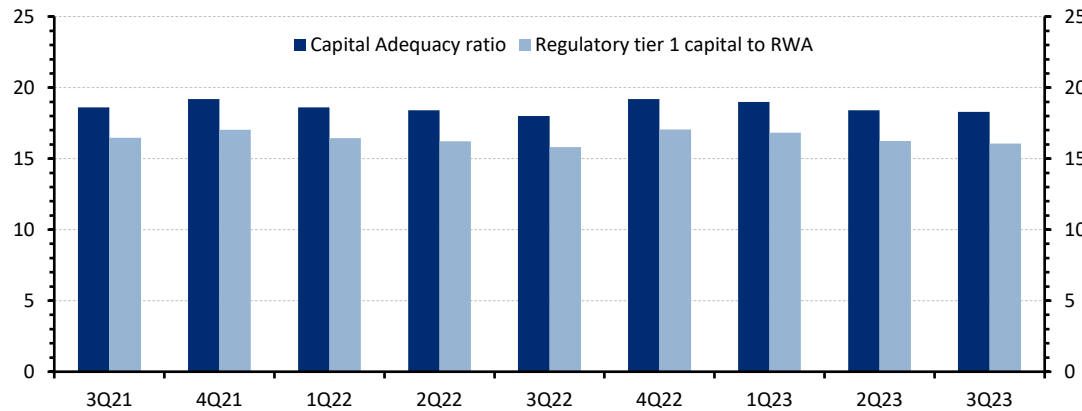
The CBK has remained its key policy rate at 4.25% since July 2023, having raised rates far less aggressively than the US Fed (cumulative +275 bps since March 2022 vs. 525 bps for the Fed)

Loans and Deposits²



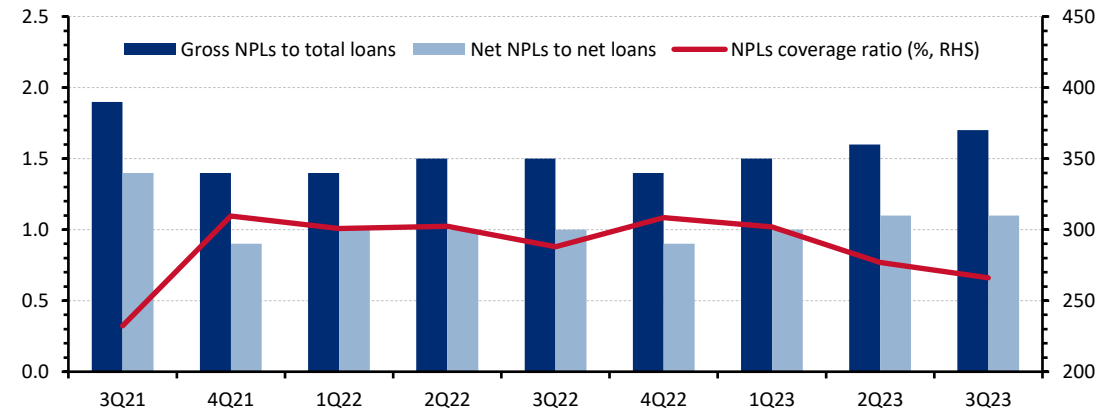
The domestic loans-to-deposits ratio dropped in Q4 to 97.9% as of end-December as deposits rose by more than loans.

Capital Adequacy Ratio³ (%)



The capital adequacy ratio was 18.3% as of September 2023, more than five percentage points higher than the minimum requirement.

NPLs to Gross Loans³ (%)



The NPL ratio stood at a still very low 1.7% as of September 2023, despite ticking up slightly q/q. NPL coverage dropped to 266%.

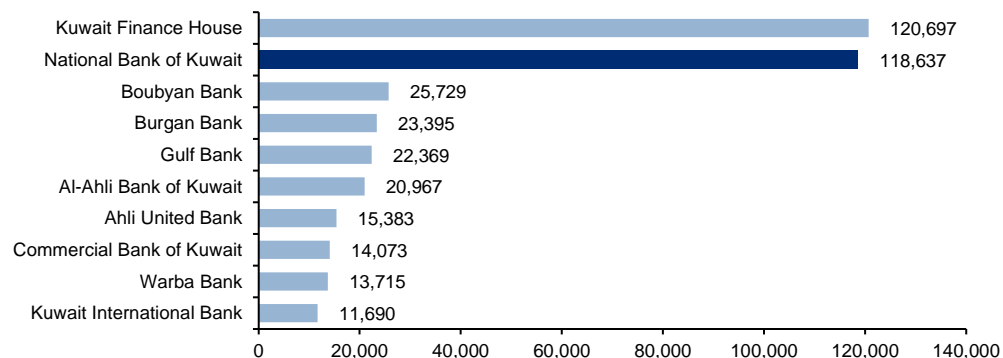
Sources: ¹As per latest Central Bank of Kuwait (CBK) rate hike on 26/07/2023; ²As per latest published CBK Monthly Statistical Bulletin (Dec-23); ³As per latest published CBK "National Summary Data Page"



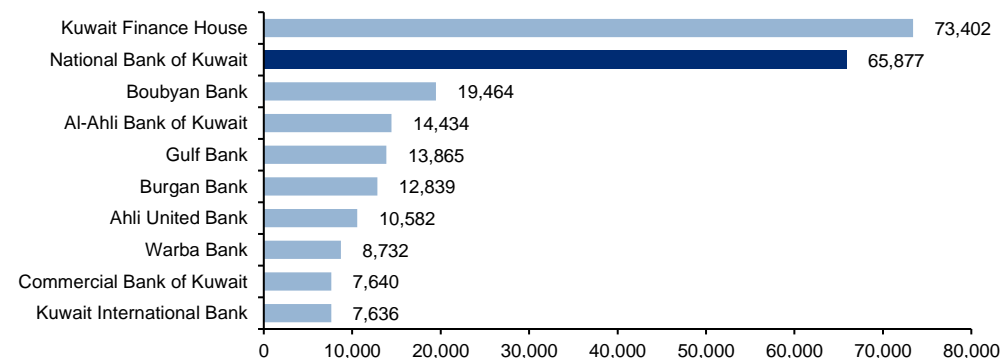
Dominant Kuwaiti Franchise

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

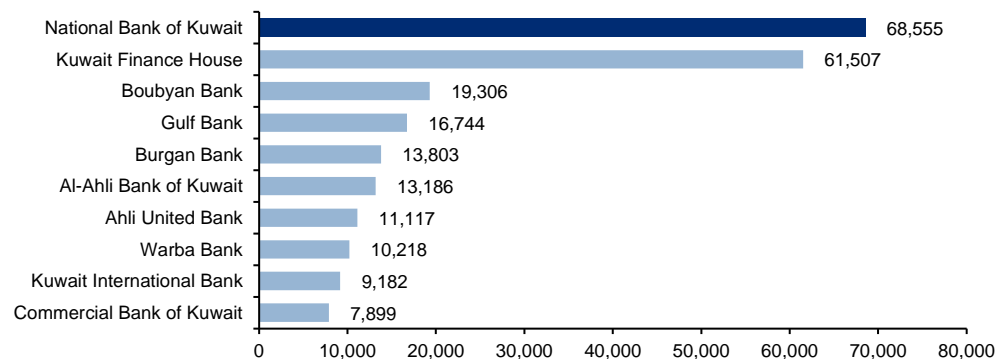
Total Assets (USD mn)



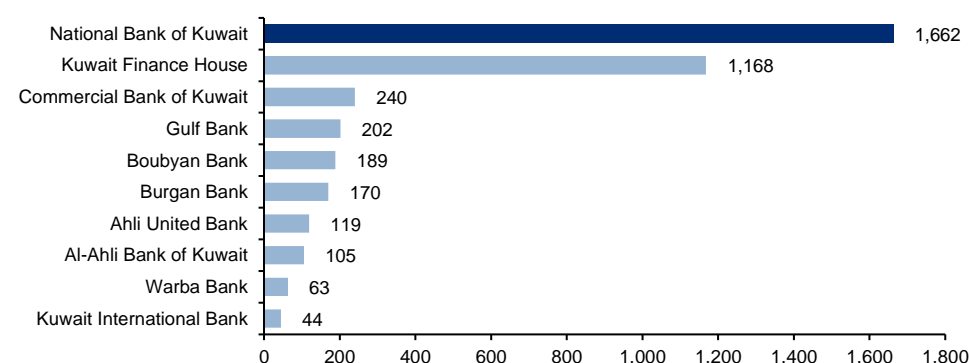
Customer Deposits (USD mn)



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.

The USD/KD exchange rate used is .30630. The rates are based on the Central Bank of Kuwait's closing exchange rates as of 31/12/2022.

Contents

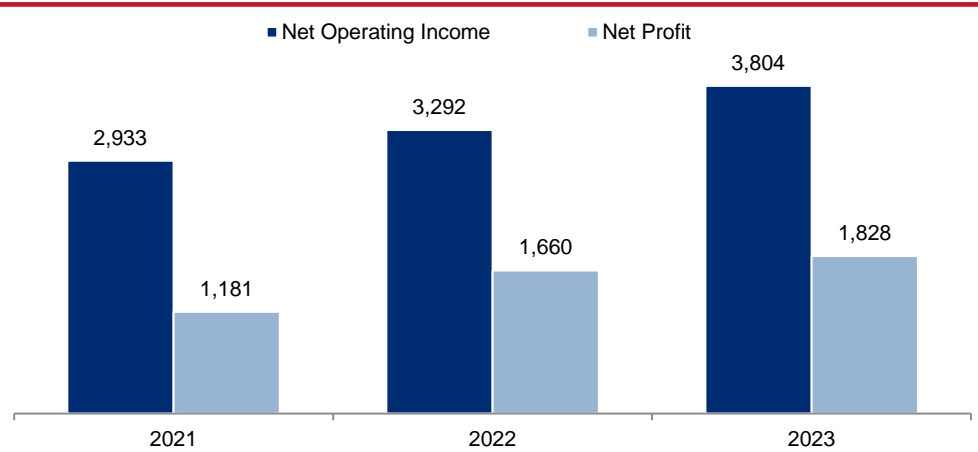


Section 1	Overview of NBK
Section 2	Strategy and Business Overview
Section 3	Operating Environment
Section 4	Financial Performance Highlights
Section 5	Appendix

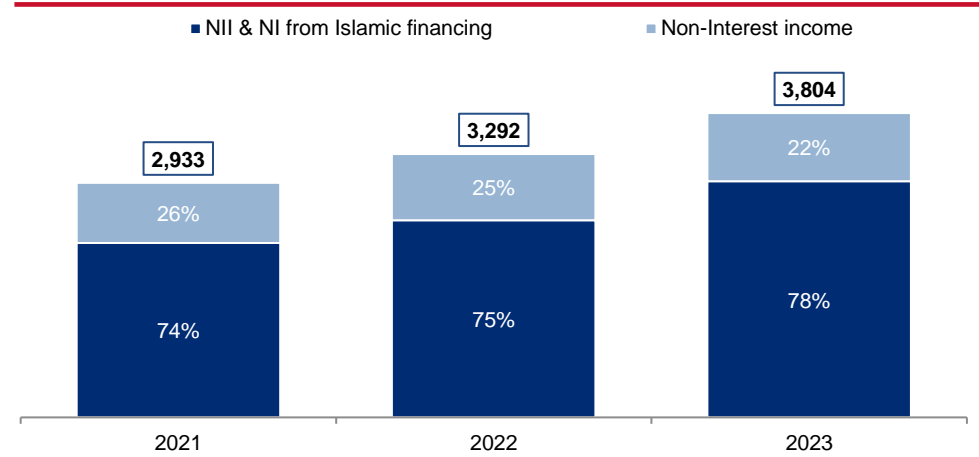


Operating Performance & Profitability

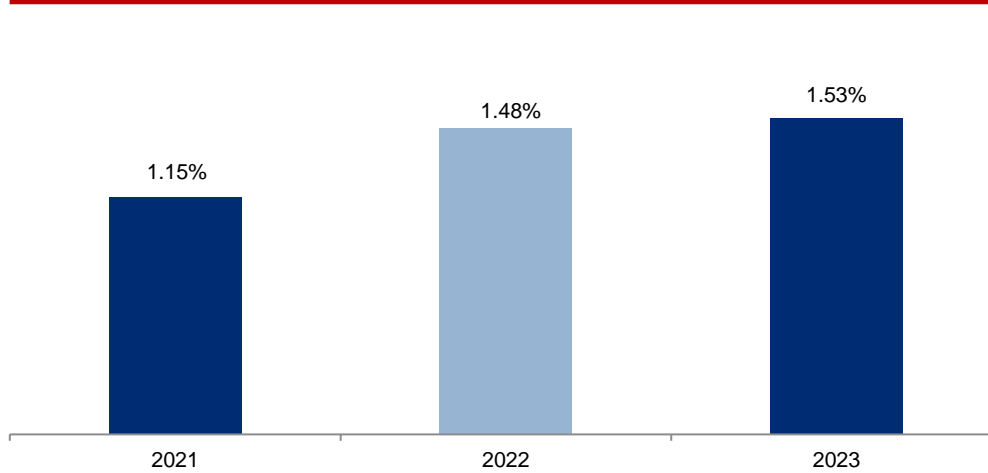
Profitability (USD mn)



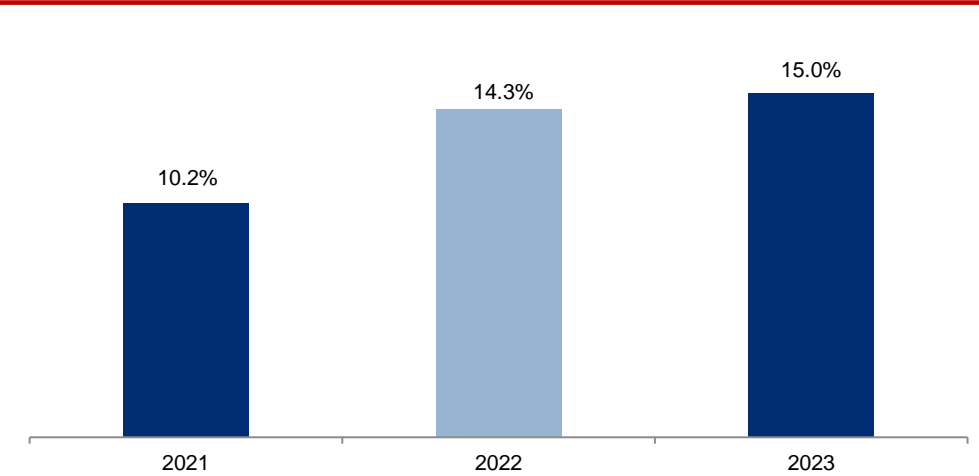
Operating Income Composition (USD mn)



Return on Average Assets (%)



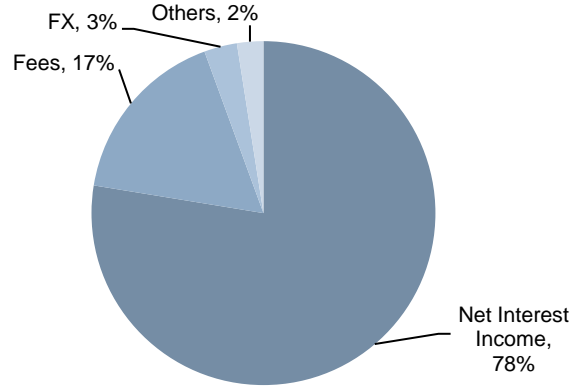
Return on Average Equity (%)



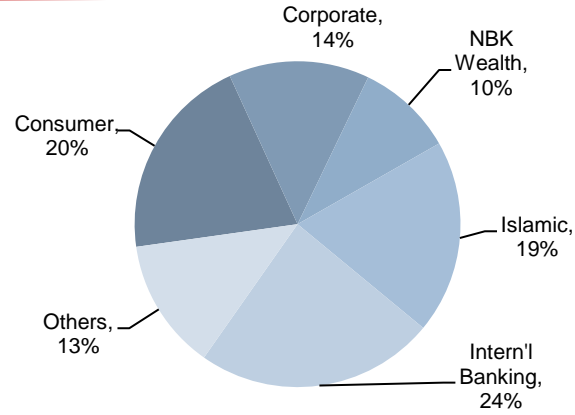


Operating Performance & Profitability (cont'd)

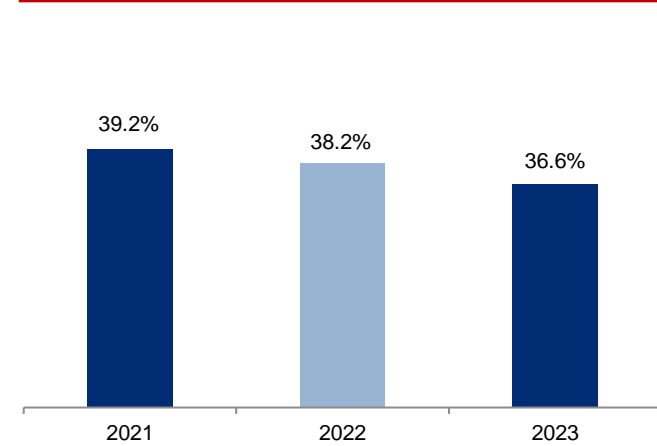
2023 Op. Income by Type (%)



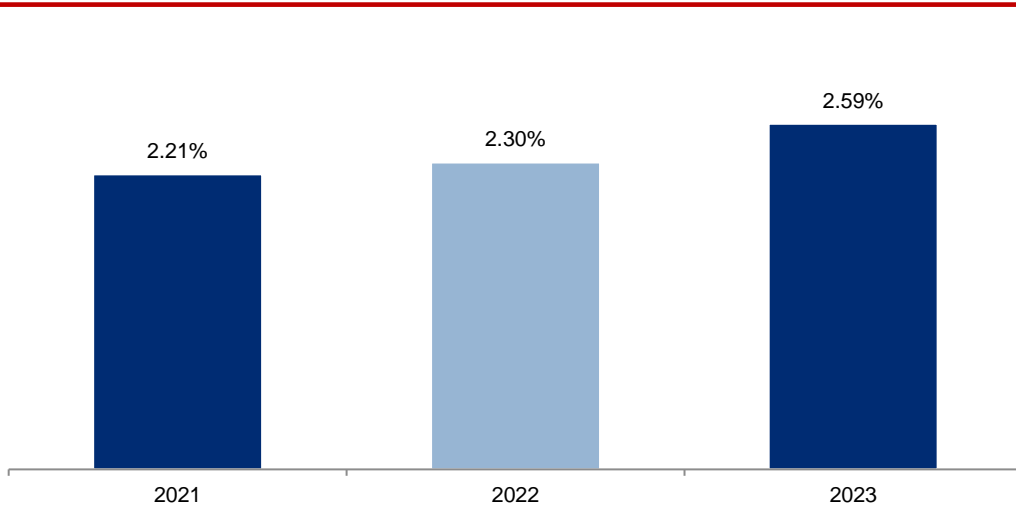
2023 Op. Income by Business Line (%)



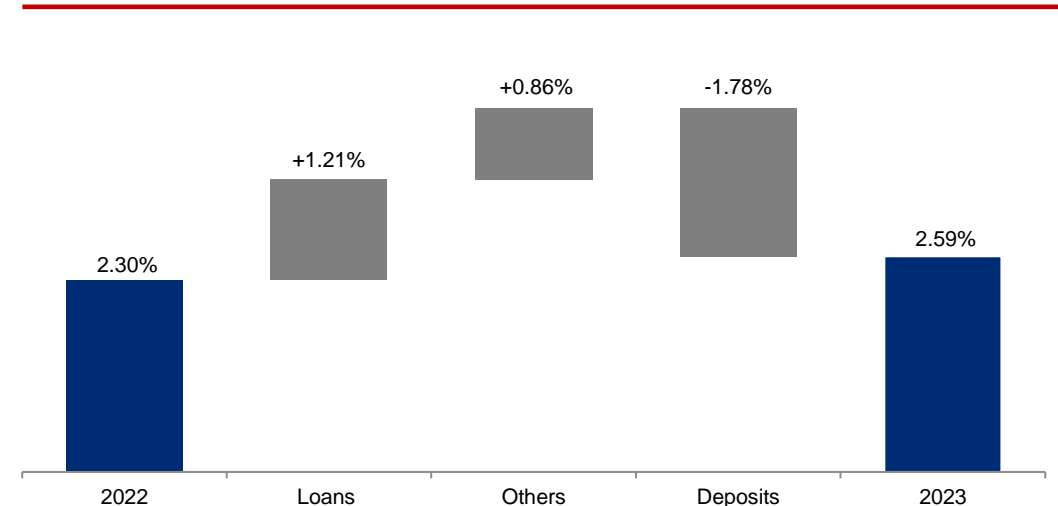
Cost to Income (%)



Net Interest Margin (%)



Net Interest Margin Drivers

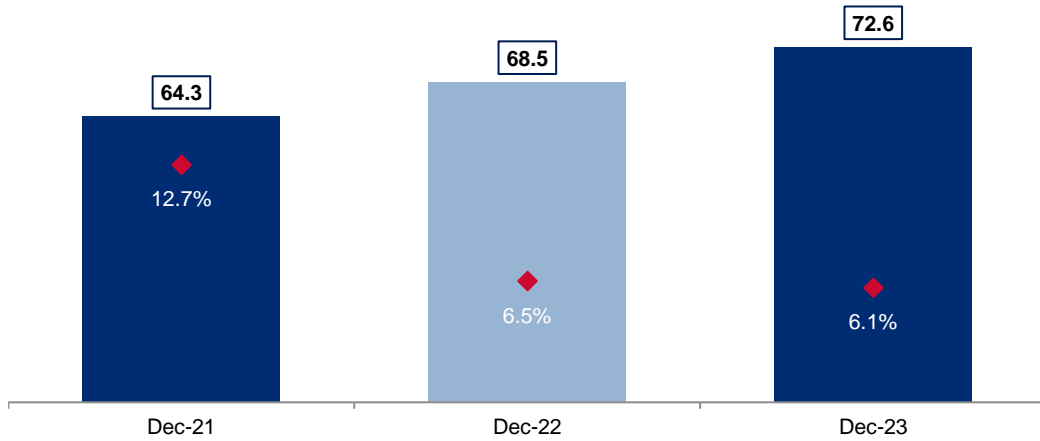




Balance Sheet Parameters

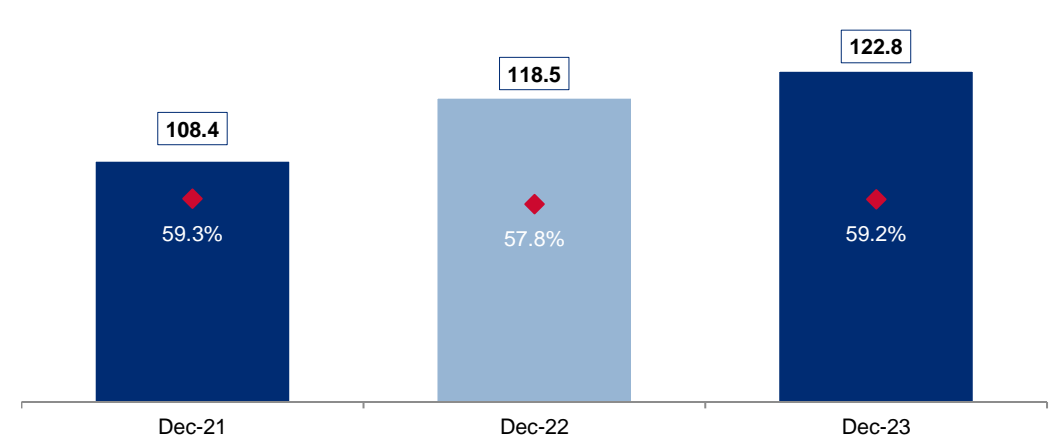
Net Loan Portfolio (USD bn)

■ Net Loans ◆ Net loan growth YoY (%)

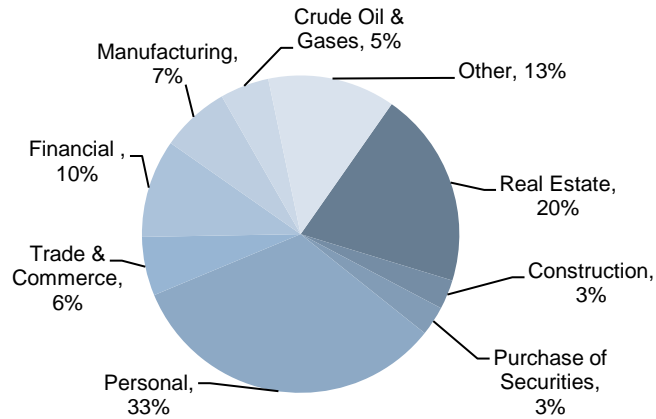


Loans to Assets (USD bn)

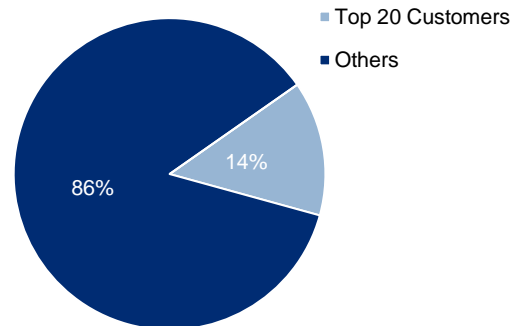
■ Total Assets ◆ Loans/Assets



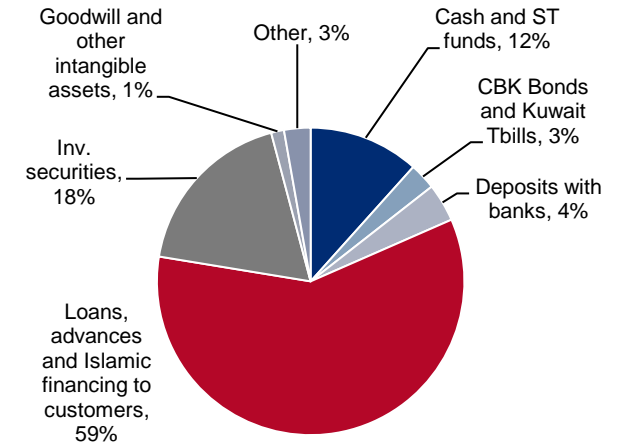
Loan Exposure by Sector (%) (as at 31 Dec. 2023)



Low Loan Concentrations (as at 31 Dec. 2023)



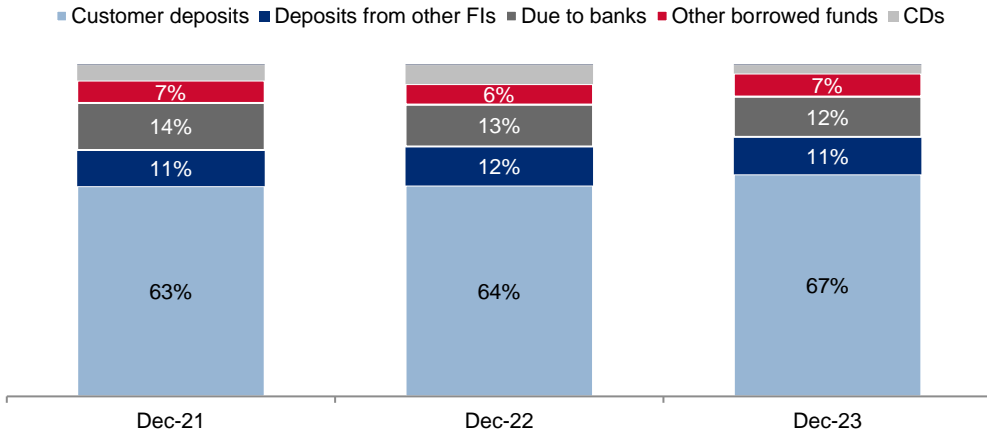
Assets by Type (as at 31 Dec. 2023)



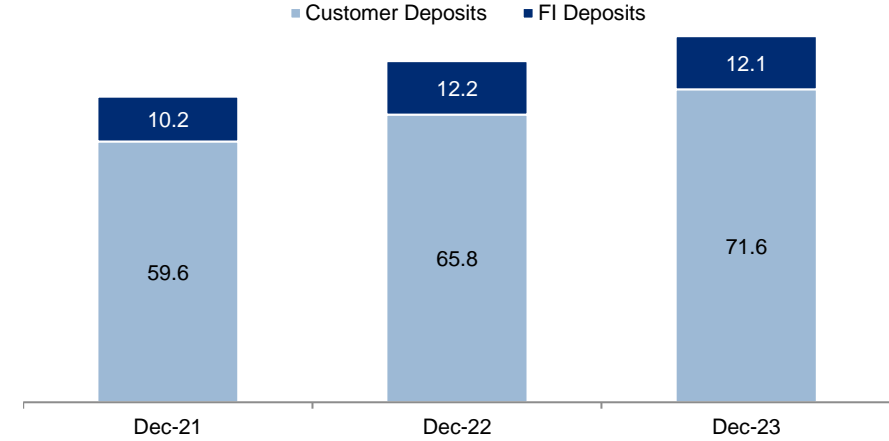


Funding and Liquidity Positions

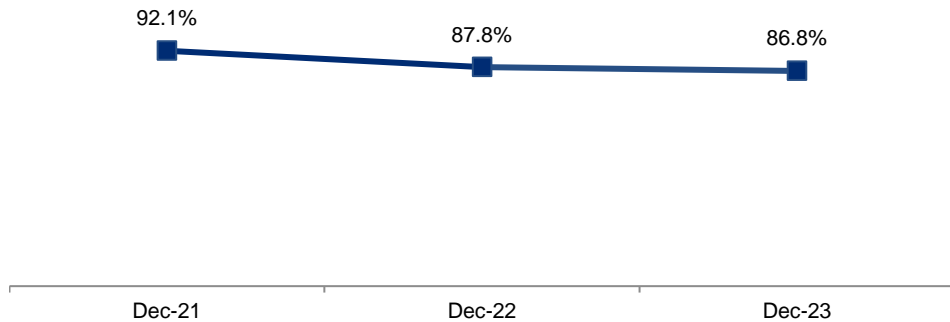
Funding Mix (Total Liabilities)



Customer and FI Deposits (USD bn)

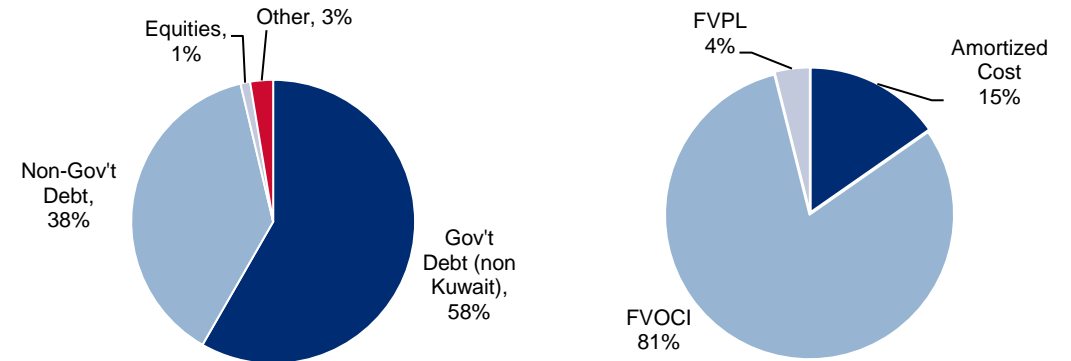


Loans to Customer and other FI Deposits Ratio (%)



Overview of Investment Securities¹ – USD 22.4 bn

As at 31 December 2023

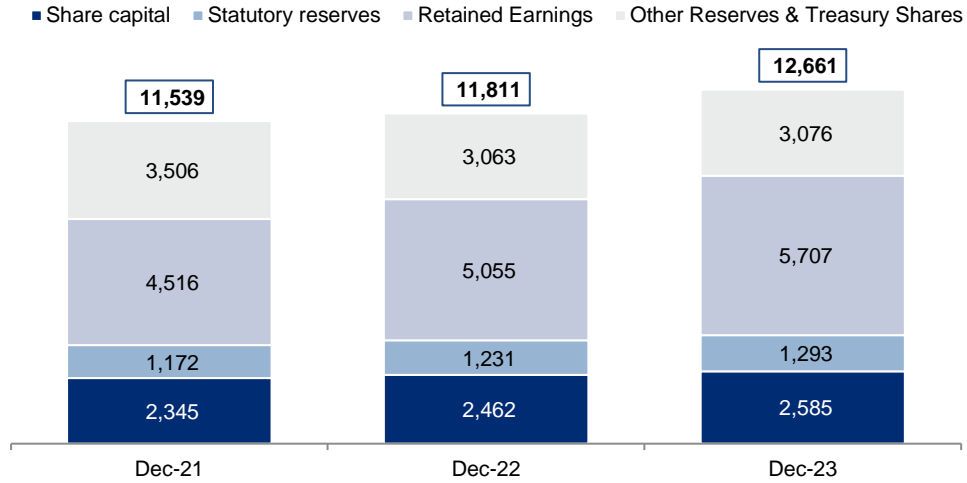


Notes:¹Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

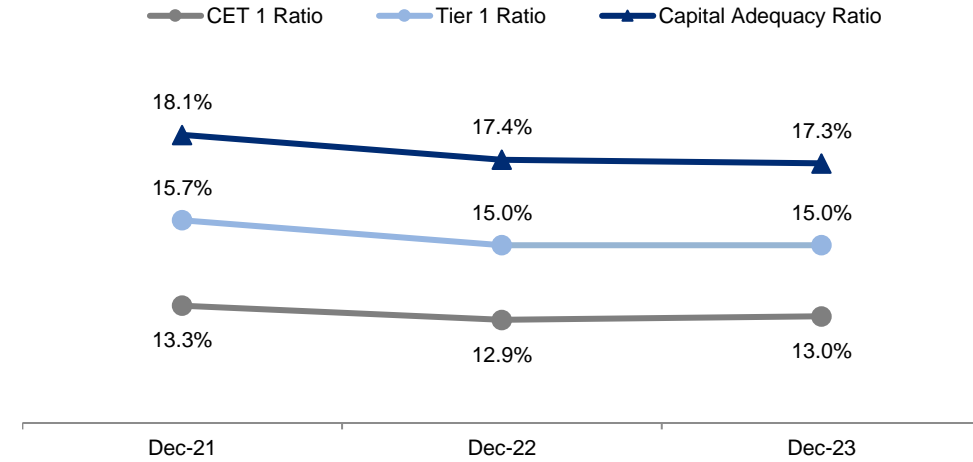


Capitalization and Asset Quality

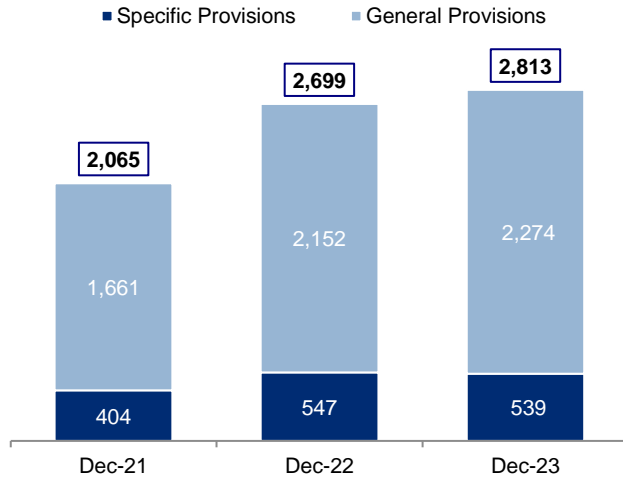
Total Equity¹ Breakdown (USD mn)



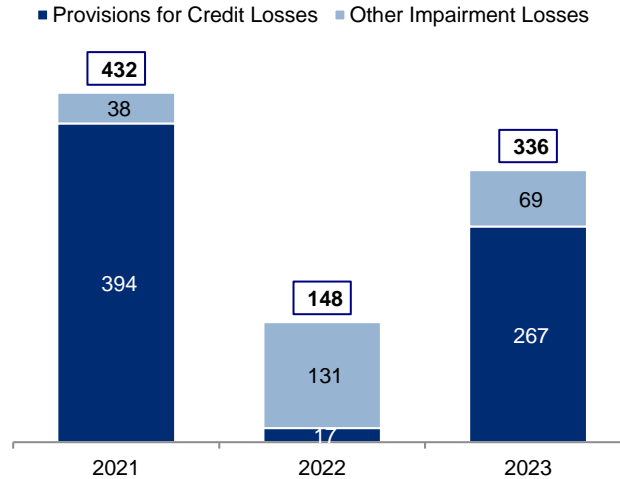
Prudent Capitalization (%)



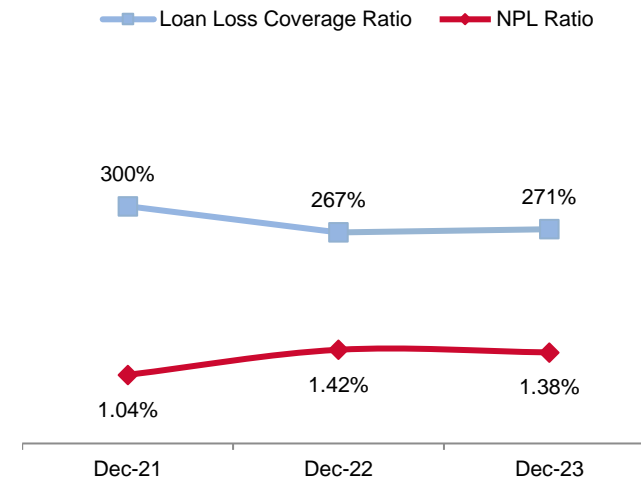
Prudent Provisioning (USD mn)



Provisions and Impairments Charges (USD mn)



Asset Quality Ratios (%)



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

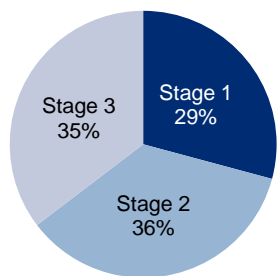


Expected Credit Losses (ECL) 2023

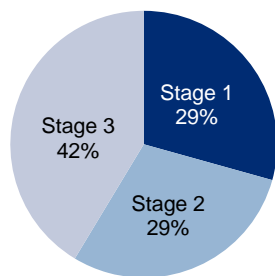
Financial Statements ECL Disclosure (USDm)

31 December 2023.	Stage 1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	69,566	4,844	1,038	75,449
Contingent liabilities	12,698	2,308	41	15,048
Commitments (revocable and irrevocable) to extend credit	26,232	3,294	4	29,530
ECL allowance for credit facilities	636	568	803	2,007

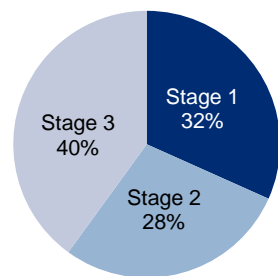
ECL Allowance for Credit Facilities



Dec-21 (USD 1,505m)

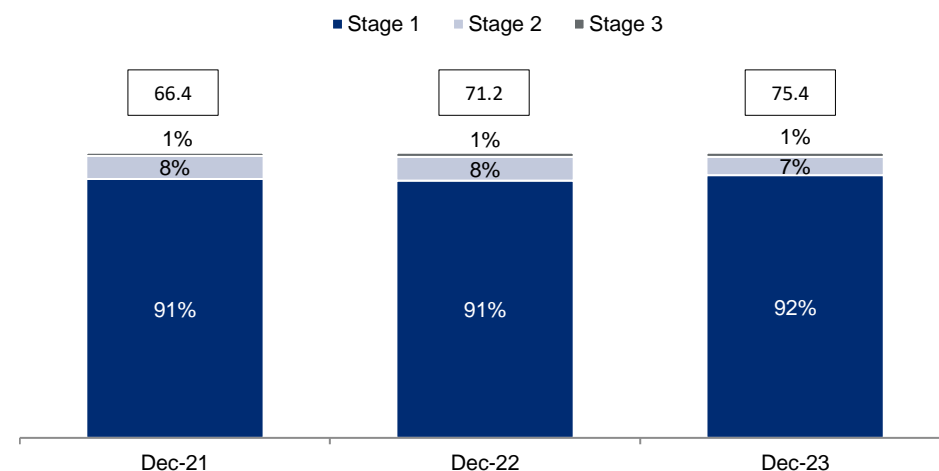


Dec-22 (USD 1,882m)

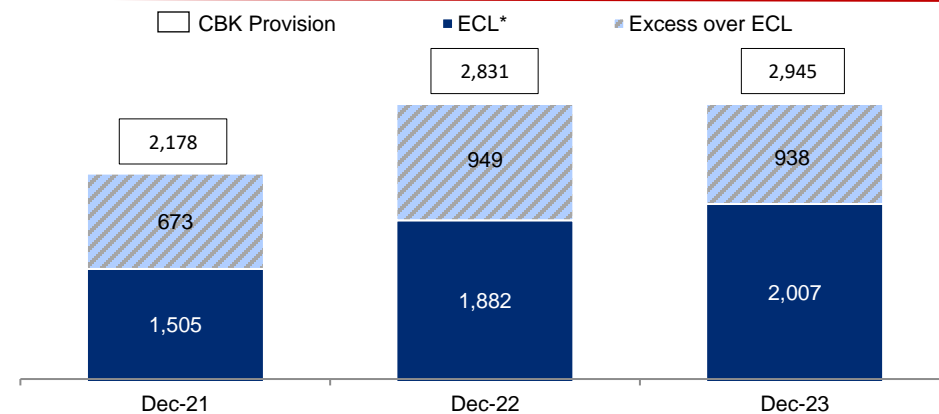


Dec-23 (USD 2,007m)

Total Gross Loans (USDbn)




CBK Credit Provisions vs IFRS 9 ECL (USDm)



* ECLs as per CBK guidelines

Contents



Section 1	Overview of NBK
Section 2	Strategy and Business Overview
Section 3	Operating Environment
Section 4	Financial Performance Highlights
Section 5	Appendix



Consolidated Financials 2023 (USD mn)

<i>Income Statement (USD mn)</i>	2022	2023	YoY Growth (%)	<i>Balance Sheet (USD mn)</i>	Dec- 22	Dec-23	YoY Growth (%)
Interest Income	3,089	5,323	72%	Cash and short term funds	17,354	14,294	(18%)
Interest Expense	1,186	2,961	NM	Central Bank of Kuwait bonds	2,873	2,793	(3%)
Net Interest Income	1,903	2,362	24%	Kuwait Government Treasury bonds	690	633	(8%)
Murabaha and other Islamic financing income	937	1,312	40%	Deposits with banks	4,858	4,297	(12%)
Distribution to depositors and Murabaha costs	376	724	92%	Loans, advances and Islamic financing to customers	68,454	72,636	6%
Net Income from Islamic financing	561	589	5%	Investment securities	18,369	22,444	22%
NII and NI from Islamic financing	2,464	2,951	20%	Land, premises and equipment	1,548	1,652	7%
Net fees and commissions	593	641	8%	Goodwill and other intangible assets	1,744	1,657	(5%)
Net investment income	51	90	75%	Other assets	2,572	2,380	(7%)
Net gains from dealing in foreign currencies	181	118	(35%)	Total Assets	118,462	122,787	4%
Other operating income	3	5	42%	Due to banks	13,099	12,922	(1%)
Non-interest Income	828	853	3%	Deposits from other financial institutions	12,195	12,145	0%
Net Operating Income	3,292	3,804	16%	Customer deposits	65,780	71,553	9%
Staff expenses	718	760	6%	Certificates of deposit issued	5,873	2,683	(54%)
Other administrative expenses	409	480	17%	Other borrowed funds	4,054	4,339	7%
Depreciation of premises and equipment	127	144	14%	Other liabilities	2,351	3,150	34%
Amortisation of intangible assets	5	5	0%	Total Liabilities	103,353	106,792	3%
Operating Expenses	1,259	1,390	10%	Share capital	2,462	2,585	5%
Pre-provision Profits (and impairments)	2,033	2,413	19%	Proposed bonus shares	123	129	5%
Provision charge for credit losses and impairment losses	148	336	NM	Statutory reserve	1,231	1,293	5%
Operating Profit before Taxation	1,885	2,077	10%	Share premium account	2,618	2,618	0%
Taxation and Directors' Remuneration	157	159	1%	Treasury share reserve	114	114	0%
Non-controlling interest	68	90	32%	Other reserves	5,263	5,922	13%
Profit Attributable to Shareholders of the Bank	1,660	1,828	10%	Equity attributable to shareholders	11,811	12,661	7%
				Perpetual Tier 1 Capital Securities	1,431	1,431	0%
				Non-controlling interests	1,868	1,903	2%
				Total equity	15,110	15,995	6%
				Total liabilities and equity	118,462	122,787	4%



Consolidated Statement Of Income (USD mn)

<i>USD mn</i>	2021	2022	2023
Interest Income	2,155	3,089	5,323
Interest Expense	505	1,186	2,961
Net Interest Income	1,650	1,903	2,362
Murabaha and other Islamic financing income	743	937	1,312
Finance cost and Distribution to depositors	211	376	724
Net Income from Islamic financing	532	561	589
Net interest income and net income from Islamic financing	2,182	2,464	2,951
Net fees and commissions	550	593	641
Net investment income	91	51	90
Net gains from dealing in foreign currencies	97	181	118
Other operating income	13	3	5
Non-interest income	752	828	853
Net Operating Income	2,933	3,292	3,804
Staff expenses	656	718	760
Other administrative expenses	377	409	480
Depreciation of premises and equipment	111	127	144
Amortisation of intangible assets	5	5	5
Operating Expenses	1,149	1,259	1,390
Op. profit before provision for credit losses and impairment losses	1,784	2,033	2,413
Provision charge for credit losses	394	17	267
Impairment losses	38	130	69
Operating profit before taxation	1,352	1,885	2,077
Taxation	111	155	157
Directors' remuneration	0	3	3
Non-controlling interest	60	68	90
Profit attributable to shareholders of the Bank	1,181	1,660	1,828



Consolidated Statement Of Financial Position (USD mn)

<i>USD mn</i>	Dec-21	Dec-22	Dec-23
Cash and short term funds	16,567	17,354	14,294
Central Bank of Kuwait bonds	2,706	2,873	2,793
Kuwait Government treasury bonds	1,359	690	633
Deposits with banks	2,886	4,858	4,297
Loans, advances and Islamic financing to customers	64,295	68,454	72,636
Investment securities	16,009	18,369	22,444
Land, premises and equipment	1,487	1,548	1,652
Goodwill and other intangible assets	1,895	1,744	1,657
Other assets	1,211	2,572	2,380
Total Assets	108,416	118,462	122,787
Due to banks	13,362	13,099	12,922
Deposits from other financial institutions	10,222	12,195	12,145
Customer deposits	59,596	65,780	71,553
Certificates of deposit issued	4,366	5,873	2,683
Other borrowed funds	4,129	4,054	4,339
Other liabilities	2,178	2,351	3,150
Total Liabilities	93,853	103,353	106,792
Share capital	2,345	2,462	2,585
Proposed bonus shares	117	123	129
Statutory reserve	1,172	1,231	1,293
Share premium account	2,618	2,618	2,618
Treasury share reserve	114	114	114
Other reserves	5,173	5,263	5,922
Equity attributable to shareholders of the bank	11,539	11,811	12,661
Perpetual Tier 1 Capital Securities	1,431	1,431	1,431
Non-controlling interests	1,593	1,868	1,903
Total equity	14,563	15,110	15,995
Total liabilities and equity	108,416	118,462	122,787



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: Construction works are still ongoing; the consultancy tender for supervision services was issued on November 26, 2023, and the bid submission deadline is on January 11, 2024 for Public Buildings in Mutlaa Residential City projects
South Saad Al-Abdullah Residential City	Construction	2.0	24,500 residential units and related infrastructure west of Kuwait	Execution: Construction have commenced on infrastructure works project.
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.
Mutlaa Fuel Depot	Oil & gas	0.3	Construction of a local marketing depot project at Al-Mutlaa.	Main Contract Bid: The invitation to bid on the project has been issued with a bid submission deadline on February 13, 2024
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: JPV IV Off-Plot Works & Production Facilities: The construction works are still ongoing on the project and is expected to be completed by 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.
Subbiya 900 MW Gas fired Power Generation Plant	Oil & gas	0.4	Construction of a combined cycle gas turbine (phase 4)	Execution: Project progressed at 15% completion rate.
Al-Zour North (IWPP) – P2 to P5	Power & water	4.5	1800 MW of power generation capacity and 464,100m ³ /day of desalination capacity	Complete/Planning: Al Zour North IWPP: Phase II and III: The statement of qualifications (SOQ) are still under evaluation.
Al-Khairan Power & Desalination Plant (IWPP)	Power & water	1.0	Power and desalination plants; project involves three phases.	Bidding/Planning: Al Khiran IWPP Phase I: The SOQ (statement of qualification) submission remains unchanged and is expected to be submitted by July 11, 2023.
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.
Shagaya Renewable Energy Complex	Power & water	2.0	10MW photovoltaic (PV) solar plant at Shagaya	Execution: Phase 1 of the project was completed in 2018, but phases 2,3,4 are still on hold
Mubarak Al-Kabeer Seaport	Transport	3.1	Port on Boubyan Island to handle up to 2 million TEUs of container cargo	Underway/Planning: Construction works are progressing on the Mubarak Al-Kabeer Port Development: Phase 1 project as per the schedule.
Kuwait Airport Expansion	Transport	2.6	To increase the annual handling capacity of the airport to 20 million passengers and new runways and infrastructure expansion	Execution: Construction works have progressed up to 73% on the Kuwait Airport Expansion: New Passenger Terminal 2: Package 1: Main Works project.

Contact

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Useful information

Download copies of NBK's:

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



National Bank of Kuwait

Investor Presentation

February 2024