

A stylized globe is the central focus of the slide. The top half of the globe is red, and the bottom half is blue. The globe is overlaid with a white grid of latitude and longitude lines. The globe is partially obscured by a blue, curved, wireframe-like structure that appears to be a stylized representation of a globe or a network. The background is white with faint, curved lines that suggest a globe or a network.

## National Bank of Kuwait Investor Presentation

July 2016

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## Section 1

Overview of NBK

## Section 2

Overview of Operating Environment

## Section 3

Strategy and Business Overview

## Section 4

Financial Performance (Historical)

## Section 5

Performance Overview 1H 2016

## Section 6

Appendix

# NBK at a Glance

## Snapshot

<b>Background</b>	<ul style="list-style-type: none"> <li>National Bank of Kuwait S.A.K.P. ("NBK" or the "Bank") was established in 1952 as the first local bank and the first shareholding company in Kuwait and as the first indigenous bank in the GCC.</li> <li>The Bank is the leading banking group in Kuwait in terms of assets, customer deposits and customer loans and advances.</li> <li>NBK is the dominant bank in Kuwait with more than 30% market share of assets as of 31 December 2015.</li> <li>The Bank was ranked amongst the 50 safest banks in the world by Global Finance and was named the most valuable banking brand in Kuwait and among the top 10 in the region by Brand Finance.</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>The Bank was established by a group of leading Kuwaiti merchants and it has retained the same core shareholder base since that time.</li> <li>NBK's shares are listed on the Kuwait Stock Exchange since 1984 with only one shareholder holding owning more than 5% of the Bank's share capital (PIFSS owns 5.04% as of June 2016).</li> <li>NBK's market capitalisation as at 31 December 2015 was <b>USD 13.1 bn.</b></li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>The Bank's core businesses are (i) consumer and private banking, (ii) corporate banking, (iii) Islamic banking and (iv) investment banking and asset management.</li> <li>The Bank operates across 15 countries with a predominant focus on the MENA region.</li> </ul>

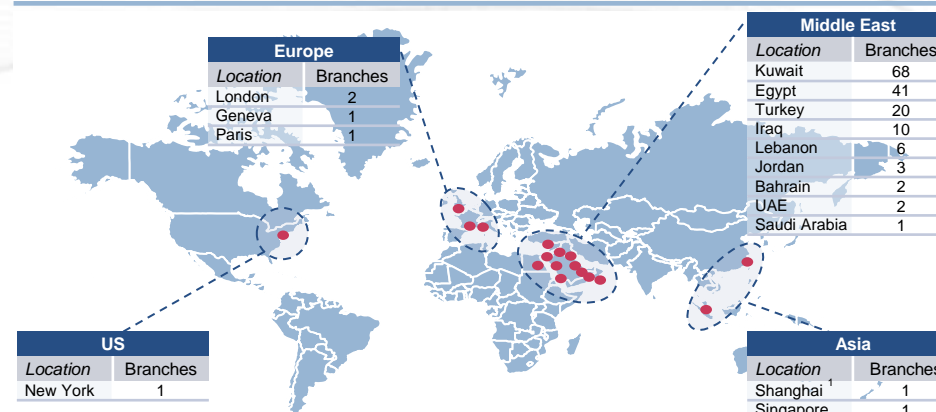
## Credit Ratings

Rating Agency	Long Term Rating	Standalone Rating	Outlook
<b>MOODY'S</b>	Aa3	a3	Negative
<b>STANDARD &amp; POOR'S</b>	A+	a-	Stable
<b>FitchRatings</b>	AA-	a	Stable

## Financial Snapshot

USD million	2013	2014	2015
Total Assets	61,641	72,193	78,203
Loans, advances & Islamic financing	35,444	39,465	44,908
Customer Deposits	34,724	37,315	39,964
Total Equity	8,987	9,513	10,575
Net Operating Income	2,075	2,191	2,415
Net Profit attributable	789	868	935
Cost to Income (%)	33.1%	32.5%	32.2%
Net Interest Margin (%)	2.70%	2.45%	2.42%
NPL Ratio (%)	1.96%	1.50%	1.34%
Loan Loss Coverage Ratio (%)	199.8%	276.1%	322.4%
Return on Average Equity (%)	10.0%	10.5%	10.5%
Tier 1 Ratio (%) <sup>2</sup>	16.8%	13.3%	14.7%
Capital Adequacy Ratio (%) <sup>2</sup>	17.3%	14.5%	16.8%

## Overview of Regional and International Geographic Presence



Notes: Through out the investor presentation, the USD/KD exchange rate used is 0.30175. The rates are based on the Central Bank of Kuwait's closing exchange rates as of 30/06/2016. Shanghai is currently a representative office.

<sup>2</sup> All Capital Adequacy Ratios for the periods prior to 2014 are computed on Basel II basis

# Key Strengths

## High Credit Ratings and among the Top Brand Values Regionally

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

## Sound and Consistent Financial Performance

- NBK has a long history of profitability and remained profitable throughout the global financial crisis.
- The Bank also boasts an excellent asset quality (NPL ratio at 1.34% at end-2015). NBK also maintains strong liquidity which serves as a buffer in times of needs.

## Stable Shareholder Base and Strong Management Team

- The Bank was established in 1952 by a group of leading Kuwaiti merchants and has retained the same core shareholder base since then.
- 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.

## Largest Banking Group in Kuwait with Dominant Market Position

- As at 31 December 2015, the Bank was the largest bank in Kuwait in terms of total assets, loans and customer deposits. In addition, the Bank enjoys a dominant market share across its business segments.
- NBK also has one of the largest and most diversified distribution networks.

## Only Banking Group in Kuwait to Provide Both Conventional and Islamic Banking

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

## A Strong Regional and International Network

- NBK has a strong regional and international presence, with operations in 15 countries, 9 of which are in the MENA region.
- The Bank continues to explore opportunities to expand geographically with a primary focus on further strengthening operations in MENA region.



## Strong Investment Banking Capability

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

# Rating Excerpts

*“The standalone baseline credit assessment (BCA) of a3, reflects the bank's (1) dominant position in its domestic market, underpinning its resilient core profitability and growth prospects; and (2) robust financial fundamentals including consistently good asset quality metrics, as well as strong capitalisation and liquidity.”*

MOODY'S

Moody's – 17 May 2016

*“We view NBK's business position as "strong," reflecting the bank's leading position in Kuwait, good and stable performance through the full economic cycle, and good management..... The stable outlook reflects Standard & Poor's Ratings Services' expectation that NBK's asset quality will remain stable, its market share strong, and its funding and liquidity in line with that of peers over the next two years. ”*

STANDARD  
& POOR'S

Standard & Poor's – 07 July 2015

*“NBK's Viability Rating (VR) reflects its solid company profile, which supports its revenue generation capacity and ability to finance better-quality assets than peers. It also considers strong management, consistent strategy and a solid funding profile. ”*

FitchRatings

Fitch Ratings – 21 March 2016

## Section 1

Overview of NBK

## Section 2

Overview of Operating Environment

## Section 3

Strategy and Business Overview

## Section 4

Financial Performance (Historical)

## Section 5

Performance Overview 1H 2016

## Section 6

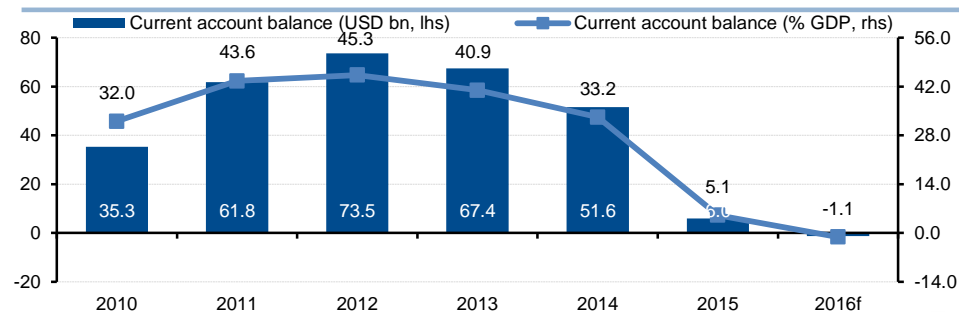
Appendix

# Overview of Kuwait

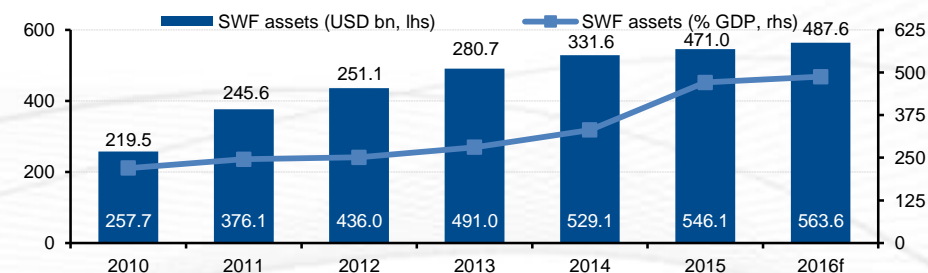
## Snapshot

<b>Overview</b>	<ul style="list-style-type: none"> <li>The State of Kuwait (“Kuwait” or the “Sovereign”) is a sovereign emirate on the coast of the Arabian Gulf, covering a total area of 17,818 square kilometers.</li> <li>Kuwait is a constitutional monarchy, headed by His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah (the “Emir”).</li> </ul>
<b>Economy</b>	<ul style="list-style-type: none"> <li>Kuwait enjoys an open economy, dominated by the Government sector. Its economy, while primarily dependent on the oil industry, has witnessed increased contribution from non-oil sectors.</li> <li>Kuwait has one of the lowest industry break-even oil prices globally, and the lowest in the GCC, making it more resilient to the recent decline in oil prices. In addition, it has registered substantial fiscal and current account surpluses, which serve as a buffer.</li> </ul>
<b>Strategic Vision</b>	<ul style="list-style-type: none"> <li>Kuwait has launched a long-term policy vision under the banner of “Kuwait Vision 2035”. The vision encompasses six strategic aims: increasing the GDP, encouraging the private sector, supporting human and social development, promoting demographic policies, enhancing and improving the effectiveness of government administration and consolidating the Islamic and Arab identity. Kuwait has set medium-term development strategies with a view to ultimately achieving its vision.</li> </ul>

## Substantial Current Account Surpluses



## Strong Sovereign Balance Sheet

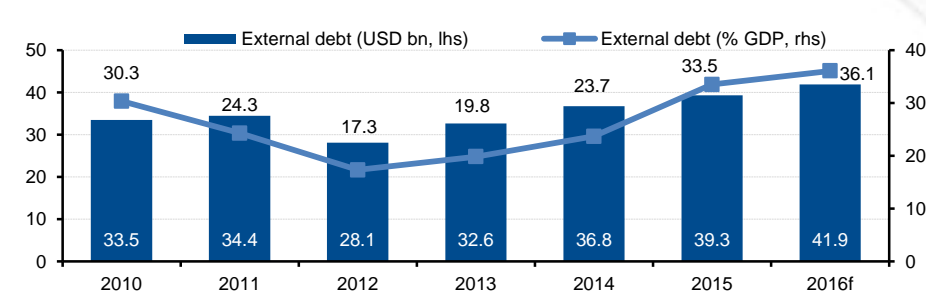
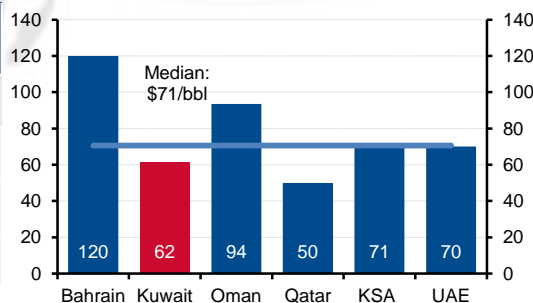


## Key Figures

## GCC Fiscal Breakeven Oil Price

## Low External Debt which is Stable as a Share of GDP

Key Indicators	2015	2016F
Sovereign Ratings	Aa2 / AA / AA (M / S / F)	
Current Account	\$6.0 bn	-\$1.3 bn
Gov Revenues (%GDP)	38%	40%
Public Debt (% GDP)	4.5%	11.7%



Sources: Central Bank of Kuwait, Central Statistical Bureau, Ministry of Finance, IIF and NBK estimates

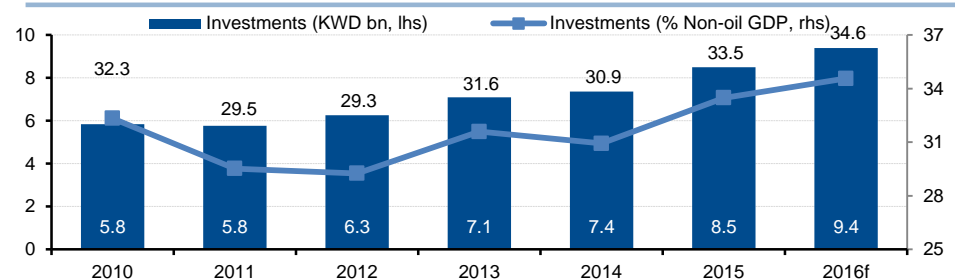


# Overview of Kuwait (Continued)

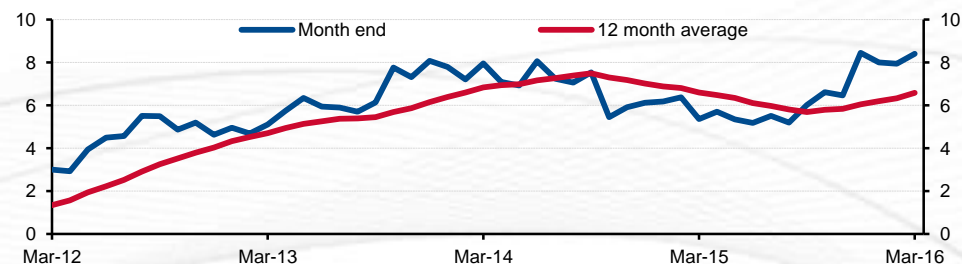
## Recent Developments

<b>GDP Growth</b>	<ul style="list-style-type: none"> <li>Economic growth seen improving despite drop in oil prices, as project awards pick up. Fiscal and external buffers give Kuwait ample capacity to sustain spending plans.</li> <li>Non-oil growth is expected to accelerate slightly as capital spending on projects improves. Non-oil growth is expected around 4-4.5% in 2016 and 2017.</li> </ul>
<b>Public Finance</b>	<ul style="list-style-type: none"> <li>Fiscal deficits are expected in the near term given the lower oil revenues, but should remain manageable given ample buffers.</li> <li>Inflation expected to retreat in 2016, thanks to limited global inflation and easing domestic pressures.</li> </ul>
<b>Household Debt</b>	<ul style="list-style-type: none"> <li>Household debt growth has moderated but remains healthy.</li> <li>Kuwaiti employment remained healthy in 2016. Growth in government spending on wages and salaries is expected to moderate, but remain positive.</li> </ul>
<b>Credit Growth</b>	<ul style="list-style-type: none"> <li>Credit growth picked up in late 2015 and early 2016, as government project implementation boosted borrowing. Growth rose to 8.4% y/y in March 2016. We expect growth in the 7-8% range in 2016 and 2017.</li> <li>Government project awards accelerated in 2015 and 1H16 and the pipeline of tenders remains strong. The government has indicated it will not cancel or delay any planned projects.</li> </ul>
<b>Real Estate Activity</b>	<ul style="list-style-type: none"> <li>Real estate activity continued to cool following a strong 2014; sales were off by 28% to KD 2.7 billion in the 12-months ending June 2016. Real estate prices have seen a moderate correction.</li> </ul>

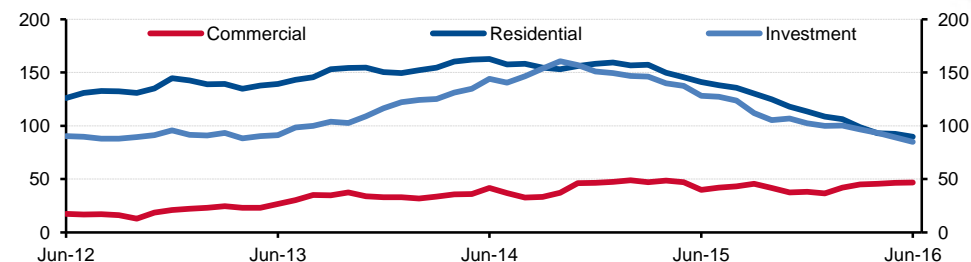
## Investment



## Private credit (Change, %/y)



## Real Estate sales 12m average (KD mn)



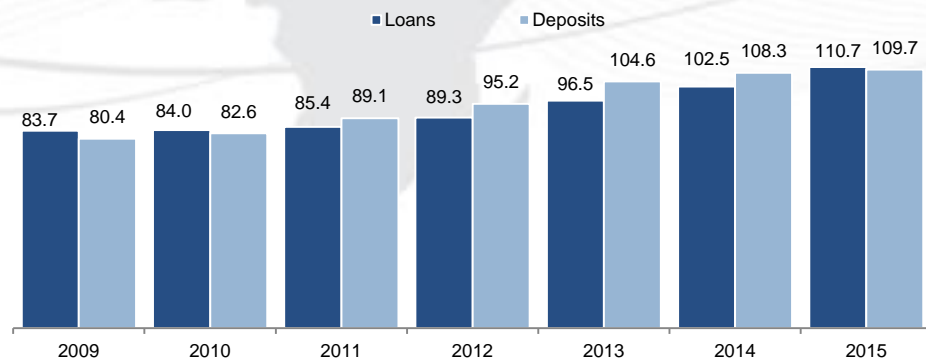
Sources: Central Bank of Kuwait, Central Statistical Bureau, Ministry of Finance, IIF and NBK estimates

# Overview of the Kuwaiti Banking Sector

## Snapshot

- **The Kuwaiti banking sector comprises 23 banks**, including 11 domestic banks (five conventional, five Shariah-compliant and one specialized), and 12 branches of international banks (11 conventional and one Islamic).
- **Highly regulated sector by the Central Bank of Kuwait (“CBK”)** with a number of regulations and supervisory norms in place monitoring interest rates charged, lending limits and concentrations, investment limits, liquidity and capital adequacy.
- **The government’s financial strengths underpins its capacity to provide support** to the banking sector with historical evidence of support. Most recently, in 2008, the state offered capital support to one bank as well as introduced a blanket guarantee on deposits following the global financial crisis.

## Key Indicators<sup>1</sup> (USD bn)



## Overview of Basel III Implementation in Kuwait

- In June 2014, the Central Bank of Kuwait announced the implementation of the Instructions of Basel III Capital Adequacy Framework in its final format to all local banks.

### Minimum Capital Requirements

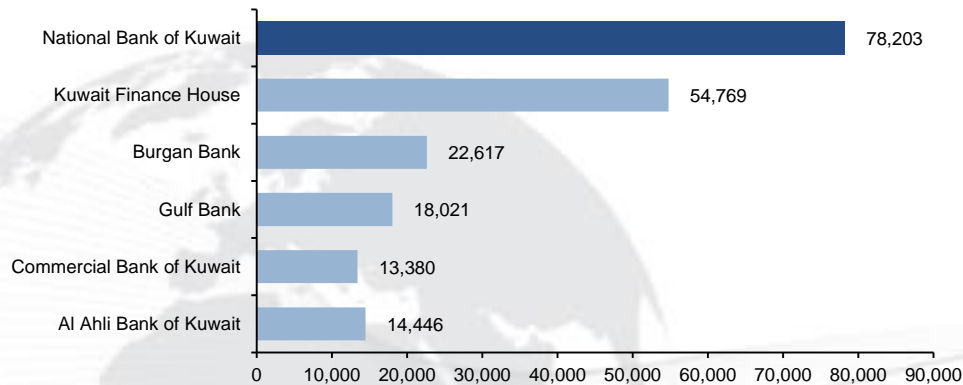
- Kuwait’s minimum capital requirements are more stringent, being 2.5%, higher than the Basel III guidance with full phase-in required by December 2016 (as compared to Basel III’s Jan-2019 deadline)

Phase-in Arrangements	Dec-2014	Dec-2015	Dec- 2016
<b>Total Common Equity Tier 1</b>	<b>8.5%</b>	<b>9.0%</b>	<b>9.5%</b>
Additional Tier 1	1.5%	1.5%	1.5%
<b>Tier 1</b>	<b>10.0%</b>	<b>10.5%</b>	<b>11.0%</b>
Tier 2	2.0%	2.0%	2.0%
<b>Total minimum CAR</b>	<b>12.0%</b>	<b>12.5%</b>	<b>13.0%</b>
D-SIB	0.5%-2.5% as part of CET1 (by 2016)		

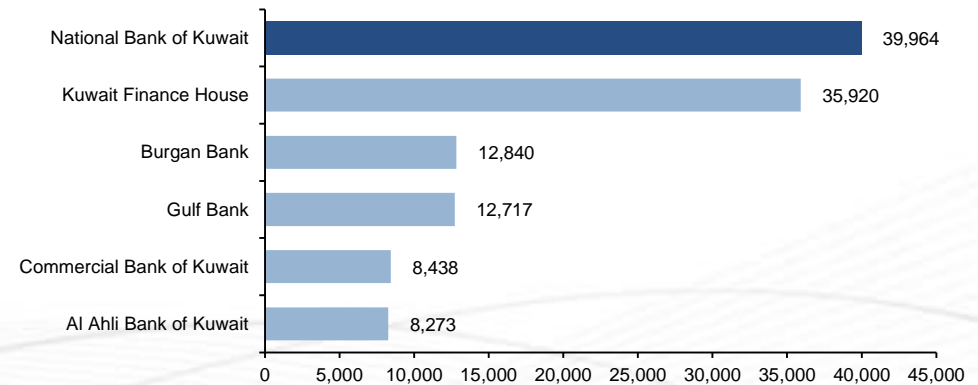
# The Dominant Kuwaiti Franchise

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

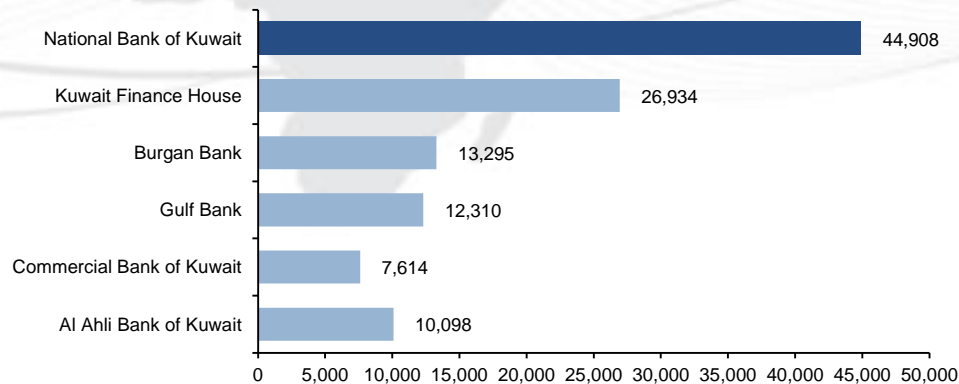
### Total Assets (USD million)



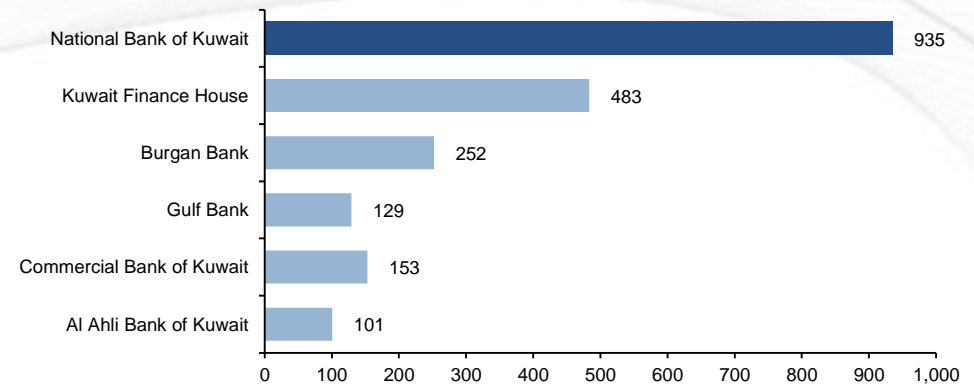
### Customer Deposits (USD million)



### Customer Loans & Advances (USD million)



### Net Profit attributable (USD mn)



Sources: Bank's annual reports. All data as of 31 December 2015 (for Balance Sheet items) or for 2015 (for Income Statement Items).

Note: Kuwait Finance House is an Islamic bank while Burgan Bank, Gulf Bank, Commercial Bank of Kuwait, Al Ahli Bank of Kuwait are conventional banks.

## Section 1

Overview of NBK

## Section 2

Overview of Operating Environment

## Section 3

Strategy and Business Overview

## Section 4

Financial Performance (Historical)

## Section 5

Performance Overview 1H 2016

## Section 6

Appendix

# 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

## Defend and Grow Leadership Position in Kuwait

*Maintain excellence and market leadership position, to expand market shares and to maintain discipline in managing both risks and costs*

### ✓ Corporate Banking

- The Bank aims to (i) remain the primary banker for the leading local companies whilst continuing to be active in the mid-market sector;(ii) remain the bank of choice for foreign companies and continuing to serve at least 75% of those companies and (iii) maintain its current market share in trade finance (over 30%). To achieve the above, NBK will leverage off its different services, expand its coverage and broaden the range of products and services offered.

### ✓ Consumer Banking

- NBK intends to expand its consumer customer base by focusing on profitable consumer segments (such as the affluent and mass affluent segments) and by attracting new clients such as the SMEs.
- Through the above, the Bank aims to maintain its leadership position, maintain its focus on delivery of superior customer service experience and achieve the lowest cost of funds among Kuwaiti conventional banks.

### ✓ Private Banking

- Within the private banking sector, NBK aims to continue to provide a unique proposition to high net worth clients in collaboration with its investment arm. NBK also aims to provide superior customer service through its highly experienced bankers. The Bank also aims to leverage off its existing brand and experience (particularly in Switzerland) to provide access to leading funds and broaden its product portfolio.

## Geographical, and product and service diversification

*Includes expanding regional presence, establishing an Islamic banking franchise and building a leading regional investment bank.*

### ✓ Expand Regional Presence

- The Bank's geographic diversification strategy is to leverage its fundamental strengths and capabilities, including its international reach and strong regional relationships, to build a regional platform and support growth in key markets.
- NBK focuses on markets identified to have long-term potential through a combination of high growth economies, sound demographic trends and opportunities aligned with the Bank's competitive advantages.

### ✓ Establish an Islamic Franchise

- The Bank's strategy, in relation to its Islamic subsidiary, is to differentiate it from other domestic Islamic banks through a clear focus on high net worth and affluent clients and large and mid-market corporate customers.

### ✓ Build Regional Investment Bank

- NBK looks to establish its business as a leading regional investment banking, asset management, brokerage and research operation and to leverage the Group's strong regional position to cross sell these products across the MENA region.

# Kuwait Operations

NBK is a universal bank and the industry leader in all key business segments in Kuwait with an average market share of 30%

## Overview and strategy

### Corporate Banking

- Remain the primary banker for most of the local blue-chip companies, and an active player in the mid-market
- Remain bank of choice among foreign corporations and continue serving 75% of them active in the Kuwaiti market
- Maintain current market share in excess of 30% in trade finance in Kuwait
- Offer differentiated services to large corporate clients leveraging other NBK units
- Increase market share in medium corporate segment through focused teams and relationship management
- Focus on Government mega projects benefiting from NBK's large capital base
- Maintain asset quality with emphasis on credit control and risk management

### Consumer Banking

- Maintain undisputed leadership in retail banking with leading market share and the highest customer penetration among conventional banks
- Maintain focus on customer service
- Expand client base with focus on profitable consumer segments such as affluent and mass affluent, and aim to attract new bankable clients such as SMEs
- Achieve lowest cost of funds among Kuwaiti commercial banks
- Pioneer innovative multi-channel solutions including state of the art internet, mobile banking and call center services
- Focus on the evolution to segment of one by providing tailor-made propositions aiming at better cross-sell, increased product penetration, proactive attrition management utilizing the latest tools and technologies

### Private Banking

- Continue to provide a unique proposition to HNWI clientele in collaboration with NBK Capital and the bank's international network
- Provide access to best of breed international funds leveraging NBK Banque Privee's wealth management expertise
- Provide the best service with a dedicated team of over 30 well qualified and experienced private bankers
- Leverage NBK's strong brand to acquire new clients and retain onshore relationships
- Broaden the product portfolio to accommodate growing needs

**NBK is a full-service bank that offers a broad suite of financial services and products to clients, meeting their ever growing and evolving demands**

# International Operations

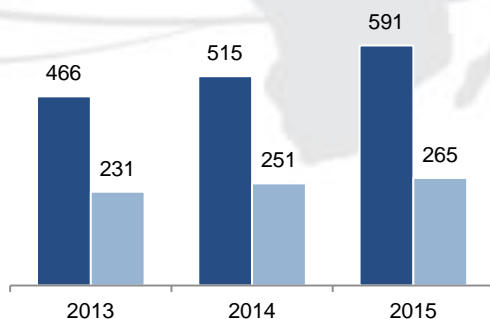
## International Operations

- NBK's international operations currently contributed to circa 30% of its bottom line with the Bank aspiring to increase this contribution.
- The Bank generally aims to maintain a majority stake in its subsidiaries or at least maintain a decision making role.
- NBK's international presence is a differentiating factor for the Bank and an extension of the MENA franchise enabling better service and strengthening client relationships.
- Specifically within the MENA region, the Bank is focused on growing its business in existing and new markets through attracting increased corporate and private customers.
- Meanwhile, across the international locations, the Bank's focus is on servicing its private and corporate customers who are active internationally and growing its business with international companies that are active in the MENA region.
- Within its international network, NBK is focused on managing risks and costs to improve efficiency and achieve long-term cost savings and productivity gains.

## Overview of Performance

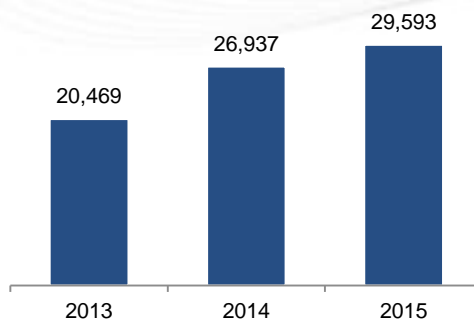
### Revenue Trends (USD mn)

■ Net Operating Income ■ Net Profit



### Balance Sheet Trends (USD mn)

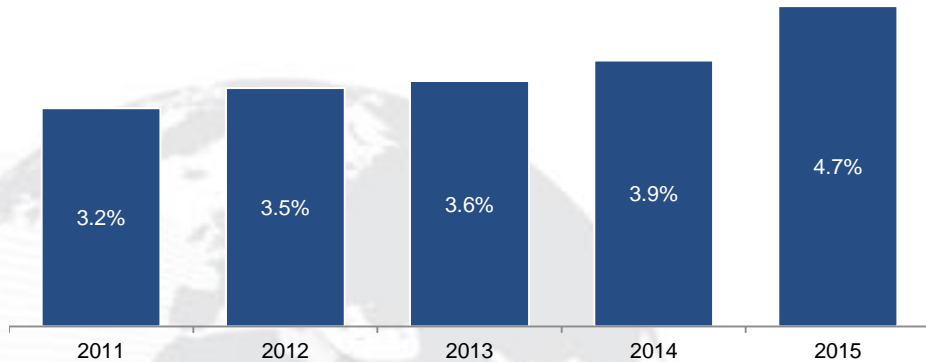
■ Segment Assets



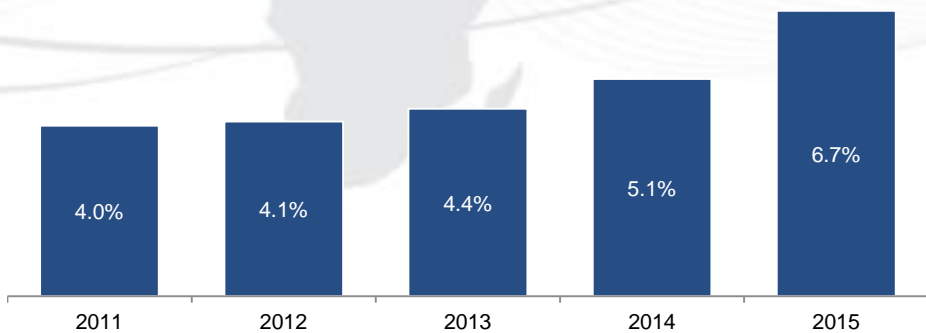
	Established or acquired	Branches	Legal structure
<b>International</b>			
London	1983	2	Subsidiary
New York	1984	1	Branch
Geneva	1984	1	Subsidiary
Singapore	1984	1	Branch
Paris	1987	1	Branch
Shanghai	2005	1	Rep office
<b>MENA region</b>			
Bahrain	1987	2	Branch
Lebanon	1996	6	Subsidiary
Jordan	2004	3	Branch
Iraq	2005	10	Subsidiary
Saudi Arabia	2006	1	Branch
Egypt	2007	41	Subsidiary
Turkey	2007	20	Associate
UAE	2008	2	Branch

# Boubyan Bank (58.4% owned subsidiary)

## Market share of Total Assets(%)



## Market share of Total Deposits (%)



## Key Highlights

- Islamic banking has been gaining strong grounds in the Kuwaiti market in recent years, representing close to 40% of assets and deposits at year-end 2015.
- 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.
- As the largest single shareholder, NBK is committed to the future growth and transformation of Boubyan Bank and establishing strong presence in the growing Islamic banking segment.
- Leading international consulting firms have assisted Boubyan in developing a new strategy aiming to differentiate the bank from other players with a clear focus on HNWI, affluent and mid/large companies.
- 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.

Notes: Market share data based on the consolidated data of all banks operating in Kuwait



## Section 1

Overview of NBK

## Section 2

Overview of Operating Environment

## Section 3

Strategy and Business Overview

## Section 4

Financial Performance (Historical)

## Section 5

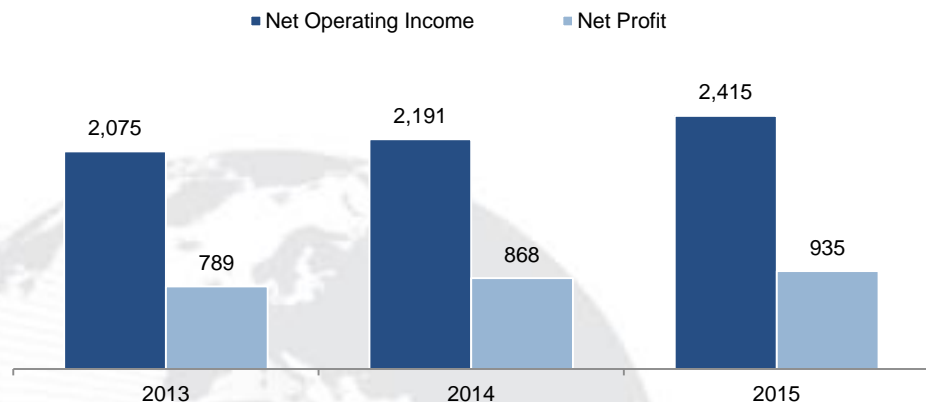
Performance Overview 1H 2016

## Section 6

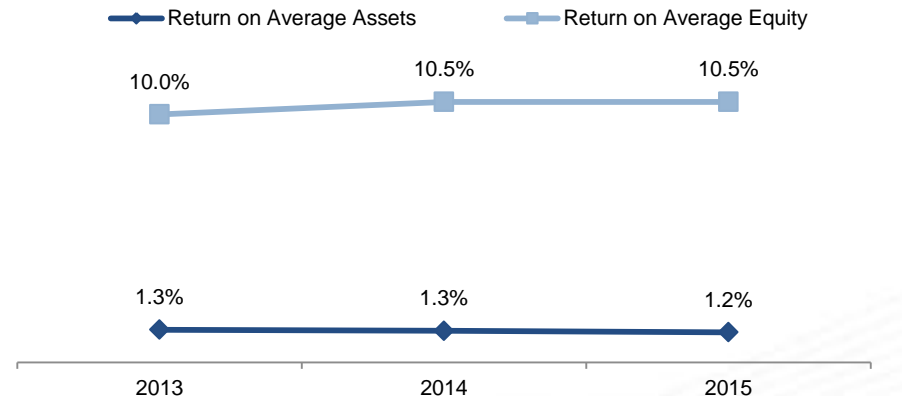
Appendix

# Operating Performance & Profitability

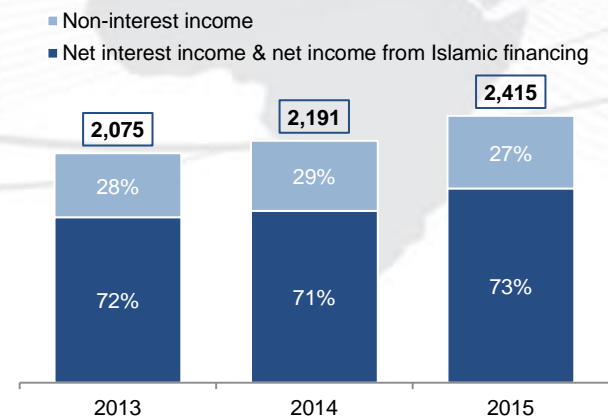
## Resilient Profitability (USD mn)



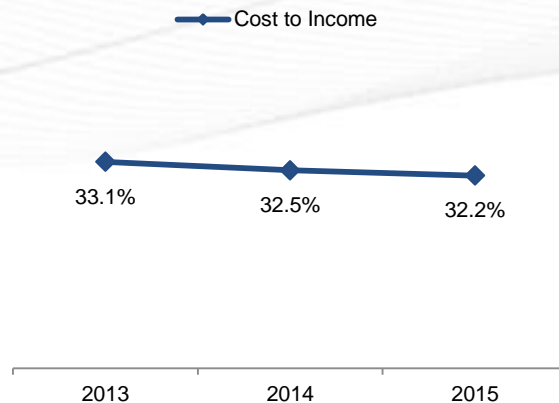
## Stable Returns (%)



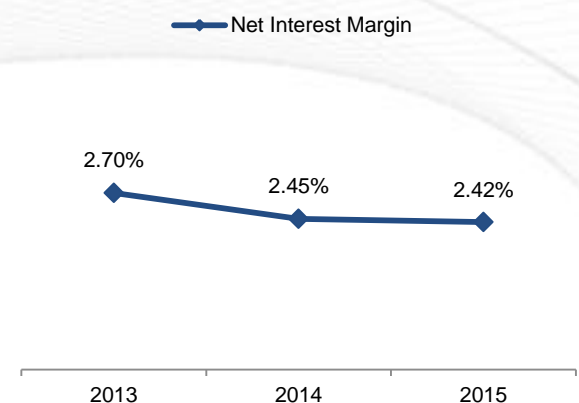
## Operating Income Composition (USD mn)



## Operating Efficiency (%)

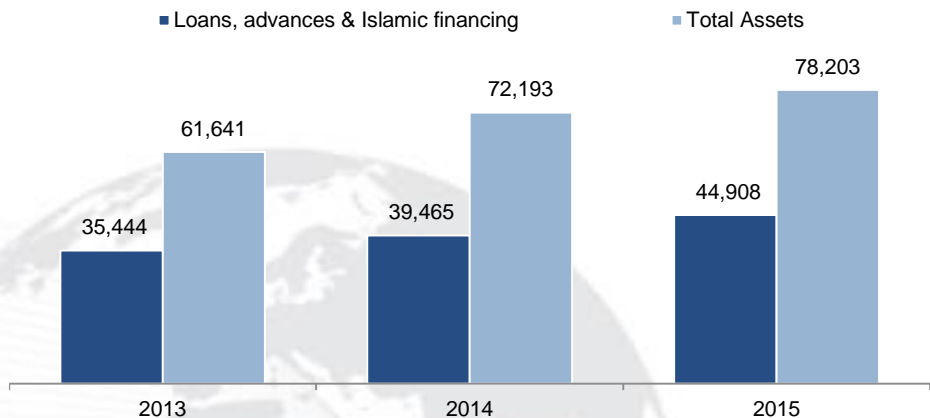


## Interest Margins (%)

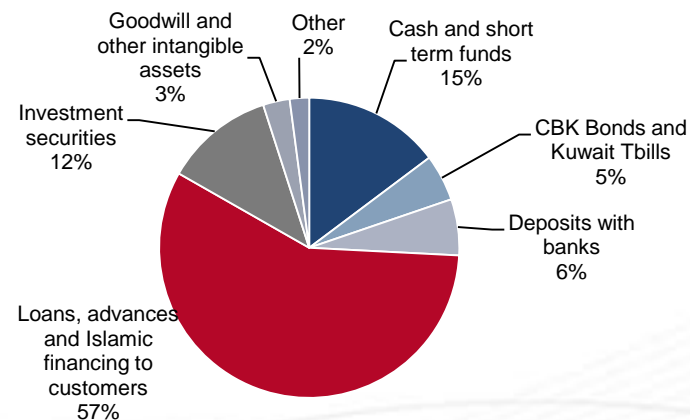


# Balance Sheet Parameters

## Assets & Loans and Advances (USD mn)

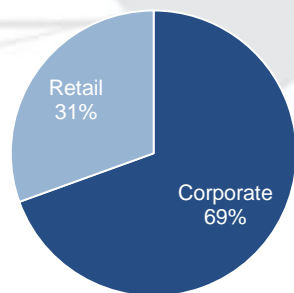


## Breakdown of Assets by Type (As at 31 December 2015)



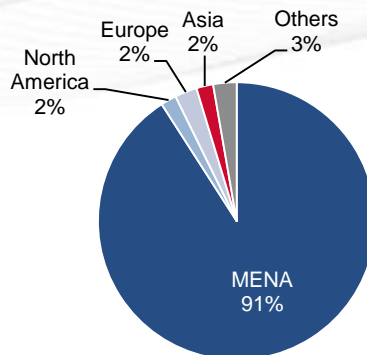
## Breakdown of Gross Loans and Advances

### By Type - As at 31 December 2015



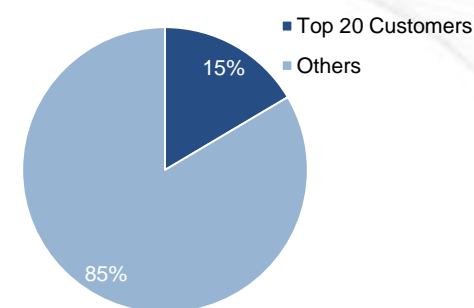
## Breakdown of Gross Loans and Advances

### By Geography - As at 31 December 2015



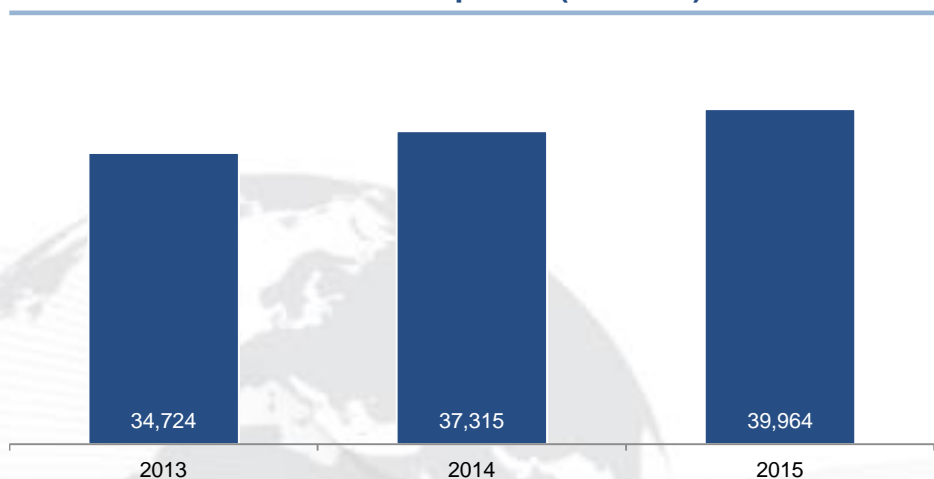
## Low loan concentrations

### As at 31 December 2015

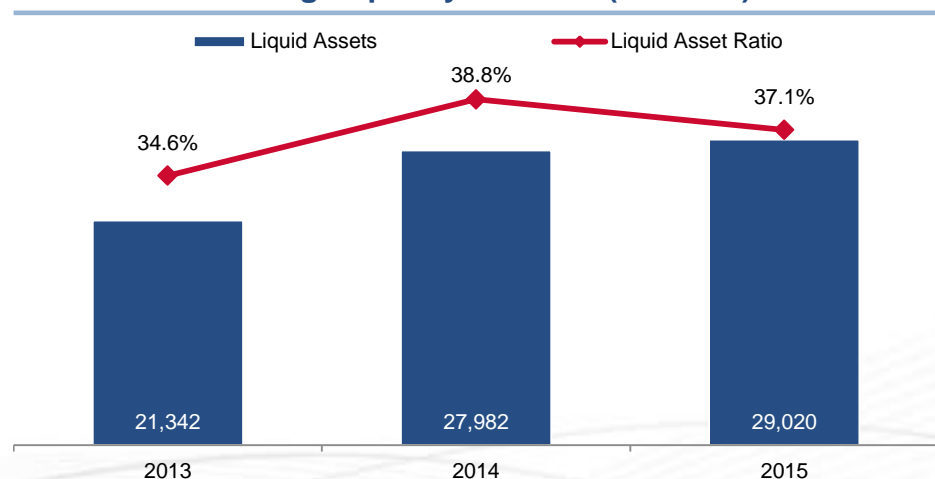


# Funding and Liquidity Positions

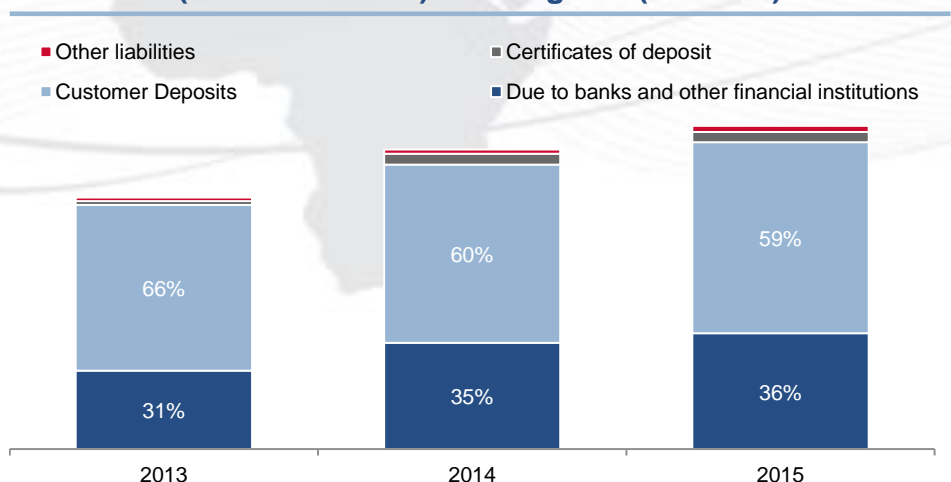
## Customer Deposits (USD mn)



## Strong Liquidity Position (USD mn)

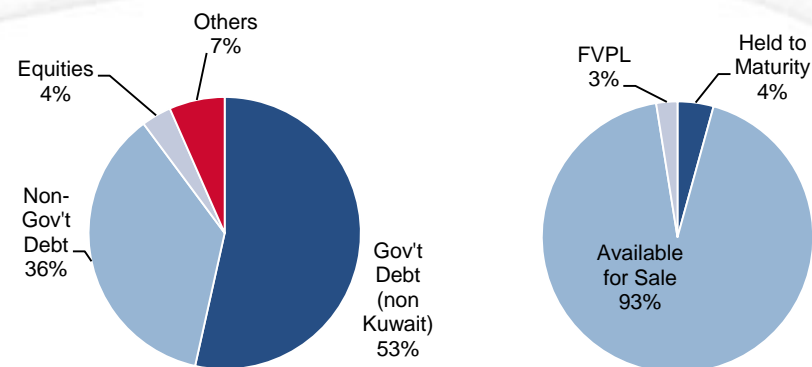


## (Total Liabilities) Funding Mix (USD mn)



## Overview of Investment Securities<sup>1</sup> – USD 9.2 bn

As at 31 December 2015

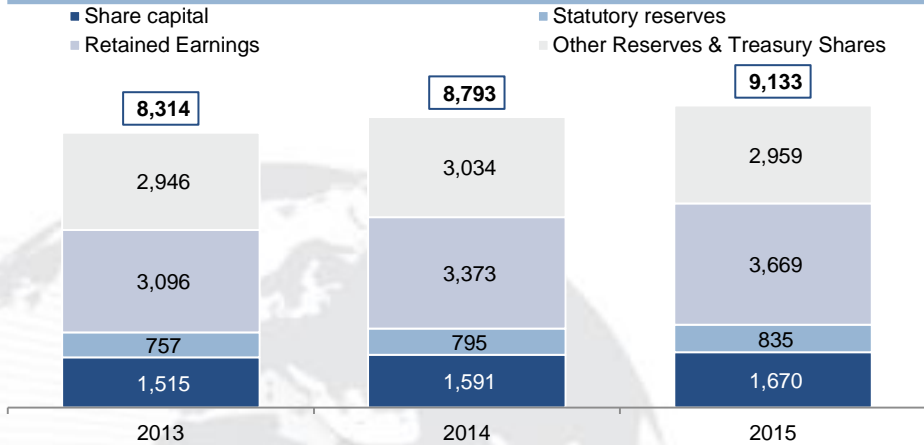


Notes:

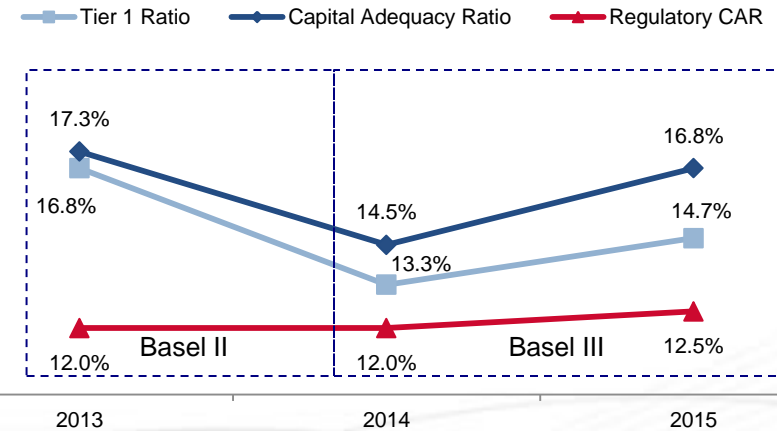
<sup>1</sup>Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

# Capitalization and Asset Quality

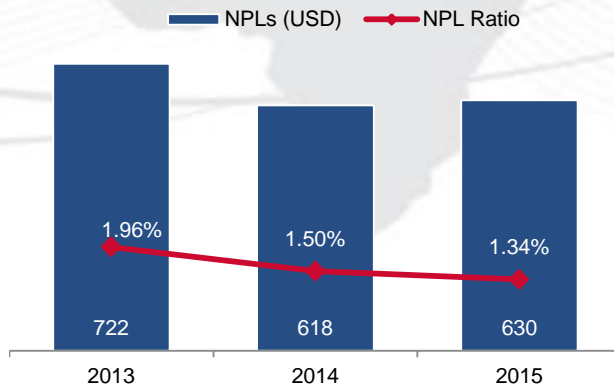
## Total Equity<sup>1</sup> Breakdown (USD mn)



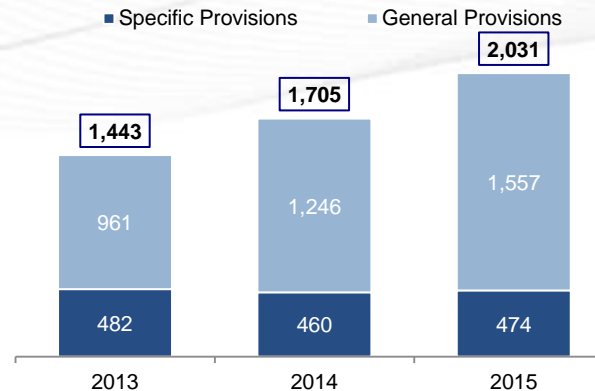
## Capital Adequacy<sup>2</sup> (%)



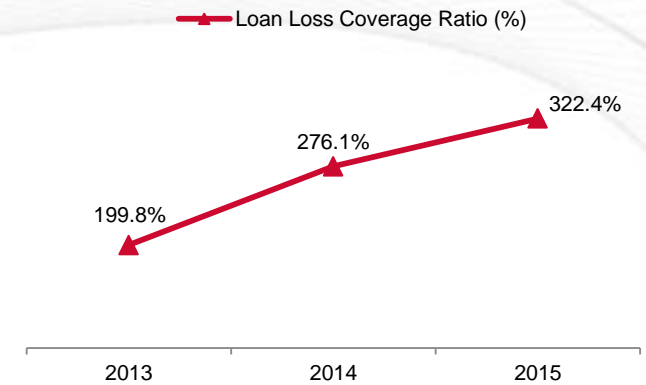
## Non-Performing Loans



## Prudent Provisioning (USD mn)



## Loan Loss Coverage Ratio (%)



Notes:

<sup>1</sup>Equity here refers to total equity attributable to the shareholders of National Bank of Kuwait S.A.K.P.

<sup>2</sup>All Capital Adequacy Ratios for the periods prior to 2014 are computed on Basel II basis

## Section 1

Overview of NBK

## Section 2

Overview of Operating Environment

## Section 3

Strategy and Business Overview

## Section 4

Financial Performance (Historical)

## Section 5

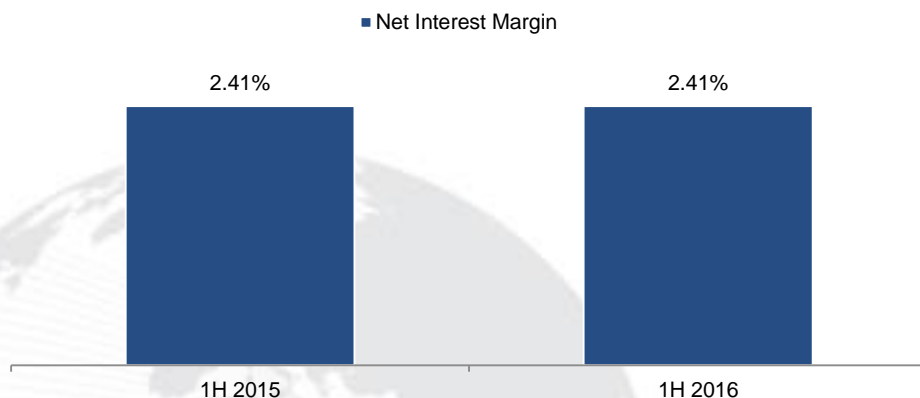
Performance Overview 1H 2016

## Section 6

Appendix

# 1H 2016 Key Performance Extracts

## Interest Margins (%)

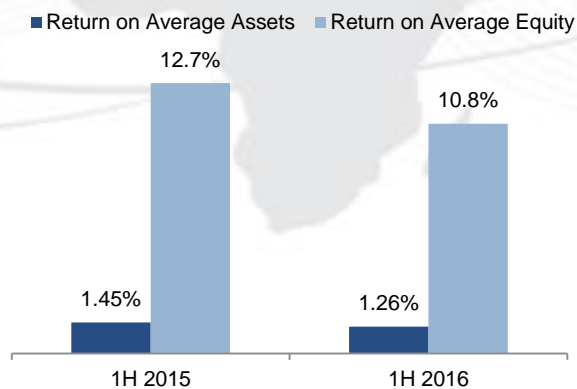


## Income Statement Key Highlights (USD mn)

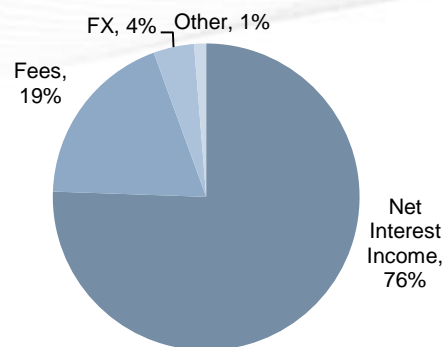
USD million	1H 2015	1H 2016
Net Interest Inc. & net inc. from Islamic financing	849	912
Fees and Commissions	216	221
<b>Net Operating Income</b>	<b>1,237</b>	<b>1,200</b>
Total Operating Expenses	376	407
<b>Operating Surplus</b>	<b>861</b>	<b>793</b>
Provision charge for credit & impairment losses	232	221
Taxation	65	47
Non-Controlling Interests	22	26
<b>Profit Attributable to Shareholders</b>	<b>541</b>	<b>499</b>

## Strong returns and well-diversified earnings

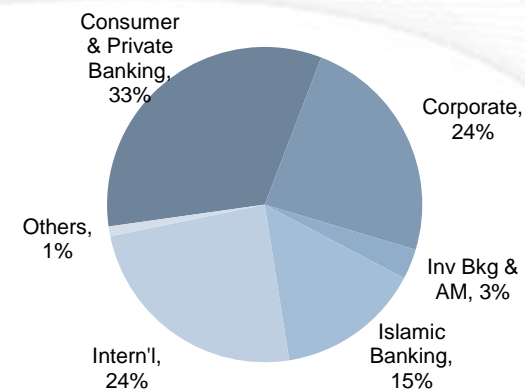
### Strong Returns (%)



### Operating Income by type

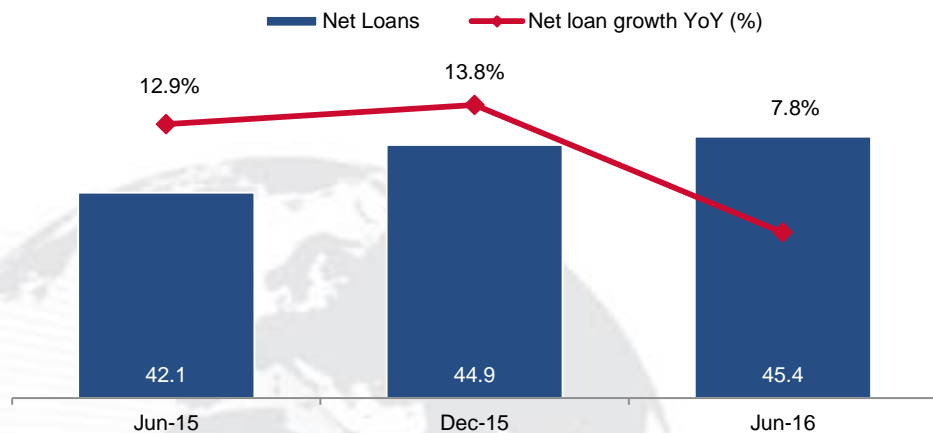


### Operating Income by Business Line

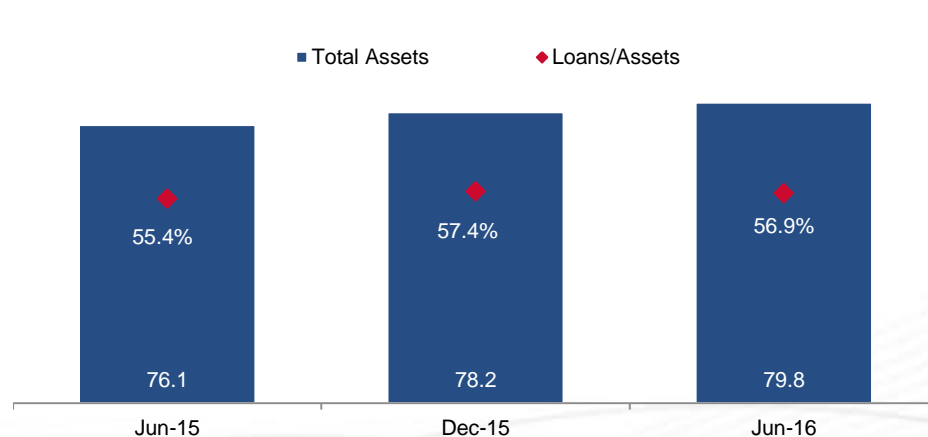


# 1H 2016 Key Performance Extracts (Continued)

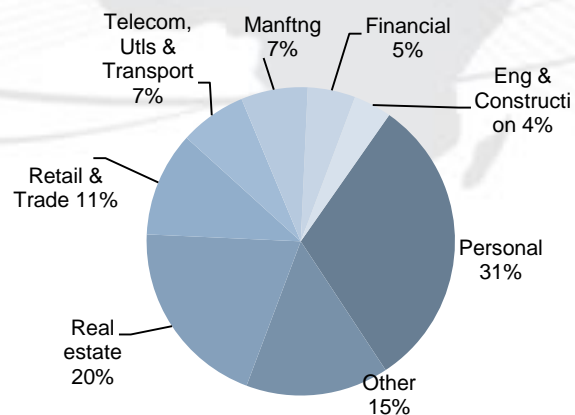
## Net Loan Portfolio (USD bn)



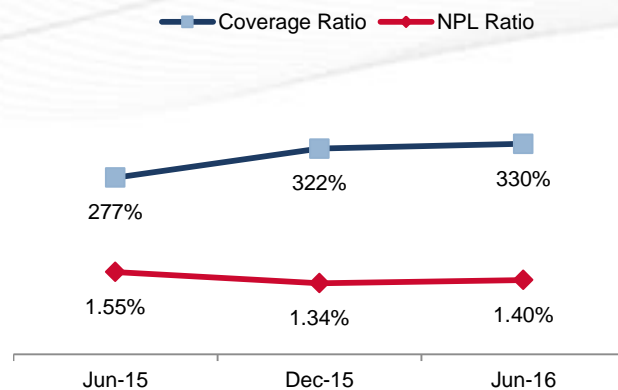
## Loans to Assets (USD bn)



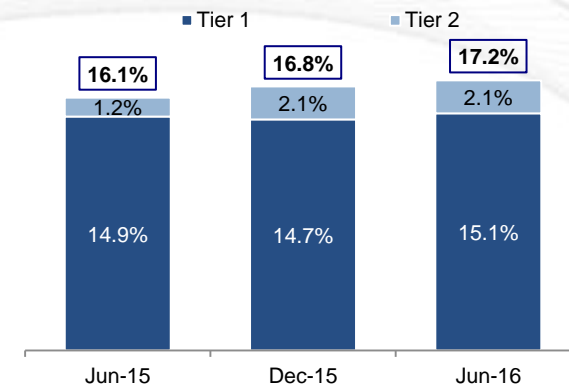
## Loan exposure by sector (%)



## Non-Performing Loans



## Prudent Capitalization (%)





## Section 1

Overview of NBK

## Section 2

Overview of Operating Environment

## Section 3

Strategy and Business Overview

## Section 4

Financial Performance (Historical)

## Section 5

Performance Overview 1H 2016

## Section 6

Appendix

# Kuwait Selected Mega Projects

Project	Sector	Value (KD bn)	Scope	Status
South Al Mutlaa City	Housing	0.30	29,000 residential units, schools and other facilities	<b>Bidding:</b> Contract for package-1 have been awarded to Salini/Limak Holding for \$965 mn; the PMC contract has been awarded to Hill International for \$85 mn.
New Refinery Project (NRP)	Oil & gas	3.90	New 615,000 bpd refinery by KNPC	<b>Underway:</b> Construction works have commenced on Package 4 (Tankage). FEED pipeline tender not yet issued.
Olefins III Project	Oil & gas	2.10	Petrochemical plant to be integrated with New Refinery Project (Al Zour Refinery)	<b>Planning:</b> The project is in the planning phase. Tender expected in 2017
Clean Fuels Project (CFP)	Oil & gas	3.70	Specification upgrade and expansion of 2 existing refineries	<b>Underway:</b> The project progress is 56.3% as of June 2016; expecting 75% progress by year end.
Jurassic Non Associated Oil & Gas Reserves Expansion: Phase 2	Oil & gas	1.22	Production of 120,000 b/d of wet crude and more than 300 million cubic feet a day (cf/d) of sour gas	<b>Bidding:</b> Only one of three contracts has been awarded; the remaining two are under review. Awarded package valued at KD475 mn.
LNG Import and Regasification Terminal	Oil & gas	0.80	4 full containment LNG tanks each with a working capacity of 225,500 m <sup>3</sup> and a regasification plant with capacity of 1500 BBTU/day	<b>Underway:</b> Project is expected to be operational by 1Q19.
Al-Khairan Power & Desalination Plant (IWPP)	Power & water	0.51	Net capacity of a min 1,500 MW of power and a min 125 MIGD of desalinated water	<b>Bidding:</b> The tenders for the project are not yet issued.
Al Zour North IWPP – Phase 2 (PPP)	Power & water	0.81	1,800 MW power generation capacity, 464,100m <sup>3</sup> desalination capacity	<b>Bidding:</b> The technical bids are under evaluation and the commercial bids are not yet opened.
Umm Al Hayman Waste Water (PPP)	Power & water	0.47	Initial treatment capacity of 500,000 m <sup>3</sup> /d. Plant may replace Riqqa WWTP in future	<b>Bidding:</b> Bid submission has been extended to 31 of August 2016.
Kabd Municipal Solid Waste Project	Power & water	0.26	Waste to energy facility; 50% of all the municipal solid waste produced in Kuwait will be processed at the facility	<b>Bidding:</b> The bid submission for the project is on 28 July 2016.
Al-Abdaliya (ISCC) Power Plant (CSP)	Power & water	0.22	280MW integrated solar combined cycle (ISCC) power plant, out of which 220MW will be powered by gas turbines and 60MW from solar energy	<b>Bidding:</b> the bid submission date has been pushed to 28 July 2016.
Airport Expansion	Transport	1.20	To increase the annual handling capacity of the airport to 20 million passengers	<b>Bidding:</b> Mobilization work to start by September 2016. Project is expected to complete by 2022
Kuwait Metro (PPP)	Transport	2.10	200km long, running across Kuwait. 10% of the project is underground	<b>Planning:</b> KAPP has completed the review of the feasibility study on the project. A decision on implementation will be finalized by September.
Kuwait National Railroad (PPP)	Transport	2.40	Railroad system linking Kuwait to rest of GCC	<b>Planning:</b> KAPP has completed the review of the feasibility study on the project. A decision on implementation will be finalized by September.

# Consolidated Financials 1H 2016 *(USD million)*

<i>Income Statement (USD million)</i>	1H-15	1H-16
Interest Income	933	1,055
Interest Expense	215	295
<b>Net Interest Income</b>	<b>718</b>	<b>760</b>
Murabaha and other Islamic financing income	166	202
Distribution to depositors and Murabaha costs	36	51
<b>Net Income from Islamic financing</b>	<b>130</b>	<b>152</b>
<b>Net interest income and net income from Islamic financing</b>	<b>849</b>	<b>912</b>
Net fees and commissions	216	221
Net investment income	111	13
Net gains from dealing in foreign currencies	53	52
Other operating income	7	2
<b>Non-interest income</b>	<b>388</b>	<b>289</b>
<b>Net Operating Income</b>	<b>1,237</b>	<b>1,200</b>
Staff expenses	223	237
Other administrative expenses	120	135
Depreciation of premises and equipment	25	27
Amortisation of intangible assets	8	8
<b>Operating Expenses</b>	<b>376</b>	<b>407</b>
<b>Op. profit before provision for credit losses and impairment losses</b>	<b>861</b>	<b>793</b>
Provision charge for credit losses and impairment losses	232	221
<b>Operating profit before taxation</b>	<b>628</b>	<b>572</b>
Taxation	65	47
Non-controlling interest	22	26
<b>Profit attributable to shareholders of the Bank</b>	<b>541</b>	<b>499</b>

<i>Balance sheet (USD million)</i>	1H-15	1H-16
Cash and short term funds	10,482	9,738
Central Bank of Kuwait bonds	2,295	2,495
Kuwait Government Treasury bonds	1,153	1,445
Deposits with banks	7,148	6,734
Loans, advances and Islamic financing to customers	42,142	45,411
Investment securities	8,893	9,973
Investment in associates	375	280
Land, premises and equipment	715	806
Goodwill and other intangible assets	2,266	2,177
Other assets	594	700
<b>Total Assets</b>	<b>76,062</b>	<b>79,759</b>
Due to banks and other financial institutions	22,734	23,282
Customer deposits	39,821	41,624
Certificates of deposit issued	2,313	2,368
Subordinated Tier 2 bonds	-	413
Other liabilities	928	933
<b>Total Liabilities</b>	<b>65,797</b>	<b>68,620</b>
Share capital	1,670	1,868
Proposed bonus shares	-	-
Statutory reserve	795	835
Share premium account	2,319	2,661
Treasury shares	(258)	(258)
Treasury share reserve	46	46
Other reserves	4,265	4,285
<b>Equity attributable to shareholders</b>	<b>8,838</b>	<b>9,437</b>
Perpetual Tier 1 Capital Securities	698	698
Non-controlling interests	729	1,004
<b>Total equity</b>	<b>10,265</b>	<b>11,140</b>
<b>Total liabilities and equity</b>	<b>76,062</b>	<b>79,759</b>

# Consolidated Statement Of Income *(USD million)*

<i>USD million</i>	2013	2014	2015
Interest Income	1,622	1,702	1,939
Interest Expense	337	378	462
<b>Net Interest Income</b>	<b>1,285</b>	<b>1,324</b>	<b>1,477</b>
Murabaha and other Islamic financing income	245	289	353
Distribution to depositors and Murabaha costs	33	57	72
<b>Net Income from Islamic financing</b>	<b>211</b>	<b>232</b>	<b>280</b>
<b>Net interest income and net income from Islamic financing</b>	<b>1,496</b>	<b>1,555</b>	<b>1,757</b>
Net fees and commissions	368	404	430
Net investment income	62	110	106
Net gains from dealing in foreign currencies	87	90	110
Share of results of associates	54	25	1
Other operating income	8	6	12
<b>Non-interest income</b>	<b>579</b>	<b>635</b>	<b>658</b>
<b>Net Operating Income</b>	<b>2,075</b>	<b>2,191</b>	<b>2,415</b>
Staff expenses	381	406	455
Other administrative expenses	238	240	256
Depreciation of premises and equipment	48	50	51
Amortisation of intangible assets	19	17	16
<b>Operating Expenses</b>	<b>686</b>	<b>713</b>	<b>778</b>
<b>Op. profit before provision for credit losses and impairment losses</b>	<b>1,389</b>	<b>1,478</b>	<b>1,637</b>
Provision charge for credit losses	476	449	431
Impairment losses	17	37	114
<b>Operating profit before taxation</b>	<b>896</b>	<b>992</b>	<b>1,093</b>
Taxation	63	85	110
Non-controlling interest	44	39	48
<b>Profit attributable to shareholders of the Bank</b>	<b>789</b>	<b>868</b>	<b>935</b>

# Consolidated Statement Of Financial Position *(USD million)*

<i>USD million</i>	2013	2014	2015
Cash and short term funds	7,994	10,379	11,537
Central Bank of Kuwait bonds	1,771	1,772	2,664
Kuwait Government treasury bonds	1,061	1,142	1,259
Deposits with banks	2,982	6,795	4,728
Loans, advances and Islamic financing to customers	35,444	39,465	44,908
Investment securities	7,788	8,264	9,227
Investment in associates	861	396	307
Land, premises and equipment	637	674	751
Goodwill and other intangible assets	2,320	2,308	2,246
Other assets	783	538	575
Investment in an associate held for sale	-	459	-
<b>Total Assets</b>	<b>61,641</b>	<b>72,193</b>	<b>78,203</b>
Due to banks and other financial institutions	16,387	22,223	24,214
Customer deposits	34,724	37,315	39,964
Certificates of deposit issued	799	2,237	2,172
Subordinated Tier 2 bonds	-	-	413
Other liabilities	744	905	865
<b>Total Liabilities</b>	<b>52,654</b>	<b>62,680</b>	<b>67,627</b>
Share capital	1,515	1,591	1,670
Proposed bonus shares	76	80	84
Statutory reserve	757	795	835
Share premium account	2,319	2,319	2,319
Treasury shares	(266)	(261)	(258)
Treasury share reserve	54	49	46
Other reserves	3,859	4,220	4,437
<b>Equity attributable to shareholders of the bank</b>	<b>8,314</b>	<b>8,793</b>	<b>9,133</b>
Perpetual Tier 1 Capital Securities	-	-	698
Non-controlling interests	673	720	744
<b>Total equity</b>	<b>8,987</b>	<b>9,513</b>	<b>10,575</b>
<b>Total liabilities and equity</b>	<b>61,641</b>	<b>72,193</b>	<b>78,203</b>