



National Bank of Kuwait

Investor Presentation

April 2024

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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 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

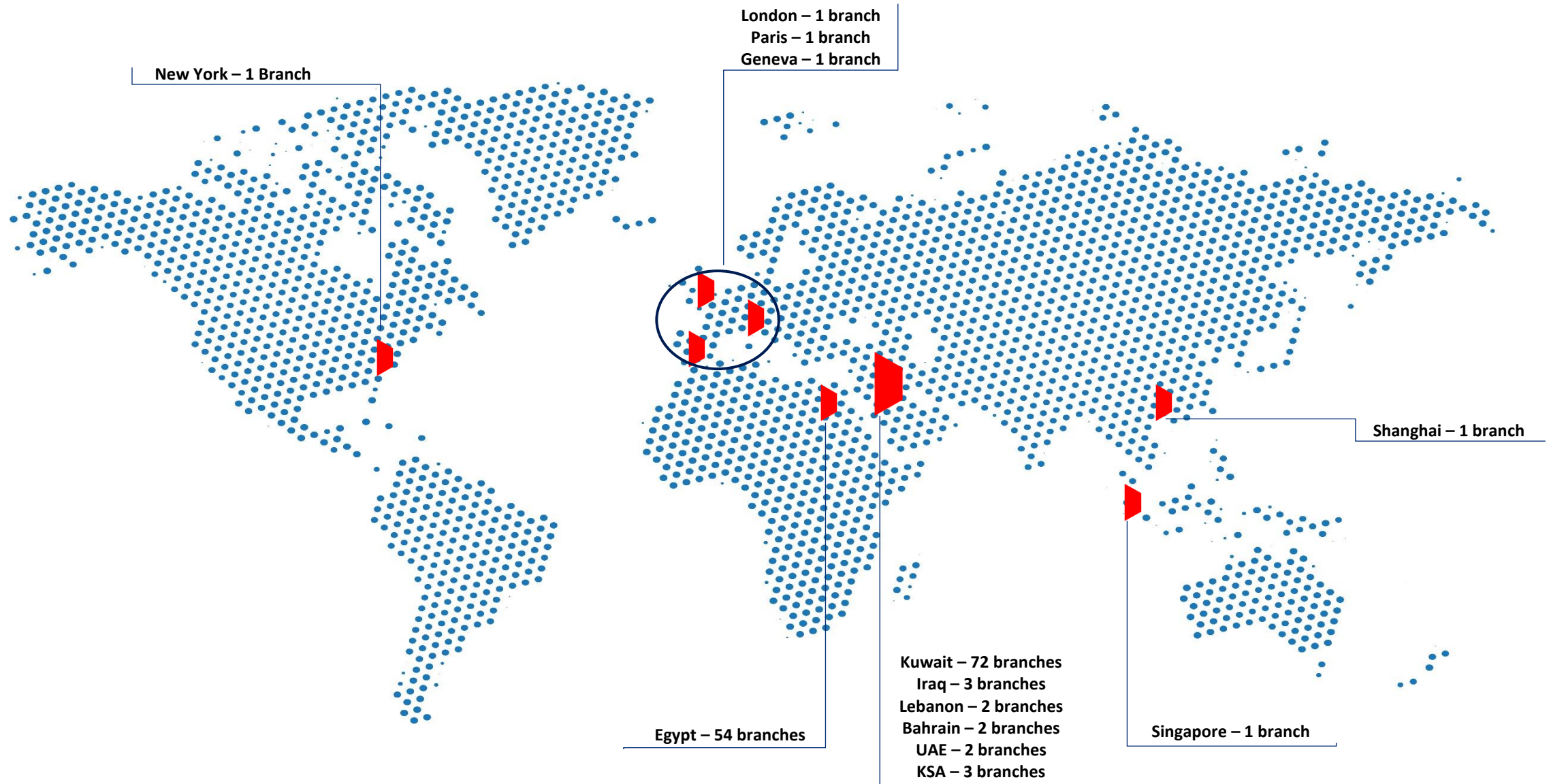
Financial snapshot

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%

Notes: Throughout the investor presentation, the USD/KD exchange rate used is .30675 for year-end figures and 0.30740 for interim figures. The rates are based on the Central Bank of Kuwait's closing exchange rates as of 31/12/2023 and 31/03/2024.



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

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NBK's Strategy

Defend and Grow Leadership Position in Kuwait

✓ 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 expand its coverage and broaden the range of products and services offered.

✓ Consumer Banking

- NBK intends to maintain its focus on the profitable affluent and mass affluent segments while continuing to build a future-safe franchise by investing in youth segments (such as first jobbers and Shabab).
- 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 banks.

✓ Build Regional Powerhouse in Wealth Management

- NBK aims to replicate its Kuwait success story in other GCC markets and build a pan-regional franchise with regional origination and international asset allocation capabilities, leveraging its trustworthy brand and strong geographic reach
- Under the newly launched NBK Wealth brand, NBK aims to continue to provide a unique proposition to high-net-worth clients by bringing its frontline and investment arm together, complementing its superior customer service with an increasingly wider range of investment products in a more holistic and client-centric approach

Geographical, and product and service diversification

✓ 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 with 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.

Digital Transformation

ESG Transition



Kuwait Operations

NBK

Islamic Banking (Boubyan Bank 60.4% owned subsidiary)



Corporate Banking



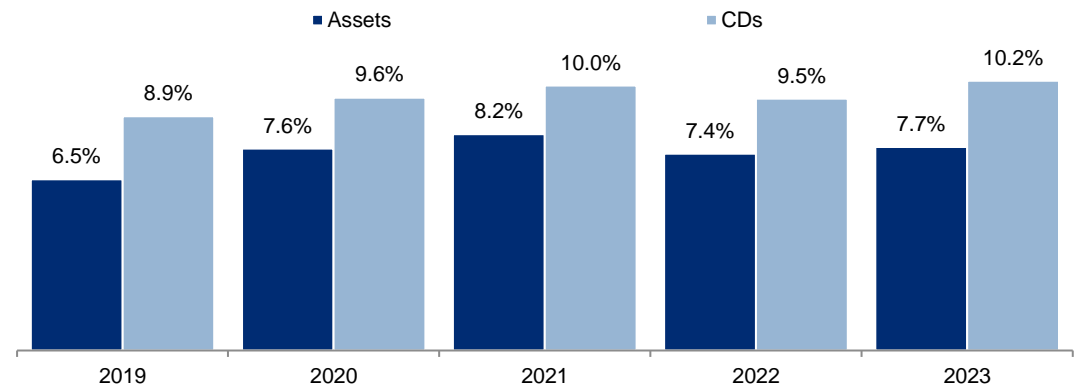
Consumer Banking

- 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

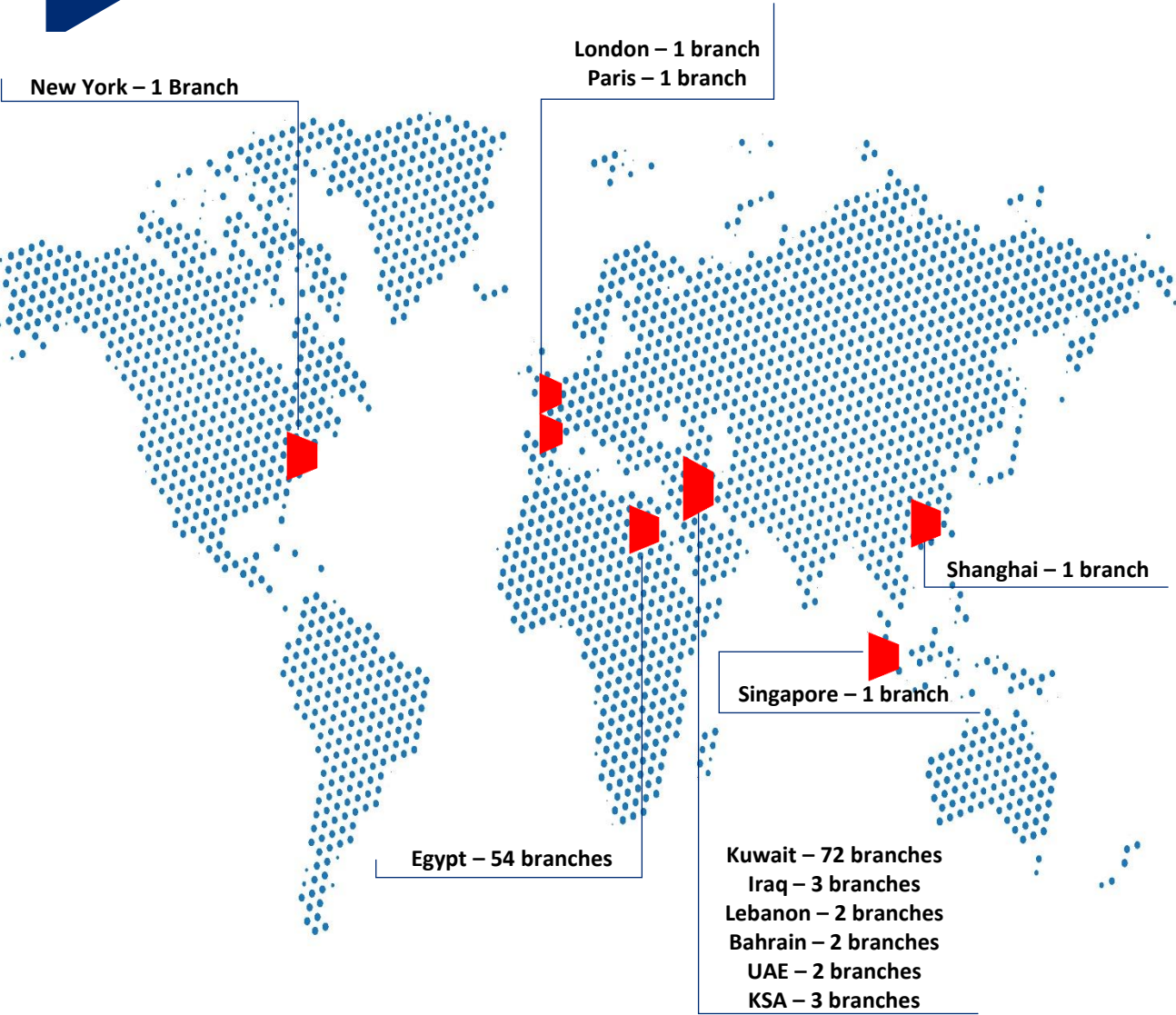
- After a series of gradual share acquisitions since 2009, NBK's stake in Boubyan bank reached 58.4% in 2012. Through Boubyan, NBK aims at diversifying its income stream, complementing its product offering as well as targeting a new segment of clients.
- The size and market share development of Boubyan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



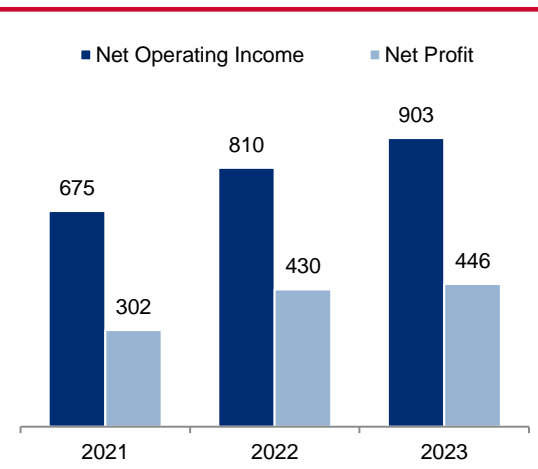


International Banking Operations

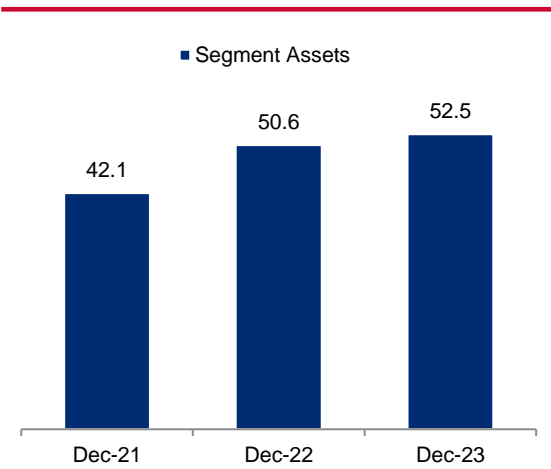


- NBK’s international banking operations have been traditionally contributing 25% of the Group’s bottom line.
- NBK’s international presence is a differentiating factor for the Group, enabling better service and strengthening client relationships.
- The Bank is focused on growing its business in existing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

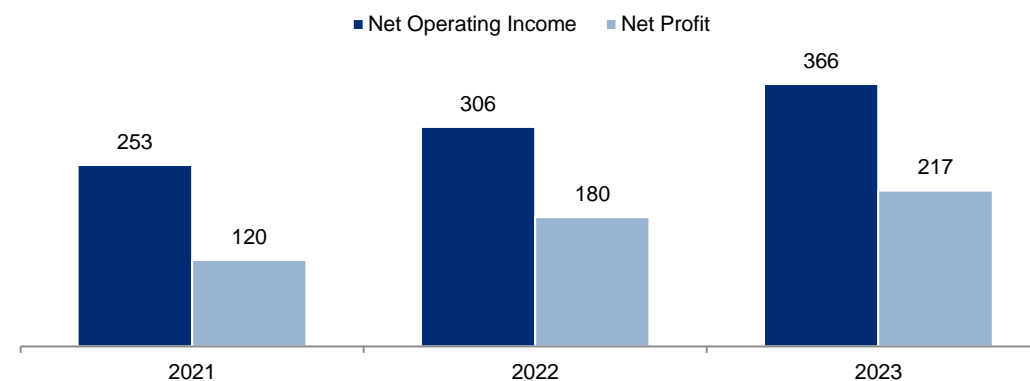


NBK Wealth

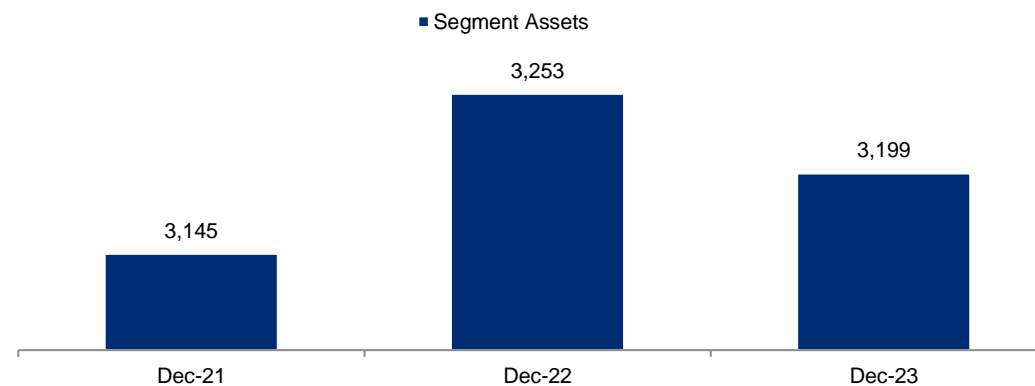
NBK Wealth emerged as the outcome of the transformation plan of merging NBK's private banking and asset management businesses under one leadership and one identity. The transformation plan was focused on client-centricity, and NBK Wealth now offer SHNWI/UHNWI/HNWI and institutional accounts a holistic 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)



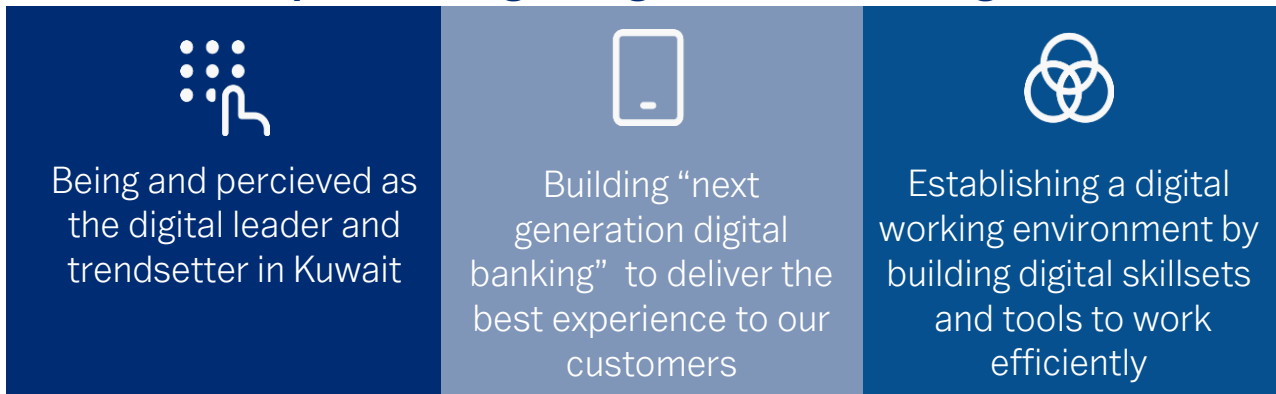
Balance Sheet Trends (USD mn)





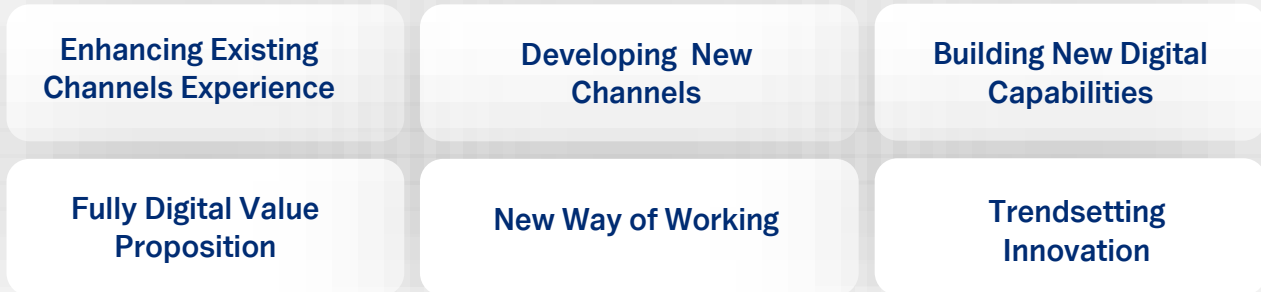
Digital Transformation Underpinning the Strategy of the Group

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



SUSTAINALYTICS

NBK is at 27.4 – Medium Risk

MSCI
ESG RATINGS



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



"C" score for 2023 for both the Climate Change and Forests Categories

REFINITIV



Listed on Refinitiv AFE Low Carbon Select Index MENA



FTSE4Good

Constituent of the FTSE4Good Index Series

S&P Global

NBK scored 34/100 in S&P Global rating



NBK Headquarters awarded the Gold LEED Certification

ESG Governance

- A Board approved ESG Governance Structure and Framework that assigns ESG responsibility across members of the Executive Management.
- Established the Sustainability and Climate Change (S&CC) Committee, chaired by the Vice Chairman and Group CEO and with direct Board oversight.
- Under the jurisdiction of the S&CC Committee, five sub-committees were established which comprise of members of the Executive Management, assigning them with ESG roles within their relevant areas.
- ESG-specific KPIs were developed and formalized for the members of the Executive Management.
- The sub-committees are responsible for monitoring the progress of NBK's net zero emission pathways, establishing ESG governance and risk management controls across operations and portfolios, cultivating an ESG culture across the Group, maximizing social impact and community engagement, as well as evaluating and endorsing all new proposed use of proceeds of green bonds and other sustainable finance transactions.

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 3.5 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 assessment 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 and Climate Change 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.
 - In the process of developing a **Group-level ESG Policy** to orchestrate the Bank's sustainability activities and drive accountability across the Group network.
 - 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 around **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.
 - Renewed its sponsorship of the Kuwait Dive Team (KDT) for the second year in a row, with the aim of rehabilitating and protecting Kuwait's marine environment and ecosystem. In 2023, **removed 150 tons of plastic, discarded fishing nets, and shipwreck from Kuwait's bays and coasts, an eight-fold increase from 2022**.
-
- Women in workforce 44%**, women in management **28.8%**.
 - Provided key **Sustainability Champions** across the Bank with a **Global Reporting Initiative (GRI) Standards certified 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 **147,701 training hours**. Also, provided **3,313 training 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.

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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

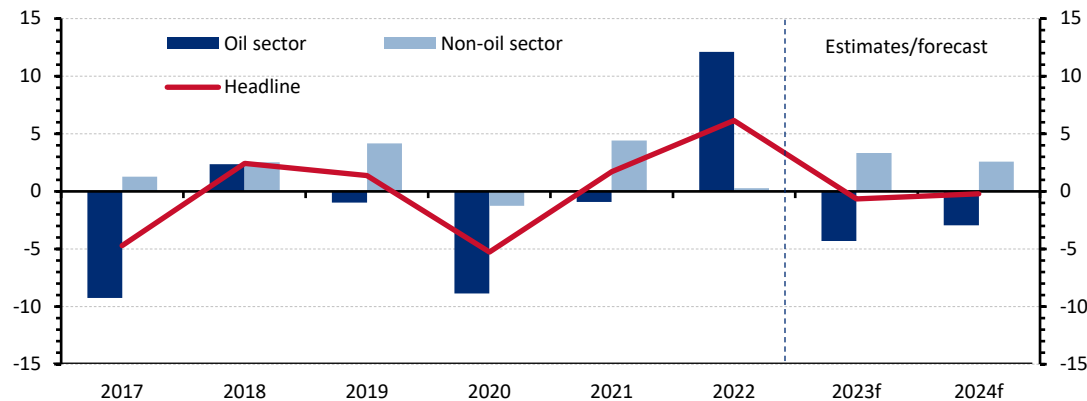
Rating Agency	FC credit rating	Outlook	Rating Action/date
S&P Global	A+	Stable	Affirmed/Dec'23
Moody's	A1	Stable	Affirmed/Jun'23
Fitch	AA-	Stable	Affirmed/Mar'24

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



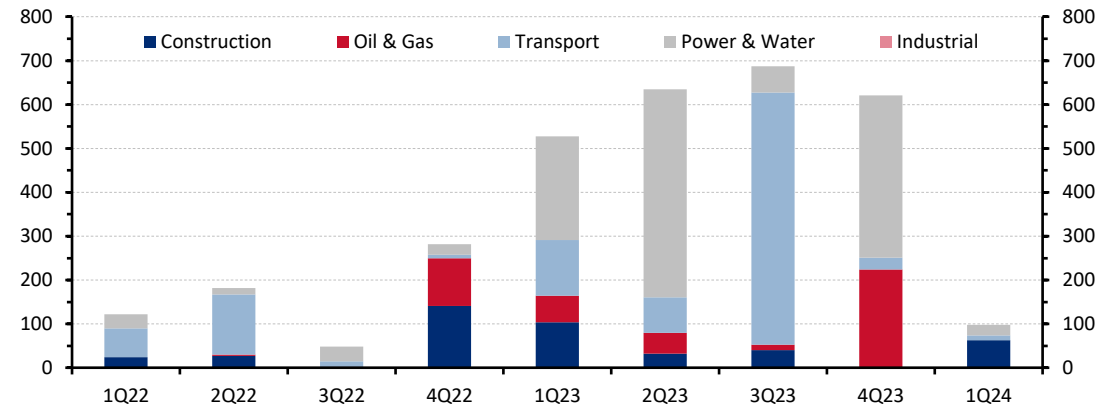
Kuwait's Economy

Real GDP Growth¹ (% y/y)



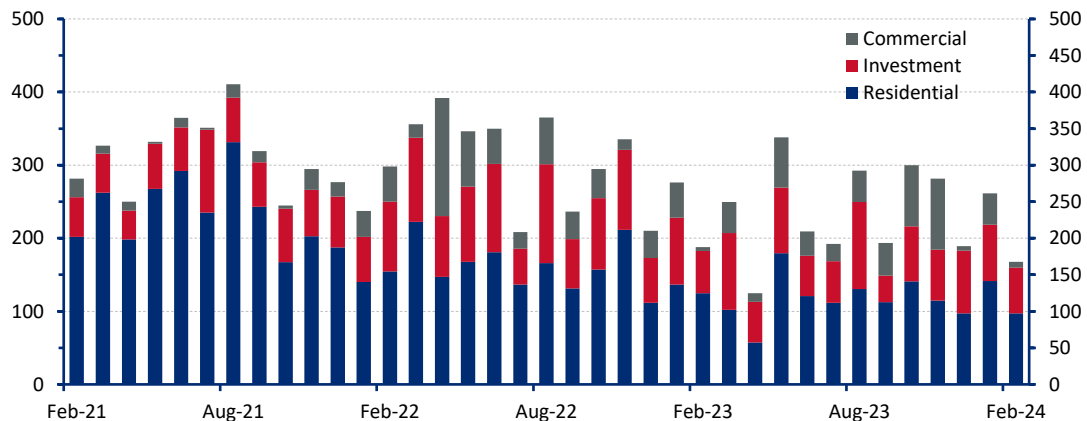
GDP growth is set to soften in 2024 amid slower consumer activity and lower oil production after Kuwait agreed to implement additional OPEC+ voluntary oil production cuts in H1 2024.

Project Awards² (KD million)



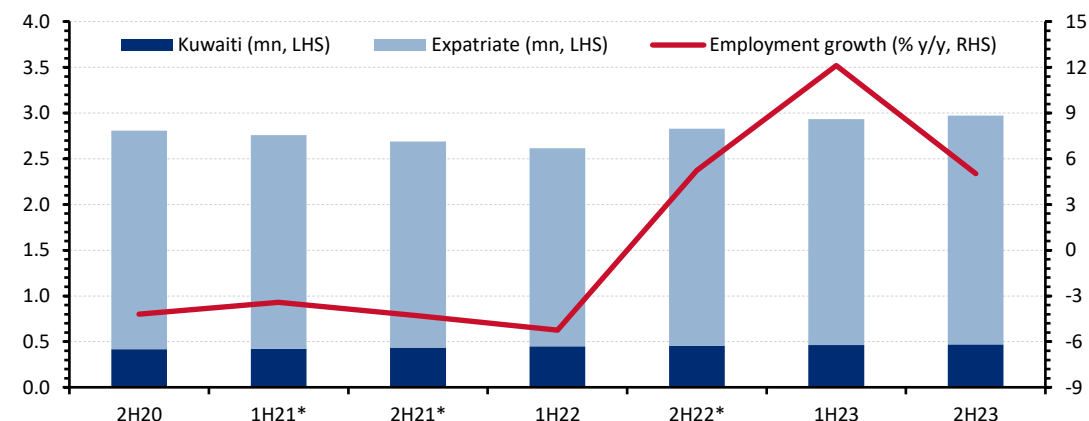
Project awards (value) fell to KD98mn (-78% q/q; -81% y/y) in Q1 2024, a notable slowdown in momentum from the pace seen in 2023, and partly explained by season factors (Ramadan).

Real Estate Sales³ (KD million)



Real estate sales in February 2024 declined to their lowest level in 10 months at KD168m (-35.8% m/m; -10.6% y/y) on the back of a large drop in residential and commercial sector sales.

Employment⁴ (million, *estimated, annualized)



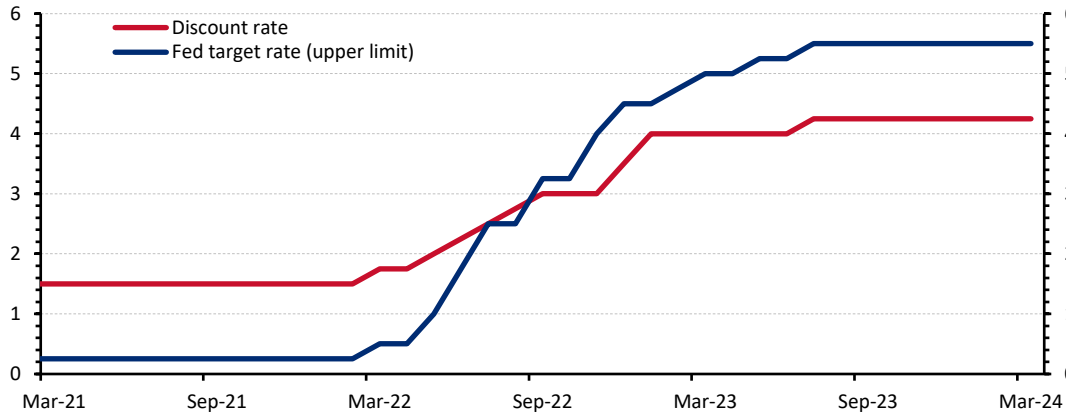
Employment growth slowed to 5% y/y in 2H23 as the return of expats post-Covid stabilized. With a solid expansion in project activity expected in 2024, overall employment could pick up pace later this year.

Sources: ¹ CSB, NBK estimates; ² MEED Projects; ³ Kuwait Ministry of Justice (MOJ); ⁴ PACI



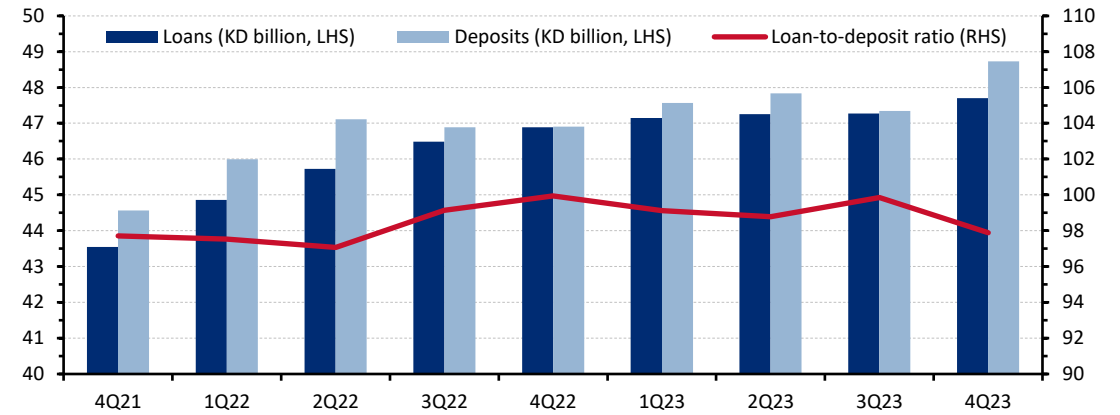
Kuwait's Banking Sector

Kuwait Discount Rate¹ (%)



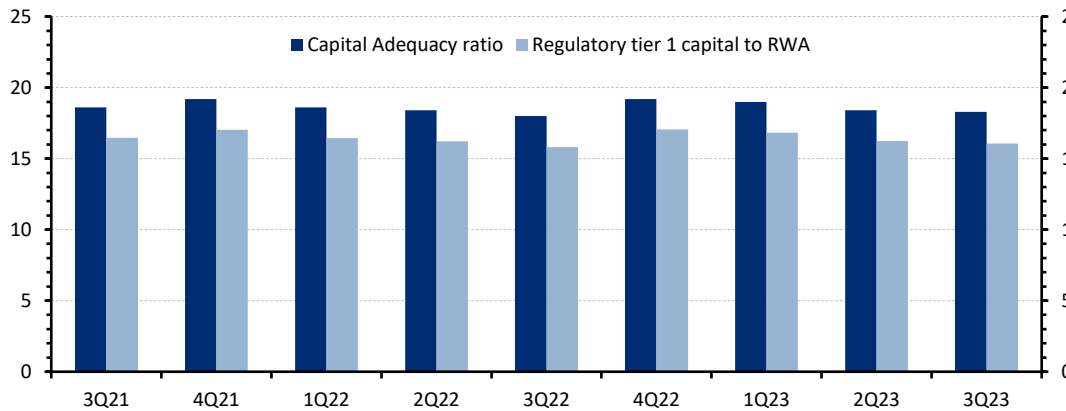
The CBK has remained its key policy rate at 4.25% since July 2023, having raised rates far less aggressively than the US Fed (cumulative +275 bps since March 2022 vs. 525 bps for the Fed)

Loans and Deposits²



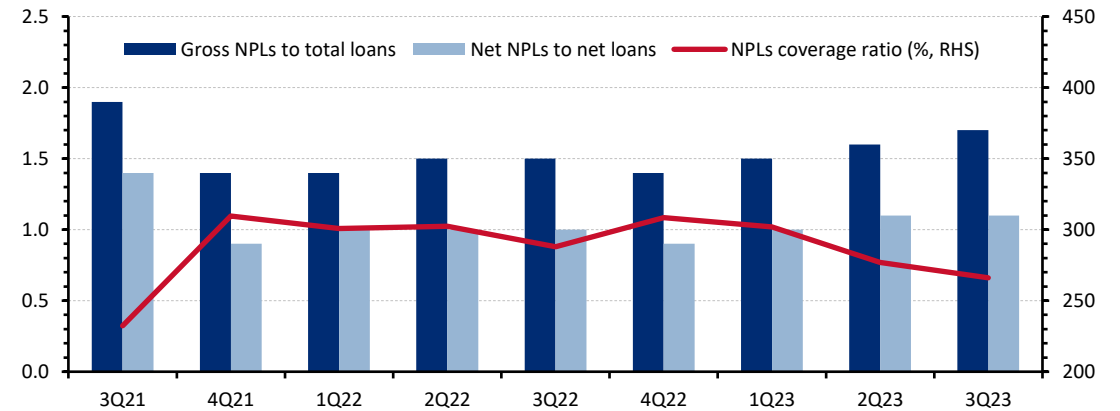
The domestic loans-to-deposits ratio dropped in Q4 to 97.9% as of end-December as deposits rose by more than loans.

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%.

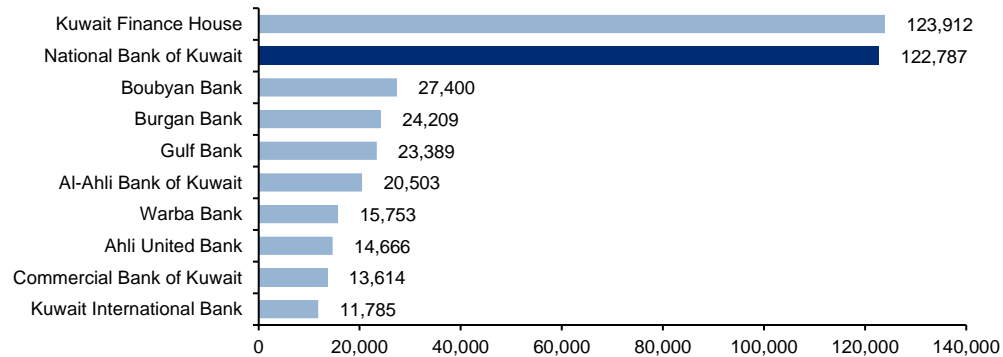
Sources: ¹As per latest Central Bank of Kuwait (CBK) rate hike on 26/07/2023; ²As per latest published CBK Monthly Statistical Bulletin (Dec-23); ³As per latest published CBK "National Summary Data Page"



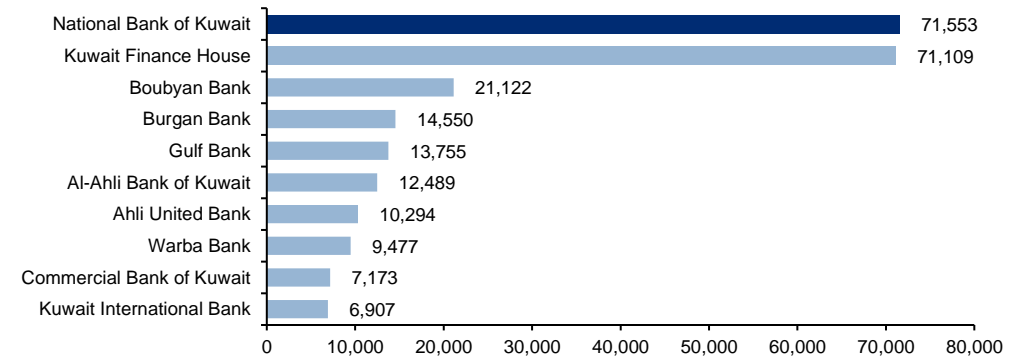
Dominant Kuwaiti Franchise

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

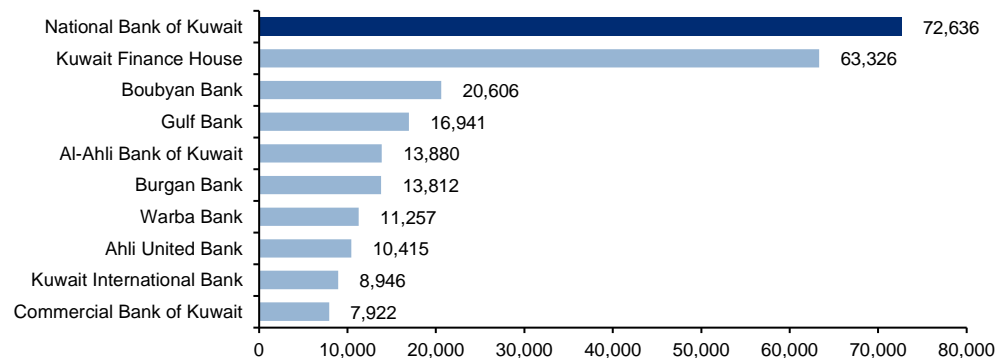
Total Assets (USD mn)



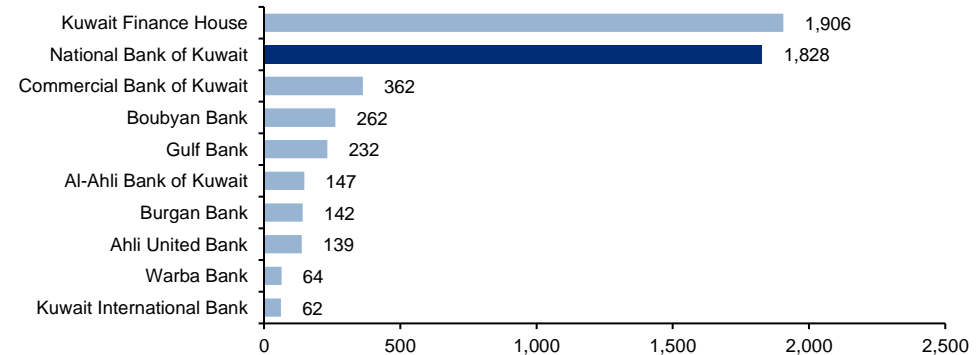
Customer Deposits (USD mn)



Customer Loans & Advances (USD mn)




Net Profit attributable to shareholders (USD mn)



Sources: Banks' annual reports. All data as of 31 December 2023 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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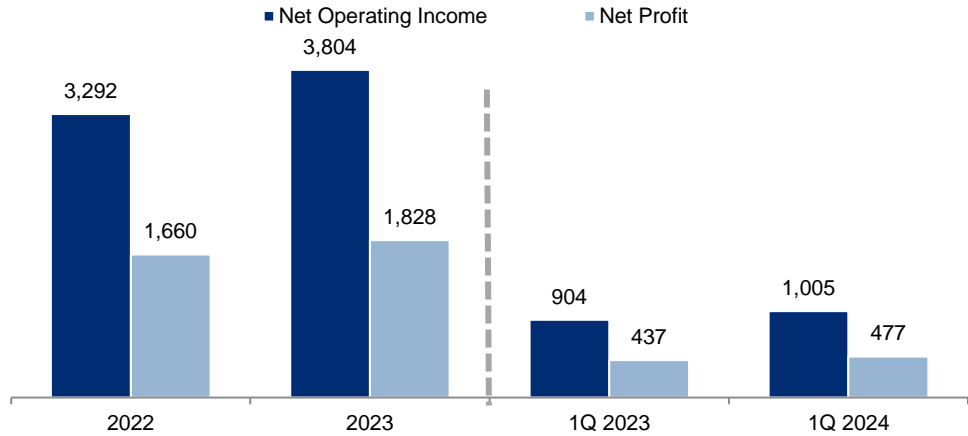


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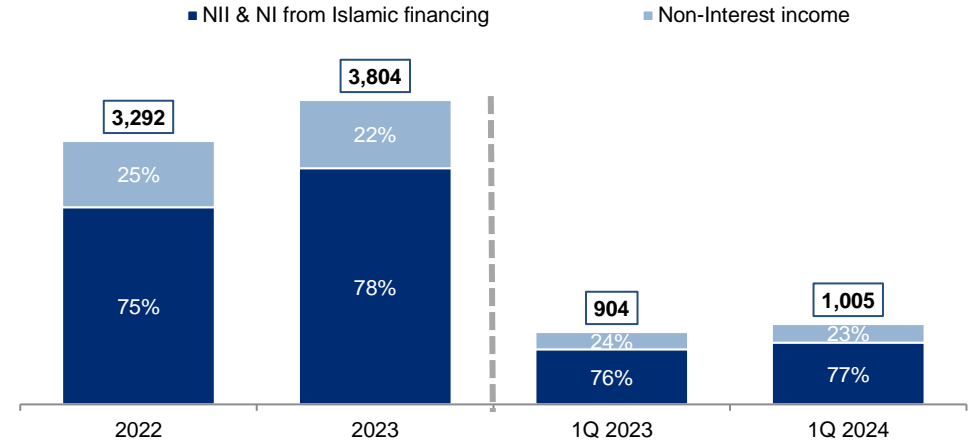


Operating Performance & Profitability

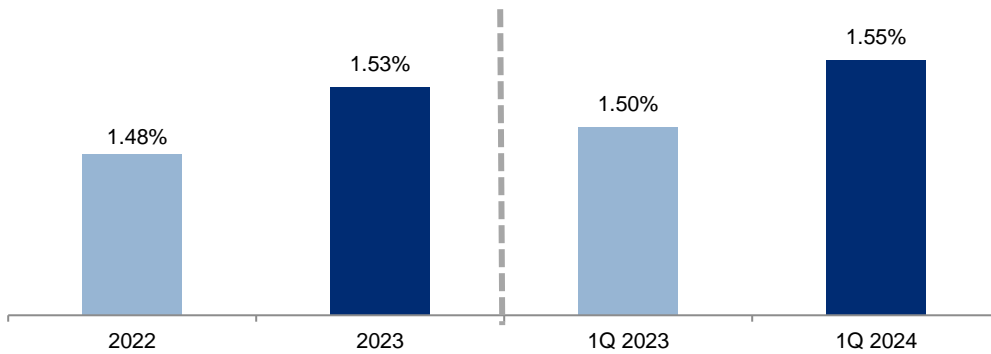
Profitability (USD mn)



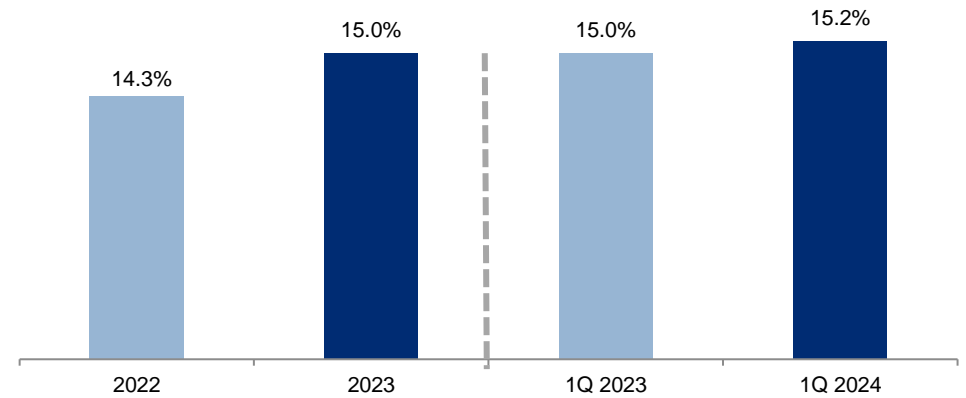
Operating Income Composition (USD mn)



Return on Average Assets (%)

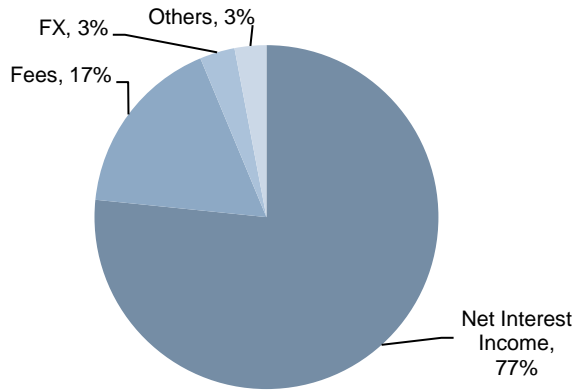


Return on Average Equity (%)

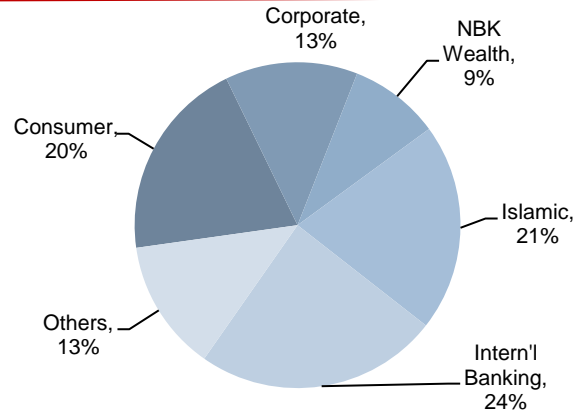


Operating Performance & Profitability (cont'd)

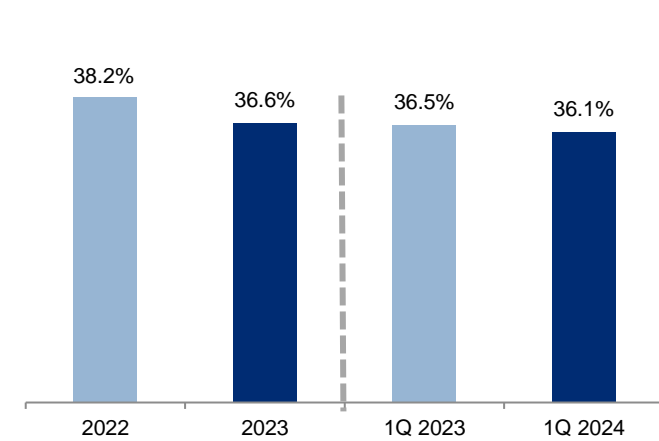
1Q 2024 Op. Income by Type (%)



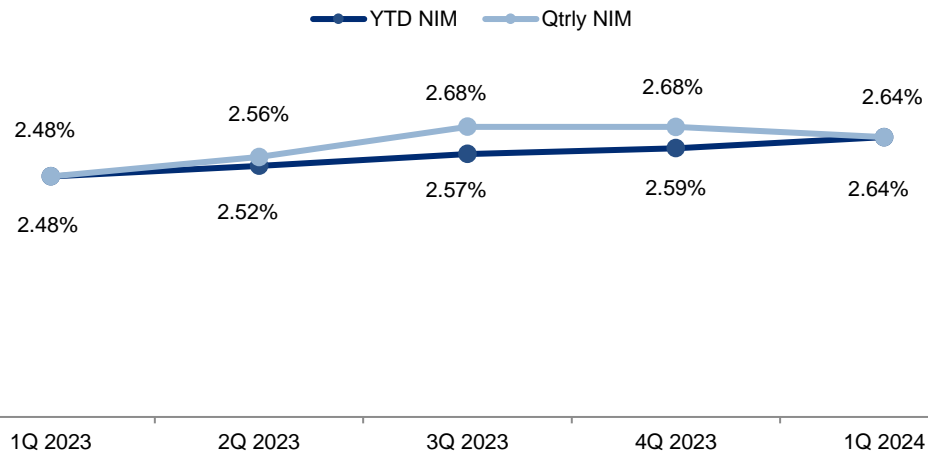
1Q 2024 Op. Income by Business Line (%)



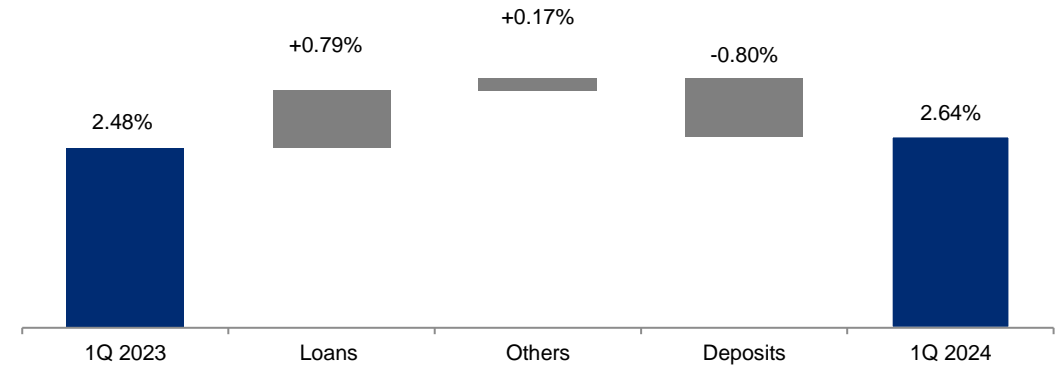
Cost to Income (%)



Net Interest Margin* (%)



Net Interest Margin Drivers

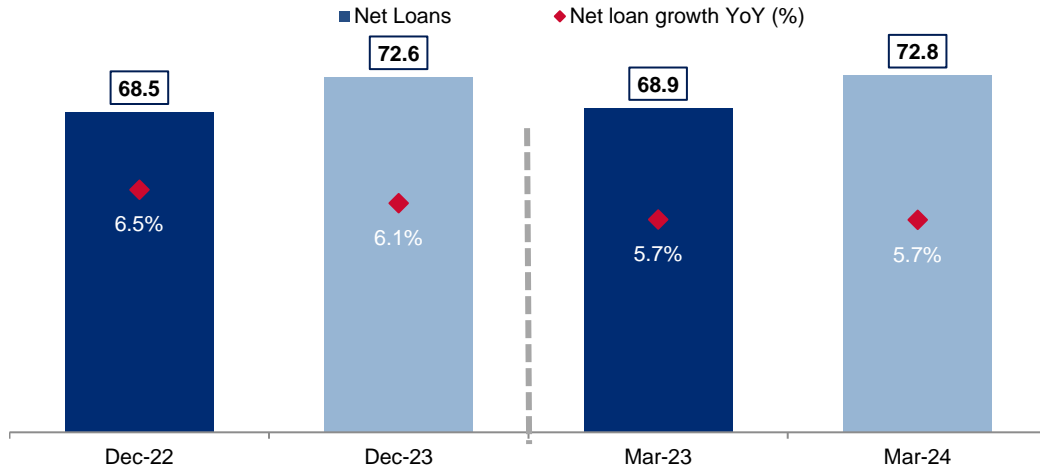


*Includes net interest income and net income from Islamic Financing

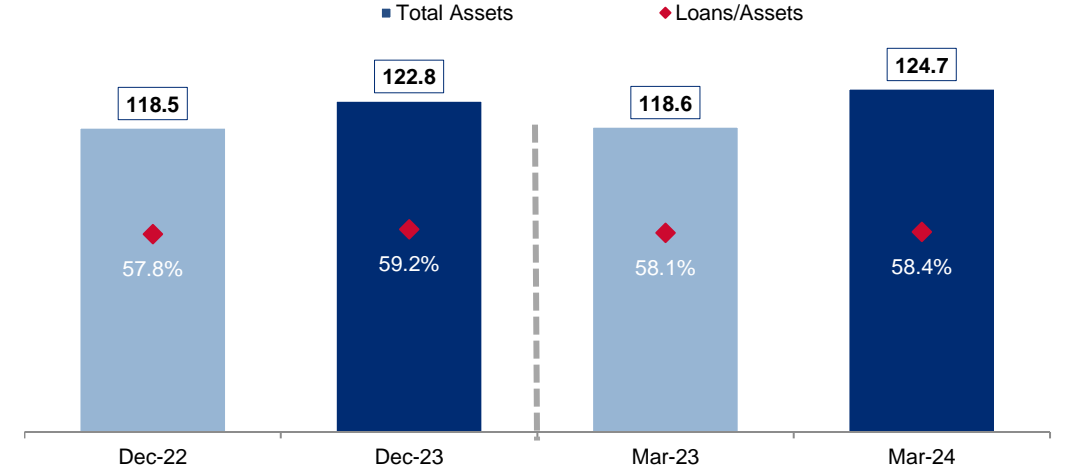


Balance Sheet Parameters

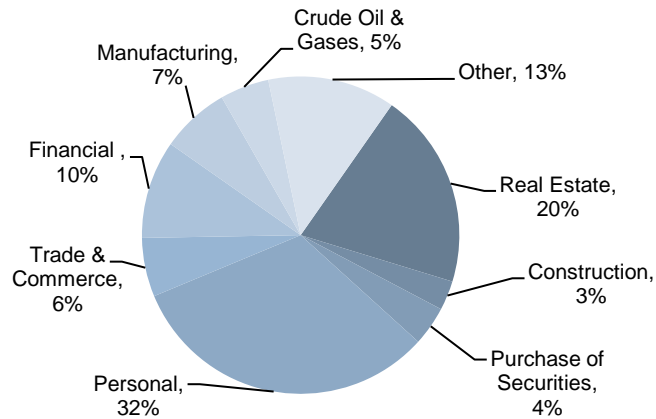
Net Loan Portfolio (USD bn)



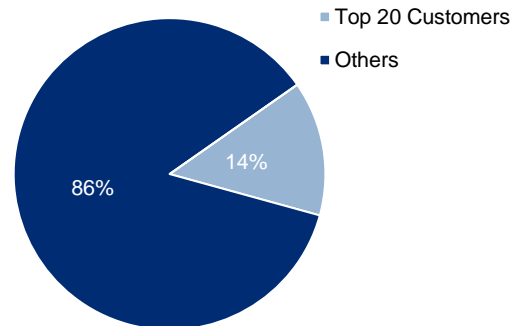
Loans to Assets (USD bn)



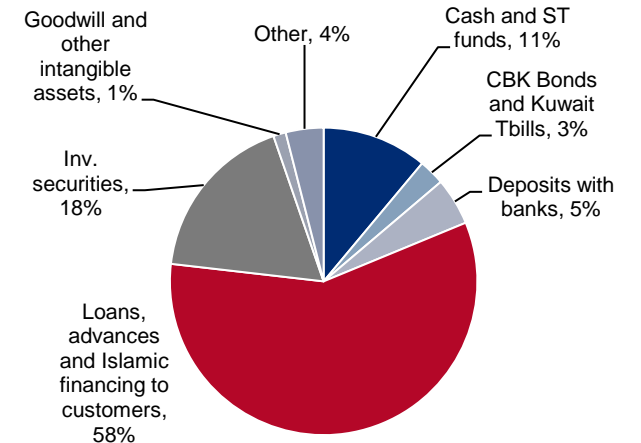
Loan Exposure by Sector (%) (as at 31 Mar. 2024)



Low Loan Concentrations (as at 31 Mar. 2024)



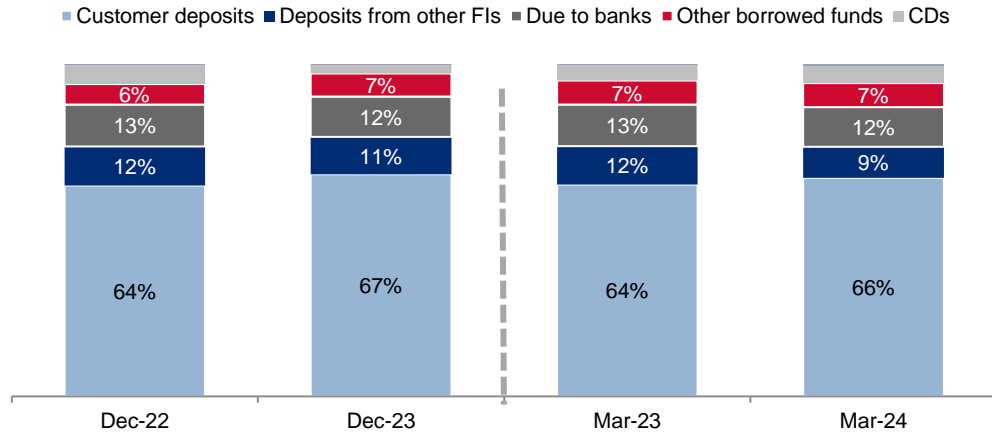
Assets by Type (as at 31 Mar. 2024)



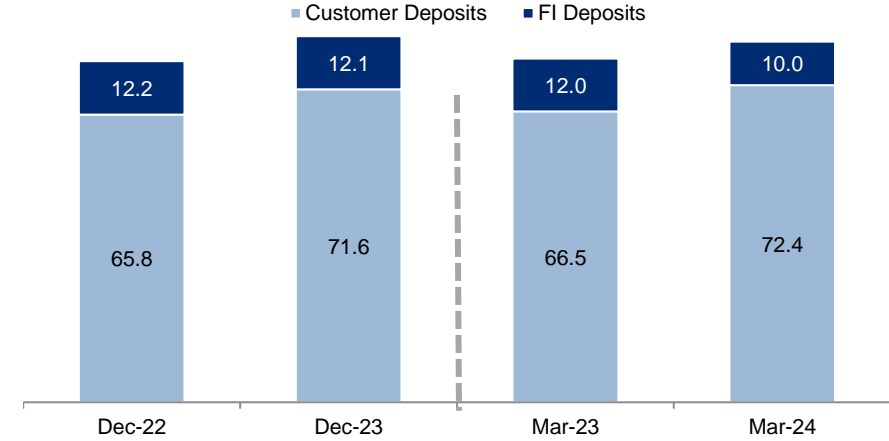


Funding and Liquidity Positions

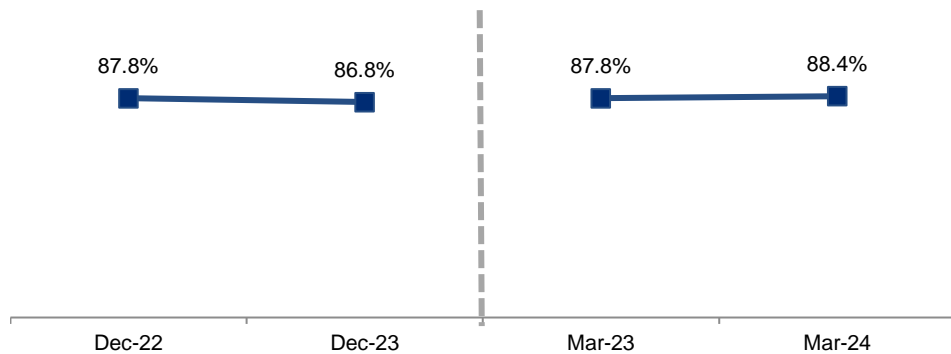
Funding Mix (Total Liabilities)



Customer and FI Deposits (USD bn)

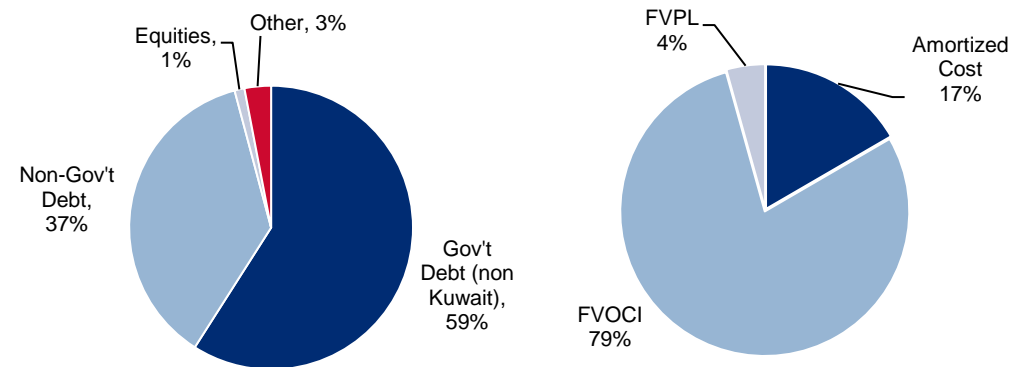


Loans to Customer and other FI Deposits Ratio (%)



Overview of Investment Securities¹ – USD 22.4 bn

As at 31 March 2024

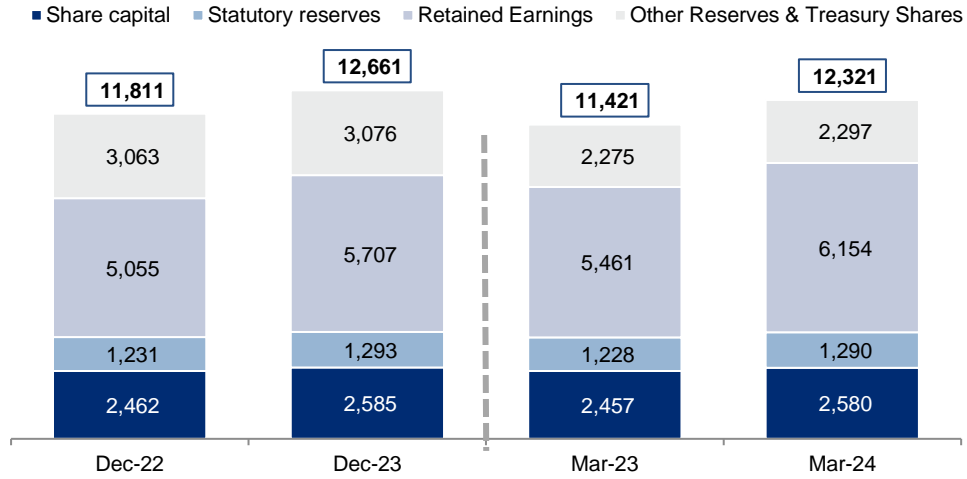


Notes:¹Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

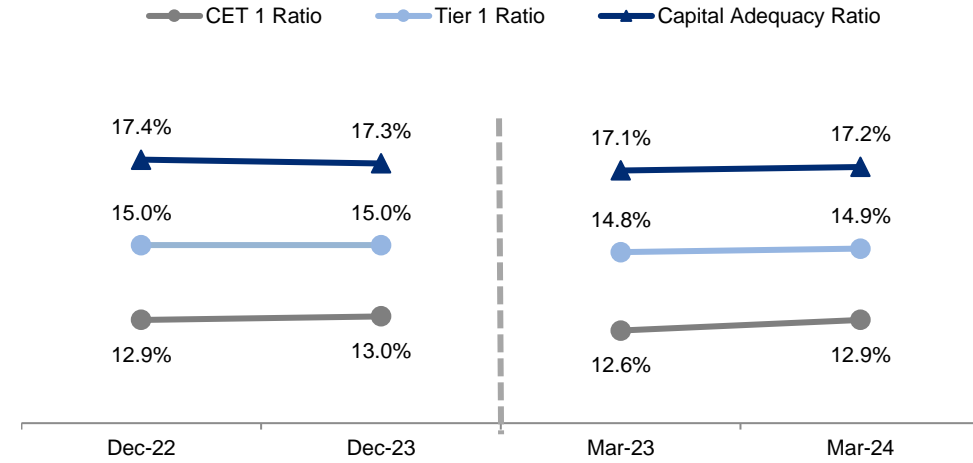


Capitalization and Asset Quality

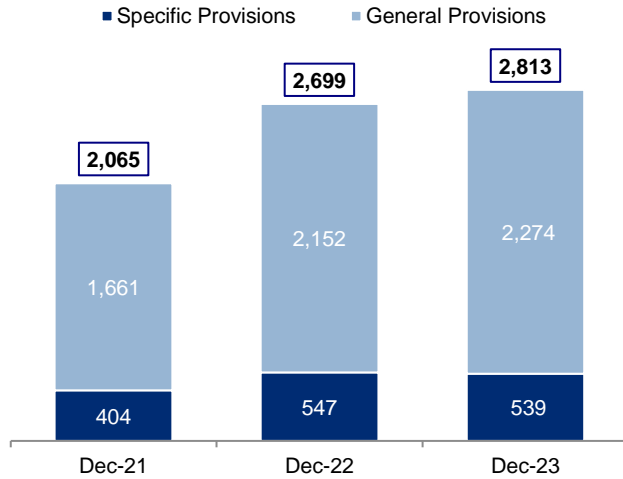
Total Equity¹ Breakdown (USD mn)



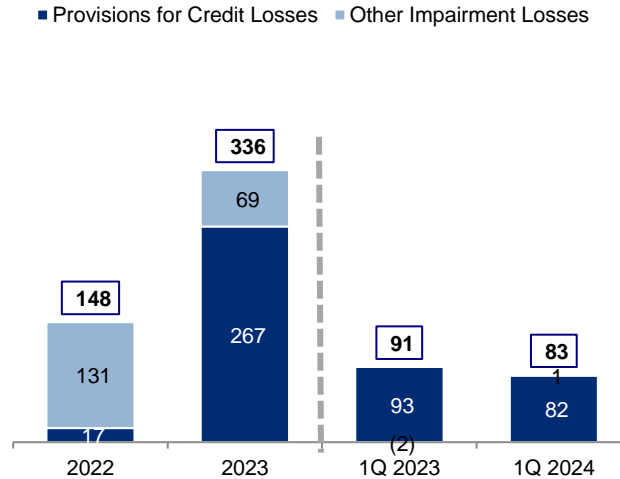
Prudent Capitalization (%)



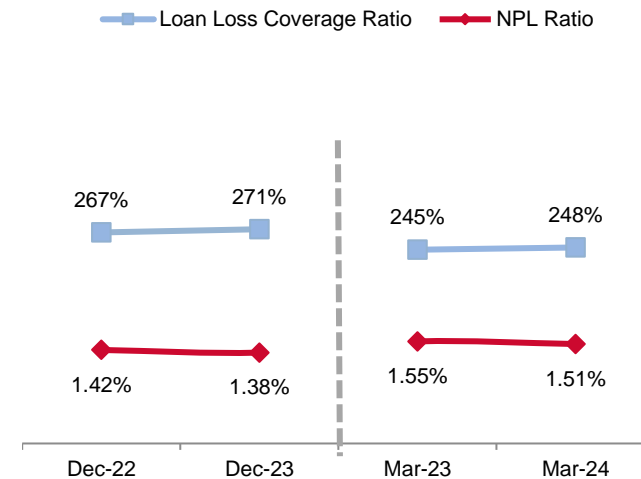
Prudent Provisioning (USD mn)



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.

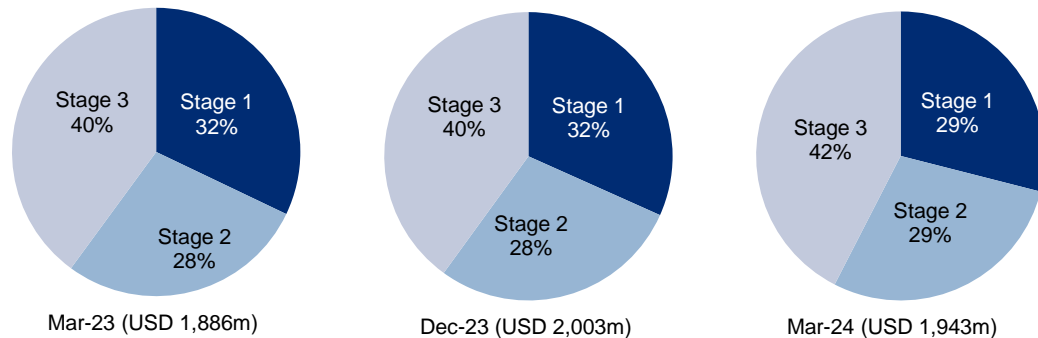


Expected Credit Losses (ECL) 1Q 2024

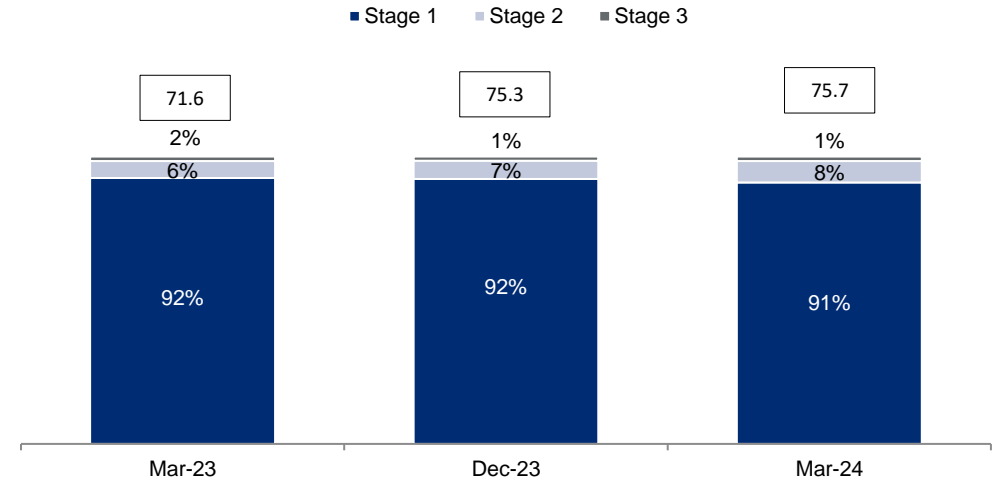
Financial Statements ECL Disclosure (USDm)

31 March 2024	Stage1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	68,894	5,631	1,143	75,669
Contingent liabilities	12,867	2,204	52	15,123
Commitments (revocable and irrevocable) to extend credit	26,494	3,353	6	29,853
ECL allowance for credit facilities	563	555	825	1,943

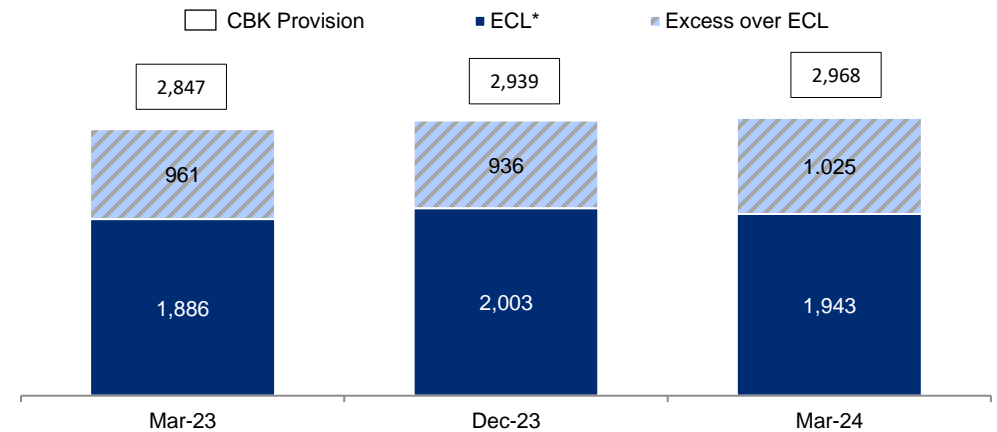
ECL Allowance for Credit Facilities



Total Gross Loans (USDbn)




CBK Credit Provisions vs IFRS 9 ECL (USDm)



* ECLs as per CBK guidelines

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Consolidated Financials 1Q 2024 (USD mn)

<i>Income Statement (USD mn)</i>	1Q 2023	1Q 2024	YoY Growth (%)	<i>Balance Sheet (USD mn)</i>	Mar-23	Mar-24	YoY Growth (%)
Interest Income	1,176	1,471	25%	Cash and short term funds	16,618	13,895	(16%)
Interest Expense	620	855	38%	Central Bank of Kuwait bonds	2,907	2,797	(4%)
Net Interest Income	555	615	11%	Kuwait Government Treasury bonds	646	627	(3%)
Murabaha and other Islamic financing income	300	360	20%	Deposits with banks	4,643	6,241	34%
Finance cost and Distribution to depositors	166	201	21%	Loans, advances and Islamic financing to customers	68,931	72,835	6%
Net Income from Islamic financing	134	159	19%	Investment securities	19,421	22,446	16%
NII and NI from Islamic financing	689	775	12%	Land, premises and equipment	1,544	1,616	5%
Net fees and commissions	167	173	3%	Goodwill and other intangible assets	1,724	1,653	(4%)
Net investment income	19	22	17%	Other assets	2,186	2,575	18%
Net gains from dealing in foreign currencies	26	33	28%	Total Assets	118,620	124,684	5%
Other operating income	3	2	(31%)	Due to banks	13,081	13,602	4%
Non-interest Income	215	230	7%	Deposits from other financial institutions	12,038	9,982	(17%)
Net Operating Income	904	1,005	11%	Customer deposits	66,481	72,450	9%
Staff expenses	178	191	7%	Certificates of deposit issued	4,817	5,348	11%
Other administrative expenses	116	132	14%	Other borrowed funds	4,461	4,024	(10%)
Depreciation of premises and equipment	34	37	9%	Other liabilities	3,068	3,641	19%
Amortisation of intangible assets	1	1	0%	Total Liabilities	103,947	109,047	5%
Operating Expenses	330	363	10%	Share capital	2,457	2,580	5%
Pre-provision Profits (and impairments)	574	642	12%	Proposed bonus shares	123	129	5%
Provision charge for credit losses and impairment losses	91	83	(9%)	Statutory reserve	1,228	1,290	5%
Operating Profit before Taxation	482	559	16%	Share premium account	2,612	2,612	0%
Taxation	29	51	75%	Treasury share reserve	114	114	0%
Non-controlling interest	16	31	90%	Other reserves	4,886	5,597	15%
Profit Attributable to Shareholders of the Bank	437	477	9%	Equity attributable to shareholders	11,421	12,321	8%
				Perpetual Tier 1 Capital Securities	1,428	1,428	0%
				Non-controlling interests	1,824	1,888	4%
				Total equity	14,673	15,637	7%
				Total liabilities and equity	118,620	124,684	5%



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 main contract bids for public buildings in N2 & N4 were submitted and are currently under evaluation.
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 main contract tender for the North & South Kuwait Revegetation Project is not yet awarded.
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 was 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: 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: KIPIC is planning to tender a contract for a detailed feasibility study and has not made a final investment decision for the project; which is yet to be revealed for when the project will be approved and tendered.
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 main contract tender has been issued and the submission deadline is due on June 30, 3024.
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 qualifications) are still under evaluation.
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. KAPP and Ministry of Electricity and Water issued invitations for bidding for Al Shagaya P-3 and Al Dabdabah design, finance, operation and maintenance on January 2024.
Mubarak Al-Kabeer Seaport	Transport	3.1	Port on Boubyan Island to handle up to 2 million TEUs of container cargo	Underway/Planning: A plan has been announced to allocate USD 604 million to the Ministry of Public Works for the project's development during the FY 2024-2025.
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 are ongoing and the MPW International Airport Expansion: Terminal II: Package I: Main Works project is expected to be completed by December 2024.



Contact

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State of Kuwait

Useful information

Download copies of NBK's:

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



National Bank of Kuwait

Investor Presentation

April 2024