



**National Bank of Kuwait**  
Investor Presentation

January 2020

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# NBK is Kuwait's leading banking group

## Snapshot

<b>Background</b>	<ul style="list-style-type: none"> <li>Established in 1952 as the first local and home-grown GCC bank, and first shareholding company in Kuwait</li> <li>The leading banking group in Kuwait in terms of assets, customer deposits and customer loans and advances</li> <li>More than 30% market share of assets in Kuwait</li> <li>Ranked amongst the 50 safest banks in the world by Global Finance, named the most valuable banking brand in Kuwait, and top 10 bank in the region by Brand Finance</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>Established by a group of leading Kuwaiti merchants, NBK has retained the same core shareholder base since its inception</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 5.53% as of December 2019)</li> <li>NBK's market capitalisation at 31 December 2019 was USD 22.8 bn.</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
	Aa3	a3	Stable
	A+	a-	Stable
	AA-	a-	Stable

## Financial snapshot

USD million	2017	2018	2019
Total Assets	85,909	90,506	96,587
Loans, advances & Islamic financing	47,855	51,158	54,620
Customer Deposits	45,470	47,480	52,567
Total Equity	11,751	12,214	14,054
Net Operating Income	2,715	2,914	2,955
Net Profit attributable	1,064	1,223	1,324
Cost to Income (%)	32.3%	31.3%	34.0%
Net Interest Margin (%)	2.61%	2.69%	2.56%
NPL Ratio (%)	1.42%	1.38%	1.10%
Loan Loss Coverage Ratio (%)	287.5%	228.1%	272.2%
Return on Average Equity (%)	10.8%	12.0%	12.3%
Tier 1 Ratio (%)	15.8%	15.3%	15.9%
Capital Adequacy Ratio (%)	17.8%	17.2%	17.8%

Notes: Through out the investor presentation, the USD/KD exchange rate used is .30305 except where mentioned. The rate is based on the Central Bank of Kuwait's closing exchange rates as of 31/12/2019.

# Regional and International Geographic Presence

Europe	
<u>Location - Year established/acquired</u>	<u>Legal Structure - Branches</u>
London – 1983	Subsidiary – 2
Geneva – 1984	Subsidiary – 1
Paris – 1987	Subsidiary – 1

Middle East	
<u>Location - Year established/acquired</u>	<u>Legal Structure - Branches</u>
Kuwait – 1952	Parent – 68
Turkey – 2007	Associate – 11
Egypt – 2007	Subsidiary – 51
Iraq – 2005	Subsidiary – 5
Lebanon – 1996	Subsidiary – 3
Jordan – 2004	Branch – 1
Bahrain – 1987	Branch – 2
UAE – 2008	Branch – 2
Saudi Arabia - 2006	Branch – 3

US	
<u>Location - Year established/acquired</u>	<u>Legal Structure - Branches</u>
New York - 1984	Branch – 1

Asia	
<u>Location - Year established/acquired</u>	<u>Legal Structure - Branches</u>
Shanghai – 2005	Branch – 1
Singapore - 1984	Branch – 1

# Key strengths

## High credit ratings and among the top brand values regionally

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

## Largest banking group in Kuwait with dominant market position

- As at 31 December 2019, 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

## Sound and consistent financial performance

- Long history of profitability, even throughout the global financial crisis
- Excellent asset quality with an NPL ratio standing at 1.10% at end-2019
- Strong liquidity serving as a buffer in times of need

## Stable shareholder base and strong management team

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



## 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

- 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)

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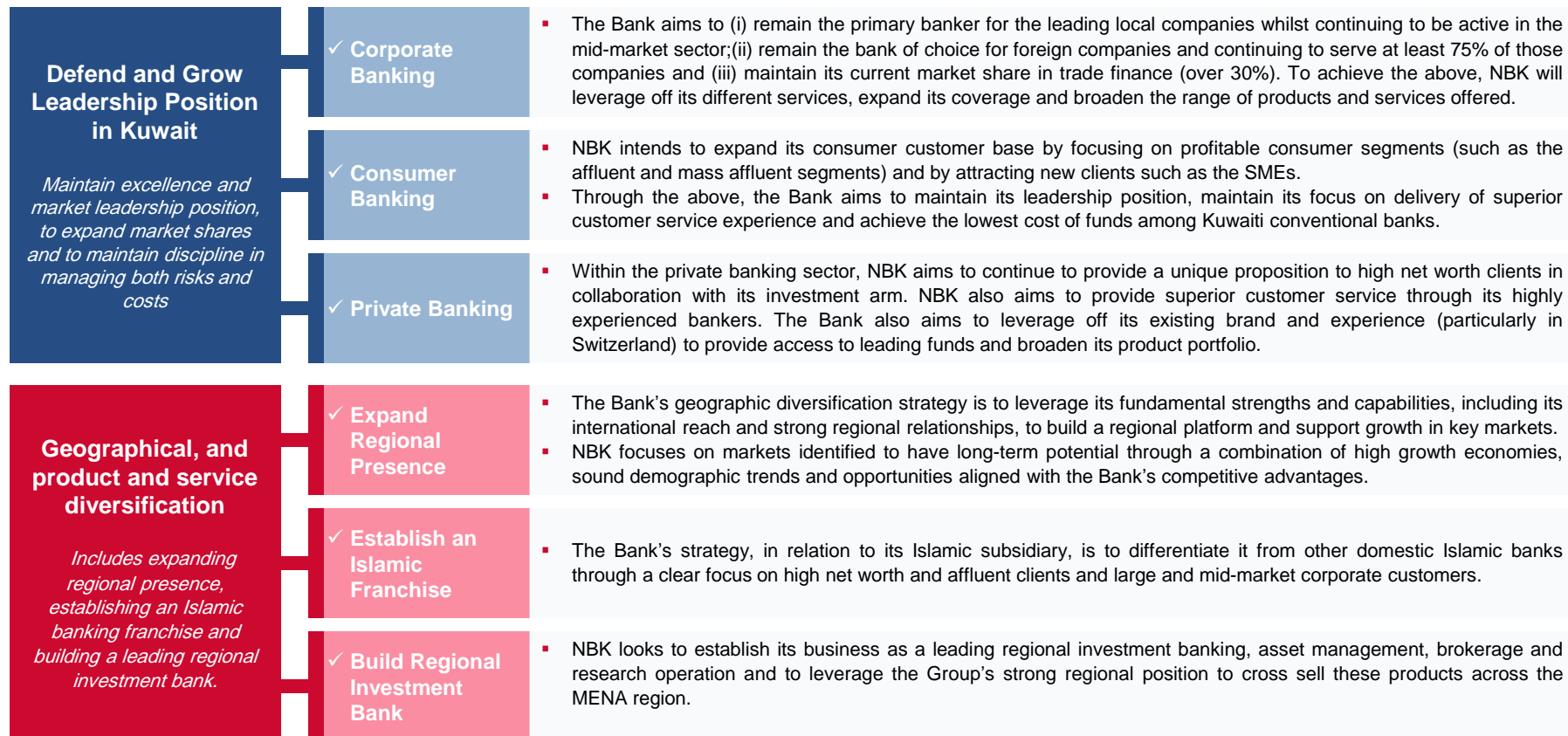
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# NBK's strategy

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





# Kuwait Operations

NBK 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 HNW 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

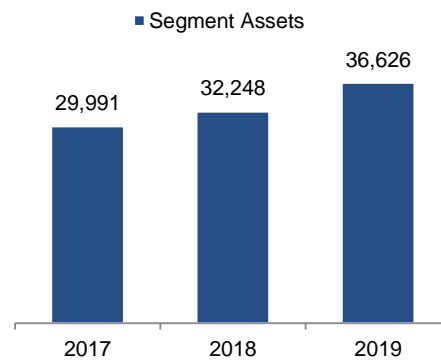
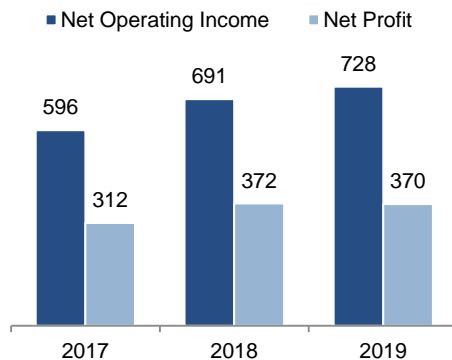
## International Operations

- NBK's international operations has been traditionally contributing up to circa 30% of the Group's 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)

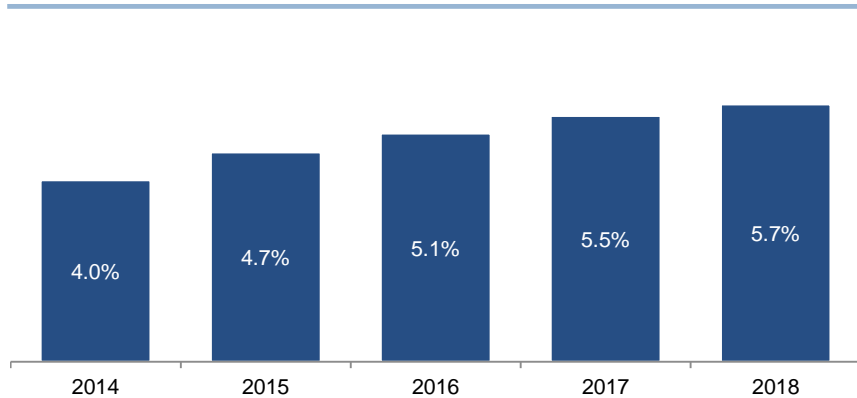
### Balance Sheet Trends (USD mn)



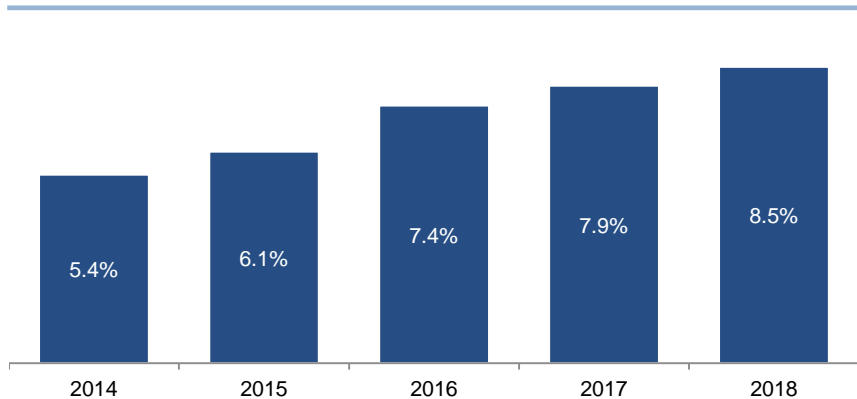
	Established or acquired	Branches	Legal structure
<b>International</b>			
London	1983	2	Subsidiary
New York	1984	1	Branch
Geneva	1984	1	Subsidiary
Singapore	1984	1	Branch
Paris	1987	1	Subsidiary
Shanghai	2005	1	Branch
<b>MENA region</b>			
Bahrain	1987	2	Branch
Lebanon	1996	3	Subsidiary
Jordan	2004	1	Branch
Iraq	2005	5	Subsidiary
Saudi Arabia	2006	3	Branch
Egypt	2007	51	Subsidiary
Turkey	2007	11	Associate
UAE	2008	2	Branch

# Boubyan Bank (59.9% owned subsidiary)

## Market share of Total Assets(%)



## Market share of Total Deposits (%)



## Highlights

- Islamic banking has been gaining ground in the Kuwaiti market, representing close to 40% of assets and deposits at year-end 2018.
- 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 a 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.

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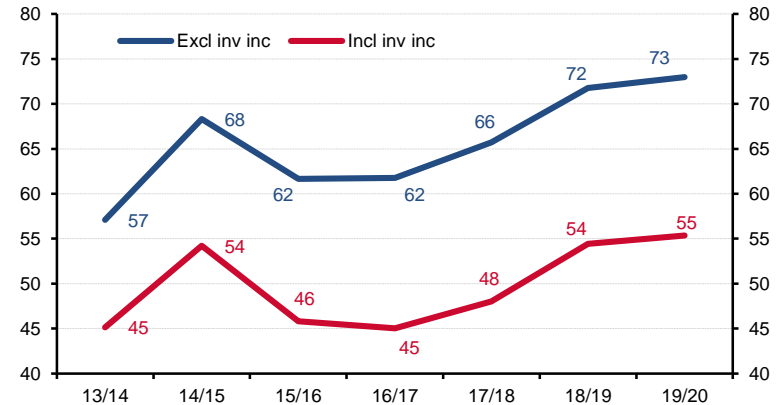
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# Overview of Kuwait

## Overview

- The State of Kuwait is a sovereign state on the coast of the Arabian Gulf with a population of 4.6 million
- Kuwait is a constitutional monarchy, headed by His Highness the Emir, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah
- Kuwait enjoys an open economy, dominated by the government sector. Its economy is primarily dependent on the oil industry, but has witnessed growing contribution from non-oil sectors
- Kuwait has one of the lowest industry breakeven oil prices globally and a fiscal breakeven lower than some other GCC countries, making it more resilient to low oil prices. It has accumulated substantial fiscal and external surpluses, which serve as a buffer against volatile market conditions
- Kuwait has a long-term policy vision under the banner of “**Kuwait Vision 2035**”. It encompasses six strategic aims: increasing GDP growth, encouraging the private sector, supporting human and social development, promoting demographic policies, enhancing and improving the effectiveness of government administration, and consolidating the country’s Islamic and Arab identity

## Fiscal breakeven oil price



## Key economic indicators

Key Indicators	2019F	2020F
Sovereign Ratings	Aa2 / AA / AA (M / S / F)	
Current Account	\$9.6 bn	\$5.5 bn
Gov Revenues (% GDP)	44%	44%
Public Debt (% GDP)	12%	16%

# Kuwait's Economy

## Recent Developments

### GDP Growth

- Real GDP is estimated to have been flat in 2019 due to lower oil production as Kuwait adheres to OPEC's latest cuts. But growth could pick up to 1.8% in 2020 as crude output steadies.

### Public Finance and Inflation

- Non-oil growth is expected at a moderate 2.5-2.75% over 2020-21, supported by elevated government and consumer spending.
- Public spending on projects, as well as wages, will be supportive. Spending is budgeted to rise 5% in FY19/20. Budgeted capex is unchanged, but could actually rise after a soft FY18/19.

### Consumer Sector

- Currently at 1.6% (November), inflation will remain low at close to or below 2%, supporting real purchasing power. A strong KD will help keep price pressures in check.
- Consumer spending growth has remained solid this year with POS/ATM transactions up 10% y/y in November, including a sharp acceleration in online spending.
- Decent jobs growth and strong growth in personal consumption lending remains a positive for the consumer spending outlook.

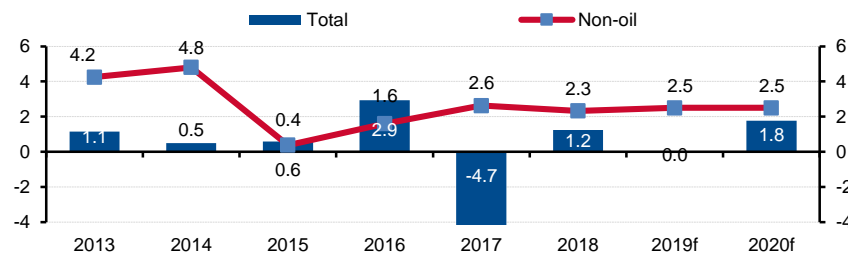
### Credit Growth

- Private credit growth stood at 4.7% y/y in October and will maintain around that pace over the next year, amid: (i) moderate growth in corporate lending and housing loans; and (ii) soaring personal consumption lending (34% y/y in October) due to CBK's relaxation of household lending restrictions late in 2018;
- Deposit growth stood at just 1.2% y/y in October amid softness in private deposits; government deposits have been volatile but are now up 10% y/y.

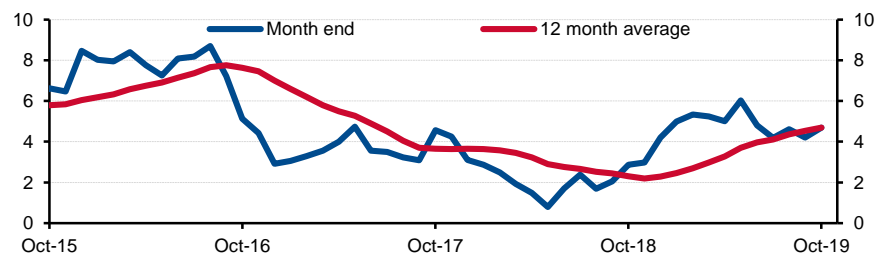
### Real Estate Activity

- Real estate sales to October have sustained the gains made last year (which was a four-year high). Home prices are trending higher, but apartment prices remain soft amid oversupply.

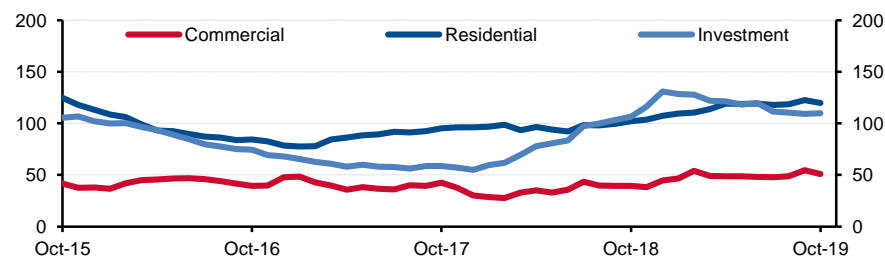
## Real GDP (% y/y)



## Private credit (change, %/y)



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

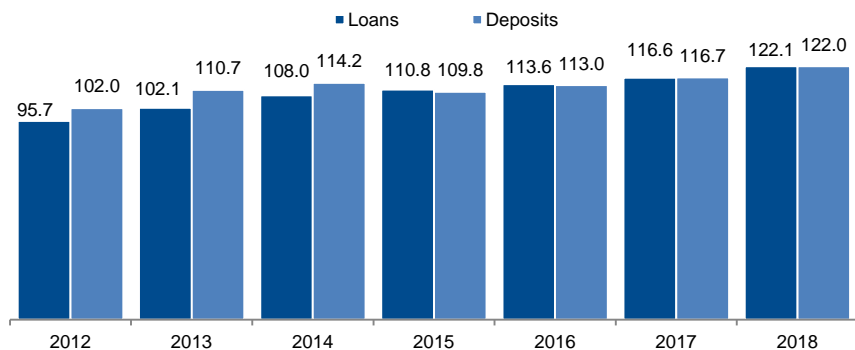


# Kuwait's banking sector

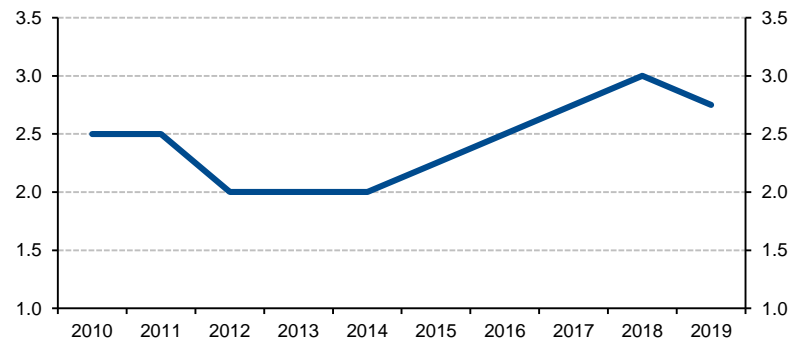
## Snapshot

- **The Kuwaiti banking sector comprises 23 banks**, including 11 domestic banks (five conventional, five Shariah-compliant and one specialized), and branches of 12 international banks (11 conventional and one Islamic).
- **The sector is well regulated by the Central Bank of Kuwait** ("CBK") with a number of regulations and supervisory norms to ensure the safety of the banking sector including through strict supervision and imposition of prudential ratios, such as lending limits and concentrations, investment limits, liquidity and capital adequacy.
- **The banking sector has demonstrated strong resilience and elevated levels of financial soundness over the past 10 years.** In fact, the sector is very well capitalized, with an average Capital Adequacy Ratio of 18.1% in the four quarters to 2Q19, 5% higher than the required minimum. Non-performing loans to total loans stood at 1.8% in 2Q19.

### Key indicators<sup>1</sup> (USD bn, end year)



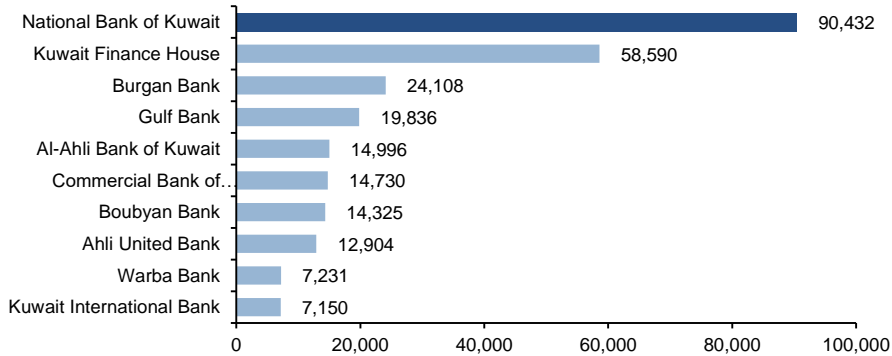
### Development of the Discount rate (% , end year)



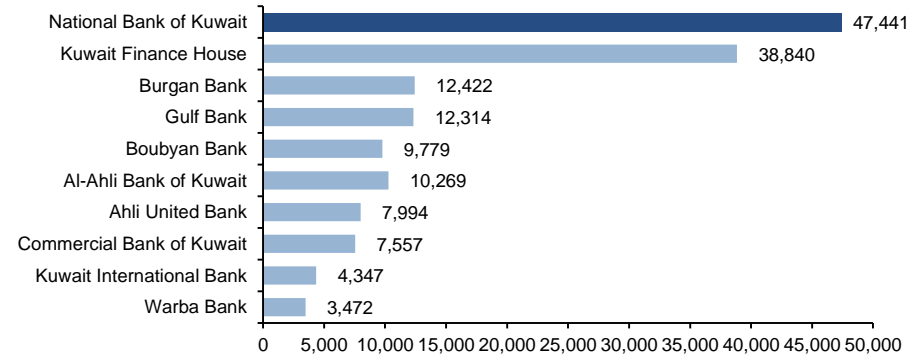
# The Dominant Kuwaiti Franchise

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

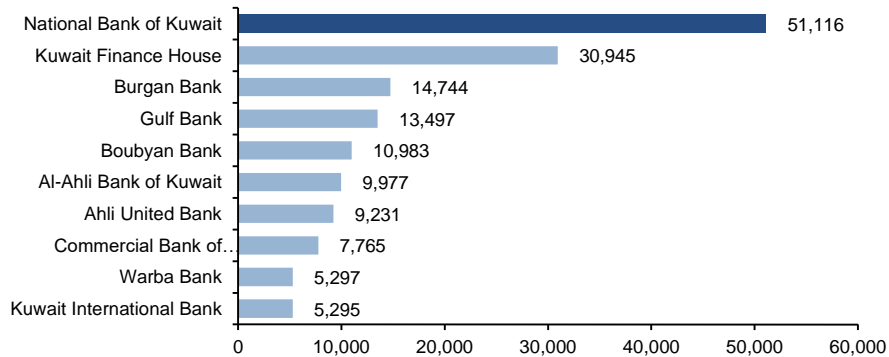
### Total Assets (USD million)



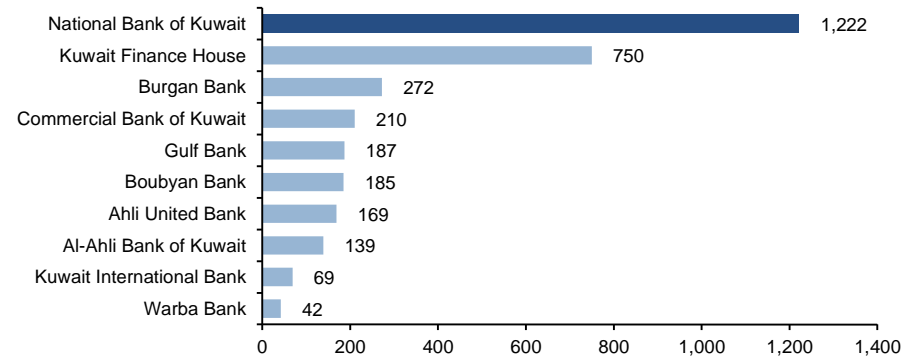
### Customer Deposits (USD million)



### Customer Loans & Advances (USD million)



### Net Profit attributable (USD million)





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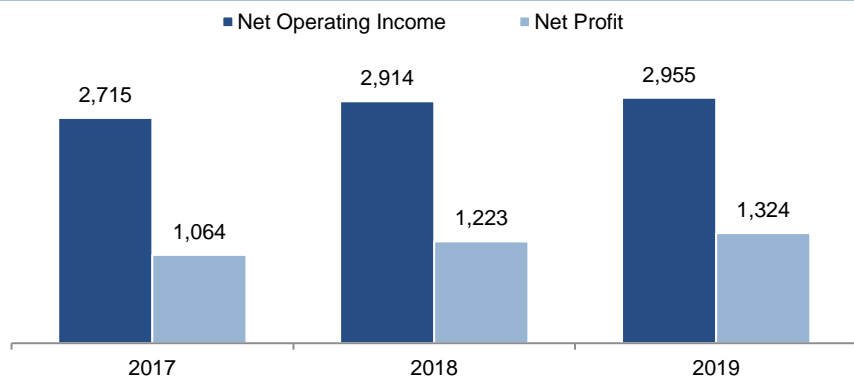
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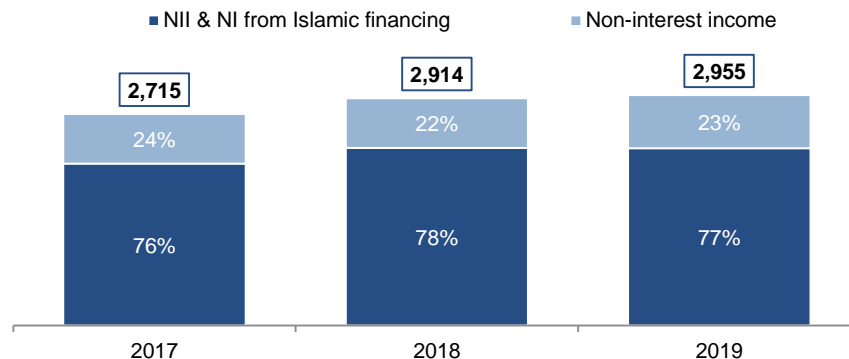
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# Operating Performance & Profitability

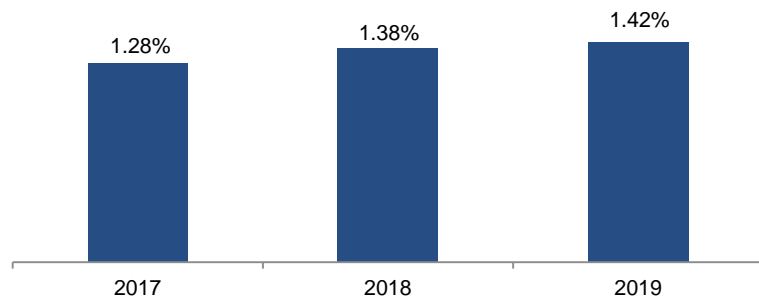
## Resilient Profitability (USD mn)



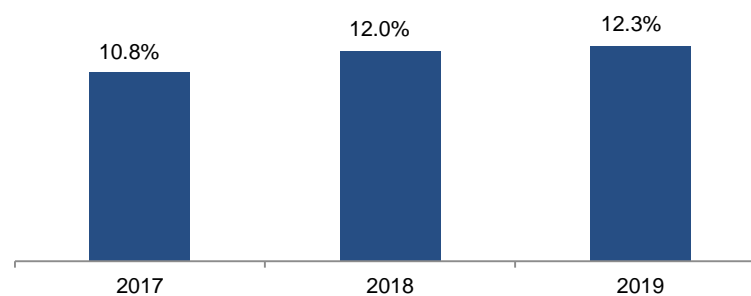
## Operating Income Composition (USD mn)



## Return on average assets (%)

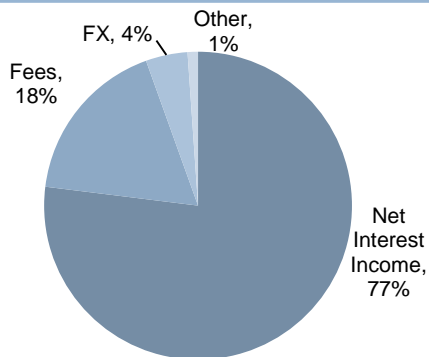


## Return on average equity (%)

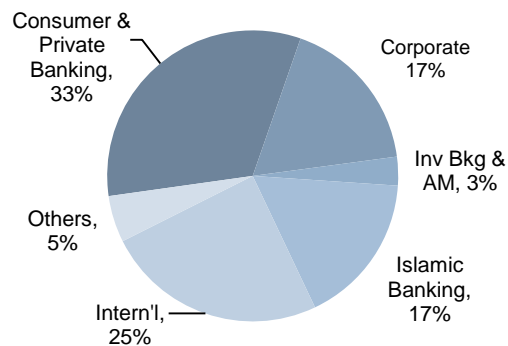


# Operating Performance & Profitability (Cont'd)

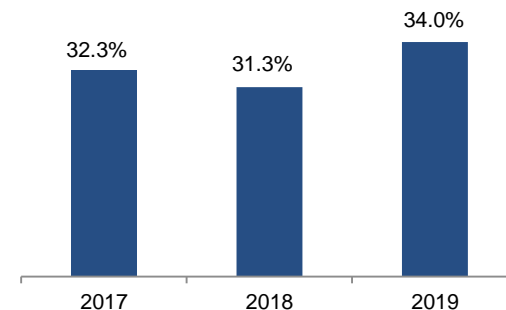
### 2019 Op. income by type (%)



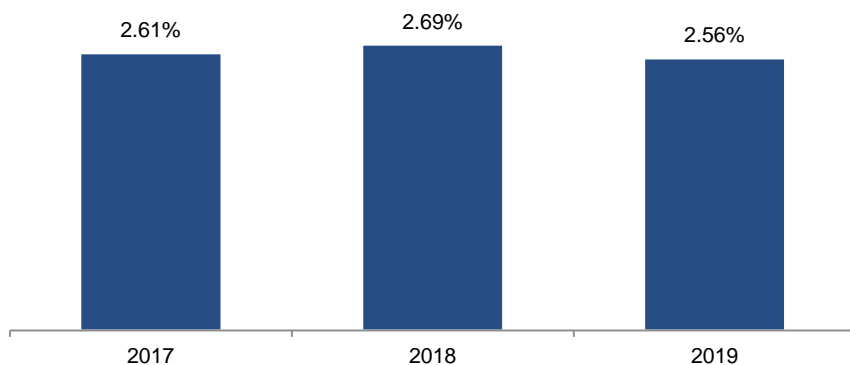
### 2019 Op. income by business line (%)



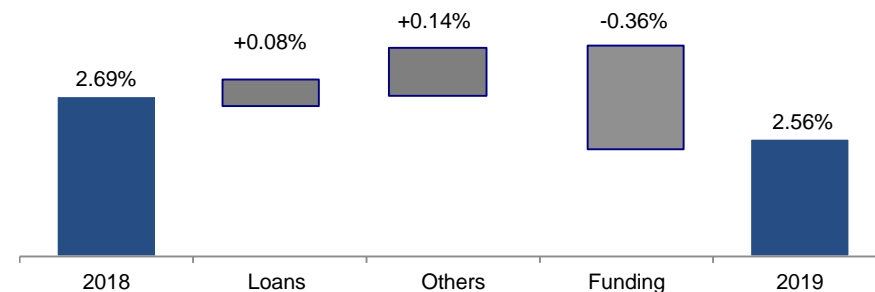
### Cost to income (%)



### Net Interest Margin (%)

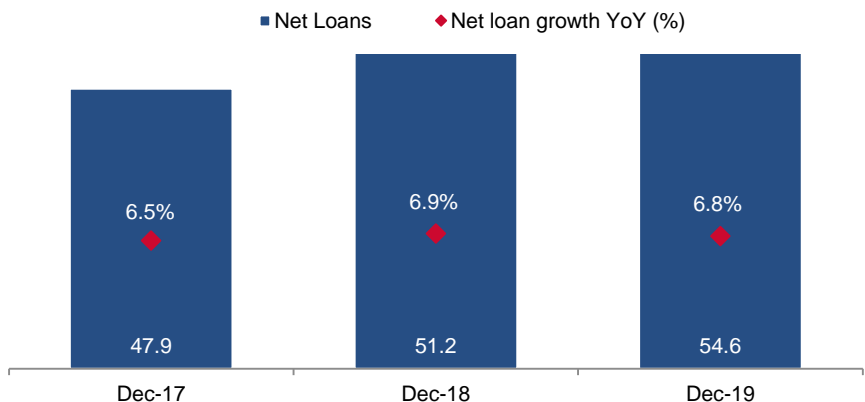


### Net Interest Margin drivers

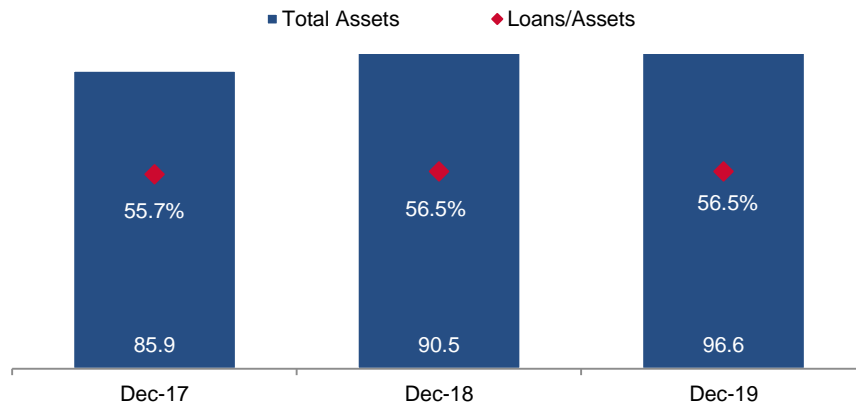


# Balance Sheet Parameters

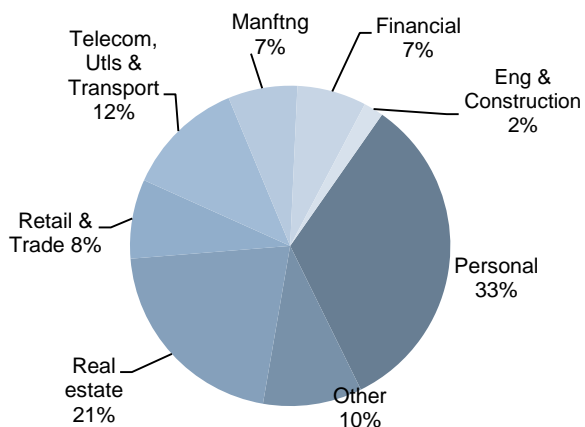
## Net loan portfolio (USD bn)



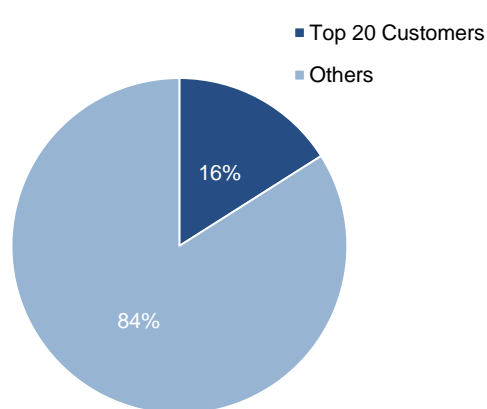
## Loans to assets (USD bn)



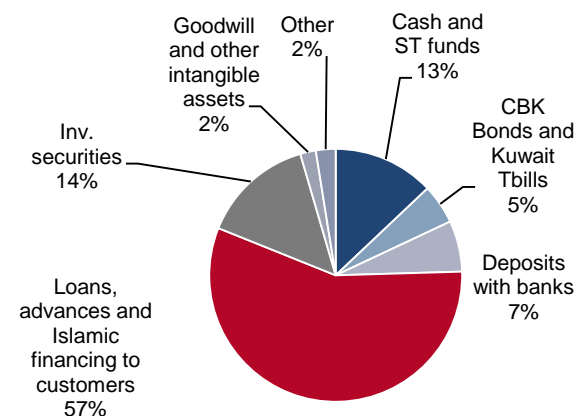
## Loan exposure by sector (%) (as at 31 Dec. 2019)



## Low loan concentrations (as at 31 Dec. 2019)

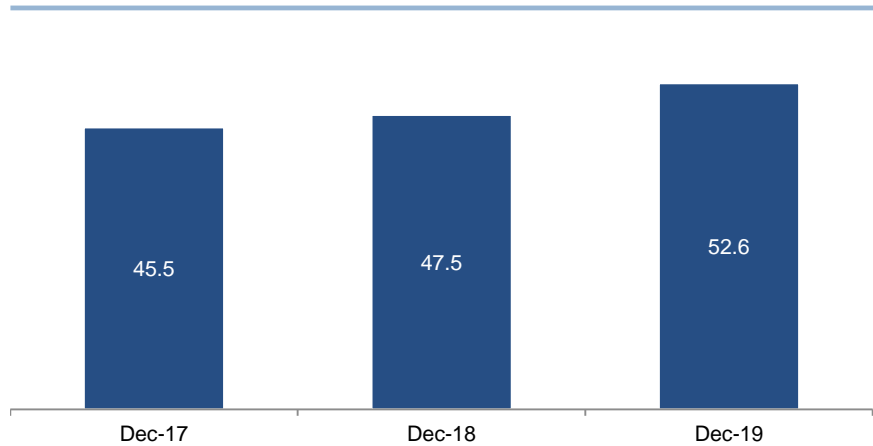


## Assets by Type (as at 31 Dec. 2019)

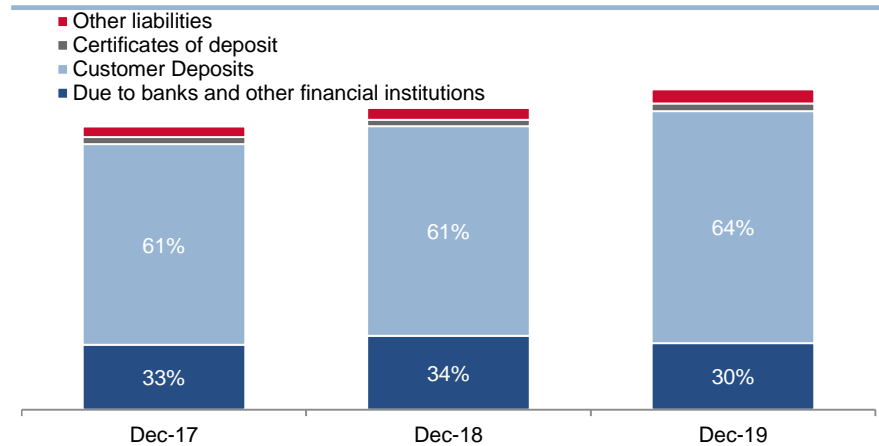


# Funding and liquidity positions

Customer Deposits (USD bn)

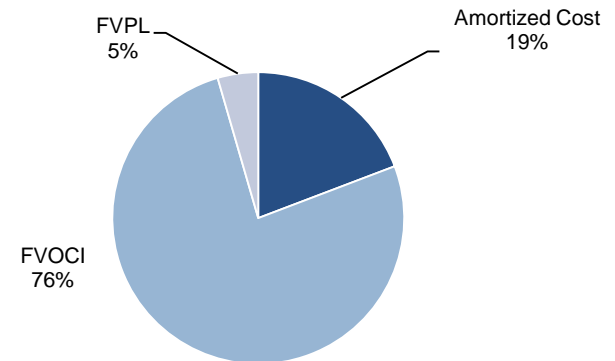
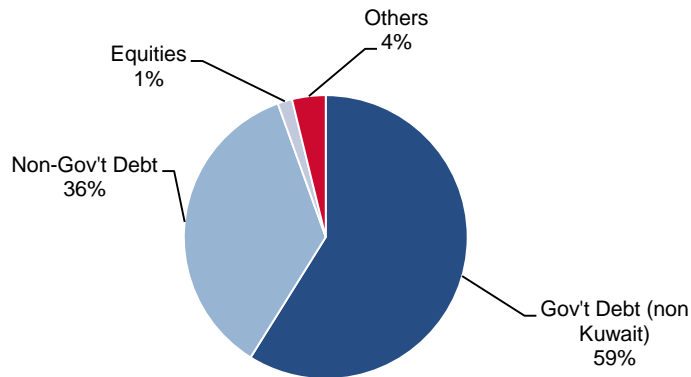


(Total Liabilities) Funding Mix (USD mn)



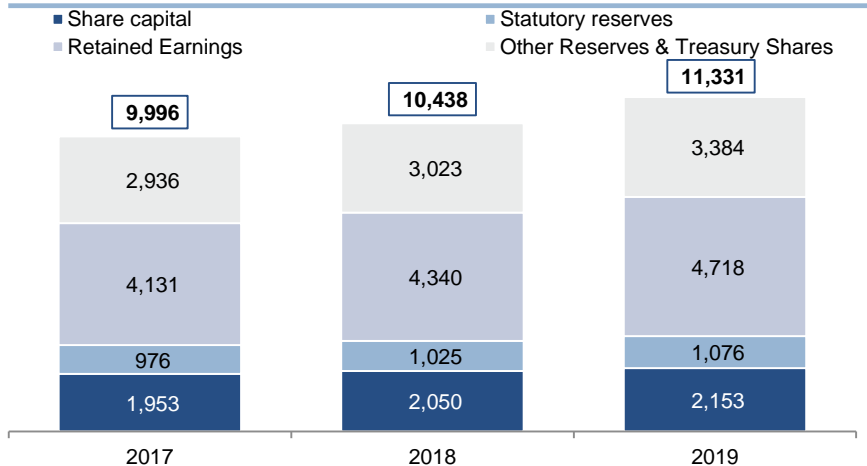
## Overview of Investment Securities<sup>1</sup> – USD 13.9 bn

As at 31 December 2019

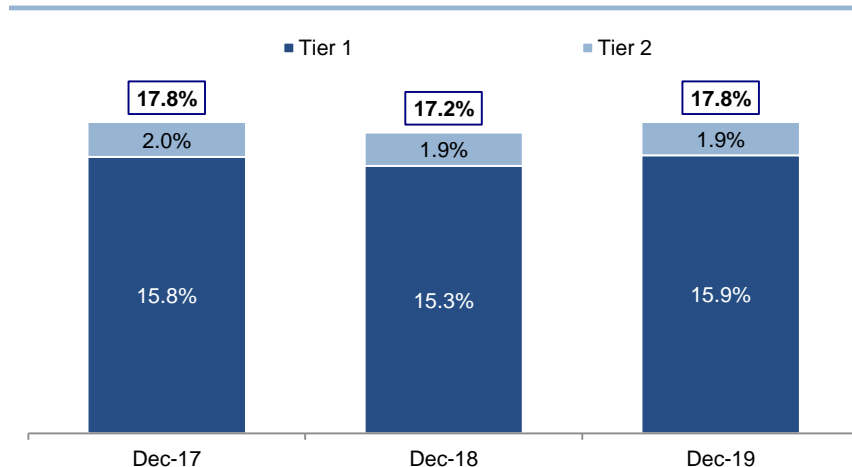


# Capitalization and asset quality

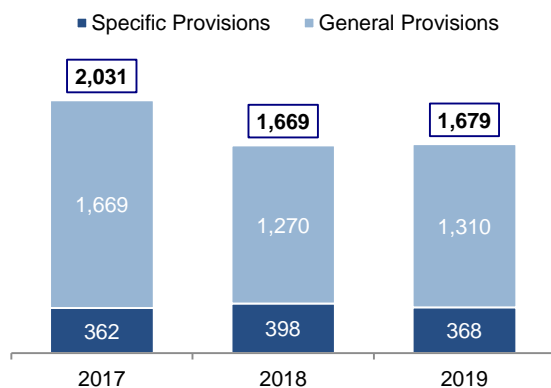
## Total Equity<sup>1</sup> Breakdown (USD mn)



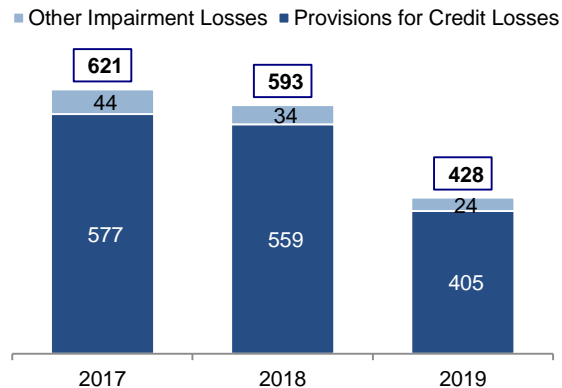
## Prudent capitalization (%)



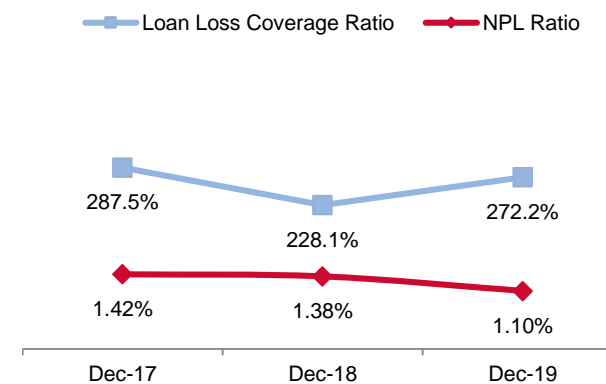
## Prudent Provisioning (USD mn)



## Provisions and Impairments (USD mn)



## Asset Quality Ratios (%)



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Appendix

# Kuwait Selected Mega Projects

Project	Sector	Value (KD bn)	Scope	Status
South Al Mutlaa City	Housing	2.33	30,000 residential units, schools and other facilities	<b>Underway:</b> Overall progress 24%. Major infrastructure works contract 1 is 75% complete, contract 2 is 73% complete. P-1 to P-3 completion expected by 2020.
Jahra & Sulaihiya Low Cost Housing City	Housing	0.6	Low cost housing project north of Kuwait City; 824 Hectares	<b>Underway:</b> Progress at 7%. Infrastructure works contract awarded and expected to complete in May 2021. Project is scheduled to complete in 2030.
New Refinery Project (NRP)	Oil & gas	3.90	New 615,000 bpd refinery by KNPC	<b>Underway:</b> Progress at 92%. Technology provider appointed. Construction works are complete on P-1 and P-5. The project is expected to be completed by June 2020 and to operate by June-2021
Clean Fuels Project (CFP)	Oil & gas	3.70	Specification upgrade and expansion of 2 existing refineries to produce 800,000 b/d.	<b>Underway:</b> Overall progress 95%. Construction works completed on P-1. P-2 and P-3 works expected to be completed by April 2020.
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>Underway:</b> Progress at 57%. Construction activities completed on West and East Raudhatain field, Sabriyah and Umm Niqa and commissioning is underway. The invitation to bid for JPF-4,5,6 and 7 are not yet issued. KOC is in the process of finalizing list of bidders for JPF-4 & 5 and the tender is expected to be issued by January 2020.
Petrochemical Facility at Al-Zour	Oil & gas	2.0	Petrochemical plant to be integrated with Al-Zour refinery.	<b>Planning:</b> The tendering process is facing delays due to some changes in design and configuration. FEED works are ongoing and invitation to bid is expected in Mid 2020. NBK Capital appointed as financial advisor.
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> Progress at 89%. Construction works are underway and scheduled to complete in June-2020. Technology provider has been appointed.
Al-Zour North (IWPP) – P2 to P5	Power & water	0.5	1800 MW of power generation capacity and 464,100m <sup>3</sup> /day of desalination capacity	<b>Planning:</b> P-1 (power & water desalination plant) is complete. P-2 to P-5 are under study. KAPP has cancelled the advisory service tender on P-2 & P-3. Main contract tenders to be issued by April 2020.
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/Planning:</b> P-1 is in the main contract PQ stage. KAPP has cancelled the advisory service tender on P-2 & P-3. The main contract tender is expected to be issued by Jan-2020.
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>Underway:</b> KAPP signed the award letter but construction is yet to commence. Final agreements to be signed by January 2020 and investor will commence construction right after.
Kabd Municipal Solid Waste Project	Power & water	0.3	Waste to energy facility; 50% of all the municipal solid waste produced in Kuwait will be processed at the facility	<b>On Hold:</b> The project has been put on hold and the client is likely to cancel the project.
Al-Dibidibah Solar PP	Power & water	0.5	Capacity to produce 1GW solar project	<b>Bidding/Planning:</b> Awarding postponed for the 3 <sup>rd</sup> time from January 2020 to April 2020.
Airport Expansion (New Passenger Building)	Transport	1.90	To increase the annual handling capacity of the airport to 20 million passengers and new runways and infrastructure expansion	<b>Underway/Planning:</b> Overall progress at 61%. Project management and Operational Readiness and Transition contracts are yet to be awarded for New Passengers Terminal (T2) main works project. Construction works completed on Aircraft Parking and Corridors.



# Consolidated financials 2019 *(USD million)*

<i>Income Statement (USD million)</i>	2018	2019	YoY Growth (%)	<i>Balance sheet (USD million)</i>	Dec-18	Dec-19	YoY Growth (%)
Interest Income	2,961	3,255	10%	Cash and short term funds	9,789	12,497	28%
Interest Expense	1,092	1,391	27%	Central Bank of Kuwait bonds	2,672	2,716	2%
<b>Net Interest Income</b>	<b>1,869</b>	<b>1,864</b>	<b>(0%)</b>	Kuwait Government Treasury bonds	2,878	2,185	(24%)
Murabaha and other Islamic financing income	614	697	14%	Deposits with banks	7,801	6,300	(19%)
Distribution to depositors and Murabaha costs	204	287	40%	Loans, advances and Islamic financing to customers	51,158	54,620	7%
<b>Net Income from Islamic financing</b>	<b>410</b>	<b>410</b>	<b>0%</b>	Investment securities	12,137	13,907	15%
<b>NII and NI from Islamic financing</b>	<b>2,278</b>	<b>2,274</b>	<b>(0%)</b>	Investment in associates	104	116	12%
Net fees and commissions	496	519	5%	Land, premises and equipment	1,197	1,431	19%
Net investment income	7	28	NM	Goodwill and other intangible assets	1,910	1,924	1%
Net gains from dealing in foreign currencies	129	130	1%	Other assets	859	892	4%
Other operating income	5	5	(3%)	<b>Total Assets</b>	<b>90,506</b>	<b>96,587</b>	<b>7%</b>
<b>Non-interest income</b>	<b>636</b>	<b>681</b>	<b>7%</b>	Due to banks and other financial institutions	26,697	25,019	(6%)
<b>Net Operating Income</b>	<b>2,914</b>	<b>2,955</b>	<b>1%</b>	Customer deposits	47,480	52,567	11%
Staff expenses	528	580	10%	Certificates of deposit issued	1,489	1,777	19%
Other administrative expenses	325	326	0%	Global Medium Term Notes (GMTN)	726	750	3%
Depreciation of premises and equipment	49	87	80%	Subordinated Tier 2 bonds	412	412	0%
Amortisation of intangible assets	10	11	3%	Other liabilities	1,489	2,008	35%
<b>Operating Expenses</b>	<b>912</b>	<b>1,004</b>	<b>10%</b>	<b>Total Liabilities</b>	<b>78,293</b>	<b>82,533</b>	<b>5%</b>
<b>Pre-provision profits (and impairments)</b>	<b>2,003</b>	<b>1,951</b>	<b>(3%)</b>	Share capital	2,050	2,153	5%
Provision charge for credit losses and impairment losses	593	428	(28%)	Proposed bonus shares	103	108	5%
<b>Operating profit before taxation</b>	<b>1,410</b>	<b>1,523</b>	<b>8%</b>	Statutory reserve	1,025	1,076	5%
Taxation	110	117	7%	Share premium account	2,650	2,650	0%
Non-controlling interest	77	82	6%	Treasury shares	(216)	(130)	(40%)
<b>Profit attributable to shareholders of the Bank</b>	<b>1,223</b>	<b>1,324</b>	<b>8%</b>	Treasury share reserve	46	83	79%
				Other reserves	4,780	5,391	13%
				<b>Equity attributable to shareholders</b>	<b>10,438</b>	<b>11,331</b>	<b>9%</b>
				Perpetual Tier 1 Capital Securities	695	1,447	NM
				Non-controlling interests	1,080	1,277	18%
				<b>Total equity</b>	<b>12,214</b>	<b>14,054</b>	<b>15%</b>
				<b>Total liabilities and equity</b>	<b>90,506</b>	<b>96,587</b>	<b>7%</b>

# Consolidated Statement Of Income *(USD million)*

<i>USD million</i>	2017	2018	2019
Interest Income	2,450	2,961	3,255
Interest Expense	738	1,092	1,391
<b>Net Interest Income</b>	<b>1,712</b>	<b>1,869</b>	<b>1,864</b>
Murabaha and other Islamic financing income	514	614	697
Finance cost and Distribution to depositors	151	204	287
<b>Net Income from Islamic financing</b>	<b>363</b>	<b>410</b>	<b>410</b>
<b>Net interest income and net income from Islamic financing</b>	<b>2,075</b>	<b>2,278</b>	<b>2,274</b>
Net fees and commissions	457	496	519
Net investment income	65	7	28
Net gains from dealing in foreign currencies	111	129	130
Other operating income	5	5	5
<b>Non-interest income</b>	<b>639</b>	<b>636</b>	<b>681</b>
<b>Net Operating Income</b>	<b>2,715</b>	<b>2,914</b>	<b>2,955</b>
Staff expenses	510	528	580
Other administrative expenses	306	325	326
Depreciation of premises and equipment	50	49	87
Amortisation of intangible assets	10	10	11
<b>Operating Expenses</b>	<b>876</b>	<b>912</b>	<b>1,004</b>
<b>Op. profit before provision for credit losses and impairment losses</b>	<b>1,839</b>	<b>2,003</b>	<b>1,951</b>
Provision charge for credit losses	577	559	405
Impairment losses	44	34	24
<b>Operating profit before taxation</b>	<b>1,218</b>	<b>1,410</b>	<b>1,523</b>
Taxation	88	110	117
Non-controlling interest	66	77	82
<b>Profit attributable to shareholders of the Bank</b>	<b>1,064</b>	<b>1,223</b>	<b>1,324</b>

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

<i>USD million</i>	2017	2018	2019
Cash and short term funds	9,053	9,789	12,497
Central Bank of Kuwait bonds	2,163	2,672	2,716
Kuwait Government treasury bonds	3,551	2,878	2,185
Deposits with banks	8,210	7,801	6,300
Loans, advances and Islamic financing to customers	47,855	51,158	54,620
Investment securities	11,051	12,137	13,907
Investment in associates	209	104	116
Land, premises and equipment	1,070	1,197	1,431
Goodwill and other intangible assets	1,920	1,910	1,924
Other assets	825	859	892
<b>Total Assets</b>	<b>85,909</b>	<b>90,506</b>	<b>96,587</b>
Due to banks and other financial institutions	24,647	26,697	25,019
Customer deposits	45,470	47,480	52,567
Certificates of deposit issued	1,620	1,489	1,777
Global medium term notes (GMTN)	730	726	750
Subordinated Tier 2 bonds	412	412	412
Other liabilities	1,280	1,489	2,008
<b>Total Liabilities</b>	<b>74,158</b>	<b>78,293</b>	<b>82,533</b>
Share capital	1,953	2,050	2,153
Proposed bonus shares	98	103	108
Statutory reserve	976	1,025	1,076
Share premium account	2,650	2,650	2,650
Treasury shares	(257)	(216)	(130)
Treasury share reserve	46	46	83
Other reserves	4,530	4,780	5,391
<b>Equity attributable to shareholders of the bank</b>	<b>9,996</b>	<b>10,438</b>	<b>11,331</b>
Perpetual Tier 1 Capital Securities	695	695	1,447
Non-controlling interests	1,059	1,080	1,277
<b>Total equity</b>	<b>11,751</b>	<b>12,214</b>	<b>14,054</b>
<b>Total liabilities and equity</b>	<b>85,909</b>	<b>90,506</b>	<b>96,587</b>

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# Contact

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## Useful information

Download copies of NBK's:

- [Financial statements](#)
- [Earnings release](#)
- [Annual report 2019](#)