



# National Bank of Kuwait

## Investor Presentation

November 2024

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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 conventional 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>Named the most valuable banking brand in Kuwait and has featured among the biggest Middle East brands 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 owning more than 5% of the Bank's share capital (PIFSS owns 6.1% as of September 2024)</li> <li>NBK's market capitalization at 30 September 2024 was USD 24.1 bn</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>The Bank's core businesses are (i) Consumer Banking, (ii) Corporate Banking, (iii) Islamic Banking and (iv) NBK Wealth</li> <li>The Bank operates across 13 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>	A1	a3	Stable
<b>STANDARD &amp; POOR'S</b>	A	a-	Stable
<b>FitchRatings</b>	A+	a-	Stable

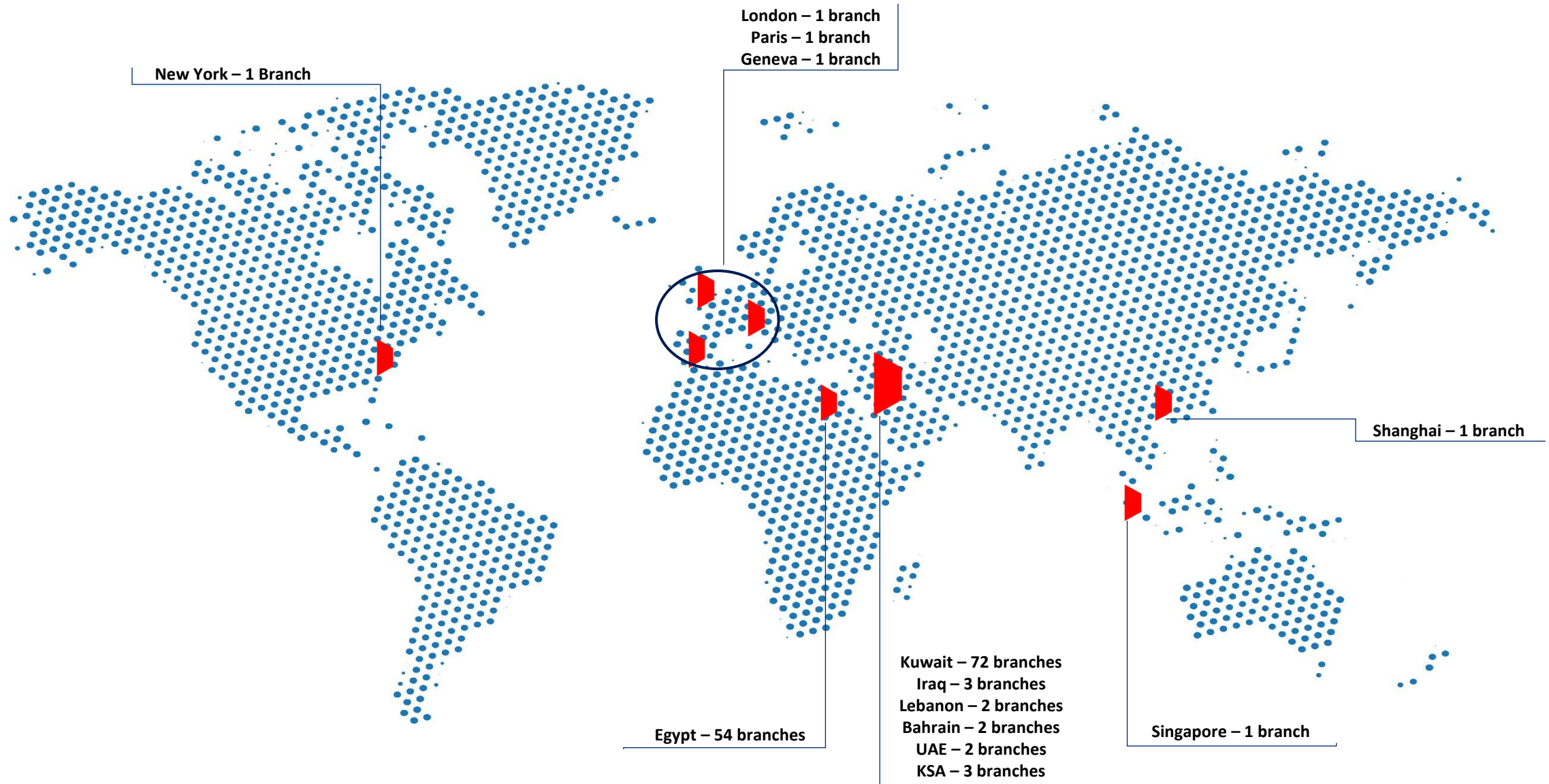
## Financial snapshot

USD million	2021	2022	2023	9M 2024
Total Assets	108,416	118,462	122,787	128,489
Loans, Advances & Islamic financing	64,295	68,454	72,636	75,977
Customer Deposits	59,596	65,780	71,553	73,546
Total Equity	14,563	15,110	15,995	16,470
Net Operating Income	2,933	3,292	3,804	3,055
Net Profit attributable	1,181	1,660	1,828	1,500
Cost to Income (%)	39.2%	38.2%	36.6%	36.8%
Net Interest Margin (%)	2.21%	2.30%	2.59%	2.69%
NPL Ratio (%)	1.04%	1.42%	1.38%	1.39%
Loan Loss Coverage Ratio (%)	300%	267%	271%	263%
Return on Average Equity (%)	10.2%	14.3%	15.0%	15.4%
Common Equity Tier 1 Ratio (%)	13.3%	12.9%	13.0%	12.2%
Tier 1 Ratio (%)	15.7%	15.0%	15.0%	14.2%
Capital Adequacy Ratio (%)	18.1%	17.4%	17.3%	16.5%

Notes: Throughout the investor presentation, the USD/KD exchange rate used is .30675 for year-end figures and .30475 for interim figures. The rates are based on the Central Bank of Kuwait's closing exchange rates as of 31/12/2023 and 30/09/2024.



# 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

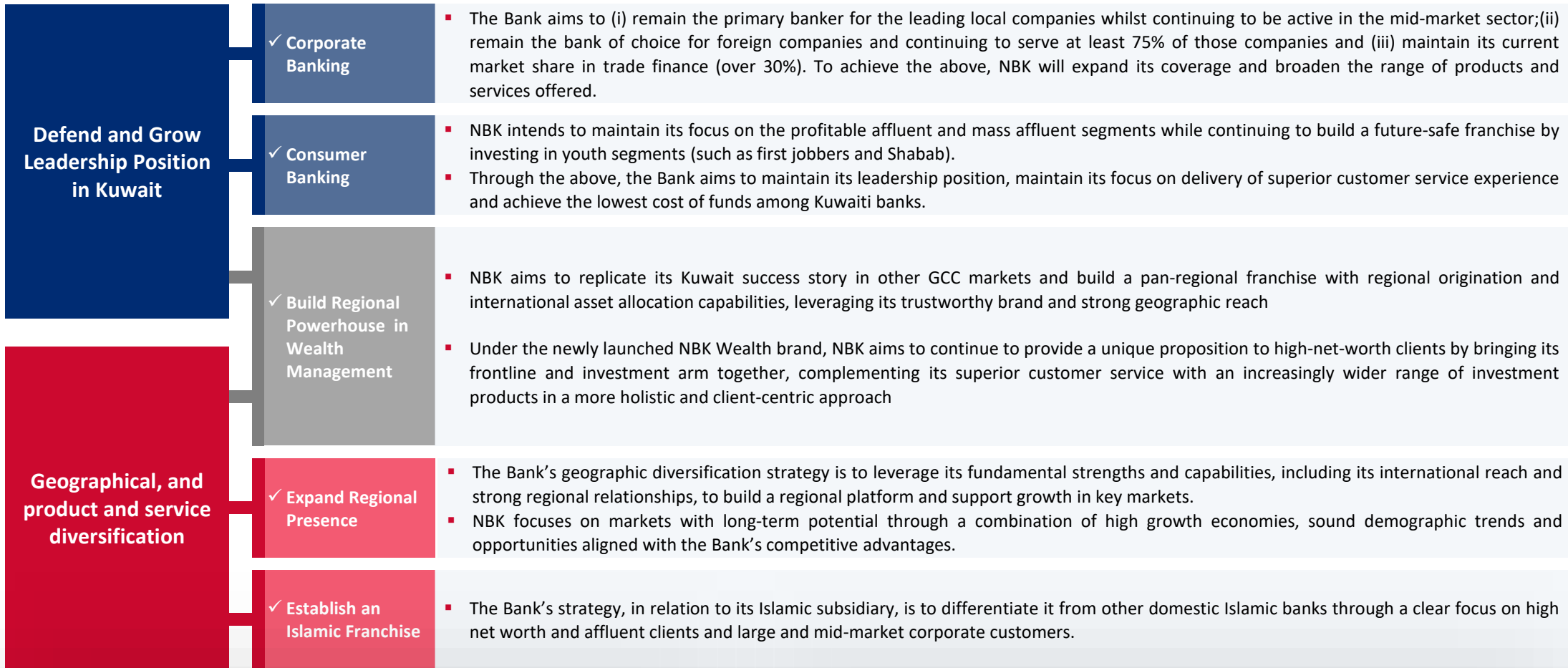
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# NBK's Strategy



**Digital Transformation**

**ESG Transition**





# Kuwait Operations

NBK

Islamic Banking (Boubyan Bank 60.4% owned subsidiary)



Corporate Banking



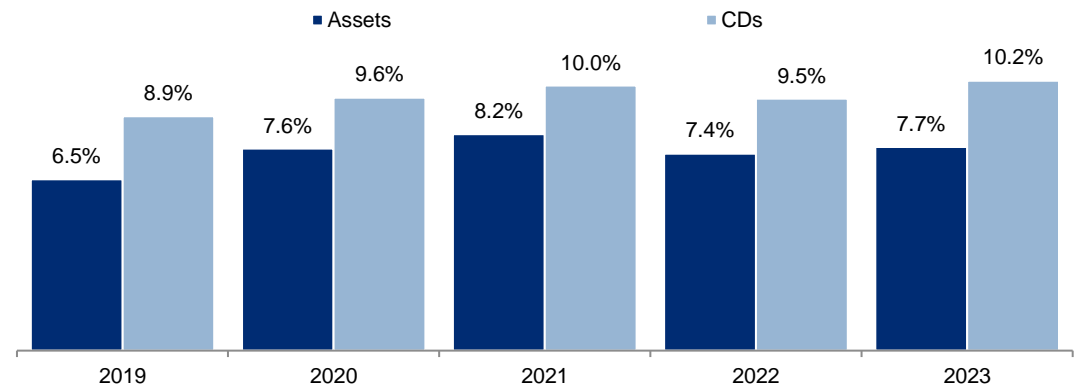
Consumer Banking

- 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

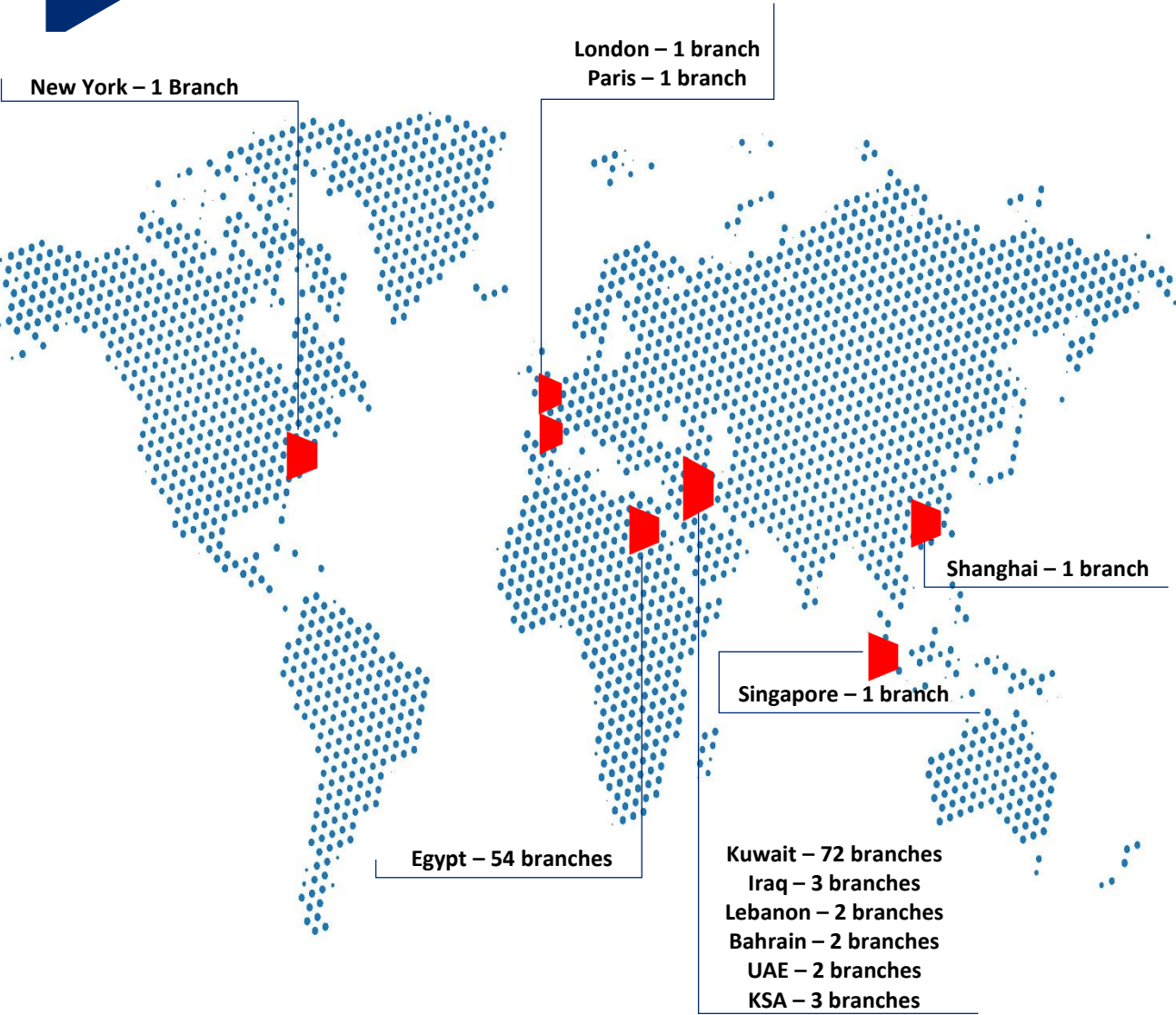
- After a series of gradual share acquisitions since 2009, NBK's stake in Boubyan bank reached 58.4% in 2012. Through Boubyan, NBK aims at diversifying its income stream, complementing its product offering as well as targeting a new segment of clients.
- The size and market share development of Boubyan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



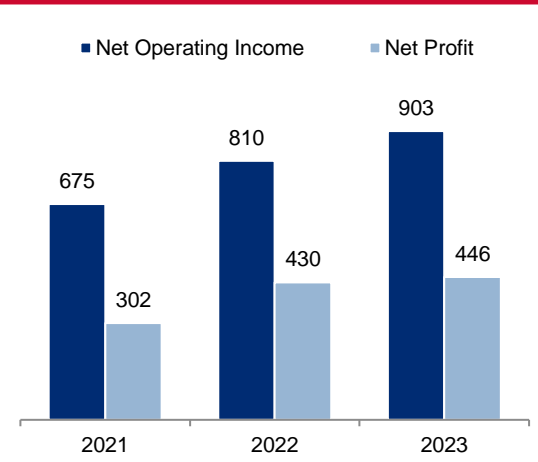


# International Banking Operations

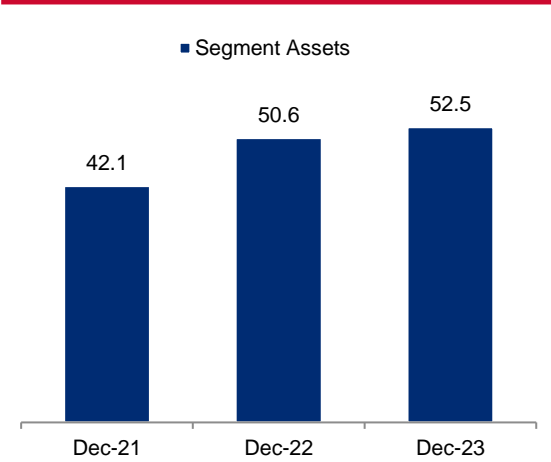


- NBK’s international banking operations have been traditionally contributing circa 25% of the Group’s bottom line.
- NBK’s international presence is a differentiating factor for the Group, enabling better service and strengthening client relationships.
- The Bank is focused on growing its business in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

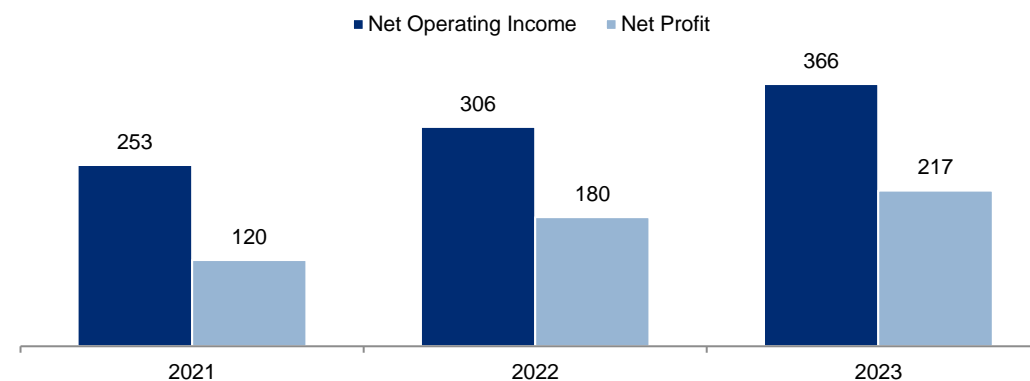


# NBK Wealth

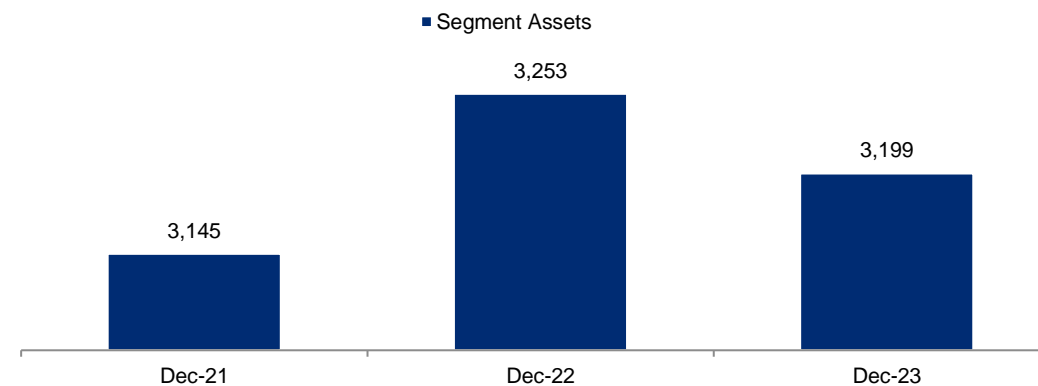
NBK Wealth emerged as the outcome of the transformation plan of merging NBK's private banking and asset management businesses under one leadership and one identity. The transformation plan was focused on client-centricity, and NBK Wealth now offer SHNWI/UHNWI/HNWI and institutional accounts a holistic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





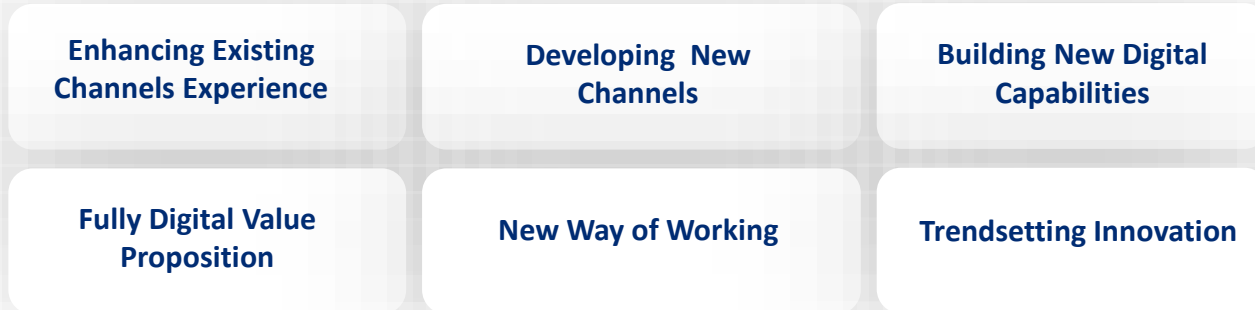
# Digital Transformation Underpinning the Strategy of the Group

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



# The Fundamental Guiding Forces of NBK's ESG Journey

## ESG Ratings\*



**SUSTAINALYTICS**

NBK's score improved to 27.1 – Medium Risk, up from 27.4

**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



Listed on FTSE Arab Federation of Capital Markets Low Carbon Select Index



FTSE4Good

Constituent of the FTSE4Good Index Series

**S&P Global**

NBK scored 39/100 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.
- A 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 are established which comprise of members of the Executive Management, assigning them with ESG roles within their relevant areas.
- ESG-specific KPIs have been 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



\*Note: ESG ratings are updated to date.

# 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\*

- In the process of developing an **Environmental and Climate Change Policy**, a fundamental part of NBK's commitment to **carbon neutrality by 2060**.
  - Committed to **USD 10 billion Sustainable Assets by 2030**. As of 30 June 2024, recorded an **increase in sustainable loans of around 11% totaling USD 2.2 billion**.
  - Continue to offer **reduced rates to the Eco-friendly Auto Loan and Eco-friendly Housing Loan** for consumers.
  - Issued **debut USD 500 million green bond**, underscoring NBK's commitment to climate action.
  - NBK '**Best Bank for ESG-related Loans in the Middle East**', recognized with an award by Global Finance 2024 annual Sustainable Finance Awards.
  - Finalized and approved the **Bank's Procurement policies**, embedding ESG-related principles in vendor sourcing and management processes.
  - Developed a **Sustainable Procurement Strategy Framework** which aims at guiding NBK's supply chain activities in line with best practices.
  - Forged a strategic partnership with DHL to use the "**DHL GoGreen Plus**" service, ensuring that all NBK's international shipments are transported using Sustainable Aviation Fuel.
- 
- Finalized and approved the **new Group ESG Strategy** with a three-year roadmap.
  - 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.
  - As part of the bank's commitment to the **United Nations Global Compact (UNGC)**, successfully submitted its first Communication on Progress (CoP) in July 2024.
  - Joined the **Partnership for Carbon Accounting Financials (PCAF)**. In the process of assessing the portfolio to establish a baseline measurement.
  - Finalized and approved 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** and integrating ESG factors in the bank's credit and investment policies.
- 
- NBK **Best Bank for 'SMEs in Kuwait'**, recognized with an award at Euromoney's 2024 Awards for Excellence.
  - 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. As of 30 September 2024, **engaged in 54 internal and external awareness campaigns**.
  - Continued efforts to support and nurture local talent. As of 30 September 2024, **Nationalization rate was 77.1%**.
  - Launched "**She's Next**" initiative in partnership with VISA, a global advocacy program that aims to support women-owned small businesses.
  - For the **academic year 2024-2025**, expanded the "**Bankee**" financial literacy program to 50 schools in Kuwait, resulting in **26,000 students and 6,450 teachers participating**.
  - Launched first of its kind **NBK Tech Academy** to attract and provide the Kuwaiti youth with a **best-in-class and innovative program in digital transformation**.
  - NBK organized a **Media Awareness Workshop on Sustainability and Climate Change**, the first-of-its-kind in Kuwait.
  - In collaboration with Kuwait Dive Team (KDT), **removed 150 tons of plastic, discarded fishing nets, and shipwreck from Kuwait's bays and coasts, an eight-fold increase from 2022**.
  - **Community Investments** totaled KD 28 million in 2023 (**USD 91 million**), a **22% increase from 2022**.
- 
- Developed an **Employee Grievance Policy**, which was circulated to all employees and published on NBK Group Website.
  - Initiated the development of a **Diversity, Equity, and Inclusion (DE&I) strategy**.
  - **As of 30 September 2024, females represented 43.4% of total NBK Kuwait workforce, and in management 27.7%**.
  - 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 more than **3,300 training hours on ESG-related topics** with focus on Sustainability Awareness, Sustainable Finance, and Climate Risk Management.
  - In an effort to make NBK a better and inclusive workplace, launched the **Employee Engagement Survey "Your Voice Matters" 2023**.
  - Recorded more than **50 million transactions through NBK Mobile Banking Application**; a YOY growth of 19% in 2023.



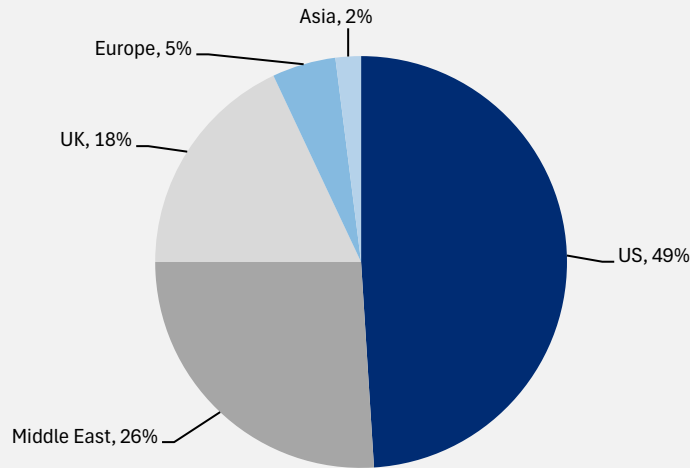
# NBK's Debut Green Bond

In June 2024, NBK successfully issued its debut 6NC5 green bond under its Sustainable Financing Framework, raising USD 500 million to support the financing of low-carbon initiatives. By issuing this green bond, NBK strengthens its dedication to environmental stewardship and climate action, aiming to channel and mobilize capital towards a low-carbon economy by focusing on *green projects*. The issuance further supports NBK's ESG ambitions; including achieving carbon neutrality in line with Kuwait's national commitment by 2060.

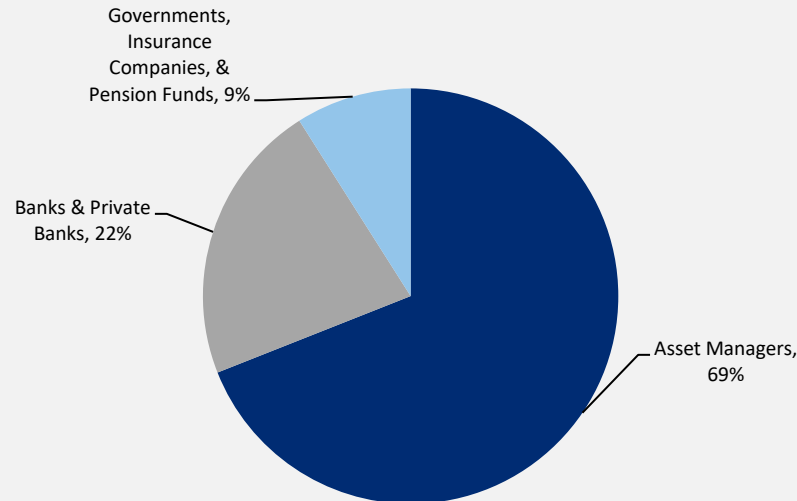
## Strong Investor Interest

NBK's issuance saw strong reception from a diverse array of global investors and financial institutions:

Geographic Distribution of Investors (%)



Interest by Investors' Type (%)



## Key Highlights

**USD 500 million** Green Bond

**5.5%** Coupon Rate


**+95 bps** over US Treasuries

**3x** Oversubscribed

**First green issuance** out of Kuwait



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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 4.9 million (June 2024).
- It is a founding member of the Organization of the Petroleum Exporting Countries (OPEC) and the Gulf Cooperation Council (GCC).
- Kuwait has the 6<sup>th</sup> largest proven crude oil reserves in the world (101.5 billion barrels) and was the 8<sup>th</sup> largest oil producer in 2023 (2.59 mb/d).
- The oil sector's share of nominal GDP was 47% in 2023, 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 <sup>e</sup>	2024 <sup>f</sup>
Nominal GDP (USD billion)	142.5	182.1	163.7	157.4
Real GDP (% y/y)	2.3	5.9	-3.6	-2.4
Real non-oil GDP (incl. refining, % y/y)	5.4	-0.1	-2.9	2.3
Consumer price inflation (% y/y, avg.) <sup>1</sup>	3.4	4.0	3.6	3.0
Fiscal balance (KD billion) <sup>1</sup>	-2.9	6.4	-1.6	-2.2
Fiscal balance (% of GDP) <sup>1</sup>	-7.0	11.5	-3.1	-4.5
Fiscal break-even oil price (USD/bbl)	81.3	76.3	88.3	90.8
Public debt (% of GDP)	4.4	3.0	3.0	2.8

## Sovereign Credit Ratings

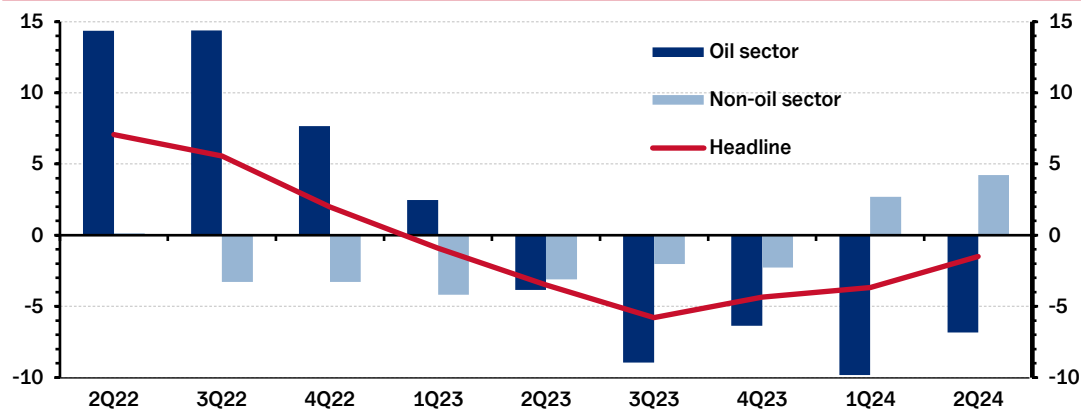
Rating Agency	FC credit rating	Outlook	Rating Action/date
S&P Global	A+	Stable	Affirmed/Jun'24
Moody's	A1	Stable	Affirmed/May'24
Fitch	AA-	Stable	Affirmed/Sep'24

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



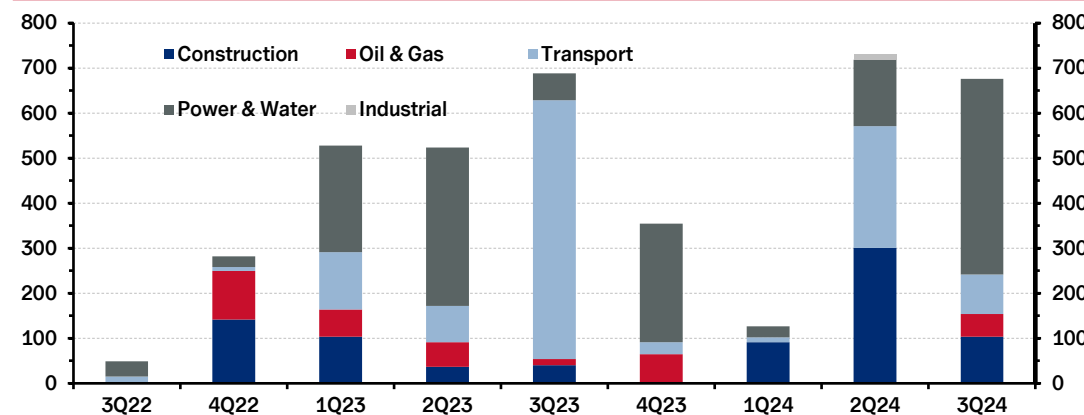
# Kuwait's Economy

Real GDP Growth<sup>1</sup> (% y/y)



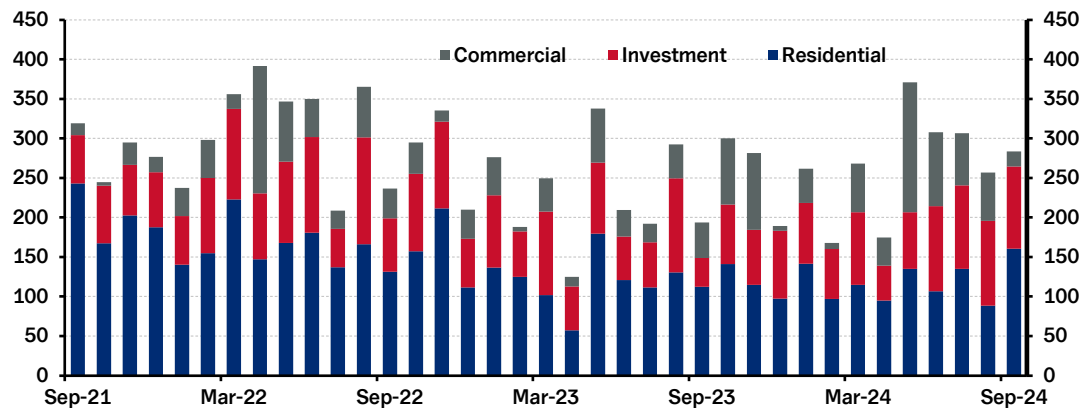
Non-oil GDP grew 4.2% y/y (-4% q/q) in Q2 2024, accelerating from the previous quarter's downwardly-revised reading of 2.7%, amid output gains in 'other services', manufacturing, and 'electricity, gas, and water'. Headline GDP growth improved slightly but was still negative at -1.5% y/y amid a 6.8% y/y contraction in the oil sector.

Project Awards<sup>2</sup> (KD million)



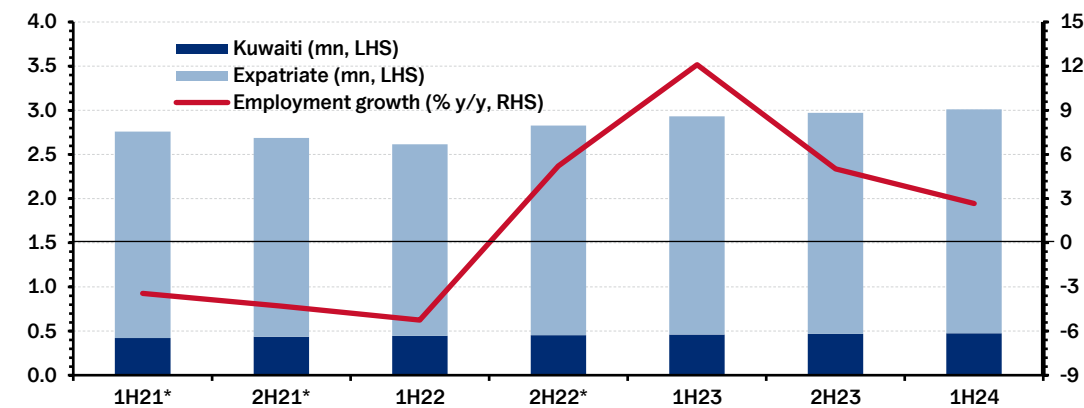
Project awards (value) momentum slowed slightly in Q3 2024, with a total of KD580mn worth of contracts signed (-7.5% q/q; -1.8% y/y). These were largely power & water sector-related projects and infrastructure works on new cities.

Real Estate Sales<sup>3</sup> (KD million)



Real estate sales rose 10% m/m in September to KD281.5 with activity notably picking up in the residential sector (+82% m/m; +43% y/y). Commercial activity was considerably weak, declining 68% m/m and 58% y/y.

Employment<sup>4</sup> (million, \*estimated, annualized)



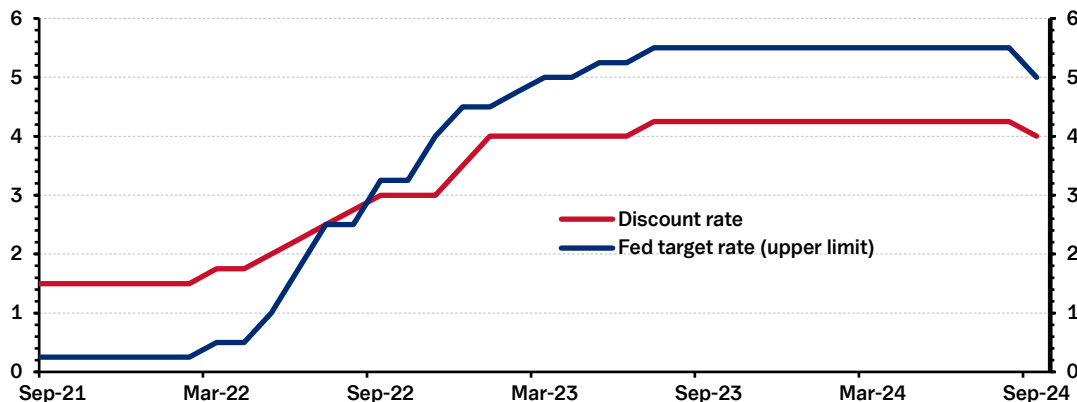
Employment growth slowed to 2.7% y/y in 1H24 in-line with stabilizing post-pandemic expatriate employment.

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



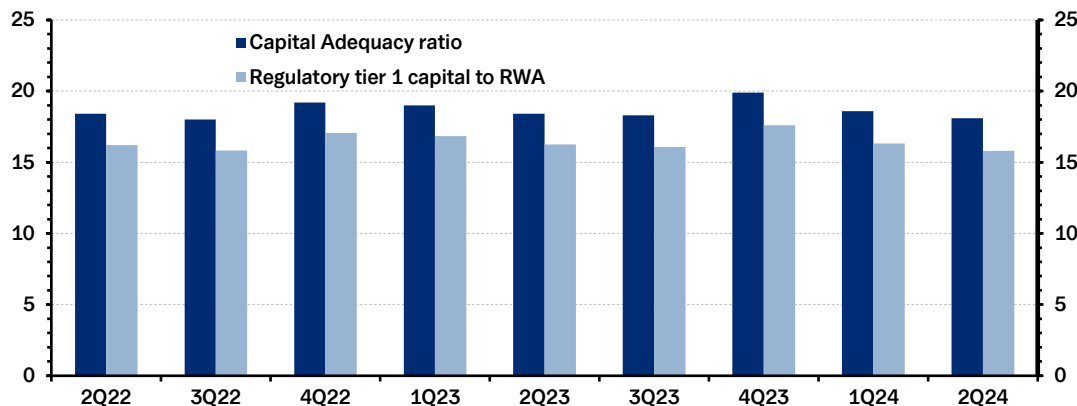
# Kuwait's Banking Sector

**Kuwait Discount Rate<sup>1</sup> (%)**



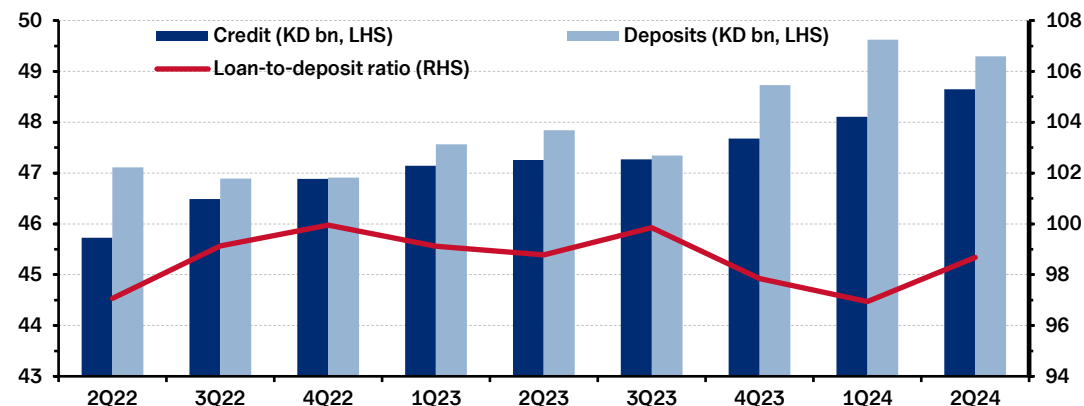
The CBK lowered its key policy rate by 25 bps to 4% in September, taking its cue from the US Fed. This marks the first interest rate move since July 2023). The CBK, having raised rates half as aggressively as the US Fed, will likely cut at a slower pace as the monetary easing cycle progresses.

**Capital Adequacy Ratio<sup>3</sup> (%)**



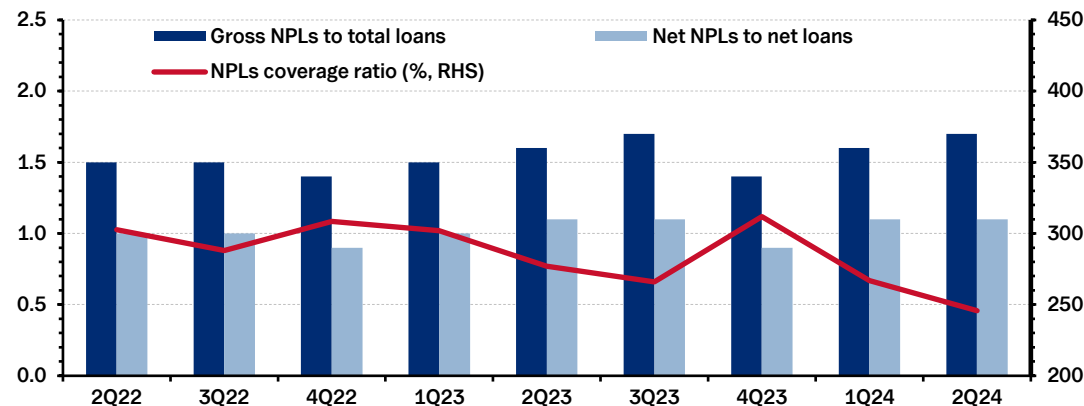
The capital adequacy ratio dropped to 18.1% by June 2024, more than five percentage points higher than the minimum requirement.

**Loans and Deposits<sup>2</sup>**



The domestic loans-to-deposits ratio ticked up in Q2 to 98.7% on an increase in outstanding loans and a decrease in deposits.

**NPLs to Gross Loans<sup>3</sup> (%)**



The NPL ratio (gross NPLs/total loans) rose to 1.7% by June 2024. The NPL coverage ratio fell to 245.7%.

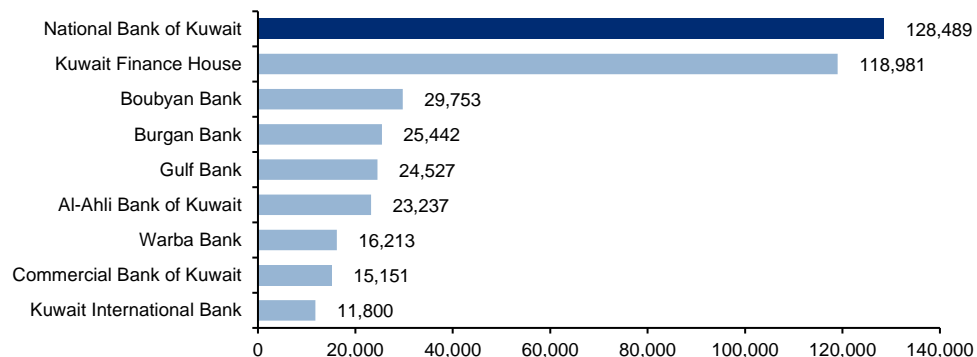
Sources: <sup>1</sup>As per latest Central Bank of Kuwait (CBK) rate hike on 18/09/2024; <sup>2</sup>As per latest published CBK Monthly Statistical Bulletin (Jun-24); <sup>3</sup>As per latest published CBK "National Summary Data Page"



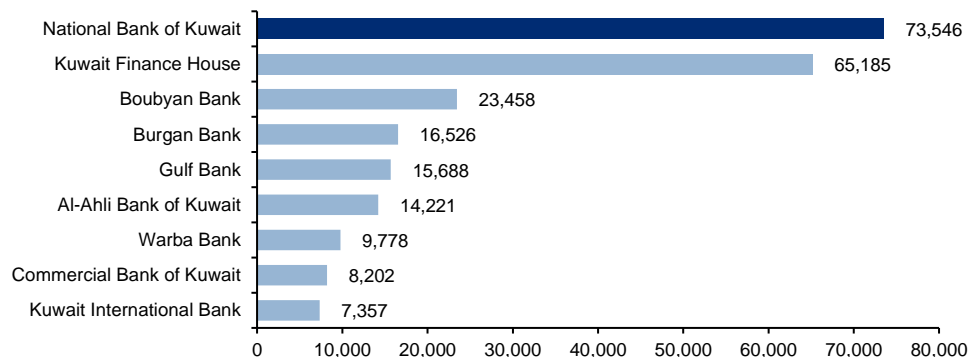
# Dominant Kuwaiti Franchise

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

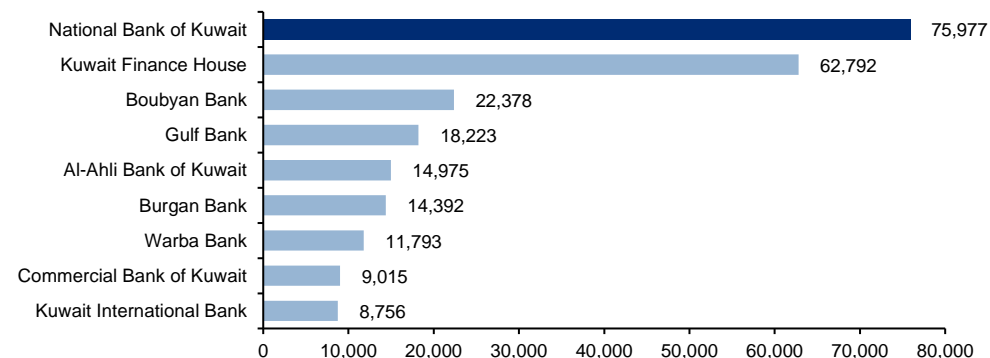
**Total Assets (USD mn)**



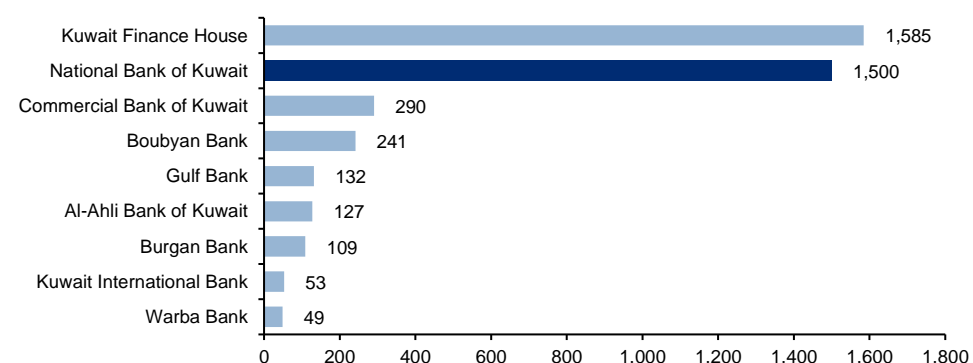
**Customer Deposits (USD mn)**



**Customer Loans & Advances (USD mn)**




**Net Profit attributable to shareholders (USD mn)**



Sources: Banks' interim reports. All data as of 30 September 2024 for Balance Sheet items and Income Statement Items.

Note: Kuwait Finance House, Boubyan Bank, 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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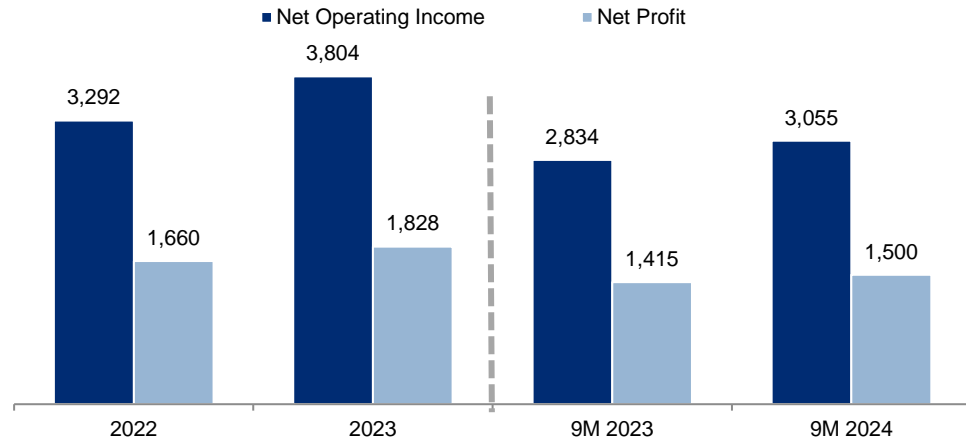


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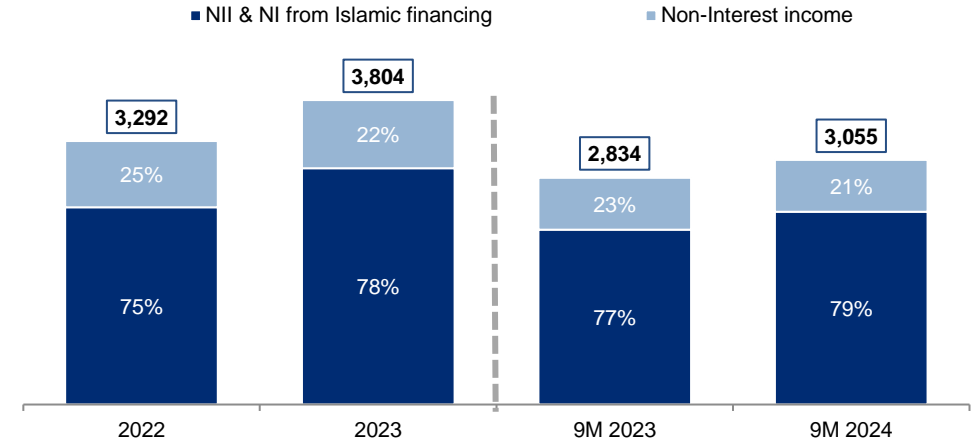


# Operating Performance & Profitability

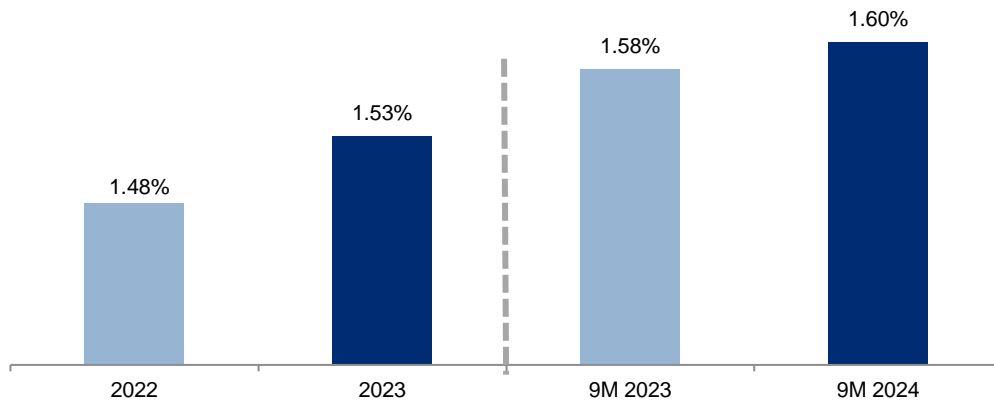
Profitability (USD mn)



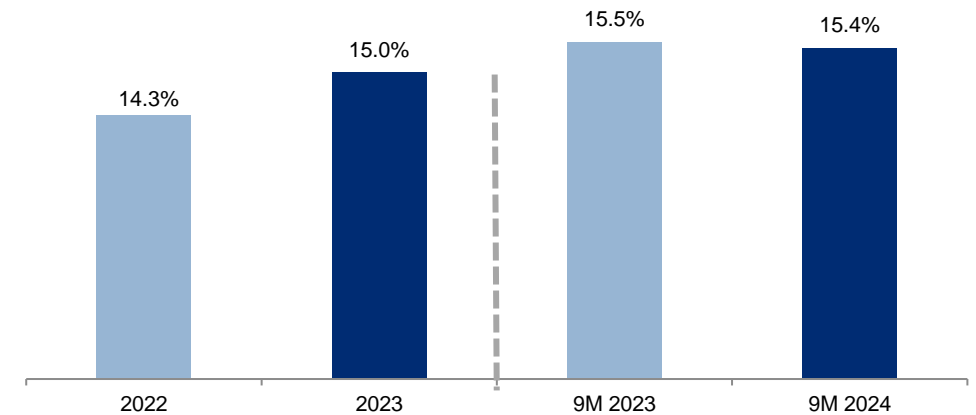
Operating Income Composition (USD mn)



Return on Average Assets (%)

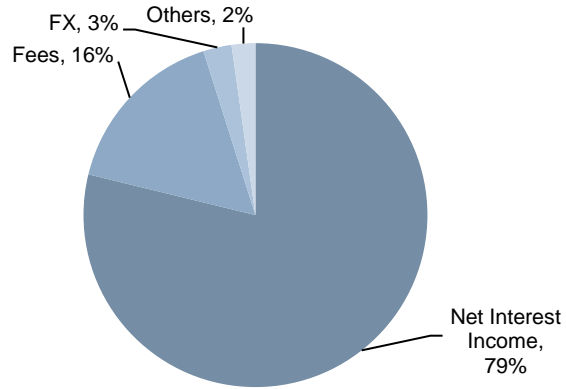


Return on Average Equity (%)

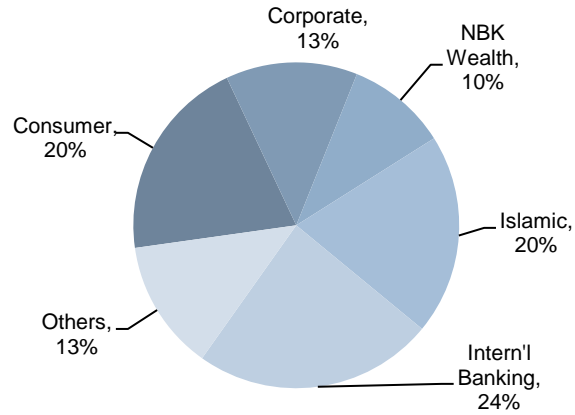


# Operating Performance & Profitability (cont'd)

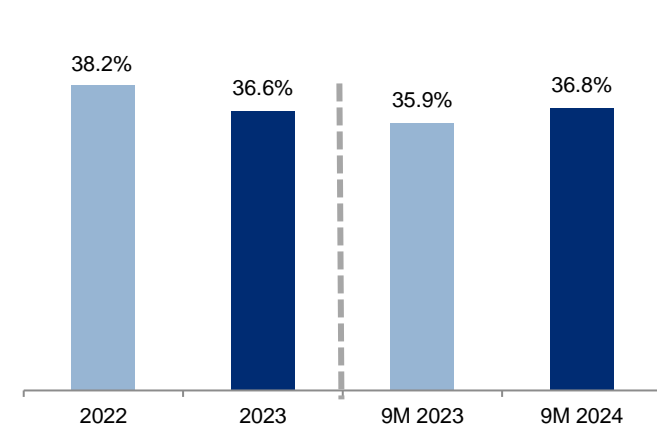
9M 2024 Op. Income by Type (%)



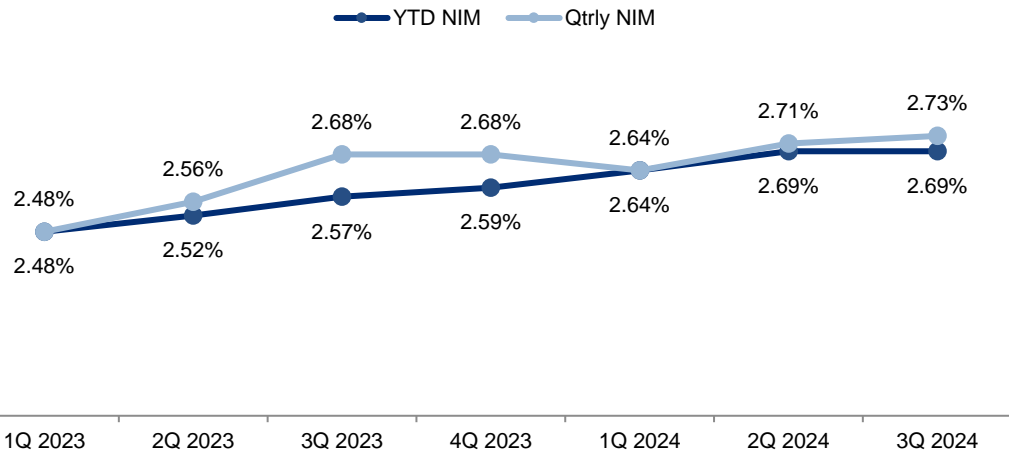
9M 2024 Op. Income by Business Line (%)



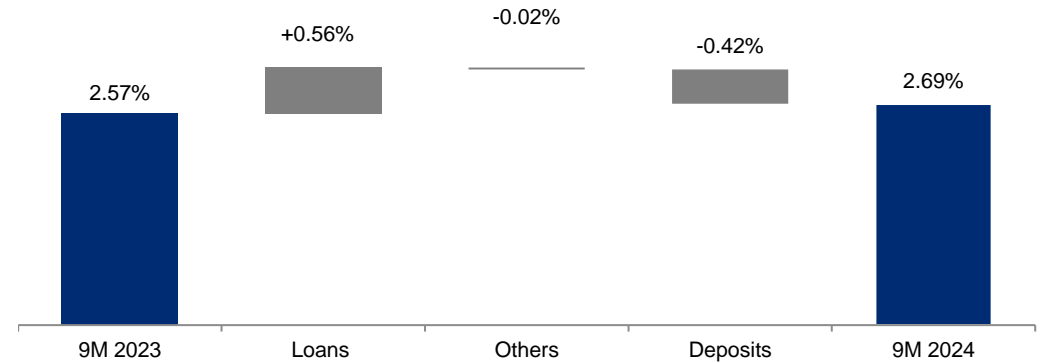
Cost to Income (%)



Net Interest Margin\* (%)



Net Interest Margin Drivers



\*Includes net interest income and net income from Islamic Financing

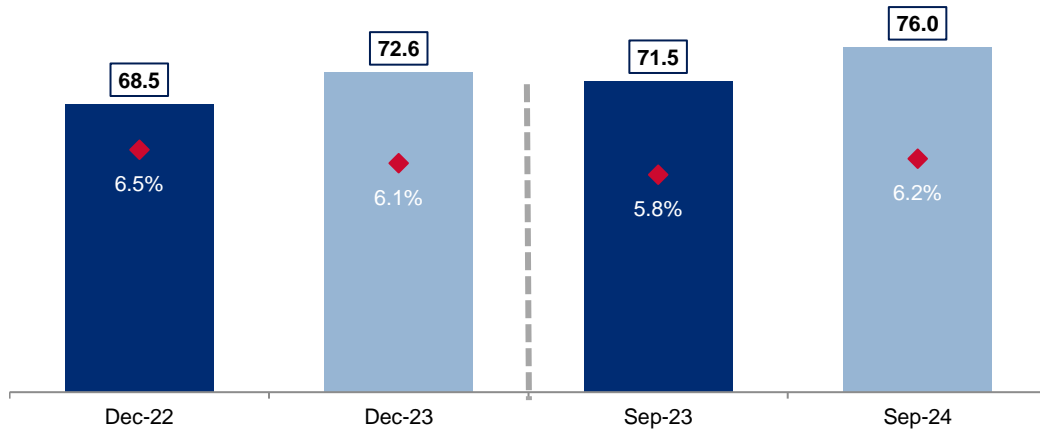




# Balance Sheet Parameters

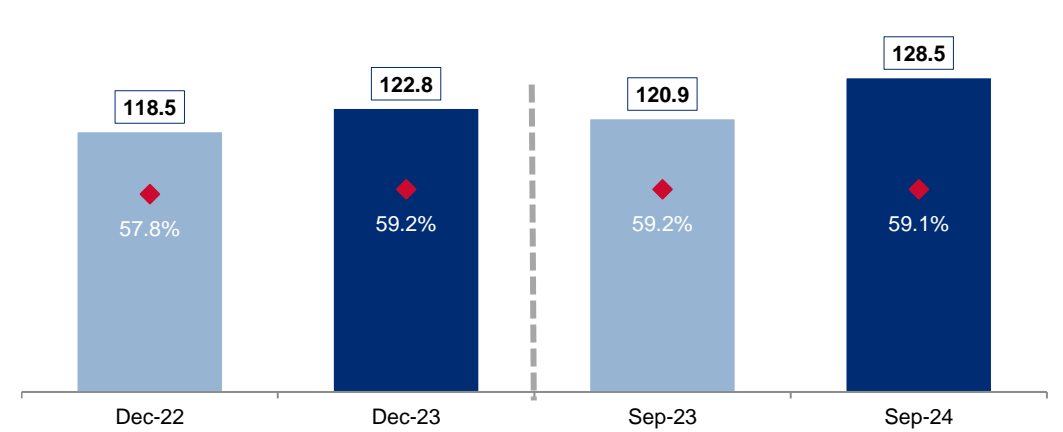
Net Loan Portfolio (USD bn)

■ Net Loans    ◆ Net loan growth YoY (%)

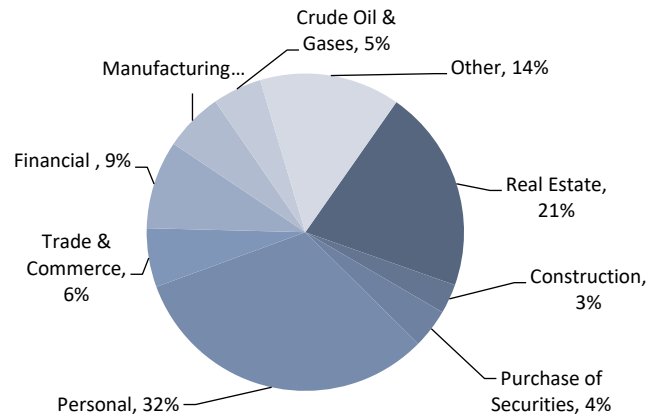


Loans to Assets (USD bn)

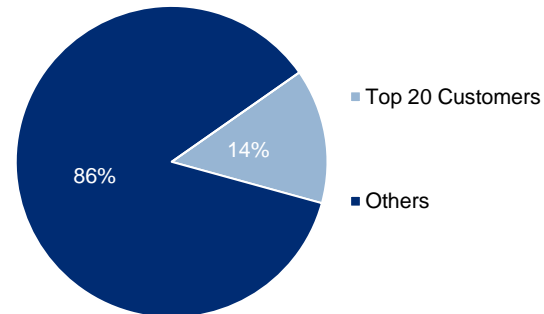
■ Total Assets    ◆ Loans/Assets



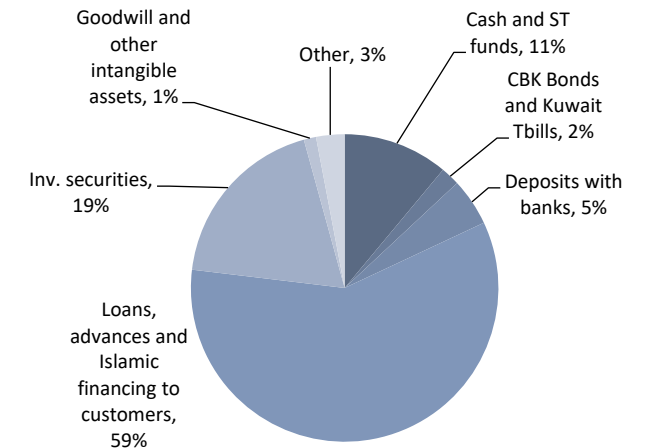
Loan Exposure by Sector (%)



Low Loan Concentrations (%)



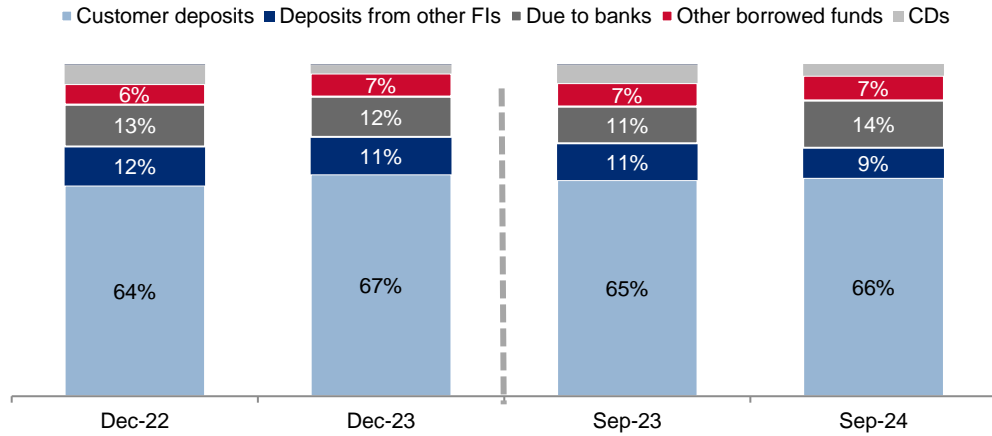
Assets by Type (%)



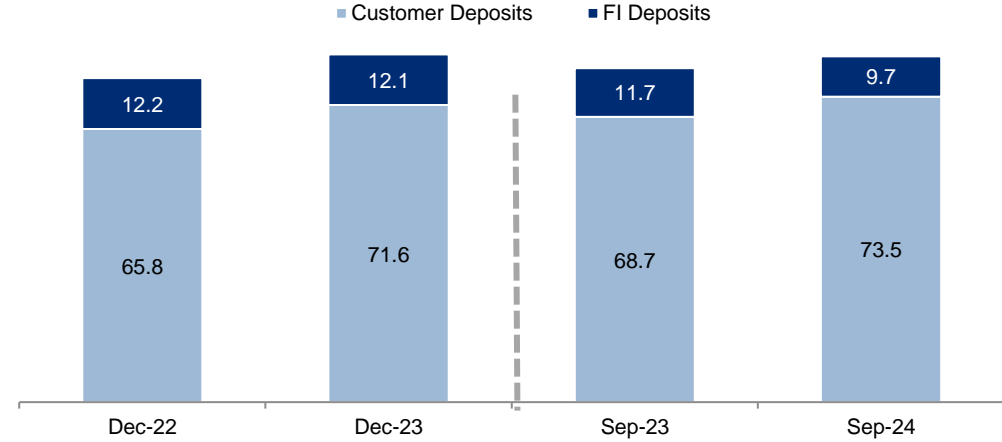


# Funding and Liquidity Positions

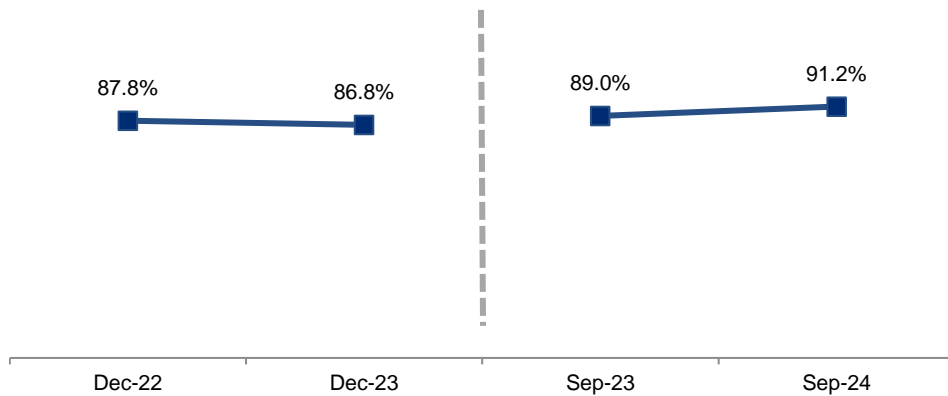
Funding Mix (Total Liabilities)



Customer and FI Deposits (USD bn)

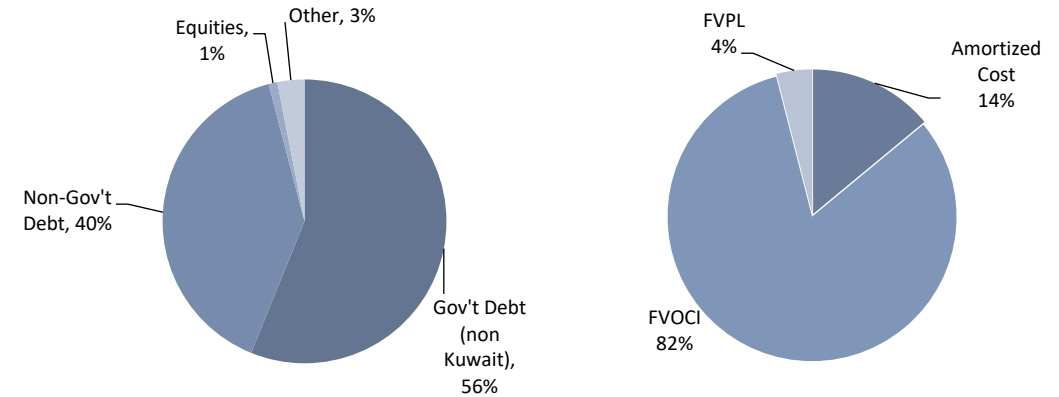


Loans to Customer and other FI Deposits Ratio (%)



Overview of Investment Securities<sup>1</sup> – USD 24.3 bn

As at 30 Sep. 2024

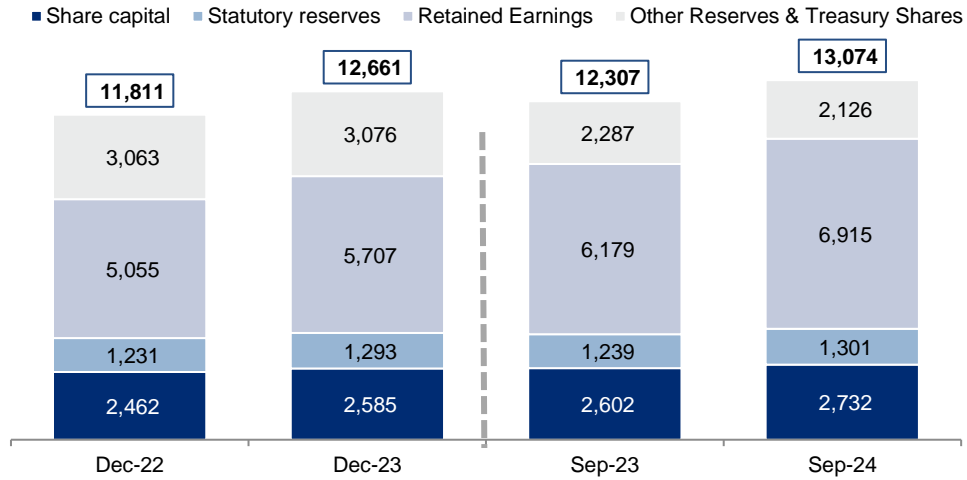


Notes: <sup>1</sup>Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

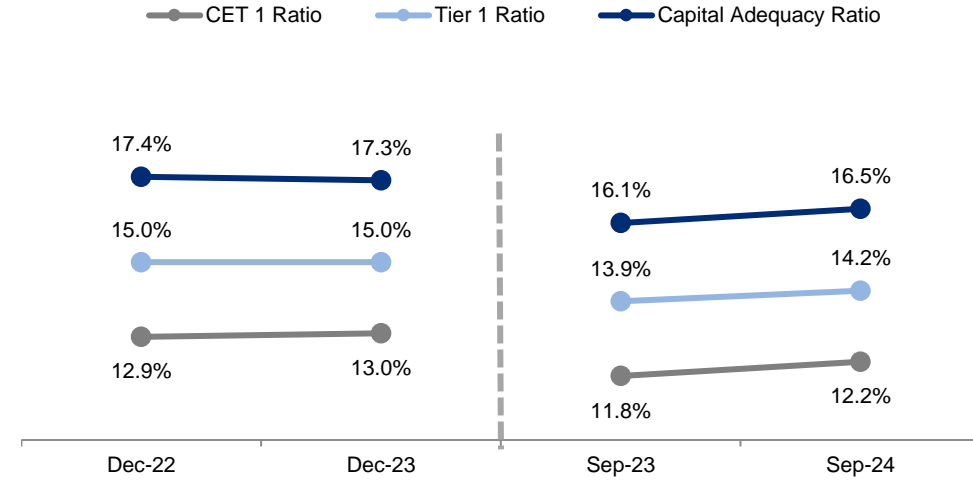


# Capitalization and Asset Quality

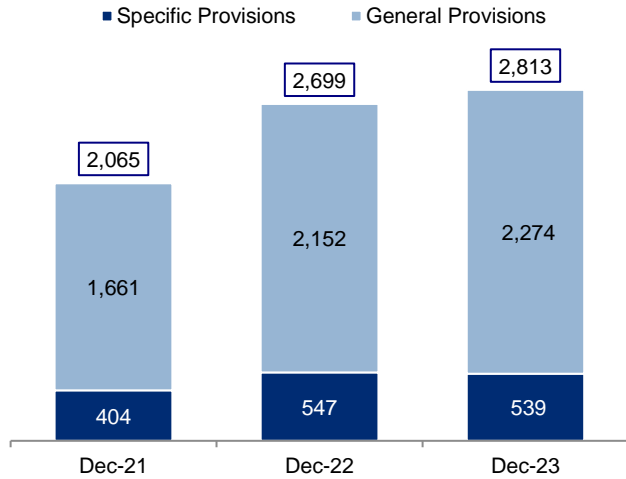
**Total Equity<sup>1</sup> Breakdown (USD mn)**



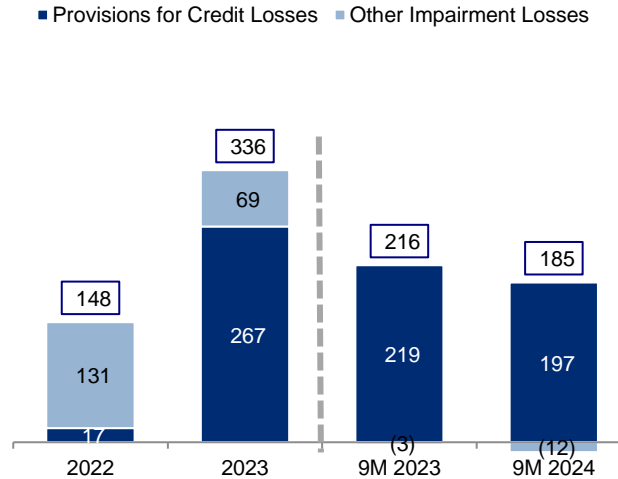
**Prudent Capitalization (%)**



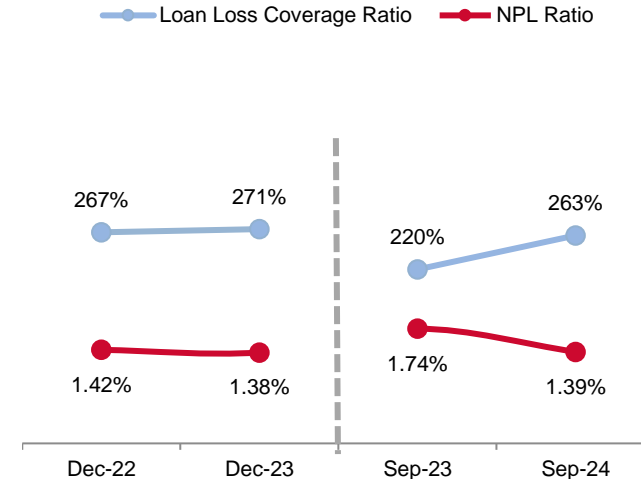
**Prudent Provisioning (USD mn)**



**Provisions and Impairments Charges (USD mn)**



**Asset Quality Ratios (%)**



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

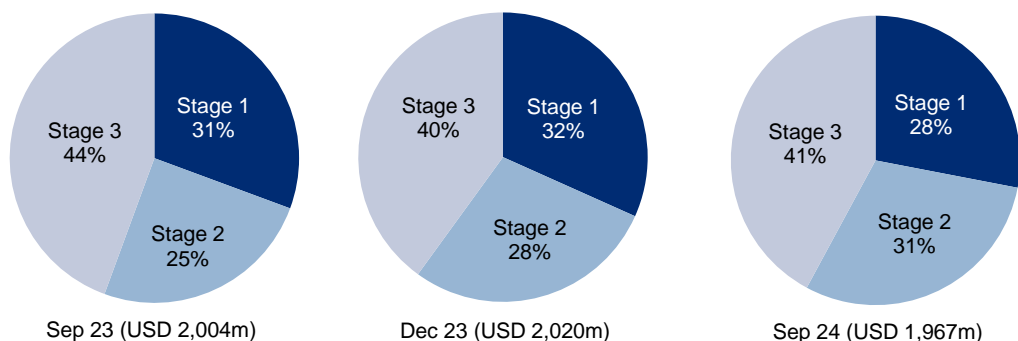


# Expected Credit Losses (ECL) 9M 2024

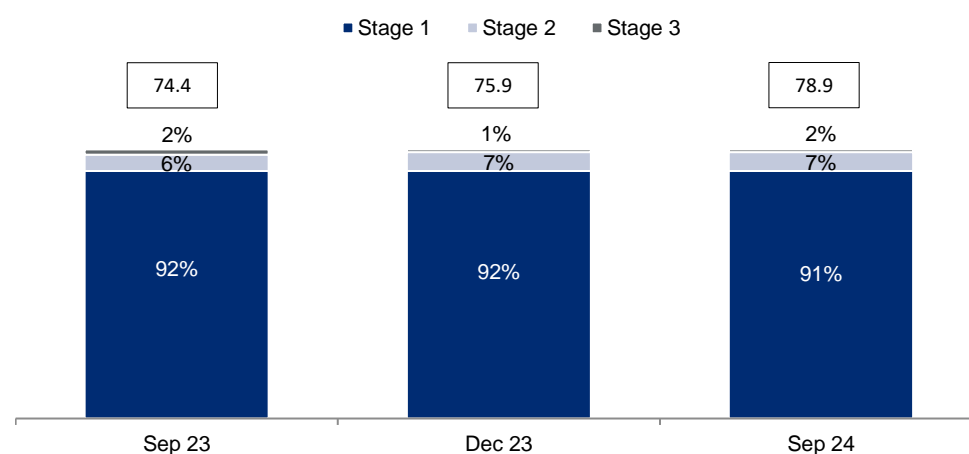
Financial Statements ECL Disclosure (USDm)

30 September 2024	Stage 1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	72,038	5,730	1,099	78,868
Contingent liabilities	14,678	2,410	52	17,140
Commitments (revocable and irrevocable) to extend credit	30,498	2,853	22	33,373
ECL allowance for credit facilities	558	599	810	1,967

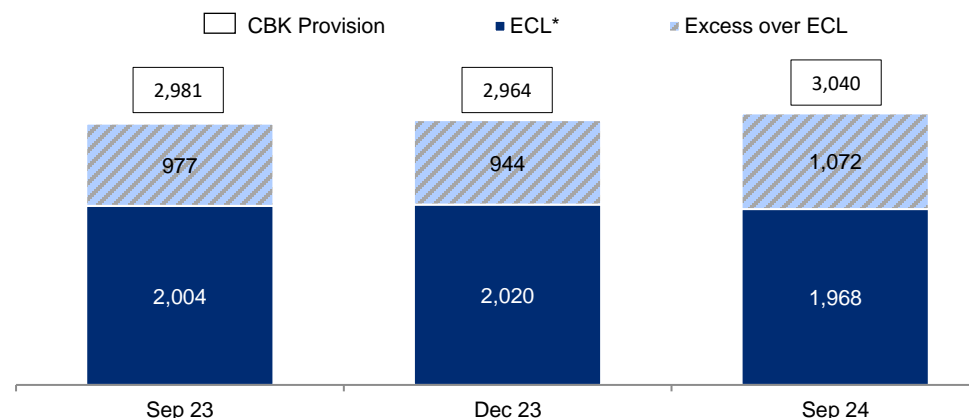
ECL Allowance for Credit Facilities



Total Gross Loans (USDbn)




CBK Credit Provisions vs IFRS 9 ECL (USDm)



\* ECLs as per CBK guidelines

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## Consolidated Financials 9M 2024 (USD mn)

<i>Income Statement (USD mn)</i>	9M 2023	9M 2024	YoY Growth (%)	<i>Balance Sheet (USD mn)</i>	Sep-23	Sep-24	YoY Growth (%)
Interest Income	3,888	4,442	14%	Cash and short term funds	11,942	14,264	19%
Interest Expense	2,140	2,538	19%	Central Bank of Kuwait bonds	2,829	2,093	(26%)
<b>Net Interest Income</b>	<b>1,748</b>	<b>1,904</b>	<b>9%</b>	Kuwait Government Treasury bonds	627	488	(22%)
Murabaha and other Islamic financing income	968	1,128	17%	Deposits with banks	6,826	5,594	(18%)
Finance cost and Distribution to depositors	532	625	18%	Loans, advances and Islamic financing to customers	71,523	75,977	6%
<b>Net Income from Islamic financing</b>	<b>437</b>	<b>503</b>	<b>15%</b>	Investment securities	20,719	24,297	17%
<b>NII and NI from Islamic financing</b>	<b>2,185</b>	<b>2,408</b>	<b>10%</b>	Land, premises and equipment	1,630	1,669	2%
Net fees and commissions	488	498	2%	Goodwill and other intangible assets	1,736	1,664	(4%)
Net investment income	62	63	1%	Other assets	3,037	2,443	(20%)
Net gains from dealing in foreign currencies	97	81	(16%)	<b>Total Assets</b>	<b>120,870</b>	<b>128,489</b>	<b>6%</b>
Other operating income	3	5	76%	Due to banks	11,717	15,385	31%
<b>Non-interest Income</b>	<b>649</b>	<b>647</b>	<b>0%</b>	Deposits from other financial institutions	11,677	9,721	(17%)
<b>Net Operating Income</b>	<b>2,834</b>	<b>3,055</b>	<b>8%</b>	Customer deposits	68,692	73,546	7%
Staff expenses	564	614	9%	Certificates of deposit issued	5,744	5,328	(7%)
Other administrative expenses	342	391	15%	Other borrowed funds	4,384	4,662	6%
Depreciation of premises and equipment	108	115	6%	Other liabilities	3,020	3,378	12%
Amortisation of intangible assets	4	4	0%	<b>Total Liabilities</b>	<b>105,234</b>	<b>112,019</b>	<b>6%</b>
<b>Operating Expenses</b>	<b>1,018</b>	<b>1,124</b>	<b>10%</b>	Share capital	2,602	2,732	5%
<b>Op. profit before provision for credit and impairment losses</b>	<b>1,817</b>	<b>1,931</b>	<b>6%</b>	Proposed bonus shares	-	-	NM
Provision charge for credit losses and impairment losses	216	185	(14%)	Statutory reserve	1,239	1,301	5%
<b>Operating Profit before Taxation</b>	<b>1,601</b>	<b>1,746</b>	<b>9%</b>	Share premium account	2,635	2,635	0%
Taxation	121	152	26%	Treasury share reserve	115	115	0%
Non-controlling interest	65	94	44%	Other reserves	5,716	6,291	10%
<b>Profit Attributable to Shareholders of the Bank</b>	<b>1,415</b>	<b>1,500</b>	<b>6%</b>	<b>Equity attributable to shareholders</b>	<b>12,307</b>	<b>13,074</b>	<b>6%</b>
				Perpetual Tier 1 Capital Securities	1,441	1,441	0%
				Non-controlling interests	1,889	1,956	4%
				<b>Total equity</b>	<b>15,637</b>	<b>16,470</b>	<b>5%</b>
				<b>Total liabilities and equity</b>	<b>120,870</b>	<b>128,489</b>	<b>6%</b>



## 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
<b>Net Interest Income</b>	<b>1,650</b>	<b>1,903</b>	<b>2,362</b>
Murabaha and other Islamic financing income	743	937	1,312
Finance cost and Distribution to depositors	211	376	724
<b>Net Income from Islamic financing</b>	<b>532</b>	<b>561</b>	<b>589</b>
<b>Net interest income and net income from Islamic financing</b>	<b>2,182</b>	<b>2,464</b>	<b>2,951</b>
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
<b>Non-interest income</b>	<b>752</b>	<b>828</b>	<b>853</b>
<b>Net Operating Income</b>	<b>2,933</b>	<b>3,292</b>	<b>3,804</b>
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
<b>Operating Expenses</b>	<b>1,149</b>	<b>1,259</b>	<b>1,390</b>
<b>Op. profit before provision for credit losses and impairment losses</b>	<b>1,784</b>	<b>2,033</b>	<b>2,413</b>
Provision charge for credit losses	394	17	267
Impairment losses	38	130	69
<b>Operating profit before taxation</b>	<b>1,352</b>	<b>1,885</b>	<b>2,077</b>
Taxation	111	155	157
Directors' remuneration	0	3	3
Non-controlling interest	60	68	90
<b>Profit attributable to shareholders of the Bank</b>	<b>1,181</b>	<b>1,660</b>	<b>1,828</b>



## 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
<b>Total Assets</b>	<b>108,416</b>	<b>118,462</b>	<b>122,787</b>
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
<b>Total Liabilities</b>	<b>93,853</b>	<b>103,353</b>	<b>106,792</b>
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
<b>Equity attributable to shareholders of the bank</b>	<b>11,539</b>	<b>11,811</b>	<b>12,661</b>
Perpetual Tier 1 Capital Securities	1,431	1,431	1,431
Non-controlling interests	1,593	1,868	1,903
<b>Total equity</b>	<b>14,563</b>	<b>15,110</b>	<b>15,995</b>
<b>Total liabilities and equity</b>	<b>108,416</b>	<b>118,462</b>	<b>122,787</b>





## 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	<b>Execution:</b> Construction works are still ongoing on the project.
South Saad Al-Abdullah Residential City	Construction	2.0	24,500 residential units and related infrastructure west of Kuwait	<b>Execution:</b> Construction has 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	<b>Underway:</b> The main contracts for Zones 1, 2, and 4 were awarded in October 2024. The Zone 3 project was cancelled.
Mutlaa Fuel Depot	Oil & gas	0.3	Construction of a local marketing depot project at Al-Mutlaa.	<b>Main Contract Bid:</b> The invitation to bid on the project was issued with a bid submission deadline on 01-12-2024.
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	<b>Complete:</b> The construction works have been completed on the project.
Petrochemical Facility at Al-Zour	Oil & gas	2.0	Petrochemical plant to be integrated with Al-Zour refinery	<b>Study:</b> Package 1:2:3: KIPIC is not currently discussing the project with contractors and extensive delays are expected.
Subbiya 900 MW Gas fired Power Generation Plant	Oil & gas	0.4	Construction of a combined cycle gas turbine (phase 4)	<b>Execution:</b> The construction works are ongoing on the project and are expected to be completed by the first quarter of 2027.
Al-Zour North (IWPP) – P2 to P5	Power & water	4.5	1800 MW of power generation capacity and 464,100m <sup>3</sup> /day of desalination capacity	<b>Main contract bid:</b> Al Zour North IWPP: Phase II and III: The main contract tender has been issued and the submission deadline is due 30-12-2024.
Al-Khairan Power & Desalination Plant (IWPP)	Power & water	1.0	Power and desalination plants; project involves three phases.	<b>Bidding/Planning:</b> The statement of qualification (SOQ) is still under evaluation and main contract tender is not yet issued.
Umm Al Hayman Waste Water (PPP)	Power & water	0.4	Initial treatment capacity of 500,000 m <sup>3</sup> /d. Plant may replace Riqqa WWTP in future	<b>Complete:</b> The project is complete.
Shagaya Renewable Energy Complex	Power & water	2.0	2800MW photovoltaic (PV) solar plant at Shagaya	<b>Execution:</b> Phase 1 of the project was completed in 2018. The Pre-qualification bids for the 1100 PV IPP have been submitted and are under evaluation.
Mubarak Al-Kabeer Seaport	Transport	3.1	Port on Boubyan Island to handle up to 2 million TEUs of container cargo	<b>Execution:</b> 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	<b>Execution:</b> 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

### Contact Investor Relations

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Al Shuhada Street, Block 7, Sharq  
State of Kuwait

### Useful information

Download copies of NBK's:

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



# National Bank of Kuwait

## Investor Presentation

November 2024