



# National Bank of Kuwait

## Investor Presentation

January 2025

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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 6.17% as of December 2024)</li> <li>NBK's market capitalization at 31 December 2024 was USD 24.2 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
	A1	a3	Stable
	A	a-	Stable
	A+	a-	Stable

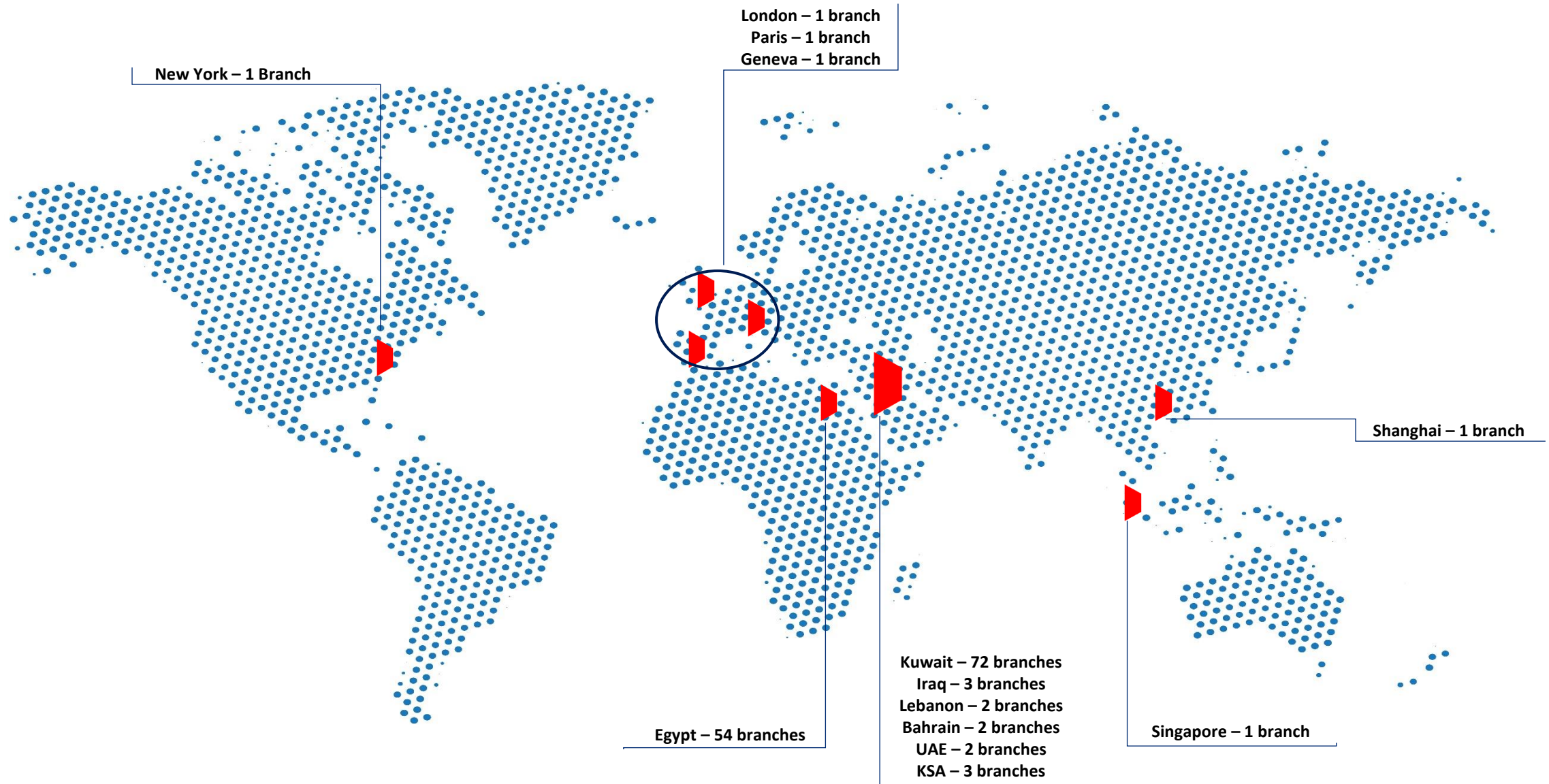
## Financial snapshot

USD million	2022	2023	2024
Total Assets	117,943	122,249	130,926
Loans, Advances & Islamic financing	68,155	72,317	76,948
Customer Deposits	65,492	71,240	74,217
Total Equity	15,044	15,925	16,737
Net Operating Income	3,277	3,787	4,061
Net Profit attributable	1,652	1,820	1,948
Cost to Income (%)	38.2%	36.6%	37.4%
Net Interest Margin (%)	2.30%	2.59%	2.66%
NPL Ratio (%)	1.42%	1.38%	1.34%
Loan Loss Coverage Ratio (%)	267%	271%	263%
Return on Average Equity (%)	14.3%	15.0%	15.1%
Common Equity Tier 1 Ratio (%)	12.9%	13.0%	13.2%
Tier 1 Ratio (%)	15.0%	15.0%	15.1%
Capital Adequacy Ratio (%)	17.4%	17.3%	17.3%

Notes: Throughout the investor presentation, the USD/KD exchange rate used is .3081 except where mentioned. The rates are based on the Central Bank of Kuwait's closing exchange rates as of 31/12/2024.



# 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 1.34% at end-2024
- 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

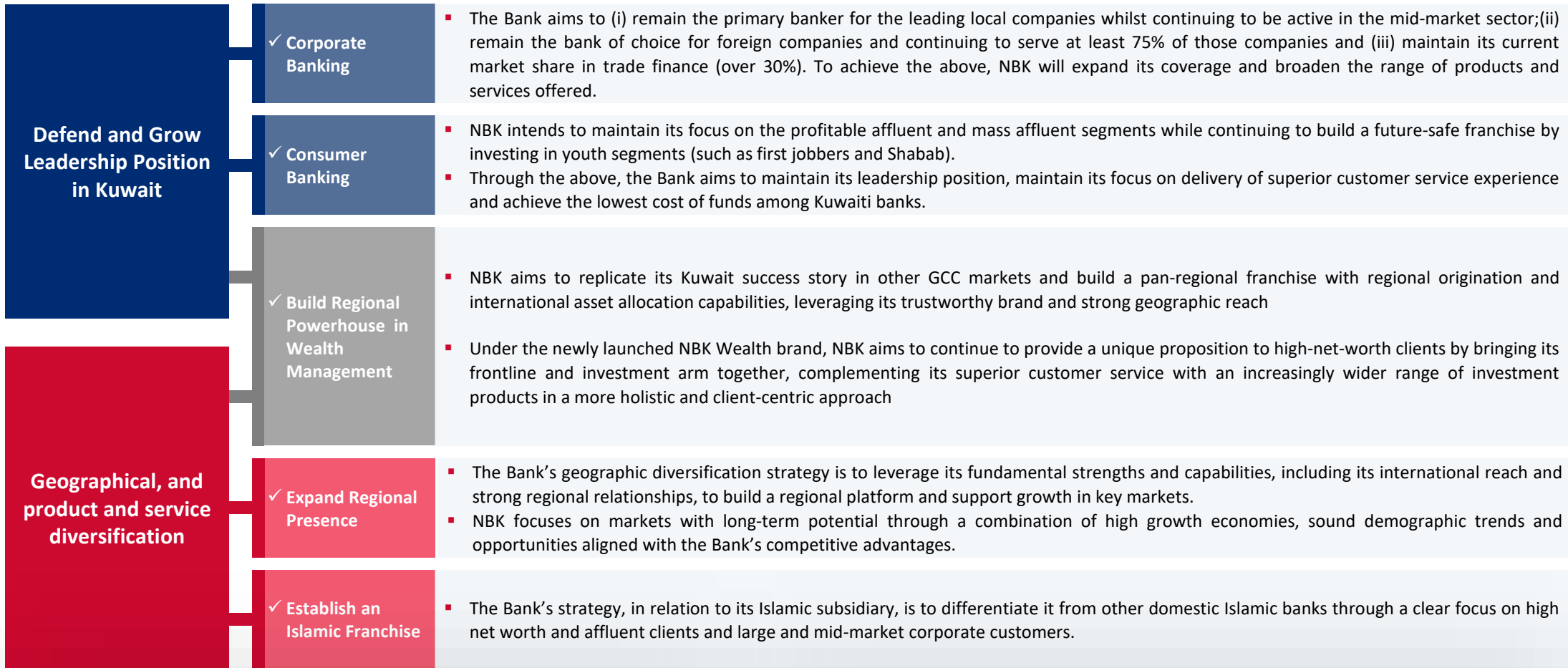
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# NBK's Strategy



**Digital Transformation**

**ESG Transition**





# Kuwait Operations

## NBK



### Corporate Banking



### Consumer Banking

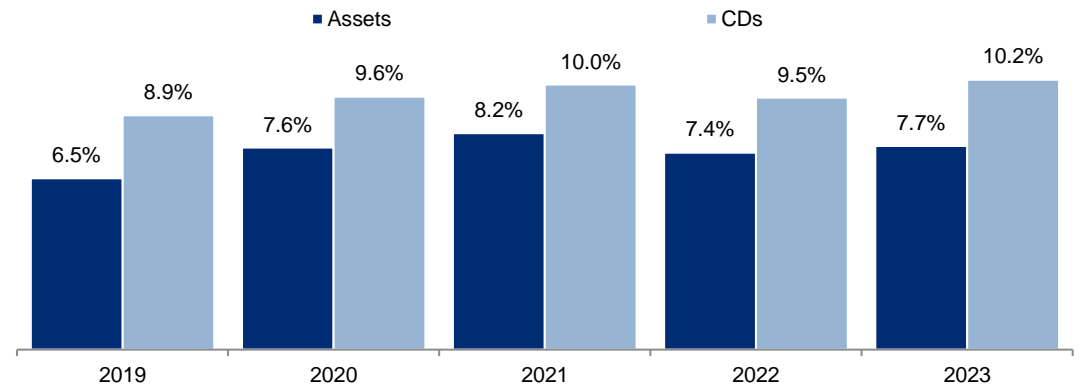
- Remain the primary banker for local blue-chip companies
- Remain bank of choice among foreign corporations; serving 75% of them active in the Kuwaiti market
- Maintain current market share in excess of 30% in trade finance
- Increase market share in medium corporate segment
- Focus on project finance 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

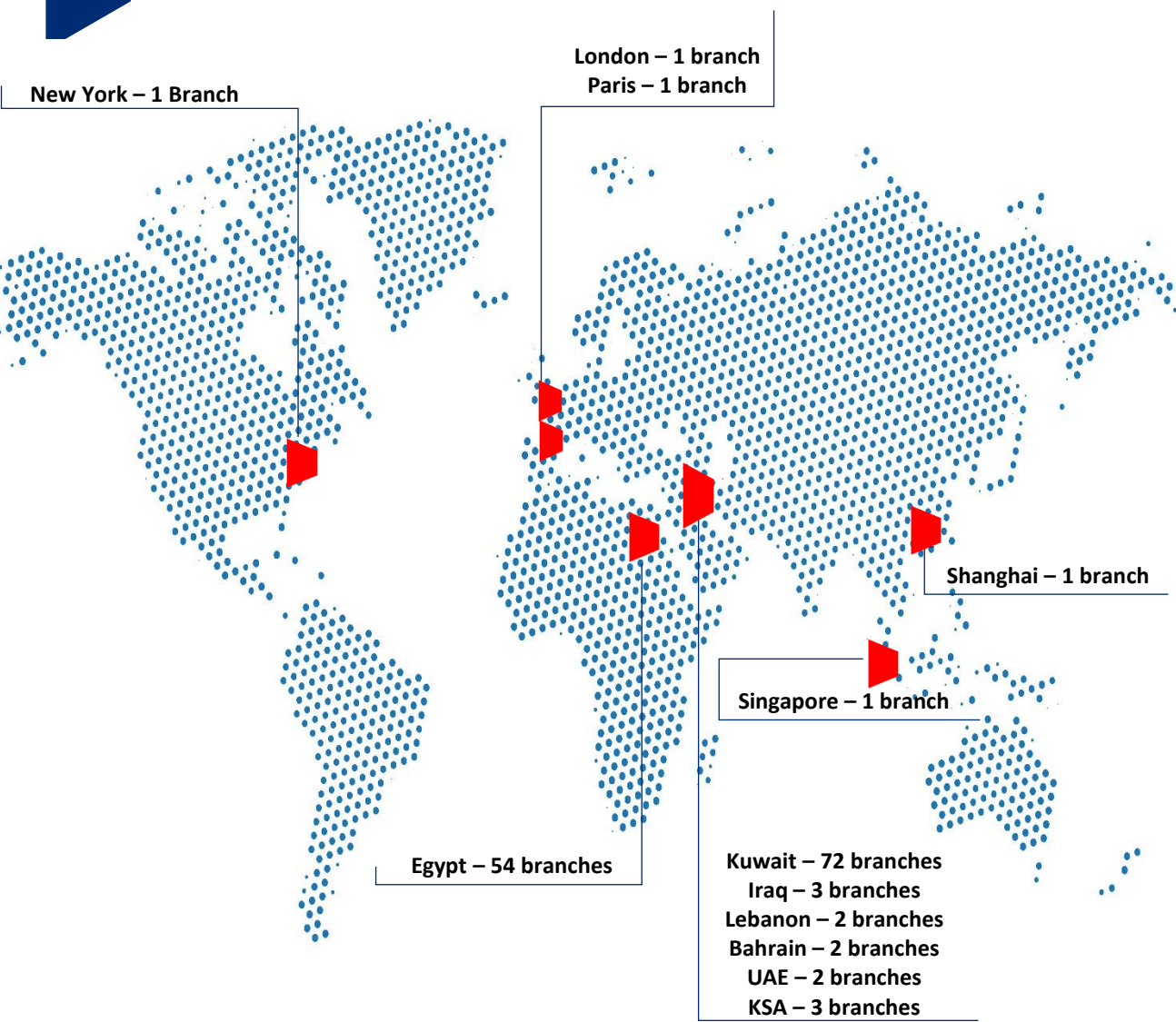
## Islamic Banking (Boubyan Bank 60.4% owned subsidiary)

- After a series of gradual share acquisitions since 2009, NBK's stake in Boubyan bank reached 58.4% in 2012. Through Boubyan, NBK aims at diversifying its income stream, complementing its product offering as well as targeting a new segment of clients.
- The size and market share development of Boubyan relative to other Islamic banks leaves significant room for repositioning the bank and acquiring market share.
- NBK is committed to the future growth and transformation of Boubyan Bank and establishing a strong presence in the growing Islamic banking segment.
- The Bank's transformation and strategy implementation is led by a highly proficient management team with extensive regional banking experience, with key positions filled by NBK veterans aligned with the NBK culture.

Market Share of Assets and Customer Deposits

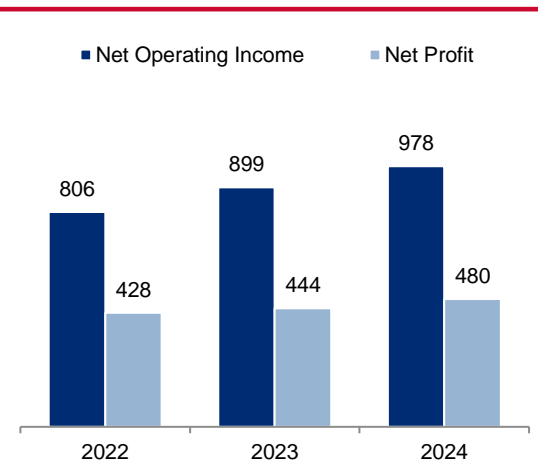


# International Banking Operations

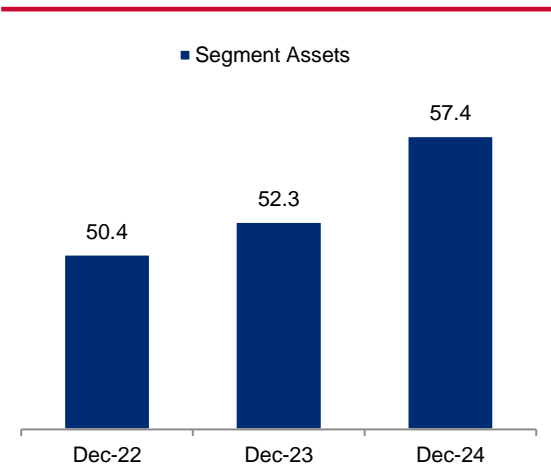


- NBK’s international banking operations have been traditionally contributing circa 25% of the Group’s bottom line.
- NBK’s international presence is a differentiating factor for the Group, enabling better service and strengthening client relationships.
- The Bank is focused on growing its business in 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.
  - growing its market share in Europe by expanding its residential mortgage offering to Spain, Germany, and Portugal through NBK France.
  - 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)**

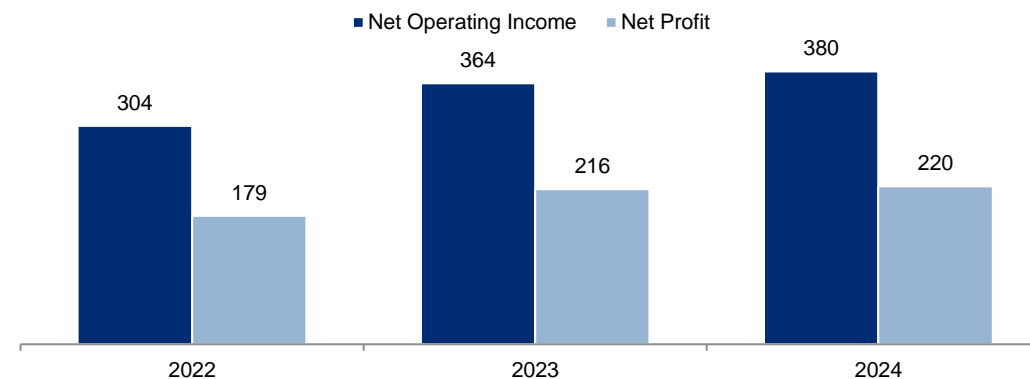


# NBK Wealth

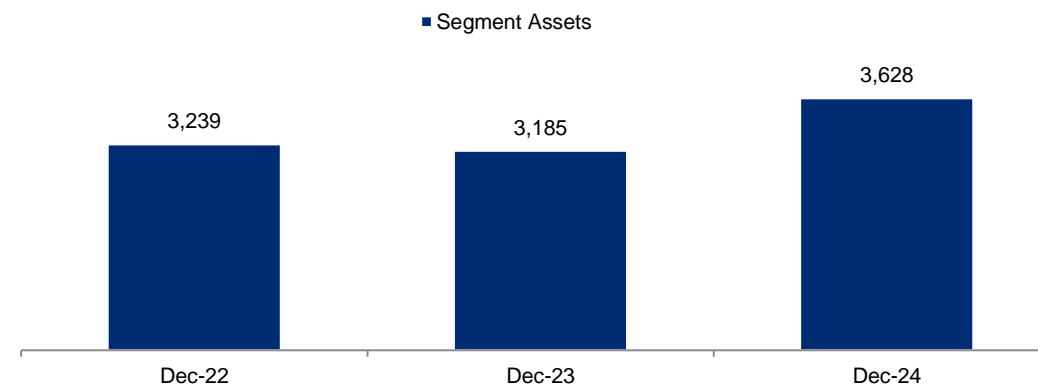
NBK Wealth emerged as the outcome of the transformation plan of merging NBK's private banking and asset management businesses under one leadership and one identity. The transformation plan was focused on client-centricity, and NBK Wealth now offer SHNWI/UHNWI/HNWI and institutional accounts a holistic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



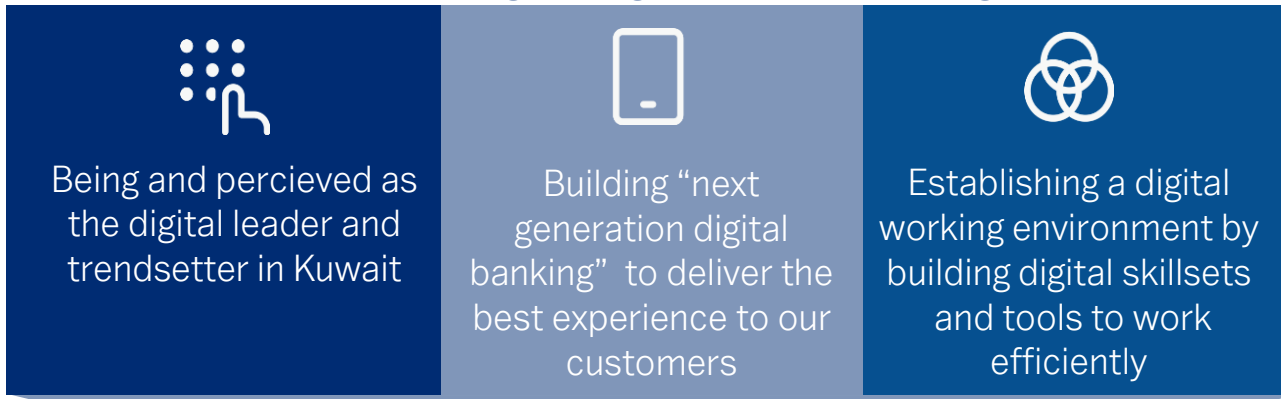
## Balance Sheet Trends (USD mn)





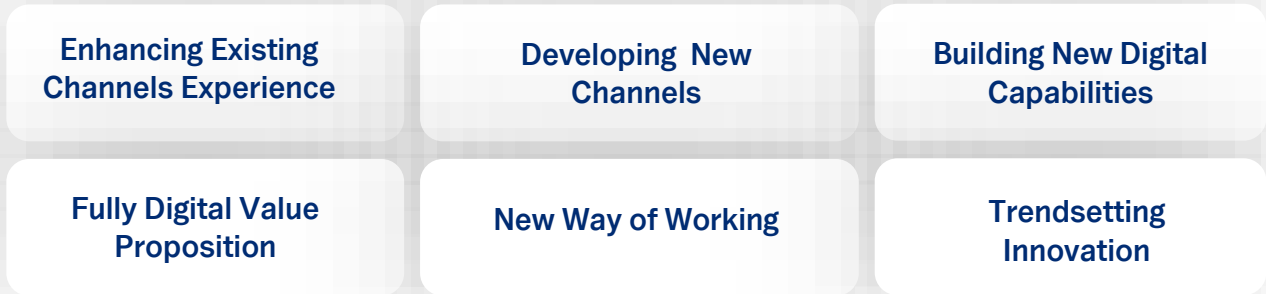
# Digital Transformation Underpinning the Strategy of the Group

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.



# The Fundamental Guiding Forces of NBK's ESG Journey

## ESG Ratings\*



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



NBK maintained MSCI ESG ratings at 'BBB' in 2024



"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



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, **the Bank had around USD 4.57 billion of Sustainable Assets**.
  - 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.
  - Implemented **solar generated power systems** for 18 of NBK's local branches.
  - 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.
- 
- 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.
  - Conducted a **climate risk materiality assessment** on the bank's portfolio to identify high impact and carbon intensive sectors.
  - NBK actively serves as a key member of the **Kuwait Banking Association (KBA) ESG Committee**, contributing to the advancement of sustainable development within Kuwait's banking sector.
- 
- 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. In 2024, NBK was named first in Kuwait for pioneering CBK's campaign during FY2023.
  - 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** for the second consecutive year; a global advocacy program that aims to support women-owned small businesses.
  - Launched the **"Bankee" financial literacy program** in **61 schools** in Kuwait, with **32,235 students and 7,335 teachers participating**.
  - Launched the second edition of **NBK Tech Academy** to attract and provide the Kuwaiti youth with a **best-in-class and innovative program in digital transformation**.
  - In collaboration with Kuwait Dive Team (KDT), **removed 127 tons of plastic, discarded fishing nets, and shipwreck from Kuwait's bays and coasts in 2024**.
  - Total Community Investments reached around KD 30 million in 2024 (~USD 97 million)**.
- 
- Developed an **Employee Grievance Policy**, which was circulated to all employees and published on NBK Group Website.
  - Finalized and publicly disclosed a **Diversity, Equity, and Inclusion (DE&I) Commitment Statement, which will be supported with a DEI strategy (in final stages of development)**.
  - As of 30 September 2024, **females represented 43.4 % of total NBK Kuwait workforce, and in management 27.7%**.
  - Continued to provide **Sustainability Essentials Training Program across the Group**, providing employees with capacity building on key sustainability concepts.
  - In 2024, NBK Kuwait employees received around **114,000 training hours**.
  - NBK signed an exclusive collaboration agreement with **IE University – Spain**. The agreement covers several areas including **talent development, promoting corporate innovation**, as well as **developing and implementing integrated solutions**.
  - NBK launched a **FinTech partnership platform** in efforts to support the growth and innovation of FinTech, recognizing its transformative potential to drive sustainable development.

\*Note: The ESG key highlights reflect NBK's achievements during the reporting period 1 January 2024 to 31 December 2024  
Sources: National Bank of Kuwait, [NBK ESG Investor Presentation - August 2024](#), [NBK 2023 Sustainability Report](#)



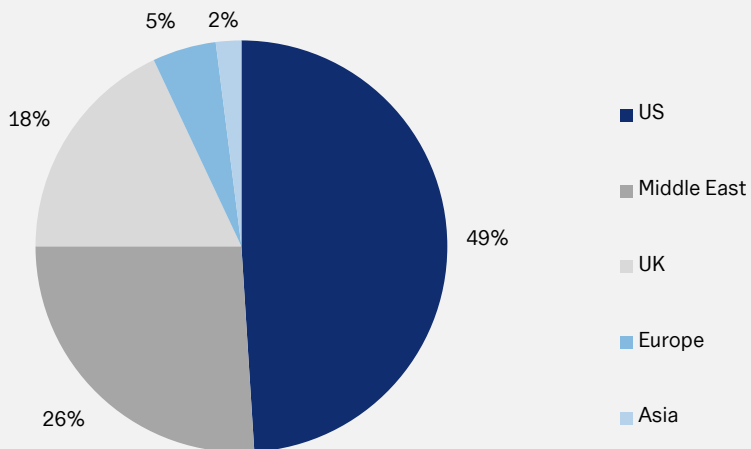
# NBK's Debut Green Bond

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.

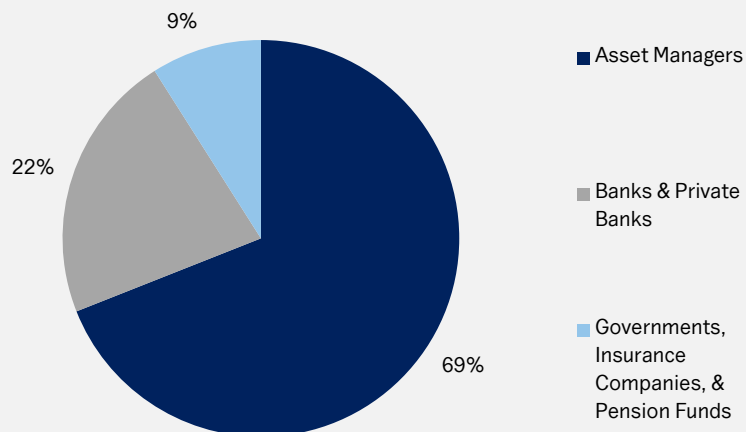
## Strong Investor Interest

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

To view NBK's Sustainable Financing Framework: [NBK Sustainable Financing Framework 2022](#)



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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	2022	2023	2024 <sup>e</sup>	2025 <sup>f</sup>
Nominal GDP (USD billion) <sup>1</sup>	183.5	165.4	156.7	153.8
Real GDP (% y/y) <sup>1</sup>	6.8	-1.7	-2.4	-3.0
Real non-oil GDP (incl. refining, % y/y) <sup>1</sup>	1.6	1.0	2.3	2.6
Consumer price inflation (% y/y, avg.) <sup>1</sup>	4.0	3.6	3.0	2.5
Fiscal balance (KD billion) <sup>1</sup>	6.4	-1.6	-2.2	-2.7
Fiscal balance (% of GDP) <sup>1</sup>	11.6	-3.1	-4.5	-5.6
Fiscal break-even oil price (USD/bbl)	76.3	88.3	90.8	90.8
Public debt (% of GDP)	3.0	3.0	2.8	2.8

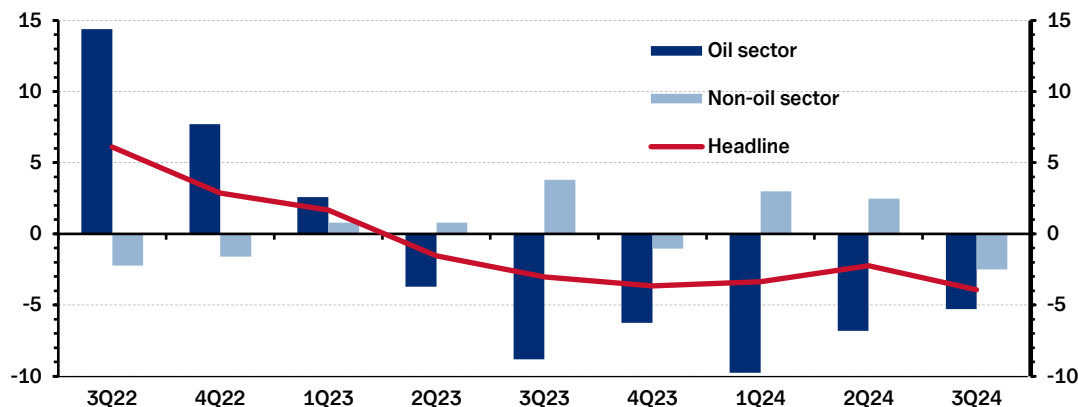
## Sovereign Credit Ratings

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>According to the latest official sources and only to 2023; all other figures are NBK estimates/forecasts

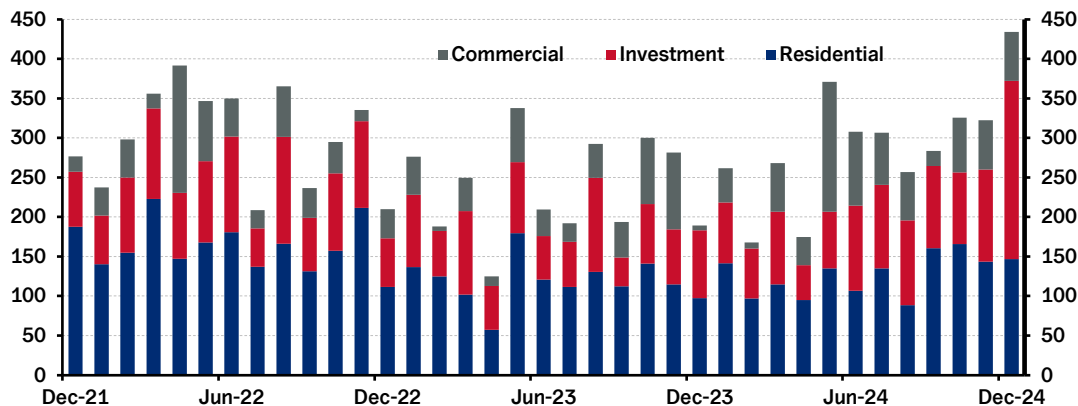
# Kuwait's Economy

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



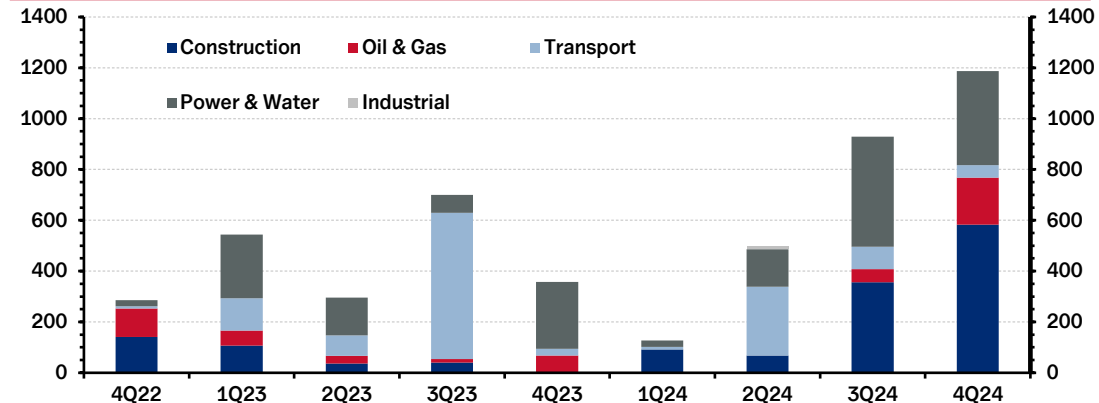
Non-oil GDP growth turned negative in Q3 2024 (-2.5% y/y; -5.3% q/q), first estimates from Kuwait's Central Statistical Bureau (CSB) showed. Output declines were broad-based but especially acute in the manufacturing sector (-10.8% y/y). Oil and headline GDP growth also remained in negative territory for a sixth quarter in a row at -5.3% y/y and -3.9%, respectively, the former due to ongoing OPEC+ production cuts.

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



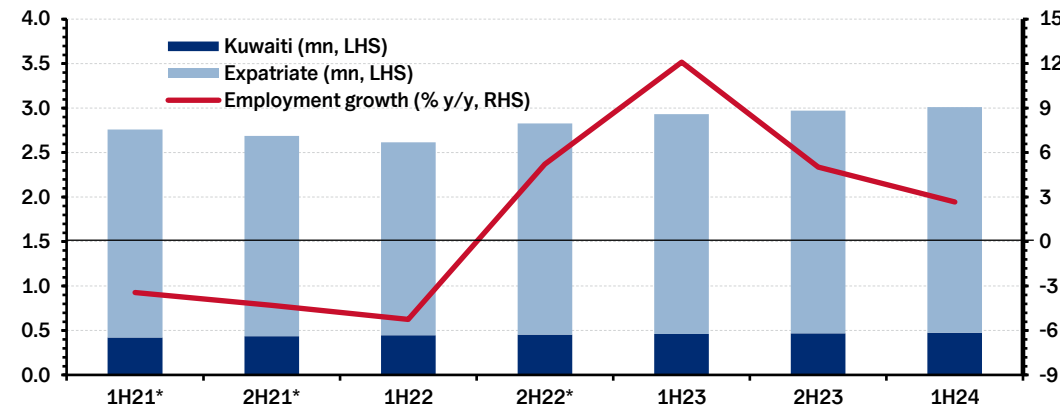
Real estate sales in December increased sharply (+35% m/m), bringing the total for the year to KD3.5 billion (+23% y/y), the best performance since 2022. Activity in all three sectors increased on 2023 but gains in commercial (+46.5% y/y) and investment sales (+34% y/y) outstripped the increase in residential sector sales (+7% y/y).

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



Project awards (value) were robust in Q4 2024, coming in at a near eight-year high of KD1.2 billion (+28% q/q; +232% y/y) on mostly construction and power & water related projects. Total awards in 2024 reached KD2.7 billion, comfortably exceeding (+45% y/y) 2023's figure of KD 1.9 billion.

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



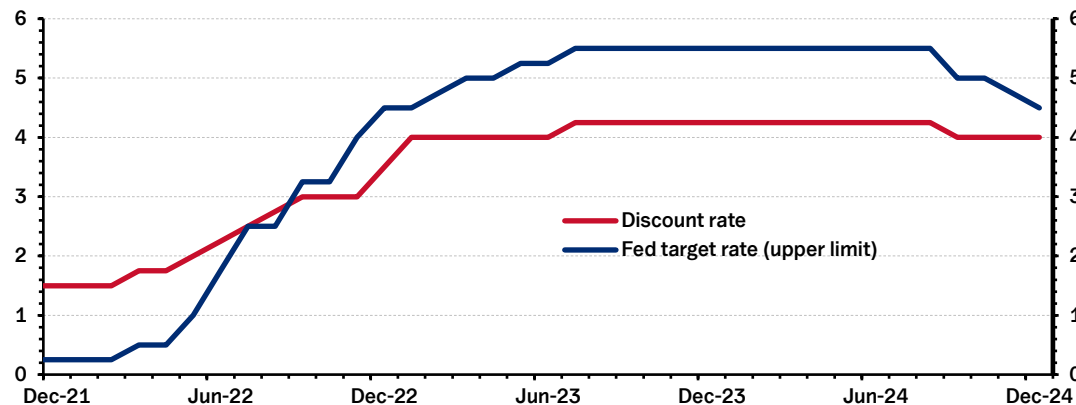
Employment growth slowed to 2.7% y/y in 1H24 in-line with stabilizing post-pandemic expatriate employment.

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



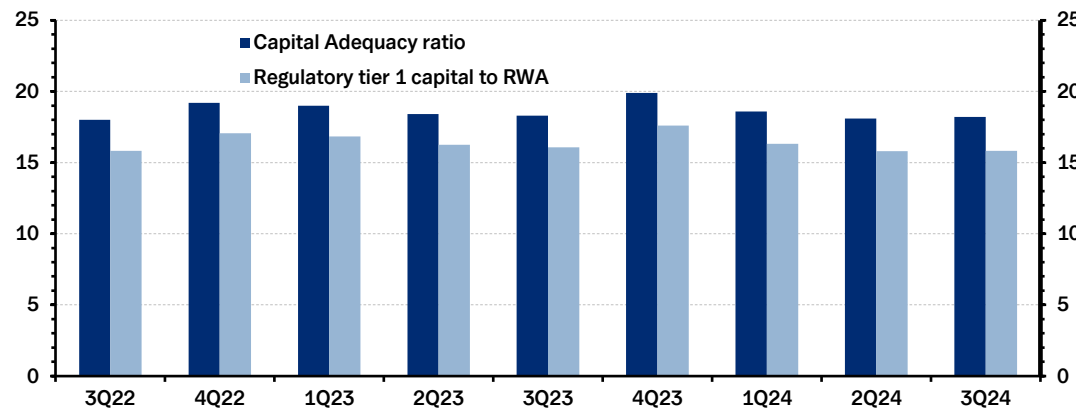
# Kuwait's Banking Sector

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



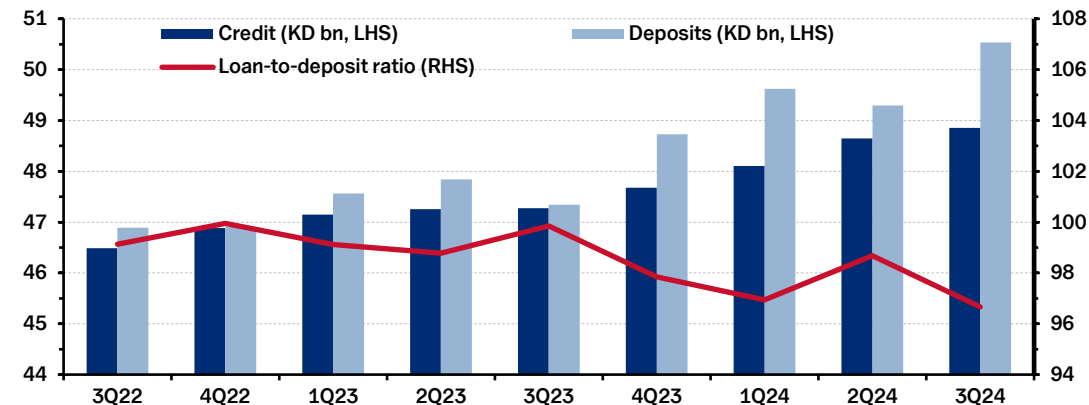
The CBK lowered its key discount rate by 25 bps to 4% in September, taking its cue from the US Fed. This marks the first interest rate move since July 2023. The CBK, having raised rates half as aggressively as the US Fed during the monetary tightening cycle, has so far cut at a slower pace than the US Fed (25 bps vs 100 bps) in loosening monetary policy.

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



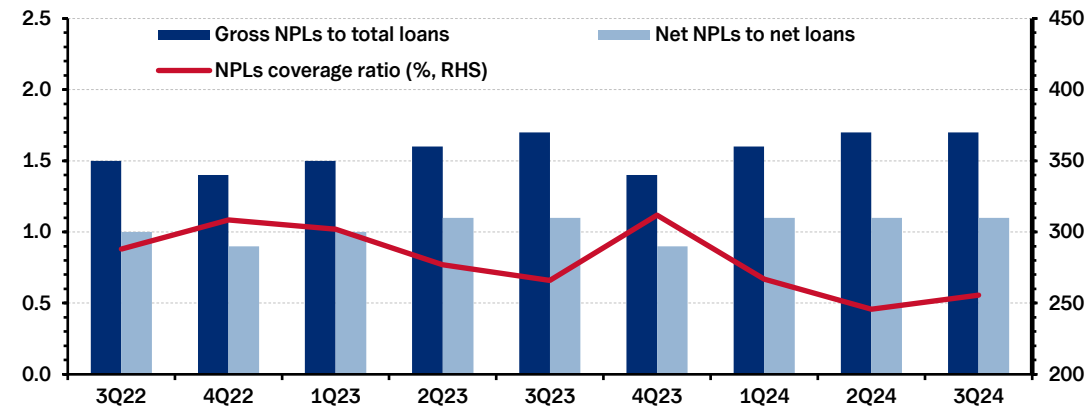
The capital adequacy ratio rose to 18.2% by September 2024, more than five percentage points higher than the minimum requirement.

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



The domestic loans-to-deposits ratio ticked lower in Q3 to 96.7% as deposit growth outpaced credit growth

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



The NPL ratio (gross NPLs/total loans) remained at 1.7% in Q3 2024. The NPL coverage ratio rose to 255.5%.

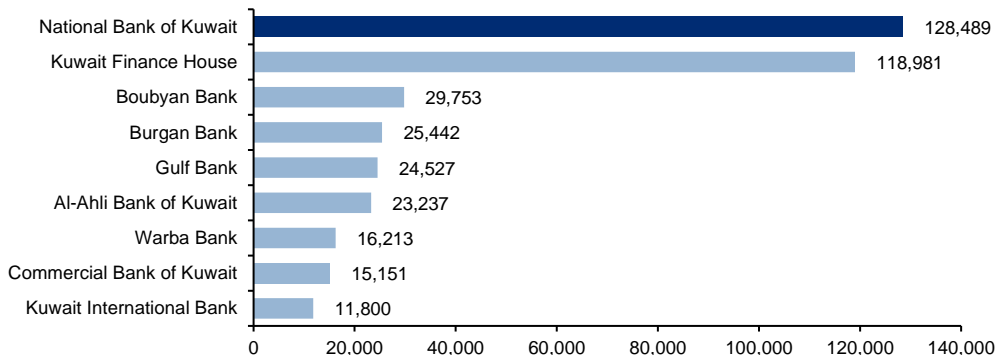
Sources: <sup>1</sup>As per latest Central Bank of Kuwait (CBK) rate hike on 18/09/2024; <sup>2</sup>As per latest published CBK Monthly Statistical Bulletin; <sup>3</sup>As per latest published CBK "National Summary Data Page"



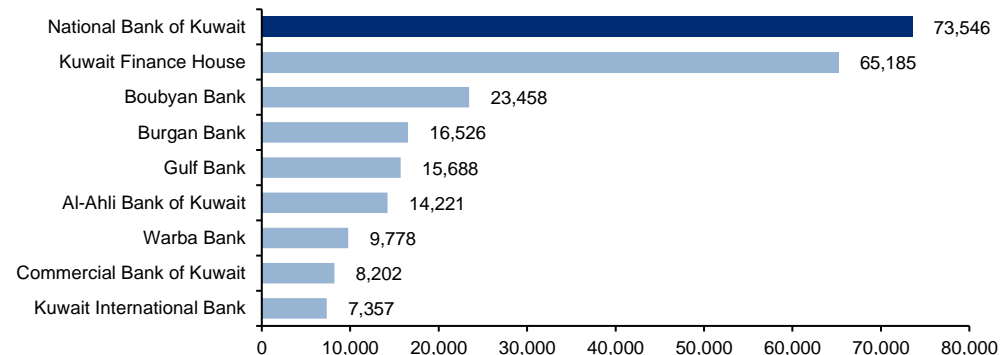
# Dominant Kuwaiti Franchise

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

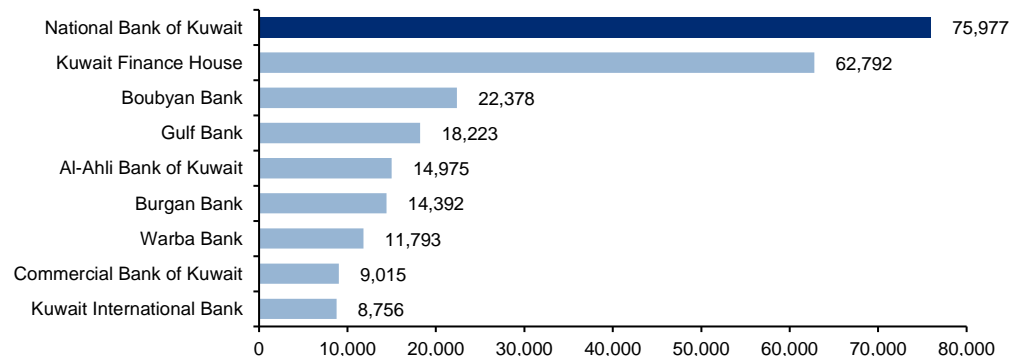
**Total Assets (USD mn)**



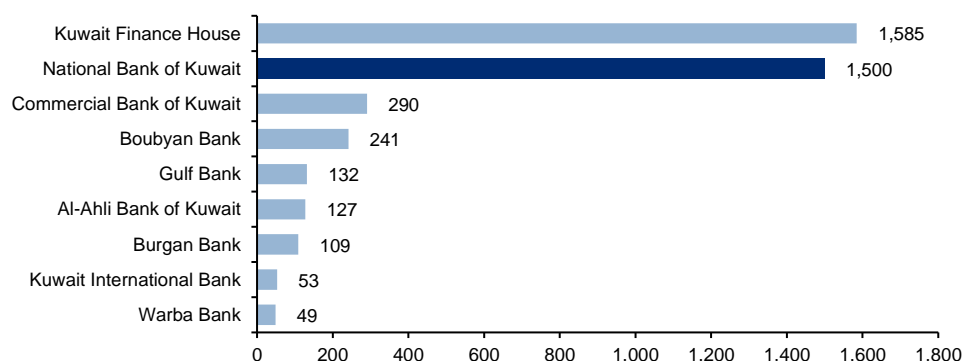
**Customer Deposits (USD mn)**



**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.

The USD/KD exchange rate used is .30475. The rates are based on the Central Bank of Kuwait's closing exchange rates as of 30/09/2024.

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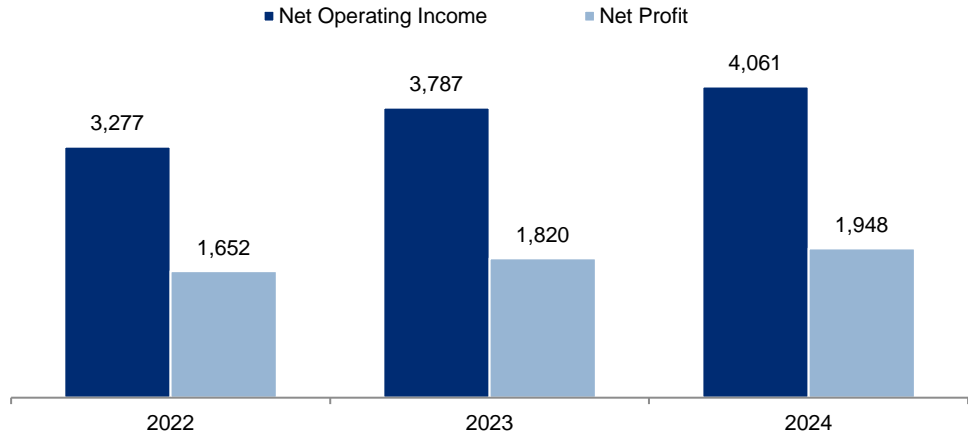


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Section 5	Appendix

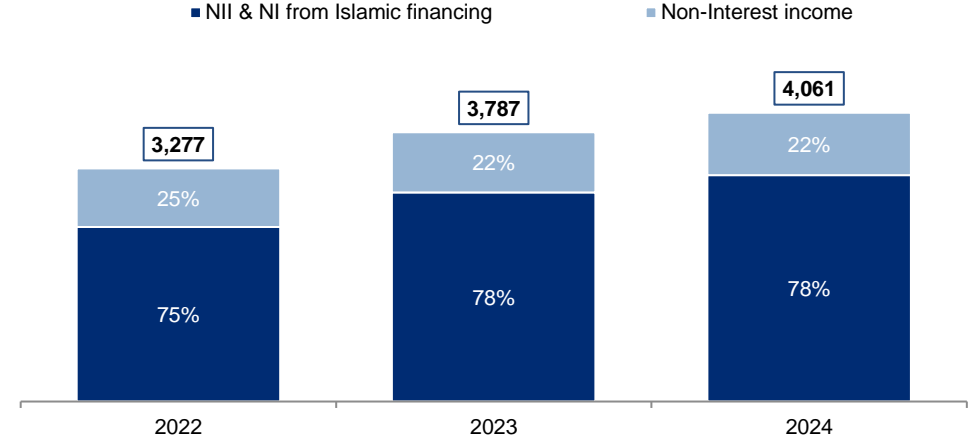


# Operating Performance & Profitability

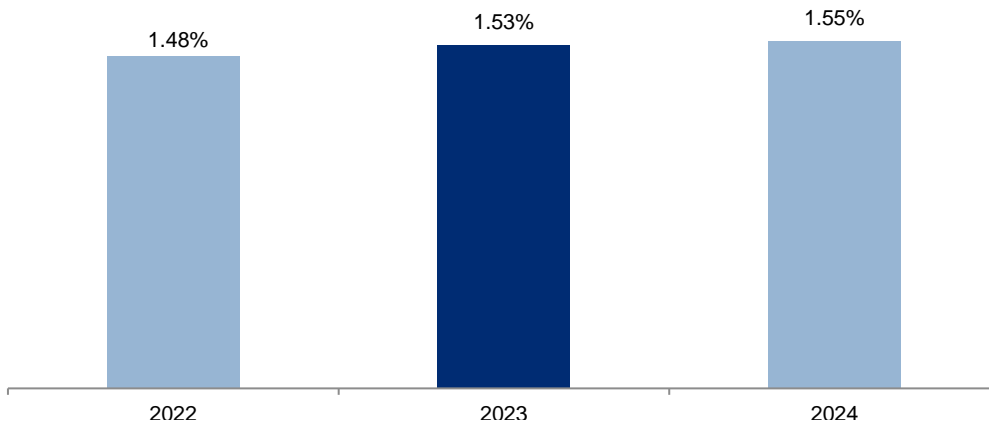
Profitability (USD mn)



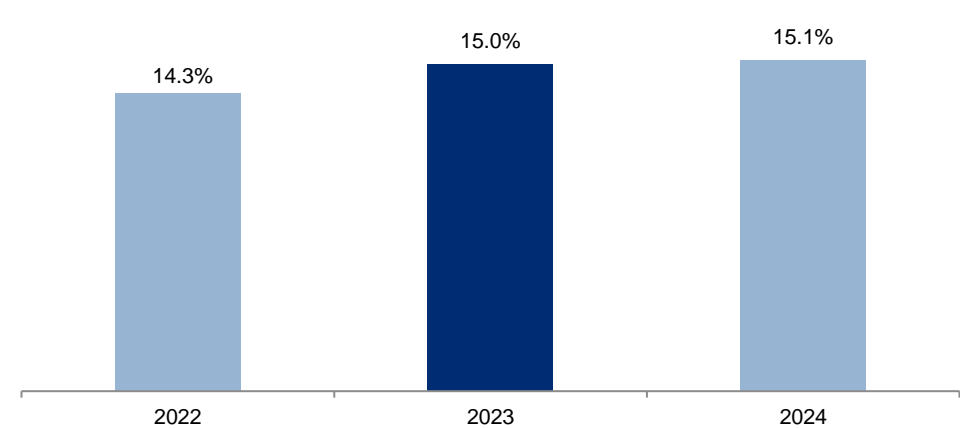
Operating Income Composition (USD mn)



Return on Average Assets (%)

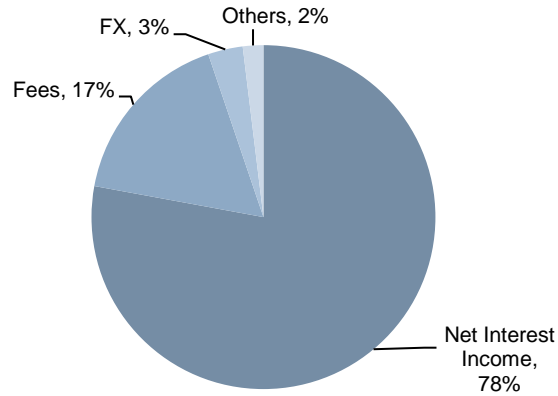


Return on Average Equity (%)

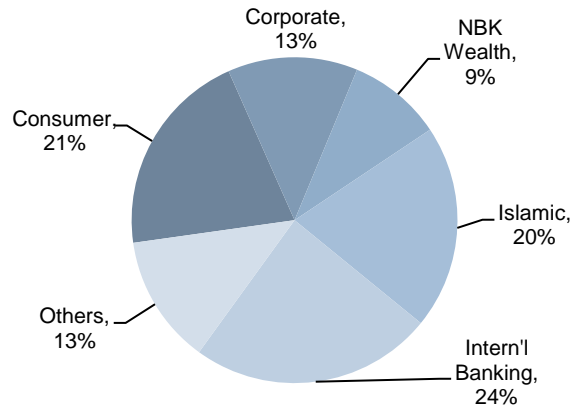


# Operating Performance & Profitability (cont'd)

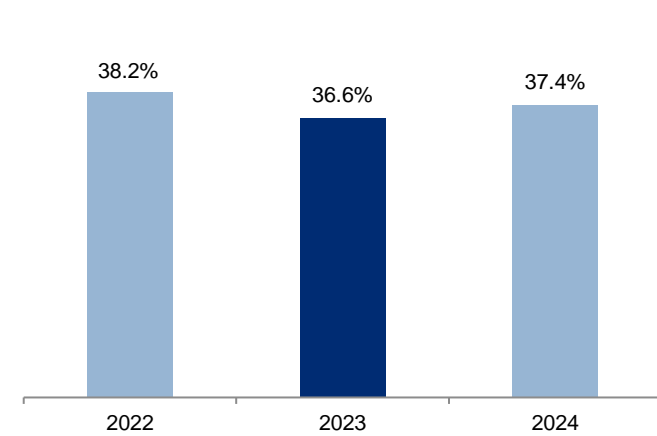
2024 Op. Income by Type (%)



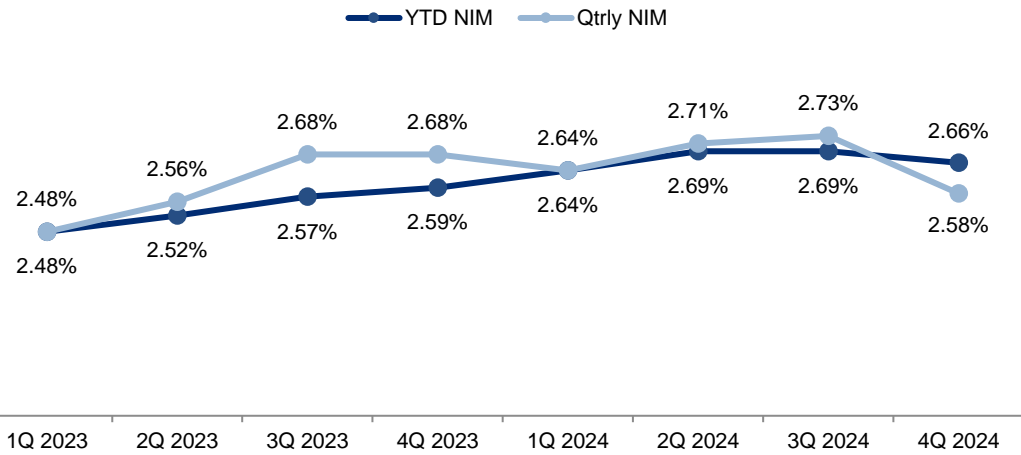
2024 Op. Income by Business Line (%)



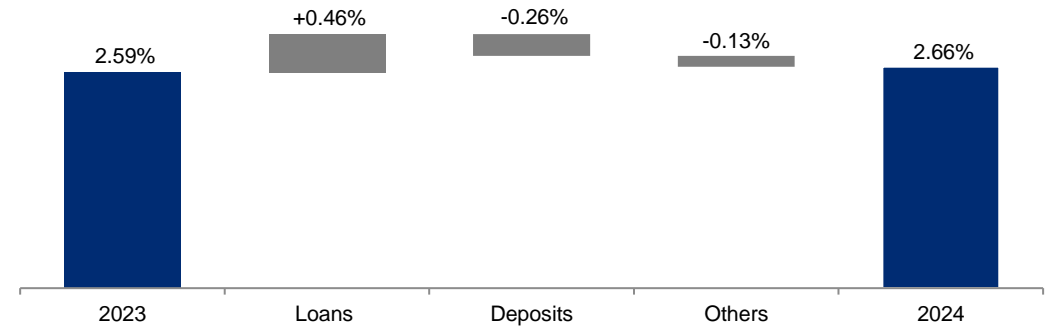
Cost to Income (%)



Net Interest Margin\* (%)



Net Interest Margin Drivers



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

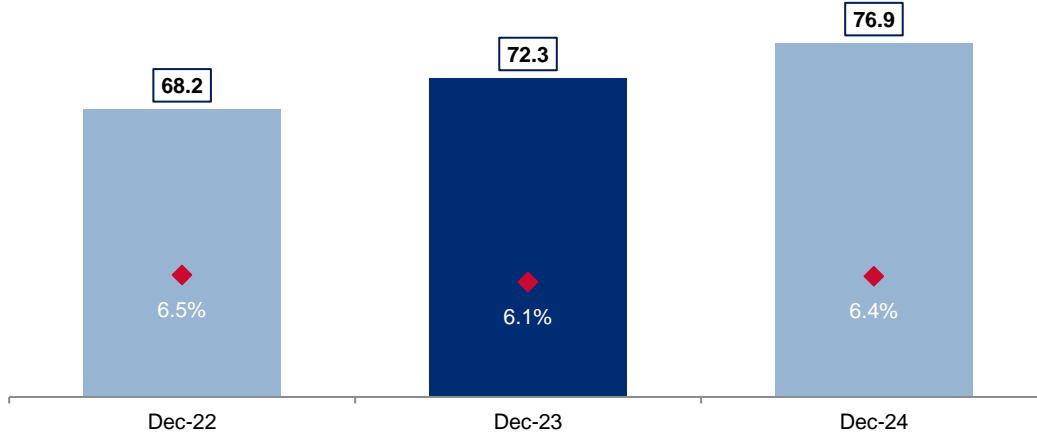




# Balance Sheet Parameters

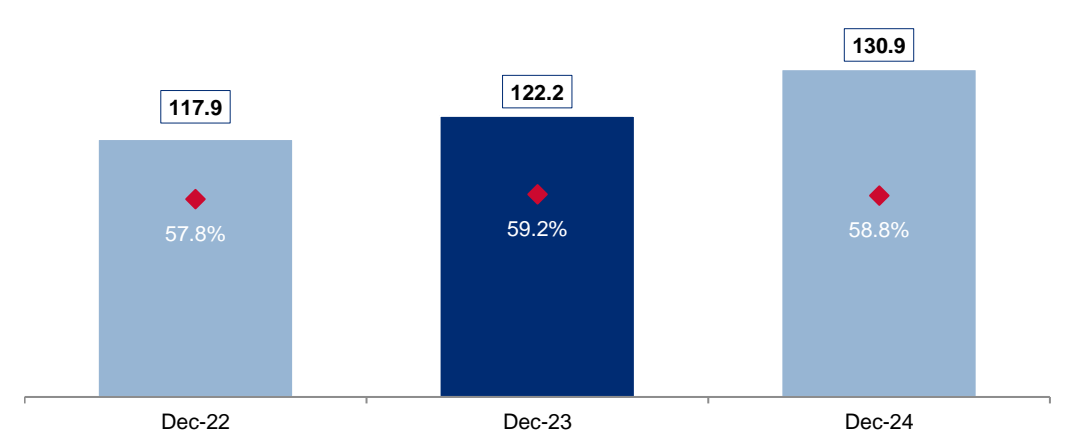
Net Loan Portfolio (USD bn)

■ Net Loans    ◆ Net loan growth YoY (%)

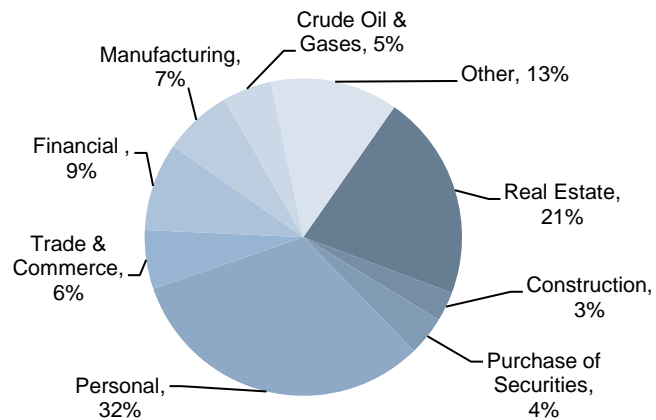


Loans to Assets (USD bn)

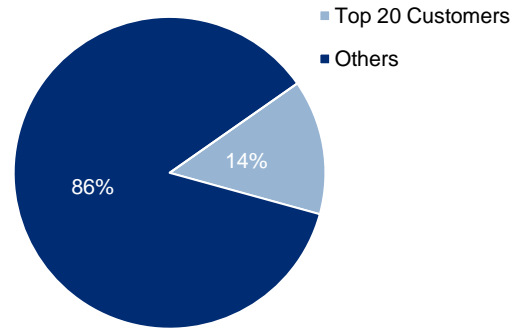
■ Total Assets    ◆ Loans/Assets



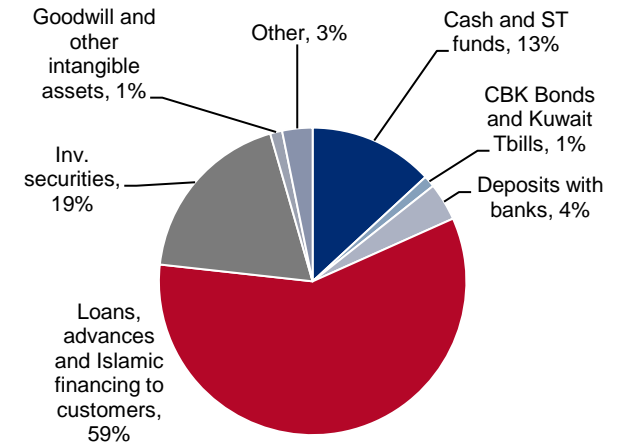
Loan Exposure by Sector (%) (as at 31 Dec. 2024)



Low Loan Concentrations (as at 31 Dec. 2024)



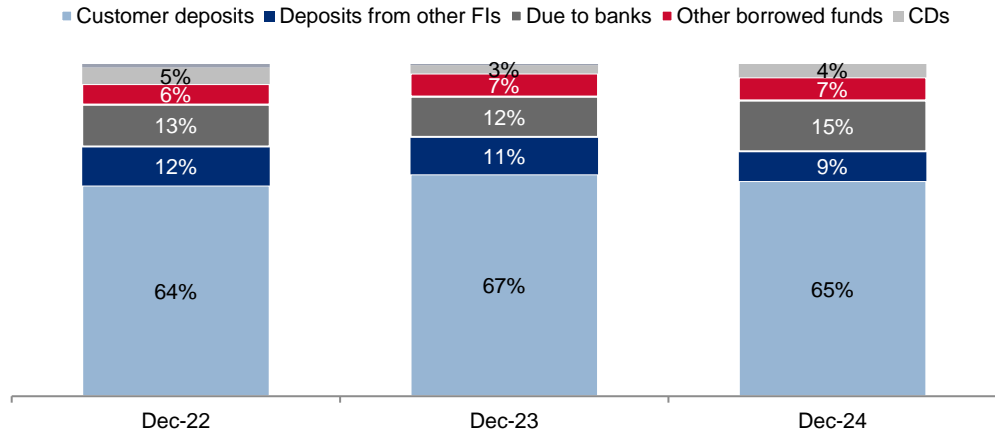
Assets by Type (as at 31 Dec. 2024)



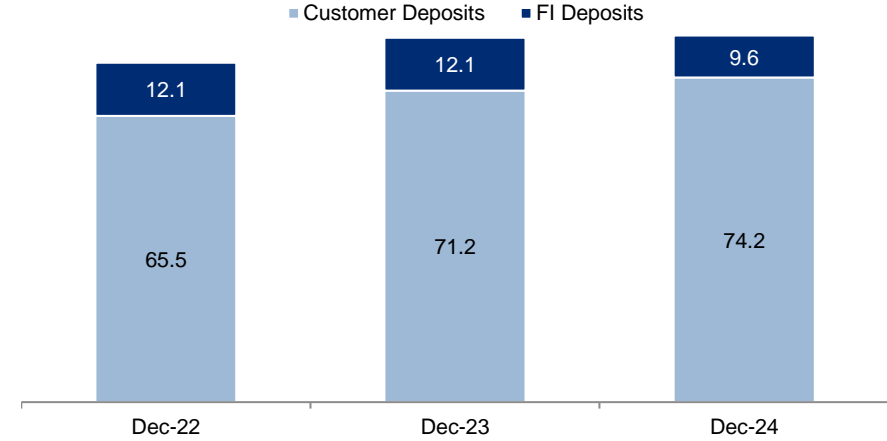


# Funding and Liquidity Positions

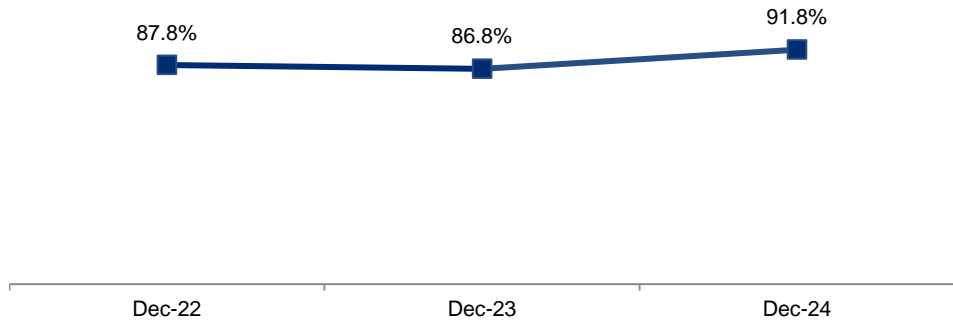
Funding Mix (Total Liabilities)



Customer and FI Deposits (USD bn)

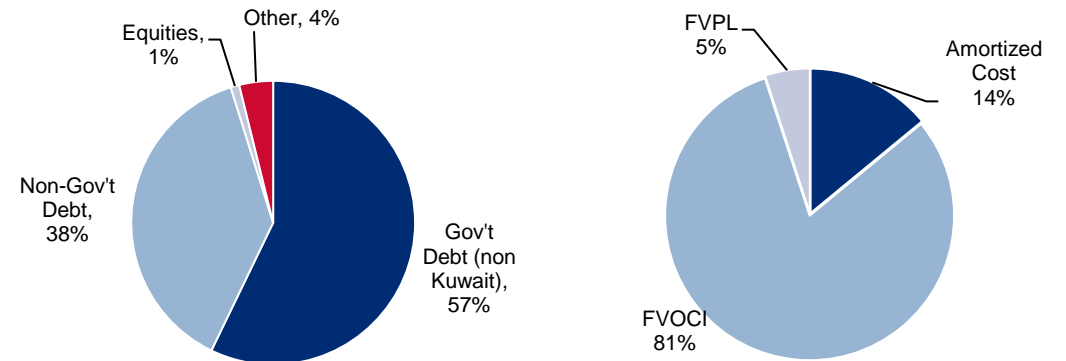


Loans to Customer and other FI Deposits Ratio (%)



Overview of Investment Securities<sup>1</sup> – USD 24.8 bn

As at 31 December 2024

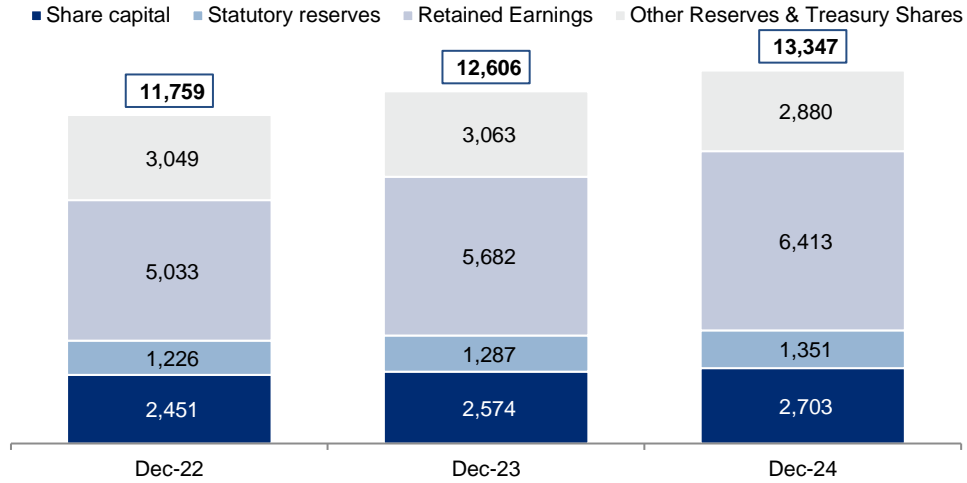


Notes:<sup>1</sup>Excludes investments in Central Bank of Kuwait Bonds and Kuwait Government Treasury Bonds

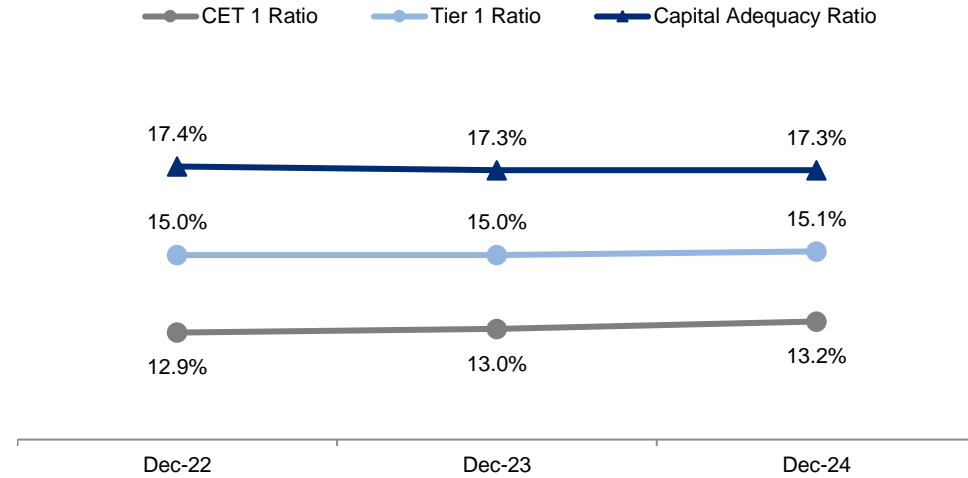


# Capitalization and Asset Quality

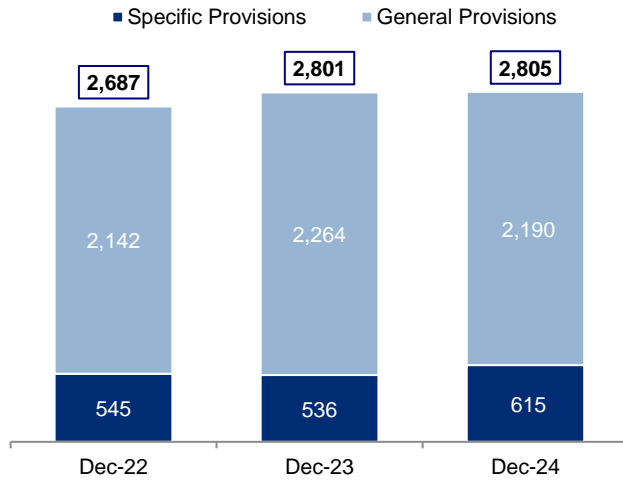
**Total Equity<sup>1</sup> Breakdown (USD mn)**



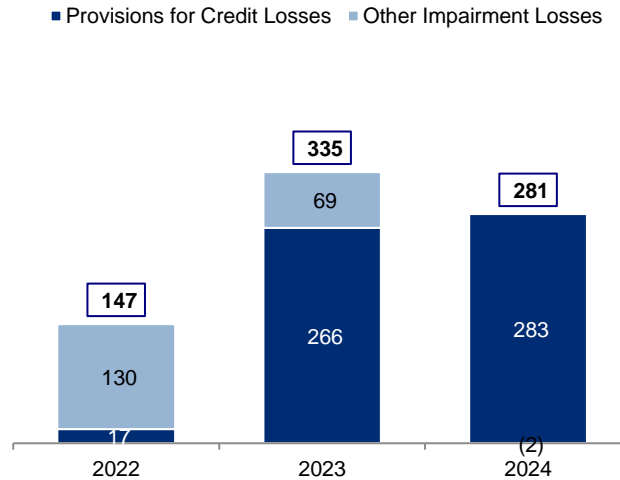
**Prudent Capitalization (%)**



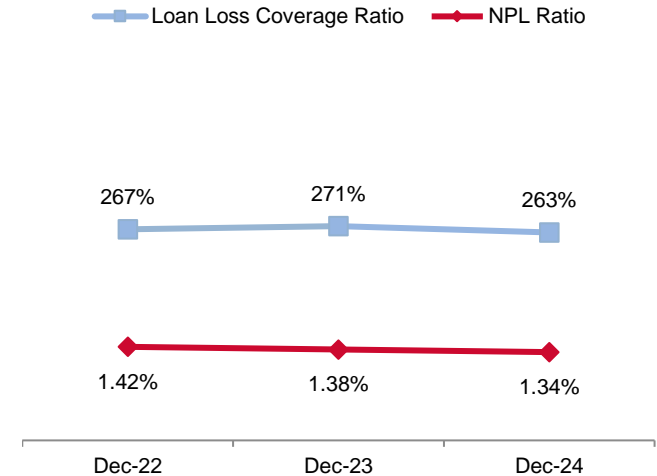
**Prudent Provisioning (USD mn)**



**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.

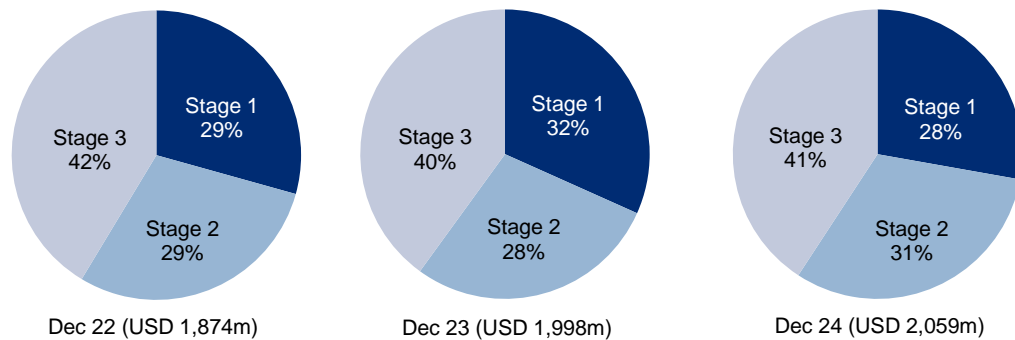


# Expected Credit Losses (ECL) 2024

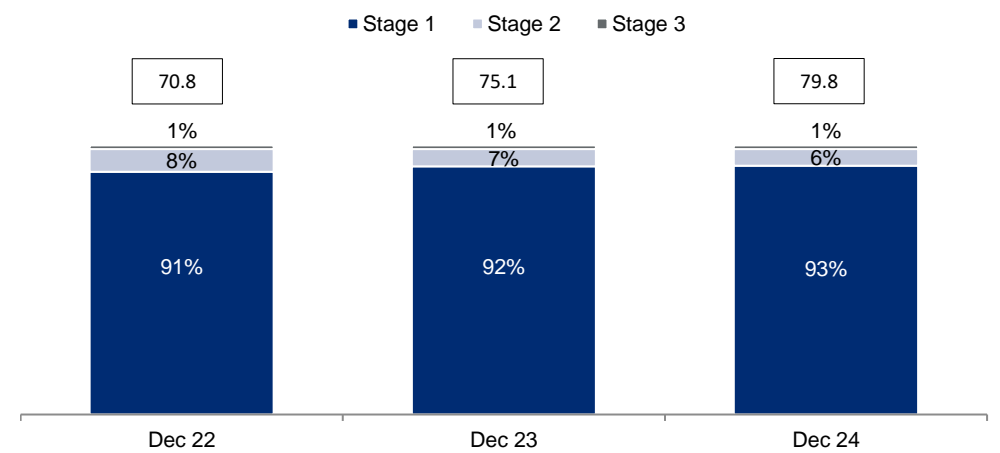
Financial Statements ECL Disclosure (USDm)

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Loans, advances and Islamic financing to customers	73,724	4,961	1,068	79,753
Contingent liabilities	14,873	2,602	44	17,518
Commitments (revocable and irrevocable) to extend credit	29,618	2,910	1	32,529
ECL allowance for credit facilities	572	647	840	2,059

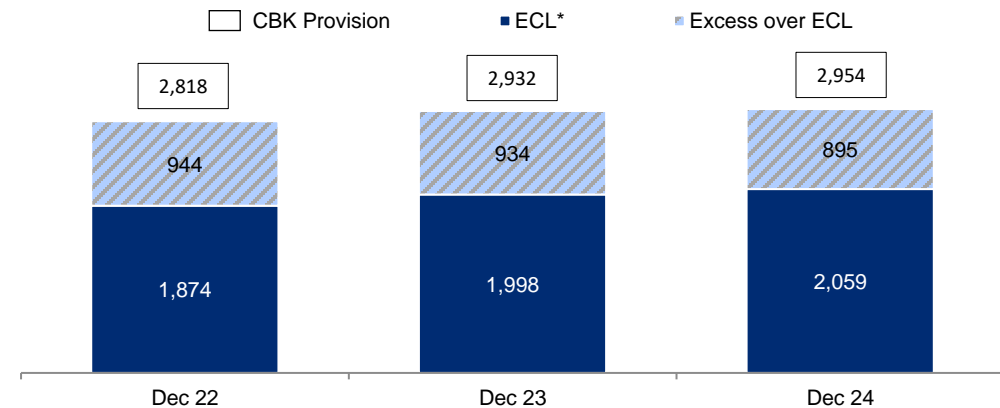
ECL Allowance for Credit Facilities



Total Gross Loans (USDbn)




CBK Credit Provisions vs IFRS 9 ECL (USDm)



\* ECLs as per CBK guidelines

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## Consolidated Financials 2024 (USD mn)

<i>Income Statement (USD mn)</i>	2023	2024	YoY Growth (%)	<i>Balance Sheet (USD mn)</i>	Dec-23	Dec-24	YoY Growth (%)
Interest Income	5,299	5,839	10%	Cash and short term funds	14,231	17,278	21%
Interest Expense	2,948	3,334	13%	Central Bank of Kuwait bonds	2,781	1,115	(60%)
<b>Net Interest Income</b>	<b>2,352</b>	<b>2,504</b>	<b>6%</b>	Kuwait Government Treasury bonds	630	482	(23%)
Murabaha and other Islamic financing income	1,306	1,508	15%	Deposits with banks	4,278	4,490	5%
Distribution to depositors and Finance costs	720	832	15%	Loans, advances and Islamic financing to customers	72,317	76,948	6%
<b>Net Income from Islamic financing</b>	<b>586</b>	<b>677</b>	<b>15%</b>	Investment securities	22,346	24,753	11%
<b>NII and NI from Islamic financing</b>	<b>2,938</b>	<b>3,181</b>	<b>8%</b>	Land, premises and equipment	1,645	1,679	2%
Net fees and commissions	638	668	5%	Goodwill and other intangible assets	1,650	1,658	0%
Net investment income	89	75	(16%)	Other assets	2,370	2,522	6%
Net gains from dealing in foreign currencies	117	134	14%	<b>Total Assets</b>	<b>122,249</b>	<b>130,926</b>	<b>7%</b>
Other operating income	5	4	(8%)	Due to banks	12,865	17,539	36%
<b>Non-interest Income</b>	<b>849</b>	<b>880</b>	<b>4%</b>	Deposits from other financial institutions	12,092	9,574	(21%)
<b>Net Operating Income</b>	<b>3,787</b>	<b>4,061</b>	<b>7%</b>	Customer deposits	71,240	74,217	4%
Staff expenses	757	820	8%	Certificates of deposit issued	2,671	4,873	82%
Other administrative expenses	478	541	13%	Other borrowed funds	4,320	4,935	14%
Depreciation of premises and equipment	144	152	6%	Other liabilities	3,136	3,050	(3%)
Amortisation of intangible assets	5	5	0%	<b>Total Liabilities</b>	<b>106,324</b>	<b>114,188</b>	<b>7%</b>
<b>Operating Expenses</b>	<b>1,384</b>	<b>1,519</b>	<b>10%</b>	Share capital	2,574	2,703	5%
<b>Pre-provision Profits (and impairments)</b>	<b>2,403</b>	<b>2,542</b>	<b>6%</b>	Proposed bonus shares	129	135	5%
Provision charge for credit losses and impairment losses	335	281	(16%)	Statutory reserve	1,287	1,351	5%
<b>Operating Profit before Taxation</b>	<b>2,068</b>	<b>2,262</b>	<b>9%</b>	Share premium account	2,606	2,606	0%
Taxation and Directors' Remuneration	159	189	19%	Treasury share reserve	113	113	0%
Non-controlling interest	90	125	39%	Other reserves	5,896	6,439	9%
<b>Profit Attributable to Shareholders of the Bank</b>	<b>1,820</b>	<b>1,948</b>	<b>7%</b>	<b>Equity attributable to shareholders</b>	<b>12,606</b>	<b>13,347</b>	<b>6%</b>
				Perpetual Tier 1 Capital Securities	1,425	1,425	0%
				Non-controlling interests	1,895	1,965	4%
				<b>Total equity</b>	<b>15,925</b>	<b>16,737</b>	<b>5%</b>
				<b>Total liabilities and equity</b>	<b>122,249</b>	<b>130,926</b>	<b>7%</b>



## Consolidated Statement Of Income (USD mn)

USD mn	2022	2023	2024
Interest Income	3,076	5,299	5,839
Interest Expense	1,181	2,948	3,334
<b>Net Interest Income</b>	<b>1,895</b>	<b>2,352</b>	<b>2,504</b>
Murabaha and other Islamic financing income	933	1,306	1,508
Finance cost and Distribution to depositors	375	720	832
<b>Net Income from Islamic financing</b>	<b>558</b>	<b>586</b>	<b>677</b>
<b>Net interest income and net income from Islamic financing</b>	<b>2,453</b>	<b>2,938</b>	<b>3,181</b>
Net fees and commissions	590	638	668
Net investment income	51	89	75
Net gains from dealing in foreign currencies	180	117	134
Other operating income	3	5	4
<b>Non-interest income</b>	<b>824</b>	<b>849</b>	<b>880</b>
<b>Net Operating Income</b>	<b>3,277</b>	<b>3,787</b>	<b>4,061</b>
Staff expenses	714	757	820
Other administrative expenses	407	478	541
Depreciation of premises and equipment	126	144	152
Amortisation of intangible assets	5	5	5
<b>Operating Expenses</b>	<b>1,253</b>	<b>1,384</b>	<b>1,519</b>
<b>Op. profit before provision for credit losses and impairment losses</b>	<b>2,024</b>	<b>2,403</b>	<b>2,542</b>
Provision charge for credit losses and impairment losses	147	335	281
<b>Operating profit before taxation</b>	<b>1,877</b>	<b>2,068</b>	<b>2,262</b>
Taxation and Directors' remuneration	156	159	189
Non-controlling interest	68	90	125
<b>Profit attributable to shareholders of the Bank</b>	<b>1,652</b>	<b>1,820</b>	<b>1,948</b>



## Consolidated Statement Of Financial Position (USD mn)

<i>USD mn</i>	Dec-22	Dec-23	Dec-24
Cash and short term funds	17,278	14,231	17,278
Central Bank of Kuwait bonds	2,860	2,781	1,115
Kuwait Government treasury bonds	687	630	482
Deposits with banks	4,837	4,278	4,490
Loans, advances and Islamic financing to customers	68,155	72,317	76,948
Investment securities	18,288	22,346	24,753
Land, premises and equipment	1,541	1,645	1,679
Goodwill and other intangible assets	1,736	1,650	1,658
Other assets	2,561	2,370	2,522
<b>Total Assets</b>	<b>117,943</b>	<b>122,249</b>	<b>130,926</b>
Due to banks	13,041	12,865	17,539
Deposits from other financial institutions	12,142	12,092	9,574
Customer deposits	65,492	71,240	74,217
Certificates of deposit issued	5,848	2,671	4,873
Other borrowed funds	4,036	4,320	4,935
Other liabilities	2,341	3,136	3,050
<b>Total Liabilities</b>	<b>102,900</b>	<b>106,324</b>	<b>114,188</b>
Share capital	2,451	2,574	2,703
Proposed bonus shares	123	129	135
Statutory reserve	1,226	1,287	1,351
Share premium account	2,606	2,606	2,606
Treasury share reserve	113	113	113
Other reserves	5,240	5,896	6,439
<b>Equity attributable to shareholders of the bank</b>	<b>11,759</b>	<b>12,606</b>	<b>13,347</b>
Perpetual Tier 1 Capital Securities	1,425	1,425	1,425
Non-controlling interests	1,860	1,895	1,965
<b>Total equity</b>	<b>15,044</b>	<b>15,925</b>	<b>16,737</b>
<b>Total liabilities and equity</b>	<b>117,943</b>	<b>122,249</b>	<b>130,926</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>Bid Evaluation:</b> The project has entered the bid evaluation phase and is expected to be awarded in February 2025.
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>Bid Evaluation:</b> Al Zour North IWPP: Phase II and III: The project is now in the bid evaluation phase.
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> The plan to allocate USD 604 million to the Ministry of Public Works for the project's development during the FY 2024-2025 was approved by the municipal council.
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 on the MPW International Airport Expansion: Terminal II: Package I: Main Works project.

## Contact

### Contact Investor Relations

E: [Investor-Relations@nbk.com](mailto:Investor-Relations@nbk.com)

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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

January 2025