

# Kuwait Times BUSINESS

TUESDAY, OCTOBER 18, 2016

OBG publishes The Report: Kuwait 2016

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Iran hopes to reach Qatar's gas output level by 2017

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## NBK POSTS KD 219.3M NET PROFITS FOR 9M 2016

AL-SAYER: NBK'S SOLID RESULTS CONTINUE TO REFLECT GROWING BUSINESS VOLUMES

Total assets grew by 4.3% YoY to KD 24.8 billion and shareholders' equity by 8.3% to KD 2.9 billion

Al-Sayer: NBK remains the market leader and continues to be the key player in Kuwait's infrastructure development plan

Drop in oil prices remains a challenge but its impact on the domestic operating environment is relatively confined compared to other regional economies

**KUWAIT:** National Bank of Kuwait (NBK) reported net profits of KD 219.3 million (\$728 million) for the first nine months of 2016 compared with KD 227.9 million (\$756 million) for the same period in 2015. Adjusting for gains recognized in 9M 2015 from the sale of NBK's 30 percent stake in International Bank of Qatar (IBQ), net profits recorded a growth of 3.8 percent year on year.

Net operating income grew at 4.5 percent year on year, after adjusting for the sale of NBK's stake in IBQ, to reach KD 545.8 million (\$1,811 million).

Total assets as of end of September 2016 reached KD 24.8 billion (\$82.3 billion) up 4.3 percent compared to end of September 2015, while total shareholders' equity increased by 8.3 percent to KD 2.9 billion (\$9.7 billion). Customer loans and advances reached KD 13.9 billion (\$46.0 billion) as of end of September 2016, growing at 4.9 percent year-on-year, while customer deposits grew by 9.7 percent for the same period to reach KD 12.8 billion (\$42.4 billion).

NBK asset quality remained exceptionally strong with NPLs/Gross loans improving to 1.22 percent as of end of September 2016 from 1.41 percent a year ago, and NPL coverage increasing to 371 percent from 301 percent in September 2015.



Isam Al-Sager

Nasser Al-Sayer, NBK's Chairman, said "NBK's third quarter performance continues confirming our view of an overall improvement in Kuwait's operating environment. The Group is on track to deliver another year of strong financial performance and solid shareholder returns"

Al-Sayer affirmed that the strong set of results in the 9M 2016 is driven mainly by the core banking activities. "Our financial indicators continue to reflect the growing demand for core banking business as economic activity continues to pick up."

Al-Sayer also highlighted the role of the ongoing capital spending plan in the improved operating environment. "The Kuwaiti government



remains determined on its capital spending plan and we continue to see an accelerated trend of project tenders and awards. This has led to an improvement in the overall operating environment, a pick-up in business sentiment and consequently higher demand on bank credit" Isam Al-Sager, NBK's Group Chief Executive Officer said "NBK remains focused on its diversification strategy. We enjoy a highly diversified balance sheet and income sources, allowing the group to capture opportunities through various locations and across different business segments". "Domestically, NBK continues to play a leading role in financing Kuwait's infrastructure development plan while aggressive-

ly defending its market share on the retail front." Al-Sager also added that Boubyan Bank continues to deliver notably to the Group's profitability as the bank embarks on expanding its operations in Kuwait and making larger inroads in Kuwait's Islamic banking market.

Al-Sager also highlighted that the performance of NBK's international operations remains very lucrative despite the challenges that came with lower oil prices and uncertainty in global economic outlook. NBK Group generated 32.6 percent of the 9M 2016 profits from its branches, associates and subsidiaries outside Kuwait.

"Our diversified strategy, conservative risk management practices

and focus on core banking business remained the fundamental to NBK's operations" Al-Sager added. "These attributes have been continuously reflected in the Group's financial indicators year after year as the bank enjoys the best-in-class asset quality indicators and comfortable capitalization levels. We saw our NPL/Gross loans ratio dropping to 1.22 percent with a coverage ratio of 371 percent as of September-end 2016 while our Capital Adequacy Ratio remained very strong at 17.2 percent for the same period"

NBK continues to enjoy collectively the highest ratings among all banks in the Middle East from the three international rating agencies Moody's, Fitch Ratings and Standard



Nasser Mused Al-Sayer

and Poor's. The Bank's ratings are supported by its high capitalization, prudent lending policies, and its disciplined approach to risk management, in addition to its highly recognized and very stable management team. NBK maintains its position among Global Finance's list of the 50 safest banks in the world for the tenth consecutive time.

NBK enjoys the widest banking presence with a local and international network reaching 4 continents. NBK's international presence spans many of the world's leading financial centers including New York, Europe, GCC, Middle East, Singapore as well as China (Shanghai).

# 219.3

## Million KD Net Profit for the 9 Months, 2016

30/09/2016

Net Profit

**219.3**  
Million KD

Net Operating Income

**545.8**  
Million KD

Shareholders' Equity

**2.9**  
Billion KD

Total Assets

**24.8**  
Billion KD

Moody's

Aa3

FitchRatings

AA-

Standard & Poor's

A+

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