

Business

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NBK reports KD 134.2 million in net profit for the first 3 months of 2023



Hamad Al-Bahar

- NBK delivered strong performance in 1Q2023, building on the momentum of its exceptional performance in 2022
- In 2023, we will continue to invest strategically in our people and digital technologies to drive future growth
- Our steadfast commitment to sustainability not only strengthens our prospects for long-term growth, but also solidifies NBK's position as a regional leader in the industry



Isam J Al-Sager

- We saw a robust start in 2023, marked by exceptional operational performance across our business sectors
- We are currently realizing the advantages of our diversified business model and investments in technology
- Our proven track record of delivering long-term results, combined with our robust balance sheet, positions us well to continue our evolution into the bank of the future

KUWAIT: National Bank of Kuwait (NBK) has announced its financial results for the three-month period ended 31 March 2023. The Bank reported a net profit of KD 134.2 million (\$437.8 million), compared to KD 116.6 million (\$380.3 million) for the corresponding period in 2022, improving by 15.1 percent year-on-year.

Total assets as of the end of March 2023 grew by 8.2 percent year-on-year to reach KD 36.5 billion (\$118.9 billion), whereas total loans and advances increased by 5.7 percent year-on-year to KD 21.2 billion (\$69.1 billion), while shareholders' equity reached KD 3.5 billion (\$11.5 billion), growing by 3.5 percent year-on-year.

Commenting on the bank's 1Q 2023 financial results, Hamad Al-Bahar, NBK Group Chairman, said: "NBK delivered a strong performance in the first quarter of 2023, building on the momentum of our exceptional performance in 2022. This performance is despite the challenging global economic environment, including geopolitical tensions, persistent inflation and the banking crisis in Europe and the United States".

Al-Bahar highlighted that NBK's balance sheet is robust, with a solid and stable capital base, supporting the Bank's ability to meet the expanding customer needs while maximizing shareholder returns. He added that in 2023, NBK would continue to invest strategically in its people, and its digital capabilities to ensure the bank's future success.

Al-Bahar also emphasized NBK's unwavering dedication to sustainability, which enhances prospects for long-term growth and reinforces the Bank's position as a leader

in the region. He noted that NBK is actively implementing various initiatives that promote responsible business practices and contribute to the sustainable development of Kuwait's economy. One of the Bank's recent endeavors in this regard was joining the United Nations Global Compact, the world's largest corporate initiative advancing sustainable and socially responsible business practices.

Meanwhile, Isam J Al-Sager, NBK Group Vice Chairman and CEO, said: "We saw a robust start into 2023 marked by substantial increases in both revenue and profit, sustained exceptional operational performance across our business, and ongoing advantages derived from our diverse business model and strategic investments in talents and technologies."

Despite the political volatility in Kuwait, Al-Sager pointed out that the operating environment remained stable during the first quarter of 2023. He emphasized the impressive performance of NBK's core business activities during the current quarter, as well as significant advancements in strategic segments such as wealth management, underlining that the bank's success is built upon a foundation of prudent risk management and a steadfast commitment to maintaining high credit quality. Al-Sager also reaffirmed that these strengths will be leveraged to drive value and growth throughout 2023, as NBK remains dedicated to creating added value for its shareholders.

"During the first quarter of the year, the drivers of operational activities continued to demonstrate positive progress, and higher interest rates played a significant role in the robust growth of

net interest income," Al-Sager confirmed.

"The group's net operating revenues rose by 18.4 percent year-on-year, reaching KD 277.9 million (\$906.4 million), driven by overall revenue improvement stemming from the diversified revenue stream across various business sectors," Al-Sager added.

"In 2023, our focus remains on investing in the future, with a strategic emphasis on enhancing our digital capabilities to provide unparalleled experience to our clients. This includes the development of innovative products and solutions aimed at making banking easier and more convenient for consumers, in order to meet their evolving demands," Al-Sager noted.

"Our consistent track record of delivering long-term results speaks for itself, and we remain committed to enhancing operational efficiency and maintaining prudent capital management practices. This strategic focus ensures that we are well-prepared to navigate any potential scenarios in the global economy," Al-Sager confirmed. "Leveraging our robust balance sheet, we are well-positioned to continue to evolve into the bank of the future, delivering value to our customers, communities, and shareholders. With the support of our solid financial position, strong capitalization rates, and ample liquidity levels, we are positioned for sustained earnings growth," Al-Sager explained.

"We, at NBK, take pride in our meaningful contributions to our communities and the significant progress we have made in advancing sustainability across our operations and corporate culture through various initiatives.



This includes our commitment to achieve carbon neutrality by 2060 and reduce operational emissions by 25 percent by 2025, as we continue to strengthen the pillars of sustainability across our organization," Al-Sager confirmed.

Al-Sager pointed out that NBK has recently received a score of 'C' from CDP, a global non-profit that runs the world's leading environmental disclosure platform, for its Climate Change and Forests 2022 Categories. "As pioneers in our industry, we recognize the importance of setting an example of responsible leadership that drives long-term growth. We believe that our commitment to sustainability and responsible business practices is crucial in contributing to a better future, and we strive to lead by example in our pursuit of sustainable growth," Al-Sager concluded.

