

Business

WEDNESDAY, JULY 10, 2019

12 France to tax flights from its airports, airline shares fall

13 Boubyan Bank records net profit of KD 29 million in first half of 2019

14 New Mercedes-Benz V-Class - New design and even greater comfort



NBK reports 12.5% increase in 1H 2019 net profit to KD 209.1m

Total assets reach KD 27.9bn, a growth of 3.4% year-on-year

KUWAIT: The National Bank of Kuwait ("NBK", the "Bank" or the "Group") has announced its financial results for the 6-month period ended 30 June 2019. NBK reported a net profit of KD 209.1 million (\$689.7 million), increasing by 12.5 percent compared to 30 June 2018, with total assets increasing by 3.4 percent to reach KD 27.9 billion (\$91.9 billion).

Performance highlights: 1H 2019

- Net operating income reached KD 451.9 million (\$1,490.6 million), growing by 2.2 percent on the first half of 2018
- Customer loans and advances increased by 6.5 per-

cent year-on-year to reach KD 16.2 billion (\$53.5 billion)

- Customer deposits reached KD 15.5 billion (\$51.0 billion) increasing by 5.7 percent year-on-year
- Continued achievement of strong asset quality metrics, with NPL/gross loans ratio at 1.39 percent and an NPL coverage ratio of 234 percent
- Robust capitalization with Capital Adequacy Ratio of 16.6 percent, comfortably in excess of regulatory requirements
- Consistently positive long-term credit ratings reflect conservative approach to risk

Commenting on the interim results, NBK Group Chairman, Nasser Al-Sayer, said: "NBK has delivered strong results for the first half of the year, a consequence of relentless focus on the delivery of our strategy, and by seeking new growth avenues across business segments. We have continued to grow our local and international operations, seeing positive results across consumer, corporate and investment banking units, as well as at our Islamic subsidiary Boubyan Bank. With net operating income growing by 2.2 percent year-on-year, and net profit improving by 12.5 percent, we're in a strong position as we enter the second half of the year."



While the economic environment in Kuwait experienced some headwinds as a result of fiscal pressures, the Group's management expects sovereign ratings to remain stable and for sustained commitments to New Kuwait 2035 to drive economic growth. NBK Group CEO, Isam Al-Sager, commented: "We're pleased to announce solid results for the first half, and to show how our strategy to diversify operations and digitalize our services has supported the Bank in its objectives to mitigate risk and navigate headwinds. Strong performance across business units

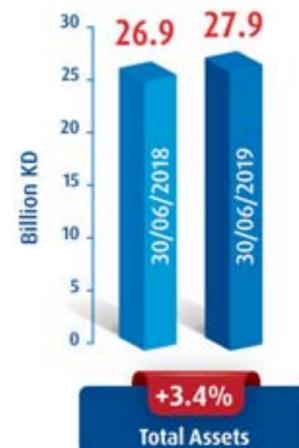
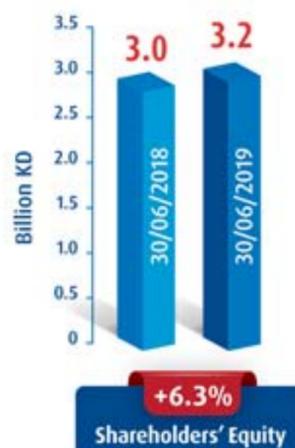
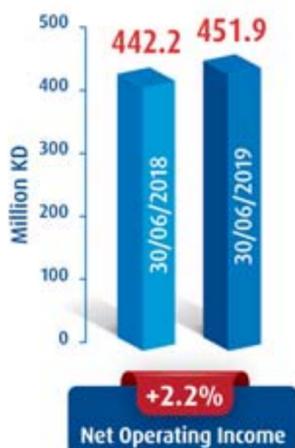
demonstrates our potential for further growth during 2019, particularly as we accelerate the roll-out of our Digital Roadmap, designed to achieve operational efficiencies while tapping exciting new revenue streams."

In 2019, the priorities of the Bank's management remain focused on delivering value to shareholders, growth across business units - including international operations, which contributed to 26 percent to 1H profits - and defending the Group's leadership position in Kuwait. The Group has reaffirmed its commitment to financing large-scale local development projects in support of New Kuwait 2035, contributing directly to the country's socioeconomic growth and development.

The recent confirmation of Kuwait's inclusion to the MSCI Emerging Market Index, effective in 2020, is also expected to stimulate around \$2.8 billion in passive inflows and an estimated \$7 billion in active inflows, further supporting positive investor sentiment towards the local equities market. NBK retains its position as one of the most stable banks in the MENA region, having consistently achieved high credit ratings and being recognized by Global Finance as one of the World's 50 Safest Banks.

209.1

Million KD Net Profit for the 1st Half, 2019



Moody's Aa3 FitchRatings AA- Standard & Poor's A+



1801801
nbk.com