

NBK: A record of success

By **NASSER MUSAED AL-SAYER**

CHAIRMAN, NATIONAL BANK OF KUWAIT (NBK)



NASSER AL-SAYER holds a Bachelor's Degree in Economics from the University of Oklahoma, USA. He has been a Board Member of NBK since 1980. He was appointed as the Board Vice-Chairman in 1993 and Board Chairman in August 2014. He has been a Board Member of the Kuwait Banking Association since 1999, where he was also Chairman from 1999 to 2006. He has also served as a member of the Supreme Council for Planning & Development. Mr. Al-Sayer was Deputy Director-General (1973-1978) and a Board Member of the Kuwait Fund for Arab Economic Development from 1994 to 2000.

Over the course of the past 67 years National Bank of Kuwait (NBK) has demonstrated a record of success. The bank, which was founded in 1952 as the first home-grown bank and the first joint stock company in Kuwait and the Gulf Region, became the universal bank in the home market, delivering world class products and the highest service quality to its retail and wholesale clients. NBK has succeeded in expanding its footprint and establishing a regional client base in MENA, playing an active role in trade flows between MENA and the rest of the world and building a global Private Banking and Asset Management franchise.

Today, NBK is the largest financial institution in Kuwait with effective market dominance in the commercial banking market. NBK has been consistently awarded the highest credit rating of all banks in the region from Moody's, Standard & Poor's, and Fitch Ratings. NBK also stands out in terms of its local and international network, which includes branches, subsidiaries and representative offices in China, Geneva, London, Paris, New York and Singapore alongside its regional presence in Lebanon, Jordan, Egypt, Bahrain, Saudi Arabia, Iraq, Turkey, and the UAE.

NBK's strategy is focused on achieving consistently superior returns for shareholders. Our strategy is built on three principles that guide the bank's priorities. These priorities have been set for all business units and internal functions. They are designed to secure bank leadership in core businesses, to grow outside the core, and to improve profitability.

NBK's business model leverages the considerable resources available to the group, which include a strong brand, an international reach, a high level of financial strength, and a powerful corporate culture. NBK is thereby able to focus its operations and initiatives on a wide range of customer types, across local and international markets, in order to build a suite of products and services that will meet and exceed our client's expectations. According to our business model, the bank strives to deliver value to its key stakeholders – from customers and employees to the local community, regulators and shareholders.

Financial Strength

2018 was another year of strong earnings growth for the Group, with increased contributions from

operations in the domestic market and from operations across our international network. NBK continued to reap the ongoing benefits of its diversified business model and has long enjoyed the sustained earnings power of NBK's brand and reputation. 2018 saw the group deliver its twin strategies of maintaining leadership in its home market and selectively increasing its operational footprint in the GCC.

These achievements have enabled NBK to report net profits of US\$1.2 billion (KD 370.7 million) for 2018 and total assets reached US\$90.4 billion (KD 27.4 billion) at the end of year, while shareholder equity stood at US\$9.7 billion (KD 2.9 billion).

Solid Resources

NBK derives its strength from four main resources. Firstly, the bank has its strong brand position coupled with strong relations and a high reputation among its clientele. It has an international recognition as a trusted institution and a regional leader. Secondly, NBK enjoys an international reach which enables the bank to bridge capital and trade flows within MENA and with global markets.

Thirdly, NBK's financial strength enables the bank to support its clientele with significant transactions. Fourthly, the bank's further resource is a very strong corporate culture that values passion, integrity, conservatism and knowledge.

In 2018, the world's three leading rating agencies reaffirmed their confidence in the stability of NBK as a strong financial institution. With a stable outlook – Moody's confirmed Long-Term Rating at Aa3, Fitch Ratings confirmed a NBK's Long-Term Rating –AA and Standard & Poor's at A+.

Digital Transformation

The diversification of NBK's structure and operations was a key area of focus in 2018. Diversifying a financial institution of NBK's size has wide-ranging characteristics, borne out by the breadth of the initiatives which the bank has undertaken.

A core component of the diversification process is the considerable effort made by the bank towards its digital transformation. During 2018, NBK has accelerated this program across markets, taking important steps towards its long-term objectives. This was a year when the bank positioned itself for the next generation in digital banking.

The digital transformation is taking place across segments and geographies, impacting bank internal processes and systems as well as enhancing the experience and opportunities of bank customers.

NBK is building a *digital mindset* for the bank, to support its efforts towards a cultural transformation, which focuses on bank employees. Aside from innovative products and services, the most important achievement of 2018 was the completion of NBK's *Digital Roadmap*, which we will follow in the coming years. This Roadmap includes defined KPIs that are directly linked to profitability, and which will allow accurate tracking of our progress.

Awards & Accolades

NBK has a long track record of being recognised with global awards which reflect that NBK remains a fundamentally robust bank, and is borne out by the continuing trust that customers and shareholders have placed in the bank. This long track record continued into 2018 with six awards from *Global Finance* magazine as Best Private Bank in Kuwait, Best FX Provider in Kuwait, Best Bank in Kuwait, Best in Mobile Banking – Consumer in Kuwait, Best Consumer Digital Bank in Kuwait and Best Mobile Banking App – Consumer in Kuwait. *Euromoney* magazine also awarded NBK three awards during last year as Best Bank in Kuwait, Best Private Bank in Kuwait and Best Cash Management for Non-financial Institutions. NBK also received awards from *Brand Finance* magazine as Most Valuable Banking Brand on Kuwait and by *The Banker* magazine as Bank of the Year – Kuwait.

Teamwork

NBK features a diverse staff of 6318 employees, representing 53 nationalities and 45 per cent of the team are women. Recognising that NBK's success as an institution is made possible by the people who work within it – at every level – the HR strategy is at the heart of the group's broader strategic plan. The quality of NBK's team ensures the quality of services to customers of all types and in all markets, which is why our people are such a high priority as the bank continues to grow.

NBK's professional development efforts remain a source of real pride across the Bank. NBK delivers tailored management-level training to reduce attrition and to improve cohesion in middle management. In 2018, NBK provided specialised training to Private Banking, with a focus on enhanced relationship management, which was rolled out in the fourth quarter. In addition, efforts were made towards building a new development program, which will focus on a corporate executive curriculum, aimed at business chiefs, to help create better linkage and collaboration between divisions.

Sustainability Practices

NBK's approach to sustainability is constantly evolving, in order to meet and exceed the conditions and expectations that exist in the market. NBK's sustainability model is also closely aligned with the *Kuwait National Development Plan* – in which NBK considers itself a vital stakeholder – as well as *United Nations Sustainable Development Goals (UNSDG)*, *Boursa Kuwait Sustainability Indicators* and *Global Reporting Initiative (GRI)* standards.

NBK has six sustainability pillars, which shapes our sustainability policy and program. The first pillar is supporting economic development, which includes working closely with the Kuwait National Development Plan (KNDP). NBK supports the *National Vision 2035*, aligning bank economic sustainability goals with those of the country.

Our second pillar is serving NBK customers – aiming to provide complete satisfaction. We have a number of platforms for customers to provide feedback easily, which then triggers an efficient operational response. Third is promoting best practice in Corporate Governance as we believe that good Corporate Governance is based on a set of values and behaviours that underpin our day-to-day activities.

The fourth pillar is respecting and developing people – providing more than 6000 employees with access to a training and development program that grows in reach and sophistication every year. Fifth is caring for the environment as NBK supports the judicious consumption of energy and water, responsible waste treatment and disposal, and the reduction of carbon emissions.

The sixth pillar is giving back to the community. We believe that NBK has a duty to serve the community based on NBK's corporate Social Responsibility (CSR) programme, which continues to promote social development, children's care and healthcare throughout Kuwait.

Today, NBK is the largest financial institution in Kuwait

NBK head office in Kuwait City

