National Bank of Kuwait

Investor Presentation

2Q/1H 2026 Earnings Call

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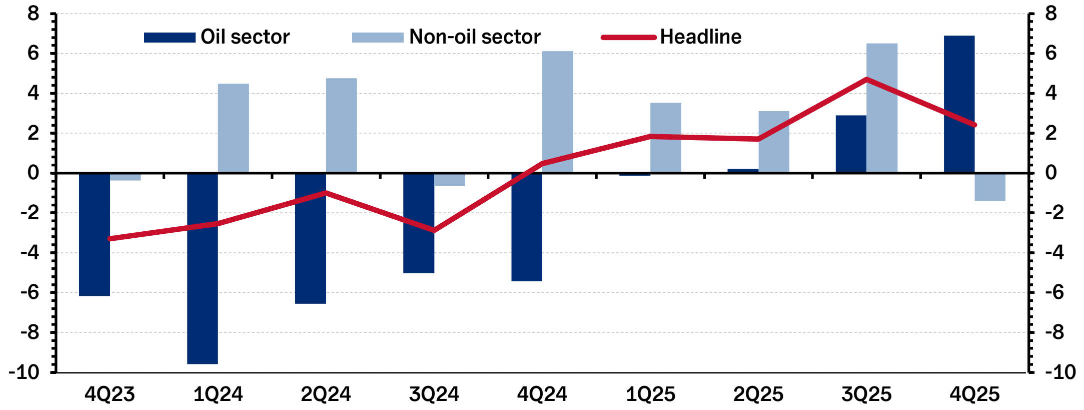
Key Economic Highlights

GCC Headline Growth (%)

	2025e	2026f	2027f
Bahrain	2.8	-5.5	6.5
Kuwait	2.9	-13.1	26.7
Oman	2.6	2.3	3.9
Qatar	2.9	-10.0	7.2
KSA	4.5	0.7	6.1
UAE	5.6	1.3	5.9
GCC	**4.4**	**-0.9**	**7.5**

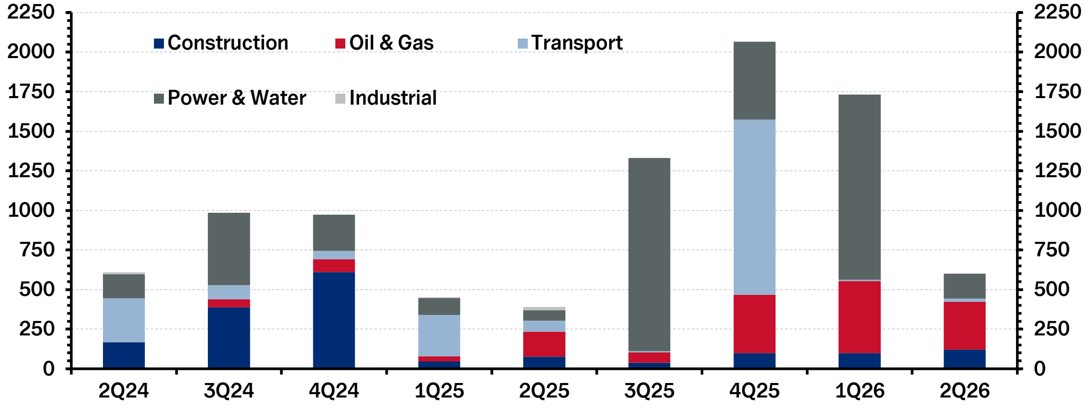
Headline economic growth across the GCC is expected to slow in 2026, weighed down by the ongoing regional conflict. The closure of the Strait of Hormuz is exerting pressure on the hydrocarbon sector, with oil output seen declining amid limited availability of alternative export routes. Non-hydrocarbon activity is also set to weaken, reflecting lower tourism flows, elevated uncertainty, and a deterioration in the business climate. That said, the outlook for next year is more constructive, underpinned by a recovery in oil production and an easing of geopolitical pressures.

Real GDP Growth[1] (% y/y)



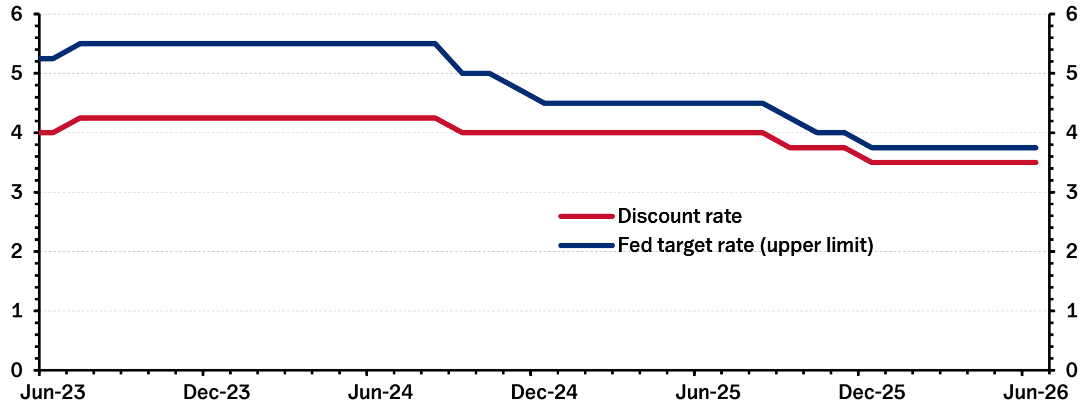
Preliminary official estimates show that headline GDP slowed to 2.4% y/y in Q4 2025, weighed by a 1.4% y/y contraction in the non-oil sector amid reduced refining activity. Meanwhile, oil GDP expanded 6.9% y/y, the fastest rate in two years, helped by the unwinding of OPEC-8 voluntary cuts.

Project Awards[2] (KD million)



Project awards (value) fell to KD600 million in Q2 2026, more than halving from the previous quarter's reading. The decline was mainly linked to the unstable geopolitical backdrop.

Kuwait Discount Rate[3] (%)

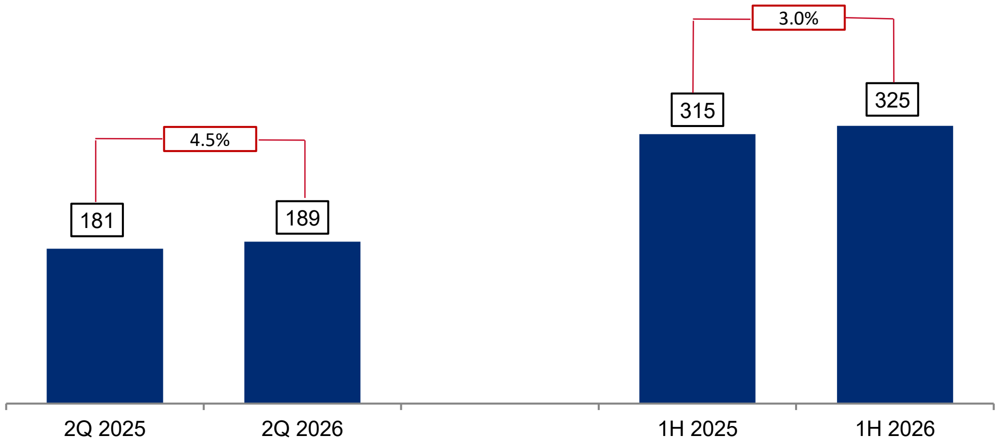


The CBK has maintained its key discount rate at 3.5% in June 2026, moving in lockstep with the Federal Reserve. The CBK cut rates twice last year.

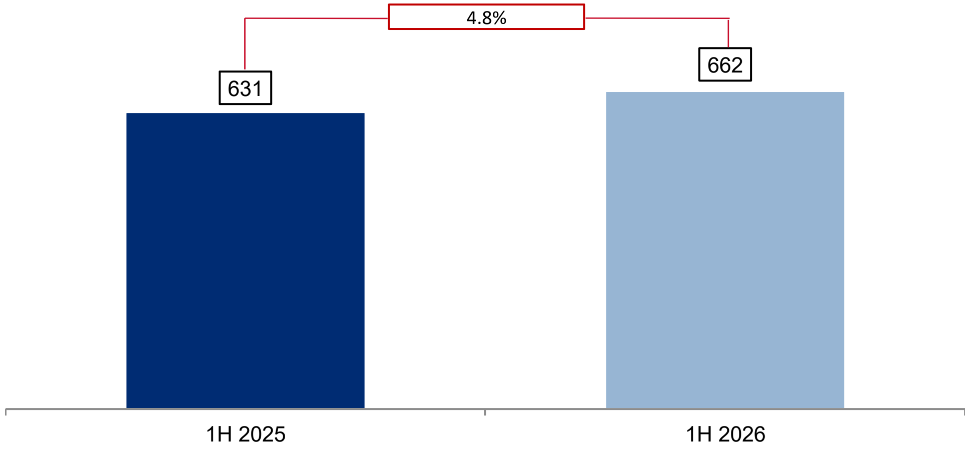
Sources: [1] CSB, NBK estimates; [2] MEED Projects; [3] As per latest Central Bank of Kuwait (CBK) rate cut on 17/09/2025

Operating Performance & Profitability

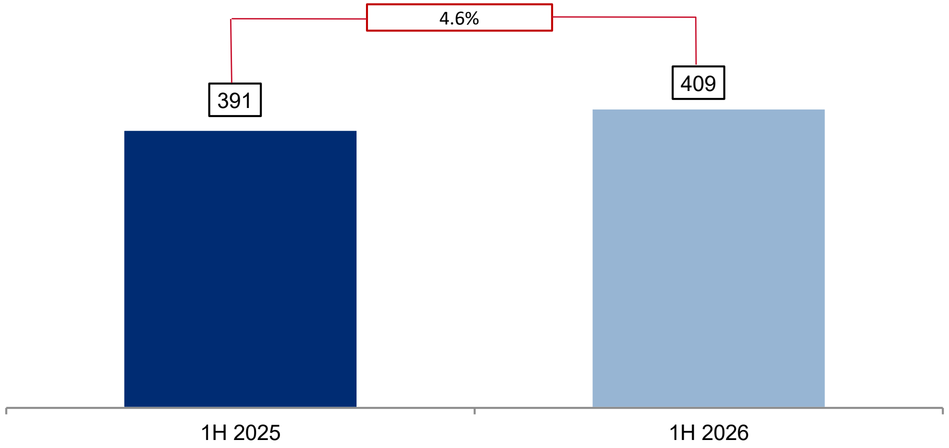
Net Profit (KDm)



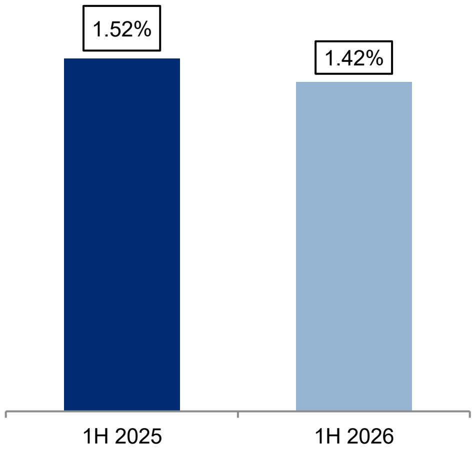
Net Operating Income (KDm)



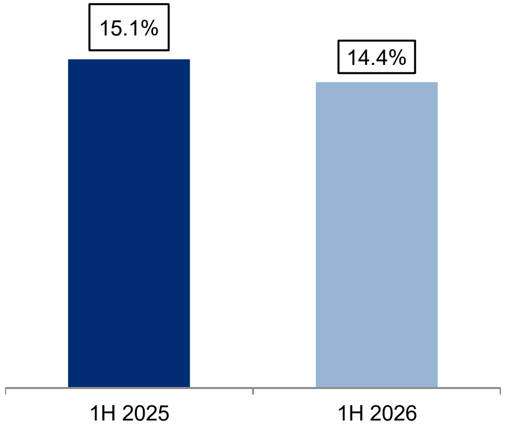
Operating Surplus (KDm)



Return on Average Assets



Return on Average Equity



NBK's Strategy

Defend and Grow Leadership Position in Kuwait

✓ Corporate Banking

- The Bank aims to (i) remain the primary banker for the leading local companies whilst continuing to be active in the mid-market sector;(ii) remain the bank of choice for foreign companies and continuing to serve at least 75% of those companies and (iii) maintain its current market share in trade finance (over 30%). To achieve the above, NBK will expand its coverage and broaden the range of products and services offered.

✓ Consumer Banking

- NBK intends to maintain its focus on the profitable affluent and mass affluent segments while continuing to build a future-safe franchise by investing in youth segments (such as first jobbers and Shabab).
- Through the above, the Bank aims to maintain its leadership position, maintain its focus on delivery of superior customer service experience and achieve the lowest cost of funds among Kuwaiti banks.

✓ Build Regional Powerhouse in Wealth Management

- NBK aims to replicate its Kuwait success story in other GCC markets and build a pan-regional franchise with regional origination and international asset allocation capabilities, leveraging its trustworthy brand and strong geographic reach
- Under the newly launched NBK Wealth brand, NBK aims to continue to provide a unique proposition to high-net-worth clients by bringing its frontline and investment arm together, complementing its superior customer service with an increasingly wider range of investment products in a more holistic and client-centric approach

Geographical, and product and service diversification

✓ Expand Regional Presence

- The Bank's geographic diversification strategy is to leverage its fundamental strengths and capabilities, including its international reach and strong regional relationships, to build a regional platform and support growth in key markets.
- NBK focuses on markets with long-term potential through a combination of high growth economies, sound demographic trends and opportunities aligned with the Bank's competitive advantages.

✓ Establish an Islamic Franchise

- The Bank's strategy, in relation to its Islamic subsidiary, is to differentiate it from other domestic Islamic banks through a clear focus on high net worth and affluent clients and large and mid-market corporate customers.

Digital Transformation

ESG Transition

NBK ESG Achievements

We measure our progress against well-defined metrics and targets to achieve the greatest positive impact.

Strategy Pillars	Key Highlights*
Responsible Banking	▪ Enhanced Sustainable Financing Framework recognized with an Excellent Sustainable Fitch SPO rating. ▪ Reached 59% of the USD 10 billion sustainable financing target set for 2030. ▪ Led Kuwait's first USD 81 million Green Loan aligned with LMA Green Loan Principles. ▪ Progressing PCAF implementation through portfolio-wide financed emissions baseline assessment. ▪ Continued to expand sustainable retail banking solutions through Eco-Friendly Auto and Housing Loans, offering preferential financing terms to support consumers' responsible choices. ▪ Successfully operationalized solar PV systems across 18 local branches, with further deployment opportunities currently under evaluation. ▪ Exceeded the 2025 operational emissions reduction target of 25% (vs. 2021 baseline), achieving a 37.35% reduction by year-end 2025. ▪ Transitioned 100% of international shipments to DHL GoGreen Plus utilizing Sustainable Aviation Fuel. ▪ Launched NBK Egypt's Corporate Green Facility to finance environmentally sustainable projects across eligible sectors.
Governance For Resilience	▪ Established a dedicated Board Sustainability Committee to strengthen ESG governance, oversight, and accountability, supported by independent and female Board representation. ▪ Achieved 100% Board participation in ESG and climate-related risk training, further embedding sustainability considerations into strategic decision-making. ▪ Aligned the Group ESG Strategy with the United Nations Sustainable Development Goals (SDGs) and relevant global sustainability priorities, reinforcing our commitment to long-term value creation. ▪ Maintained an active leadership role within the Kuwait Banking Association (KBA) ESG Committee, contributing to the advancement of sustainable finance and responsible banking practices across Kuwait's financial sector. ▪ Strengthened partnerships to support the green transition through active membership in the Kuwait Green Building Council (KGBC), promoting sustainable building practices. ▪ Zero reported whistleblowing cases and incidents of breaching the code of conduct. ▪ Zero incidents related to corruption, fraud, money laundering, or bribery.
Capitalizing on Our Capabilities	▪ Established a Group-wide Diversity, Equity & Inclusion (DE&I) Council, strengthening governance, accountability, and enterprise-wide implementation of DE&I priorities. ▪ As of 30 June 2026, women represented 42.4% of NBK Kuwait's workforce and 27.1% of management positions. ▪ Delivered over 83,200 training hours to NBK Kuwait employees in 2025, averaging 33.9 learning hours per employee and reinforcing our commitment to continuous professional development. ▪ Invested USD 5.61 million in employee learning, development, and capability building to support long-term organizational growth and talent retention. ▪ Launched NBK Ebtakir, Kuwait's first bank-led intrapreneurship program, in partnership with Plug and Play, fostering a culture of innovation and entrepreneurial thinking across the organization. ▪ Achieved a 91.5% new-hire success rate, demonstrating the effectiveness of our talent acquisition, selection, and onboarding processes. ▪ Enhanced the customer experience through the launch of a fully digital end-to-end onboarding journey via the NBK Mobile App. ▪ Weyay Bank advanced its digital-first proposition by introducing virtual card issuance, reducing reliance on physical cards while improving customer convenience and sustainability.
Investing in Our Communities	▪ Continued to serve as the leading advocate of the Central Bank of Kuwait's "Let's Be Aware" campaign, advancing financial literacy, consumer awareness, and financial inclusion across Kuwait. ▪ Maintained a strong commitment to developing national talent, achieving a workforce nationalization rate of 76.4% as of 30 June 2026. ▪ Invested USD 30.79 million in community programs and initiatives, aligning social investments with the United Nations Sustainable Development Goals (SDGs). ▪ Created meaningful social impact by reaching 77,970 beneficiaries through targeted community investment and outreach programs. ▪ Expanded support for entrepreneurship and economic diversification, with SME lending reaching USD 86.44 million in 2025 and delivering a compound annual growth rate of 13.2% since 2022. ▪ Maintained a strong Customer Satisfaction Index (CSI) of 93% in 2025, reflecting continued excellence in customer experience and service delivery. ▪ Enhanced customer accessibility and convenience through the continued expansion of digital banking capabilities and self-service channels.

*Note: The ESG key highlights reflect NBK's achievements during the reporting period 1 January 2025 to 31 December 2025 as well as achievements during the first half of the year 2026.
Sources: National Bank of Kuwait, NBK 2025 Sustainability Report, NBK 2025 Annual Report, NBK TCFD Report, NBK Green Bond Allocation & Impact Report 2025

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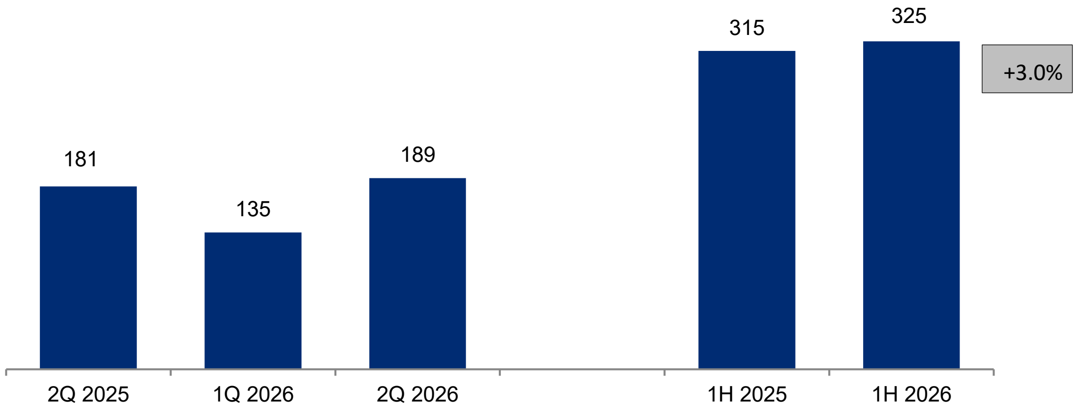
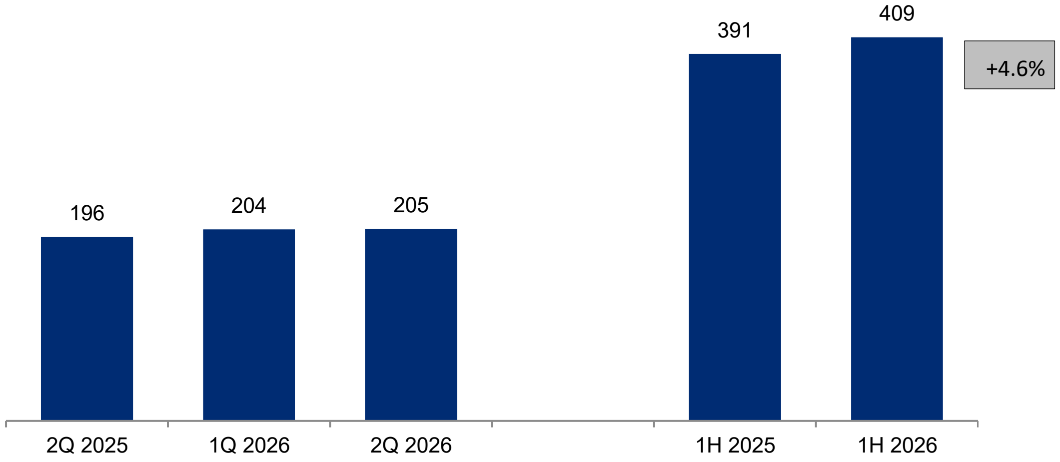
Operating Performance 1H 2026

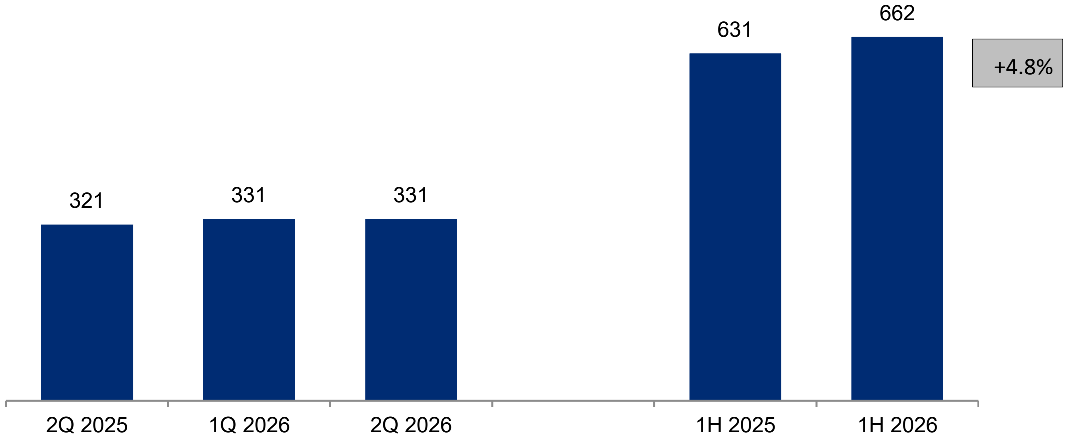
Net Profit (KDm)



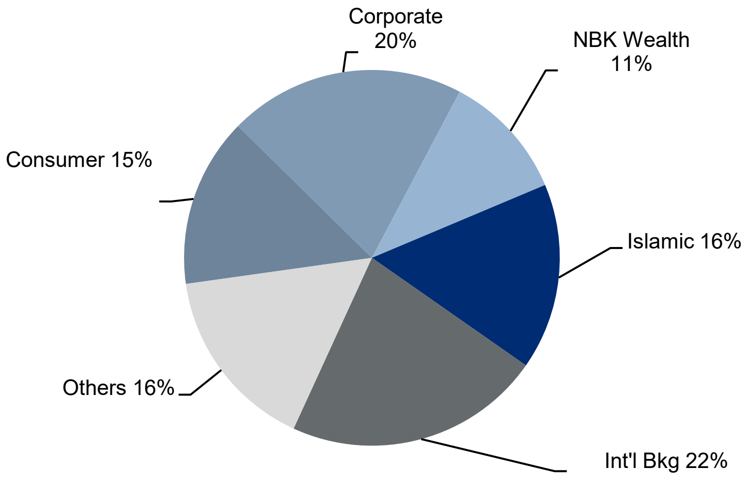
Operating Surplus (KDm)



Net Operating Income (KDm)

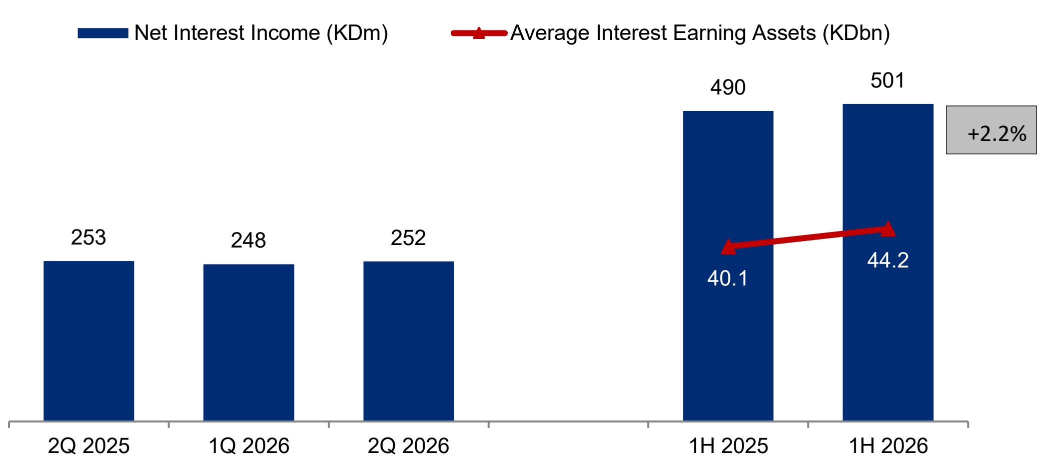


1H26 Net Profit by Business Line (%)

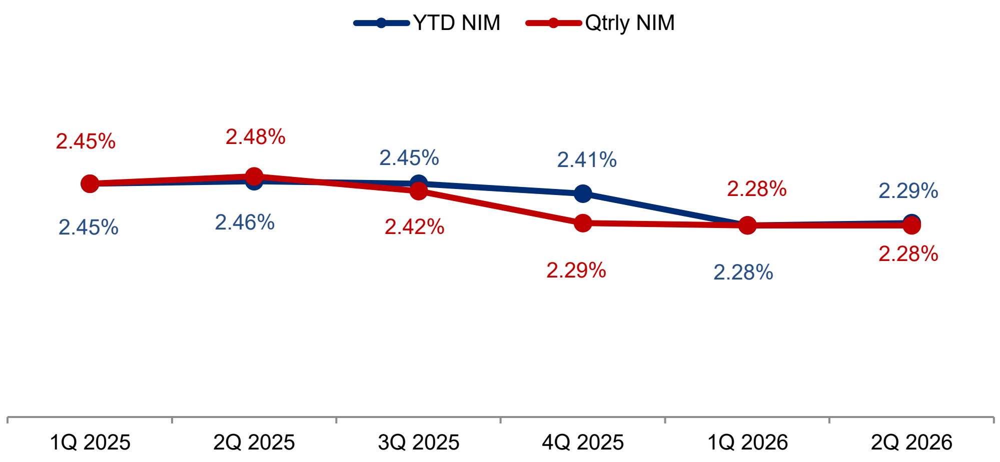


Operating Performance 1H 2026

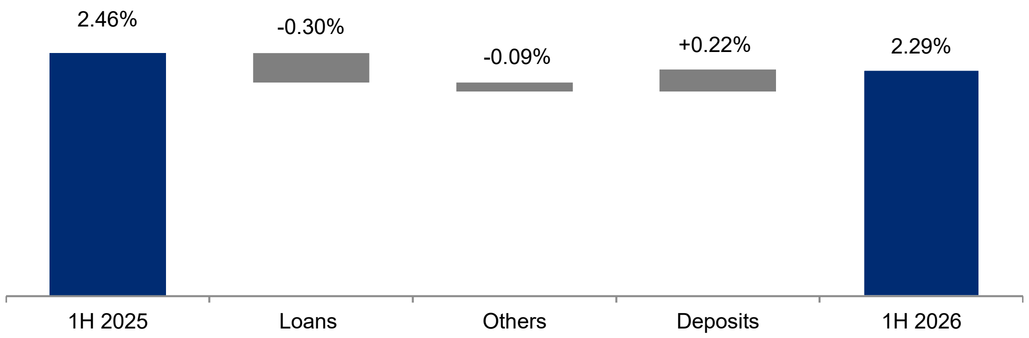
Net Interest Income* (KDm)



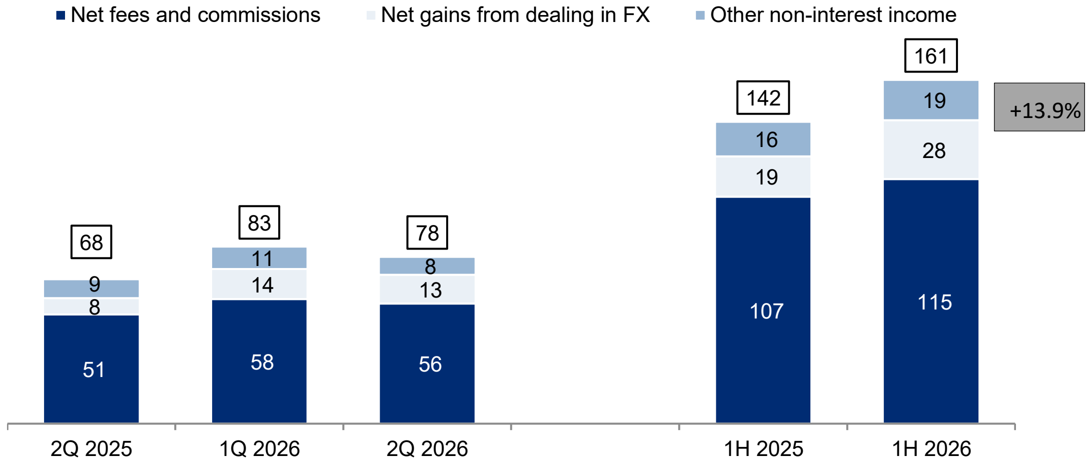
Net Interest Margin*



Net Interest Margin drivers



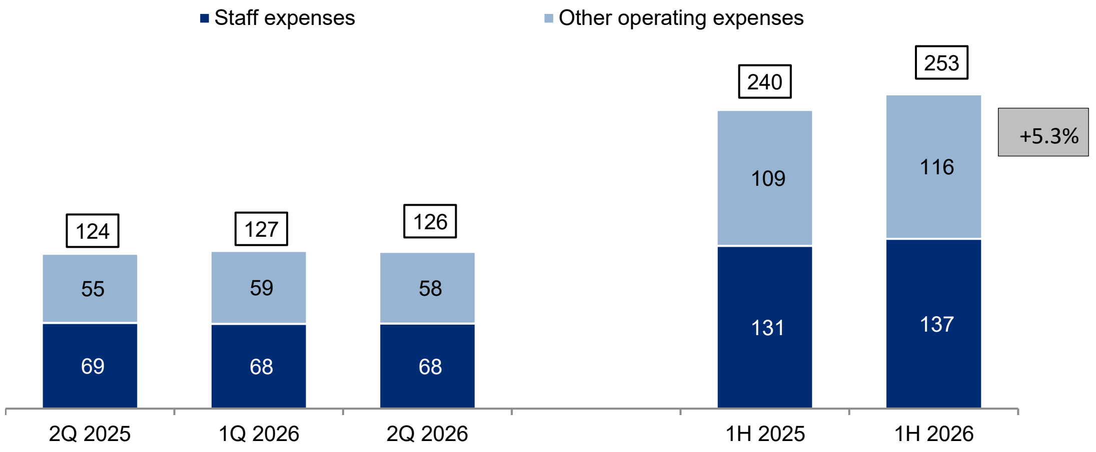
Non-interest income (KDm)



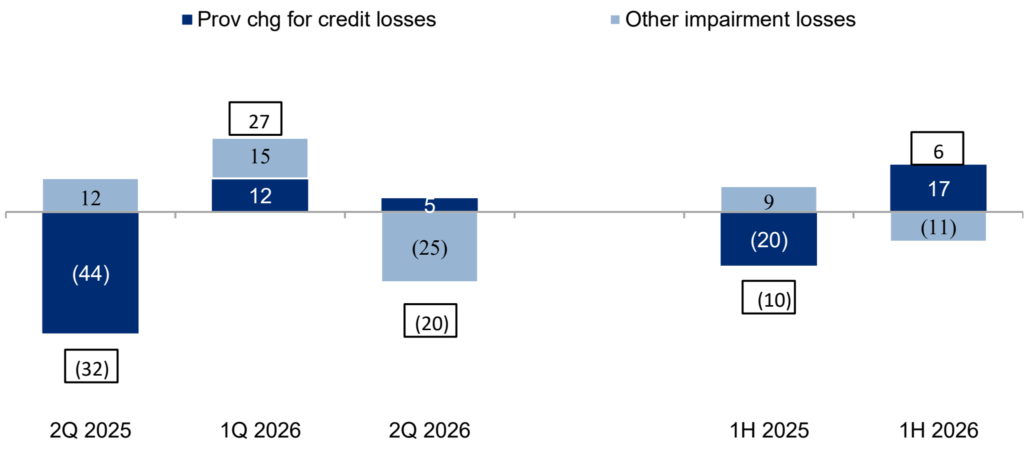
**Includes net interest income and net income from Islamic Financing*

Operating Performance 1H 2026

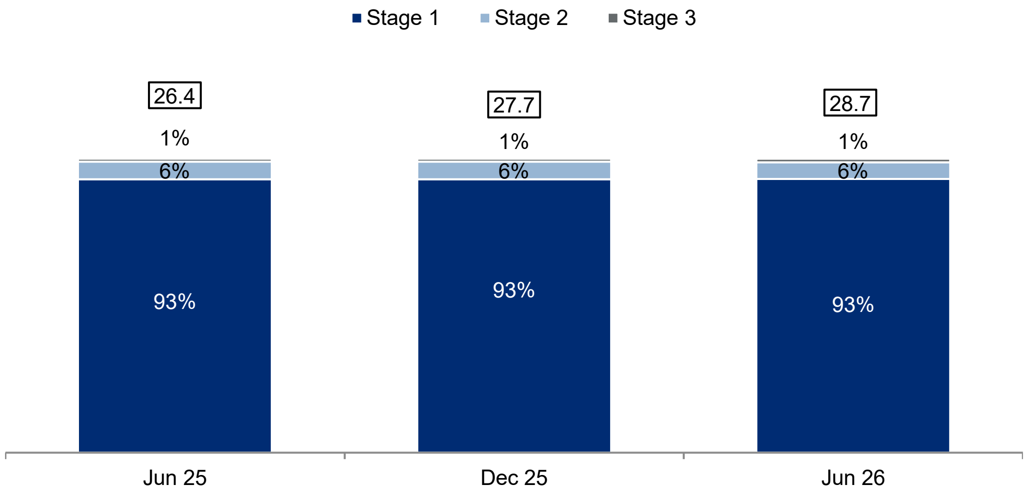
Operating Expenses (KDm)



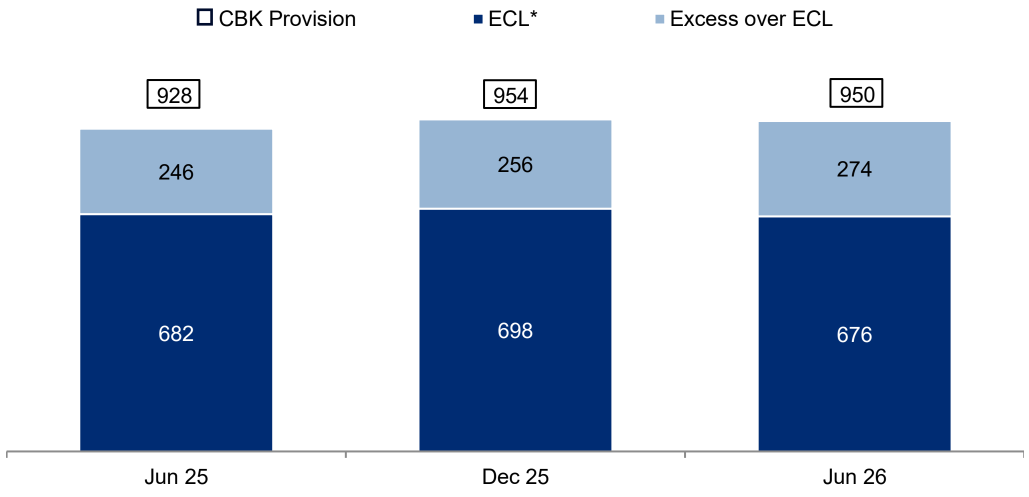
Provisions and Impairments (KDm)



IFRS 9 Total Gross Loans composition (KDbn)

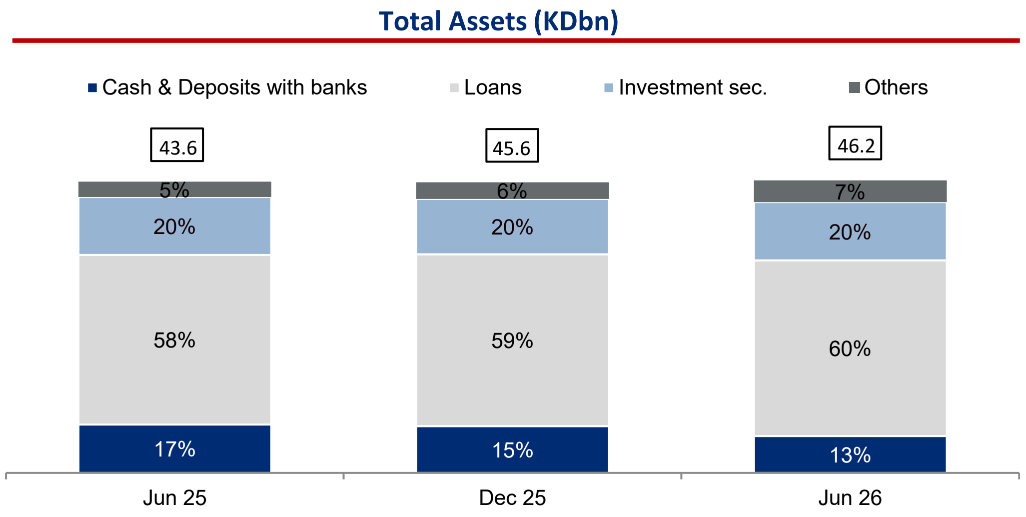


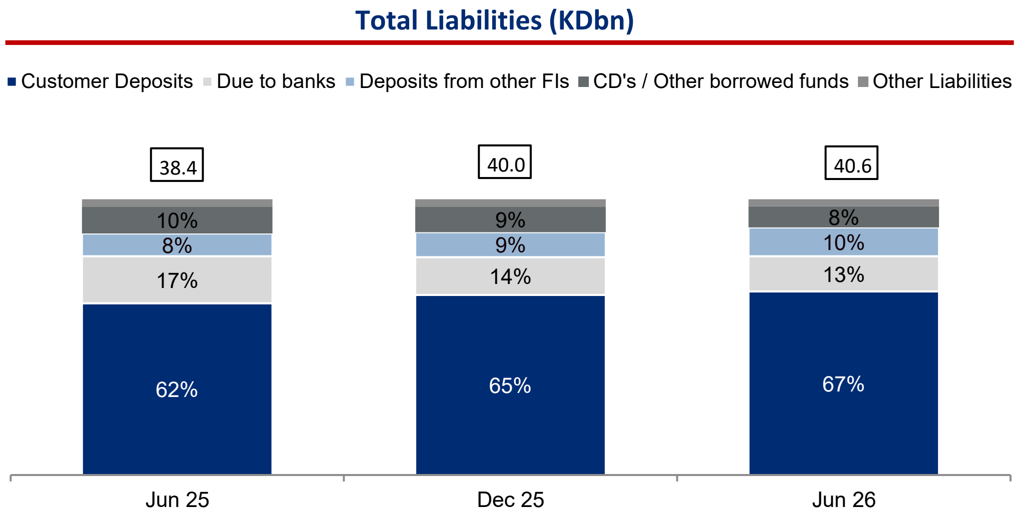
CBK Credit Provisions vs IFRS 9 ECL (KDm)

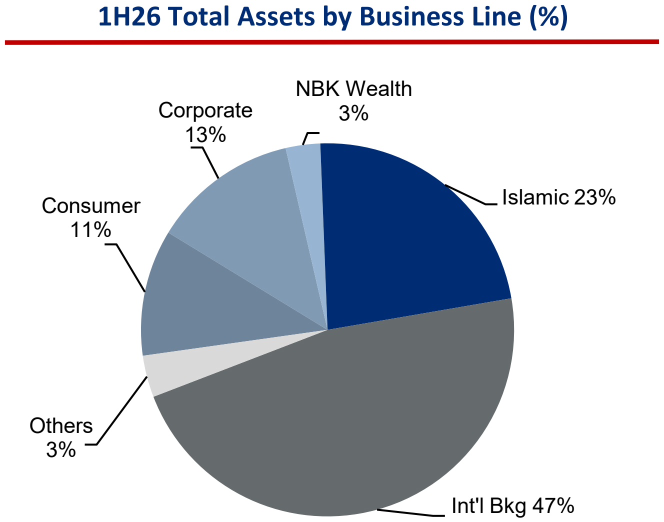


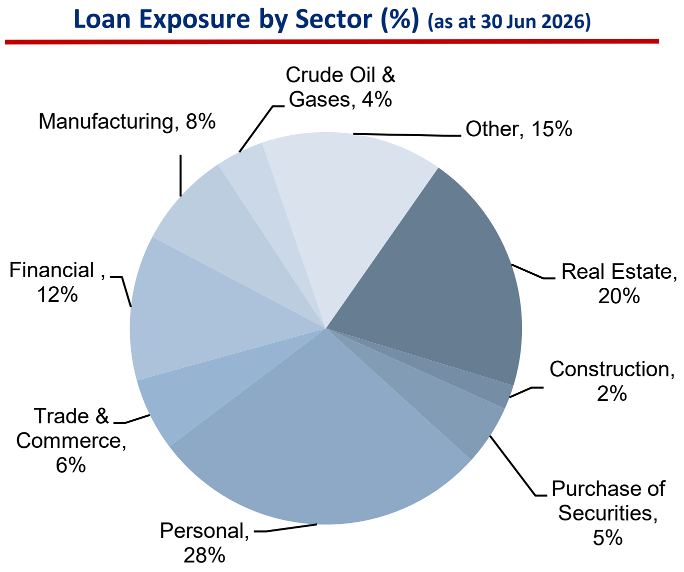
**ECLs as per CBK guidelines*

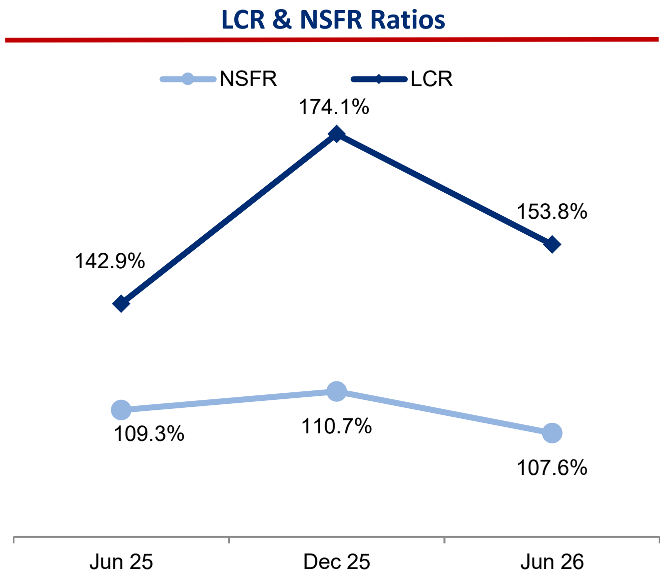
Operating Performance 1H 2026





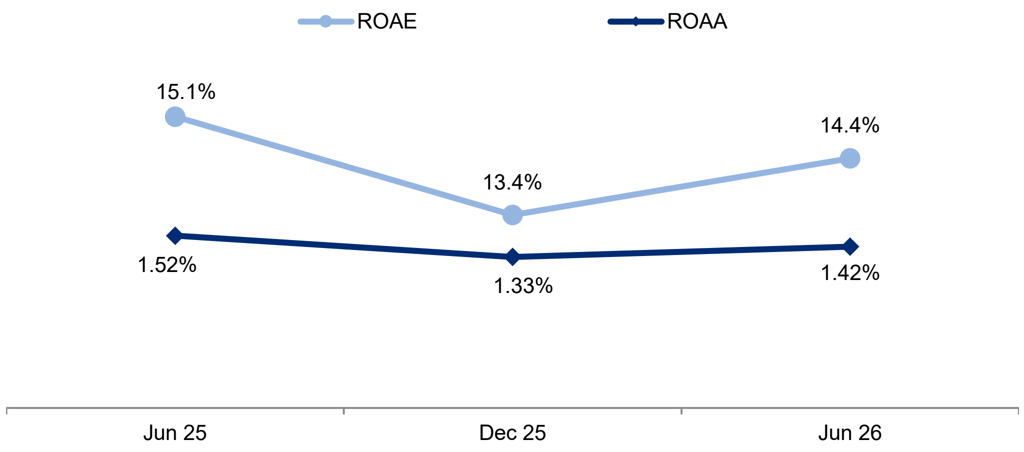




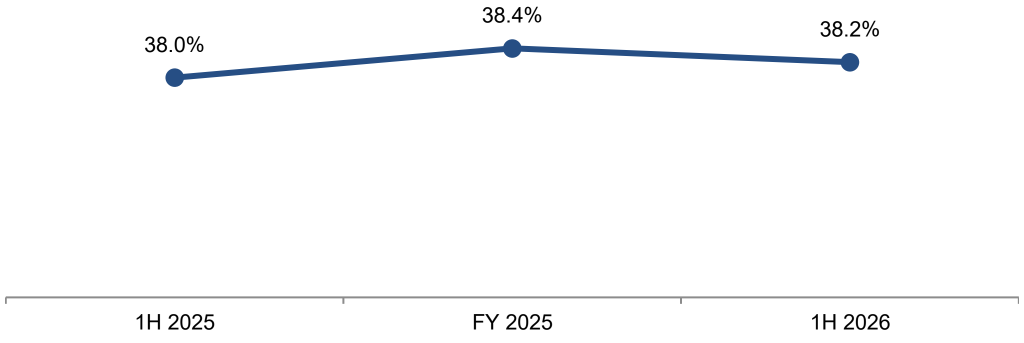


Performance and Asset Quality Ratios 1H 2026

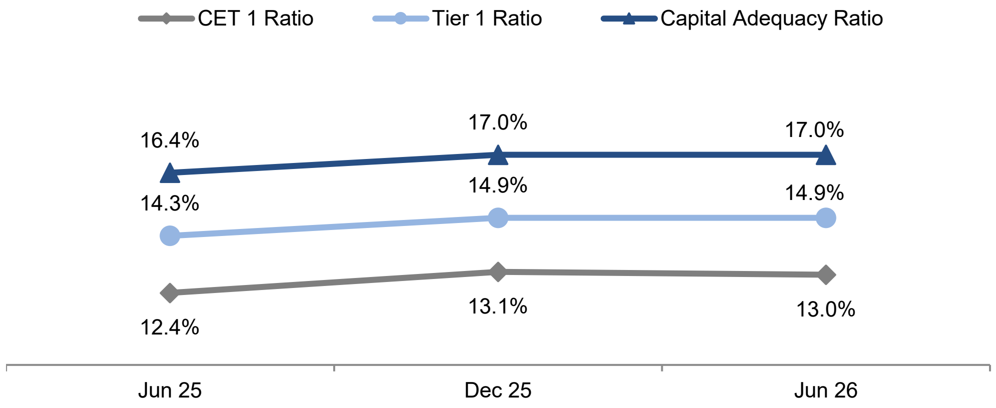
Return on Average Equity & Return on Average Assets



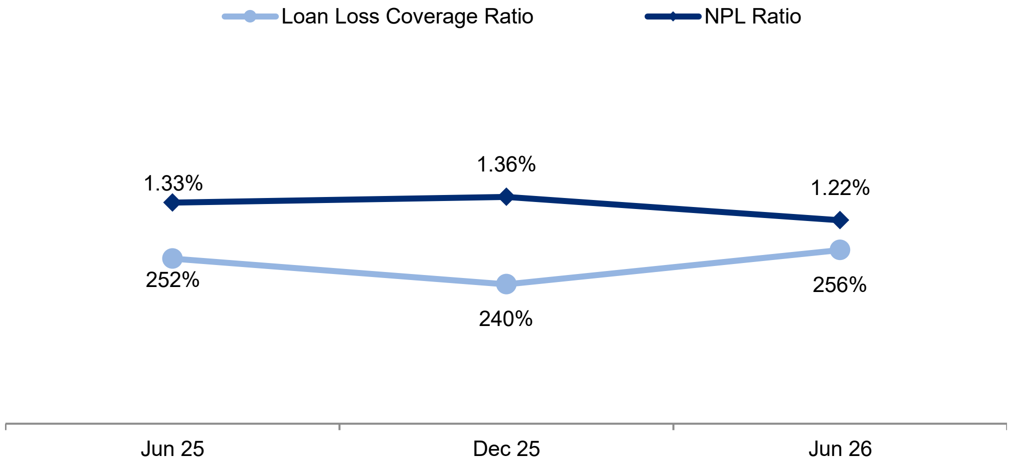
Cost to Income Ratio



Capital Adequacy Ratios



Asset Quality Ratios



2026 Guidance

	FY 2025	1H 2026	2026 Guidance v/s 2025
Loan Growth (ytd)	+13.1%	+3.6%	Mid to High Single Digit
NIM	2.41%	2.29%	Contracting
Cost to Income ratio	38.4%	38.2%	Below 40%
Cost of Risk	15bps	12bps	Normalised c.40bps ↓
Earnings (*yoy*)	-4.1%	+3.0%	
Capital Adequacy	17.0%	17.0%	

Contents

Consolidated Statement Of Income *(KDm)*

KDm	1H 2025	1H 2026	YoY Growth (%)
Interest Income	895	916	2%
Interest Expense	511	526	3%
Net Interest Income	**383**	**390**	**2%**
Murabaha and other Islamic financing income	242	250	3%
Finance cost and Distribution to depositors	135	139	3%
Net Income from Islamic financing	**106**	**111**	**4%**
NII and NI from Islamic financing	**490**	**501**	**2%**
Net fees and commissions	107	115	8%
Net investment income	16	18	14%
Net gains from dealing in foreign currencies	19	28	45%
Other operating income	0	1	#
Non-interest Income	**142**	**161**	**14%**
Net Operating Income	**631**	**662**	**5%**
Staff expenses	131	137	4%
Other administrative expenses	83	88	6%
Depreciation of premises and equipment	25	27	8%
Amortisation of intangible assets	1	1	0%
Operating Expenses	**240**	**253**	**5%**
Pre-provision Profits (and impairments)	**391**	**409**	**5%**
Provision (release) charge for credit losses and impairment losses	(10)	6	#
Operating Profit before Taxation	**402**	**403**	**0%**
Taxation	64	55	(14%)
Non-controlling interests	22	23	2%
Profit Attributable to Shareholders of the Bank	**315**	**325**	**3%**

Consolidated Statement Of Financial Position *(KDm)*

KDm	June-2025	June-2026	YoY Growth %
Cash and short term funds	5,629	4,905	(13%)
Central Bank of Kuwait bonds	284	-	#
Kuwait Government treasury bonds	221	1,571	#
Deposits with banks	1,600	942	(41%)
Loans, advances and Islamic financing to customers	25,492	27,768	9%
Investment securities	8,618	9,171	6%
Land, premises and equipment	536	556	4%
Goodwill and other intangible assets	510	506	(1%)
Other assets	759	813	7%
Total Assets	**43,648**	**46,233**	**6%**
Due to banks	6,525	5,201	(20%)
Deposits from other financial institutions	3,171	4,235	34%
Customer deposits	23,888	27,015	13%
Commercial papers and certificates of deposit issued	2,001	1,536	(23%)
Other borrowed funds	1,723	1,571	(9%)
Other liabilities	1,061	1,053	(1%)
Total Liabilities	**38,370**	**40,611**	**6%**
Share capital	874	918	5%
Proposed bonus shares	-	-	-
Share premium account	803	803	0%
Statutory reserve	416	437	5%
Retained Earnings	2,280	2,481	9%
Other reserves	(141)	(105)	25%
Equity attributable to shareholders of the bank	**4,232**	**4,534**	**7%**
Perpetual Tier 1 Capital Securities	439	455	4%
Non-controlling interests	607	633	4%
Total equity	**5,279**	**5,622**	**7%**
Total liabilities and equity	**43,648**	**46,233**	**6%**

Performance Measures 1H 2026

	June-2025	June-2026
Return on Average Assets	1.52%	1.42%
Return on Average Equity	15.1%	14.4%
Net Interest Margin	2.46%	2.29%
Cost to Income	38.0%	38.2%
NPLs to Gross Loans	1.33%	1.22%
Loan Loss Reserves to NPLs	252%	256%
CET 1 Ratio	12.4%	13.0%
Tier 1 Ratio	14.3%	14.9%
Total Capital Adequacy Ratio	16.4%	17.0%

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Questions?

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