



National Bank of Kuwait

Investor Presentation

4Q/FY 2025 Earnings Call

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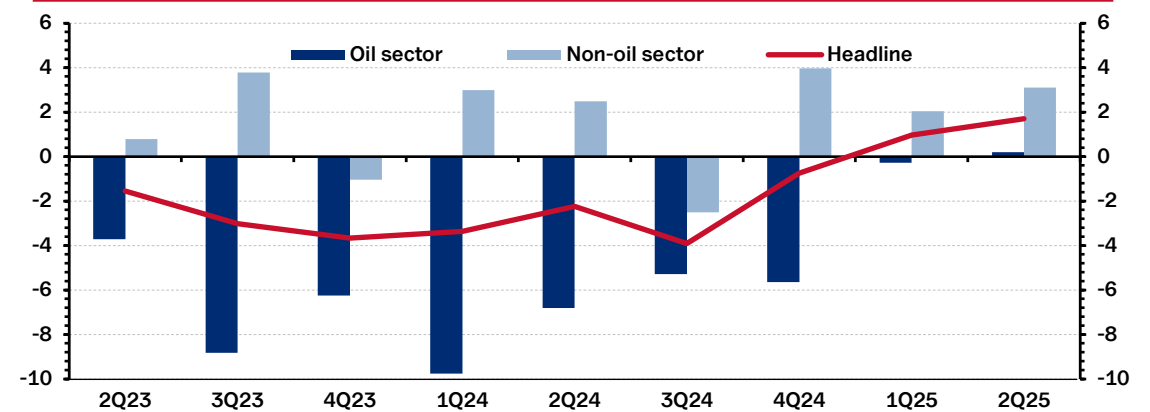
Key Economic Highlights

GCC Headline Growth (%)

	2024	2025f	2026f
Bahrain	2.6	2.8	2.7
Kuwait	-2.6	2.3	4.5
Oman	1.6	3.2	4.0
Qatar	2.4	2.7	3.2
KSA	2.0	4.5	5.0
UAE	4.0	4.9	5.2
GCC	2.2	4.2	4.8

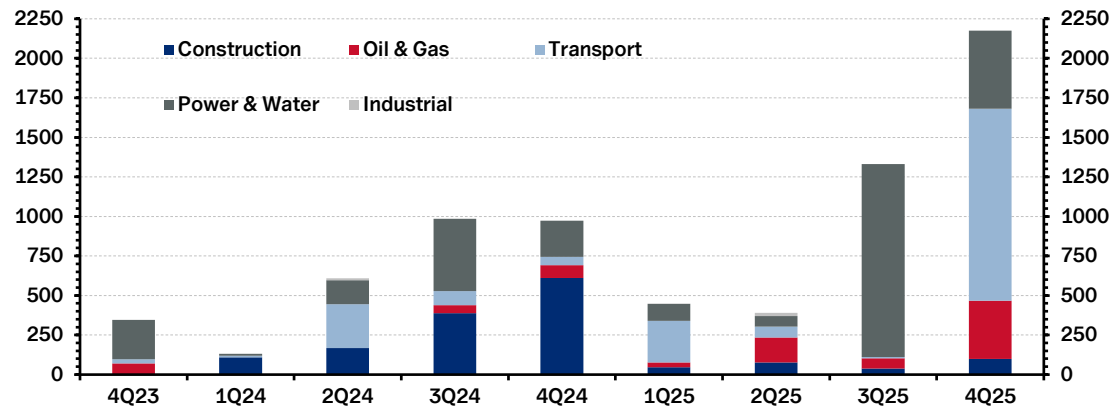
Headline economic growth in the GCC is expected to accelerate further in 2026, bolstered by a continued unwinding of OPEC+ production cuts for the oil exporters and further output gains in the non-hydrocarbon sector. Demand is likely to remain relatively strong in 2025 and 2026, supported by solid private consumption, government focus on domestic investment spending, economic diversification-targeting structural reforms and FDI-enhancing measures. GCC inflation is expected to remain stable at 1.9% in 2025-26 amid a relatively tighter monetary policy environment.

Real GDP Growth¹ (% y/y)



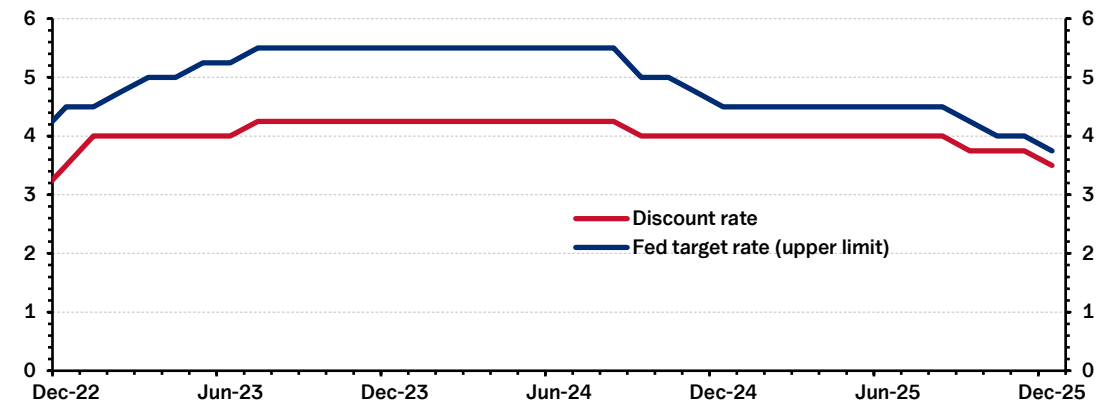
Preliminary official estimates show that headline GDP grew 1.7% y/y in Q2 2025, supported by the return of oil GDP to growth (+0.2% y/y) as oil production increases in line with OPEC’s mandated quota. Meanwhile, growth in the non-oil economy strengthened to 3.1% y/y from 2% in the previous quarter, with notable accelerations in the real estate, construction, and telecommunication sectors.

Project Awards² (KD million)



Project awards (value) surged KD2.2 billion in Q4 2025, recording a 63% increase q-o-q and a 124% gain y-o-y, spurred by the awarding of Mubarak Al-Kabeer project’s remaining packages, valued at KD1.2 billion. Project awards for the year totaled KD4.3 billion, the highest since 2016.

Kuwait Discount Rate³ (%)



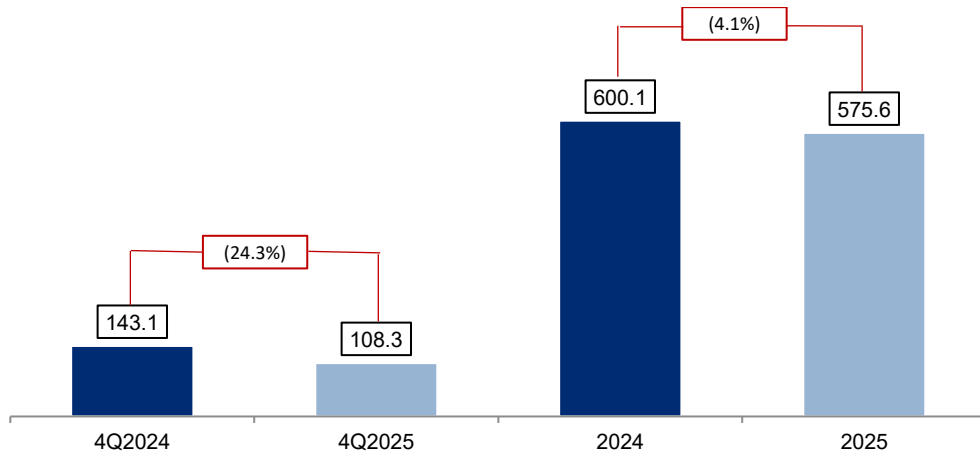
The CBK slashed its key discount rate to 3.5% in December 2025, after the US Fed moved for the third time in H2 2025 in December to cut the Fed Funds rate by a further 25 bps. The CBK cut rates twice last year.

Sources: ¹ CSB, NBK estimates; ² MEED Projects; ³ As per latest Central Bank of Kuwait (CBK) rate cut on 10/12/2025

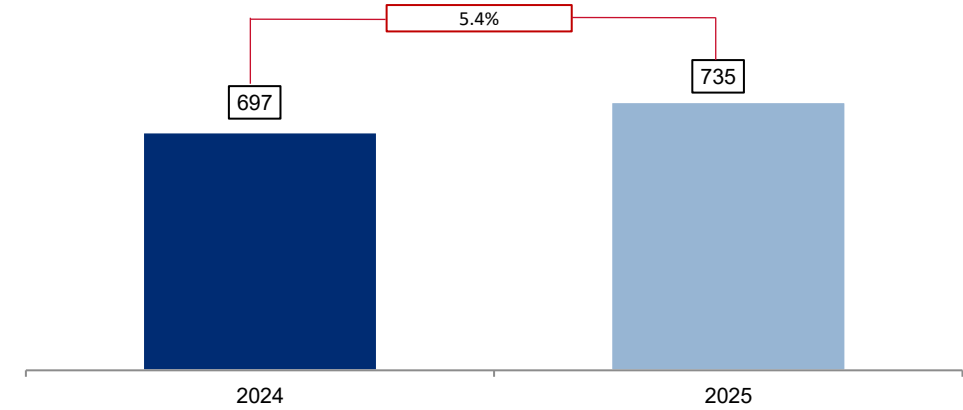


Operating Performance & Profitability

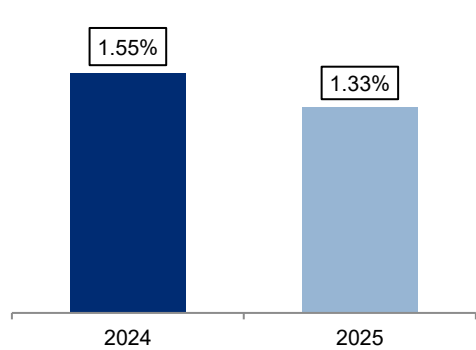
Net Profit (KDm)



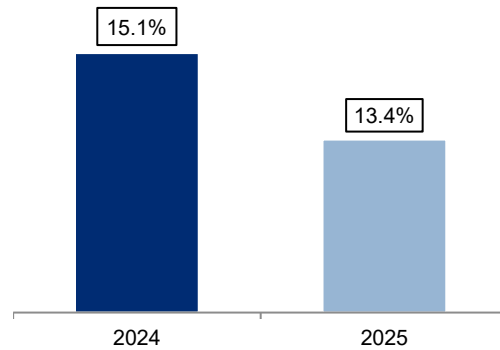
Profit Before Tax (KDm)



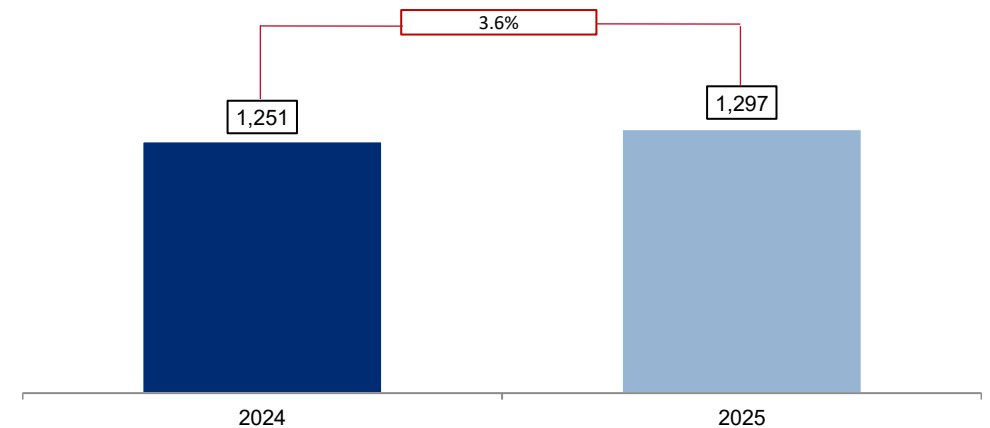
Return on Average Assets



Return on Average Equity

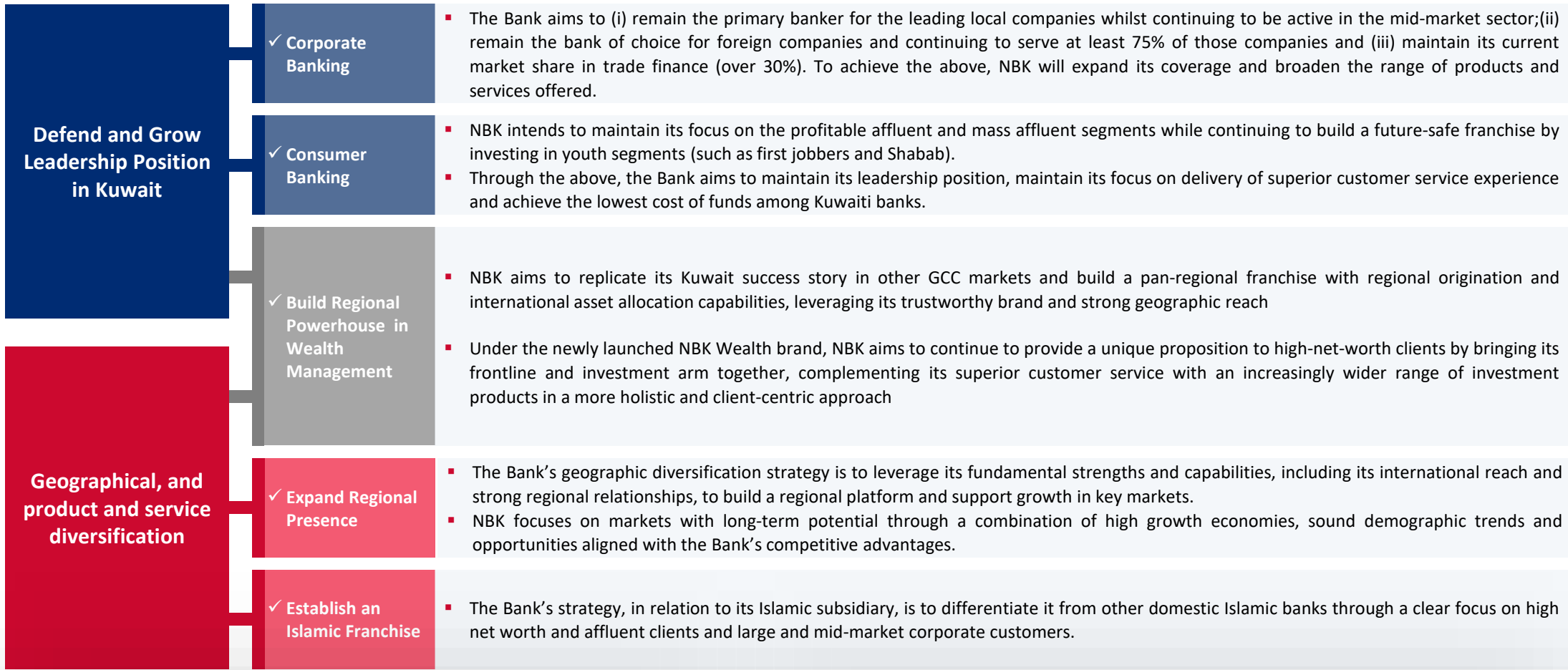


Net Operating Income (KDm)





NBK's Strategy



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



Responsible Banking



Governance For Resilience



Investing in Our Communities



Capitalizing on Our Capabilities



Key Highlights*

- Published its first Green Bond Allocation and Impact Report in May 2025 following the inaugural USD 500 million green bond issuance in June 2024. As of 31 March 2025, eligible green assets amounted to USD 625.44 million.
 - As of 31 December 2025, the Bank had around USD 6.11 billion of Sustainable Assets, surpassing 61% of its USD 10 billion Sustainable Assets by 2030 target.
 - Led Kuwait's first green loan amounting to USD 81 million in line with the Loan Market Association Green Loan Principles (GLP).
 - Continue to offer reduced rates to the Eco-friendly Auto Loan and Eco-friendly Housing Loan for consumers.
 - Implemented solar generated power systems for 18 of NBK's local branches.
 - Achieved our operational emissions reduction target of 25% by 2025 compared to our baseline year 2021.
 - Forged a strategic partnership with DHL to use the "DHL GoGreen Plus" service, ensuring that all NBK's international shipments are transported using Sustainable Aviation Fuel.
 - NBK Egypt joined Chapter Zero Egypt, which is part of the Climate Governance Initiative – developed in collaboration with the World Economic Forum.
-
- As part of our commitment to the Partnership for Carbon Accounting Financials (PCAF), currently assessing the portfolio to establish a baseline measurement.
 - Accounted for climate change risks in the Pillar II Assessment presented in the ICAAP regulatory report.
 - Institutionalized alignment with the recommendations of Taskforce on Climate-related Financial Disclosures (TCFD) and published first standalone TCFD Report in May 2025.
 - Developed a bank-wide Environmental & Social Risk Management (ESRM) Framework and gradually integrating ESG factors in the bank's credit and investment policies.
 - Conducted a climate risk materiality assessment on the bank's portfolio to identify high impact and carbon intensive sectors.
 - Developed an ESG scorecard to support the Bank's ESG risk materiality assessment and integration of ESG factors in credit analysis.
 - NBK actively serves as a key member of the Kuwait Banking Association (KBA) ESG Committee, contributing to sustainable development within Kuwait's banking sector.
 - Joined the Kuwait Green Building Council (KGBC) as a platinum member. The agreement will involve the bank's active participation in the council's programs and initiatives to help promote green building practices in Kuwait.
-
- Continues to be the primary advocator of Central Bank of Kuwait's "Let's Be Aware" Campaign which aims to raise public awareness about key financial concepts and advance financial inclusion in Kuwait. In 2025, NBK was recognized by the CBK for its leading role in promoting and raising public financial security awareness during 2024.
 - Continued efforts to support and nurture local talent. As of 31 December 2025, Nationalization rate was 77.4%.
 - Launched "She's Next" initiative in partnership with VISA for the second consecutive year; a global advocacy program that aims to support women-owned small businesses.
 - Expanded the "Bankee" financial literacy program to 104 schools in Kuwait, with 52,741 students and 12,893 teachers participating for the academic year 2025-2026.
 - Launched the second edition of NBK Tech Academy to attract and provide the Kuwaiti youth with a best-in-class and innovative program in digital transformation.
 - "Bankee" financial literacy program wins best program in the field of social work across the GCC from the GCC Ministerial committee for Labor and Social Affairs.
-
- Strengthened policies: developed an Employee Grievance Policy and finalized a Diversity, Equity, and Inclusion (DE&I) Commitment Statement.
 - Established a Group-level DE&I Council, formalizing oversight and driving implementation across the organization.
 - As of 31 December 2025, females represented 42.4% of total NBK Kuwait workforce, and in management 27.25%.
 - In 2025, NBK Kuwait employees received 83,212.278 training hours. Average training hours per employee: 33.9 hours.
 - NBK signed an exclusive collaboration agreement with IE University – Spain. The agreement covers several areas including talent development, promoting corporate innovation, as well as developing and implementing integrated solutions.
 - NBK launched a FinTech partnership platform in efforts to support the growth and innovation of FinTech, recognizing its transformative potential to drive sustainable development.
 - Received the Silver Excellence in Diversity and Inclusion Award from the Society for Human Resource Management (SHRM) for its NBK RISE Program during MENA Awards Annual Conference 2025.

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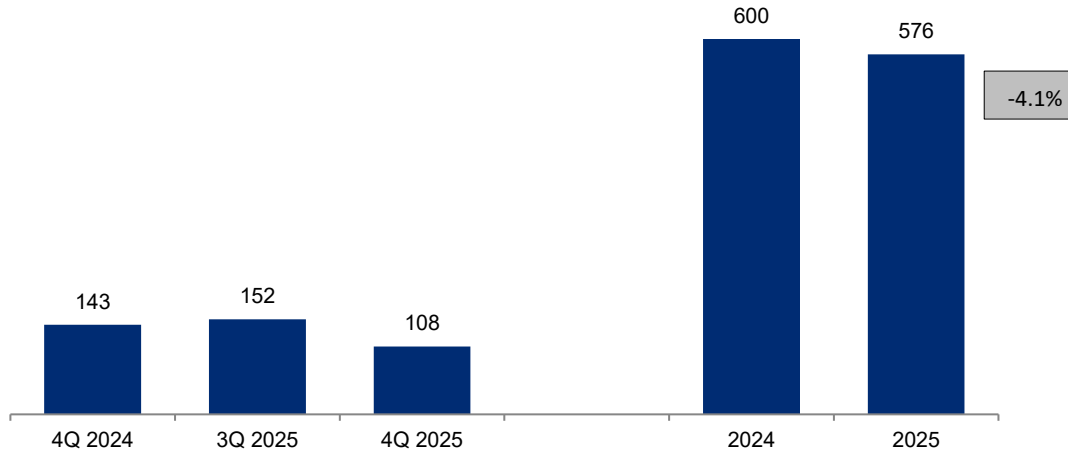
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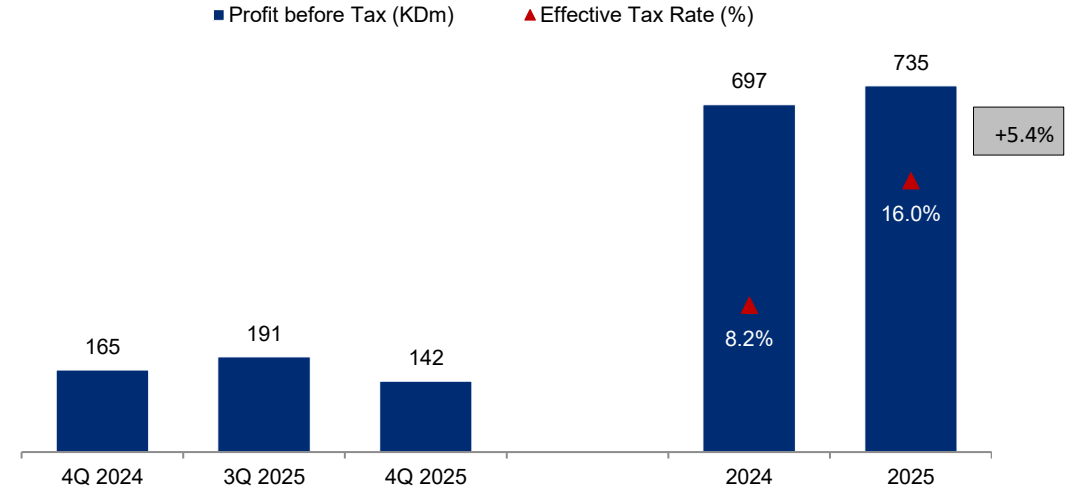


Operating Performance 2025

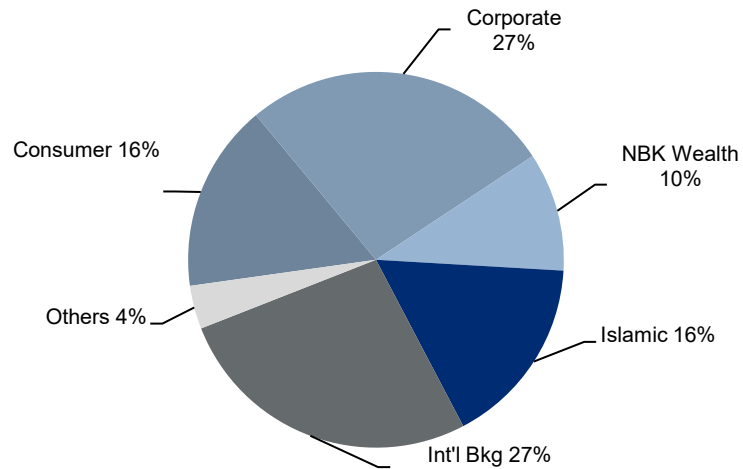
Net Profit (KDm)



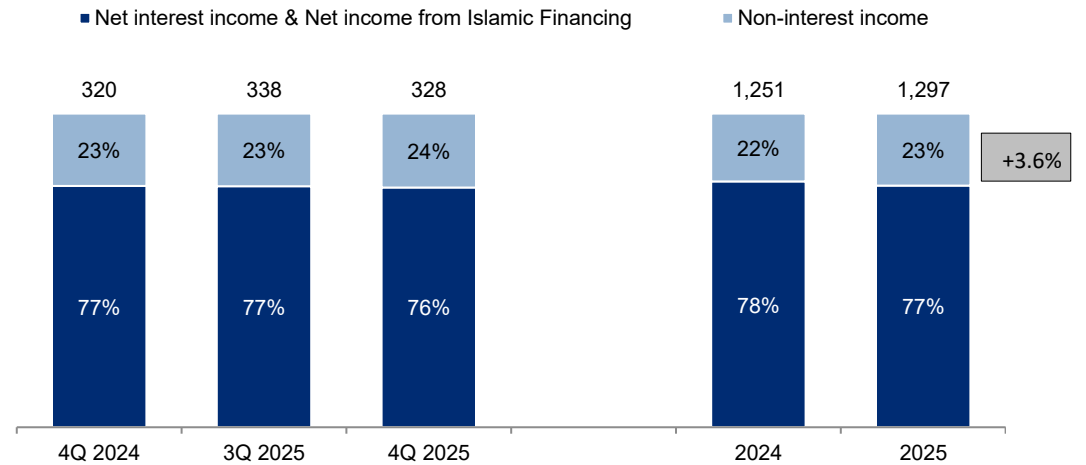
Profit Before Tax (KDm)



2025 Net Profit by Business Line (%)



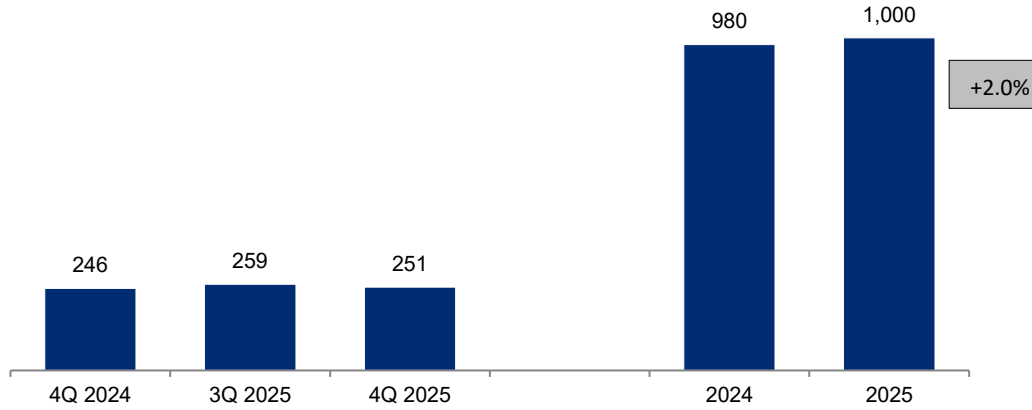
Net Operating Income (KDm)



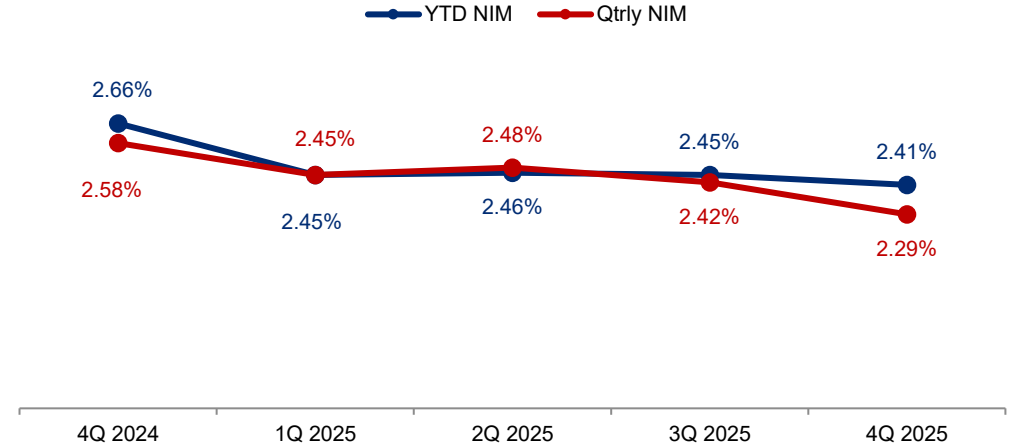


Operating Performance 2025

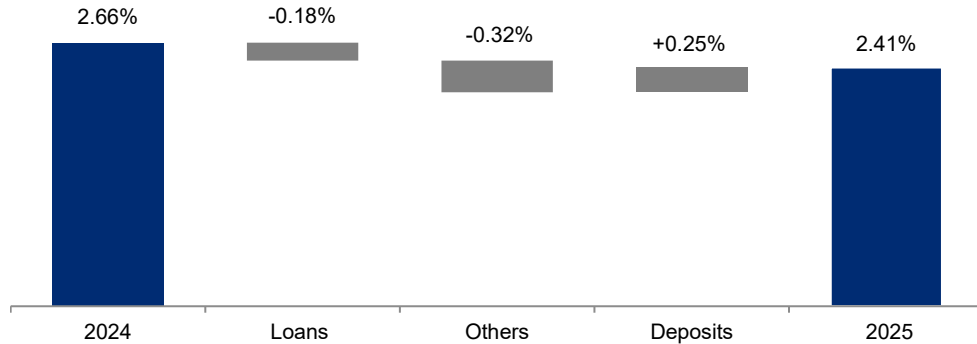
Net Interest Income* (KDm)



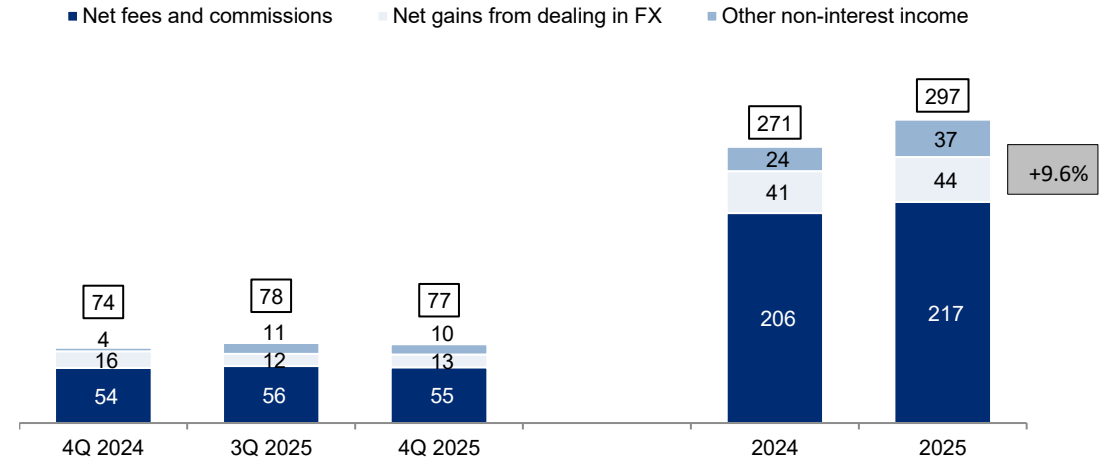
Net Interest Margin*



Net Interest Margin drivers



Non-interest income (KDm)

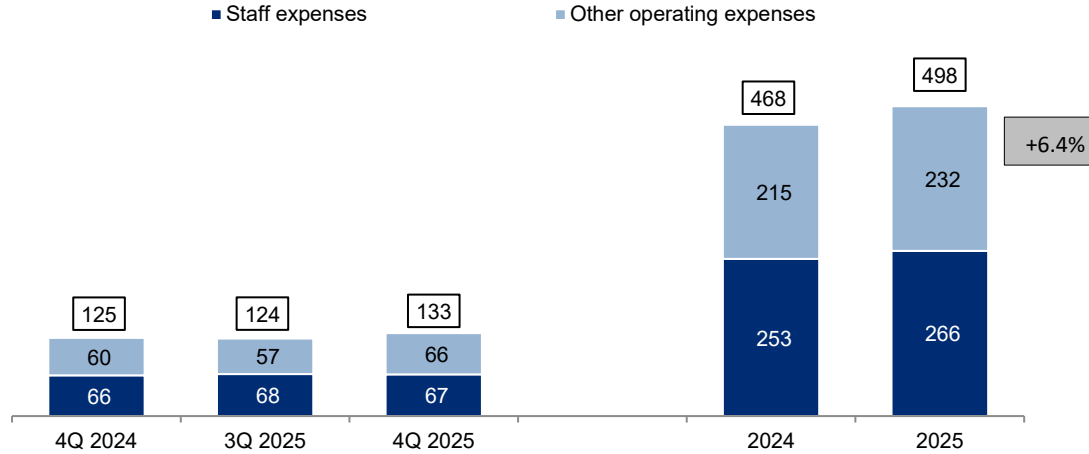


*Includes net interest income and net income from Islamic Financing

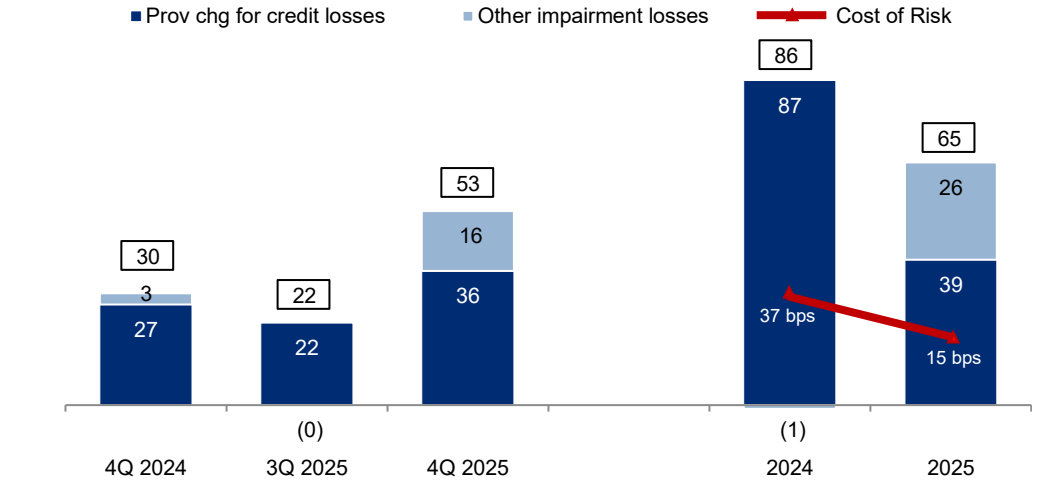


Operating Performance 2025

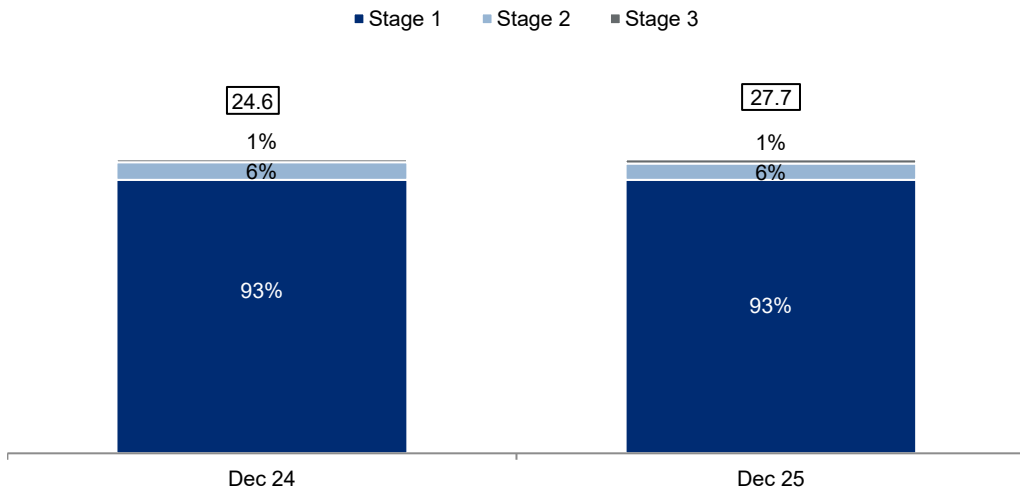
Operating Expenses (KDm)



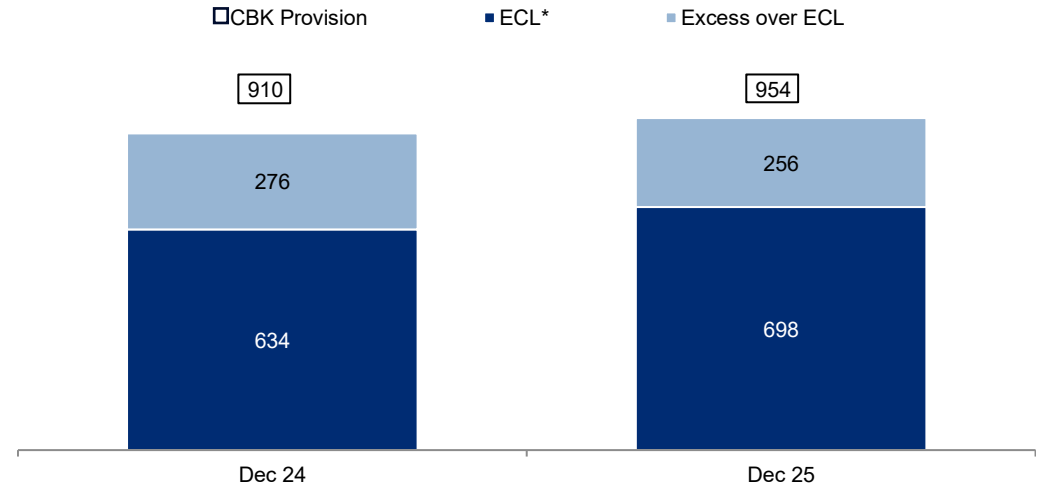
Provisions and Impairments (KDm)



IFRS 9 Total Gross Loans composition (KDbn)



CBK Credit Provisions vs IFRS 9 ECL (KDm)



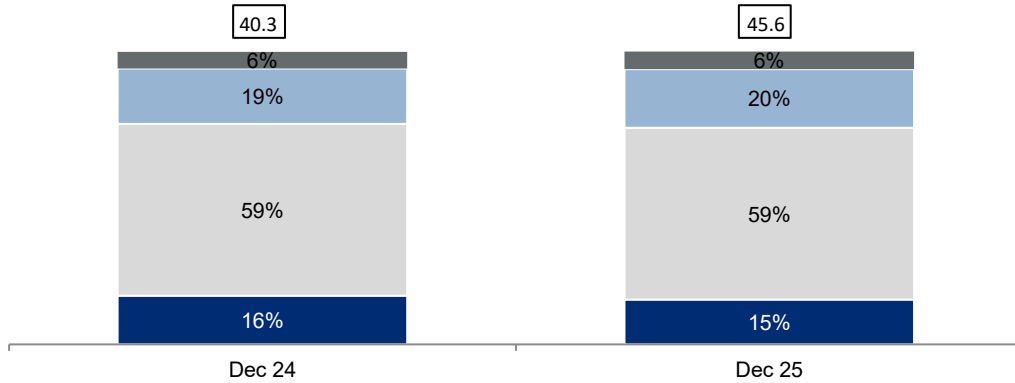
*ECLs as per CBK guidelines



Operating Performance 2025

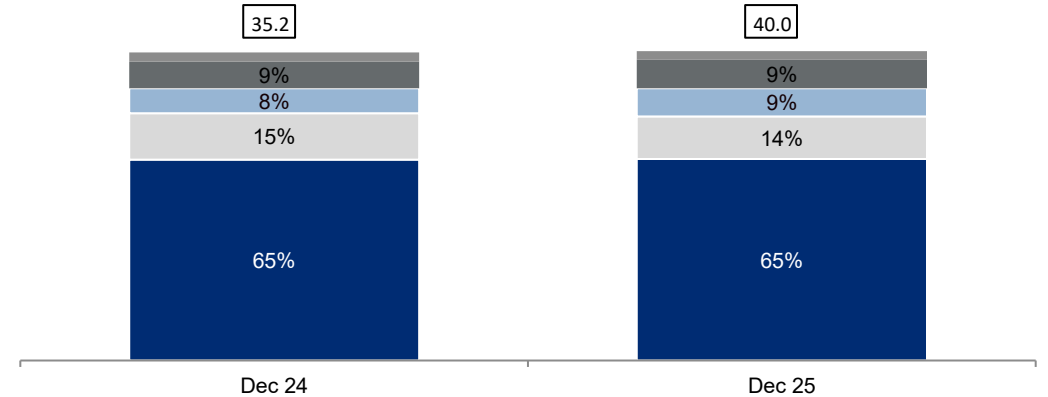
Total Assets (KDbn)

■ Cash & Deposits with banks ■ Loans ■ Investment sec. ■ Others

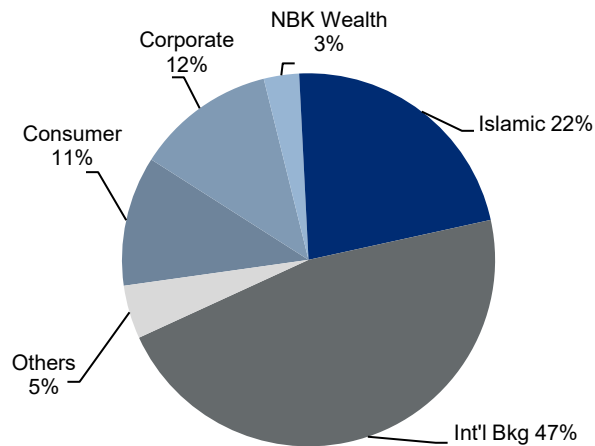


Total Liabilities (KDbn)

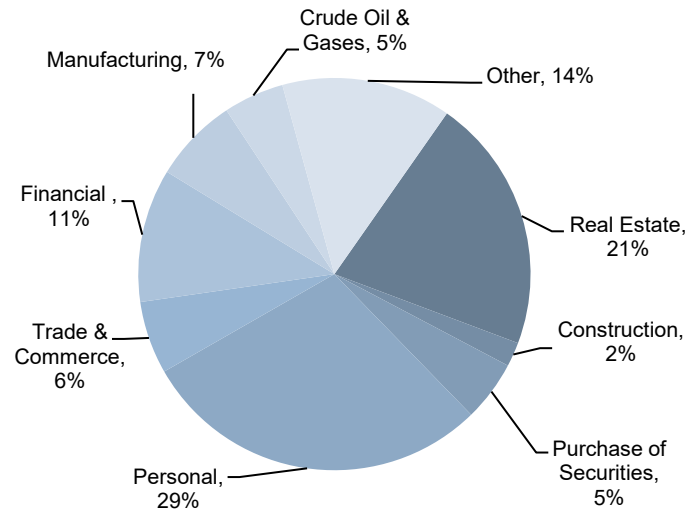
■ Customer Deposits ■ Due to banks ■ Deposits from other FIs ■ CD's / Other borrowed funds ■ Other Liabilities



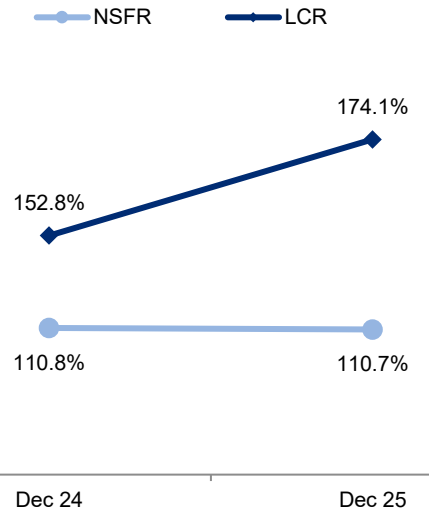
Dec 25 Total Assets by Business Line (%)



Loan Exposure by Sector (%) (as at 31 Dec 2025)



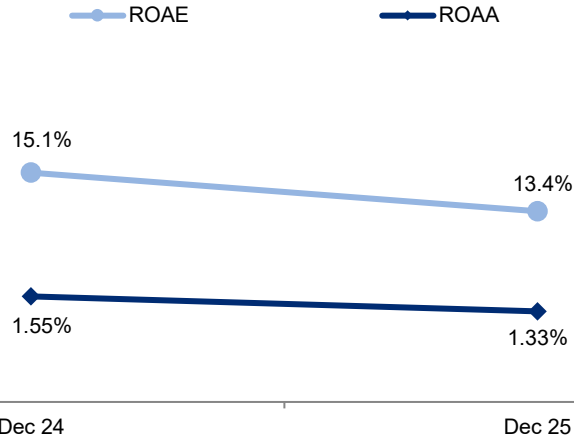
LCR & NSFR Ratios



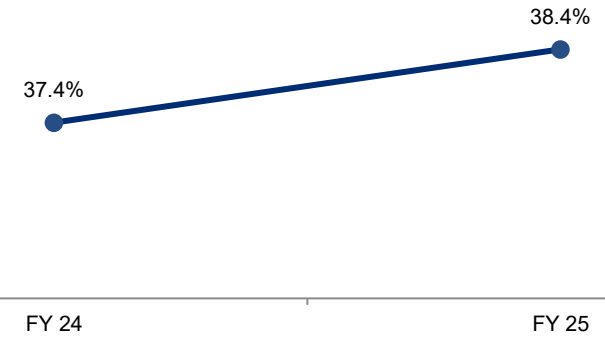


Performance and Asset Quality Ratios 2025

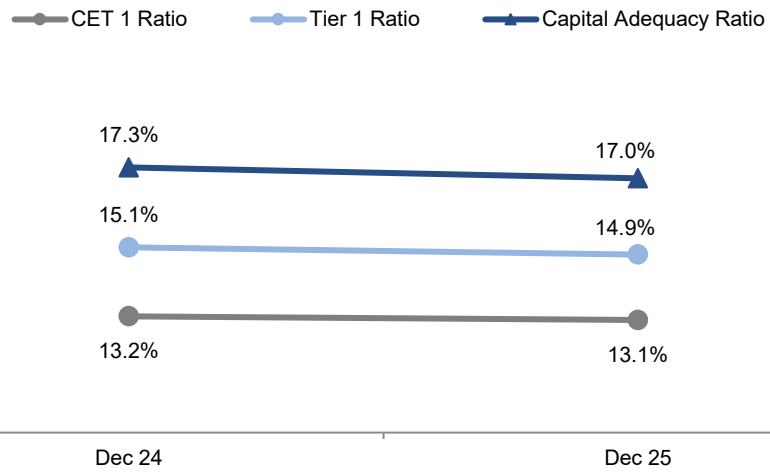
Return on Average Equity & Return on Average Assets



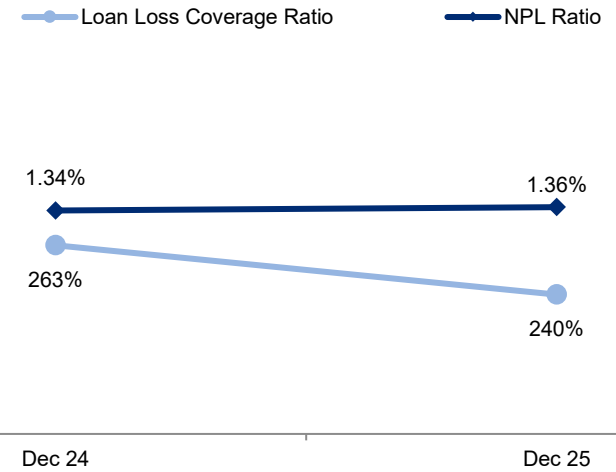
Cost to Income Ratio



Capital Adequacy Ratios



Asset Quality Ratios





2026 Guidance

	FY 2025	2026 Guidance v/s 2025
Loan Growth (ytd)	+13.1%	Low Double Digit
NIM	2.41%	Contracting
Cost to Income ratio	38.4%	High 30s
Cost of Risk	15bps	c.40bps
Earnings (<i>yoy</i>)	-4.1%	
Capital Adequacy	17.0%	

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Consolidated Statement Of Income *(KDM)*

<i>KDM</i>	2024	2025	YoY Growth (%)
Interest Income	1,799	1,842	2%
Interest Expense	1,027	1,059	3%
Net Interest Income	772	783	1%
Murabaha and other Islamic financing income	465	496	7%
Finance cost and Distribution to depositors	256	279	9%
Net Income from Islamic financing	208	217	4%
Net interest income and net income from Islamic financing	980	1,000	2%
Net fees and commissions	206	217	5%
Net investment income	23	34	48%
Net gains from dealing in foreign currencies	41	44	6%
Other operating income	1	3	NM
Non-interest income	271	297	10%
Net Operating Income	1,251	1,297	4%
Staff expenses	253	266	5%
Other administrative expenses	167	179	7%
Depreciation of premises and equipment	47	51	9%
Amortisation of intangible assets	2	2	0%
Operating Expenses	468	498	6%
Op. profit before provision for credit losses and impairment losses	783	799	2%
Provision charge for credit losses and impairment losses	86	65	(25%)
Operating profit before taxation and directors' remuneration	697	735	5%
Taxation	58	119	NM
Non-controlling interests	38	40	5%
Profit attributable to shareholders of the Bank	600	576	(4%)



Consolidated Statement Of Financial Position *(KDm)*

<i>KDm</i>	December-2024	December-2025	YoY Growth %
Cash and short term funds	5,323	4,878	(8%)
Central Bank of Kuwait bonds	344	31	(91%)
Kuwait Government treasury bonds	149	847	NM
Deposits with banks	1,383	2,107	52%
Loans, advances and Islamic financing to customers	23,708	26,816	13%
Investment securities	7,626	9,151	20%
Land, premises and equipment	517	544	5%
Goodwill and other intangible assets	511	507	(1%)
Other assets	777	732	(6%)
Total Assets	40,338	45,613	13%
Due to banks	5,404	5,473	1%
Deposits from other financial institutions	2,950	3,653	24%
Customer deposits	22,866	26,064	14%
Commercial papers and certificates of deposit issued	1,501	2,131	42%
Other borrowed funds	1,520	1,560	3%
Other liabilities	940	1,081	15%
Total Liabilities	35,181	39,963	14%
Share capital	833	874	5%
Proposed bonus shares	42	44	5%
Statutory reserve	416	437	5%
Share premium account	803	803	0%
Treasury share reserve	35	35	0%
Other reserves	1,984	2,376	20%
Equity attributable to shareholders of the bank	4,112	4,570	11%
Perpetual Tier 1 Capital Securities	439	455	4%
Non-controlling interests	605	625	3%
Total equity	5,157	5,650	10%
Total liabilities and equity	40,338	45,613	13%



Performance Measures 2025

	December-2024	December-2025
Return on Average Assets	1.55%	1.33%
Return on Average Equity	15.1%	13.4%
Net Interest Margin	2.66%	2.41%
Cost to Income	37.4%	38.4%
NPLs to Gross Loans	1.34%	1.36%
Loan Loss Reserves to NPLs	263%	240%
CET 1 Ratio	13.2%	13.1%
Tier 1 Ratio	15.1%	14.9%
Total Capital Adequacy Ratio	17.3%	17.0%

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Questions?



Thank You

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Download copies of NBK's:

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- [Earnings release](#)
- [Annual report](#)



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