NATIONAL BANK OF KUWAIT GROUP

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2026 (UNAUDITED)

EY
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL BANK OF KUWAIT S.A.K.P.

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of National Bank of Kuwait S.A.K.P. (the "Bank") and its subsidiaries (collectively the "Group") as at 30 June 2026, and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income for the three month and six month periods then ended, and the interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the six month period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.

Report on Other Legal and Regulatory Requirements
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulation, as amended, or of the Bank's Memorandum of Incorporation and Articles of Association, as amended, during the six month period ended 30 June 2026 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, during the six month period ended 30 June 2026 that might have had a material effect on the business of the Bank or on its financial position.

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20 July 2026
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

30 June 2026 (Unaudited)

	Notes	*Three months ended 30 June* **2026** *KD 000's*	*Three months ended 30 June* 2025 *KD 000's*	*Six months ended 30 June* **2026** *KD 000's*	*Six months ended 30 June* 2025 *KD 000's*
Interest income		**456,736**	457,212	**915,760**	894,516
Interest expense		**260,800**	259,292	**525,983**	511,169
Net interest income		**195,936**	197,920	**389,777**	383,347
Murabaha and other Islamic financing income		**126,370**	123,559	**249,760**	241,741
Finance cost and distribution to depositors		**69,850**	68,553	**139,024**	135,403
Net income from Islamic financing		**56,520**	55,006	**110,736**	106,338
Net interest income and net income from Islamic financing		**252,456**	252,926	**500,513**	489,685
Net fees and commissions		**56,438**	51,237	**114,854**	106,511
Net investment income		**8,096**	7,938	**17,945**	15,757
Net gains from dealing in foreign currencies		**13,432**	7,731	**27,578**	19,030
Other operating income		**390**	870	**1,079**	396
Non-interest income		**78,356**	67,776	**161,456**	141,694
Net operating income		**330,812**	320,702	**661,969**	631,379
Staff expenses		**68,469**	68,999	**136,713**	131,045
Other administrative expenses		**43,746**	42,207	**88,493**	83,359
Depreciation of premises and equipment		**13,501**	12,791	**26,907**	24,929
Amortisation of intangible assets		**412**	412	**824**	824
Operating expenses		**126,128**	124,409	**252,937**	240,157
Operating profit before provision for credit losses and impairment losses		**204,684**	196,293	**409,032**	391,222
Provision (release) charge for credit losses and impairment losses	3	**(20,342)**	(31,808)	**6,438**	(10,280)
Operating profit before taxation		**225,026**	228,101	**402,594**	401,502
Taxation	4	**24,257**	35,803	**55,174**	64,067
Profit for the period		**200,769**	192,298	**347,420**	337,435
Attributable to:					
Shareholders of the Bank		**189,331**	181,178	**324,783**	315,261
Non-controlling interests		**11,438**	11,120	**22,637**	22,174
		200,769	192,298	**347,420**	337,435
Basic earnings per share attributable to shareholders of the Bank	5	**21 fils**	19 fils	**34 fils**	33 fils

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

30 June 2026 (Unaudited)

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD 000's	*KD 000's*	***KD 000's***	*KD 000's*
Profit for the period	**200,769**	192,298	**347,420**	337,435
Other comprehensive income (loss):				
Investment in debt securities measured at FVOCI:				
Net changes in fair value	**74,913**	6,774	**(30,666)**	(7,865)
Net transfer to interim condensed consolidated statement of income	**(14,748)**	3,285	**(3,033)**	3,293
	60,165	10,059	**(33,699)**	(4,572)
Exchange differences on translation of foreign operations	**18,679**	18,066	**(6,935)**	29,097
Other comprehensive income (loss) for the period reclassifiable to interim condensed consolidated statement of income in subsequent periods	**78,844**	28,125	**(40,634)**	24,525
Net gain on investments in equity instruments designated at FVOCI	**838**	25	**905**	112
Actuarial loss in respect of defined benefit plans	**-**	-	**(9)**	-
Other comprehensive income for the period not reclassifiable to interim condensed consolidated statement of income in subsequent periods	**838**	25	**896**	112
Other comprehensive income (loss) for the period	**79,682**	28,150	**(39,738)**	24,637
Total comprehensive income for the period	**280,451**	220,448	**307,682**	362,072
Attributable to:				
Shareholders of the Bank	**265,256**	208,889	**286,154**	339,372
Non-controlling interests	**15,195**	11,559	**21,528**	22,700
	280,451	220,448	**307,682**	362,072

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

National Bank of Kuwait Group

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026 (Unaudited)

	Notes	***30 June 2026 KD 000's***	*Audited 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Assets				
Cash and short term funds		**4,905,140**	4,878,491	5,628,515
Central Bank of Kuwait bonds		**-**	30,605	283,681
Kuwait Government treasury bonds		**1,571,243**	847,019	221,040
Deposits with banks		**941,867**	2,106,526	1,600,119
Loans, advances and Islamic financing to customers	6	**27,768,190**	26,815,568	25,492,249
Investment securities		**9,171,254**	9,151,443	8,617,596
Land, premises and equipment		**555,874**	543,691	536,162
Goodwill and other intangible assets		**506,300**	507,103	509,885
Other assets		**812,955**	732,398	759,020
Total assets		**46,232,823**	45,612,844	43,648,267
Liabilities				
Due to banks		**5,200,544**	5,473,308	6,525,105
Deposits from other financial institutions		**4,234,523**	3,653,222	3,170,820
Customer deposits		**27,015,212**	26,064,003	23,887,784
Commercial papers and certificates of deposit issued		**1,535,553**	2,131,284	2,001,398
Other borrowed funds		**1,571,236**	1,559,614	1,723,098
Other liabilities		**1,053,478**	1,081,166	1,061,480
Total liabilities		**40,610,546**	39,962,597	38,369,685
Equity				
Share capital	7	**917,990**	874,277	874,277
Proposed bonus shares	7	**-**	43,713	-
Share premium account		**803,028**	803,028	803,028
Statutory reserve		**437,140**	437,140	416,324
Retained earnings		**2,480,679**	2,171,979	2,279,607
Proposed cash dividend	7	**-**	305,997	-
Other reserves	7	**(105,233)**	(66,604)	(141,101)
Equity attributable to shareholders of the Bank		**4,533,604**	4,569,530	4,232,135
Perpetual Tier 1 Capital Securities	8	**455,335**	455,335	439,032
Non-controlling interests		**633,338**	625,382	607,415
Total equity		**5,622,277**	5,650,247	5,278,582
Total liabilities and equity		**46,232,823**	45,612,844	43,648,267

Hamad Mohamed Al-Bahar
Chairman

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
30 June 2026 (Unaudited)

	Notes	*Six months ended 30 June* **2026** **KD 000's**	2025 KD 000's
Operating activities			
Profit for the period		**347,420**	337,435
Adjustments for:			
Net investment income		**(17,945)**	(15,757)
Provision for staff terminal benefits		**6,853**	6,559
Depreciation of premises and equipment		**26,907**	24,929
Amortisation of intangible assets		**824**	824
Provision charge (release) for credit losses and impairment losses	3	**6,438**	(10,280)
Taxation	4	**55,174**	64,067
Cash flow from operating activities before changes in operating assets and liabilities		**425,671**	407,777
Changes in operating assets and liabilities:			
Central Bank of Kuwait bonds		**31,000**	59,971
Kuwait Government treasury bonds		**(724,017)**	(71,500)
Deposits with banks		**1,163,932**	(216,566)
Loans, advances and Islamic financing to customers		**(967,612)**	(1,760,668)
Other assets		**(39,827)**	(96,980)
Due to banks		**(273,785)**	1,121,303
Deposits from other financial institutions		**581,301**	221,064
Customer deposits		**951,010**	1,021,579
Commercial papers and certificates of deposit issued		**(595,731)**	499,941
Other liabilities		**(37,428)**	30,841
Payment of staff terminal benefits		**(1,954)**	(2,378)
Taxes paid		**(87,716)**	(42,365)
Net cash from operating activities		**424,844**	1,172,019
Investing activities			
Purchase of investment securities		**(2,485,324)**	(2,825,858)
Proceeds from sale/redemption of investment securities		**2,453,086**	2,020,662
Dividend income		**1,089**	971
Change in holding in subsidiaries		**-**	(1,639)
Purchase of land, premises and equipment		**(37,093)**	(33,390)
Proceeds from sale of land, premises and equipment		**121**	-
Purchase of investment in associate		**(300)**	-
Net cash used in investing activities		**(68,421)**	(839,254)
Financing activities			
Redemption of Global Medium term Sukuk by a subsidiary		**-**	(231,075)
Proceeds from issuance of Global medium term Sukuk by a subsidiary		**-**	152,650
Interest paid on Perpetual Tier 1 Capital Securities		**(11,750)**	(9,104)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary		**(3,056)**	(3,046)
Dividends paid	7	**(305,997)**	(208,161)
Dividend paid by a subsidiary to non-controlling interests		**(12,341)**	(16,694)
Net movement in other borrowed funds		**3,370**	287,907
Net cash used in financing activities		**(329,774)**	(27,523)
Increase in cash and short term funds		**26,649**	305,242
Cash and short term funds at 1 January		**4,878,491**	5,323,273
Cash and short term funds at 30 June		**4,905,140**	5,628,515

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

30 June 2026 (Unaudited)

KD 000's

	Equity attributable to shareholders of the Bank										
	Share capital	*Proposed bonus shares*	*Share premium account*	*Statutory reserve*	*Retained earnings*	*Proposed cash dividend*	*Other reserves (Note 7)*	*Total*	*Perpetual Tier 1 capital securities*	*Non - controlling interests*	*Total equity*
At 1 January 2026	874,277	43,713	803,028	437,140	2,171,979	305,997	(66,604)	4,569,530	455,335	625,382	5,650,247
Profit for the period	-	-	-	-	324,783	-	-	324,783	-	22,637	347,420
Other comprehensive loss	-	-	-	-	-	-	(38,629)	(38,629)	-	(1,109)	(39,738)
Total comprehensive income (loss)	-	-	-	-	324,783	-	(38,629)	286,154	-	21,528	307,682
Issue of bonus shares (Note 7b)	43,713	(43,713)	-	-	-	-	-	-	-	-	-
Dividends paid (Note 7b)	-	-	-	-	-	(305,997)	-	(305,997)	-	-	(305,997)
Interest paid on perpetual Tier 1 Capital Securities	-	-	-	-	(11,750)	-	-	(11,750)	-	-	(11,750)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	-	-	-	(1,845)	-	-	(1,845)	-	(1,211)	(3,056)
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	-	(12,341)	(12,341)
Other movements	-	-	-	-	(2,488)	-	-	(2,488)	-	(20)	(2,508)
At 30 June 2026	917,990	-	803,028	437,140	2,480,679	-	(105,233)	4,533,604	455,335	633,338	5,622,277
At 1 January 2025	832,644	41,633	803,028	416,324	1,975,750	208,161	(165,212)	4,112,328	439,032	605,372	5,156,732
Profit for the period	-	-	-	-	315,261	-	-	315,261	-	22,174	337,435
Other comprehensive income	-	-	-	-	-	-	24,111	24,111	-	526	24,637
Total comprehensive income	-	-	-	-	315,261	-	24,111	339,372	-	22,700	362,072
Issue of bonus shares (Note 7b)	41,633	(41,633)	-	-	-	-	-	-	-	-	-
Dividends paid (Note 7b)	-	-	-	-	-	(208,161)	-	(208,161)	-	-	(208,161)
Interest paid on perpetual Tier 1 Capital Securities	-	-	-	-	(9,104)	-	-	(9,104)	-	-	(9,104)
Profit distribution on Perpetual Tier 1 Sukuk by a subsidiary	-	-	-	-	(1,839)	-	-	(1,839)	-	(1,207)	(3,046)
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	-	(16,694)	(16,694)
Other movements	-	-	-	-	(461)	-	-	(461)	-	(2,756)	(3,217)
At 30 June 2025	874,277	-	803,028	416,324	2,279,607	-	(141,101)	4,232,135	439,032	607,415	5,278,582

1 INCORPORATION AND REGISTRATION

The interim condensed consolidated financial information of National Bank of Kuwait S.A.K.P. (the “Bank”) and its subsidiaries (collectively the “Group”) for the six months period ended 30 June 2026 was authorised for issue in accordance with a resolution of the directors on 8 July 2026. The Bank is a public shareholding company incorporated in the State of Kuwait in 1952 and is registered as a bank (commercial registration number – 8490) with the Central Bank of Kuwait. The Bank’s registered office is at Al Shuhada Street, P.O. Box 95, Safat 13001, Kuwait.

2 ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’ except as noted below. The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025.

The annual consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (CBK) in the State of Kuwait. These regulations require banks and other financial institutions regulated by CBK to adopt the International Financial Reporting Standards (“IFRS”) with an amendment for measuring the expected credit loss (“ECL”) on credit facilities at the higher of ECL computed under IFRS 9 – ‘Financial Instruments’ in accordance to the CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is hereinafter referred to as ‘IFRS Accounting standards as adopted by CBK for use by the State of Kuwait’.

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2025. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2026 did not have any material impact on the accounting policies, financial position or performance of the Group.

3 PROVISION (RELEASE) CHARGE FOR CREDIT LOSSES AND IMPAIRMENT LOSSES

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD 000's	*KD 000's*	***KD 000's***	*KD 000's*
Provision (release) charge for credit facilities – Specific (including recoveries)	**(740)**	(52,902)	**1,499**	(35,868)
Provision charge for credit facilities – general	**5,855**	8,790	**15,699**	16,274
Expected credit losses (release) charge	**(25,012)**	3,294	**(12,378)**	111
Other impairment losses	**(445)**	9,010	**1,618**	9,203
	(20,342)	(31,808)	**6,438**	(10,280)

4 TAXATION

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD 000's	*KD 000's*	***KD 000's***	*KD 000's*
Kuwait Domestic Minimum Top-up Tax (DMTT)	**15,258**	19,868	**28,310**	33,947
Contribution to Kuwait Foundation for the Advancement of Sciences	**753**	2,109	**2,248**	3,473
Overseas tax	**8,246**	13,826	**24,616**	26,647
	24,257	35,803	**55,174**	64,067

5 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Bank (adjusted for interest and profit paid on Perpetual Tier 1 Capital Securities) by the weighted average number of shares outstanding during the period net of treasury shares. There are no dilutive potential shares that are convertible into shares.

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD 000's	*KD 000's*	***KD 000's***	*KD 000's*
Profit attributable to shareholders of the Bank	**189,331**	181,178	**324,783**	315,261
Less: Interest paid on Perpetual Tier 1 capital Securities	-	(5,181)	**(11,750)**	(9,104)
Less: Profit distribution on Perpetual Tier 1 sukuk by a subsidiary attributable to shareholders of the Bank	-	-	**(1,845)**	(1,839)
	189,331	175,997	**311,188**	304,318
Weighted average number of shares outstanding during the period net of treasury shares (thousands)	**9,179,903**	9,179,903	**9,179,903**	9,179,903
Basic earnings per share	**21 fils**	19 fils	**34 fils**	33 fils

Earnings per share calculations for the period ended 30 June 2025 have been adjusted to take account of the bonus shares issued in 2026.

6 LOANS, ADVANCES AND ISLAMIC FINANCING TO CUSTOMERS

	30 June 2026 KD 000's	*Audited 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Loans, advances and Islamic financing to customers	**28,665,527**	27,717,632	26,373,716
Provision for credit losses	**(897,337)**	(902,064)	(881,467)
	27,768,190	26,815,568	25,492,249

The available provision on non-cash facilities of KD 52,720 thousand (31 December 2025: KD 52,031 thousand, 30 June 2025: KD 46,644 thousand) is included under other liabilities. The total provision for cash and non cash credit facilities in accordance with CBK guidelines amounted to KD 950,057 thousand as at 30 June 2026 (31 December 2025: KD 954,095 thousand, 30 June 2025: KD 928,111 thousand).

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to KD 675,999 thousand as at 30 June 2026 (31 December 2025: 698,446 thousand, 30 June 2025: KD 682,184 thousand). CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

An analysis of the carrying amounts of credit facilities, and the corresponding ECL based on the staging criteria under IFRS 9 in accordance to the CBK guidelines is as follows:

30 June 2026	***Stage 1 KD 000's***	***Stage 2 KD 000's***	***Stage 3 KD 000's***	***Total KD 000's***
Loans, advances and Islamic financing to customers	**26,697,461**	**1,617,625**	**350,441**	**28,665,527**
Contingent liabilities (Note 10)	**5,426,733**	**899,900**	**30,041**	**6,356,674**
Commitments (revocable and irrevocable) to extend credit	**11,966,686**	**959,618**	**629**	**12,926,933**
ECL allowance for credit facilities	**203,687**	**185,318**	**286,994**	**675,999**

31 December 2025	*Stage 1 KD 000's*	*Stage 2 KD 000's*	*Stage 3 KD 000's*	*Total KD 000's*
Loans, advances and Islamic financing to customers	25,790,845	1,550,828	375,959	27,717,632
Contingent liabilities (Note 10)	5,078,474	953,847	32,301	6,064,622
Commitments (revocable and irrevocable) to extend credit	11,653,546	1,075,580	4,989	12,734,115
ECL allowance for credit facilities	195,771	192,753	309,922	698,446

30 June 2025	*Stage 1 KD 000's*	*Stage 2 KD 000's*	*Stage 3 KD 000's*	*Total KD 000's*
Loans, advances and Islamic financing to customers	24,388,341	1,635,609	349,766	26,373,716
Contingent liabilities (Note 10)	4,692,165	975,956	11,821	5,679,942
Commitments (revocable and irrevocable) to extend credit	10,342,913	1,022,220	472	11,365,605
ECL allowance for credit facilities	201,768	226,737	253,679	682,184

6 LOANS, ADVANCES AND ISLAMIC FINANCING TO CUSTOMERS (continued)

An analysis of the changes in the ECL in relation to credit facilities (cash and non-cash facilities) computed under IFRS 9 in accordance to the CBK guidelines is as follows:

	Stage 1	***Stage 2***	***Stage 3***	***Total***
	KD 000's	***KD 000's***	***KD 000's***	***KD 000's***
ECL allowance as at 1 January 2026	**195,771**	**192,753**	**309,922**	**698,446**
Transfer between stages				
Transfer from Stage 1	**(3,819)**	**2,886**	**933**	**-**
Transfer from Stage 2	**17,435**	**(47,797)**	**30,362**	**-**
Transfer from Stage 3	**8,136**	**3,066**	**(11,202)**	**-**
Amounts recovered (written off) net of exchange movements	**167**	**267**	**(20,679)**	**(20,245)**
Net (decrease) increase in ECL for the period	**(14,003)**	**34,143**	**(22,342)**	**(2,202)**
At 30 June 2026	**203,687**	**185,318**	**286,994**	**675,999**

	Stage 1	*Stage 2*	*Stage 3*	*Total*
	KD 000's	*KD 000's*	*KD 000's*	*KD 000's*
ECL allowance as at 1 January 2025	176,315	199,369	258,681	634,365
Transfer between stages				
Transfer from Stage 1	(4,474)	3,531	943	-
Transfer from Stage 2	34,725	(54,372)	19,647	-
Transfer from Stage 3	11,770	2,505	(14,275)	-
Amounts recovered (written off) net of exchange movements	328	(80)	36,722	36,970
Net (decrease) increase in ECL for the period	(16,896)	75,784	(48,039)	10,849
At 30 June 2025	201,768	226,737	253,679	682,184

7 SHAREHOLDERS' EQUITY

a) The authorised share capital of the Bank comprises 15,000,000,000 shares (31 December 2025: 10,000,000,000 shares and 30 June 2025: 10,000,000,000 shares) of 100 fils each. The increase in authorized share capital was approved by the Extraordinary General Meeting of the shareholders held on 28 March 2026. The issued and fully paid up share capital of the Bank comprises 9,179,903,298 shares (31 December 2025: 8,742,765,046 shares and 30 June 2025: 8,742,765,046 shares) of 100 fils each.

b) Dividend and bonus shares

The Annual General Assembly meeting of the shareholders held on 14 March 2026 approved 5% bonus shares and a final cash dividend of 35 fils per share for the year ended 31 December 2025 (5% bonus shares and a total cash dividend of 35 fils per share distributed between 25 fils per share as final cash dividend and 10 fils per share as an interim cash dividend for the year ended 31 December 2024). The final cash dividend amounting to KD 305,997 thousand was paid on 9 April 2026. The bonus shares issued in 2026 increased the number of issued and fully paid up shares by 437,138,252 (2025: 416,322,145) and the share capital by KD 43,713 thousand (2025: KD 41,632 thousand). The bonus shares were distributed on 9 April 2026.

7 SHAREHOLDERS' EQUITY (continued)

c) Other reserves

	General reserve KD 000's	*Foreign currency translation reserve KD 000's*	*Cumulative changes in fair values KD 000's*	*Share based payment reserve KD 000's*	*Actuarial valuation reserve KD 000's*	*Treasury share reserve KD 000's*	*Total other reserves KD 000's*
At 1 January 2026	**117,058**	**(368,051)**	**150,437**	**-**	**(1,009)**	**34,961**	**(66,604)**
Other comprehensive loss	**-**	**(7,313)**	**(31,307)**	**-**	**(9)**	**-**	**(38,629)**
At 30 June 2026	**117,058**	**(375,364)**	**119,130**	**-**	**(1,018)**	**34,961**	**(105,233)**
At 1 January 2025	117,058	(427,418)	92,980	14,409	2,798	34,961	(165,212)
Other comprehensive income (loss)	-	27,760	(3,649)	-	-	-	24,111
At 30 June 2025	117,058	(399,658)	89,331	14,409	2,798	34,961	(141,101)

8 PERPETUAL TIER 1 CAPITAL SECURITIES

The Bank issued the following Perpetual Tier 1 Capital Securities (the "Capital Securities"), through wholly owned special purpose vehicles:

	30 June 2026 KD 000's	*Audited 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
USD 750,000 thousand (issued in November 2019 at an interest rate of 4.5% per annum, semi-annually in arrears, until the first reset date in November 2025, redeemable at the option of the bank in August 2025) – redeemed during 2025	**-**	-	227,737
USD 700,000 thousand (issued in February 2021 at an interest rate of 3.625% per annum, semi-annually in arrears, until the first reset date in February 2027, redeemable at the option of the bank in August 2026)	**211,295**	211,295	211,295
USD 800,000 thousand (issued in July 2025 at an interest rate of 6.375% per annum, payable semi-annually in arrears, until the first reset date in July 2031, redeemable at the option of the Bank in January 2031)	**244,040**	244,040	-
	455,335	455,335	439,032

During 2021, Boubyan Bank K.S.C.P, a subsidiary of the Group, issued Tier 1 Sukuk (the "Capital Securities), through a Sharia's compliant Sukuk arrangement amounting to USD 500,000 thousand, callable in October 2026 and bears an expected profit rate of 3.95% per annum until the first reset date in April 2027, payable semi-annually in arrears.

The Parent Bank did not subscribe to the Tier 1 Sukuk issue and the total amount is included in non-controlling interest in the interim condensed consolidated statement of financial position.

The above mentioned Capital Securities are subordinated, unsecured and are eligible to be classified under equity in accordance with IAS 32: Financial Instruments – Presentation.

9 SEGMENTAL ANALYSIS

The Group has six reportable segments as described below. Management treats the operations of these segments separately for the purposes of decision making, resource allocation and performance assessment.

Consumer Banking
Consumer Banking provides a diversified range of products and services to individuals. The range includes consumer loans, credit cards, deposits, foreign exchange and other branch related services.

Corporate Banking
Corporate Banking provides a comprehensive product and service offering to business and corporate customers, including lending, deposits, trade finance, foreign exchange and advisory services.

NBK Wealth
NBK Wealth provides a full range of asset management, custody, brokerage, lending, deposits and other customized and innovative banking services to high net worth individuals and institutional clients across the Group.

Islamic Banking
Islamic banking represents the financial results of Boubyan Bank K.S.C.P., the Islamic banking subsidiary of the Group.

Group Centre
Group Centre includes treasury, investments, and other defined Group activities. Treasury provides a comprehensive range of treasury services and products to its clients, and is also responsible for the Bank's liquidity and market risk management. Group Centre includes any residual in respect of transfer pricing and inter segment allocations.

International Banking
International Banking provides a broad range of products and services including lending, deposits, trade finance etc. to corporate and individual customers at Group's overseas locations.

The following table shows net operating income, profit for the period, total assets and total liabilities information in respect of the Group's business segments:

9 SEGMENTAL ANALYSIS (continued)

	30 June 2026						
	Consumer Banking KD 000's	***Corporate Banking KD 000's***	***NBK Wealth KD 000's***	***Islamic Banking KD 000's***	***Group Centre KD 000's***	***International Banking KD 000's***	***Total KD 000's***
Six months							
Net operating income	**134,232**	**73,622**	**68,803**	**143,011**	**68,846**	**173,455**	**661,969**
Profit for the period	**50,698**	**70,771**	**37,936**	**55,750**	**55,361**	**76,904**	**347,420**
Total assets	**5,062,001**	**5,854,605**	**1,383,766**	**10,592,712**	**1,674,507**	**21,665,232**	**46,232,823**
Total liabilities	**5,108,837**	**2,940,690**	**2,323,726**	**9,436,340**	**1,995,975**	**18,804,978**	**40,610,546**

	30 June 2025						
	Consumer Banking KD 000's	*Corporate Banking KD 000's*	*NBK Wealth KD 000's*	*Islamic Banking KD 000's*	*Group Centre KD 000's*	*International Banking KD 000's*	*Total KD 000's*
Six months							
Net operating income	127,665	77,923	63,343	135,007	61,797	165,644	631,379
Profit for the period	45,548	107,047	32,274	52,205	22,773	77,588	337,435
Total assets	5,153,415	5,335,487	1,313,810	9,952,562	1,761,876	20,131,117	43,648,267
Total liabilities	5,162,125	2,586,660	2,331,306	8,861,599	1,426,446	18,001,549	38,369,685

10 COMMITMENTS AND CONTINGENT LIABILITIES

	30 June 2026 KD 000's	*Audited 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Commitments on behalf of customers for which there are corresponding liabilities by the customers concerned:			
Acceptances	**115,134**	145,542	106,190
Letters of credit	**621,706**	575,733	576,246
Guarantees	**5,619,834**	5,343,347	4,997,506
	6,356,674	6,064,622	5,679,942

Irrevocable commitments to extend credit amount to KD 2,294,089 thousand (31 December 2025: KD 2,615,137 thousand, 30 June 2025: KD 1,822,821 thousand). This includes commitments to extend credit which are irrevocable over the life of the facility or are revocable only in response to a material adverse change.

In the normal course of business, the Group has exposure to various indirect credit commitments which, though not reflected in the interim condensed consolidated statement of financial position, are subject to normal credit standards, financial controls and monitoring procedures.

These credit commitments do not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded. Credit losses, if any, which may result from exposure to such commitments are not expected to be significant.

The Group has commitments in respect of capital expenditure amounting to KD 80,200 thousand (31 December 2025: KD 78,066 thousand, 30 June 2025: KD 69,232 thousand).

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the Group determines fair values using valuation techniques.

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted prices for identical or similar instruments in market that are considered less than active or other valuation techniques in which all significant inputs are observable from market data. Debt securities under this category mainly include sovereign debt instruments in the Middle East & North Africa (MENA) region.

Level 3: valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The valuation techniques and inputs used in this interim condensed consolidated financial information are same as those disclosed in the annual consolidated financial statements for the year ended 31 December 2025.

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments recorded at fair value:

30 June 2026	***Level 1 KD 000's***	***Level 2 KD 000's***	***Level 3 KD 000's***	***Total KD 000's***
Debt securities	**7,124,371**	**346,523**	**88,750**	**7,559,644**
Equities and other investments	**62,279**	**240,587**	**41,898**	**344,764**
Kuwait Government treasury bonds	**90,217**	**-**	**-**	**90,217**
	7,276,867	**587,110**	**130,648**	**7,994,625**
Derivative financial instruments (Note 12)	**-**	**163,175**	**-**	**163,175**

31 December 2025	*Level 1 KD 000's*	*Level 2 KD 000's*	*Level 3 KD 000's*	*Total KD 000's*
Debt securities	7,067,069	267,462	88,465	7,422,996
Equities and other investments	60,870	306,616	45,975	413,461
Kuwait Government treasury bonds	91,314	-	-	91,314
	7,219,253	574,078	134,440	7,927,771
Derivative financial instruments (Note 12)	-	93,027	-	93,027

30 June 2025	*Level 1 KD 000's*	*Level 2 KD 000's*	*Level 3 KD 000's*	*Total KD 000's*
Debt securities	6,660,447	221,901	131,050	7,013,398
Equities and other investments	60,629	293,959	41,472	396,060
	6,721,076	515,860	172,522	7,409,458
Derivative financial instruments (Note 12)	-	132,138	-	132,138

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The table below analyses the movement in level 3 and the income (interest, dividend and realised/unrealised gain) generated during the periods.

	At 1 January 2026 KD 000's	***Change in fair value KD 000's***	***Additions KD 000's***	***Sale/ redemption KD 000's***	***Exchange rate movements KD 000's***	***At 30 June 2026 KD 000's***	***Net gain in the interim condensed consolidated statement of income KD 000's***
Debt securities	**88,465**	**-**	**-**	**-**	**285**	**88,750**	**2,466**
Equities and other investments	**45,975**	**(214)**	**41**	**(3,920)**	**16**	**41,898**	**1,963**
	134,440	**(214)**	**41**	**(3,920)**	**301**	**130,648**	**4,429**

	At 1 January 2025 KD 000's	*Change in fair value KD 000's*	*Additions KD 000's*	*Sale/ redemption KD 000's*	*Exchange rate movements KD 000's*	*At 30 June 2025 KD 000's*	*Net gain/(loss) in the interim condensed consolidated statement of income KD 000's*
Debt securities	82,317	-	49,500	-	(767)	131,050	3,651
Equities and other investments	42,461	(911)	576	(603)	(51)	41,472	(88)
	124,778	(911)	50,076	(603)	(818)	172,522	3,563

12 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial instruments that derive their value by referring to interest rates, foreign exchange rates, index of prices or rates and credit rating or credit index. Notional principal amounts merely represent amounts to which a rate or price is applied to determine the amounts of cash flows to be exchanged and do not represent the potential gain or loss associated with the market or credit risk of such instruments.

Derivative financial instruments are carried at fair value in the interim condensed consolidated statement of financial position. Positive fair value represents the cost of replacing all transactions with a fair value in the Group's favour had the rights and obligations arising from that instrument been closed in an orderly market transaction at the reporting date. Credit risk in respect of derivative financial instruments is limited to the positive fair value of the instruments. Negative fair value represents the cost to the Group's counter parties of replacing all their transactions with the Group.

The Group deals in interest rate swaps to manage its interest rate risk on interest bearing assets and liabilities and to provide interest rate risk management solutions to customers. Similarly the Group deals in forward foreign exchange contracts for customers and to manage its foreign currency positions and cash flows.

12 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swaps used to hedge the change in fair value of the Group's financial assets and liabilities and which qualifies as effective hedging instruments are disclosed as 'held as fair value hedges'. Other interest rate swaps and forward foreign exchange contracts are carried out for customers or used for hedging purpose but do not meet the qualifying criteria for hedge accounting. The risk exposures on account of derivative financial instruments for customers are covered by entering into opposite transactions (back to back) with counter parties or by other risk mitigating transactions.

Interest rate swaps
Interest rate swaps are contractual agreements between two counter-parties to exchange interest payments on a defined principal amount for a fixed period of time. In cross currency interest rate swaps, the Group exchanges interest payment in two different currencies on a defined principal amount for a fixed period of time and also exchanges defined principal amounts in two different currencies at inception of the contract and re-exchanges principal amounts on maturity.

Forward foreign exchange
Forward foreign exchange contracts are agreements to buy or sell currencies at a specified rate and at a future date.

The fair value of derivative financial instruments included in the financial records, together with their notional amounts is summarised as follows:

	30 June 2026			*Audited 31 December 2025*			*30 June 2025*		
	Positive fair value KD 000's	***Negative fair value KD 000's***	***Notional KD 000's***	*Positive fair value KD 000's*	*Negative fair value KD 000's*	*Notional KD 000's*	*Positive fair value KD 000's*	*Negative fair value KD 000's*	*Notional KD 000's*
Interest rate swaps (held as fair value hedges)	**217,149**	**48,704**	**7,789,379**	172,910	86,191	7,991,891	198,872	85,182	7,283,292
Interest rate swaps (others)	**15,634**	**18,686**	**817,238**	14,847	18,718	756,198	9,738	14,555	360,131
Forward foreign exchange contracts	**19,669**	**21,887**	**4,741,444**	22,587	12,408	4,531,054	49,029	25,764	4,456,045
	252,452	**89,277**	**13,348,061**	210,344	117,317	13,279,143	257,639	125,501	12,099,468

13 RELATED PARTY TRANSACTIONS

Related parties comprise Board Members and Executive Officers of the Bank, their close family members, companies controlled by them or close family members and associates of the Group. Certain related parties were customers of the Group in the ordinary course of business. Transactions with related parties were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with unrelated parties and did not involve more than a normal amount of risk. Lending to Board Members and their related parties is secured by tangible collateral in accordance with regulations of Central Bank of Kuwait.

Details of the interests of related parties are as follows:

	Number of Board Members and Executive Officers			***Number of related parties***					
	30 June 2026	*31 December 2025*	*30 June 2025*	***30 June 2026***	*31 December 2025*	*30 June 2025*	***30 June 2026*** ***KD 000's***	*31 December 2025 Audited KD 000's*	*30 June 2025 KD 000's*
Loans	**9**	8	8	**18**	20	20	**51,113**	40,221	45,317
Contingent liabilities	**1**	1	1	**9**	9	9	**15,957**	15,878	21,488
Credit cards	**22**	20	20	**36**	40	35	**193**	223	174
Deposits	**27**	26	26	**98**	99	92	**44,556**	42,098	47,107
Collateral against credit facilities	**6**	3	2	**17**	17	17	**141,935**	176,072	170,061
Interest and fee income							**1,028**	2,450	1,090
Interest expense							**420**	991	425
Purchase of equipment and other expenses							**124**	317	148

13 RELATED PARTY TRANSACTIONS (continued)

Details of compensation to key management personnel are as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD 000's	*KD 000's*	***KD 000's***	*KD 000's*
Salaries and other short term benefits	**2,775**	2,731	**5,537**	5,441
Post-employment benefits	**34**	234	**188**	264
Share based compensation	**81**	204	**260**	644
	2,890	3,169	**5,985**	6,349

14 IMPACTS OF GEOPOLITICAL CONFLICT IN MIDDLE EAST AND RELATED UNCERTAINTIES

Geopolitical events in the Middle East since the end of February 2026 have affected Kuwait and other GCC countries, where the Group operates, resulting in increased macro-economic uncertainties and unfavorable business conditions.

In response to the crisis, the Central Bank of Kuwait (CBK) implemented various measures targeted at reinforcing the banking sector's ability to play a vital role in the economy, including but not limited to the expansion of lending capacity, strengthening financing capabilities and in the provision of liquidity to impacted customers. Some of the important measures are given below:

- Reducing the Liquidity Coverage Ratio (LCR) from 100% to 80%
- Reducing the Net Stable Funding Ratio (NSFR) from 100% to 80%
- Reducing the regulatory Liquidity Ratio from 18% to 15%
- Increasing the permissible negative cumulative liquidity gap
- Increasing the maximum lending limit (MLL) from 90% to 100%
- Releasing 1.0% of risk weighted assets from the Capital Conservation Buffer included in CET1, thereby reducing the Group's total capital adequacy (including D-SIB) ratio requirement from 15% to 14%

Similar measures were announced in many of the jurisdictions where the Group operates.

Expected Credit Loss (ECL) estimates
The Group considered the potential impact of the uncertainties caused by the ongoing geopolitical event in its estimation of ECL requirements for the period ended 30 June 2026, making adjustments to the macro-economic variables and scenarios as appropriate. The Group has also given specific consideration and overlays on the relevant quantitative and qualitative factors when determining any significant increase in credit risk (SICR) and in assessing indicators of impairment for exposures to potentially affected sectors.

Notwithstanding the above, ECL requirement for credit facilities estimated as at 30 June 2026 continues to be lower than the provisions required as per CBK instructions. In accordance with Group accounting policy, the higher amount, being the provision required as per CBK instructions, is therefore recognized as the provision requirement for credit losses on credit facilities.

Fair value measurement of financial and non-financial assets
The Group considered the potential impact of the current economic volatility on the reported amounts of the Group's fair value of the financial and non-financial assets. The reported amounts best represent management's assessment of the fair values based on observable information. Markets, however, remain volatile and asset carrying values remain sensitive to market fluctuations.

The impact of the highly uncertain geopolitical and economic environment remains judgmental, and the Group will accordingly continue to reassess its position and the related impact on a regular basis.