الوطني
NBK

Kuwait: 1st of February 2026

Chief Executivc Officer – Boursa Kuwait Company
State of Kuwait

Dear Sirs,

Subject: Analysts / Investors Conference's transcript and presentation for Q4-2025

As per requirements stipulated in article No. (7-8) "Listed Company Obligations" of Boursa Kuwait Rule Book and since National Bank of Kuwait has been classified under the "Premier Market" category.

We would like to advise that Analysts / Investors Conference for Q4-2025 was held through Live Webcast at 2:00 PM (local time) on Thursday 29/1/2026. Kindly note that during the conference there was no disclosure of any material information that is not in the public domain.

Attached; the transcript of the aforementioned Conference and the presentation for Q4-2025.

Sincerely yours,

On behalf of National Bank of Kuwait (S.A.K.P.)

Isam J. Al-Sager
Vice-Chairman and
Group Chief Executive Officer

M. H.

بنك الكويت الوطني
National Bank of Kuwait
SAKP ش.م.ك.ع

T ت +965 22291111 F ف +965 22291444
ص.ب 95 الصفاة 13001 الكويت
P.O. Box 95 Safat 13001 Kuwait
nbk.com
C.R. No. 8490 سجل تجاري رقم
Issued and paid-up capital KD 832,644,290/100 رأس المال المصدر والمدفوع د.ك.

PUBLIC

National Bank of Kuwait

FY 2025

Earnings Conference Call

29 January 2026

FY 2025 National Bank of Kuwait Earnings Call

Sunday, 01 February 2026

Edited transcript of National Bank of Kuwait earnings conference call that took place on Thursday, 29 January 2026 at 2:00 pm Kuwait time.

Corporate participants:

Mr. Isam Al-Sager	Vice Chairman and GCEO, NBK
Mr. Sujit Ronghe	Group CFO, NBK
Mr. Amir Hanna	Group Chief Communications Officer, NBK

Chairperson:

Elena Sanchez	EFG Hermes

Elena Sanchez: Good afternoon everyone. This is Elena Sanchez and on behalf of EFG Hermes, I would like to welcome you all to the National Bank of Kuwait fourth quarter and the twelve-months period earnings call for the year 2025. It is a pleasure to have with us in the call today Mr. Isam Al-Sager, NBK Vice Chairman and Group CEO, Mr. Sujit Ronghe, NBK Group CFO and Mr. Amir Hanna, Group Chief Communications Officer at NBK.

At this time, I would like to handover the call now to Mr. Amir Hanna.

Please go ahead Amir.

Amir Hanna: Thank you Elena.

Good afternoon everyone. Thank you for joining us for today's webcast.

We will start the call with our usual disclaimer as I would like to bring to your attention that certain comments in this presentation may constitute forward-looking statements. These comments reflect the Bank's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. The Bank does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein. Please also refer to the full disclaimer in our presentation for today's call.

Today's call will follow our usual agenda. Our Vice Chairman and Group CEO, Mr. Isam Al-Sager, will start the call by giving some opening remarks on the operating environment and the highlights of the reporting period. Then Mr. Sujit Ronghe, our Group CFO will discuss the period's financials in more detail. Following our presentation, there will be a Q&A session through Webex platform. If you have any follow-up questions after the call, please direct them all to our Investor Relations email address and we will answer them at the earliest. Today's presentation is available on our website for your convenience.

Now let me hand over the call to Mr. Isam Al-Sager for his opening remarks.

Isam Al-Sager: Thank you Amir.

Good afternoon everyone.

I am pleased to join you today for our fourth quarter and full year 2025 earnings call and would like to begin by thanking you all for joining us today.

The global economic outlook remained broadly stable throughout the year, with growth exceeding earlier expectations despite ongoing uncertainties, leading the IMF to raise its global growth forecast for 2025 and 2026.

Across the GCC, monetary policy remained aligned with global trends, with regional central banks moving in step with the U.S. Federal Reserve through measured rate cuts over the course of the year. Reflecting improving macro-conditions on the back of increased public spending, expanding non-oil activity, and the gradual relaxing of oil production cuts; the GCC growth momentum remains solid on ongoing reform programs and supportive fiscal positions.

In Kuwait, economic momentum remained supportive, with GDP growth expected to return to the positive territory this year at 2.3% and to accelerate further to 4.5% in 2026. The recovery is underpinned by a rebound in oil output alongside continued resilience in non-oil sectors.

Credit growth strengthened during the year, driven by solid business lending and stable household activity, while public spending and ongoing reform initiatives continued to support economic activity.

As for project activity, awards in 2025 reached more than KWD 4 billion, exceeding last year's levels by 61%, reinforcing the government's commitment to financing Vision 2035 priorities and advancing large-scale infrastructure development. This momentum has been further supported by the government's return to the debt markets following the passage of the public debt law which all has led to the upgrade of Kuwait's sovereign ratings to AA- by S&P Global.

Moving on to our performance, NBK reported net profits of KD 575.6 million for the year 2025 while reaching KD 108.3 million for the three-months ended December 2025.

The Board of Directors has proposed a cash dividend of 35 fils per share for the year 2025, representing a payout ratio of 53% of profits attributable. The Board has also proposed the distribution of 5% bonus shares (5 shares for every 100 shares owned). All distributions are subject to AGM approvals.

The continued impact of the new tax regime is still negatively affecting profitability, with the effective tax rate increasing to 16.0% in 2025 from 8.2% in 2024.

Operating profit before taxation on the other hand grew by 5.4% year-on-year to reach KD 734.6 million for the year 2025 on lower provisioning and impairment losses and growth in operating surplus.

Our returns remained strong during the year with return on average assets reaching 1.33% while return on average equity reached 13.4%.

At NBK, our focus on innovation and digital banking continues to enhance how we serve our customers, supported by evolving digital platforms, strengthened mobile capabilities, and an expanding suite of digital products. These efforts have enabled more personalized experiences, higher digital adoption and deeper engagement, reinforced customer loyalty, and strengthened our connection with Kuwait's youth and the growing digitally driven population.

Building on this foundation, we remain confident in our ability to lead in the domestic market, as Kuwait's evolving economic landscape presents compelling growth opportunities. Supported by our deep domestic roots and long-standing client relationships, we are well positioned to drive sustainable growth across both corporate and consumer segments.

We will continue to prioritize diversification as a key pillar of our strategy, strengthening operational efficiencies and supporting sustainable returns. By expanding cross-selling across our regional and international footprint, we aim to enhance service delivery and deepen client relationships across markets.

In parallel, our wealth management division will continue to leverage its expertise to offer a comprehensive range of portfolio management, advisory and investment solutions. At the same time, Boubyan Bank, our Islamic banking arm, will further reinforce its strong domestic presence, contributing to the diversification and resilience of the Group's profitability streams.

Likewise, NBK remains committed to sustainability and advancing its ESG agenda. During the past year, the Bank surpassed its GHG operational emissions reduction target ahead of schedule, achieving a 25% reduction well before 2025-end. Significant progress was also made in sustainable finance, with approximately 60% of the USD 10 billion sustainable assets target for 2030 already achieved. These milestones, combined with notable improvements in ESG ratings, reinforce NBK's position among leading regional banks.

With that, I will conclude my comments and leave you with my colleague Sujit Ronghe, our Group CFO, to cover quarterly and full year results in more details.

Please go ahead Sujit.

Sujit Ronghe: Thank you Mr. Isam.

Hello everyone and welcome.

I am very pleased for the opportunity to take you through financial results for the year 2025.

We have announced a net profit of KD576m, a decrease of 4.1% over 2024, negatively affected by higher taxation charge for 2025. However, operating profit before tax increased by 5.4% during 2025. The operating engine of the Group remains solid with strong growth in business volumes, particularly loans and investments.

Before going on to details of our financial results, I would first like to say a few words regarding the overall operating environment.

General operating environment in Kuwait and GCC has been relatively stable even though global and regional geopolitical situation remained unstable. Macro-economic uncertainties and concerns regarding US tariffs are affecting the global operating environment adversely. NBK has demonstrated resilience and a strong well-diversified business model and continues to navigate competently through this uncertainty.

Now turning to the financial results for 2025.

As shown at the top left of this slide, net profit for 2025 at KD576m reflects a yoy decrease of KD24m i.e. -4.1%. The bottom-line profit for 2025 was negatively affected by the newly introduced 15% Domestic Minimum Top-up Tax (DMTT) on multi-national entities mainly in Kuwait, Bahrain and UAE. Operating profit before tax at KD735m reflected a yoy growth of KD38m i.e. 5.4%, benefiting from lower provisions and operating surplus growth of KD16m. The effective tax rate for the Group has increased to 16% in the current year from 8.2% in 2024, resulting from changes in tax laws.

Net profit for the last quarter of 2025, at KD108m, lagged the previous quarter mainly due to provisions and impairment losses, together with lower NII and higher costs.

The pie chart at the bottom left reflects strong contributions to 2025 net profit from NBK's key business segments, which serve as main pillars of diversification and provide a significant degree of resilience to Group earnings. NBK Group continues to benefit from its unique position amongst Kuwaiti banks in terms of geographical spread and the ability to conduct business in both Conventional and Islamic Banking.

The chart at the bottom right shows that net operating income, at KD1.3bn, is 3.6% higher than the previous year, boosted by a sound contribution from both non-interest income and net interest income. You would note that net interest income and non-interest income mix remained stable during the year.

I will discuss the main drivers behind movements in the income statement on the next slide.

We now will look at net interest income and drivers behind its performance.

The chart at top left reflects the net interest income and net income from Islamic financing reached KD1bn, 2% higher than 2024. Current year's NII benefited from 12.4% year on year growth in average interest earning assets, particularly loans and investments, across the Group. However, an unfavorable change in mix of different categories of assets maintained with the Central Bank of Kuwait, yoy effect of last year's Egyptian Pound devaluation, and relatively lower benchmark interest rates have adversely impacted the NII and NIM in 2025.

Following the passage of Debt Law in Kuwait, CBK has issued KD2.2bn Kuwait Government Treasury Bonds since June 2025. Although the CBK asset mix remains unchanged, we are cautiously hopeful of future debt issuances which will allow the Bank to deploy KD liquidity more profitably.

We see in the top right chart that average NIM for 2025 dropped to 2.41%, reflecting a year-on-year decline of 25bps driven by a steeper decrease in yield (for reasons explained earlier), compared to the funding cost. Group yield and funding costs for the current year were 5.64% and 3.64% respectively. The Group continues to source deposits efficiently, balancing cost and regulatory requirements, while diversifying the funding base. Also, an overall sticky and stable base of retail customer deposits continue to benefit the Group.

At the bottom left, we can see drivers behind the 25bps yoy decrease in NIM to 2.41% for 2025. Loans and other interest earning assets affected by lower interest rates and an unfavorable asset mix contributed to a net decrease of 18bps and 32bps to the NIM respectively. Lower funding cost affected the NIM positively by 25bps.

Turning to non-interest income at the bottom right of this slide, total non-interest income at KD297m for 2025 was 9.6% higher than 2024. Fees and commission income grew by 5.4% to reach KD217m, reflecting robust contributions across different lines of business and geographies. Fx contributed KD44m, 6.3% higher than previous year, benefiting from stronger transaction volumes. Other non-interest income sources (mainly investment income) contributed KD37m, supported by strong valuations and distributions.

On to the next slide.

Moving now to the operating expenses chart at the top left. Total operating expenses during 2025 at KD498m are 6.4% higher than 2024. The moderate cost growth reflects in part the Group's efforts to harness efficiencies and the favorable effect of EGP devaluation.

The Group continues to invest in key businesses initiatives, digital technologies, and processes which enable us to offer best-in-class service to its customers and optimize resources to improve operational efficiency.

Moving on to provisions and impairments which are profiled on the top right-hand side of the slide.

Total credit provisions and impairment losses for 2025 were KD65m v/s KD86m in the last year. KD39m of this charge was towards provisions for credit facilities. KD32m for other impairment losses were mainly in relation to derecognition of an associate, with ECL resulting in a release of KD6m. Current year's specific provision at KD10m, is significantly lower than KD65m of 2024 having benefited from recoveries of amounts provided towards credit losses during prior years. At the same time, the Group has taken provisions in ordinary course of business for retail and corporate customers in Kuwait and overseas locations. The Group remains committed to its conservative approach in managing credit exposures.

Significant amount of recoveries of specific provision during 2025 have resulted in a lower-than-normal cost of risk of 0.15%.

It is worth noting that the Group's Balance Sheet remains strong with stable credit quality. NBK's capital base, along with the ability to generate healthy operating profits, provides a strong credit loss-absorption capacity.

I will now discuss Expected Credit Losses (ECL) on credit facilities as per 'IFRS 9 calculated in accordance with CBK Guidelines' (IFRS 9). As per the regime adopted by CBK, Banks calculate the credit provisions required (i.e. the amount in the balance sheet) as per CBK instructions and compare it with the ECL on credit facilities as per IFRS 9. Consequently, the charge to income statement is based on the higher of the two balance sheet amounts.

It is important to note here that CBK guidelines for calculating ECL on credit facilities as per IFRS 9 are on a more conservative basis compared to the original accounting standard.

The chart at the bottom left shows that Stage 2 and Stage 3 loans are 6% and 1% of NBK Group's Gross loans and have remained stable during the year.

The key chart on this slide at the bottom right reflects that ECL provision required as of Dec 25 was KD698m. Although IFRS 9 ECL and CBK provisions are two different regimes and should not be compared as such, balance sheet provision KD954m as per CBK instructions exceeds the ECL by KD256m. This provides ample cushion for the Group to withstand any possible adverse effect of prevailing uncertainties on ECL provision requirements.

Moving now to the next slide.
Here we will look at NBK's balance sheet profile and key movements during the year.

As shown on the chart at top left, Group total assets reached KD45.6bn as of Dec 25, a 13.1% increase over Dec 24. Group loans and advances at KD26.8bn registered a strong yoy growth of KD3.1bn i.e. 13.1%. Loan growth was achieved in Kuwait on both conventional and Islamic sectors and throughout the Group's international network. Similarly, investment securities grew 20% during the year to reach KD9.2bn. The overall composition of the balance sheet has remained stable during the year.

You would note from the pie chart at bottom left that NBK's total assets composition is well diversified between Kuwait and International and Conventional and Islamic Banking.

Similarly, the chart for loan exposure by sector reflects a well-diversified portfolio, with personal loans as the largest segment comprising 29% of total gross loans. It is important to note that a significantly high portion of personal loans is to a large number of Kuwaiti individuals, who are pre-dominantly employed with the Government. These are essentially salary-backed loans with low default rates.

With respect to the liabilities, Customer Deposits, i.e. non-bank and non-FI deposits at KD26.1bn, comprise 65% of total liabilities and reflect an annual growth of 14%. At KD3.7bn, deposits from other non-bank FI comprise 9% of total liabilities. NBK's funding sources are well diversified across different customer segments and geographies. The Group continues to benefit from a strong base of core, franchise retail deposits. CASA deposit levels remained higher than Dec 2024 during the year.

Commercial papers and Certificates of deposit at KD2.1bn are yet another source of funding diversification and have registered a strong annual growth in excess of 40%.

NBK's stable deposit and funding base reflects a continued focus on deposit gathering aspects of our business, leveraging our longstanding ability to capitalize on Group's strong brand, customer appeal and credit ratings.

As shown in the chart at bottom-right, NBK Group continues to maintain healthy liquidity levels and comfortably exceeds the minimum requirements of Basel III ratios.

Moving now to the next slide.

We will now look at the impact 2025 financial results had on certain key performance metrics.

Net profit for 2025 was adversely affected by increased tax charge, although partly offset by lower credit net provisions. Consequently, Return on Average Assets and Average Equity for the current year were at 1.33% and 13.4% respectively.

The chart at top-right reflects that despite moderate cost growth of 6.4%, 2025 cost to income ratio was 38.4%, mainly resulting from the pressure on NII in the current year.

At 17.0%, the total capital adequacy ratio remained strong and stable, well above the regulatory minimum. CET1 and Tier1 ratios at 13.1% and 14.9% respectively.

As regards asset quality, NPL ratio remains stable at 1.36%. Loan loss coverage ratio is at 240%, reflecting conservative provisioning policy of the Group.

Now to the final slide in this section.

Before concluding, allow me to summarize our financial performance for 2025.

NBK reported a robust bottom-line performance in 2025, given the unfavorable interest earning asset mix and implementation of new tax laws, partly benefiting from lower provisions for credit and impairment losses. 2025 financial performance also reflected healthy balance sheet growth, comfortable funding and liquidity levels, together with a strong capital base.

Looking forward, ongoing global and regional geo-political concerns, implications of US tariffs and an unclear direction regarding interest rate changes, are likely to result in an uncertain macroeconomic environment.

Now turning to the guidance for the year ahead.

As regards loan growth – The Group continues to enjoy a strong pipeline of approved credits. Hence, we expect loan growth during 2026 to be in the low double-digit range.

Turning to the NIM. Given the uncertain macro-economic situation, declining benchmark interest rates scenario, changed CBK asset mix and increased competition, we are expecting continued pressure on NIM, which was partly reflected in 2025 NIM of 2.41%.

As the Group continues to invest in human resources and digital technologies in support of growth initiatives, we expect the annual cost growth to be in high-single digit range and cost to income ratio to be in high thirties.

Coming to the cost of risk – 2025 reflected a lower cost of risk of 0.15% due to a significant amount of non-recurring recoveries towards credit provisions taken in earlier years. Given the current global macro-economic uncertainty, we are cautiously optimistic of underlying cost of risk for 2026 to be closer to 40bps, which we consider as normal.

However, it would not be prudent to give specific guidance on earnings / capital adequacy in the current environment. We are hopeful of maintaining capital adequacy ratios in line with our internal targets above the regulatory minimum.

That ends my presentation. Thank you very much for your time.

Back to Amir.

Amir Hanna: Thank you all for listening to the presentation by the management team.

We will pause for a while to get in your questions then we'll start answering them.

Thank you everyone for holding. We received a decent number of questions, and we'll start answering them in the order they have been received. Repeated ones will be skipped to answer the following questions

First question is on CASA deposits and its ratio in 2025 in addition to loan growth percentage in KSA?

Sujit Ronghe: The Group continues to benefit from a favorable funding mix, aided by strong and stick pool of core deposits. Group CASA deposits continue to be at a healthy level of low 30s as a percentage of total non-bank deposits. We have witnessed growth in the absolute amount of CASA deposits during the year.

To answer the second part of that question on loan growth in KSA; roughly, about one third of Group loans are from international locations. However, no international jurisdiction, including KSA, constitutes more than 5% of the Group's gross loans. We expect to grow selectively in the Saudi market, in line with our risk management practices.

Amir Hanna: The next question is on NIMs. Can you explain the drives Q-o-Q in NIMs? Is it driven by local or international business and if this trend is expected to continue in 1Q26?

Sujit Ronghe: The Q-o-Q drop in NIMs is attributed to a mix of factors but primarily to the repricing of assets following rate cuts in 3Q25 and 4Q25. Likewise, the loan growth in 4Q25 was mainly driven by corporate loans, which are lower in terms of yield in comparison to consumer loans.

Amir Hanna: A few questions on the ECL charges in 4Q25 and if they are credit related?

Sujit Ronghe: ECL on non-credit financial assets was a net release of KD6m during the year. At the same time, we have booked KD32m towards other impairment losses; KD2m of which is related to goodwill impairment and a non-recurring charge of KD 26.5m relates to derecognition of an associate.

Amir Hanna: A question on loan growth. What are the drivers of growth and how much is stemming from domestic versus international operations?

Isam Al-Sager: Before answering the question in further details by Sujit, more than half of the loan growth stems from our international locations whereas the remainder is from our domestic operations including Boubyan Bank.

Can you further elaborate Sujit?

Sujit Ronghe: International locations indeed contributed more than 50% of the loan growth. The growth stemmed across our network from different geographies and segments which has boosted our diversification agenda and mitigated concentration risks for the Bank.

Amir Hanna: In terms of sector split, lending to real estate witnessed strong growth. Can you please explain if this represents lending to contractors/developers and what's your outlook for the same in 2026?

Sujit Ronghe: The real estate lending portfolio as a percentage of our total gross loans hasn't changed materially during the year. Although there was a pickup in real estate lending, we parallelly witnessed the growth across other industrial sectors in Kuwait and at overseas locations.

Amir Hanna: Another question on loan growth, but the relevant part here is if there was a structural shift in loan momentum in Kuwait that has impacted its growth?

Sujit Ronghe: I believe that the demand for credit by local corporates resulted in loan growth in this segment during the year. With increasing project activity in Kuwait, we expect the trend to continue for the next few years.

Amir Hanna: A question on drivers of NIMs again, but ask if there are any one-offs in 4Q25 levels?

Sujit Ronghe: Part of the drop in NIMs is attributed to the cut in benchmark rates. We expect the pressure on NIM to continue with the forecast of a 25bps cut in CBK discount rate and 50bps by the Fed in 2026. This will have a negative impact on our NIMs, but at the same time, the anticipated volume growth shall support NIMs to be in more or less similar to the levels recorded in 4Q25, with a potential upside depending on increased economic activity and credit formation in Kuwait.

Amir Hanna: There is a question on non-credit impairment which we have already covered before. Moving to the next question, could you give some color on projects awards for 2026 (expectations and sector growth)?

Isam Al-Sager: As I have mentioned earlier in the remarks, Kuwait's domestic project awards surged significantly; bringing total awards value in 2025 to KD 4.3 billion, growing by more than 60% compared to last year.

The outlook continues to be supported by a sizable pipeline of large-scale infrastructure and development projects estimated to be worth more than KD 11 bn. In addition, the government's commitment to advancing its development agenda, especially in the absence of major political gridlocks reinforces its commitment to financing Vision 2035 priorities and advancing infrastructure development.

Amir Hanna: We covered questions regarding loan growth drivers and guidance. A question asking about update on the mortgage law (as on timing and any other helpful updates) and when is it expected to feed into banks' lending books? Any update on housing supply?

Isam Al-Sager: The law is advancing towards its final stages; as the draft is currently with CBK to develop the regulatory framework for it. We are optimistic that it may see light soon; hopefully during 1Q26.

Amir Hanna: On the second part of the question I believe we have covered that in several meetings. The approval of the law won't reveal a big spike in lending; it will be gradual as it's linked to the supply side (which needs some time to materialize). That said, a gradual improvement on the supply will gradually reflect on lending activity as well.

Moving on to the next question, what is the updated sensitivity for a 25 bps rate cut for the Group?

Sujit Ronghe: As I mentioned earlier, we expect 2026 NIM to be in the range of 4Q25 which was 2.29%. However, we are also expecting the net interest income to grow in 2026, benefiting from anticipated volume growth. Likewise, any positive developments with respect to project activity or further government issuances, will generally be positive to credit and NIM enhancement.

Regarding NIM sensitivity- assuming with all other factors to be the same, we expect an annualized impact of a 25bps parallel shift in CBK and other international benchmark rates to be between 3-4bps on the NIM and between KD13-14m on NII.

Amir Hanna: A few questions on Egypt and its impact on the Group. Since the EGP has appreciated in 4Q25, what is the effect on NBK-E profitability?

Sujit Ronghe: Egypt remains a vital market for us and has been growing phenomenally in local currency terms. The EGP has suffered some losses as it was devalued in 2024. In this context, the current strengthening of EGP is marginal at this stage. Material appreciation in EGP will benefit the Group.

Isam Al-Sager: Adding on to the same from an operational perspective, Egypt remains among the most profitable markets to the Group in terms of local currency; benefitting from government reforms and the growth in economic activity. Likewise, Egypt's exposure remains relatively limited within the Group, representing less than 5% of total consolidated assets.

Amir Hanna: Is there a risk on the Group due to restrictions of money outflows in Egypt?

Isam Al-Sager: The risk has reduced significantly following the reforms that took place in the Egyptian economy.

Amir Hanna: Interest rate in Egypt is forecasted to drop by 4-6%. What is the effect of 100 bps cut in Egyptian interest rates on NBK's profitability?

Sujit Ronghe: We are expecting about 400 bps cut during 2026. The sensitivity of Group profits to changes Egyptian interest rate is much lower than other currencies.

Amir Hanna: There is a question on specific earnings allocation by specific jurisdiction which is usually something we don't disclose so it is not in public domain, I will move to next question.

Do you expect growth in non-interest income (fees and FX income) to remain in single-digit? Or do you expect trade finance linked to project activity to drive a pickup in 2026/27?

Sujit Ronghe: Basically, the two main drivers on non-interest income activity i.e. fees and fx grew in the mid-single digit range during 2025. With improvement in activity and business climate in Kuwait as well as increase in overseas operations, we are expecting higher contributions from fees and fx income during 2026.

Amir Hanna: A follow up question to confirm that the KD 26.5 million other impairment charges were all booked in 4Q25.

Sujit Ronghe: A significant portion of this amount was booked in the 4Q25.

Amir Hanna: Is the loan growth guidance of low double digit driven by primarily corporate? How do you expect retail to perform?

Sujit Ronghe: The retail sector in Kuwait has not performed well in the last year/year and half. There is an expectation that if the interest rate drops further and the overall economic environment in Kuwait continues to improve, we would see some uptick in demand from retail sector in the coming year.

Amir Hanna: When do you expect the asset mix held with CBK to change so that the pressure on NIM alleviates?

Sujit Ronghe: This depends on the timing and quantum of the issuances by CBK. It is not possible to have a view on this at this stage.

Amir Hanna: Though CET1 ratio at 13.2% is above the minimum requirement, with another year of double-digit growth, could there be a risk of lower payout or capital raise in the future?

Isam Al-Sager: We ended the year with an adequate capital position in line with our internal targets for capital buffers across all capital tiers. That said, we are expecting another year of strong growth in loans as the outlook in both our domestic market as well as overseas operations is positive.

We will continue monitoring the growth drivers on our balance sheet and reflect on these trends in our capital planning process. Our objective is to ensure efficient capital management approach whereby we can maximize shareholder returns through sustainable payout policy while building adequate capital buffers that enable us to capture growth opportunities.

Amir Hanna: There is another question on capital allocation which Mr. Isam has covered in his response.

How much flexibility do you have in repricing deposits downward and what does this imply for NIM stabilization or recovery in 2026?

Sujit Ronghe: NBK manages funding cost efficiently through deposits of different tenors, in line with business and regulatory requirements. We often see a lag in deposit repricing depending on tenors of these deposits. We expect to see a benefit in funding cost but there will always be a lag compared to the repricing of loans.

Amir Hanna: When will we see housing building awards in the three large cities beyond infrastructure?

Isam Al-Sager: Nobody can answer those questions, it is beyond our expectations. It will depend on the housing authority, but it will be done. Going forward maybe within the next year we will hear more updates on when it will come alive.

Amir Hanna: Will you prefer annual dividend compared to semiannual dividends similar to 2025?

Sujit Ronghe: CBK rules do not allow inclusion of interim profits in regulatory capital for calculation of capital adequacy at interim quarters. Hence, the decision regarding interim dividend is dependent on the level of growth in risk weighted assets and will be taken at an appropriate time during the year.

Isam Al-Sager: We generally maintain a lucrative dividend policy along with conservative capital management practices ensuring capital levels remain in line with our strategic objectives.

Amir Hanna: Back to NIMs and that will be our final question today. If you expect 2026 NIMs to be in line with 4Q2025, are assuming that incremental NIM headwinds in negligible despite the recent rate cut and the expected cuts in 2026?

Sujit Ronghe: As I mentioned we expect our NIMs to remain in the range we saw in 4Q25 i.e. around 2.29% or 2.30%. This includes some rate cut assumptions but we also expect to benefit from the double-digit growth in loan volumes, higher investments and other interest earning assets.

Amir Hanna: We just got another question and that will be the last one. On the retail portfolio, did the revoking of citizenships during the past couple of years led to an increase in retail delinquency

Isam Al-Sager: This remains a dynamic situation, and we will continue to proceed with caution, closely monitoring developments and evaluating their implications for our clients.

Sujit Ronghe: From a financial perspective, prudent provisioning has been maintained over the year to mitigate any potential impact on asset quality. At this stage, the issue is not expected to have a material impact, and its effect on the Group's overall financial position remains limited.

Amir Hanna: Thank you very much. That was our last question.

Thank you all for listening and for the questions.

That concludes our call.

Elena back to you.

Elena Sanchez: Thanks to NBK management team for the presentation and the Q&A session.

Thank you all for joining.

National Bank of Kuwait

Investor Presentation

4Q/FY 2025 Earnings Call

Disclaimer

THE INFORMATION SET OUT IN THIS PRESENTATION AND PROVIDED IN THE DISCUSSION SUBSEQUENT THERETO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. This presentation has been prepared by (and is the sole responsibility of) National Bank of Kuwait S.A.K.P. (the "Bank").

The information herein may be amended and supplemented and may not as such be relied upon for the purposes of entering into any transaction. This presentation may not be reproduced (in whole or in part), distributed or transmitted to any other person without the Bank's prior written consent.

The information in this presentation and the views reflected therein are those of the Bank and are subject to change without notice. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. These materials are not intended to provide the basis for any recommendation that any investor should subscribe for or purchase any securities.

This presentation does not disclose all the risks and other significant issues related to an investment in any securities/transaction.

Past performance is not indicative of future results. National Bank of Kuwait is under no obligation to update or keep current the information contained herein. No person shall have any right of action against the Bank or any other person in relation to the accuracy or completeness of the information contained in this presentation. No person is authorised to give any information or to make any representation not contained in and not consistent with this presentation, and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Bank.

This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed.

Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Bank's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The Bank does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.

Contents

PUBLIC

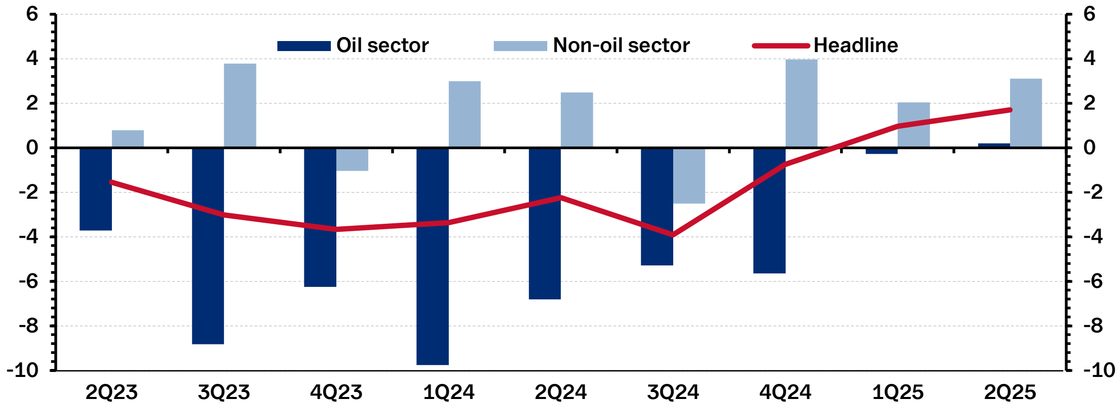
Key Economic Highlights

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**

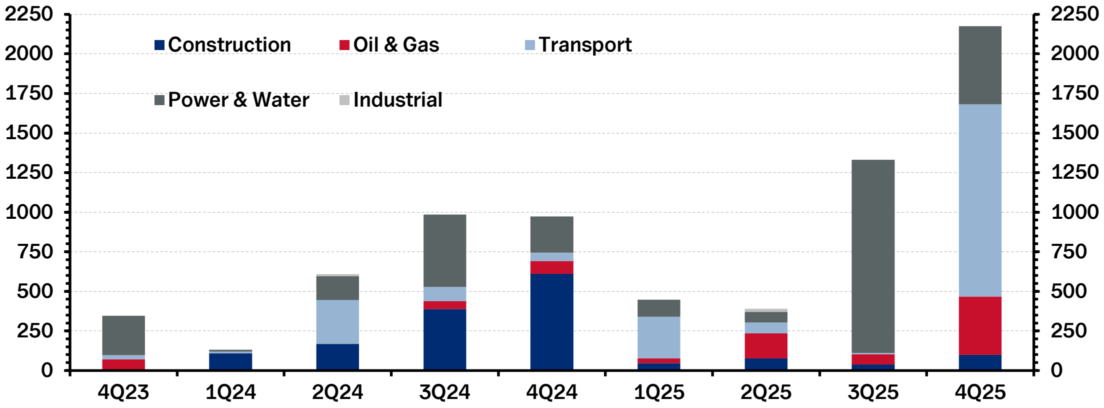
Headline economic growth in the GCC is expected to accelerate further in 2026, bolstered by a continued unwinding of OPEC+ production cuts for the oil exporters and further output gains in the non-hydrocarbon sector. Demand is likely to remain relatively strong in 2025 and 2026, supported by solid private 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 Growth[1] (% y/y)



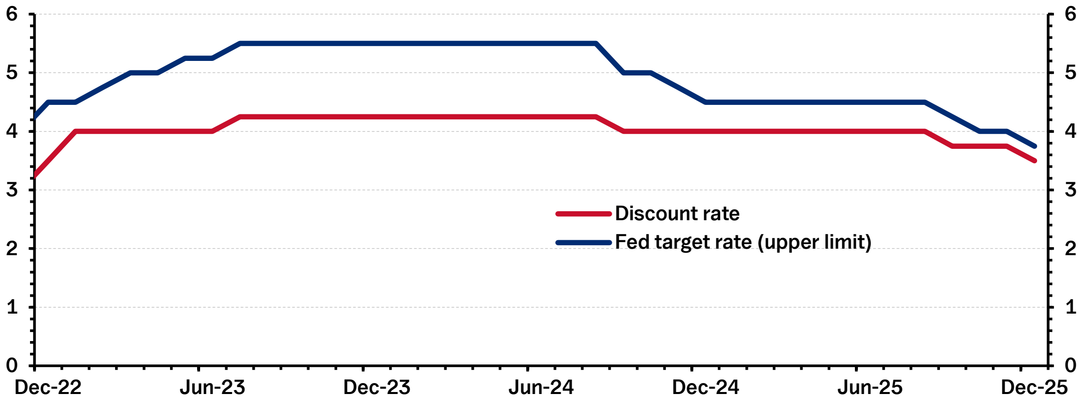
Preliminary official estimates show that headline GDP grew 1.7% y/y in Q2 2025, supported by the return of oil GDP to growth (+0.2% y/y) as oil production increases in line with OPEC's mandated quota. Meanwhile, growth in the non-oil economy strengthened to 3.1% y/y from 2% in the previous quarter, with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

Project Awards[2] (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 Rate[3] (%)

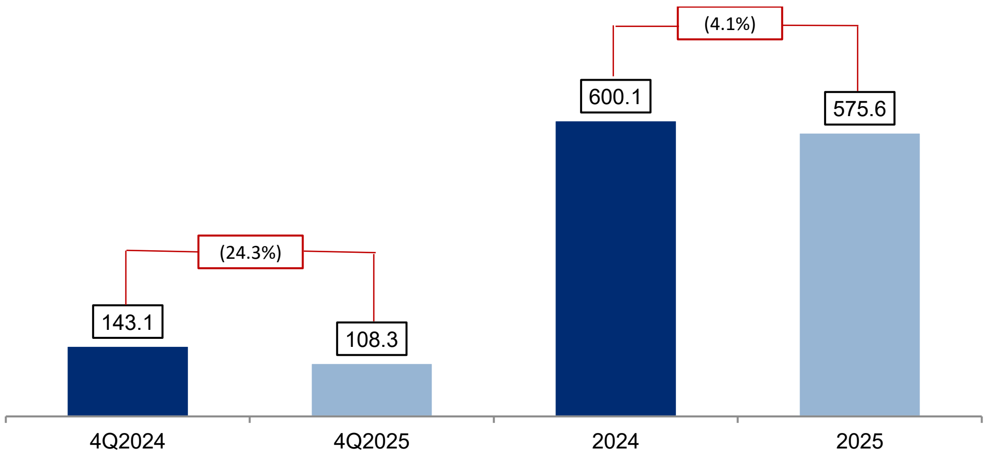


The CBK slashed its key discount rate to 3.5% in December 2025, after the US Fed moved for the third time in H2 2025 in December to cut the Fed Funds rate by a further 25 bps. The CBK cut rates twice last year.

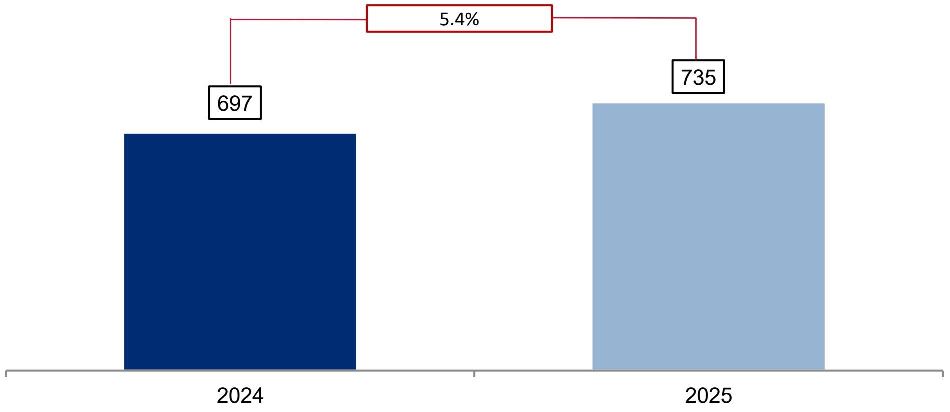
Sources: [1] CSB, NBK estimates; [2] MEED Projects; [3] As per latest Central Bank of Kuwait (CBK) rate cut on 10/12/2025

Operating Performance & Profitability

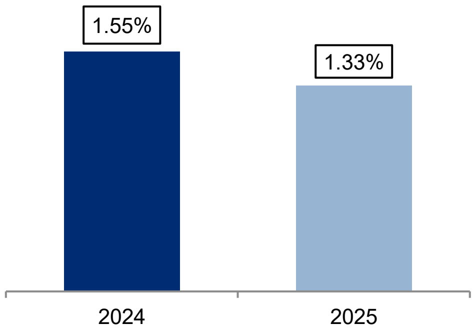
Net Profit (KDm)



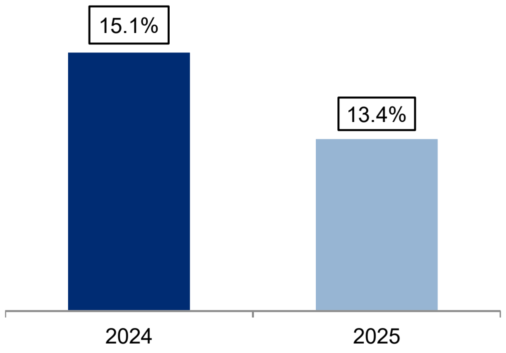
Profit Before Tax (KDm)



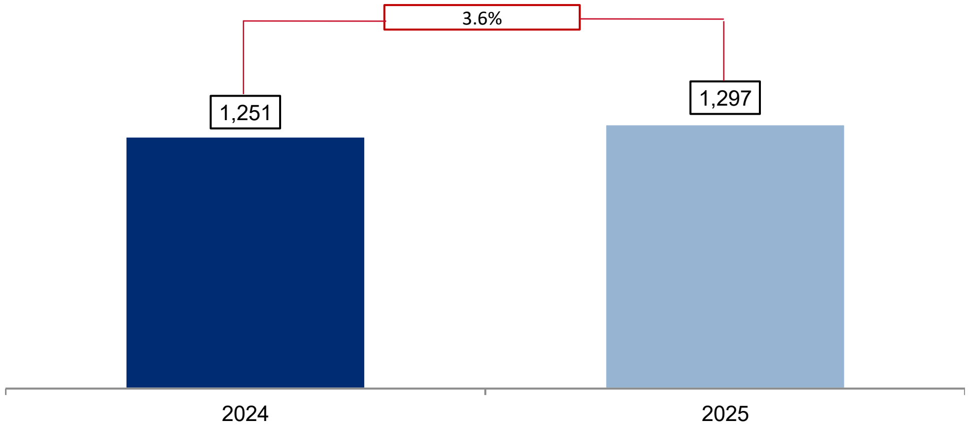
Return on Average Assets



Return on Average Equity



Net Operating Income (KDm)



NBK's Strategy

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

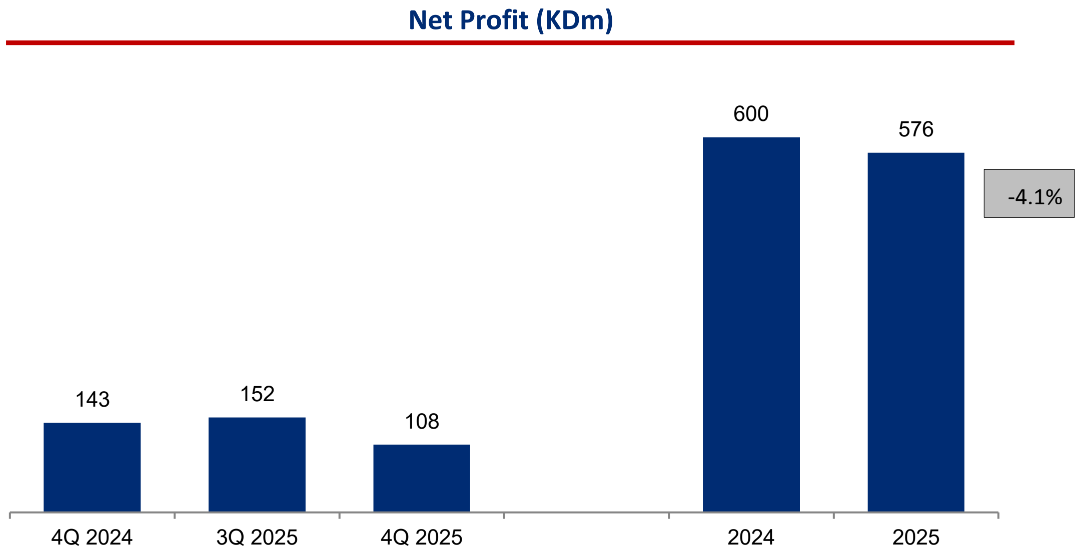
We measure our progress against well-defined metrics and targets to achieve the greatest positive impact.

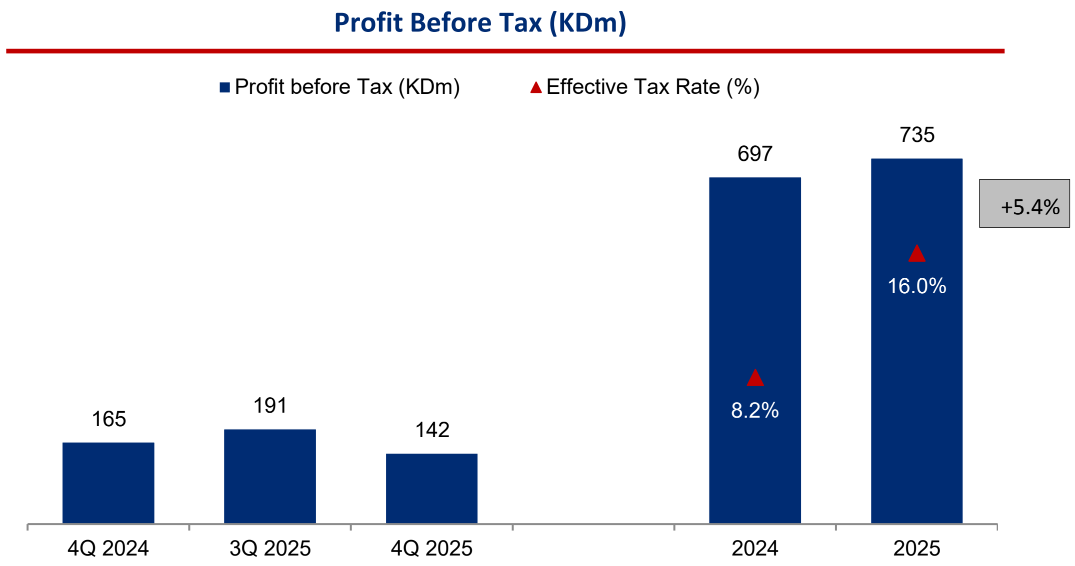
Strategy Pillars	Key Highlights*
Responsible Banking	▪ Published its first Green Bond Allocation and Impact Report in May 2025 following the inaugural USD 500 million green bond issuance in June 2024. As of 31 March 2025, eligible green assets amounted to USD 625.44 million. ▪ As of 31 December 2025, 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.
Governance For Resilience	▪ 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.
Investing in Our Communities	▪ 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.
Capitalizing on Our Capabilities	▪ 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.

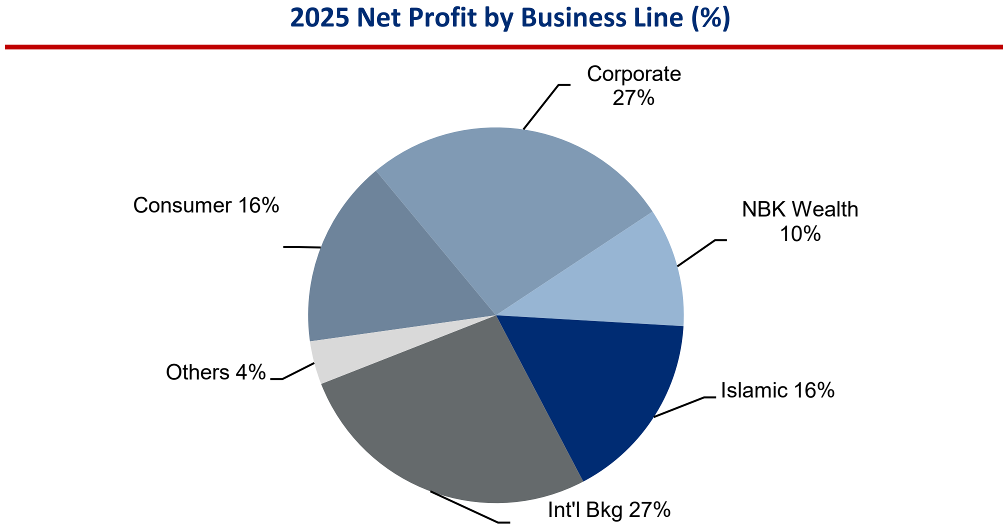
*Note: The ESG key highlights reflect NBK’s achievements during the reporting period 1 January 2025 to 31 December 2025.
Sources: National Bank of Kuwait, NBK TCFD Report, NBK Green Bond Allocation & Impact Report 2025

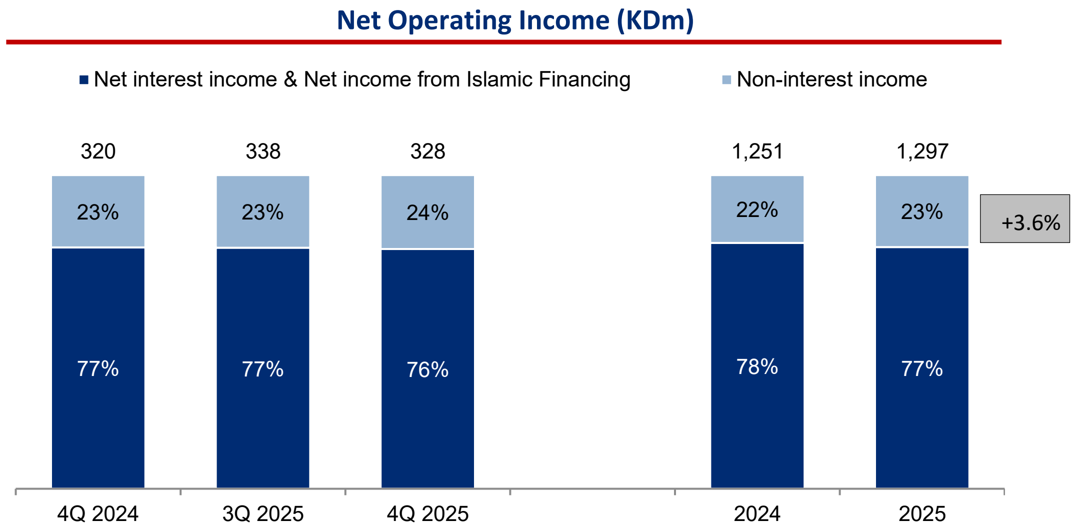
Contents

Operating Performance 2025



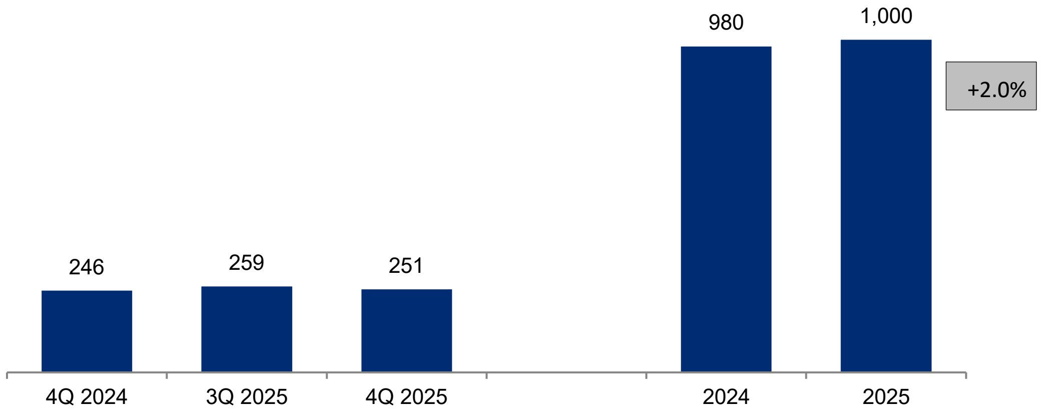




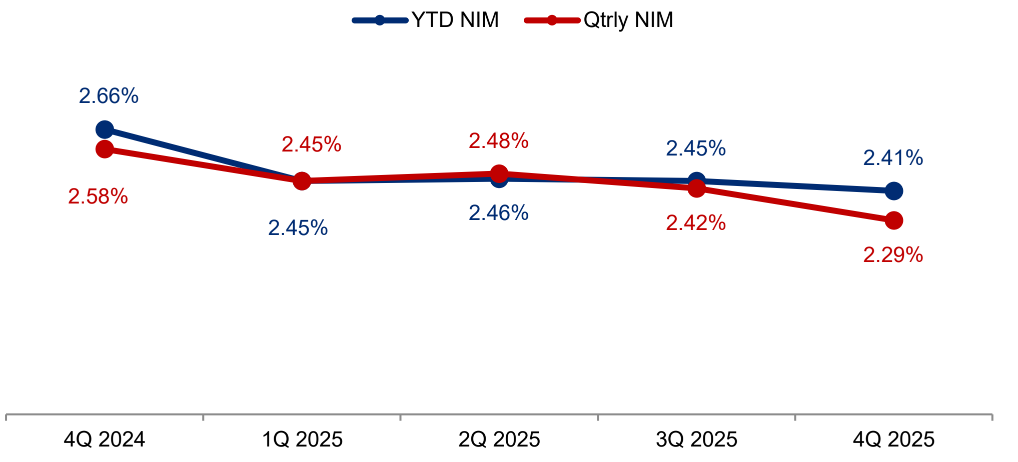


Operating Performance 2025

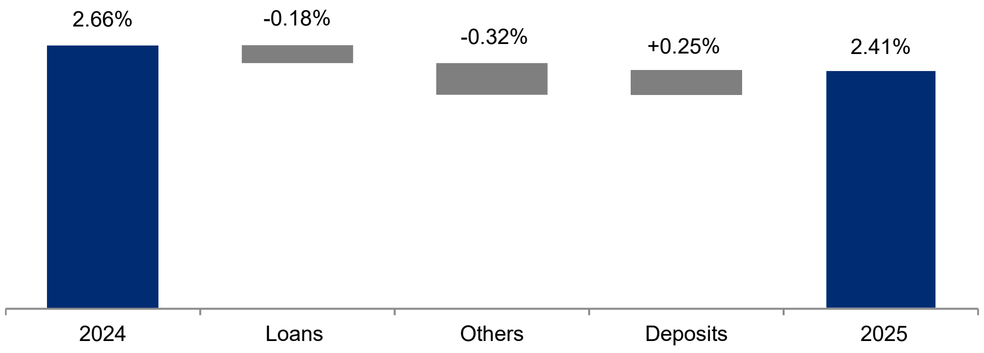
Net Interest Income* (KDm)



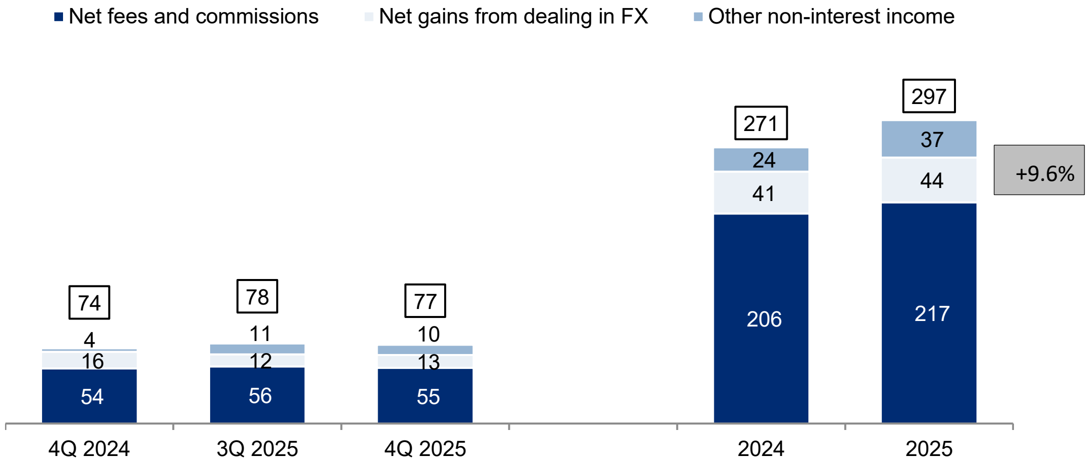
Net Interest Margin*



Net Interest Margin drivers



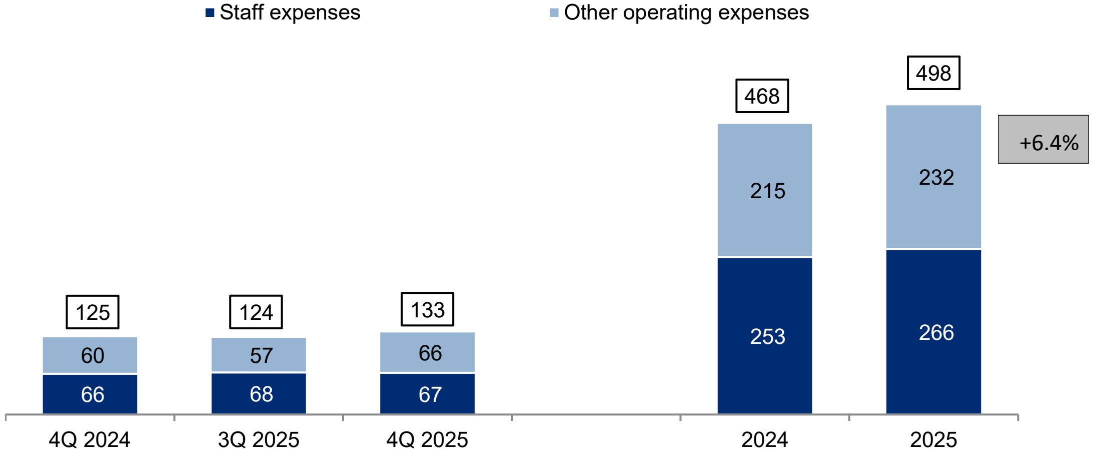
Non-interest income (KDm)



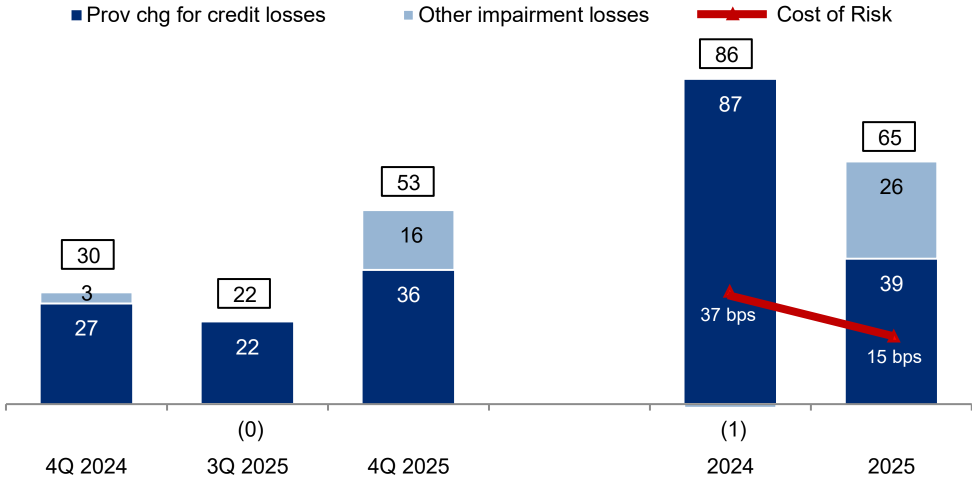
**Includes net interest income and net income from Islamic Financing*

Operating Performance 2025

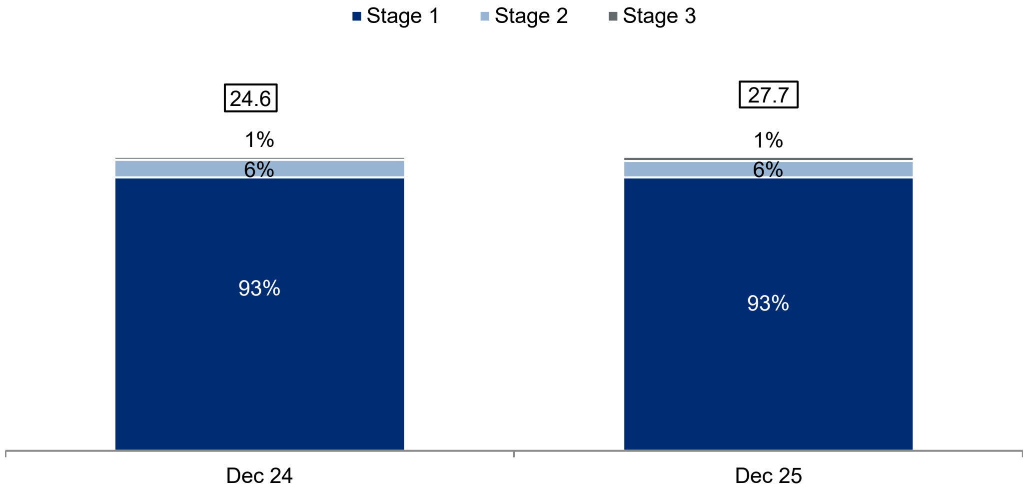
Operating Expenses (KDm)



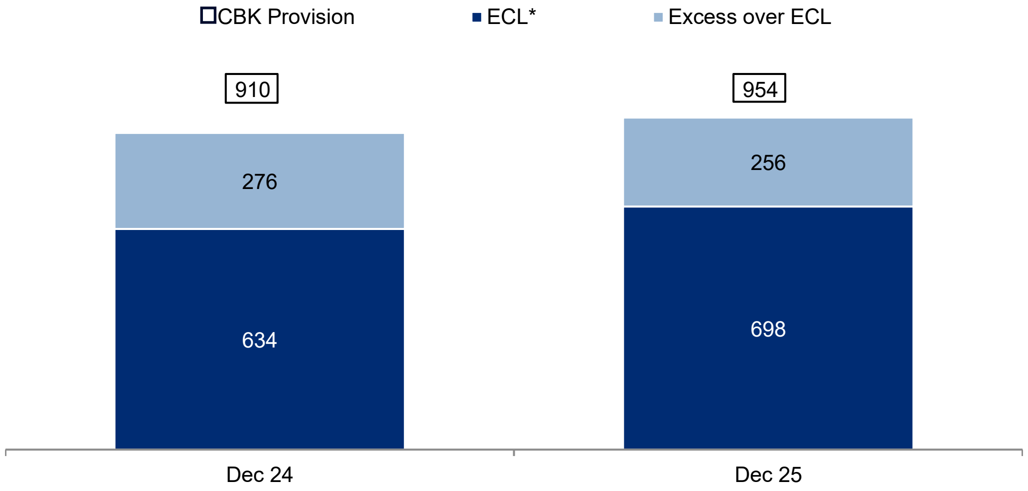
Provisions and Impairments (KDm)



IFRS 9 Total Gross Loans composition (KDbn)



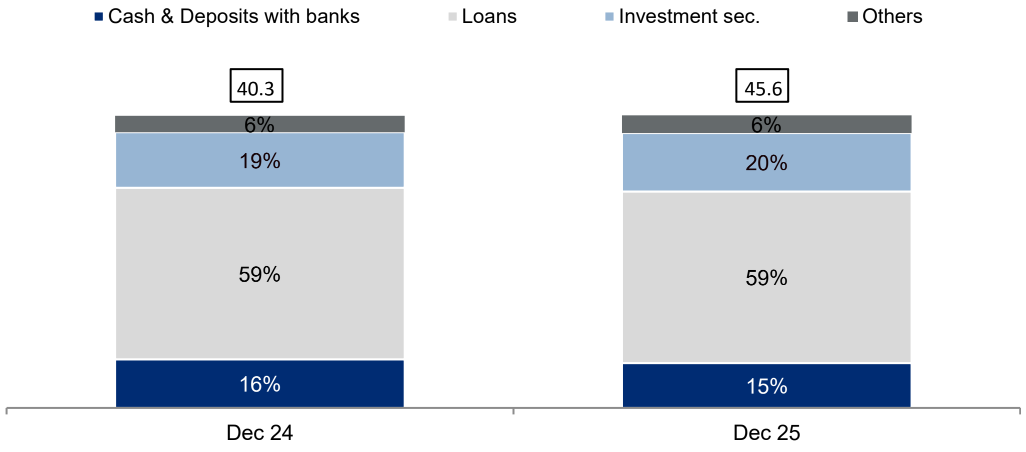
CBK Credit Provisions vs IFRS 9 ECL (KDm)



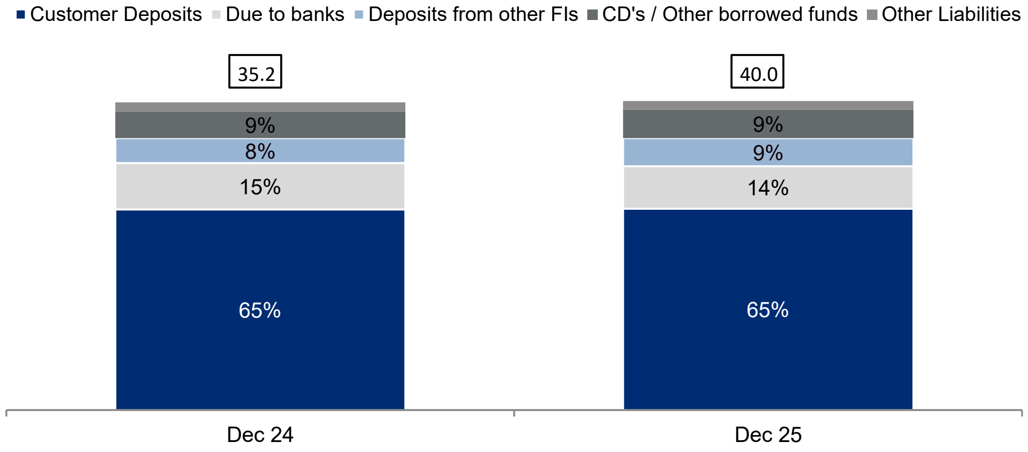
**ECLs as per CBK guidelines*

Operating Performance 2025

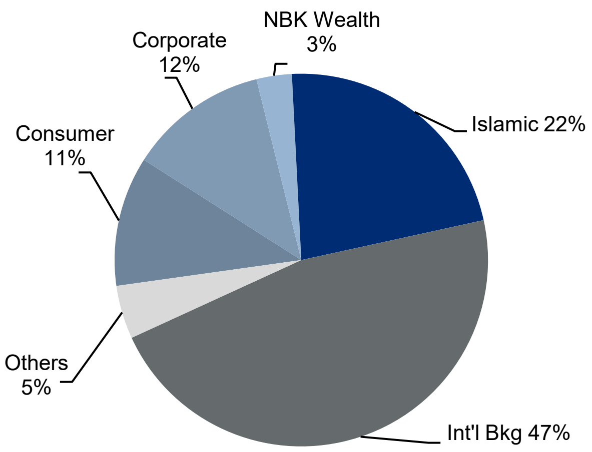
Total Assets (KDbn)



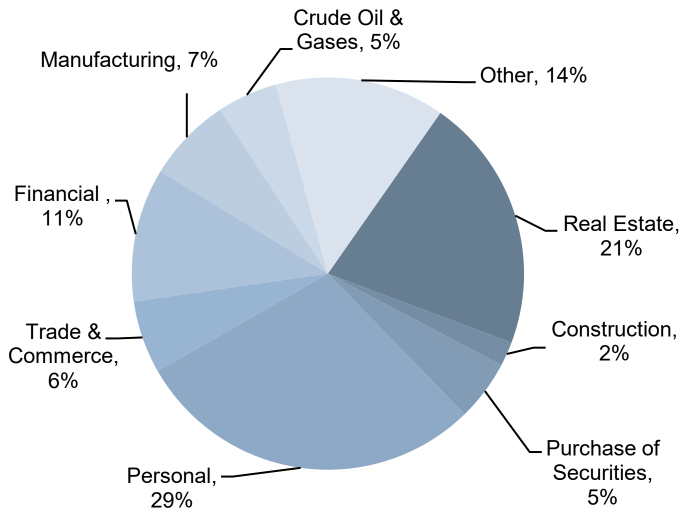
Total Liabilities (KDbn)



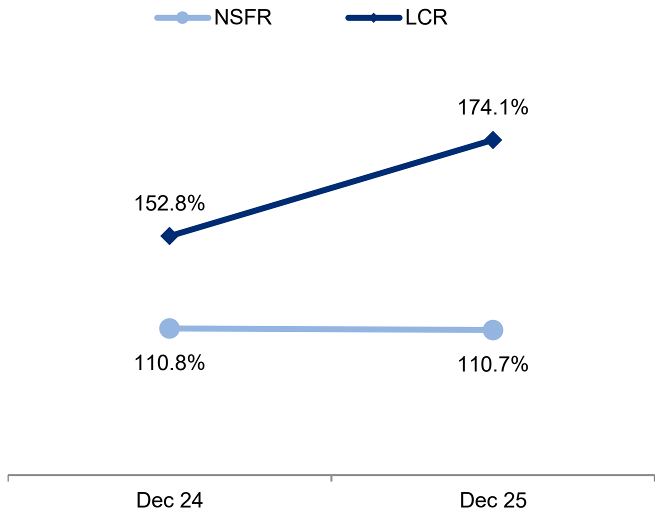
Dec 25 Total Assets by Business Line (%)



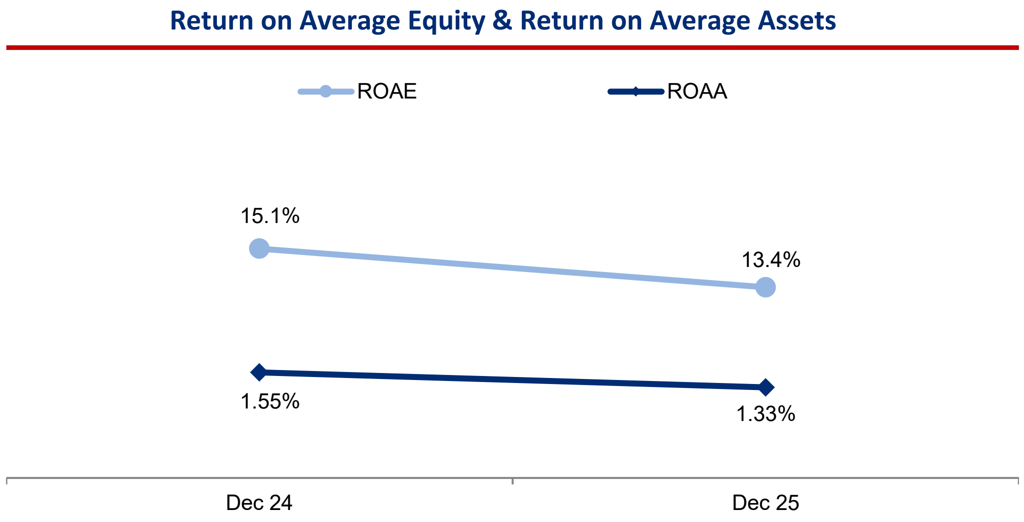
Loan Exposure by Sector (%) (as at 31 Dec 2025)

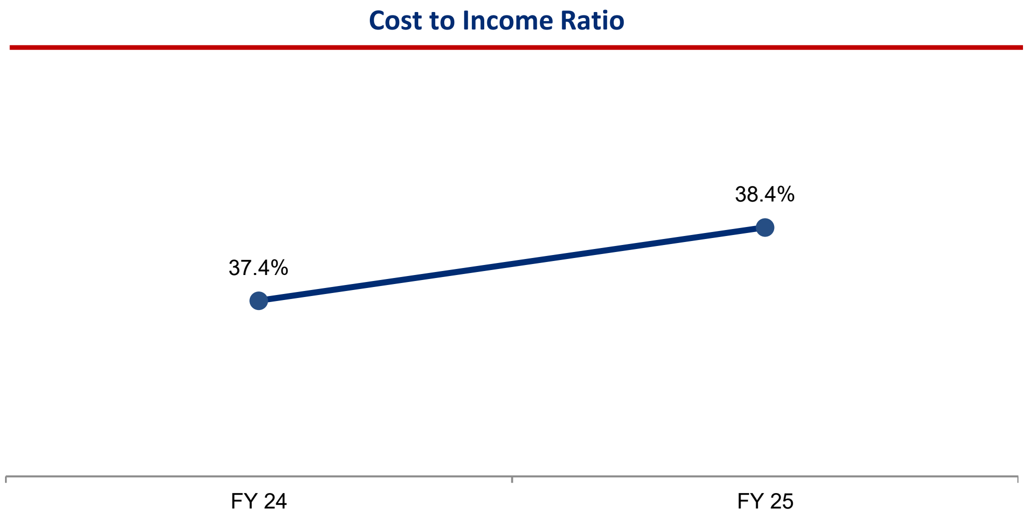


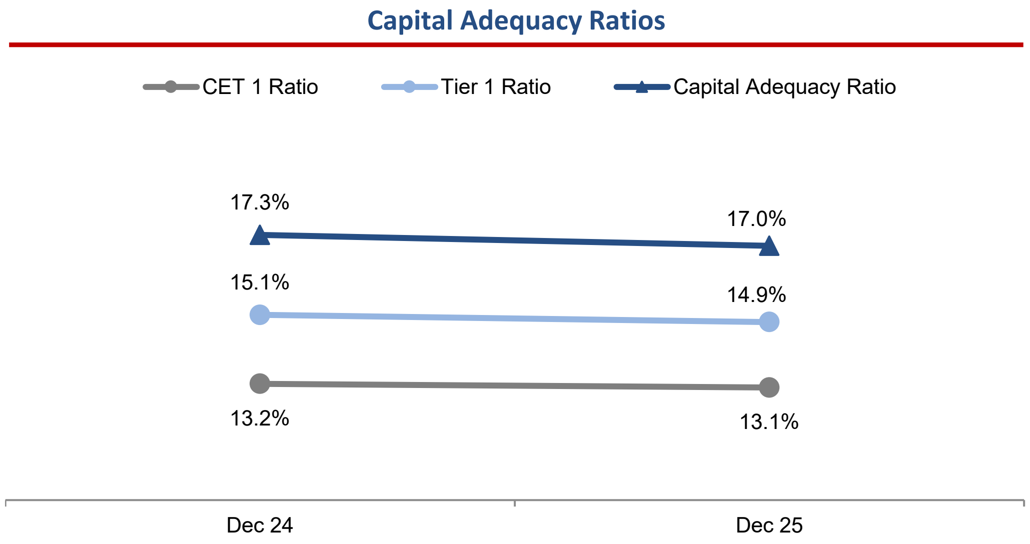
LCR & NSFR Ratios

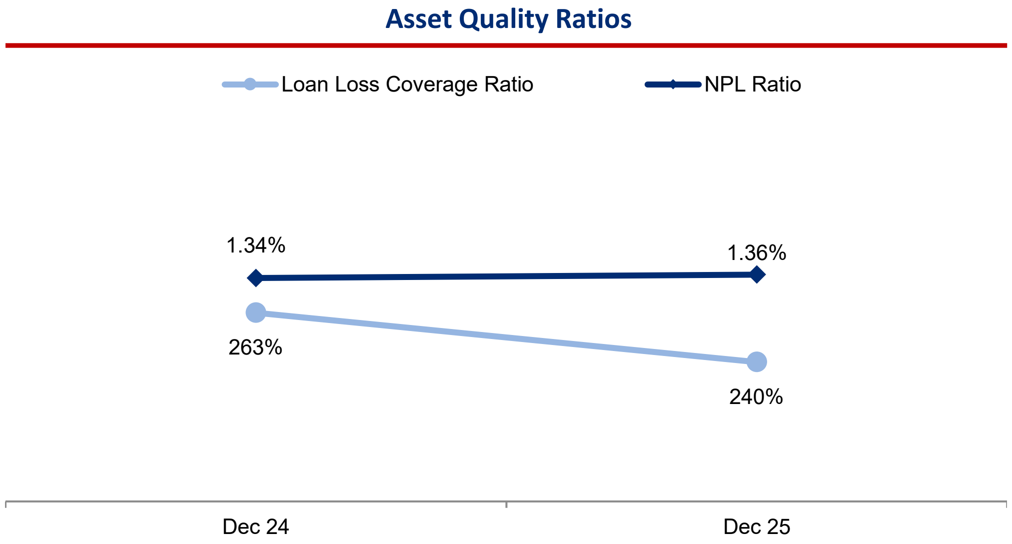


Performance and Asset Quality Ratios 2025









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 (*yoy*)	-4.1%	
Capital Adequacy	17.0%	

Contents

Consolidated Statement Of Income *(KDm)*

KDm	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%)**

PUBLIC

Consolidated Statement Of Financial Position *(KDm)*

KDm	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%

Contents

Questions?

Thank You

Contact

Contact Investor Relations

E: Investor-Relations@nbk.com

National Bank of Kuwait (NBK)
PO Box 95, 13001 Safat Kuwait
Al Shuhada Street, Block 7, Sharq
State of Kuwait

Useful information

Download copies of NBK's:

- Financial statements
- Earnings release
- Annual report

National Bank of Kuwait

Investor Presentation

4Q/FY 2025 Earnings Call