

KFH'S GROUP CORPORATE PROFILE

H1-2026

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HISTORY AND EXPANSION

1977	KFH Established
1978	Doors Opened To Public
1984	Listed In Kuwait Stock Exchange
1989	Kuveyt Turk Established
1999	KFH Capital Established
2002	KFH Bahrain Established
2005	KFH Malaysia Established
2009	KFH Saudi Arabia Established
2015	KFH Germany Established
2016	KFH Assigned D-SIB Status From CBK
2022	Acquisition Of AUB Bahrain
2022	The Largest Listed Company In Kuwait Stock Exchange
2023	Acquisition Of AUB Kuwait

KFH AWARDS

Kuwait

- **Best** Bank in Kuwait
- EMEA Finance

Regional

- **Best** Islamic Bank in the Middle East
- EMEA Finance

Global

- **Best** Islamic Financial Institution in the World
- Global Finance

KFH RATINGS

FitchRatings

Long-Term Issuer Default Rating A
Short-Term Issuer Default Rating F1
Stable Outlook

Fitch's Rating Action 08 December 2025

MOODY'S

LT FC Bank Deposits Rating A2
ST FC Bank Deposits Rating P-1
Stable Outlook

Moody's update 09 July 2026

STRATEGY MAP

KFH VISION

- To **lead** the international development of Islamic financial services, and become **the most trusted** and **sustainably most profitable** Shariah-compliant bank **in the world**

KFH MISSION

- To deliver **superior innovation** and customer service excellence while **protecting** and **enhancing** the interests of all our **stakeholders**

KFH STRATEGY MAP

• Financial	Increase Revenue	Decrease Non-Performing Financial	Increase ROI	Enhance Productivity
• Customer	Product / Service	Customer Satisfaction	Enhance Image & Reputation	
• Internal	Re-design Processes & Centralization of Processes	Automated Systems		
• Learning & Growth	Develop Human Capital	Enhance the Culture	Improve information and organizational capital	

STRATEGIC OBJECTIVE



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Economic Highlights

Executive Summary H1'26 Results



Net Operating Income reached KD 687.9mn, increasing 16.2% y-o-y, driven by core revenue growth and enhanced operating efficiency



Cost-to-income ratio improved to 30.6%, an improvement of 3.8 ppts y-o-y, reflecting ongoing structural cost discipline and creating positive operating leverage



Net profit attributable to shareholders increased to KD 363.1mn, up 6.1% y-o-y, demonstrating the strength and resilience of KFH's diversified franchise



Earnings per share improved to 18.86 fils, representing 4.9% growth year-on-year, driven by higher earnings generation and sustained balance sheet expansion.



Net financing receivables increased to KD 22.8bn, up 4.4% from year-end 2025, supported by broad-based growth across the Group's diversified franchise



Total assets stood at KD 42.2bn, representing a 1.3% decline from year-end 2025, mainly attributable to decrease in cash and due from banks balances as excess liquidity normalized

Key Metrics & guidance

Net Operating Income

KD 687.9mn
+16.2% y-o-y

Cost to Income

30.6%
3.8% ppt y-o-y

2026 Guidance
Below 32% (updated)

NPAT shareholders

KD 363.1mn
+6.1% y-o-y

EPS

18.86 fils
+4.9% y-o-y*

Net Financing Receivables

KD 22.8bn
+4.4% from 2025

2026 Guidance
Low double-digit growth
in 2026

Total Assets

KD 42.2bn
-1.3% from 2025

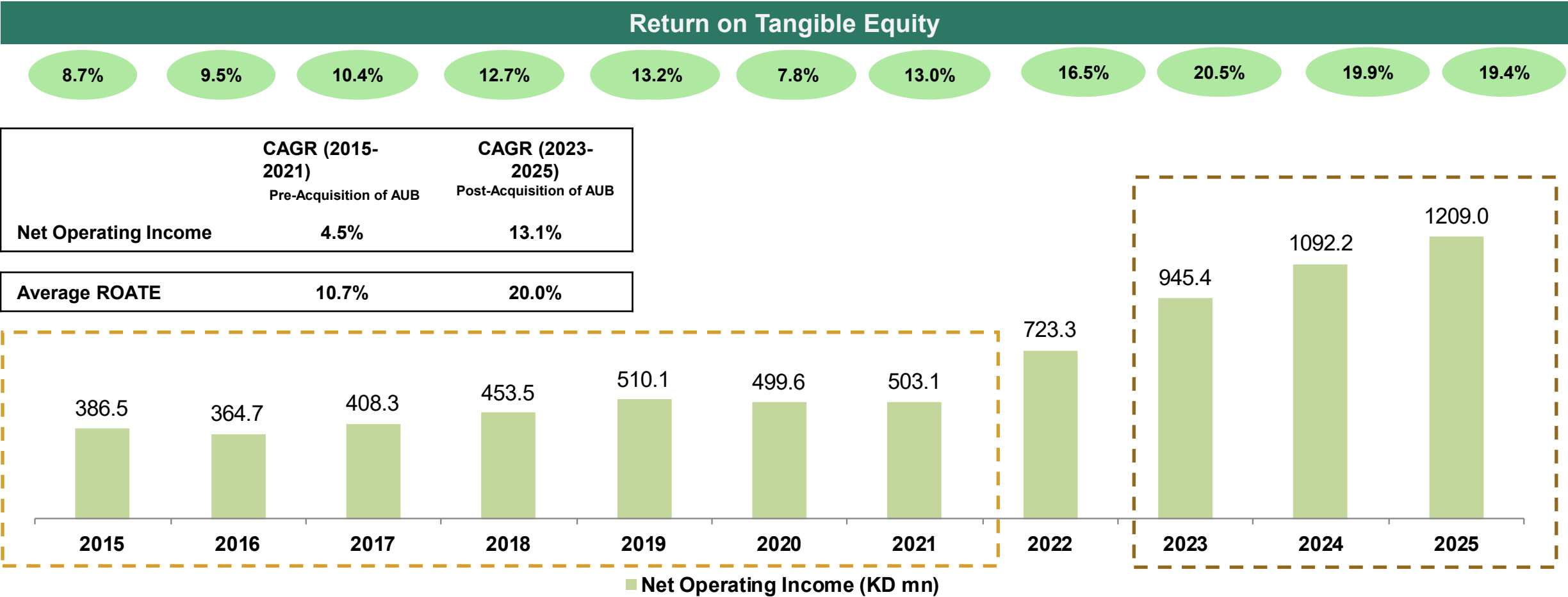
Note – mainly due to
decrease in Cash and
Due from Banks / FIs by
KD 2.1bn

Note: June-2026 (6 months) versus June-2025 (6 months) = y-o-y movement

* EPS growth of 4.9% lagged profit growth of 6.1% due to increased Perpetual Tier 1 Sukuk profit distributions

Consistent Earnings Growth with a Strong Return Profile

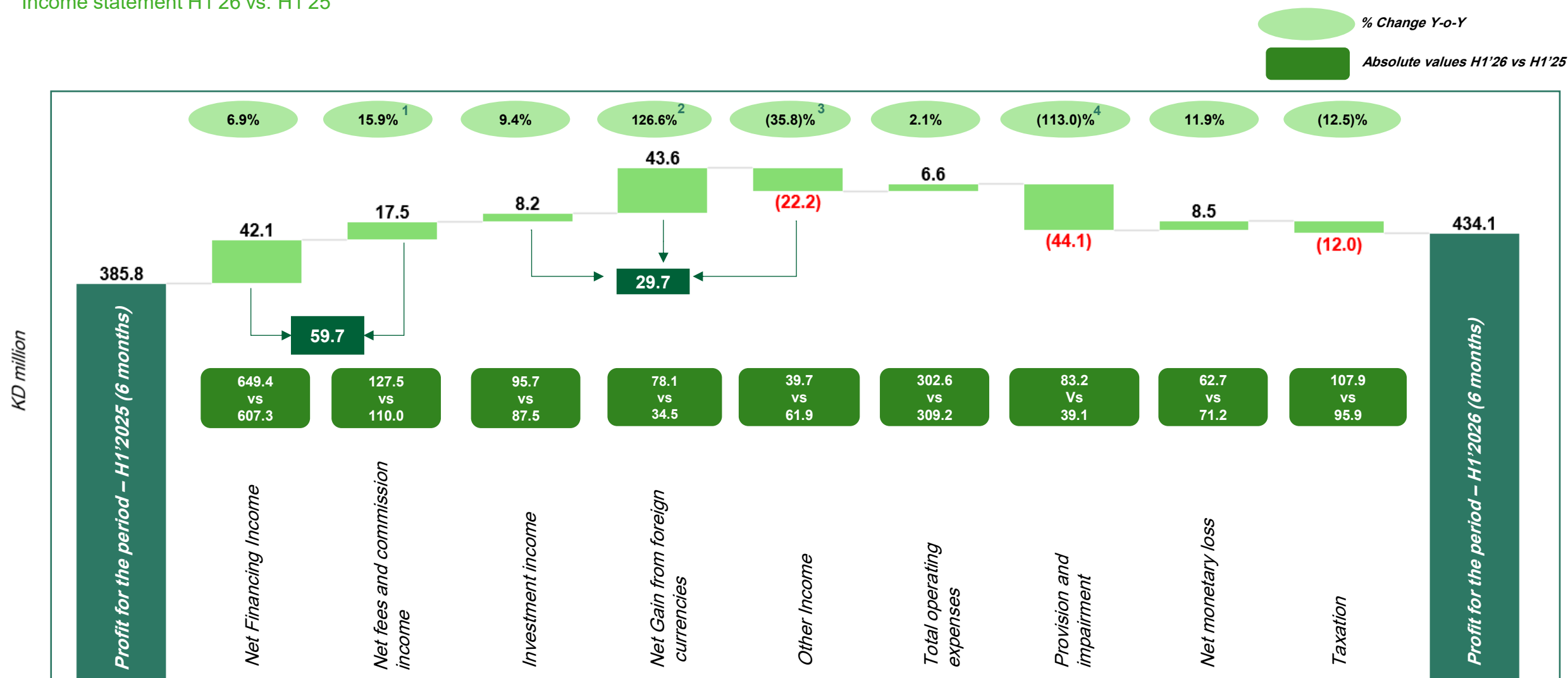
KFH Net Operating Income annual trend



Note: KFH completed the acquisition of AUB Group in Q4-2022; therefore, only one quarter of AUB Group's financial results was consolidated into KFH's 2022 financial statements. As a transition year, 2022 has been excluded from both the pre-acquisition and post-acquisition CAGR analyses presented above.

KFH continues delivering sustained performance - Profit for the period in H1'26 (6 months)

Income statement H1'26 vs. H1'25



	H1'25	H1'26	Y-o-Y %
Total profit for the period	385.8	434.1	12.5%
Non-controlling interests	(43.6)	(71.0)	62.8%
Profit attributable to shareholders	342.1	363.1	6.1%

Note 1 – Driven by higher transaction-related fee income in KTPB, led by banking services and investment activities.

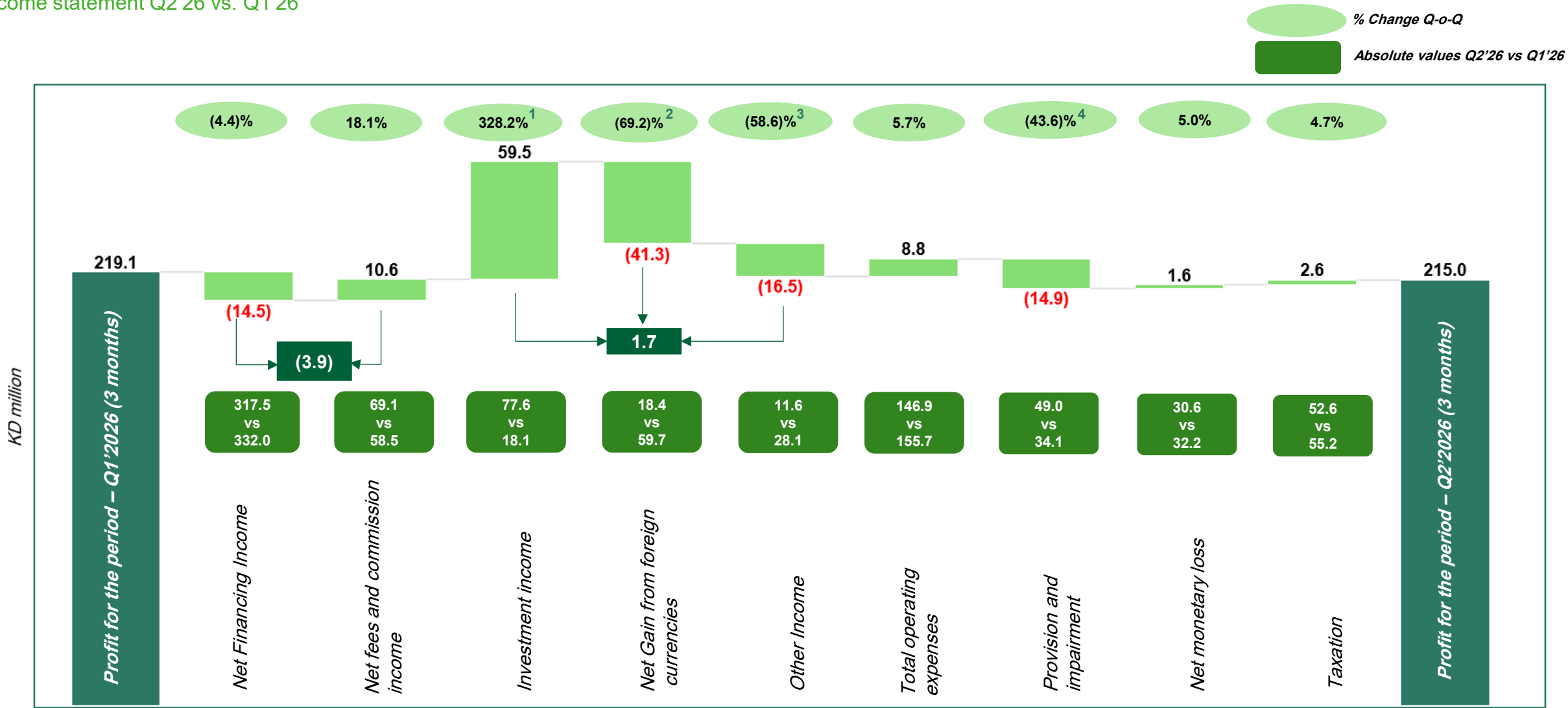
Note 2 – Driven by strong performance in KTPB (mainly due to FX and Gold dealing income) and favorable FX revaluation gains across key Group entities

Note 3 – Mainly lower contribution from non-banking entities of the Group

Note 4 – Higher provision charges were mainly driven by increased precautionary provisions

KFH continues delivering sustained performance - Profit for the period in Q2'26 (3 months)

Income statement Q2'26 vs. Q1'26



	Q1'26	Q2'26	Q-o-Q %
Total profit for the period	219.1	215.0	-1.9%
Non-controlling interests	(42.6)	(28.4)	-33.2%
Profit attributable to shareholders	176.5	186.5	5.7%

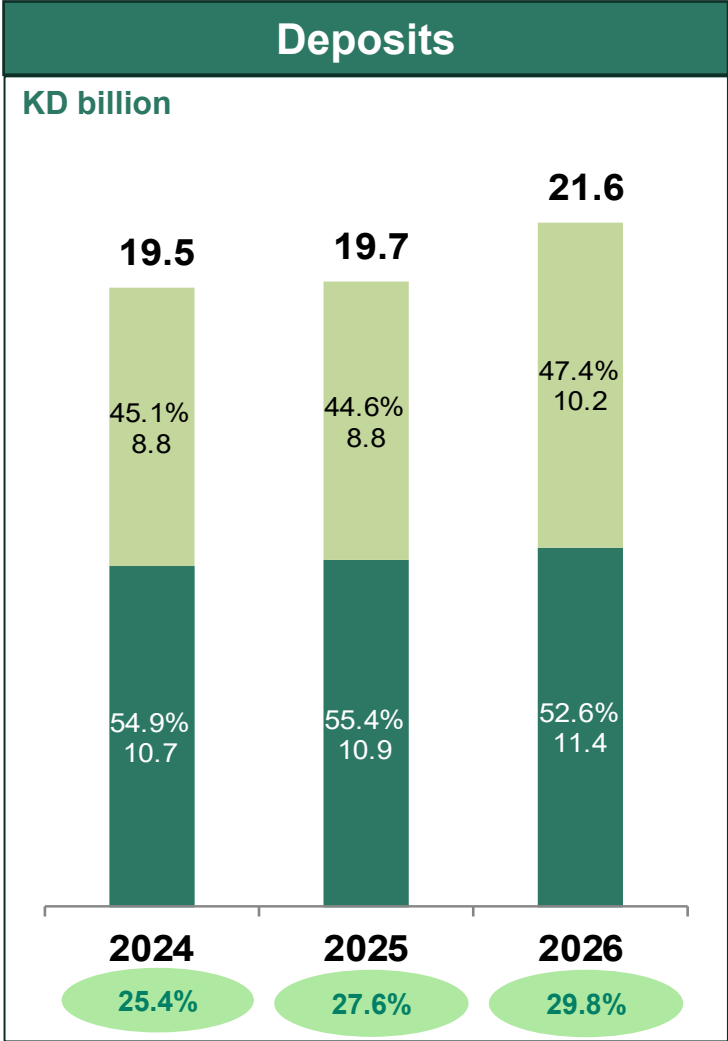
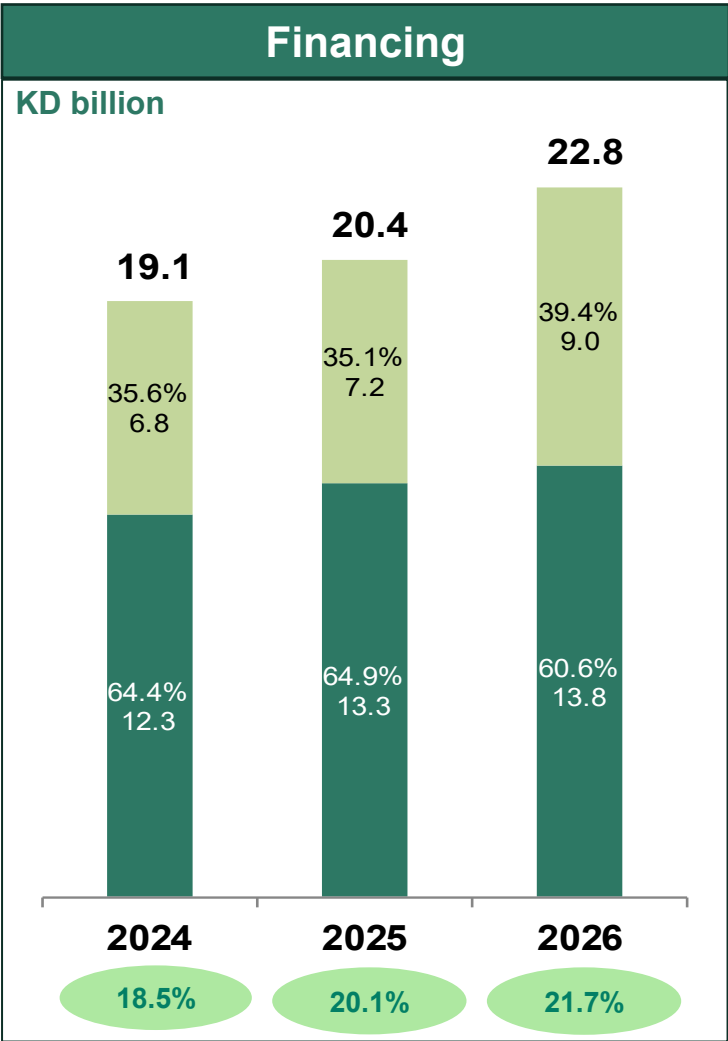
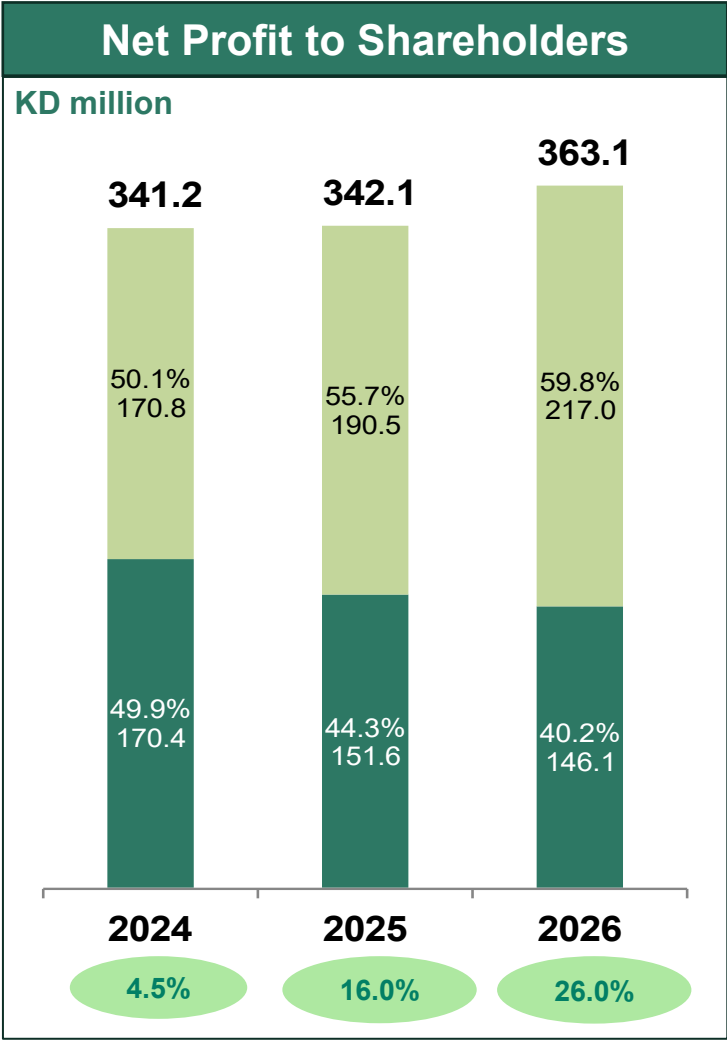
Note 1 – KFH completed the sale of a Saudi real estate asset, realizing a gain of KD 40.5mn
Note 2 – Primarily driven by lower FX revaluation gains in KFH Turkey compared with Q1'26, due to market conditions
Note 3 – Driven by lower contributions from non-banking entities during Q2'26
Note 4 – Increase in precautionary provision recorded in Q2'26

Strong Regional Franchise Supported by Diversified Group

Entities' Contribution - 30 June 2026

■ Kuwait ■ International

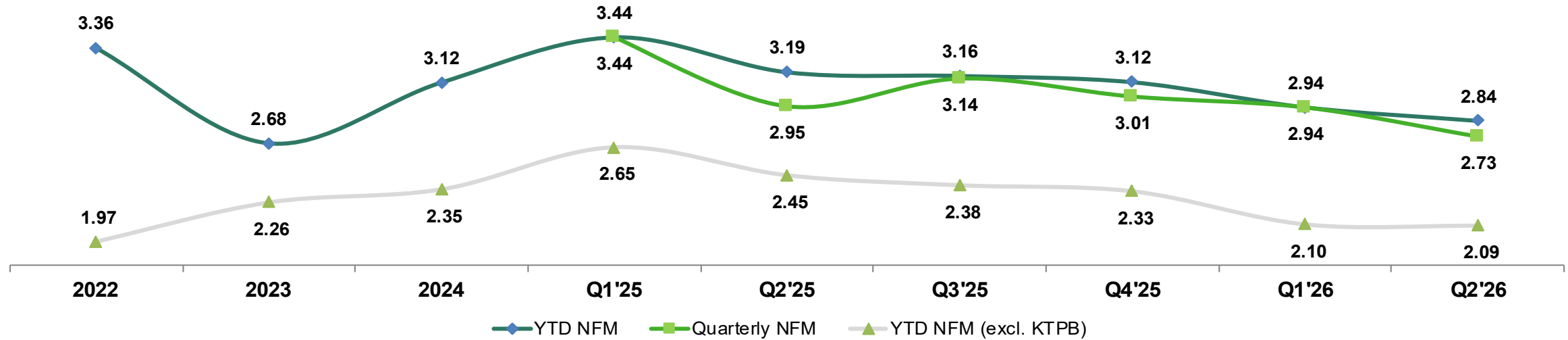
% KTPB contribution as percentage of the total



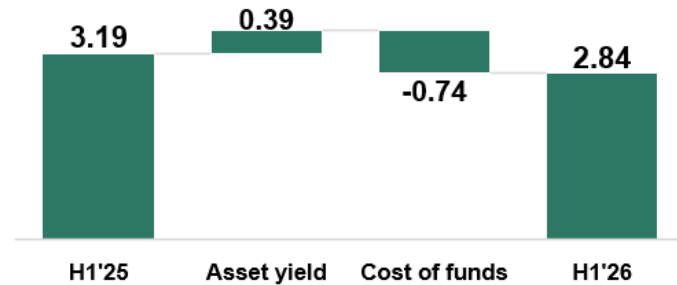
Note: All numbers are comparative June periods

Margin Profile Driven by Diversified Group Operations

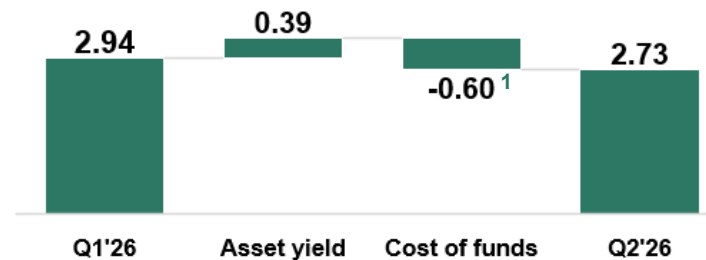
Net financing margin (NFM) (%)



NFM drivers H1'26 vs H1'25 (%)



NFM drivers Q2'26 vs Q1'26 (%)



Note 1 – Higher COF in Q2'26 was largely attributable to KTPB, driven by increased TL funding costs amid market conditions.

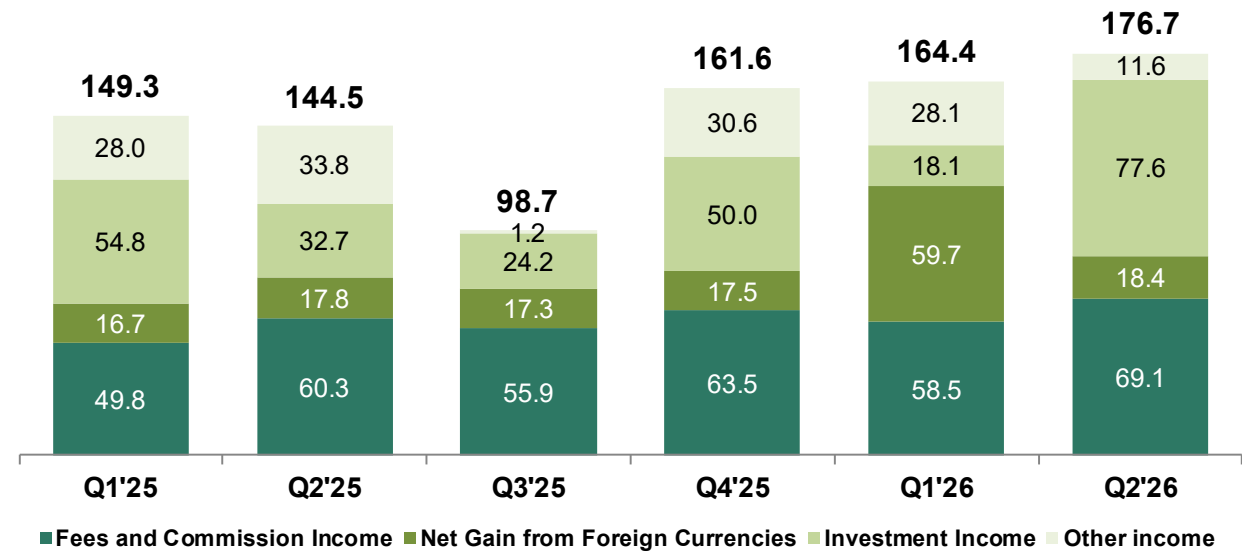
NFM sensitivity to 25bps movement

A parallel 25bps movement in benchmark profit rates is estimated to impact Group NFM by approximately 3-5 bps

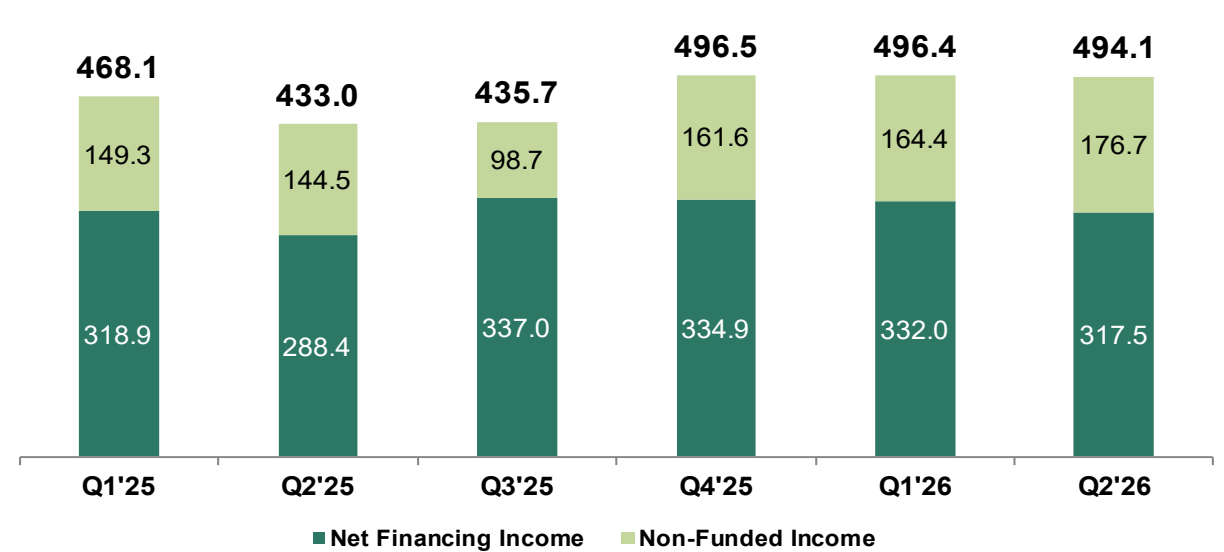
Broad-Based Business Growth Enhancing Non-Funded Income

Non-funded income (KD mn)	H1'26 (6m)	H1'25 (6m)	%YoY	Q2'26 (3m)	Q1'26 (3m)	%QoQ
Fee and commission income	276.3	222.3	24.3%	148.9	127.3	17.0%
Fee and commission expense	(148.7)	(112.3)	32.4%	(79.9)	(68.8)	16.0%
Net fee & commission income	127.6	110.0	15.9%	69.1	58.5	18.1%
Total other non-funded income	213.5	183.8	16.2%	107.6	105.9	1.6%
Total non-funded income	341.1	293.8	16.1%	176.7	164.4	7.5%

Total other non-funded income - Quarterly (KD mn)

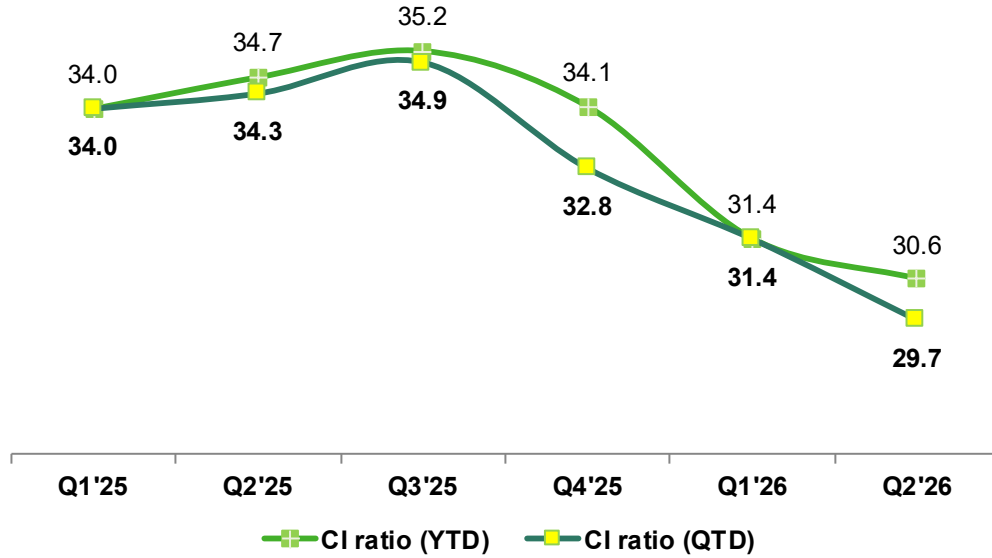


Total Operating Income - Quarterly (KD mn)

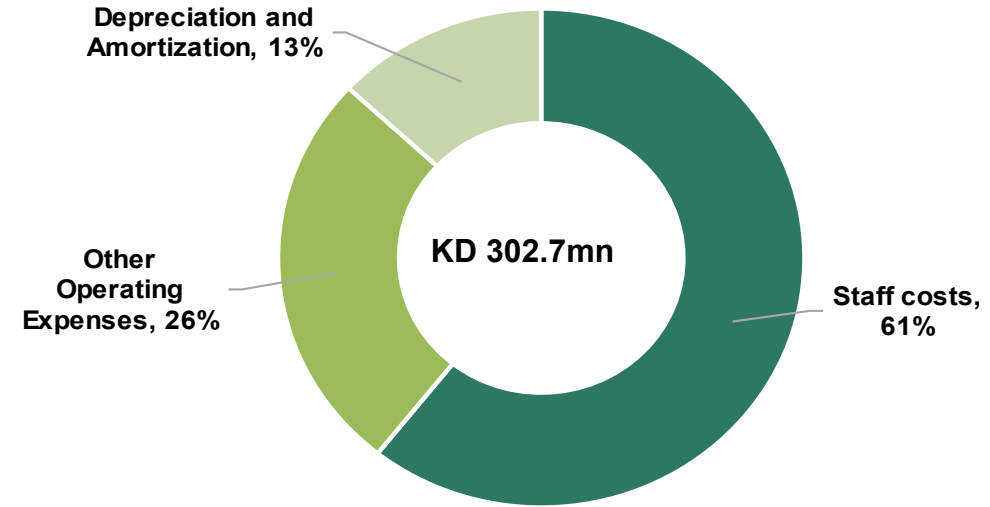


Sustained Cost Discipline Underpins Operating Efficiency

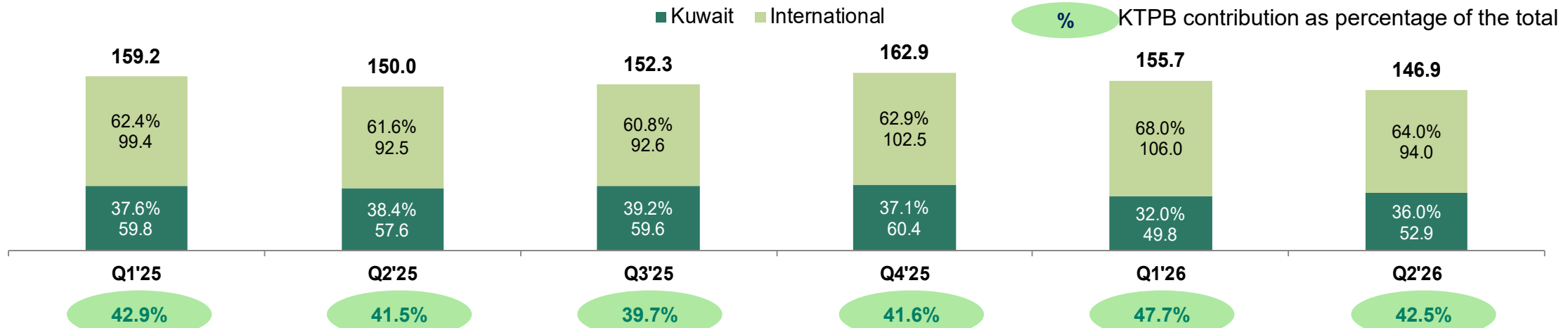
Cost to income ratio (%)



Operating expense composition% - H1'26



Total Operating Expenses - Quarterly (KD mn)

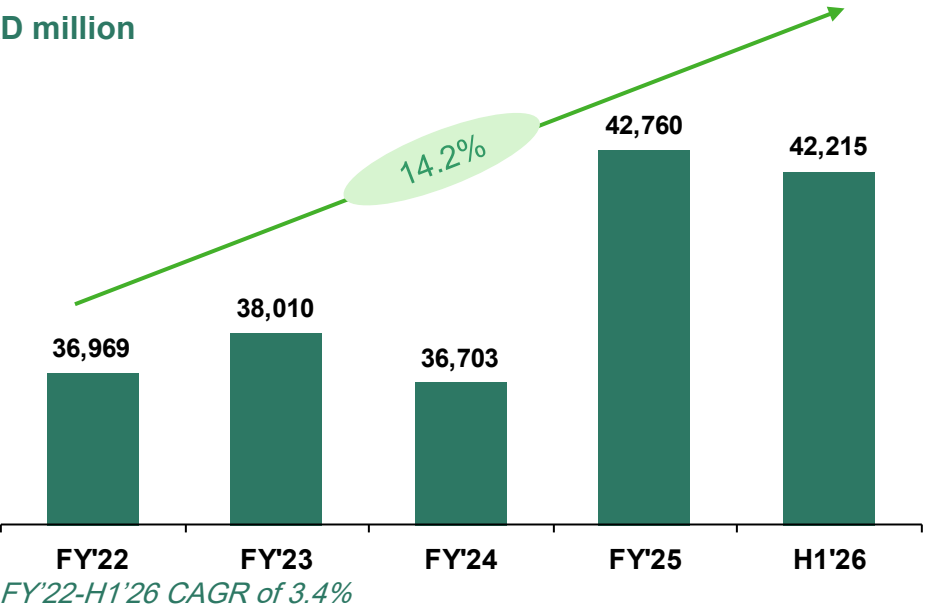


Diversified Entity Contributions Support a Resilient Asset Base

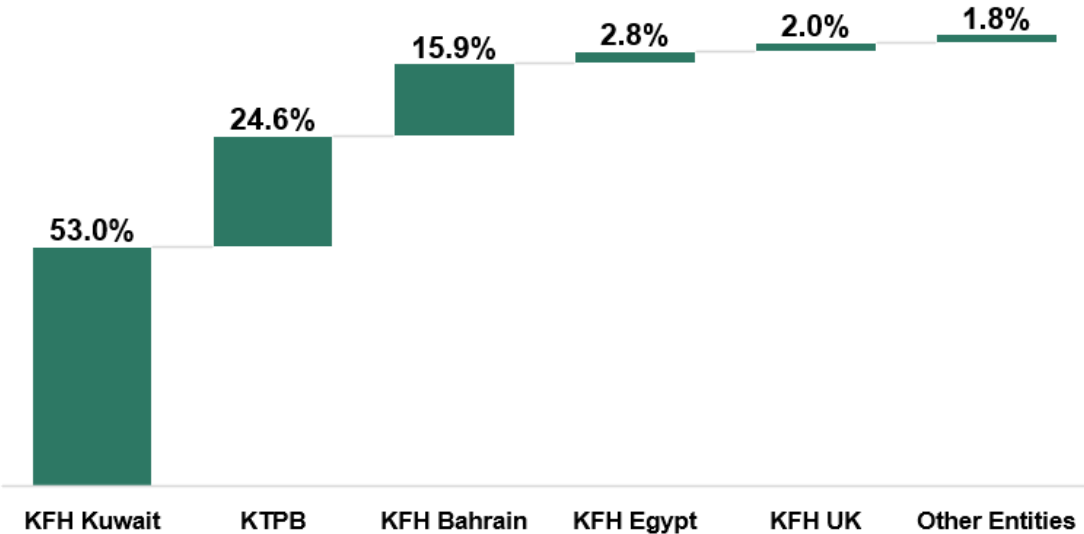
Assets Analysis 30 June 2026

Total Assets Evolution

KD million

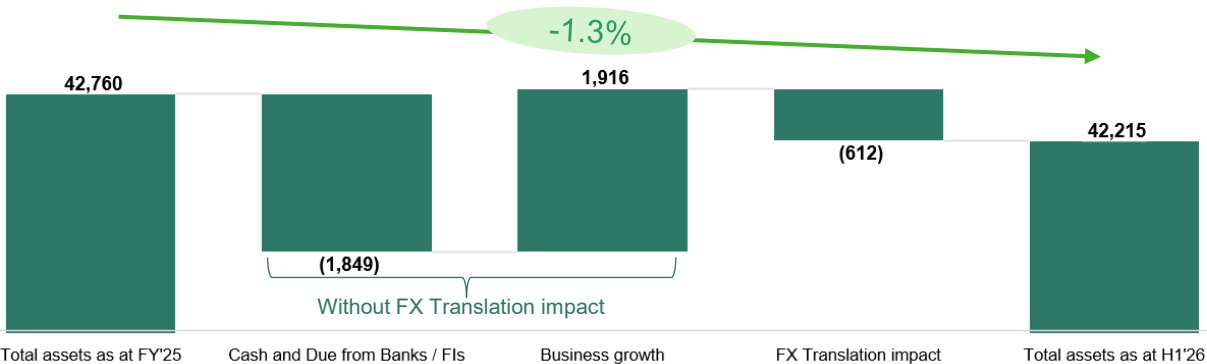


H1'26 Split of Assets by Entity



Total Assets movement from FY-25

KD million



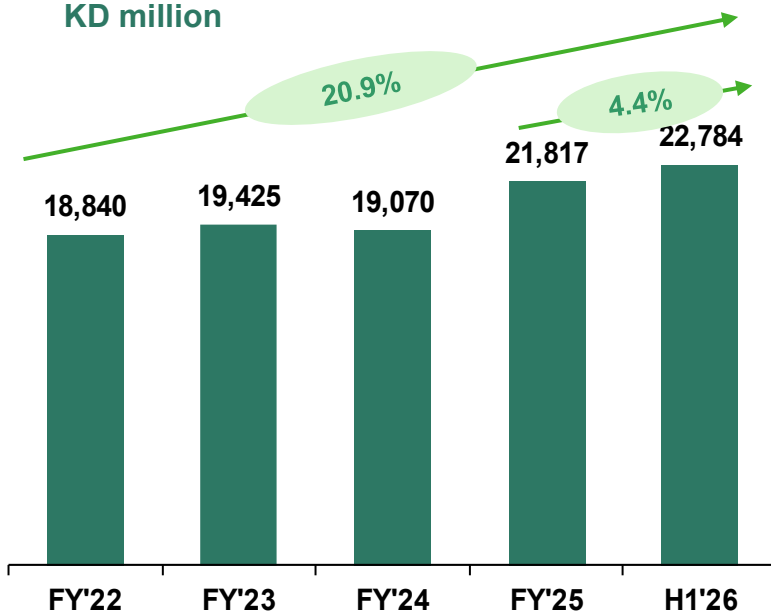
The reported 1.3% decline in assets was mainly attributable to lower cash and bank-related balances as excess liquidity normalized, supporting a more efficient balance sheet structure. Underlying business activity remained strong, with financing receivables and investments in debt securities growing by 4.4% and 3.0%, respectively, during H1'26.

Stable Financing momentum driven by diversified Group Operations

Financing Analysis 30 June 2026

Total Financing Evolution

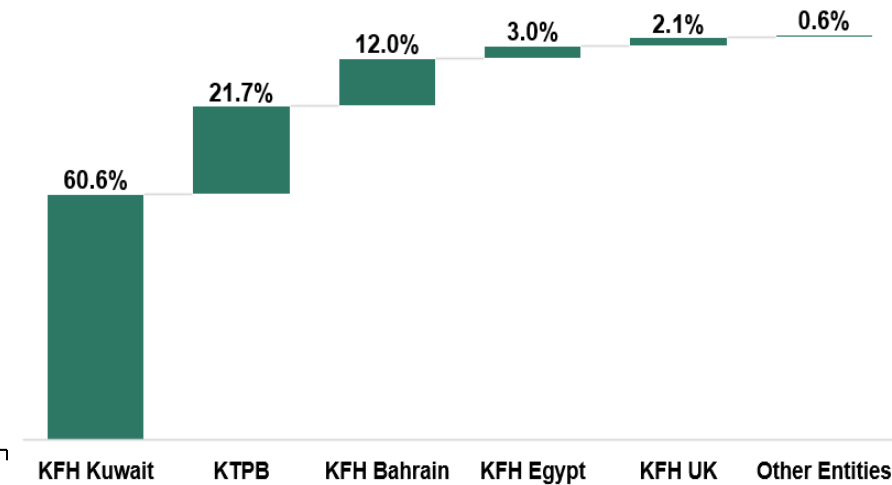
KD million



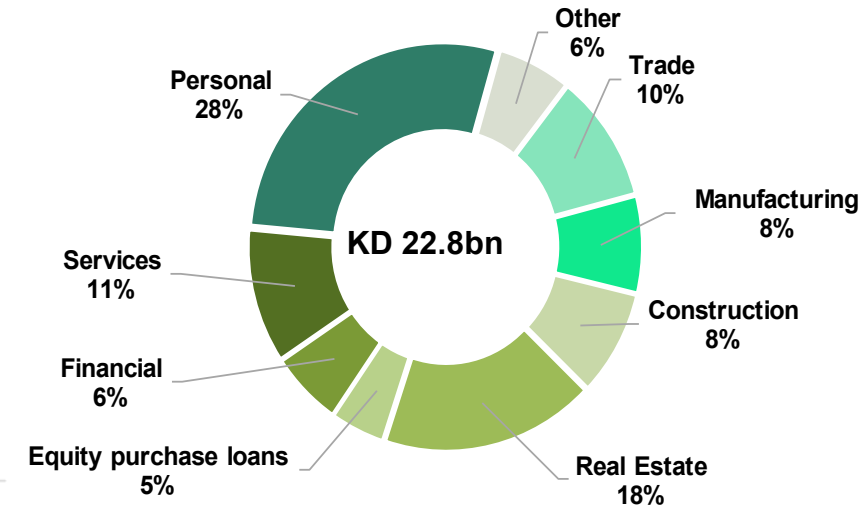
- FY'22-H1'26 CAGR of 4.9%

H1'26 Split of Financing (%)

By Entity



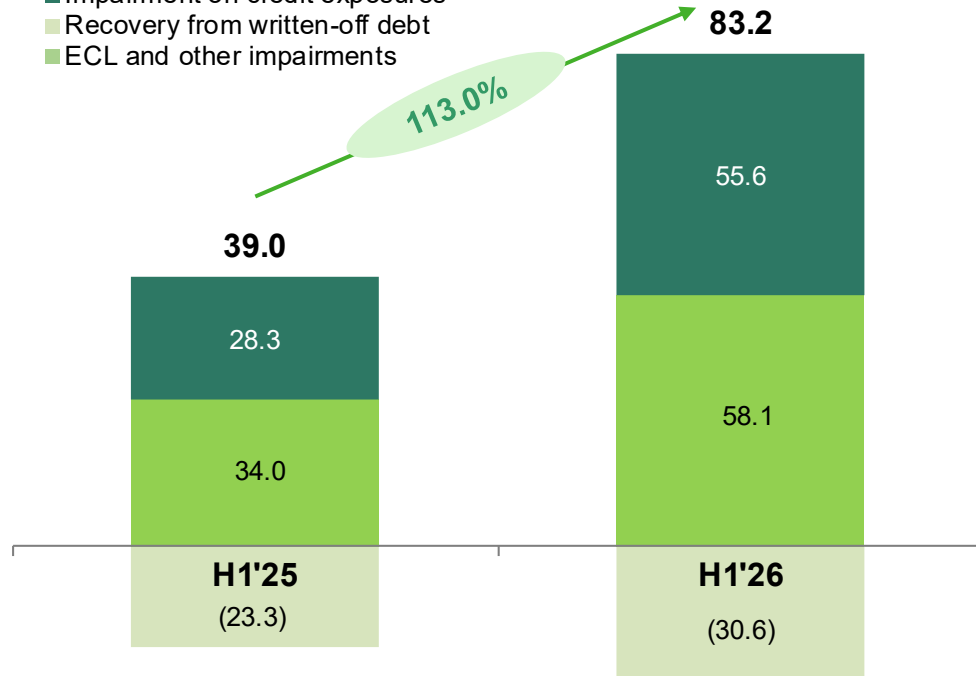
By Economic Sector



Credit Fundamentals Underpin Portfolio Resilience

Provision and impairment charge (KD mn)

- Impairment on credit exposures
- Recovery from written-off debt
- ECL and other impairments

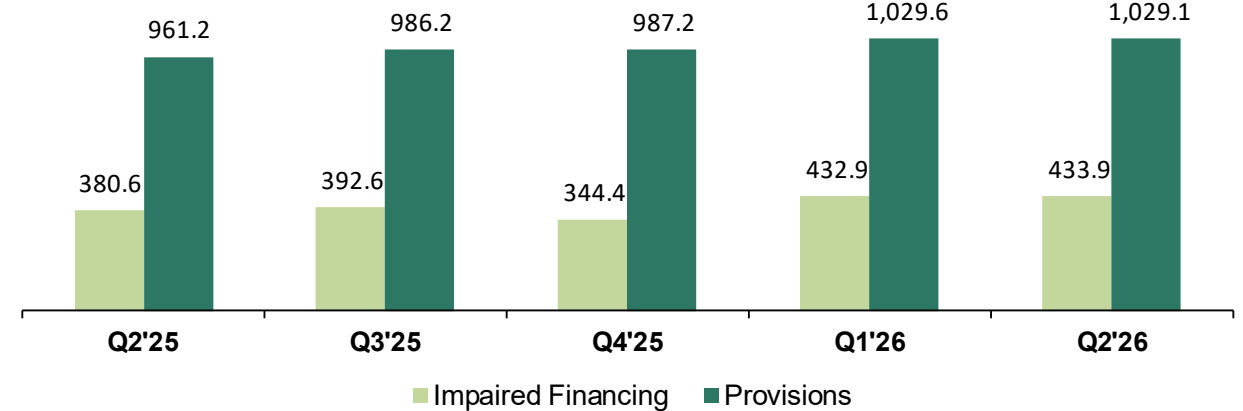


H1'26 includes KD 32.5mn of precautionary provisions charge; excluding this, total provision and impairment charges would have been **KD 50.7mn** for H1'26.

Ratios	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
NPF	1.78%	1.77%	1.51%	1.90%	1.82%
Coverage	253%	251%	287%	238%	237%

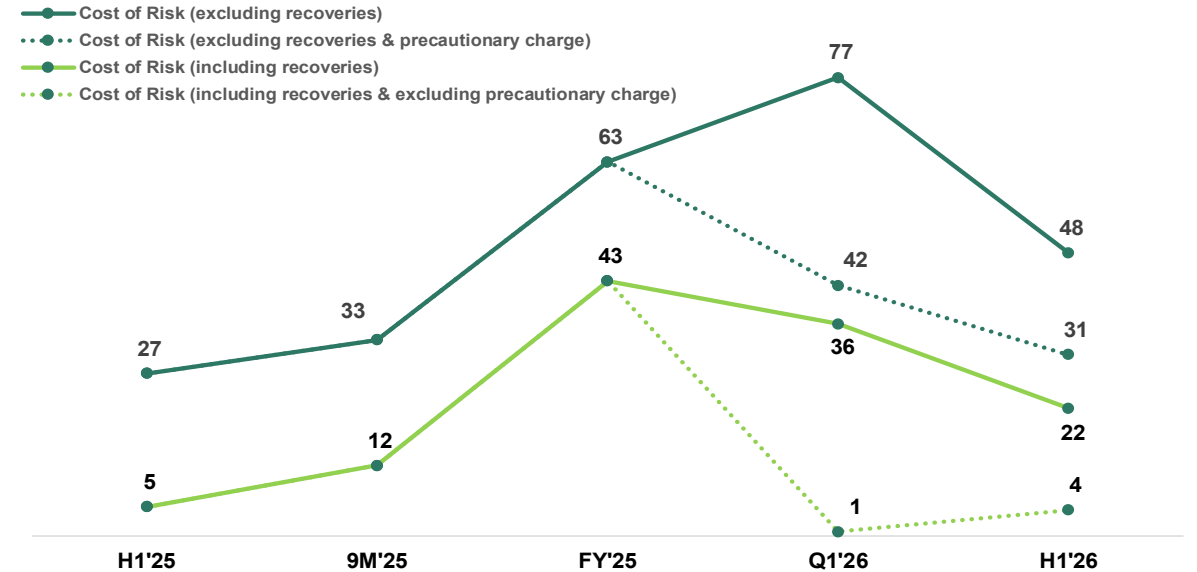
The rise in NPFs and the corresponding decline in the coverage ratio in 2026 mainly reflect the recognition of additional non-performing exposures in selected sectors across KTPB and KFH Bahrain.

Impaired Financing & Provisions (Cash + Non-Cash) (KD mn)

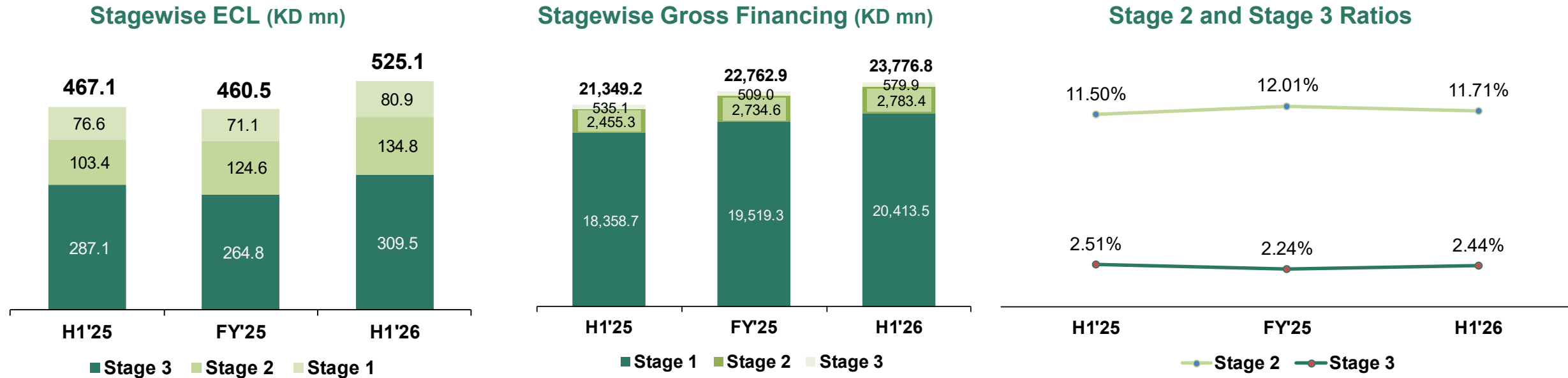


Total provisions stood at KD 1.03bn, including KD 565.7mn of precautionary provisions, reinforcing the Group's conservative provisioning stance.

Credit Cost of Risk (bps) (YTD)



Sizable Provisioning Buffer Maintained Above IFRS-9 Requirements

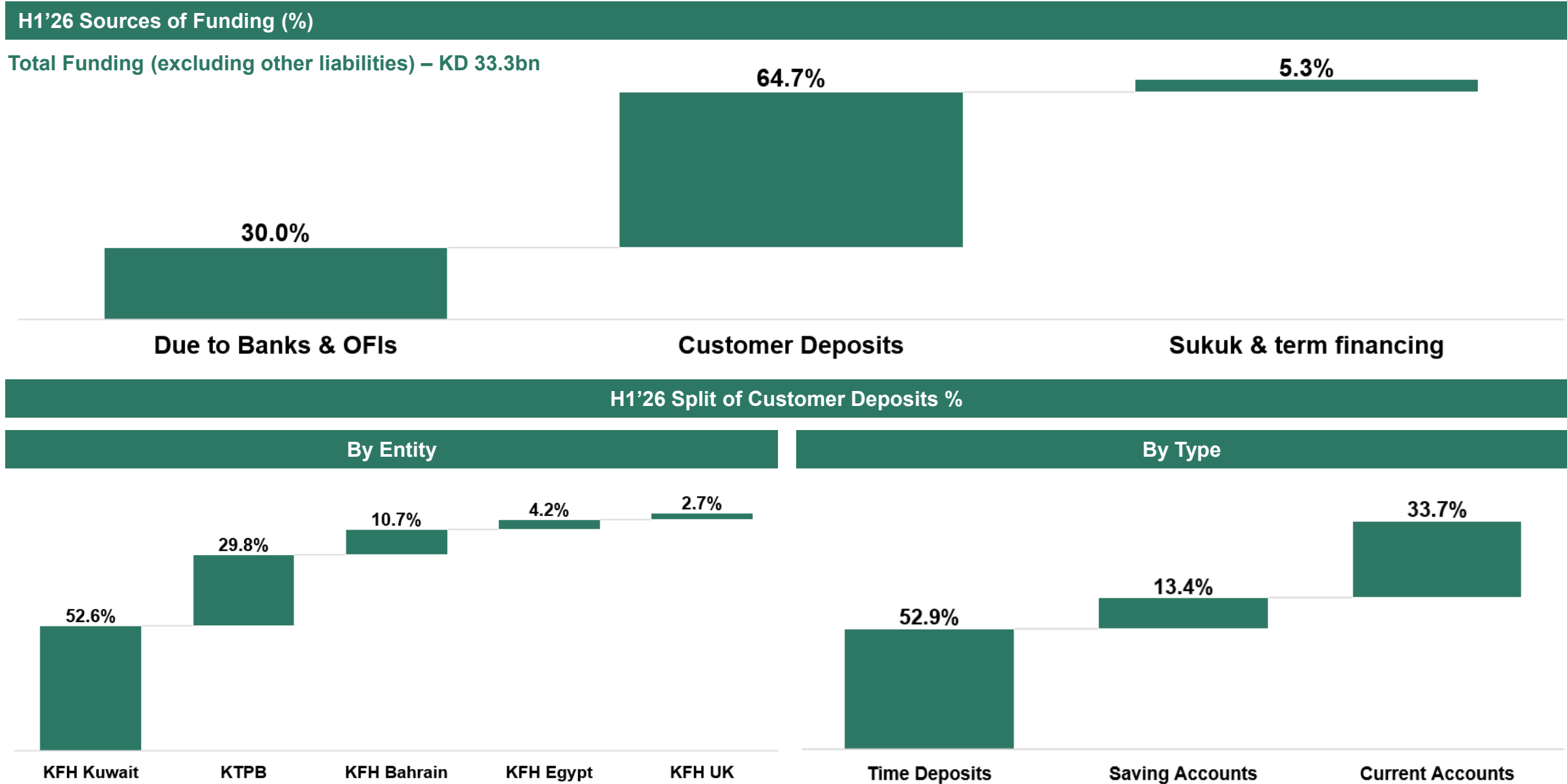


IFRS-9 ECL versus CBK Provision buffer trend (KD mn)

As of	H1'26	Q1'26	FY'25	9M'25	H1'25	Q1'25	FY'24	FY'23	FY'22
CBK Provision	1,029.1	1,029.6	987.2	986.2	989.5	1,003.9	977.2	1,016.8	924.9
CBK IFRS-9 ECL	525.1	503.4	460.5	508.2	467.1	452.0	438.4	443.6	407.7
Buffer	504.0	526.2	526.6	478.0	522.4	551.9	538.8	573.2	517.2

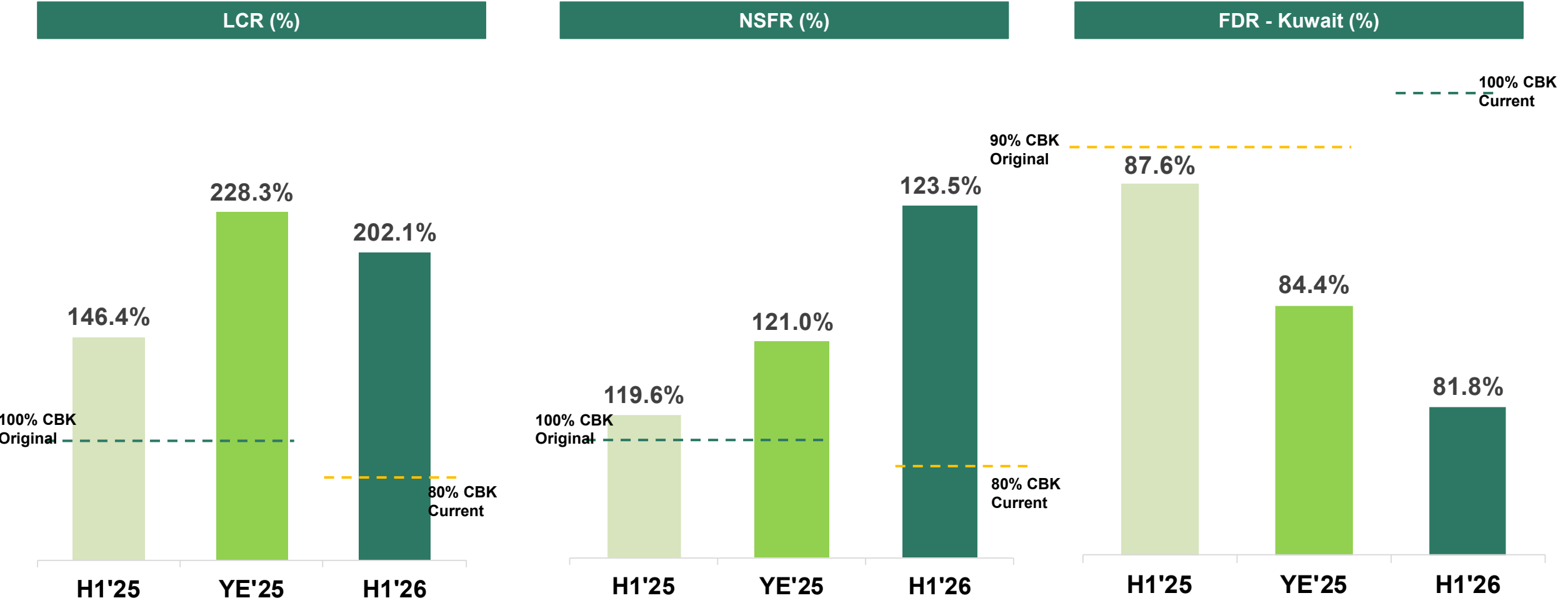
Deposit Franchise Underpins Funding Stability

Funding Analysis 30 June 2026



Liquidity Profile Continues to Significantly Exceed Regulatory Requirements

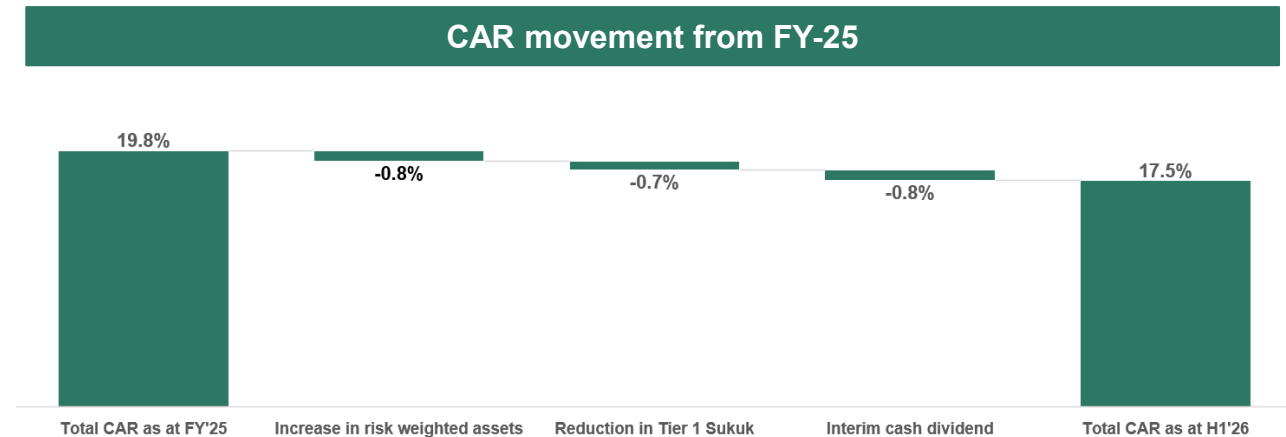
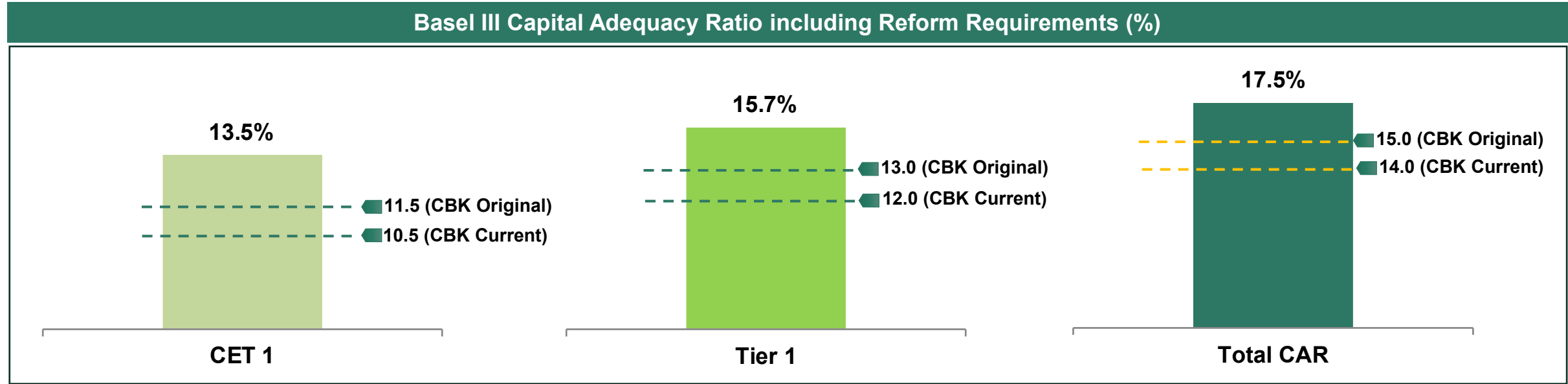
Liquidity Analysis 30 June 2026



Note - Following the CBK circular issued in March 2026, the H1'26 FDR, LCR, and NSFR ratios are presented against the revised CBK requirements, while H2'25 and YE'25 are shown against the original regulatory thresholds applicable during those periods

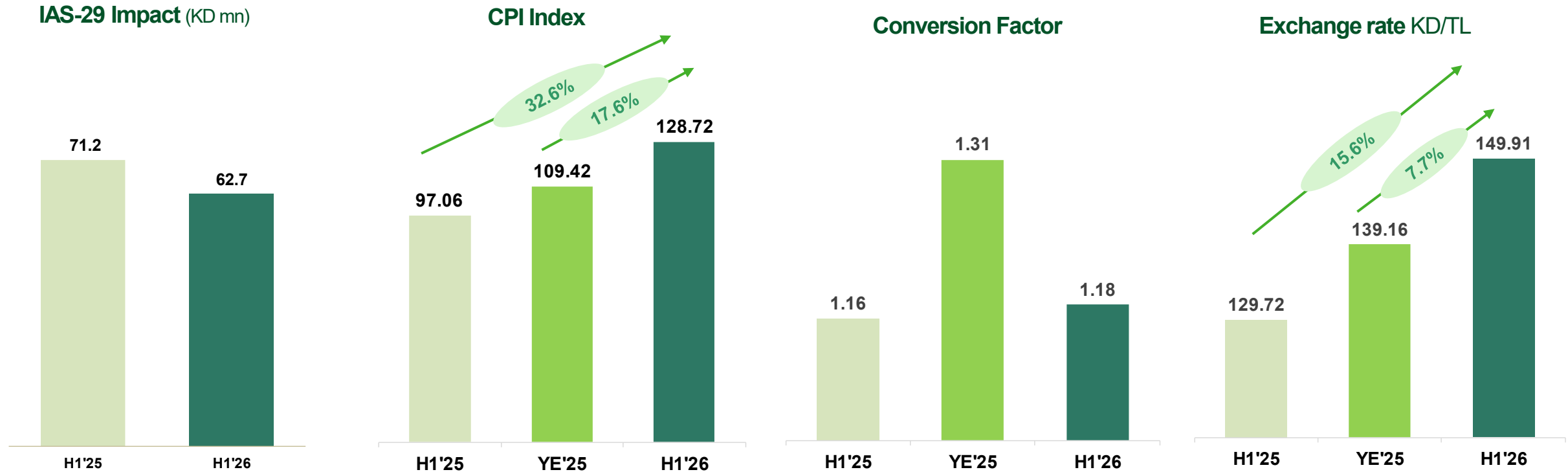
Capital adequacy above CBK capital requirements

Capital Analysis 30 June 2026



Note - The CBK revised Capital Adequacy Ratio requirements through its March 2026 circular. Accordingly, H1'26 ratios are assessed against the current limits, while the original regulatory thresholds are also presented for reference. Moreover, the ratios above after considering the impact of interim approved cash dividends.

Türkiye – Hyperinflation Accounting, FX Impact and Outlook



Inflation Outlook - Türkiye inflation is forecast to moderate but remain elevated by end-2026, with the Central Bank of Republic of Türkiye (CBRT) projecting 26% year-end inflation and external estimates forecasting up to 30%.

	FY'2025	H1'26	2026 Guidance	Status
Financing growth	+14.4%	+4.4%	Low double-digit	On track
Fees and commission	+29.5%	+15.9%	Above 15%	On track
NFM%	3.12%	2.84%	Stable	Updated
Cost to income ratio	34.1%	30.6%	Below 32%	Updated
Cost of risk (excluding recoveries)	63 bps	48 bps	c. 40-50 bps	On track
Cost of risk (including recoveries)	43 bps	22 bps	c. 20-25 bps	Updated

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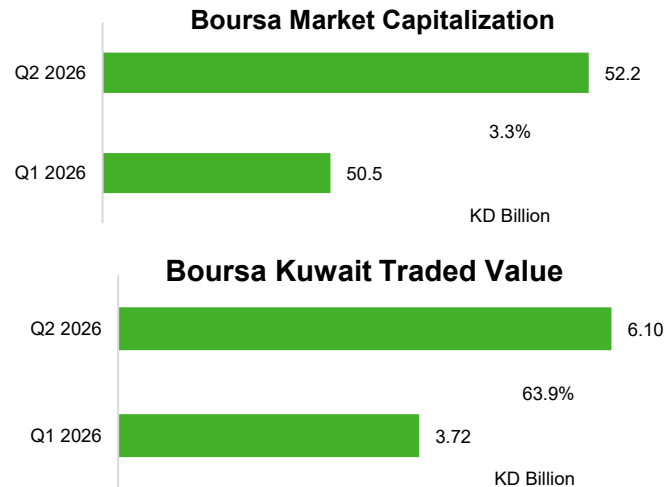
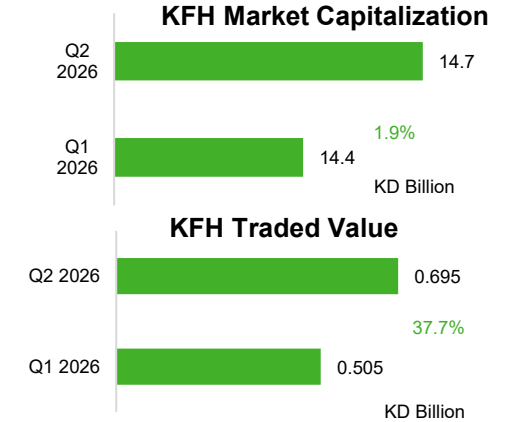
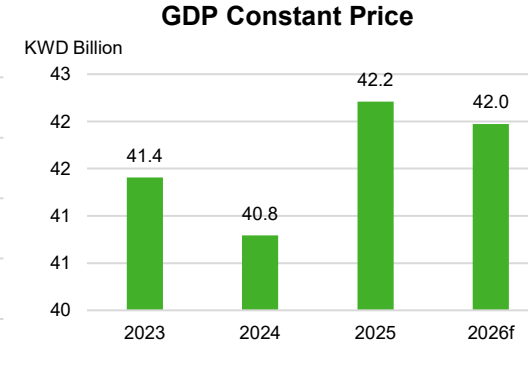
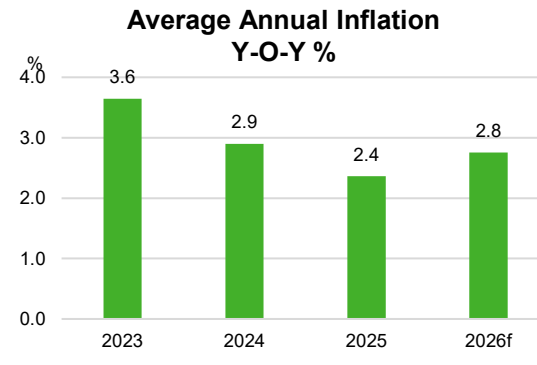
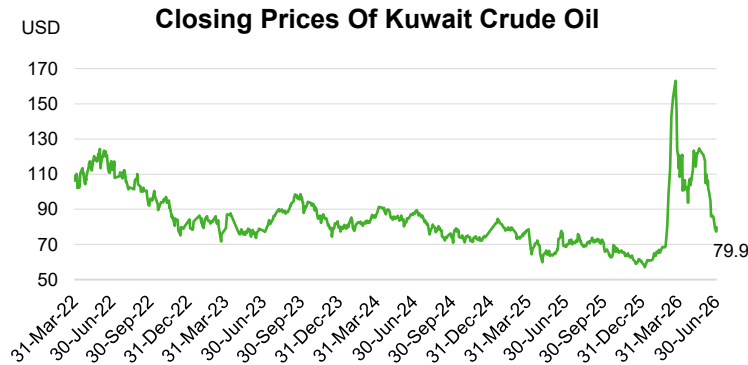
Financial Performance “H1-
2026”

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Appendix :

Economic Highlights

KUWAIT'S ECONOMIC HIGHLIGHTS



- Despite the current geopolitical challenges, the International Monetary Fund “IMF” forecasts Kuwait’s GDP to slightly contract -0.6% reaching to around KWD 42 billion in 2026. Kuwait’s strong fiscal position and resilient banking sector continue to support economic stability.
- The IMF also estimates that Kuwait’s average annual inflation rate to slightly increase from 2.4% in 2025 to 2.8% in 2026.
- Kuwaiti crude oil prices eased back to \$ 79.9 as of 30th of June 2026. This represents a decline of 29.4% compared closing price in the middle of the crisis at the end of Q1 2026, however Kuwait crude oil price is still higher by 15.3% than the end of Q2 2025.
- Kuwait’s sovereign credit ratings remain strong, standing at A+ with a stable outlook from Standard & Poor’s, A1 with a stable outlook from Moody’s, and AA- with a stable outlook from Fitch Ratings.
- The Central Bank of Kuwait (CBK) maintained the discount rate at 3.5% during Q2 2026, following a cumulative 50 basis point reduction in 2025 from 4.0%, as part of its ongoing monitoring of key economic and monetary indicators.
- Market capitalization of listed companies on Boursa Kuwait reached KWD 52.2 billion by the end of Q2 2026, a 3.3% increase compared to Q1 2026. according to Kuwait Boursa, Kuwait Finance House (KFH) recorded a market capitalization of KWD 14.7 billion, representing a 1.9% increase compared to the end of Q1 2026.
- The traded value of listed companies on Boursa Kuwait during Q2 2026 reached KWD 6.1 billion, increasing by 63.9% compared to Q1 2026. Meanwhile, KFH’s traded value reached KD 695.3 million during Q2 2026, marking an increase of 37.7% compared to Q1 2026.

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