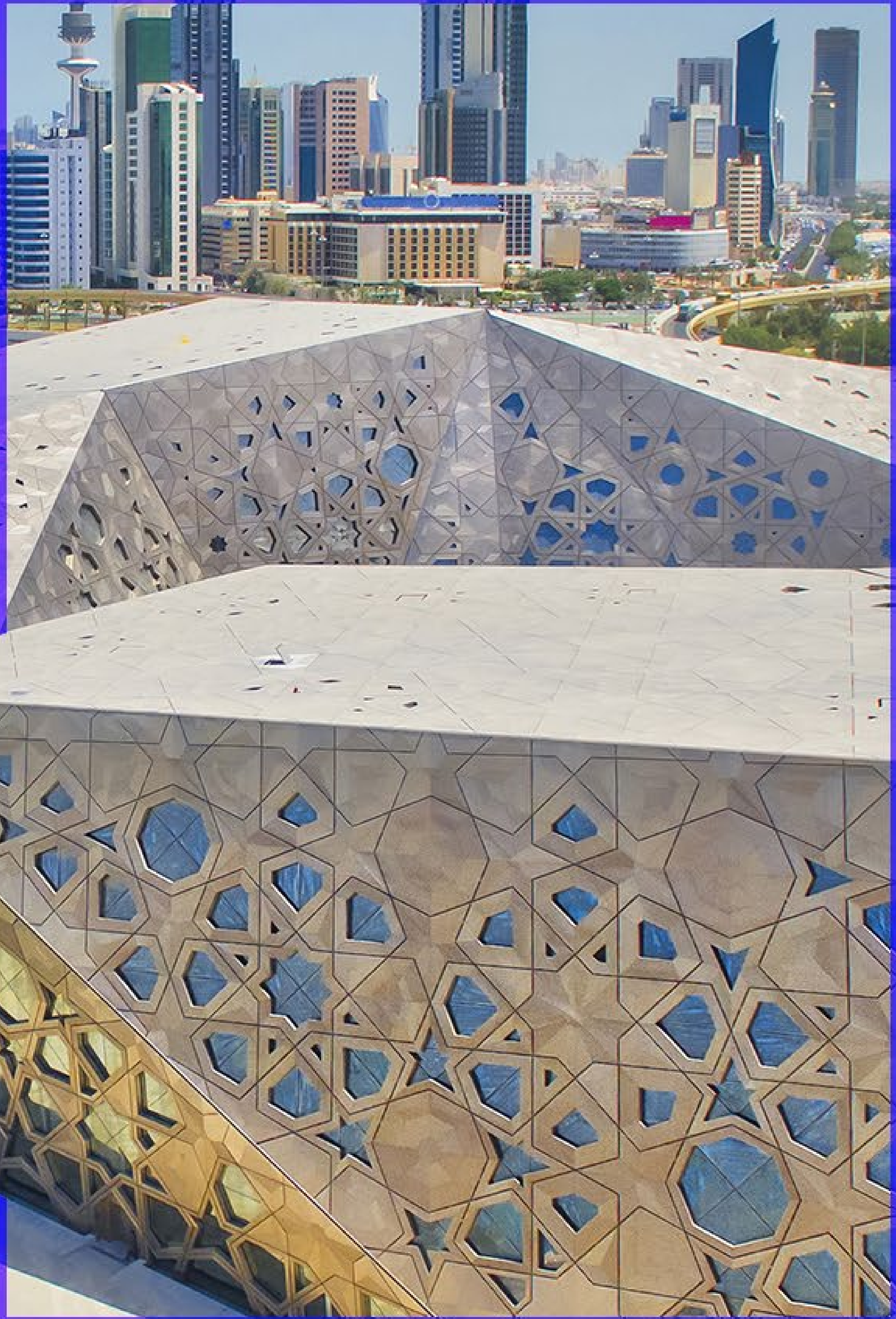
Kuwait Listed Banks' Results — H1'25

A comparative analysis of Kuwait's nine listed banks' financial performance

September 2025



KPMG. Make the Difference.

Contents

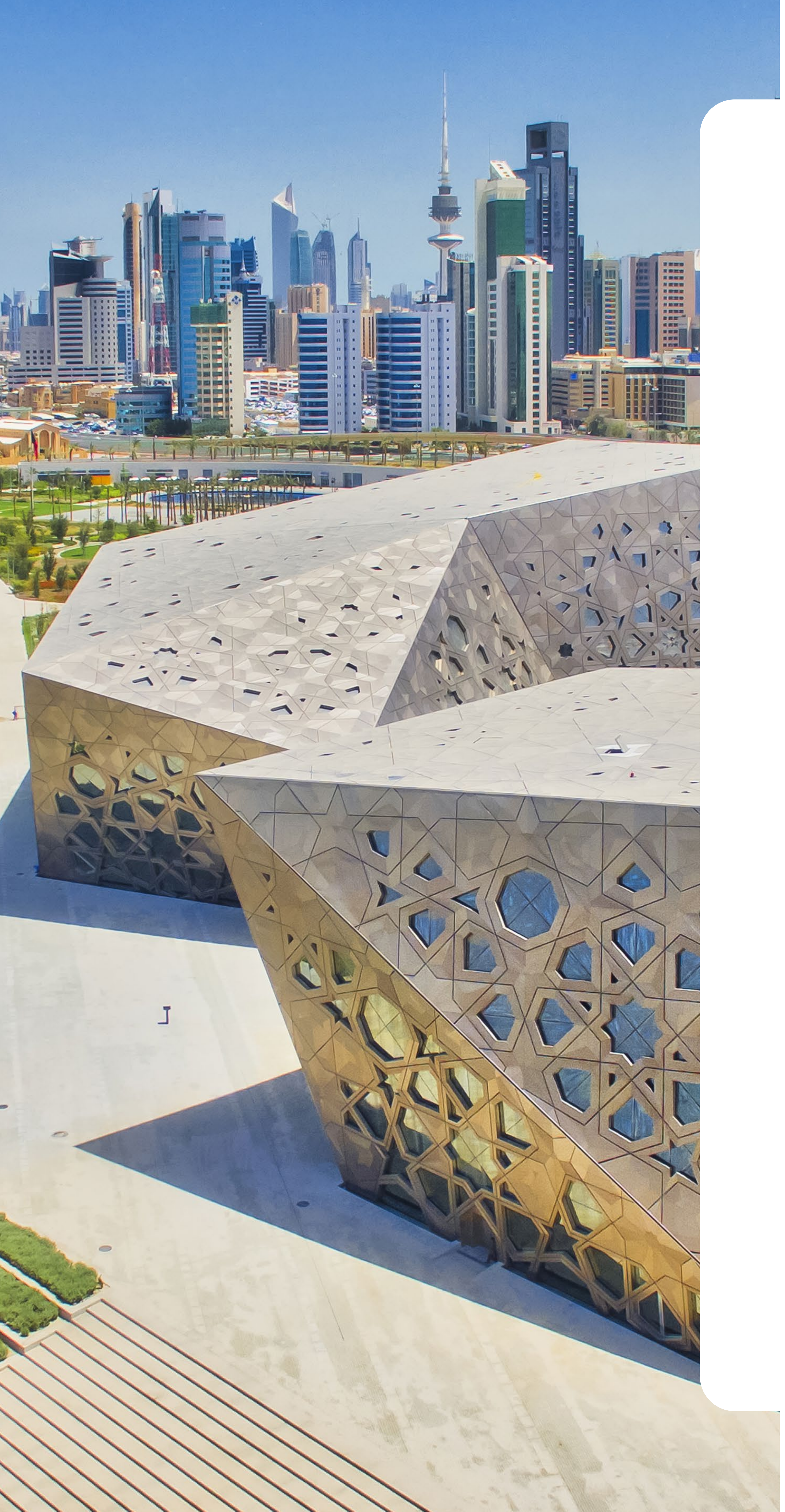
Basis of preparation

In this report, we have analyzed the financial results of nine leading listed commercial banks in Kuwait:

- ABK (Al Ahli Bank of Kuwait K.S.C.P.)
- Boubyan (Boubyan Bank K.S.C.P.)
- Burgan (Burgan Bank S.A.K.P.)
- CBK (Commercial Bank of Kuwait K.S.C.P.)
- Gulf Bank (Gulf Bank K.S.C.P. Kuwait)
- KFH (Kuwait Finance House K.S.C.P.)
- KIB (Kuwait International Bank K.S.C.P.)
- NBK (National Bank of Kuwait S.A.K.P.)
- Warba (Warba Bank K.S.C.P.)

The financial results and selected key performance indicators (KPIs) of the nine leading banks half-yearly ended 30 June 2025 are summarized and compared with period (half-yearly ended 30 June 2024).

Note: The data presented in this report is true to the time this report was being prepared, i.e., August 2025, and may not represent the latest numbers. Please refer to the banks' websites for more details.



Foreword

Bhavesh Gandhi
Partner – Head of Financial Services
KPMG in Kuwait

Welcome to the Kuwait listed banks' results H1'25, our half yearly analysis of Kuwait's nine listed commercial banks' financial performance to project the outlook of the country's banking sector.

This report is a continuation, and the second edition, of our yearly Kuwait-focused banking report which was published in April '25.

In this report, we offer a comparative analysis of Kuwait's nine listed commercial banks' financial performances in half-year ended June 2025 and half-year ended June 2024. This analysis is based on the eight key performance indicators (KPIs) that we have identified to demonstrate Kuwait's banks' financial performance.

They are: (1) total assets; (2) net profit; (3) share price; (4) return on equity; (5) return on assets; (6) cost-to-income ratio; (7) loan by stage; and (8) non-performing loan ratio.

The global market saw a huge shift after the USA announced reciprocal tariffs, impacting almost every sector worldwide — including banking. Although it remains to be seen how the tariffs will play out in the longer term, the outlook for Kuwait's banking sector is fairly positive, with banks ending the half year (H1'25) on a strong note.

In H1'25, Kuwait's banking industry witnessed an year-on-year (y-o-y) growth in terms of total assets and net profit, with the country average increase in total assets across banks reaching 10.39% (y-o-y) and net profit climbing to 3.63%.

It is important to note that banks in Kuwait have been placing a sharper focus on cost management for the past few years, leveraging digitalization and other tools/methodologies at their disposal. As a result, four out of nine banks saw a decrease in cost-to-income ratio in H1'25, as compared to H1'24.

The biggest shift in H1'25 compared to H1'24, however, was in terms of overall share prices where every bank marked a double-digit increase, moving the country average to a whopping 22.13% from the same time last year.

Additionally, the biggest news that's doing its rounds in Kuwait's banking landscape is the announcement of Warba Bank and Gulf Bank's proposed merger. The announcement came after Warba Bank fully acquired Alghanim Trading Company[1] (Currently Warba Strategy Company S.P.C.), indirectly owning 32.75% of Gulf Bank's capital.

As we write this report, the latest news is that Warba Bank and Gulf Bank have signed a Memorandum of Understanding (MoU) to find specialized consultants who will explore the feasibility of the merger[2]. We are keeping a keen eye on the latest developments in this regard and will keep you apprised through the subsequent editions of this report.

The release of the Executive Bylaws around Domestic Minimum Top-Up Tax (DMTT)[3] also exposed Kuwait's banking sector to further changes. These Bylaws establish the operational framework for the DMTT Law, broadly aligned with the Organisation for Economic Co-operation and Development's (OECD) BEPS Pillar 2 rules, while incorporating Kuwait-specific provisions. Due to the implementation of the DMTT Law in Kuwait, the anticipated changes are likely to influence operations, financial planning, and financial reporting in the Kuwait banking sector.

Having said that, I hope the facts and findings shared in this report will help refresh your perspectives on Kuwait's banking industry and bring about the necessary strategic rethink in the sector.

As we continue building this intellectual property, I would request you — our reader — to reach out to me or Salman for any queries, feedback, or suggestions.

Looking forward to hearing from you.

Enjoy the read.

1. Kuwait: Warba Bank signs full acquisition of Alghanim Trading Company
2. https://www.warbabank.com/english/about-warba/news-center/merger-feasibility-with-gulf-bank
3. Kuwait's Domestic Minimum Top-up Tax - Guidebook - KPMG Kuwait

Executive Summary

Highlights of H1'25

Total assets

10.39%

Increased from
KD 109.14 Billion in H1'24 to
KD 120.48 Billion in H1'25

Net profit

3.63%

Increased from
KD 796.18 Million in H1'24 to
KD 825.11 Million in H1'25

Capital adequacy ratio

0.35%

Improved from 17.27% in H1'24 to 17.62% in H1'25

Cost-to-income ratio

0.28%

Increased from 39.29% in H1'24 to 39.57% in H1'25

Net interest margin

(-0.02%)

Decreased from 2.13% in H1'24 to 2.11% in H1'25

Return on assets (ROA)

(-0.02%)

Decreased from 0.74% in H1'24 to 0.72% in H1'25

Return on equity (ROE)

(-0.25%)

Decreased from 6.13% in H1'24 to 5.88% in H1'25

Share price

22.13%

Increased from H1'24

The total assets, net profit, and net provision charge on loans represent the aggregated figures of the nine listed banks within the country pertaining to H1'24 in comparison with H1'25. Percentage changes for these KPIs have been calculated using actual figures, reflecting the absolute change.

Executive Summary (contd.)

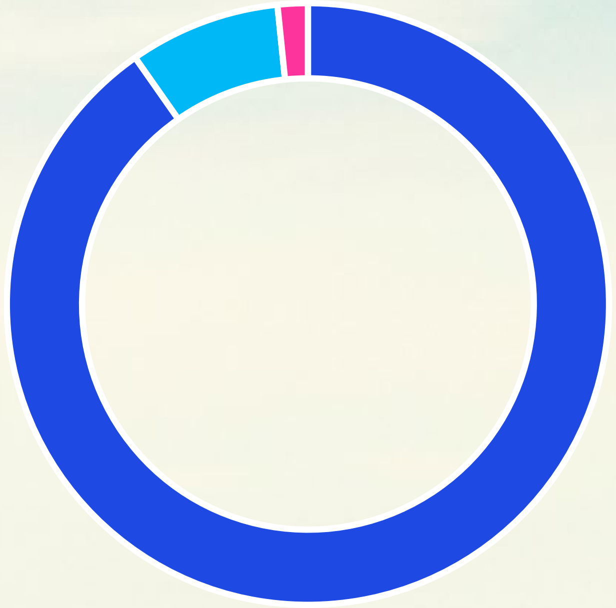
Highlights of H1'25

Net provision charge on loans ↑	Non-performing loan ↑
24.7%	(-0.09%)
Increased from KD 126.7 million in H1'24 to KD 158 million in H1'25	Improved from 1.68% in H1'24 to 1.59% in H1'25

Coverage ratio on loans (as of 30 June 2025)

Stage 1	Stage 2	Stage 3
0.65%	8.35%	76.62%
Increased by 0.05%	Increased by 1.04%	Increased by 5.08%

Total loans subject to ECL (as of 30 June 2025)



90.71%	7.70%	1.59%
Stage 1 ↑	Stage 2 ↓	Stage 3 ↓
Increased by 1.33% in H1'25	Decreased by 1.24% in H1'25	Decreased by 0.09% in H1'25

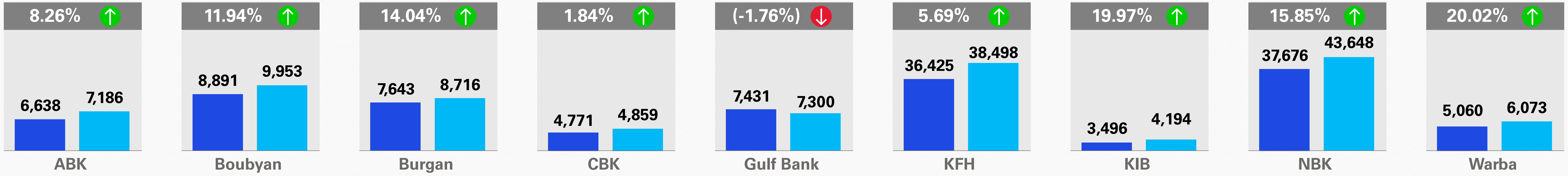
Data analysis

Total assets

Value in KD Billion

10.39% Total assets across banks in Kuwait increased by 10.39% in H1'25

H1'24 H1'25

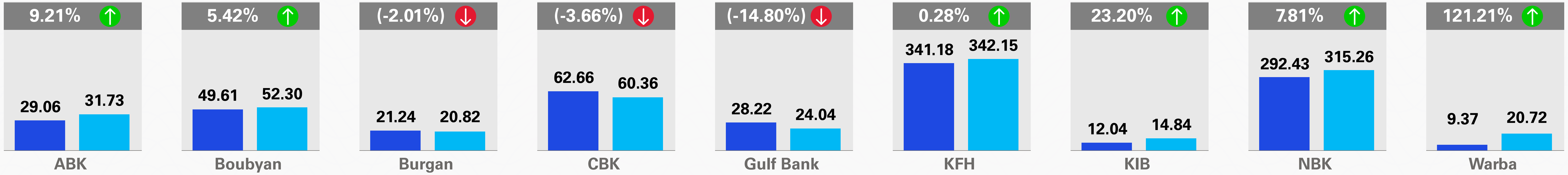


Net profit

Value in KD Million

3.63% Net profit across banks in Kuwait increased by 3.63% in H1'25

H1'24 H1'25

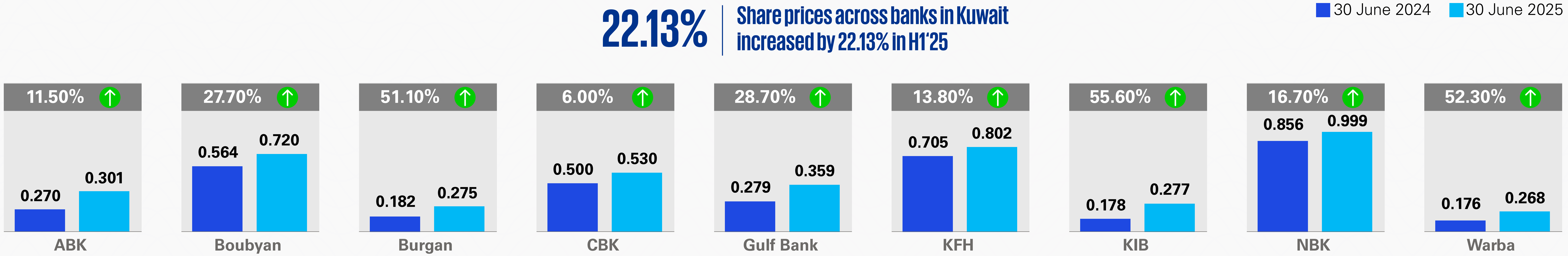


Data analysis (contd.)

Share price

Value in Fils

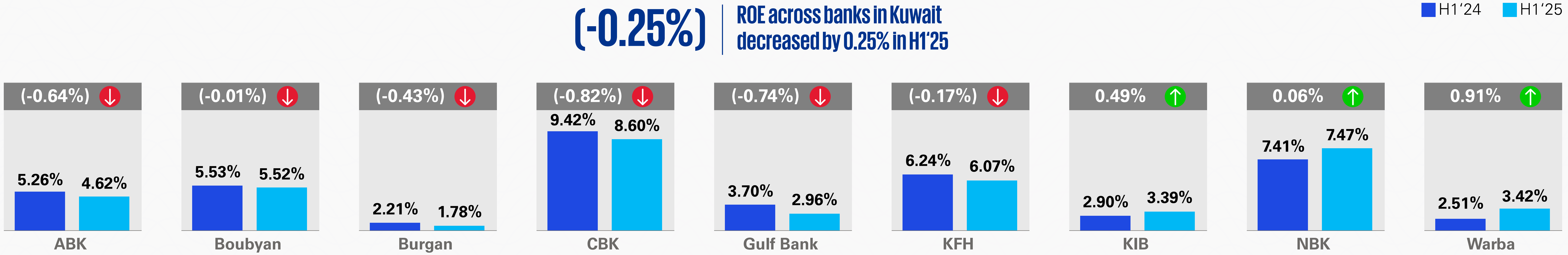
22.13% | Share prices across banks in Kuwait increased by 22.13% in H1'25



Return on equity

Value in percentage

(-0.25%) | ROE across banks in Kuwait decreased by 0.25% in H1'25

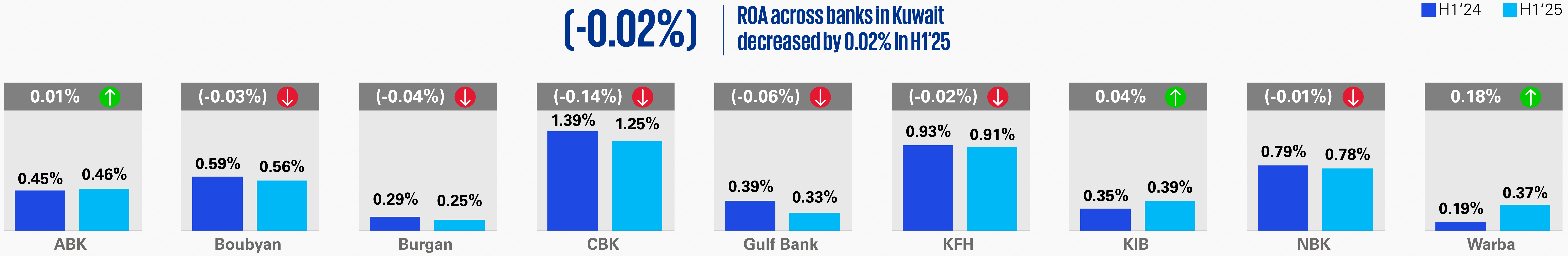


Data analysis (contd.)

Return on assets

Value in percentage

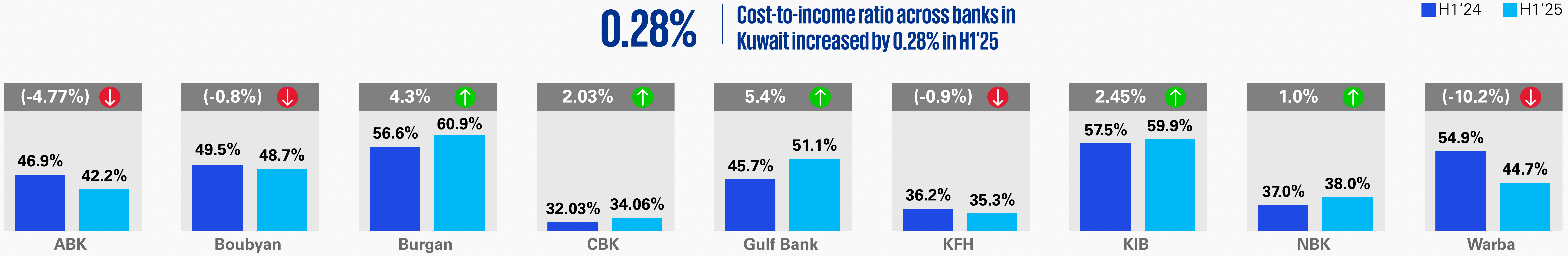
(-0.02%) ROA across banks in Kuwait decreased by 0.02% in H1'25



Cost-to-income ratio

Value in percentage

0.28% Cost-to-income ratio across banks in Kuwait increased by 0.28% in H1'25

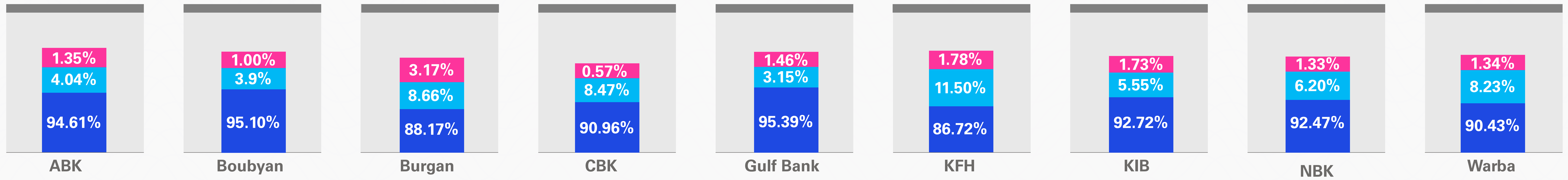


Data analysis (contd.)

Loan by stage

Value in percentage

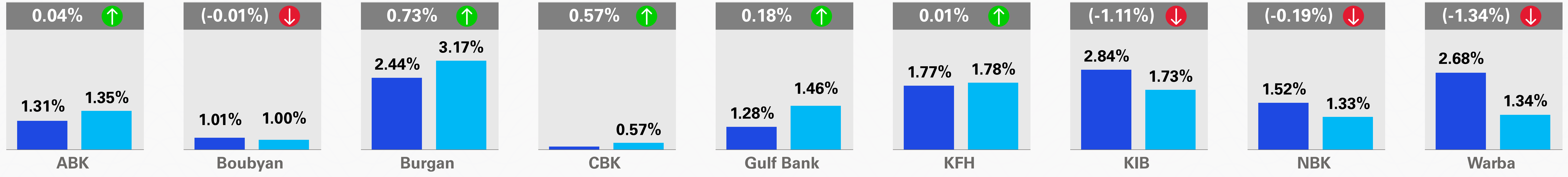
1.59% | Loan by stage across banks in Kuwait decreased by 0.09% in H1'25



Non-performing loan (NPL)

Value in percentage

(-0.09%) | NPL ratio across banks in Kuwait improved by 0.09% in H1'25



Building tomorrow's financial system today.

New challenges and opportunities are quickly reshaping financial services – from digital transformation to AI, to open platforms and data analytics, to greater customer centricity and a changing dynamic workforce – all of which financial institutions need to address while navigating the evolving risk and regulatory landscape.

How can KPMG help

Today's financial services organizations are looking at a future that is more interconnected, more collaborative and frictionless — one where trust, growth and delivering value are paramount. KPMG can help.

Our global multidisciplinary team of professionals understands what it takes to deliver successful outcomes in the financial services industry.

KPMG firms are continuously evolving and growing to ensure we have the capabilities, strategies and networks to deliver the insights-driven and technology-enabled services that help drive the sustainable value creation financial services organizations require.

Our Global Financial Services network provides a comprehensive set of services to a wide range of clients, supporting them with their strategic objectives and creating value.

We are continuously evolving and growing to help ensure we provide the desired support, showcasing the capabilities, strategies, credentials and other relevant material to our engagement teams and alliance partners, required to deliver the insight-driven and technology-enabled services to our clients.

What we do

Working across all sectors, including asset and wealth management, banking and capital markets, insurance and private equity, our network of professionals delivers deep industry knowledge with consistent collaboration and practical execution.

Asset management and real estate	Explore more
Banking and capital markets	Explore More
Insurance	Explore More
Private equity	Explore More

Glossary

KPI	Description
Total assets	Total assets are as reported in the published annual financial statements.
Net profit	Net profit is the half-yearly net profit attributable to the shareholders of the banks (in banks where consolidated financial statements have been reported, the net profit amount included represents the half-yearly net profit specifically attributable to the shareholders of the parent bank).
Share price	Share price reflects the market value of a single share of the bank's stock, as traded on the Kuwaiti stock exchange (Boursa), on June 30, 2024, and June 30, 2025.
Return on equity (ROE)	Return on equity (ROE) is the ratio of net profit attributable to shareholders (adjusted for profit on eligible AT1 instruments) to average equity.
Return on assets (ROA)	Return on assets (ROA) is the ratio of net profit attributable to shareholders to average assets.
Cost-to-income ratio	The ratio of total operating expenses (excluding net impairment losses on investment securities and loans) to net operating income.
Loan by stage	Total loans subject to ECL is the stage-wise exposure of loans subject to ECL (before the impact of ECL) on June 30 2025 as a percentage of total exposure subject to ECL.
Non-performing loan (NPL) ratio	The Non-performing loan (NPL) ratio represents the proportion of non-performing loans—loans that are in default or close to default (or non-performing financing assets in the case of Islamic banks)—relative to the total gross loans and advances (or total gross financing assets for Islamic banks).
Net interest margin (NIM)	Net interest margin (NIM) is the ratio of net interest income (net of interest income and expenses) to the average earning assets, which excludes equity securities and current accounts. For Islamic banks, interest and profit have been used interchangeably.
Net provision charge on loans	Net provision charge on loans is the sum of the expected credit loss (ECL) on Stage 1 and Stage 2 loans, and the impairment charge on Stage 3 loans for the half-yearly period ended June 30 2024 and June 30 2025.

Bank names	Date of issuance
ABK (Al Ahli Bank of Kuwait K.S.C.P.)	30 July 2025
Boubyan (Boubyan Bank K.S.C.P.)	22 July 2025
Burgan (Burgan Bank S.A.K.P.)	30 July 2025
CBK (Commercial Bank of Kuwait K.S.C.P.)	13 August 2025
Gulf Bank (Gulf Bank K.S.C.P.)	24 July 2025
KFH (Kuwait Finance House (K.S.C.P.)	28 July 2025
KIB (Kuwait International Bank K.S.C.P.)	22 July 2025
NBK (National Bank of Kuwait S.A.K.P.)	22 July 2025
Warba (Warba Bank K.S.C.P.)	7 August 2025

Note:
This report is compiled using information from publicly available sources, including company filings such as interim reports, investor presentations, and annual reports, along with data from various databases and web searches. The terms 'loans and advances' and 'financing assets' (for Islamic banks) are used interchangeably and collectively referred to as 'loans.' All figures presented are in Kuwaiti Dinar (KWD).

The total assets, net profit, and net provision charge on loans represent the aggregated figures of all listed banks within the country. Half-yearly percentage changes for all KPIs have been calculated using actual figures, with ratios derived by summing the relevant components and dividing by the corresponding aggregated denominator. As a result, they reflect the absolute consolidated change.

Contacts

Bhavesh Gandhi

Partner and Head of Financial Services
KPMG in Kuwait
E: bgandhi@kpmg.com

Salman Bin Khalid

Partner – Audit
KPMG in Kuwait
E: sbkhalid@kpmg.com

Acknowledgments:

We would like to acknowledge the contributions of Taiba Pattan, Omar Salama, Jasem Mashal from the Audit team, Anais Kalarickal, Shubhra Mudgal, and Shashi Shankar Ghosh from the Sales and Markets team.