Kuwait Listed Banks' Results — YE'25

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

March 2026

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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 K.S.C.P.)
- CBK (Commercial Bank of Kuwait K.P. S.C)
- 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 K.S.C.P.)
- Warba (Warba Bank K.S.C.P.)

The financial results and selected key performance indicators (KPIs) of the nine leading banks for the year-ended 31 December 2025 are summarized and compared with the prior year (year-ended 31 December 2024).

We have furthermore analyzed the auditor's notes and other publicly available documents to understand the future trends that might impact the overall sector.

Note: The data presented in this report is true to the time this report was being prepared, i.e., March 2026, and may not represent the latest numbers. Please refer to the banks' websites for more details.

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Foreword

Bhavesh Gandhi
Partner – Head of Financial Services
KPMG in Kuwait

Welcome to the Kuwait listed banks' FY25 results, our annual analysis of the financial performance of Kuwait's nine listed commercial banks.

This marks our second Kuwait-focused banking report, following the inaugural publication in April 2025.

In this edition, we compare banks' financial performance for the years ending December 2024 and December 2025, using eight key performance indicators (KPIs): (1) total assets; (2) net profit; (3) share price; (4) return on equity; (5) return on assets; (6) cost-to-income ratio; (7) loans by stage; and (8) non-performing loan ratio. We also highlight emerging trends likely to shape Kuwait's banking sector over the next 12 months.

Since the introduction of global reciprocal tariffs in April 2025, coupled with rapid advances in Artificial Intelligence, ongoing voluntary oil production adjustments throughout 2025[1], and geopolitical tensions in the Middle East, the financial services ecosystem has remained in a constant state of flux. Kuwait's banks, like other sectors, have had to continually monitor and recalibrate strategies in response to these external shifts.

Despite these uncertainties, banks demonstrated resilience, achieving double-digit asset growth of 12.22%, rising from KD 113.93 billion in YE 2024 to KD 127.85 billion in YE 2025. Net profit showed a modest increase of 0.4%, from KD 1.56 billion in YE 2024 to KD 1.57 billion in YE 2025. Capital adequacy remained strong at 18.23%, well above the Central Bank of Kuwait's minimum requirement of 14%[2].

Banks also recorded a slight reduction in non-performing loan ratios, an encouraging sign of improving asset quality and stronger risk management. In addition, cost-to-income ratios declined overall, driven by sustained investments in technology and automation.

FY 2025 marked a significant shift in the adoption of Artificial Intelligence across Kuwait's banking sector. Nearly all banks announced the deployment of Generative AI and AI agents to enhance operational efficiency. The establishment of the Innovation Hub 'Woloojʼ[3] further underscores Kuwait's commitment to AI-driven innovation. The Central Bank of Kuwait's decision to cut the discount rate by 25 basis points to 3.50% in December 2025 provided a timely boost to economic activity and aligned domestic monetary policy with global trends[4].

As we finalize this report, Kuwait continues to navigate a regional conflict that has significantly impacted oil prices. While the long-term implications remain uncertain, the banking sector has so far maintained its resilience and growth momentum.

The first step towards continued resilience is the stimulus package offered by the Central bank of Kuwait for the local Banks that focuses on policies such as the reduction of Liquidity Coverage Ratio, Net Stable Funding Ratio, and Regulatory Liquidity Ratio while increasing the maximum available funding limit and maximum negative cumulative liquidity gaps. These measures aim to reinforce stability and reliability in the sector as it navigates through this crisis.[5]

We hope this analysis helps refresh your perspective on Kuwait's banking industry and encourages strategic reflection as the sector evolves. For your feedback, questions, or suggestions, please feel free to reach out to me or Salman at sbkhalid@kpmg.com.

Looking forward to hearing from you.

Enjoy the read.

1. https://www.opec.org/pr-detail/583-30-november-2025.html
2. https://www.cbk.gov.kw/en/images/section-11-2746_v70_tcm10-2746.pdf
3. https://www.cbk.gov.kw/en/legislation-and-regulation/innovation-hub/overview
4. https://www.cbk.gov.kw/en/cbk-news/announcements-and-press-releases/press-releases/2025/12/202512101500-cbk-cuts-the-discount-rate-by-25-basis-points-to-350
5. 4 26.03.26 | Press Statement | CBK Offers a Stimulus Package for Local Banks

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Executive Summary

Highlights of YE 2025

Total assets

12.22%

Increased from KD 113.93 Billion in YE 2024 to KD 127.85 Billion in YE 2025

Net profit

0.42%

Increased from KD 1.56 Billion YE 2024 to KD 1.57 Billion in YE 2025

Capital adequacy ratio

0.21%

Improved from 18.02% in YE 2024 to 18.23% in YE 2025

Cost-to-income ratio

-0.23%

Decreased from 39.40% in YE 2024 to 39.17% in YE 2025

Net interest margin

-0.12%

Decreased from 2.43% in YE 2024 to 2.31% in YE 2025

Return on assets (ROA)

-0.10%

Decreased from 1.40% in YE 2024 to 1.30% in YE 2025

Return on equity (ROE)

-0.71%

Decreased from 11.45% in YE 2024 to 10.74% in YE 2025

Share price

12.30%

12.30% increase from YE 2024

Note: 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 YE 2024 in comparison with YE 2025. Percentage changes for these KPIs have been calculated using actual figures, reflecting the absolute change.

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Executive Summary (contd.)

Highlights of YE 2025

Net provision charge on loans

2.3%

Increased from KD 490.7 Million in YE 2024 to KD 501.3 Million in YE 2025

Non-performing loan

-0.09%

Improved from 1.47% in YE 2024 to 1.38% in YE 2025

Coverage ratio on loans (as of 31 December 2025)

Stage 1

0.62%

Increased by 0.01% compared to YE 2024

Stage 2

7.87%

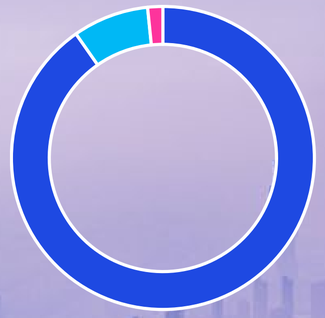
Decreased by 0.08% compared to YE 2024

Stage 3

72.15%

Decreased by 3.54% compared to YE 2024

Total loans subject to ECL (as of 31 December 2025)



90.86%

Stage 1

Increased by 0.58% compared to YE 2024

7.52%

Stage 2

Decreased by 0.59% compared to YE 2024

1.62%

Stage 3

Increased by 0.01% compared to YE 2024

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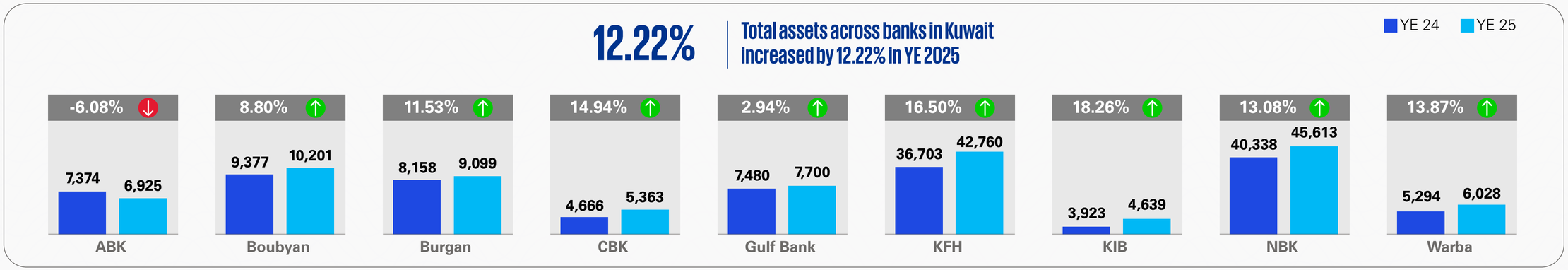
Data analysis

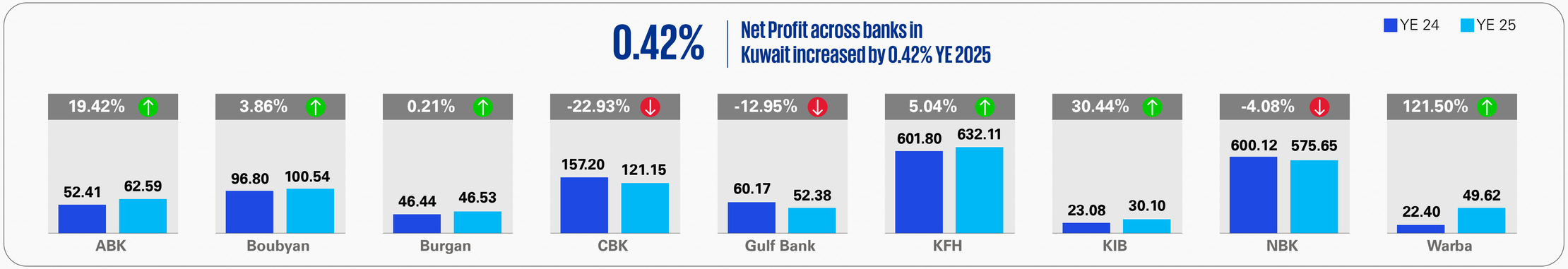
Total assets

Value in KD Billion



Net profit

Value in KD Million



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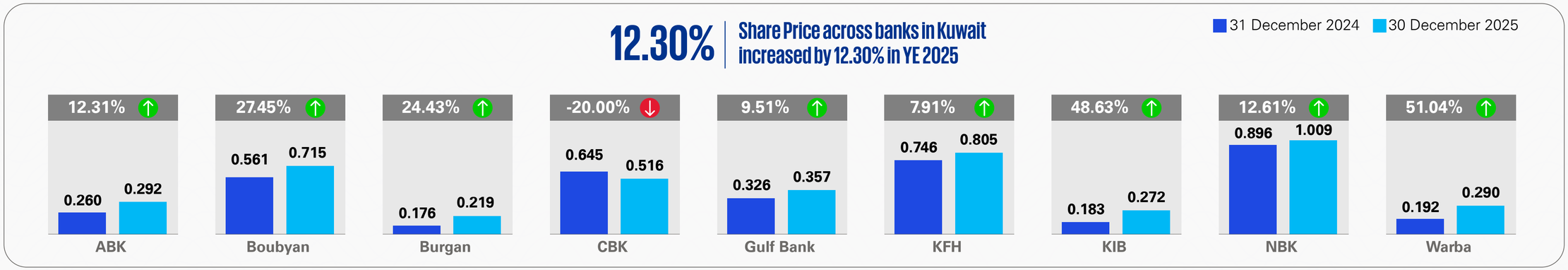
Data analysis (contd.)

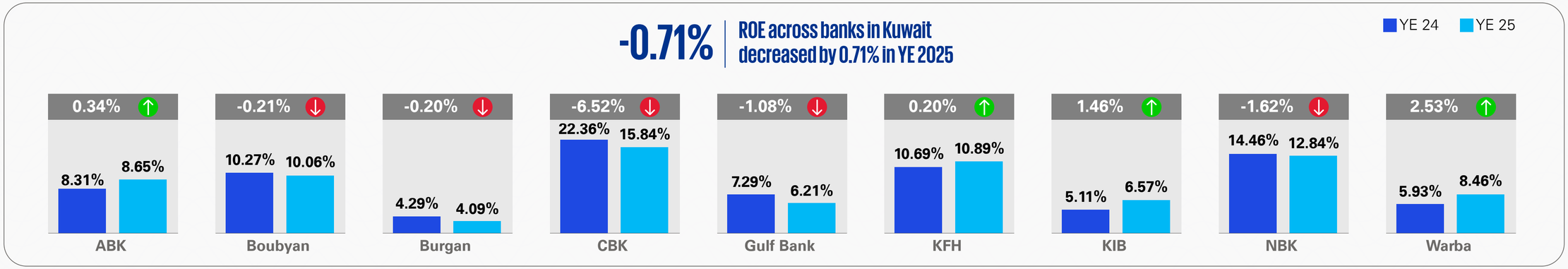
Share price

Value in Fils



Return on equity

Value in percentage



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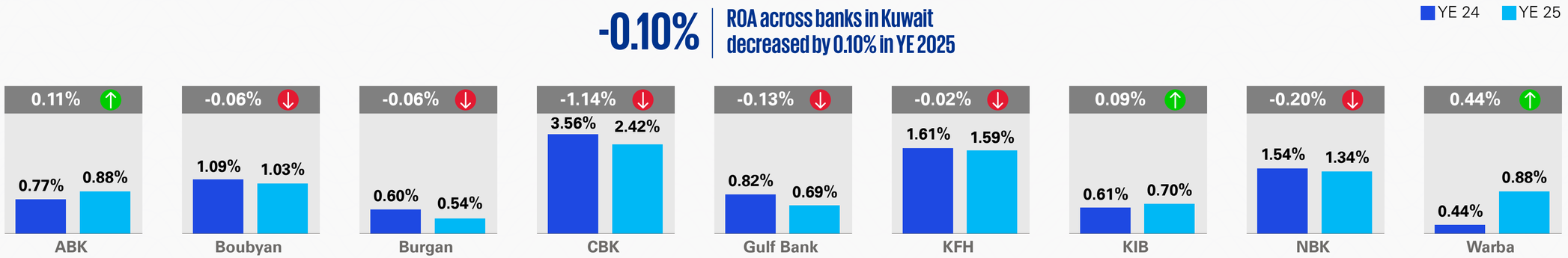
Data analysis (contd.)

Return on assets

Value in percentage

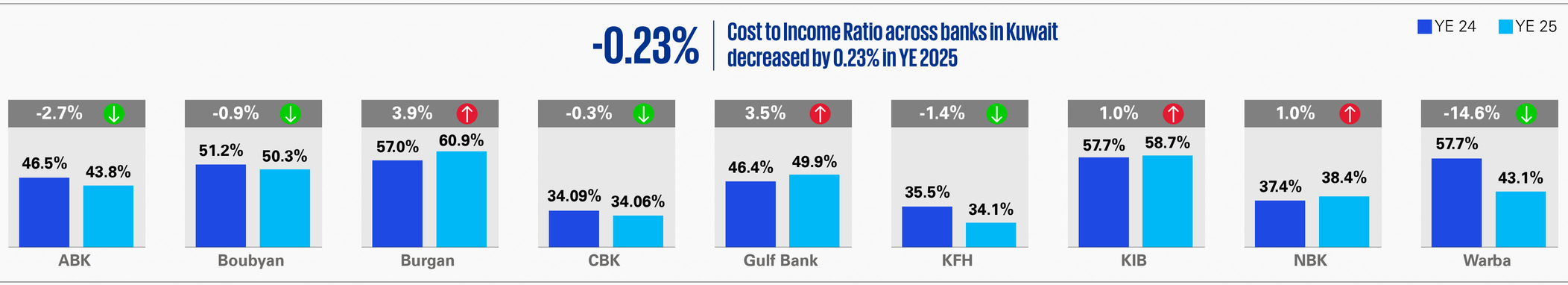
-0.10% | **ROA across banks in Kuwait decreased by 0.10% in YE 2025**



Cost-to-income ratio

Value in percentage

-0.23% | **Cost to Income Ratio across banks in Kuwait decreased by 0.23% in YE 2025**



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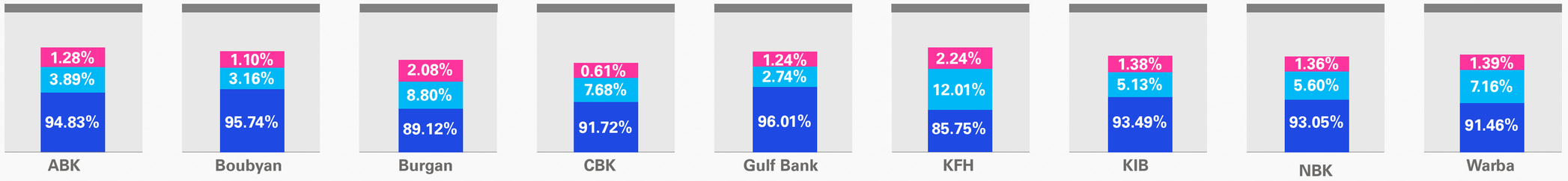
Data analysis (contd.)

Loan by stage

Value in percentage

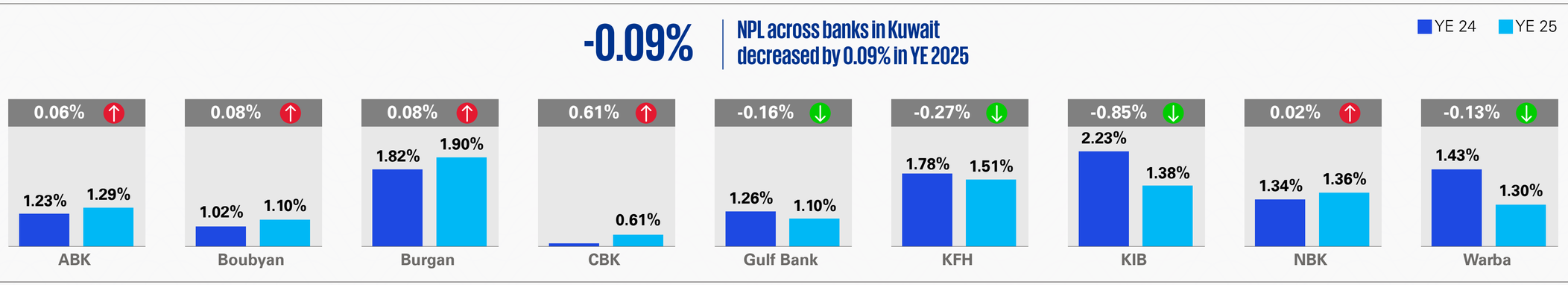
1.62% Stage 3 Loans across banks in Kuwait increased by 0.01% in YE 2025



Non-performing loan (NPL)

Value in percentage

-0.09% NPL across banks in Kuwait decreased by 0.09% in YE 2025



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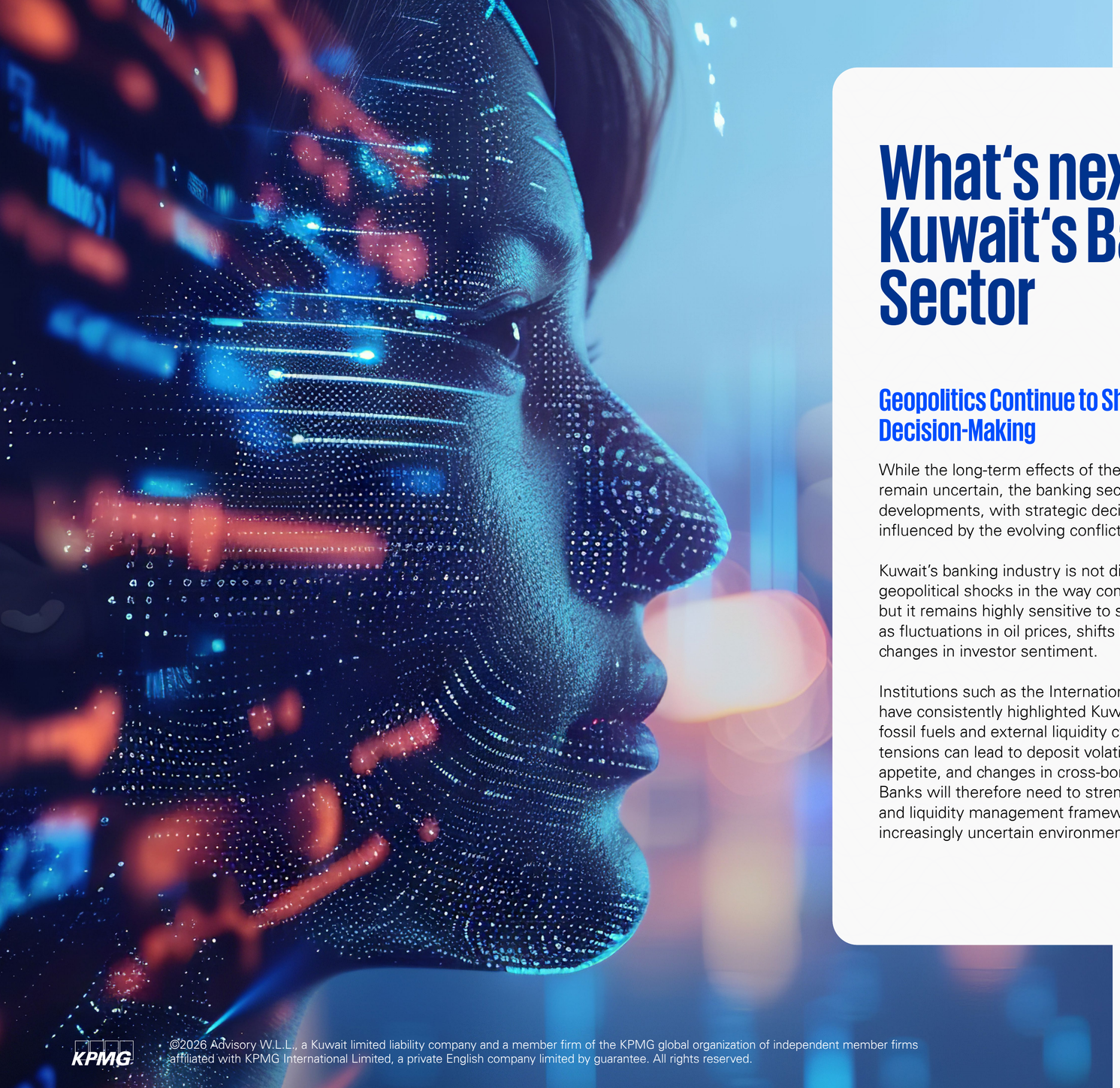

What's next for Kuwait's Banking Sector

Geopolitics Continue to Shape Decision-Making

While the long-term effects of the current regional situation remain uncertain, the banking sector is closely monitoring developments, with strategic decisions likely to be influenced by the evolving conflict.

Kuwait's banking industry is not directly exposed to geopolitical shocks in the way conflict-zone economies are, but it remains highly sensitive to second-order effects such as fluctuations in oil prices, shifts in global capital flows, and changes in investor sentiment.

Institutions such as the International Monetary Fund (IMF)[1] have consistently highlighted Kuwait's dependence on fossil fuels and external liquidity cycles, noting that regional tensions can lead to deposit volatility, shifts in lending appetite, and changes in cross-border funding conditions. Banks will therefore need to strengthen stress-testing and liquidity management frameworks to navigate an increasingly uncertain environment.

Investment in AI – From Disruptor to Enabler

Kuwaiti banks have rapidly embraced generative AI over the past three years, with nearly all major institutions investing in AI-first strategies. However, adoption remains pragmatic rather than transformative. Unlike markets such as the UAE or Saudi Arabia, where digital banking ecosystems are advancing more aggressively, Kuwait's AI investments are currently focused on enhancing operational efficiency, risk management, and compliance.

Key applications include fraud detection, anti-money laundering (AML) monitoring, and credit risk assessment. Looking ahead, we expect momentum to accelerate, with competitive differentiation hinging on how effectively banks embed AI into decision-making processes rather than using it solely for automation.

Crude Oil Will Remain a Critical Driver

KPMG's 2024 article *Anatomy of an Oil Shock*[2] outlined potential global and regional risks if crude transport through the Strait of Hormuz were disrupted. As we draft this piece, the Kuwait Export Blend crude is trading between $120–$160 per barrel[3], up from roughly $66 a month earlier, and prices are expected to remain elevated until tensions ease.

Kuwait's strong linkages between oil revenues, fiscal expenditure, and financial-sector liquidity continue to shape banking sector performance. High oil prices boost deposits and credit activity, while low prices can tighten liquidity and slow lending.

Given today's exceptional market conditions, banks will need to closely monitor oil markets throughout 2026 to anticipate macro-financial shifts.

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Regulation as a Market Creator

The Central Bank of Kuwait continues to drive sector transformation through enhanced AML/CFT frameworks, improved financial-sector regulations, and broader legislative reforms. This indicates a shift toward policy-led market development rather than merely regulating existing activity.

With rising expectations around governance, risk management, and transparency, compliance costs will increase. However, stronger systemic resilience and improved credibility with international investors represent long-term benefits. Institutions that proactively align with regulatory direction, particularly in capital planning, reporting, and risk, will be better positioned for emerging opportunities in 2026.

Market Structure Constraints: Concentration and Limited Scale

Kuwait's relatively small domestic market and limited foreign direct investment restrict opportunities for sustained banking-sector growth. Lending remains concentrated among large corporates and government-related entities.

The domestic market, therefore, offers limited scale for sustained growth and presents a dual challenge of

(a) Concentration risk within existing portfolios and
(b) Growth limitations within the domestic economy

As a result, many banks are exploring regional expansion, diversifying revenue streams, and pursuing cross-border lending opportunities. This structural constraint is unlikely to change soon, making the ability to balance domestic stability with external growth a key differentiator in 2026.

Islamic Banking & Debt Law: Structural Modifiers of the System

Islamic banking is deeply embedded in Kuwait's financial system, influencing product design, funding structures, and liquidity management.

More than 50% of Kuwait's banking collective asset comes under Islamic Banking and it would continue to grow with the demand for sharia-compliant financial products in witnessing a growth rate of 12% annually[4], reaching approximately KWD 27 billion in assets in the future.

Meanwhile, the introduction of the Public Debt Law has broadened Kuwait's financial landscape by enabling sovereign debt issuance. This expands the pool of government securities available to banks, offering new tools for liquidity management and balance-sheet optimization.

Together, these trends are reshaping capital allocation strategies. Banks are increasingly balancing traditional lending with investment in sovereign and quasi-sovereign instruments, creating more diversified and resilient portfolios.

1. Kuwait and the IMF
2. Anatomy of an oil shock
3. Oil Price Charts | Oilprice.com
4. Kuwait Islamic Finance Market Size, Share, Growth Drivers, Opportunities & Forecast 2025–2030

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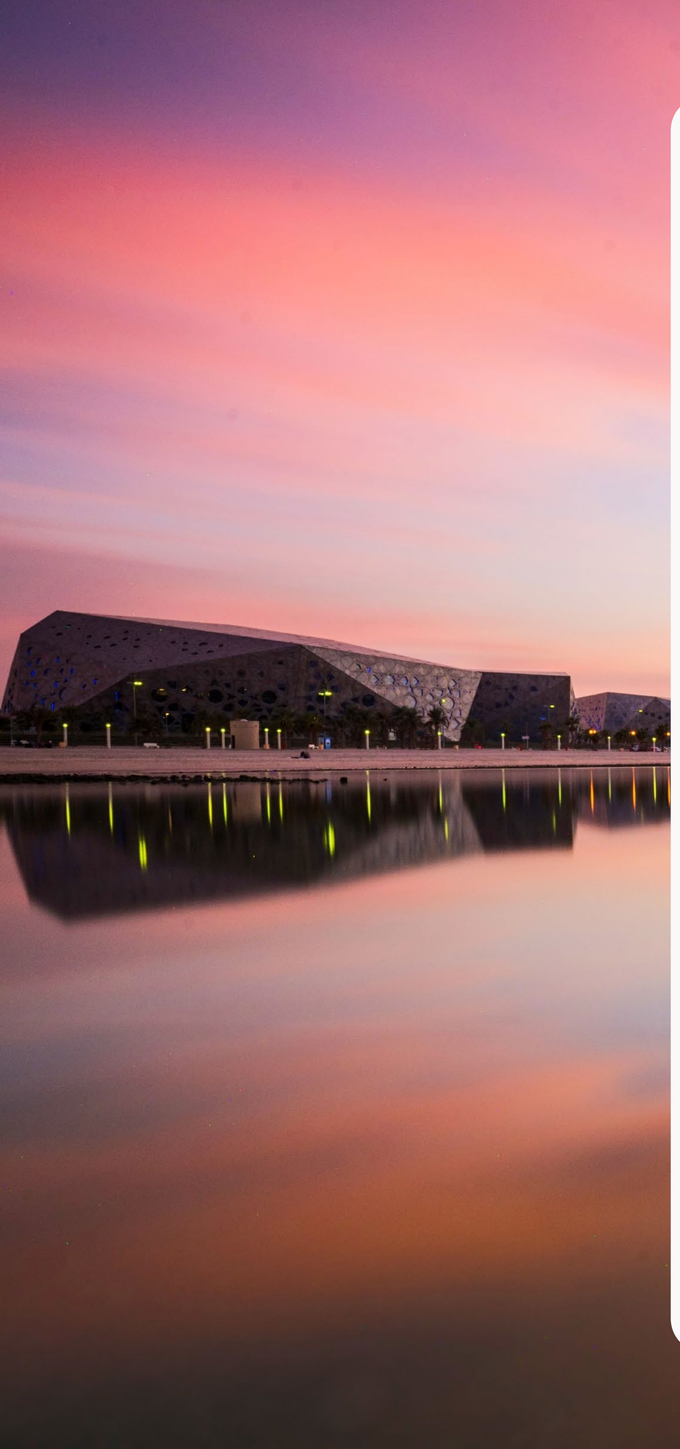

Building tomorrow's financial system today.

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 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

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Glossary

KPI	Description
Total assets	Total assets are as reported in the published annual financial statements.
Net profit	Net profit is the year ended 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 year ended 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 December 31, 2024, and December 31, 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 December 31 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 represents the sum of expected credit loss (ECL) on Stage 1 and Stage 2 loans, and the impairment charge on Stage 3 loans for the years ended December 31, 2024 and December 31, 2025.

Bank names	Date of issuance
Boubyan (Boubyan Bank K.S.C.P.)	27 January 2026
KFH (Kuwait Finance House K.S.C.P.)	27 January 2026
KIB (Kuwait International Bank K.S.C.P.)	27 January 2026
NBK (National Bank of Kuwait K.S.C.P.)	27 January 2026
CBK (Commercial Bank of Kuwait K.P. S.C)	28 January 2026
Burgan (Burgan Bank K.S.C.P.)	29 January 2026
Gulf Bank (Gulf Bank K.S.C.P.)	29 January 2026
ABK (Al Ahli Bank of Kuwait K.S.C.P.)	4 February 2026
Warba (Warba Bank K.S.C.P.)	4 February 2026

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. 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.

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