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Kuwait Listed Banks' Results — H1'26

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



October 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.P. S.C.)
- 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 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 for the half-yearly period ended 30 June 2026 are summarized and compared with the half-yearly period ended 30 June 2025.

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

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Foreword



Ali Abbas
Partner and Head of Risk Consulting and Financial Services
KPMG in Kuwait

Welcome to the Kuwait listed banks' results for H1'26. This is 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 of our Kuwait Listed Banks' Results H1-2025 report that was published last year and forms a series of reports KPMG Kuwait has published around the banking sector of Kuwait.

To analyse the reviewed available financial information of Kuwait's nine listed banks and understand their performance comparatively, we apply a sharp lens to eight key performance indicators (KPIs). These 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.

As we delve into the half-yearly analysis, we observe that despite the regional geopolitical uncertainties, Kuwait's banking sector remained relatively resilient, and continued to record growth, although the pace of growth in certain financial indicators moderated compared with H1'25. For instance, total assets grew by 7.44% year-on-year in H1'26, compared with 10.39% in H1'25. The overall average net profit across the banks grew at a modest 3.49%. Against the backdrop of regional geopolitical uncertainties, banks continued to manage costs, as reflected in the improvement in the overall cost-to-income ratio, which declined by 1.12%, from 39.11% in H1'25 to 37.99% in H1'26.The industry's capital adequacy ratio (CAR) also witnessed a marginal slip by 0.21%—from 17.62% to 17.41%.

Beyond the headline figures, net profit performance diverged across Kuwait's banks in H1'26. Most banks delivered growth, with Warba (18.93%), KIB (18.23%), and ABK (16.89%) among the strongest. Burgan Bank's net profit, by contrast, fell by 46.58% year-on-year, underscoring how individual bank strategies and risk exposures are increasingly shaping outcomes even as sector averages hold steady.

At a more granular level, banks continued strengthening their risk buffers, with net provision charge on loans rising 38.80% to KD 254 million in H1'26, even as the non-performing loan ratio improved from 1.59% in H1'25 to 1.46% in H1'26. Share prices, meanwhile, presented a contrasting picture, with eight of the nine banks recording declines.

Kuwait's economy continues to rely heavily on the oil sector, which accounts for roughly 90% of government revenue[1] —even as Kuwait Vision 2035 drives efforts toward diversification into non-oil sectors such as trade, logistics, education, and construction[2].

This period also saw strategic and regulatory developments across the sector. Warba Bank finalized the Purchase Price Allocation relating to its investment in Gulf Bank, while the proposed merger between Warba and Gulf Bank continued to progress. Gulf Bank also advanced its planned conversion to an Islamic bank, completing the regulatory and operational requirements under the Central Bank of Kuwait's (CBK) initial approval and seeking further approval to proceed with the conversion[3]. At the sector level, the CBK also introduced regulatory measures aimed at supporting banking-sector resilience amid the evolving geopolitical environment[4]. Beyond this, developments in capital markets and housing finance, rapid advances in technology and artificial intelligence, cybersecurity, innovation, and sustainable finance continue to shape Kuwait's banking sector and its role in supporting economic development and ambitions under Kuwait's Vision 2035.

We believe that rather than anchoring to a single fixed outlook, the sector is better served by staying responsive as conditions change. Looking ahead to the remainder of 2026, the sector's ability to innovate and embrace technological change while maintaining operational resilience will remain important as geopolitical and economic conditions continue to evolve. Our next quarterly results will track their progress.

I hope you enjoy the facts and findings in this report, that they refresh your view of Kuwait's banking industry, and that they prompt the strategic rethink the sector needs.

If you have any queries or suggestions, we would be glad to hear from you. Please feel free to reach out to me, Salman or Jamshed.

We look forward to your thoughts.

[1] Kuwait Economy Overview: Oil Dependence, GDP, and Vision 2035
[2] Kuwait Vision 2035 „New Kuwait
[3] Conversion of Gulf Bank to an Islamic bank
[4] CBK Hosts Roundtable Discussion with Kuwait Banks in Cooperation with Global Finance Magazine

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Executive Summary

Highlights of H1' 2026

Total assets

7.44%

Increased from KD 120.48 Billion in H1'25 to KD 129.44 Billion in H1'26

Net profit

3.49%

Increased from KD 829.53 Million in H1'25 to KD 858.50 Million in H1'26

Capital adequacy ratio

-0.21%

Decreased from 17.62% in H1'25 to 17.41% in H1'26

Cost-to-income ratio

-1.12%

Decreased from 39.11% in H1'25 to 37.99% in H1'26

Net interest margin

0.02%

Increased from 2.11% in H1'25 to 2.13% in H1'26

Return on assets (ROA)

-0.03%

Decreased from 0.72% in H1'25 to 0.69% in H1'26

Return on equity (ROE)

-0.25%

Decreased from 5.91% in H1'25 to 5.66% in H1'26

Share price

-11.32%

11.32% decrease from H1'25

The total assets, net profit, and net provision charge on loans represent the aggregated figures of all listed banks.
Year-on-year (Y-O-Y) percentage changes for all KPIs have been calculated using actual figures, reflecting the absolute change.

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Executive Summary (contd.)

Highlights of H1' 2026

Net provision charge on loans

38.80%

Increased from KD 183 million in H1'25 to KD 254 million in H1'26

Non-performing loan

-0.13%

Decreased from 1.59% in H1'25 to 1.46% in H1'26

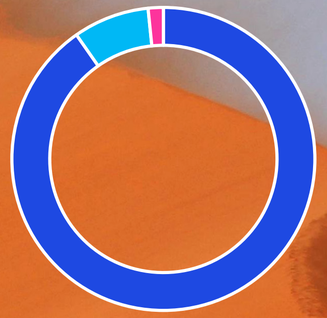
Coverage ratio on loans (as of 30 June 2026)

Stage 1
0.63%
Decreased by 0.02%

Stage 2
7.64%
Decreased by 0.70%

Stage 3
81.06%
Increased by 4.44%

Total loans subject to ECL (as of 30 June 2026)



91.34%
Stage 1
Increased by 0.63% in H1'26

7.20%
Stage 2
Decreased by 0.50% in H1'26

1.46%
Stage 3
Decreased by 0.13% in H1'26

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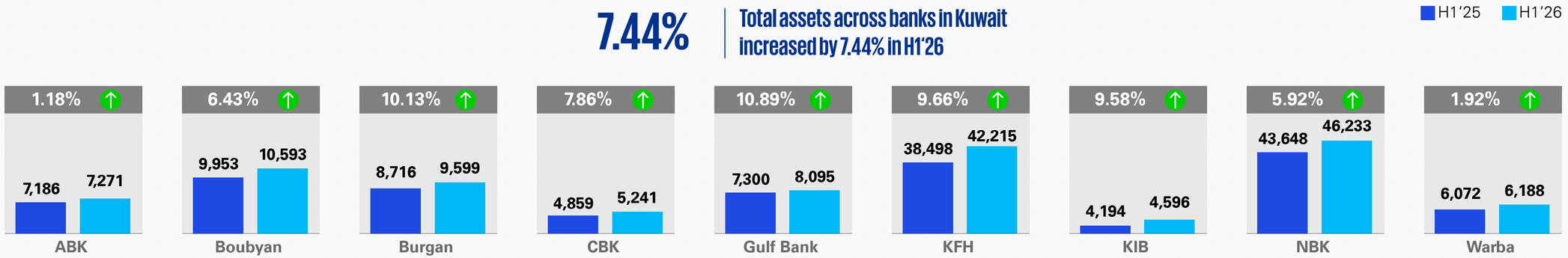
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Data analysis

Total assets

Value in KD Billion

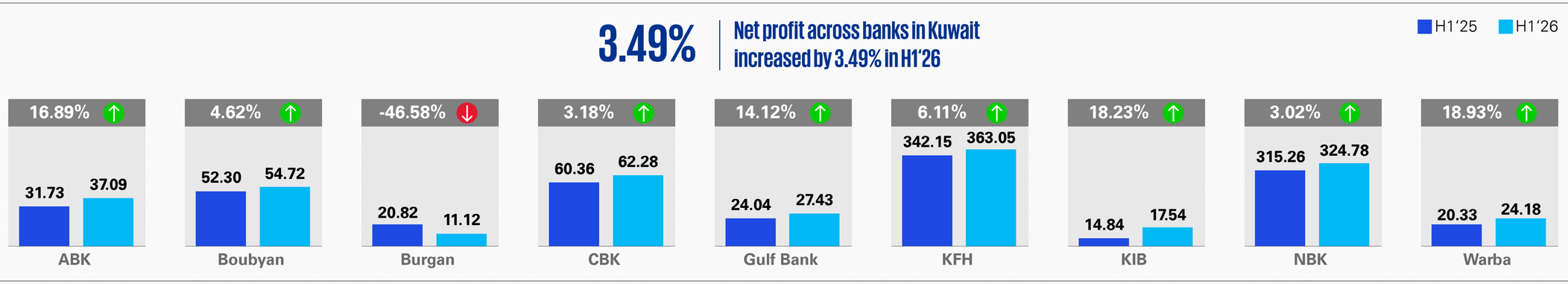
7.44% | **Total assets across banks in Kuwait increased by 7.44% in H1'26**



Net profit

Value in KD Million

3.49% | **Net profit across banks in Kuwait increased by 3.49% in H1'26**



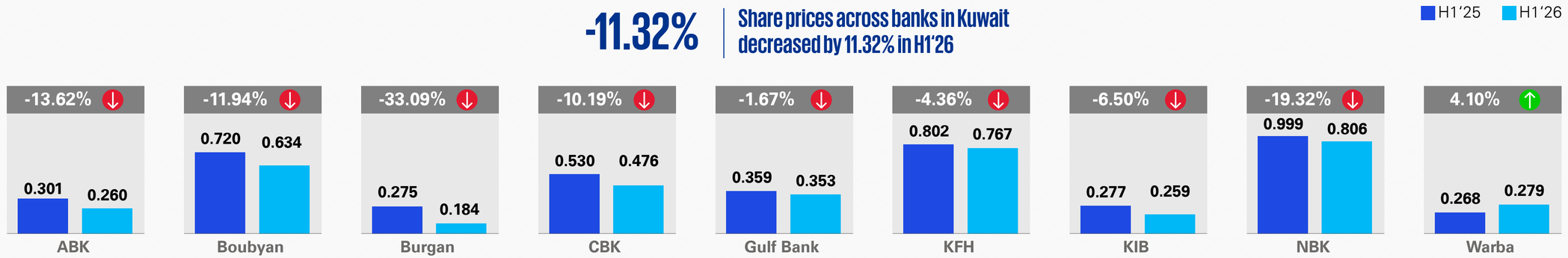
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Data analysis (contd.)

Share price

Value in Fils

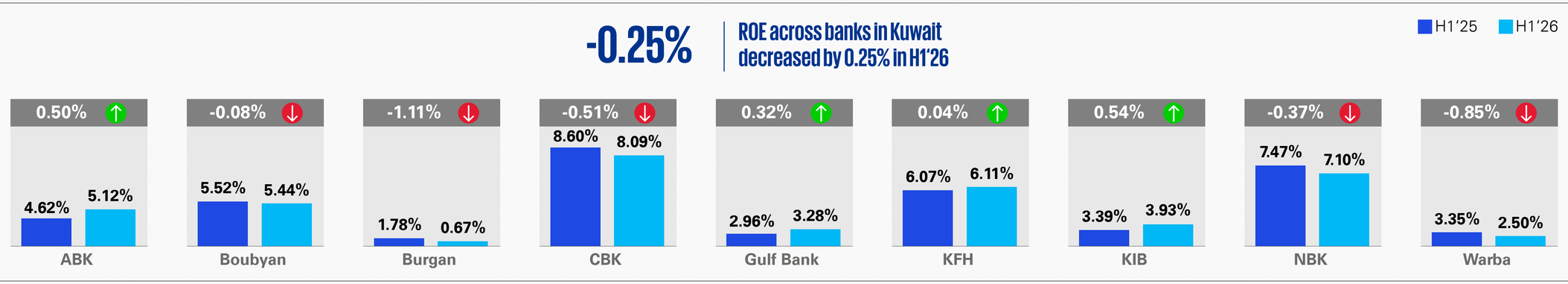
-11.32% Share prices across banks in Kuwait decreased by 11.32% in H1'26



Return on equity

Value in percentage

-0.25% ROE across banks in Kuwait decreased by 0.25% in H1'26



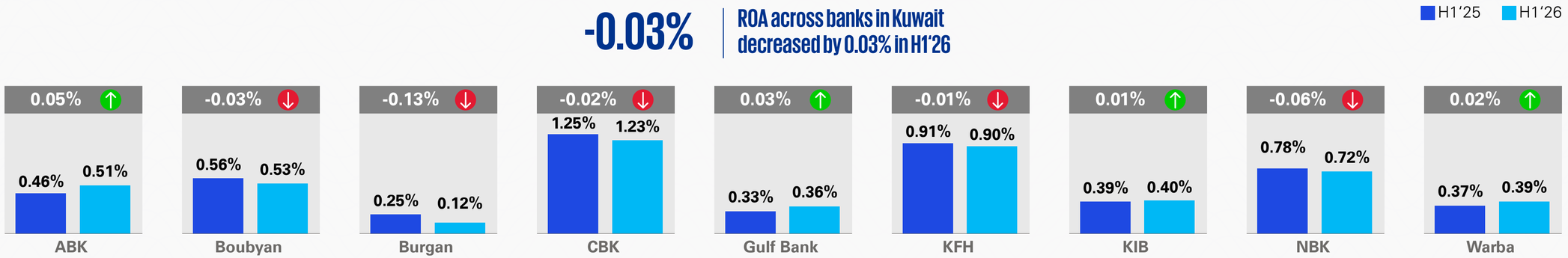
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Data analysis (contd.)

Return on assets

Value in percentage

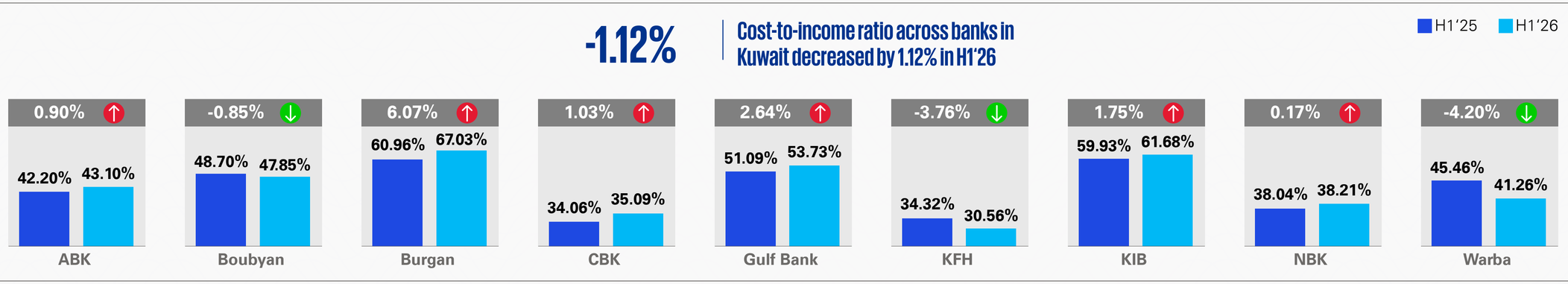
-0.03% | **ROA across banks in Kuwait decreased by 0.03% in H1'26**



Cost-to-income ratio

Value in percentage

-1.12% | **Cost-to-income ratio across banks in Kuwait decreased by 1.12% in H1'26**



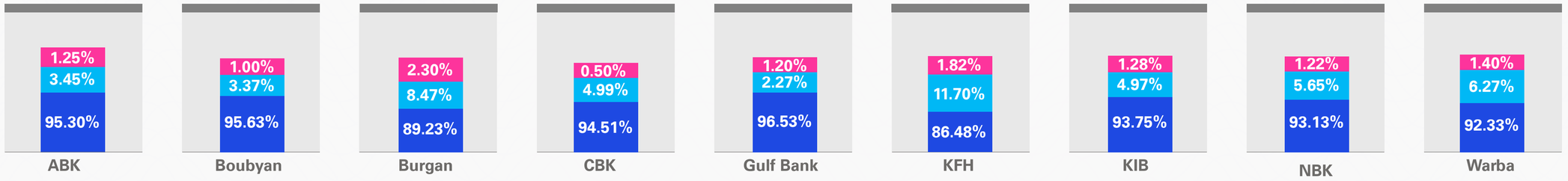
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Data analysis (contd.)

Loan by stage

Value in percentage

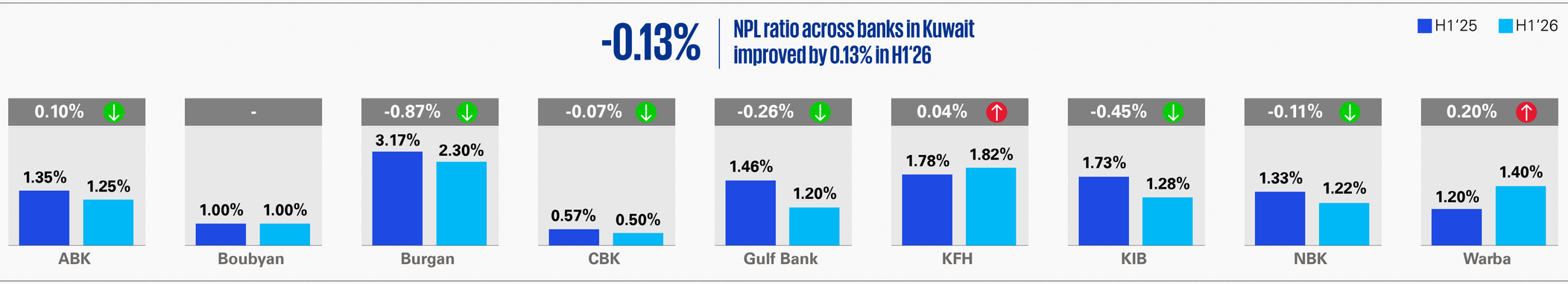
1.46% Stage 3 loans across banks in Kuwait decreased by 0.13% in H1'26



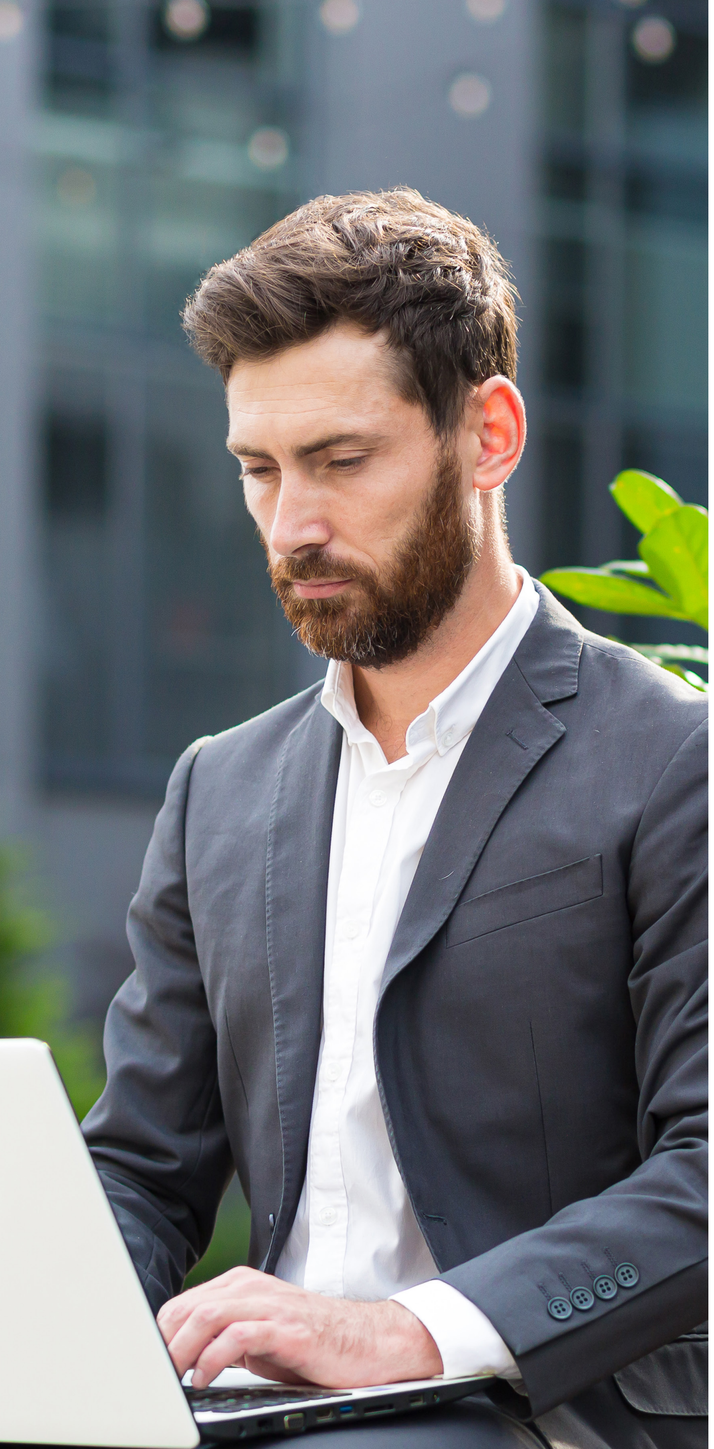
Non-performing loan (NPL)

Value in percentage

-0.13% NPL ratio across banks in Kuwait improved by 0.13% in H1'26



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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 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

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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 net profit for the year attributable to the shareholders of the banks (in banks where consolidated financial statements have been reported, the net profit amount included represents the net profit specifically attributable to the shareholders of the parent bank).
Share price	Share price reflects the market value of a single share of a company's stock, as traded on the Kuwaiti stock exchange (Boursa), on June 30, 2025, and June 30, 2026.
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 (adjusted for profit on eligible AT1 instruments) 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, 2026 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 year-ended June 30, 2025 and June 30, 2026

Bank names	Date of issuance
ABK (Al Ahli Bank of Kuwait K.S.C.P.)	29 July 2026
Boubyan (Boubyan Bank K.S.C.P.)	20 July 2026
Burgan (Burgan Bank S.A.K.P.)	30 July 2026
CBK (Commercial Bank of Kuwait K.S.C.P.)	28 July 2026
Gulf Bank (Gulf Bank K.S.C.P.)	29 July 2026
KFH (Kuwait Finance House (K.S.C.P.)	22 July 2026
KIB (Kuwait International Bank K.S.C.P.)	23 July 2026
NBK (National Bank of Kuwait S.A.K.P.)	20 July 2026
Warba (Warba Bank K.S.C.P.)	11 August 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).

Certain comparative information presented in this report may differ from previously published reports due to subsequent restatements or revisions to the underlying financial information.

The total assets, net profit, and net provision charge on loans represent the aggregated figures of all listed banks within the country. Year-on-year (Y-o-Y) 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 change.

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Acknowledgments:

We would like to acknowledge the contributions of Deepak Sharma, Taiba Pattan, Niyanth Venkatesh and Vardaan Gajjar from audit team, and, Shubhra Mudgal, and Tanima Saha from the Clients and Markets team.

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