



شركة الساحل للاستثمار والتنمية
COAST INVESTMENT & DEVELOPMENT CO. K.S.C.P

KUWAIT BANKING SECTOR REPORT

Health, Performance & Position — 1Q FY 2026

A sector-level review of profitability, asset quality, efficiency, funding and valuation across eight Bursa Kuwait-listed banks.

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• Corporate Clients Portfolio, Asset Management Division (AMD)

Figures in KD million unless stated otherwise • Market data as at 03 June 2026

Coverage

Eight Bursa Kuwait-listed banks: NBK, KFH, Boubyan, Burgan (BURG), Gulf Bank (GBK), ABK, Warba and KIB. Combined assets of KD 135.6 bn.

CBK Exclusion (Declaration)

Commercial Bank of Kuwait is excluded from every calculation, chart and sector total. CBK's 1Q FY 2026 results were not announced as at preparation; including partial data would distort comparisons.

Reporting Basis

Balance-sheet and 1Q P&L items are as reported for the quarter. Profitability ratios (ROE, ROA) and NIM are computed on a trailing-twelve-month basis. Sector ratios are aggregate-weighted, not simple averages.

No Price Targets

This document presents factual sector and bank-level metrics only. It contains no fair values, no target prices and no buy/sell recommendations.

All metrics aggregate eight listed banks

KD 135.6 bn

Total Assets

8 listed banks combined

KD 363.0 mn

1Q FY26 Net Profit

-1.5% vs 1Q FY25 (KD 368.4 mn)

10.3%

Sector ROE (TTM)

ROA of 1.09%

3.60%

Provision Ratio

Provisions of KD 3.0 bn

39.3%

Cost-to-Income

Sector efficiency

103.8%

Loans / Deposits

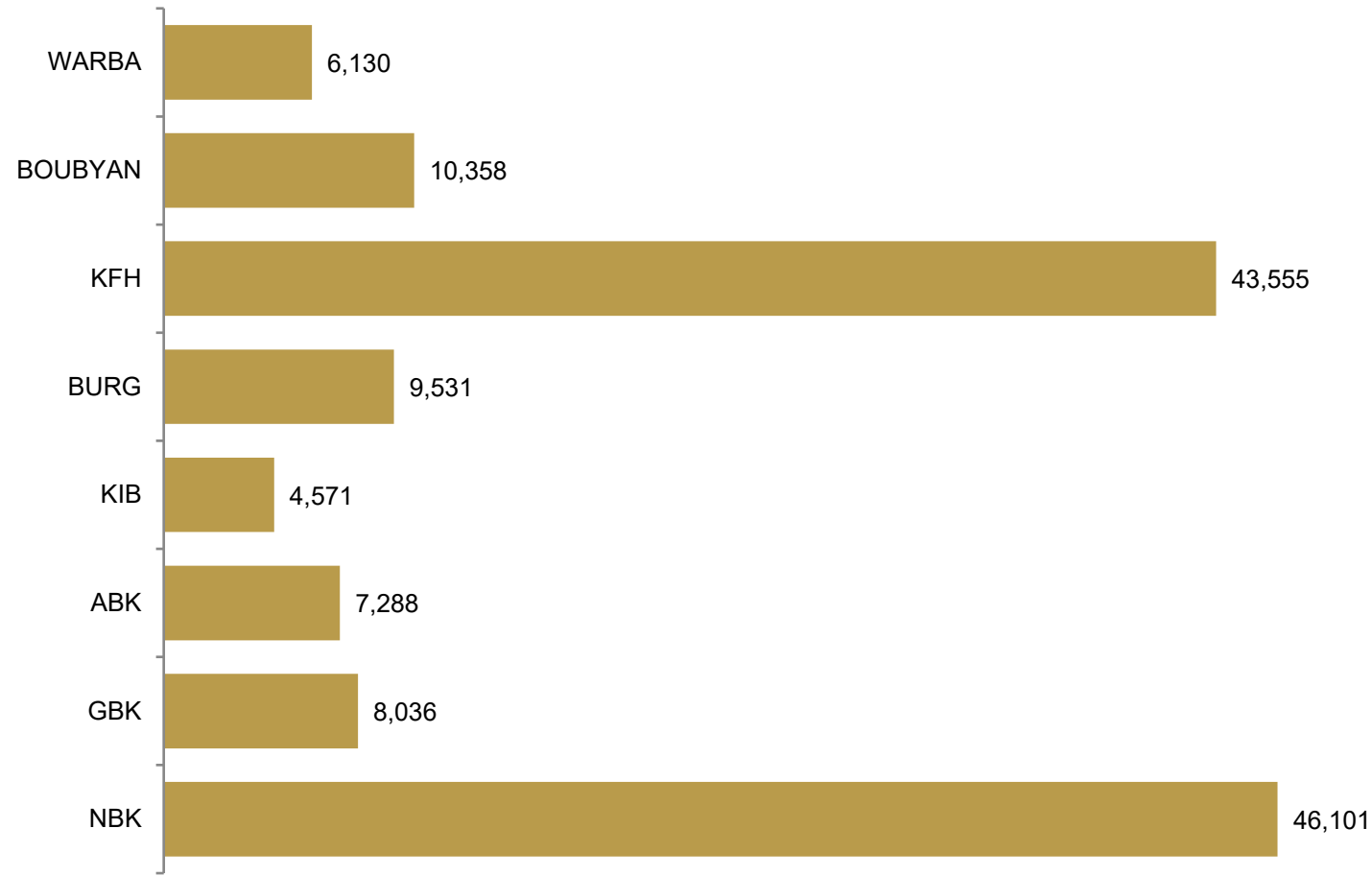
Funding well-matched

Read-through: The sector entered FY 2026 broadly stable. Aggregate earnings dipped marginally as higher provisioning at a few names offset solid topline growth. Balance sheets remain liquid and well-capitalised, asset quality is contained at a 1.19% NPA ratio and 3.60% Provisions, whereas profitability stays in line to the last year at the sector level.

Balance Sheet Footprint by Bank



Total assets (KD mn), 1Q FY 2026. NBK and KFH together hold ~66% of sector assets.



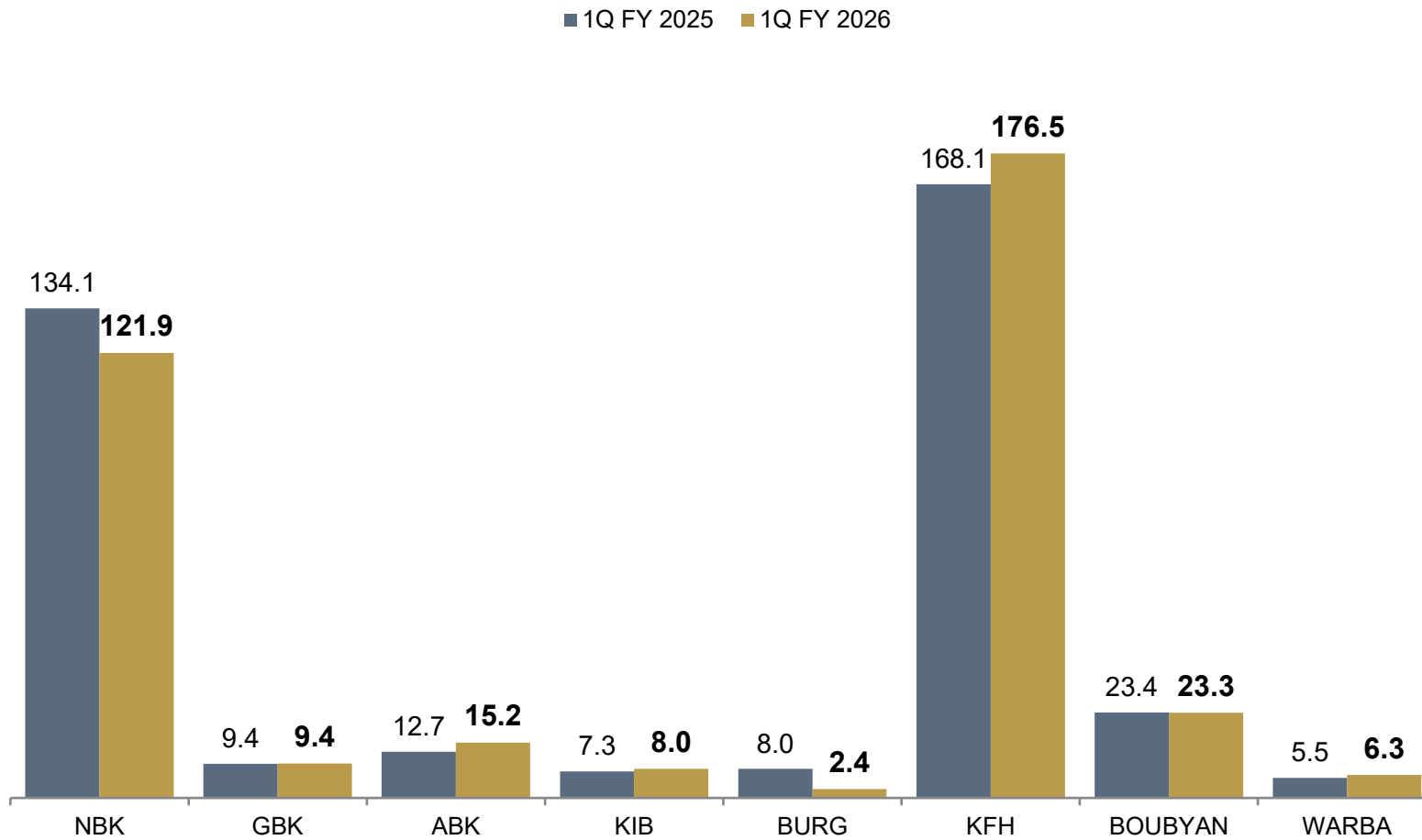
SECTOR AGGREGATES

KD million

Total Assets	135,571
Gross Loans	83,252
Customer Deposits	80,200
Investments	24,223
Shareholders' Equity	14,338
Total Provisions	2,999

Quarterly Net Profit — 1Q FY26 vs 1Q FY25

Net profit to shareholders, post Tier-1 distributions (KD mn). Sector profit **-1.5%** YoY.

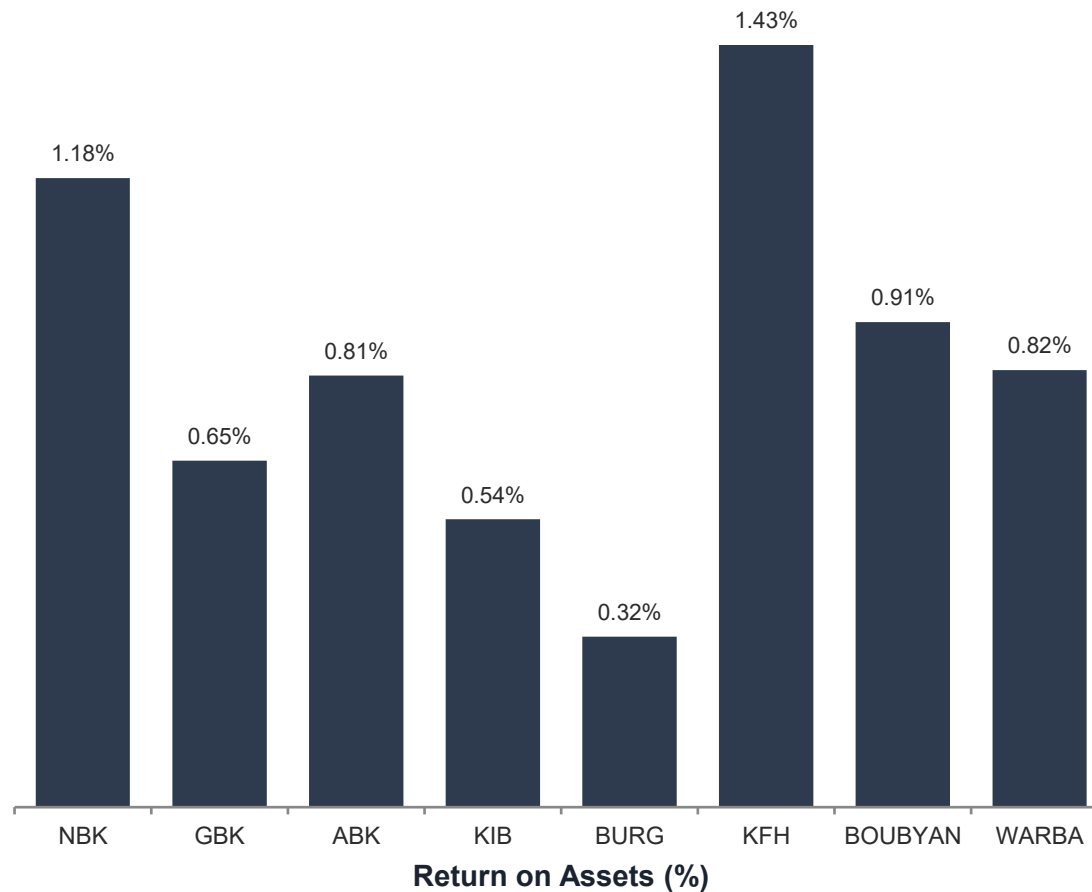
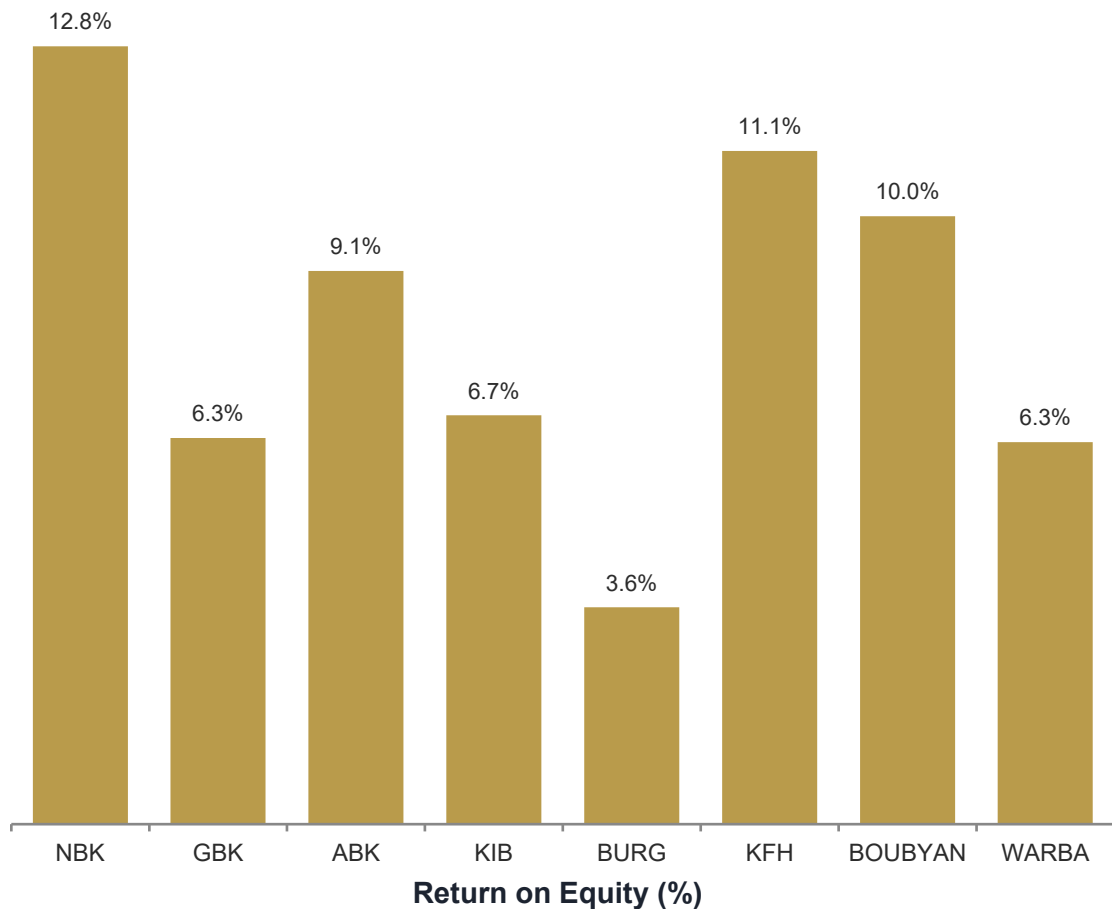


YoY GROWTH	
NBK	-9.1%
GBK	+0.8%
ABK	+19.5%
KIB	+9.9%
BURG	-69.4%
KFH	+5.0%
BOUBYAN	-0.4%
WARBA	+13.8%

Return on Equity & Return on Assets (TTM)



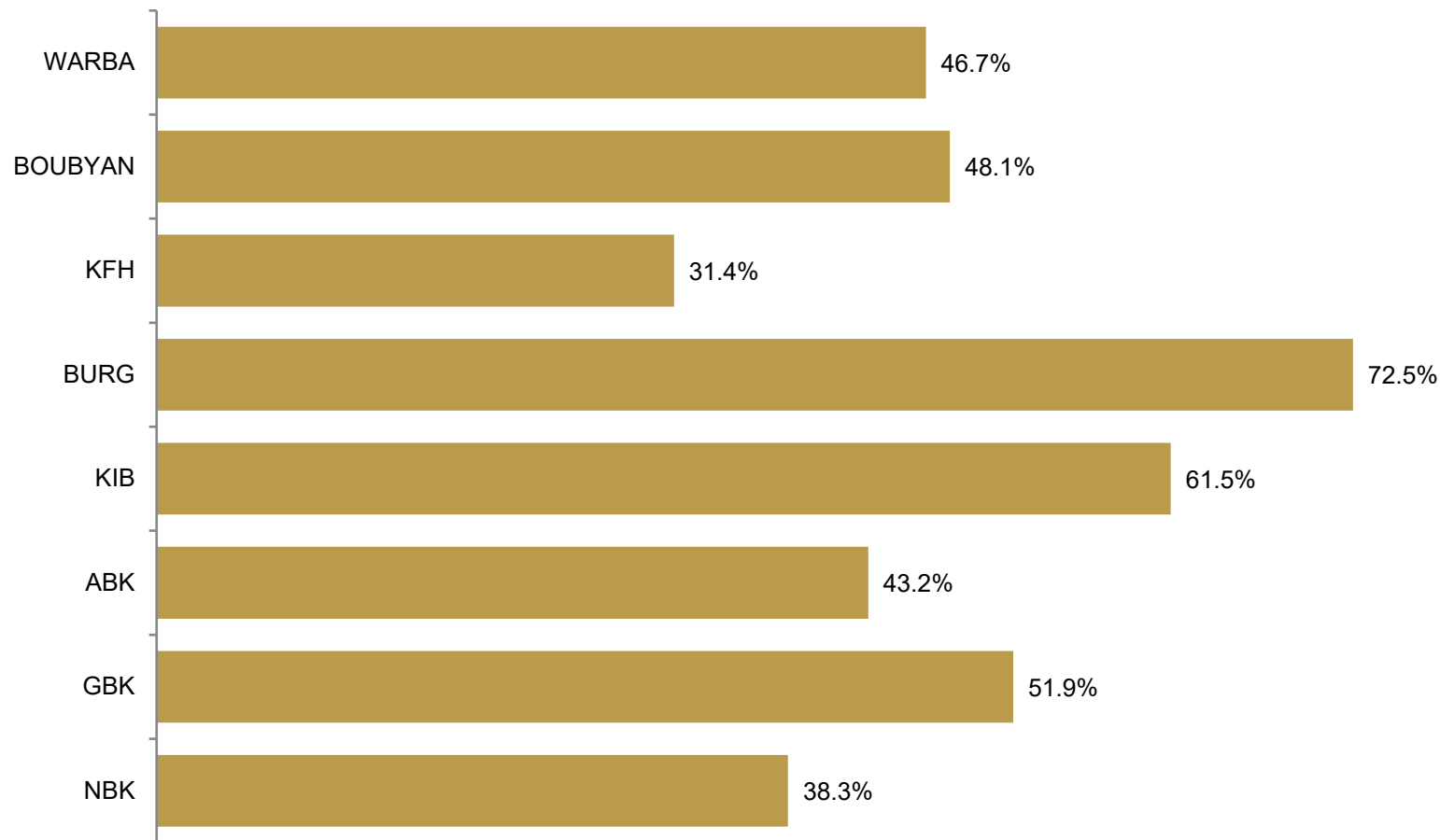
Trailing-twelve-month returns. Sector ROE 10.3%, ROA 1.09%.



Cost-to-Income Ratio by Bank



Lower is better. Sector cost-to-income at 39.3% (operating costs / operating income).



39.3%

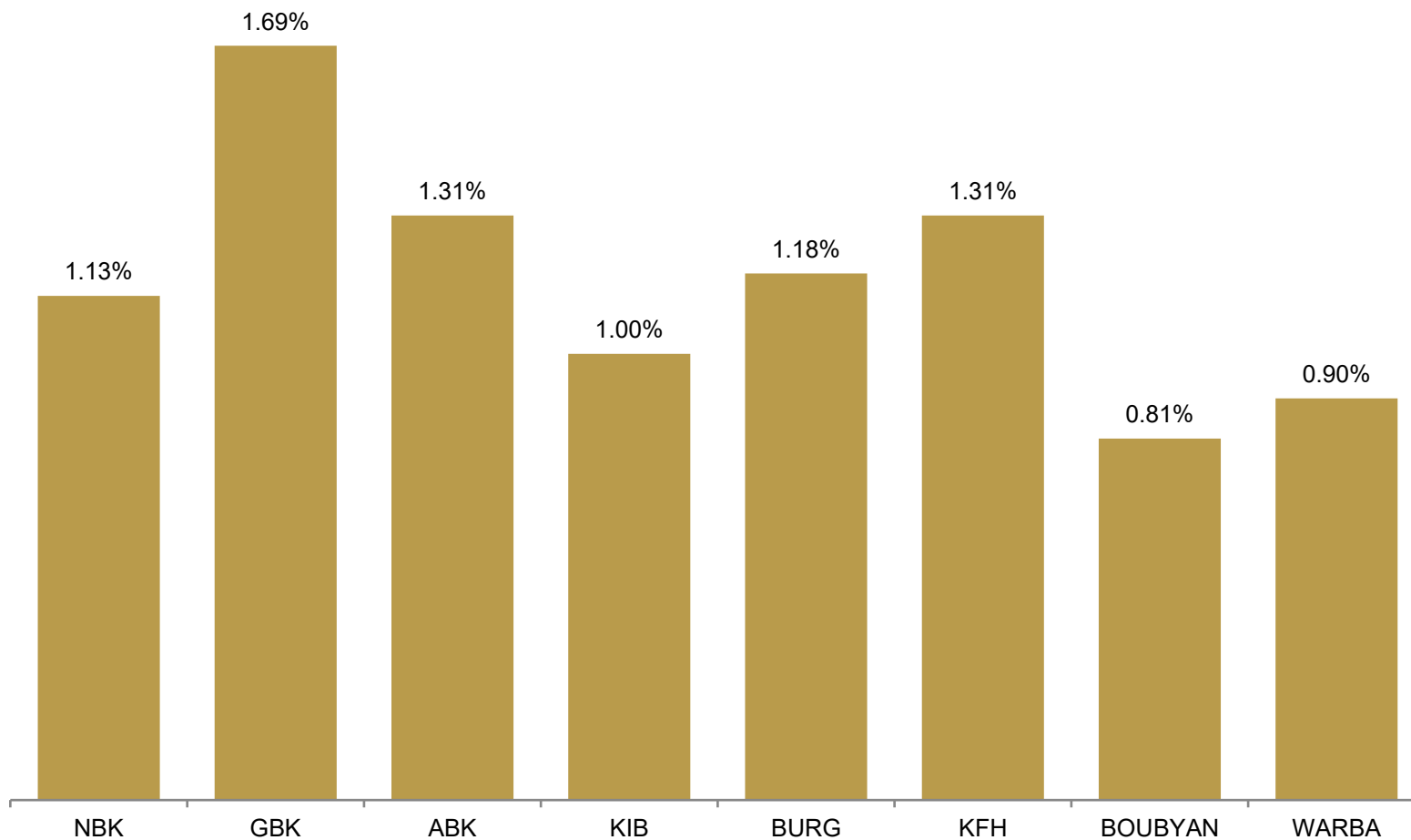
SECTOR COST-TO-INCOME

KFH (31.4%) and NBK (38.3%) run the leanest cost bases.

Burgan and KIB carry the highest ratios, reflecting smaller scale and elevated cost loads.

Non-Performing Assets (Stage 3 Only)

NPA ratio by bank (%). Sector NPA 1.19%; aggregate NPA (Only ECL 3) of KD 990.14 mn.



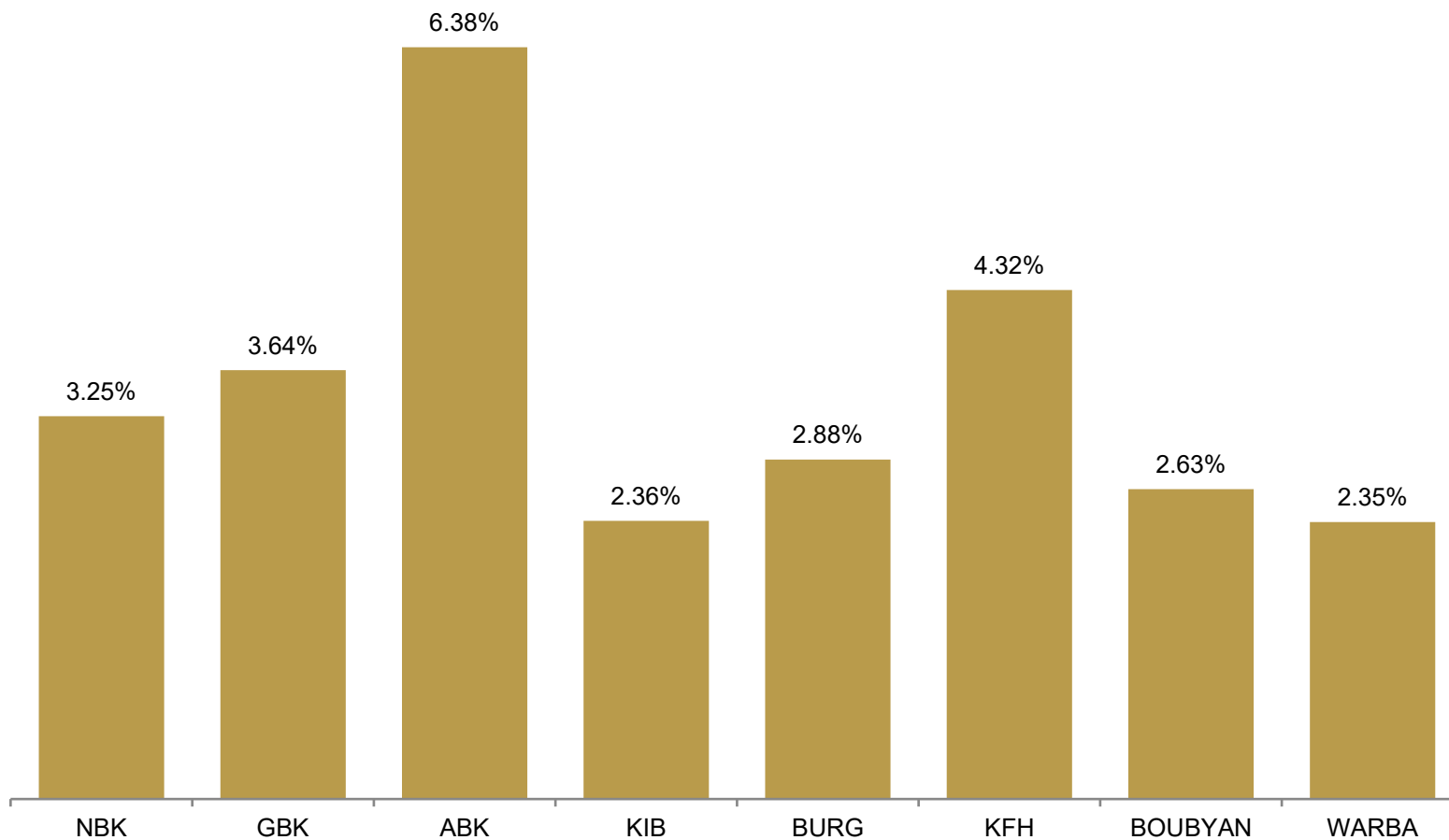
Sector NPA
1.19%

Total NPA
KD 990.14 mn

Highest NPA
GBK 1.69%

Lowest NPA
BOUBYAN 0.81%

Total Stage 3 ECL stands at KWD 990.14 Million, while Provisions stands at KWD 3.0 billion - Provisions are 3.0 times of Stage 3 ECL



Sector Provisioning
3.60%

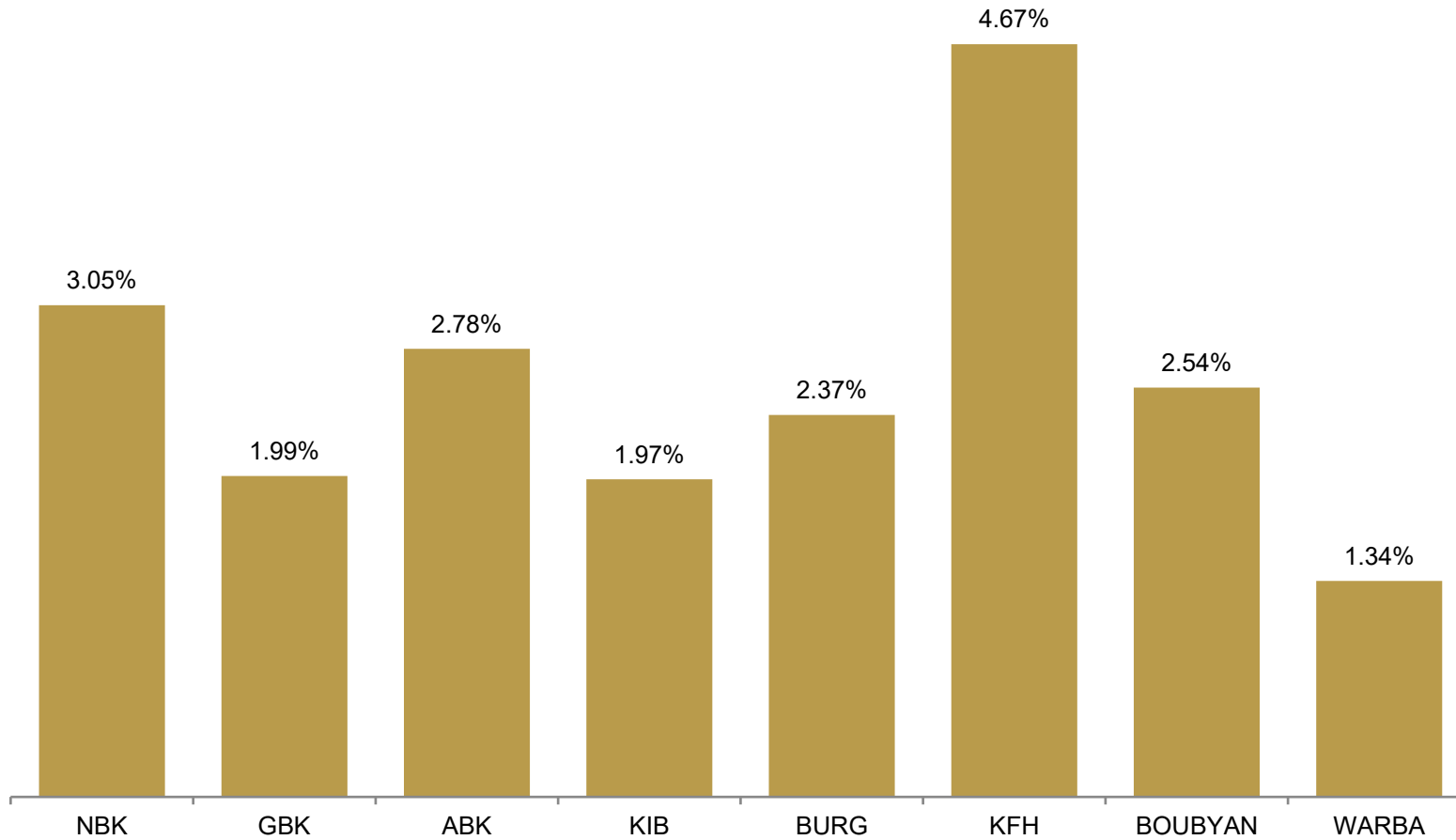
Total Provisions
KD 3.0 bn

Highest Provisions Coverage
ABK 6.38%

Lowest Coverage
KIB 2.36%

Net Interest / Finance Margin (TTM)

NIM = TTM net interest income / average earning assets. Sector NIM ~3.2%.



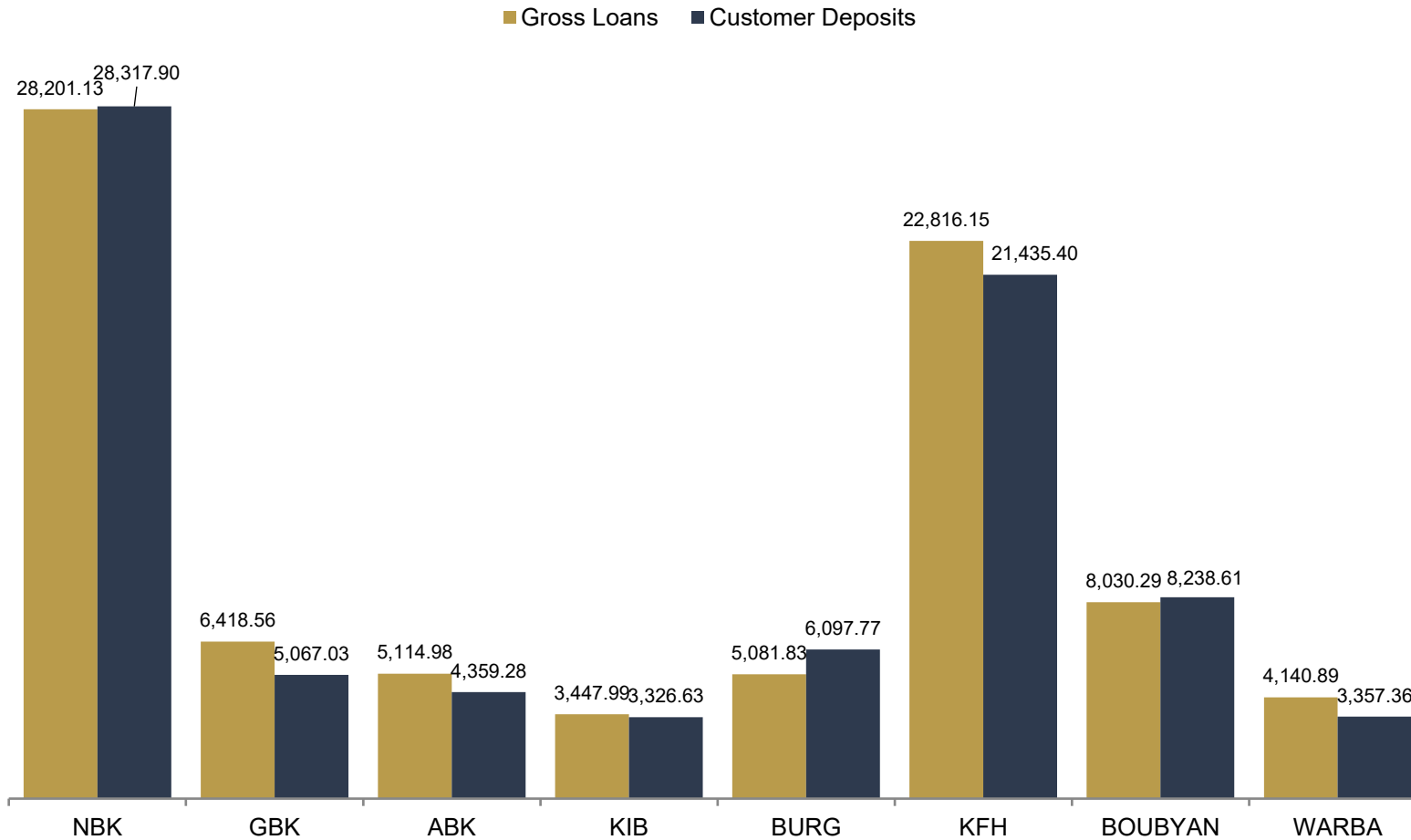
~3.2%

SECTOR NIM (TTM)

KFH leads on margin (4.67%) on its Islamic franchise mix, followed by NBK (3.05%). Warba sits at the low end as it continues to scale its earning-asset base.

Gross Loans vs Customer Deposits

KD mn. Sector loan-to-deposit ratio of 103.8% — funding base broadly matched to lending.



103.8%

SECTOR LOANS / DEPOSITS

Most banks fund their loan books fully from customer deposits. GBK, ABK and Warba run loans above deposits, while Burgan and Boubyan hold a deposit surplus.

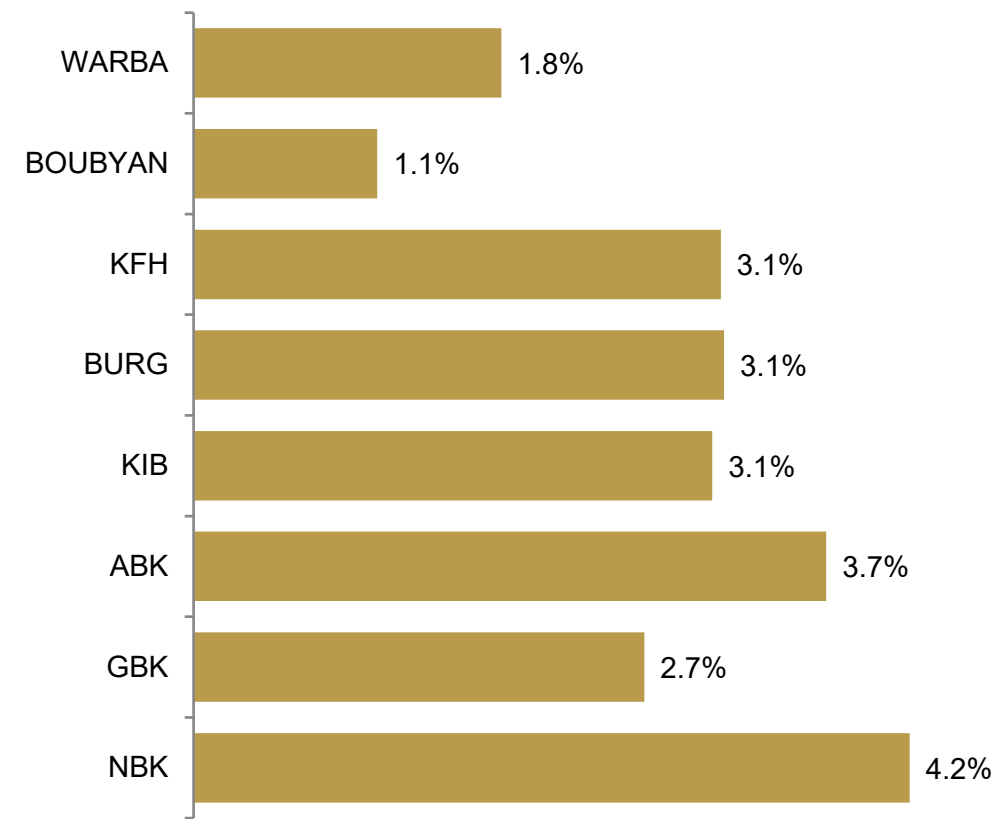
Trading Multiples & Dividend Yield



Market data as at 03 June 2026.

Bank	P/E (x)	P/BV (x)	Div Yield	Mkt Cap
NBK	13.8	1.79	4.21%	7,629
GBK	27.1	1.72	2.72%	1,422
ABK	12.4	1.13	3.67%	735
KIB	18.5	1.24	3.06%	457
BURG	25.0	0.89	3.07%	753
KFH	23.9	2.64	3.09%	14,880
BOUBYAN	32.4	3.23	1.08%	3,058
WARBA	29.0	1.36	1.78%	1,304
Sector	20.5	2.11	2.34%	30,238

No fair values or price targets are presented in this report.



Distributed - 2026 cash dividend yield on 03 June price

KD mn unless stated. Ratios on TTM basis where applicable. CBK excluded.

Bank	Assets	Gross Loans	Customer Deposits	Net Profit 1Q26	ROE (TTM)	ROA (TTM)	C/I	Provisioning	NIM
NBK	46,101	28,201	28,318	121.9	12.8%	1.18%	38.3%	3.25%	3.05%
GBK	8,036	6,419	5,067	9.4	6.3%	0.65%	51.9%	3.64%	1.99%
ABK	7,288	5,115	4,359	15.2	9.1%	0.81%	43.1%	6.38%	2.78%
KIB	4,571	3,448	3,327	8.0	6.7%	0.54%	61.5%	2.36%	1.97%
BURG	9,531	5,082	6,098	2.4	3.6%	0.32%	72.5%	2.88%	2.37%
KFH	43,555	22,816	21,435	176.5	11.1%	1.43%	31.4%	4.32%	4.67%
BOUBYAN	10,358	8,030	8,239	23.3	10.0%	0.91%	48.1%	2.63%	2.54%
WARBA	6,130	4,141	3,357	6.3	6.3%	0.82%	46.7%	2.35%	1.34%
Sector	135,571	83,252	80,200	363.0	10.3%	1.09%	39.3%	3.60%	~3.2%

Figures are as reported for the quarter; ROE, ROA and NIM are computed on a trailing-twelve-month basis..

1

Stable earnings, modest dip

Sector 1Q FY26 net profit of KD 363.0 mn was 1.5% below the prior-year quarter, as higher provisioning and a sharp normalisation at Burgan offset gains at ABK, Warba and KIB.

2

Profitability remains in double digits

Sector ROE of 10.3% (TTM) and ROA of 1.09%. NBK and KFH continue to anchor returns, contributing over 80% of sector profit between them.

3

Efficient and liquid

A 39.3% cost-to-income ratio reflects disciplined cost control, while a 103.8% loan-to-deposit ratio shows lending well-supported by a stable deposit base.

4

Contained asset quality

Sector NPA of 1.19% with KD 990 mn and of KWD 3.0 bn of provisions. GBK with highest NPA whereas ABK with highest Provisions.

5

Margins led by Islamic franchises

KFH's 4.67% NIM tops the group; sector NIM of ~3.2% remains healthy in the prevailing rate environment.

DISCLAIMER



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SCOPE DECLARATION: This report excludes Commercial Bank of Kuwait (CBK) from all figures, charts, ratios and sector aggregates, as CBK had not announced its 1Q FY 2026 results as at the date of preparation. The document is factual only and contains no fair values, target prices or recommendations.

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