



The Edge Economic Update

Kuwait Banking Sector Report

Aug 12, 2025

Kuwait Banking Sector (2023–1H 2025)

Performance, Transformation & Regional Comparison



Introduction

The Kuwaiti banking sector demonstrated robust performance through 2023 and 2024, despite global headwinds and local economic challenges. Banks in Kuwait saw healthy profit growth driven by higher interest margins, stable asset quality, and digital innovation efforts. In 2024, **aggregate net profits of Kuwaiti banks** rose about 7.5%, reaching approximately **KWD 1.56 billion** (up from KWD 1.45 bn in 2023). This report provides a comprehensive analysis of major Kuwaiti banks' financial performance, strategic initiatives, and the macroeconomic/regulatory landscape shaping their operations in 2023, 2024, and the first half of 2025. Furthermore, it compares Kuwait's banking sector to top banks in neighboring GCC countries (Saudi Arabia, UAE, Qatar, Bahrain, Oman), examining relative financial performance, innovation strides, regulatory developments, and regional influence.

Key Highlights:

Bank	Assets 2024 (KD)	Net Profit 2024 (KD)	Net Profit 1H-2025 (KD)
NBK	40.3bn	600.1m	315.3m
KFH	36.7bn	601.8m	342.1m
CBK	4.7bn	157.2m	Not issued as of the report date
Gulf Bank	7.5bn	60.2m	24m
Burgan Bank	8.16bn	46.4m	20.8m
Boubyan Bank	9.4bn	96.8m	49.7m
Ahli Bank of Kuwait	7.4bn	52.4m	31.7m
KIB	3.92bn	23.1m	20.7m
Warba Bank	~5.3bn	22.4m	20.7m

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Strong Profitability: Kuwaiti banks achieved double-digit profit growth in 2023 (+12.6% aggregate) and continued growth in 2024 (~7–8% increase), underpinned by rising interest income and prudent cost control. The sector's net profit totaled around **KWD 1.56 billion in 2024** (~\$5.1 bn), up from KWD 1.45 bn in 2023.

Solid Balance Sheets: Total assets of Kuwaiti banks expanded ~8.5% in 2023 and a further ~4% in 2024. Credit growth remained steady (e.g. ~6% in 2023 for the largest bank NBK), with healthy capitalization (sector average CAR ~18%) and low non-performing loan (NPL) ratios (around 1–2%).

Digital Transformation: Kuwaiti banks accelerated digital initiatives – from launching mobile-only banking apps and digital branches to investing in fintech partnerships. For example, National Bank of Kuwait (NBK) launched a digital bank (“Weyay”) targeting youth and acquired a 51% stake in fintech UPay in 2024. Banks like Boubyan (a digital leader) achieved

record profits while emphasizing innovative digital services.

Regulatory Changes: The Central Bank of Kuwait (CBK) pursued a forward-looking regulatory agenda, including a draft Open Banking framework (issued in early 2025) and updated electronic payment regulations in 2023 to license fintech service providers. CBK also slightly eased monetary policy in late 2024 (cutting its discount rate 25 bps to 3.75%) to support economic growth. New laws – such as a Public Debt Law (debt ceiling KWD 30bn) and a proposed Mortgage Law – are expected to unlock credit markets and long-term growth.

Macroeconomic Context: Kuwait's economy recovered strongly post-pandemic but was weighed by oil production cuts. After a sharp 8.2% GDP rebound in 2022, **real GDP is estimated to have contracted ~2.3% in 2024** due to OPEC+ output curbs, with a rebound to +3% growth forecast in 2025. Nevertheless, higher interest rates through 2023 boosted banks' net interest income, and political progress in late 2023 improved business sentiment.

Following sections detail each major Kuwaiti bank's performance and strategy, then provide a comparative overview of top banks across the GCC.

Macroeconomic & Regulatory Landscape in Kuwait (2023–2025)

Economic Conditions: Kuwait's banking sector operated against a backdrop of oil-driven economic fluctuations and global monetary tightening. In 2022, soaring oil prices and production propelled a fiscal surplus and strong liquidity, benefiting banks. Growth moderated in 2023 as oil prices normalized and the government adhered to OPEC quotas, with non-oil activity growing modestly and real GDP growth slowing. By 2024, Kuwait's crude output cuts led to an estimated **2.3% GDP contraction**, though non-oil sectors (e.g. retail, finance) maintained “good growth.” Bank executives expressed optimism that a new government formed in late 2023 would prioritize economic reforms and project execution, supporting credit demand. Indeed, the announcement of 141 development projects for 2025/26 (new port, airport

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expansion, hospitals) signals future lending opportunities.

Interest Rates and Liquidity: In response to U.S. Federal Reserve hikes, the CBK raised its discount rate multiple times in 2022–2023, reaching **4.00% by January 2023** and **4.25% by July 2023**. Kuwaiti banks benefited from higher lending rates while enjoying a large base of low-cost deposits (especially government and CASA deposits), which kept funding costs manageable. This supported net interest income growth — for example, NBK’s net interest margin expanded from 2.98% in 2023 to 3.22% in 2024.

In September 2024, with global inflation easing, the CBK cut its policy rate by 0.25% to **4.00%** to encourage credit growth. System liquidity remained ample; private-sector deposits rose ~3% in 2024, and money supply (M2) increased ~4.3%. Kuwaiti banks also maintained substantial precautionary provisions and strong capital buffers, reinforcing sector stability.

Regulatory Developments: Kuwait’s regulators took steps to modernize the financial sector framework in 2023–2024:

Fintech and Open Banking: The CBK in June 2025 issued a *draft Open Banking Regulatory Framework* to govern data-sharing and open APIs in banking. This follows earlier initiatives – in 2022, CBK created a regulatory sandbox and signaled openness to open banking and Banking-as-a-Service models, laying groundwork for fintech collaboration. Additionally, in **May 2023 CBK updated its electronic payment regulations**, requiring all electronic payment and e-money providers to be licensed and meet security standards. These moves aim to foster digital payments innovation while ensuring consumer protection. Banks like Gulf Bank and KFH have accordingly invested in fintech partnerships and digital platforms.

Mergers & Market Structure: Kuwait is considered “over-banked” for its population, and regulators view consolidation favorably. The landmark cross-border merger of Kuwait Finance House (KFH) with Bahrain’s Ahli United Bank (AUB) was completed in 2022, **creating one of the region’s largest Islamic banks**. In 2024, KFH sold its Bahrain operations (formerly AUB’s

Bahrain unit) to Al Salam Bank, as part of post-merger restructuring. Fitch Ratings noted an increased appetite for bank M&A in Kuwait (e.g. long-rumored tie-ups among mid-sized banks), which is credit-positive in rationalizing competition.

Governance and Risk: The CBK reinforced cybersecurity and governance guidelines. Banks implemented the CBK’s **Cybersecurity Framework**, conducting board-level cyber risk training (e.g. a “Cybersecurity Leaders” program in 2023). Kuwait also mandated higher **Kuwaitization (70%)** in bank staffing to develop local talent. Meanwhile, capital and provisioning requirements remained conservative – all major banks report Capital Adequacy Ratios well above the 13% regulatory minimum (e.g. KFH’s CAR stood at **19.89% as of Dec 2024**). Banks hold surplus provisions, reflecting prudent risk management.

Key Reforms Ahead: Two anticipated legal reforms could significantly impact banking. First, a new **Public Debt Law** (approved by decree in 2025) allows Kuwait’s government to issue up to

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KWD 30 billion in debt. This will restart sovereign bond issuance (paused since 2017), providing banks with low-risk investment opportunities and improving domestic capital market liquidity. Second, a draft **Mortgage Law** is under consideration to enable banks to offer long-term housing mortgages (historically the state provided interest-free housing loans). If passed, it could unlock an estimated USD 65 billion market and expand banks' retail lending portfolios by ~40%. Banks are eager for this change to diversify and grow consumer lending. Overall, the regulatory environment in Kuwait is gradually shifting to promote innovation and sustainable growth, while maintaining strict prudential oversight.

Performance of Major Kuwaiti Banks (2023–1H 2025)

Kuwait's banking sector comprises 10 local banks, of which the largest five (by assets) are National Bank of Kuwait (NBK), Kuwait Finance House (KFH), Burgan Bank, Gulf Bank, and Boubyan Bank. We review the performance, strategic priorities, risks, and innovations

of the leading institutions below. **Most Kuwaiti banks achieved record or near-record earnings in 2023–2024**, as higher interest rates and economic reopening lifted revenues. Profit growth did moderate in 2024 versus the post-pandemic surge of 2022–23, and some banks faced margin pressure by 1H 2025 as deposit costs caught up. Still, asset quality remains strong and capital buffers high.

*Figure: Most banks saw higher earnings in 2024, with Commercial Bank of Kuwait (CBK) posting a **41% jump**. Gulf Bank was an exception, seeing profits dip amid margin pressures. (Data source: Banks' financial reports)*

National Bank of Kuwait (NBK) – Diversification and Digital Leadership

Profile: NBK is Kuwait's largest conventional bank and one of the oldest (est. 1952). It has a diversified business mix (consumer, corporate, wealth management) and an international footprint spanning 13 countries. NBK is the market leader in total assets, which reached **KWD 40.3 billion** as of Dec 2024 (~USD 131.6 billion), and in earnings among local banks.

Financial Performance: NBK achieved *record profits* in 2023 and 2024. **FY 2023 net profit:** KWD 560.6 million (+10.1% YoY), and **FY 2024 net profit:** KWD 600.1 million (+7.0% YoY). This equates to about USD 1.95 billion in 2024 net income, NBK's highest ever. Growth was driven by rising net interest income (as loan volumes grew ~6% and margins widened) and fee income, while credit costs remained low. NBK's **net operating income** grew 15.6% in 2023 and a further 7.2% in 2024, reflecting robust core banking performance. By 1H 2025, NBK reported KWD 315.3 million profit (+7.8% YoY), sustaining momentum.

Key financial metrics underscore NBK's strength: Return on Equity (ROE) was ~15% in 2024, and NPL ratio around 1.1% (with over 300% coverage). **Assets** grew 7.1% in 2024 to KWD 40.3 bn, supported by deposit inflows (+4.2%) and loan growth (+6.4%). NBK's capital base is solid, with Tier 1 ratio ~15–16% and total CAR ~18%. The bank maintains substantial liquidity; its LCR ratio stood around (~153%). Management noted the **“robust capital base, high asset quality, strong**

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liquidity, and prudent risk management” enabled NBK to adapt to varying conditions.

Strategic Initiatives: NBK’s strategy focuses on diversification – both geographically and in revenue streams – and digital innovation. International operations (spanning MENA, Europe, U.S., Asia) contributed strongly in 2023, especially NBK’s Egypt subsidiary. Wealth management is a growing segment as well (the bank launched an “NBK Wealth” brand in 2024). Domestically, NBK has invested heavily in **digital transformation**, launching **“Weyay”** (Kuwait’s first digital-only bank) in late 2021 to capture younger customers. In 2024, NBK acquired a **51% stake in “UPayments”**, a Kuwaiti payments fintech, to accelerate its digital payments offerings. NBK was recognized by Global Finance magazine as the “Best in Innovation – Global Winner” for 2024, reflecting its advanced mobile banking app, AI-driven services, and early adoption of contactless and open banking solutions. The bank is also embracing **sustainability**; it issued Kuwait’s first Green Bonds (USD 300m, 5-year) in 2023 and aims for carbon neutrality by 2060,

with interim goals like a 25% emissions cut by 2025. NBK’s ESG ratings improved (MSCI ESG “BBB”) after integrating green products (e.g. loans for EVs, solar projects).

Risk and Outlook: NBK’s main risks include its exposure to Kuwait’s public sector (which provides a stable deposit base but links the bank’s fortunes to government finances) and regional geopolitical uncertainties. The bank took a one-off hit in 2022 from its stake in Turkey’s DenizBank sale, but has since refocused on Gulf and Egyptian markets. Management remains cautiously optimistic – noting heightened geopolitical tensions, but expecting an improved local operating environment if Kuwait’s government implements economic reforms. NBK’s Chairman in early 2024 voiced optimism that **political stability and planned projects** will “restore confidence in the business climate.” Indeed, NBK is positioned to benefit from Kuwait’s project pipeline (it was selected in 1H 2025 as the main settlement bank for the new stock exchange clearing system, underscoring its dominant role). Overall, NBK’s diversified model, strong capitalization,

and digital agility should enable **sustainable growth**; the bank has set a **USD 10 billion sustainable financing** portfolio goal by 2030.

Kuwait Finance House (KFH) – A Regional Islamic Banking Giant

Profile: KFH is Kuwait’s second-largest bank and the country’s flagship Islamic bank (est. 1977). Following its acquisition of Ahli United Bank (AUB) in 2022, KFH’s assets and footprint dramatically expanded – it now operates across 11 countries with around 600+ branches. KFH specializes in Sharia-compliant finance, with strengths in retail, real estate, and corporate banking. By market capitalization, KFH is one of the Middle East’s top 10 banks (market cap ~KWD 13–14 bn in 2024).

Financial Performance: KFH’s earnings surged after the AUB merger. **Net profit for 2023:** KWD 584.5 million (USD ~1.9 bn), a **63.4% jump** vs 2022 – this “historic” profit was boosted by one-time consolidation gains and the full-year contribution of AUB’s business. In 2024, KFH achieved another record with **net**

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profit of KWD 601.8 million (USD ~1.96 bn), representing a modest **+3% increase**. KFH thus narrowly remained Kuwait's most profitable bank in 2024 (edging NBK's KWD 600.1m). Key drivers in 2024 included an **18.7% rise in net financing income** (reflecting asset growth and wider margins) and a 9% increase in operating income. By end-2024, **total assets** stood at KWD 36.7 billion, roughly on par with NBK. The financing (loan) portfolio was around KWD 19.1 bn (slightly adjusted after the sale of KFH-Bahrain in 2024). KFH's asset quality and capital improved: NPL ratio ~1.3%, and CAR at **19.89%** (up from 18.2% a year prior). The bank's **shareholders' equity** reached KWD 5.5 bn, bolstered by retained earnings and post-merger capital.

Strategic Priorities: Post-merger integration and realizing synergies has been a top priority. KFH successfully **integrated AUB's Kuwait operations (AUBK) in 2023** and converted AUB's units in Bahrain, UK, and Egypt to Islamic banking "in record time." This transformation of conventional AUB assets into Sharia-compliant operations showcases KFH's commitment to Islamic

finance leadership. As a result, KFH has created a "giant financial entity" with reach across the GCC, Middle East, Turkey, Malaysia, and beyond. Leveraging its enlarged scale, KFH aims to become one of the **world's top 100 banks** within a decade.

Innovation is also on KFH's agenda – the bank issued a USD 1 billion Sukuk in 2024 (the second tranche under a \$4bn program) to diversify funding. It partnered with fintechs to enhance its digital offerings; for example, KFH's mobile app offers instant financing and advanced payment features. In 2024, KFH unveiled a new branding and "visual identity" to reflect its growth and modernization. Internally, KFH is focused on **cost efficiencies** from the merger (removing overlaps, consolidating IT systems) and cross-selling to AUB's former customer base.

Risks and Outlook: KFH's rapid growth brings both opportunities and challenges. Benefits include a wider geographic diversification (e.g. significant operations in Bahrain and Turkey via subsidiaries) and a larger balance sheet to compete regionally. However, it also faces integration risks and exposure to varied

markets (e.g. Turkey's volatile economy via KFH's stake in Kuveyt Türk). KFH mitigated some risk by exiting non-core operations – notably selling KFH-Bahrain (the retail banking arm) in 2024. That sale fetched an attractive price and refocused the group on core markets. Going forward, KFH enjoys a dominant local market share (it is #1 in Kuwait by customer deposits and financing). The bank held the **highest market cap on Bursa Kuwait** in 2024 and was ranked the **10th largest company in the Middle East** by Forbes. With its enhanced scale, KFH can exert more regional influence, evidenced by its hosting of major Islamic finance conferences and promoting sukuk markets. The CEO emphasizes "*building a sustainable banking model within an ESG framework*", as KFH ramps up green financing and social initiatives. So long as oil prices and the Kuwaiti economy remain supportive, KFH is positioned to maintain solid profitability. Analysts expect moderate earnings growth in 2025 as merger synergies fully kick in and financing demand picks up.

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Gulf Bank – Resilience Amid Margin Pressures and Strategic Shifts

Profile: Gulf Bank (GBK) is one of Kuwait's leading conventional banks (assets ~KWD 7.3 bn as of mid-2025), with a strong franchise in retail and corporate banking. It has a substantial domestic branch network and is majority-owned by Kuwait's Kharafi conglomerate. Gulf Bank has historically been a mid-sized player focusing on consumer banking, SMEs, and selected corporate sectors.

Financial Performance: After a post-pandemic rebound, Gulf Bank hit some headwinds in 2024. **Net profit for 2023:** ~KWD 71.2 million, but **FY 2024 net profit:** KWD 60.2 million, **down 15.5%** year-on-year. The profit decline in 2024 made Gulf Bank an outlier, as most peers saw increases. Earnings were pressured by a squeeze on interest margins and higher costs. Gulf's management noted **net interest income fell ~6%** in 1H 2025 vs the prior year, as funding costs rose and loan growth slowed. Indeed, Gulf Bank's operating income dropped ~5% in 1H 2025, contributing to a further **14.8% YoY decline in net profit for H1 2025** (KD

24.0m vs 28.2m). On the positive side, **provisioning needs have eased** – Gulf's loan loss provisions declined by 14.7% in 1H 2025, reflecting strong asset quality. The bank's **NPL ratio** remains low at 1.4%, with an exceptionally high coverage ratio of 317%. **Total assets** were KWD 7.5 bn at end-2024 but dipped to KWD 7.3 bn by June 2025 as the bank optimized its balance sheet (reducing some low-margin assets). Capitalization is adequate (Tier 1 ~14.6%, CAR 16.8%).

Strategic Developments: Gulf Bank has been pursuing a **strategic shift to become Sharia-compliant**. In a significant move, the bank's Board and shareholders have discussed **converting Gulf Bank into an Islamic bank** – aligning with market trends where Islamic banking growth outpaces conventional. In 2023, Gulf Bank obtained regulatory approval to increase its ownership in KSA's Ajil Financial Services (an Islamic finance company), hinting at Islamic expansion. The Chairman confirmed in 1H 2025 that *“potential conversion to Sharia-compliant aligns with our vision of expanding and diversifying”*. If approved, Gulf Bank would undergo a major transition,

restructuring products and operations to comply with Islamic law, potentially attracting new customer segments.

On the digital front, Gulf Bank has enhanced its mobile app and online offerings (e.g. end-to-end digital loan applications). However, it has lagged some peers in launching distinct digital sub-brands. To catch up, Gulf is investing in fintech partnerships and core banking system upgrades in 2024–25. The bank is also capitalizing on government initiatives – for example, it expects new government bond issuances to create safe investment options, and the anticipated mortgage law to spur retail loan growth. Gulf Bank's **leadership changes** in 2022 (new CEO) brought a renewed focus on risk discipline and growth in fee-income businesses like wealth management.

Risks: Gulf Bank faces margin pressure as the interest rate cycle turns – its proportion of non-interest-bearing deposits is lower than peers, so rising rates in 2022–23 increased its funding costs more. Additionally, Gulf historically had one of the higher cost-to-income ratios among Kuwaiti banks (due to its retail footprint), which it is working to reduce. The bank also remains primarily

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domestic, lacking the overseas diversification of NBK or KFH. This makes it highly sensitive to Kuwait's economic cycles and competitive dynamics. Nonetheless, Gulf Bank's asset quality is very robust now (legacy NPL issues from past crises have been resolved), and it holds **excess provisions (~KD 96m above IFRS-9 requirements)** as a buffer. With a strong retail brand and upcoming strategic shifts, Gulf Bank aims to return to profit growth in 2025. The bank's leadership expressed *"confidence in our strategic direction and the strength of our team"* for the second half of 2025.

Burgan Bank – Improving Profitability and Digital Expansion

Profile: Burgan Bank is Kuwait's third-largest conventional bank by assets (KWD 8.16 bn as of Dec 2024) and is part of the Kipco group. It operates a regional model with subsidiaries in Algeria, Iraq, Tunisia, and Turkey (though it sold its stake in Bank of Baghdad in 2021). Burgan focuses on corporate banking, private banking, and has a growing retail franchise.

Financial Performance: Burgan has navigated challenges in recent years (including regional exposures and past NPL issues) and returned to a steady growth path. **FY 2023 net income:** KWD 43.5 million; **FY 2024 net profit:** KWD 46.4 million, up **6.6%**. While Burgan's profit level is more modest than its larger peers, the improvement in 2024 marked continued recovery. The bank's **total operating revenue** rose ~3% to KWD 229 million in 2024, supported by higher interest income. Burgan's assets grew ~9.9% in 2024, reaching KWD 8.16 bn. Notably, Burgan achieved these results while **maintaining asset quality** – its NPL ratio remained controlled (roughly in the 1.5–2% range) and coverage high. The bank's cost-to-income ratio slightly improved as it kept expense growth in check.

By early 2025, Burgan reported a **1H 2025 net profit of ~KD 21 million**. Burgan's capital ratios are solid (Tier 1 >13%). It raised KWD 71.25m via a rights issue in 2022 to bolster capital for growth and to offset the impact of Turkish lira depreciation on its subsidiary's equity.

Strategic Initiatives: Burgan has been **"doubling down on digital transformation."** In 2024 it enhanced its mobile banking app, introduced AI-powered chatbots for customer service, and digitized many internal processes. The bank is also revamping its core banking system to unify the platform across Kuwait and its international units, aiming for efficiency gains. On the corporate side, Burgan is leveraging technology to improve turnaround times for trade finance and treasury services. Another strategic focus is **rebalancing its portfolio:** Burgan has been reducing exposure to higher-risk markets/assets and growing domestic lending instead. For instance, it significantly cut its loan book in Turkey and expanded in Kuwait's consumer and SME segments. The bank also signaled interest in *"new growth avenues"* like wealth management – in 2023 it launched an investment platform in partnership with a regional asset manager. Burgan's branding emphasizes innovation and customer experience ("Driven by You" initiative). It has invested in **cybersecurity** and compliance; in 2023 the bank was fully compliant with CBK's

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new Cybersecurity Framework, strengthening resilience to cyber threats.

Risks: Burgan faces some external risks from its remaining regional operations – exposures in Algeria and Tunisia come with currency and political risks, though these are largely hedged/provisioned. At home, Burgan operates in a competitive market segment, often yielding big corporate loan mandates to NBK/KFH. To compensate, it's active in mid-corporate lending and consumer finance. Burgan's funding profile relies more on interest-bearing deposits (vs. peers with large government balances), which can pressure margins when rates rise. The bank's strategy to grow low-cost deposits (e.g. salary accounts, digital savings products) is therefore critical. With improving profitability and a keen eye on cost management, Burgan's outlook is cautiously positive – analysts expect high single-digit profit growth in 2025. Burgan's CEO stated the bank is *"making significant investments in technology and talent to secure future growth,"* aligning with Kipco's vision for the franchise.

Boubyan Bank – High Growth and Digital Innovation in Islamic Banking

Profile: Boubyan Bank is a young (founded 2004) and fast-growing Islamic bank, in which NBK holds a significant stake. Boubyan has built a reputation as **Kuwait's digital banking pioneer**, appealing to tech-savvy retail customers and SMEs. It also owns "Nomo Bank," a UK-based Islamic digital bank launched in 2021 to serve global clients.

Financial Performance: Boubyan has delivered impressive growth. **FY 2023 net profit:** KWD 80.4 million; **FY 2024 net profit:** KWD 96.8 million, soaring **+20%**. This strong performance made Boubyan one of the fastest-growing banks in Kuwait for 2024. Drivers include rapid financing (loan) growth (Boubyan's financing portfolio grew ~9% in 2024) and improved margins, as well as strict cost control. By 9M 2024, Boubyan had earned KD 73.5m (+20% YoY), indicating accelerating profit in Q4. The bank's **earnings per share** for 2024 reached 21.6 fils. Asset-wise, Boubyan's **total assets** likely exceeded KWD 9.3 billion in 2024 (it was KWD 7.9bn in 2022). Boubyan maintains excellent asset quality (NPL ratio ~1%, one of the lowest) and high coverage. Its capital adequacy is healthy (CAR ~16–17%).

Notably, **Boubyan's cost-to-income ratio** is relatively high (~40%+), reflecting heavy investment in technology and customer acquisition; however, robust revenue growth has kept its efficiency trending positively.

Strategic Initiatives: Digital innovation defines Boubyan's strategy. The bank was early in offering **instant digital onboarding**, a top-rated mobile app, and services like biometric login and cardless cash withdrawal. It has won **Global Finance's "Best Islamic Digital Bank"** awards multiple times. In 2022, Boubyan launched **"Nomo"** – a fully digital Islamic bank in the UK – which allows Gulf customers to hold multi-currency accounts and invest in the UK under Sharia principles. This has been a game-changer, extending Boubyan's reach globally. Boubyan's CEO described a *"Game-Changing Plan"* in 2024 to further integrate digital channels and personalize banking using AI.

The bank is also focusing on youth and entrepreneurs: its "Boubyan Young" accounts and the Boubyan Business digital platform for SMEs have attracted new clients. To bolster innovation, Boubyan in 2023 formed a **digital**

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innovation hub and partnered with Kuwait's fintech accelerator programs. It also leverages NBK's backing for international expansion – beyond Nomo, Boubyan may explore GCC opportunities (it was rumored to eye Saudi fintech investments).

Another pillar for Boubyan is service quality and Islamic values. It continuously rolls out new Sharia-compliant products (e.g. green sukuk investments, Takaful insurance tie-ups). In 2024, Boubyan's management highlighted moves to **integrate artificial intelligence** into banking solutions and using data analytics for better risk management. The bank's marketing emphasizes trust, and it consistently ranks high in customer satisfaction surveys in Kuwait.

Outlook: Boubyan's growth trajectory appears strong. Risks include the execution risk of its rapid expansion (ensuring risk controls keep pace) and competition in digital offerings (conventional peers like NBK's Weyay challenge Boubyan's edge). However, as a fully Islamic bank in a market with rising Islamic banking preference, Boubyan benefits from a growing customer base. Its close relationship with NBK provides

stability (NBK's Boubyan stake gives group support). Boubyan aims to cross KWD 100m in annual profit soon and continue ~15–20% growth rates. Analysts view Boubyan as **“punching above its weight”** – a mid-sized bank achieving big-bank growth, thanks to its digital strategy and customer-centric approach. If economic conditions hold, Boubyan is expected to maintain double-digit financing growth and solid earnings in 2025. The bank's focus on innovation, including exploring **fintech investments** and possibly digital lending, will likely keep it at the forefront of Kuwait's banking evolution.

Al Ahli Bank of Kuwait (ABK) – Turnaround, Digital Drive, and Regional Integration

Profile: ABK is a medium-sized conventional bank with operations in Kuwait, UAE (Dubai branch), and Egypt (acquired Piraeus Bank Egypt in 2015). It provides retail, commercial, and treasury services. After some challenging years (including Egypt's currency devaluation impacts), ABK has been on a recovery path, emphasizing digitization and strengthening its franchise.

Financial Performance: ABK posted **robust results in 2023–24**, indicating a successful turnaround. **FY 2024 net profit:** KWD 52.41 million, a **16% increase** from 2023 (FY 2023 profit was KWD 45.19m). Earnings per share rose to 21 fils. Operating profit grew 11% to KWD 107.4m, reflecting improved core income. ABK's **total assets** reached KWD 7.4 bn in 2024, with steady growth in loans (KWD 4.83 bn) and deposits (KWD 4.42 bn). Asset quality is **excellent:** NPL ratio at just 1.23%, covered 460% by provisions. Capitalization is sound (CAR 16.94%), and credit ratings are strong (Fitch 'A', Moody's 'A2'). These metrics underscore ABK's financial stability after implementing prudent risk measures.

ABK's profit growth was aided by rising interest income (net interest income +5% in 2024) and especially by **growth in fee and other income** from improved business activity. The bank also kept cost growth moderate, lowering its cost/income ratio. ABK's Egyptian subsidiary returned to healthy profitability in 2023/24 (despite local currency challenges), contributing to group results.

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Strategic Initiatives: Under new leadership (a new CEO took charge in mid-2022), ABK embarked on a **five-year strategic plan** with a focus on digital transformation, regional integration, and customer service excellence. In 2024, ABK “*continued implementation of the digital transformation plan across departments*”, investing in AI technologies and digital banking solutions. It signed multiple agreements to leverage **artificial intelligence** for developing new banking products and enhancing fraud detection. ABK won **six Global Finance awards for digital banking** in 2024 (including “Best Mobile Banking App” in Kuwait and Middle East), validating its tech progress.

Regionally, ABK has been integrating its operations in **Kuwait, Egypt, and UAE** to operate as one group. They launched unified services for corporate clients across these markets and streamlined cross-border processes. In 2024, ABK returned to international debt markets with a successful **\$300 million AT1 bond issuance** (6.5% coupon, 4.5x oversubscribed), strengthening its Tier 1 capital and investor profile. The bank was also upgraded to the Premier Market tier

on Bursa Kuwait in 2024, reflecting its improved market capitalization and liquidity.

ABK’s strategy highlights **enhancing competitive position** via operational efficiency and service quality. It has rolled out new wealth management offerings and revamped its mobile app. The bank is also committed to sustainability and governance: in 2024 it launched an ESG-focused strategy, aiming to foster sustainable growth and lower environmental impact. ABK publishes an annual sustainability report and maintains high governance standards, contributing to its strong credit ratings.

Risks and Outlook: ABK’s risk profile is improving, but it still faces external risks in Egypt (currency volatility, inflation). The bank increased provisions in prior years for its Egypt exposure and says it is now well-hedged. Domestically, ABK competes with larger players for corporate loans, so it focuses on niche areas and superior service to win business. With its turnaround well underway, ABK is poised for steady growth: management sees 2024’s results as “*affirming our ability for sustainable growth and added value to shareholders.*” They also point to readiness

to “*address economic challenges including interest rate changes and geopolitical tensions*” through careful planning. ABK’s digital and customer experience improvements should help it expand its retail franchise. Analysts expect ABK to target mid-teen profit growth in 2025, building on momentum. ABK’s successful AT1 issue and industry awards in 2024 have increased confidence in the bank’s trajectory.

Commercial Bank of Kuwait (Al-Tijari) – Surging Profits and Conservative Strength

Profile: Commercial Bank of Kuwait (CBK, known as “Al-Tijari”) is the fourth-largest conventional bank in Kuwait, focused on corporate and retail banking. It has a conservative lending approach and historically played a key role in syndications and trade finance.

Financial Performance: CBK was a **standout performer in 2024**, posting its *highest-ever profits*. **FY 2024 net profit:** KWD 157.2 million, a **41.4% surge** from KWD 111.15m in 2023. This was the fastest profit growth among Kuwaiti banks in 2024. CBK’s earnings jump is partly attributed to one-off gains

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(e.g. recoveries on previously written-off loans) and robust core income growth. The bank's strategy of focusing on low-risk lending and maintaining high provisions paid off – it could **write back** some provisions in 2024, boosting net profit.

With this result, **CBK's net profit (KD 157.2m)** surpassed most mid-tier peers and was third only to NBK and KFH. The bank's ROE improved significantly (into the mid-teens from single digits). CBK's **total assets** are around KWD 4.7 billion. It boasts a very strong capital ratio (CAR ~18–19%). Asset quality is excellent – CBK's NPL ratio is very low (well below 1.5%) and it has been cautious in new lending in recent years.

Strategic Notes: CBK's strategy has been one of stability and risk aversion. It stayed away from higher-risk segments and focused on top-tier corporates and government-related lending. This meant slower growth in prior years but positioned the bank to capitalize on rising rates with minimal credit issues. In 2023–24, CBK expanded its retail segment moderately (launching new card products and a refreshed mobile app), but remains primarily corporate-focused. It has not

pursued aggressive digital marketing like some peers, which suggests further upside if it modernizes its channels.

That said, CBK has invested in **digitizing internal processes** and strengthening cybersecurity, in line with CBK regulator guidelines. It upgraded its online banking security and introduced new cash management solutions for corporate clients in 2024.

Given its strong balance sheet, CBK has capacity to expand lending as projects pick up in Kuwait. The bank is also known for paying healthy dividends; with the 2024 profit spike, shareholders benefited from higher payouts (CBK's dividend policy typically aims for ~50% payout).

Outlook: CBK may not repeat the extraordinary 2024 profit growth (which had some one-time elements), but it is in an advantageous position for 2025. It has significant capital headroom to grow its loan book should it choose to be more aggressive. If infrastructure projects progress, CBK could win mandates as a financier or guarantor, boosting interest and fee income. The main risk for CBK would be if it loosened credit standards to chase growth – however, its track record

suggests it will maintain prudence. In summary, CBK provides a case study of a **conservatively run bank that saw profits leap once external conditions turned favorable** (rate hikes, recoveries). It underscores how Kuwait's sector in general experienced strong profitability even with a “stalling economy” in 2023–24 – higher interest rates and low impairments allowed banks like CBK to thrive.

Kuwait International Bank (KIB) and Warba Bank – Smaller Islamic Banks Growing Steadily

Apart from KFH and Boubyan, Kuwait has two other local Islamic banks: **Kuwait International Bank (KIB)** and **Warba Bank**, which are smaller in size but showing solid growth.

KIB: KIB has been refocusing its business and recorded a **net profit of KD 19.1 million in 2023**, which increased to **KD 23.1 million in 2024** (up 21% YoY). In 2024, KIB's total operating income surged 26%, reflecting improvements in financing income (+29%) and fees (+43%). This drove robust bottom-line growth. KIB grew its assets 9% to **KWD**

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3.92 bn in 2024, with the financing portfolio up ~14% (expanding in areas like real estate and consumer finance). Deposits jumped 30% to KWD 2.75 bn, indicating successful deposit-gathering campaigns. KIB has distinctive expertise in real estate finance and aims to leverage digital channels to compete with bigger banks. It enhanced its mobile banking and even launched digital real estate financing solutions in 2024. With improved asset quality and capital (~18.4% CAR), KIB is charting a growth path – its earnings growth has averaged ~46% annually over 2021–2024, outpacing industry averages.

Warba Bank: Warba, founded in 2010, is the newest Kuwaiti bank and aggressively pursuing expansion. It has made remarkable progress – **2024 net profit reached KWD 22.4 million, up 13.9%**. Warba’s revenue streams are expanding fast: net operating income jumped 25% in 2024, backed by financing income growth of 24%. Warba’s assets grew ~9.6% to **KWD 5.29 bn** in 2024, surpassing some older banks. It has embraced a youthful, tech-driven image, launching an upgraded

mobile app that was the first in Kuwait to integrate certain social payment features. Warba is also active in corporate syndications and investment banking, punching above its weight in some deals. The bank’s strategic plan “Let’s Own Tomorrow” emphasizes continuous innovation and anticipating future customer needs. With strong momentum (even H1 2025 profit was up 121% YoY), Warba is expected to continue double-digit growth. The main challenge is managing growth carefully to maintain asset quality (so far NPLs are low around ~1%). Warba’s success underscores how **new entrants leveraging technology** can rapidly carve out market share in Kuwait.

Overall, as of mid-2025 Kuwait’s banking sector is on a solid footing. All major banks are profitable, well-capitalized, and innovating. Sector-wide, **ROA improved to ~1.40% in 2024** and **ROE to ~11.5%**, with NPLs below 2%. Banks are balancing the tailwind of higher interest rates with potential headwinds of slower economic growth. Yet, the consensus is

that Kuwaiti banks are resilient – as *The Banker* magazine noted, a weaker economy did little to dent 2023 performance, as banks reaped higher rates to post strong profits. Next, we compare these trends to the banking sectors in neighboring GCC countries.

Comparative Analysis: Kuwait vs. GCC Top Banks

Kuwait’s banking sector, while robust, is smaller in scale than those of Saudi Arabia or the UAE. To contextualize Kuwait’s performance and strategic direction, we examine the three largest banks in each GCC country, comparing their financial metrics (assets, profits, growth), digital innovation, regulatory environment, and regional influence. The GCC’s banking landscape is dominated by a few heavyweights: for example, Saudi National Bank (SNB), Qatar National Bank (QNB), and First Abu Dhabi Bank (FAB) each have total assets around or above USD 250–300 billion – far larger than any Kuwaiti bank. However, when it comes to profitability ratios and innovation, Kuwait’s banks hold their

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own. Below is an overview of each country's top banks (by assets and market importance):

Saudi Arabia – Top 3 Banks

Saudi National Bank (SNB): Formed by the 2021 merger of NCB and Samba, SNB is Saudi's largest bank (assets around SAR 1.1 trillion, ~\$293 bn). It posted **2024** net profit of **SAR 21.2 billion** (USD ~5.65 bn), up 5.9% – marking another record high for a Saudi bank [reuters.com](https://www.reuters.com). SNB's strong results were driven by higher operating income (+4.2%) and sharply lower loan impairments (provisions fell ~45% in 2024). The bank's loan book grew around 10% in 2024 (following ~10% growth in 2023), and deposits about 8%. SNB's size and diversified business lines (retail, corporate, and capital markets via its investment banking arm) make it a bellwether for KSA's economy. It faced a one-off hit in early 2023 from its investment in Credit Suisse, but absorbed it without denting overall profitability. Notably, SNB is majority state-owned (via PIF) and aligns closely with Saudi Vision 2030 projects – for example, in

Oct 2024, SNB signed a \$15 bn financing framework with the Public Investment Fund. On the digital front, SNB is advanced: it integrated Samba's tech platforms, launched digital branches, and participates in the central bank's open banking program. It is likely to maintain mid-single-digit growth as Saudi's economy expands; asset quality remains strong (NPL ratio 1.5%). **Comparison to Kuwait:** SNB's profit (\$5.65b) is nearly 3× that of NBK or KFH (each ~\$1.9–2.0b), highlighting scale differences. However, SNB's ROE (~11%) and NIM (~3.1%) are in similar ranges to top Kuwaiti banks. Kuwait's banks also have higher capitalization on average, whereas SNB benefits from a huge domestic market and government project lending.

Al Rajhi Bank: The world's largest Islamic bank by assets, Al Rajhi is Saudi Arabia's most consistently profitable bank (and often the most valuable by market cap). It focuses on consumer and SME Islamic finance, with a massive retail franchise (over 10 million customers). **2024** net profit was **SAR 19.72 billion** (USD 5.25 bn), a surge around 19% year-on-year [reuters.com](https://www.reuters.com). This strong rebound

(after a slight decline in 2023) was due to robust financing growth and improved margins – Al Rajhi's low-cost funding base (a huge CASA deposit franchise) allowed it to benefit as lending expanded and funding cost pressures eased. Its assets grew to about SAR 974 billion (\$260 bn) in 2024, reflecting ~20% growth [arabnews.com](https://www.arabnews.com). The bank's cost-to-income ratio is one of the lowest globally (~27%), highlighting high efficiency. Al Rajhi has also been a digital trailblazer in Saudi, introducing digital account opening and even a fintech incubator. It expanded regionally by opening branches in Kuwait and Jordan. **Comparatively,** KFH (Kuwait Finance House) as an Islamic peer showed explosive profit growth in 2023 (+63% due to its acquisition of AUB), but Al Rajhi's 2024 performance (+18.7%) demonstrates its strong organic growth engine. Al Rajhi's ROE (~20%) is higher than Kuwaiti banks' (~12–15%), signifying its superior efficiency and high-margin retail focus. Kuwaiti Islamic banks (like KFH or Boubyan) admire Al Rajhi's model but operate in a smaller market.

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Riyad Bank: Riyadh Bank is Saudi’s third-largest by assets (now around SAR 450 bn, up from ~SAR 387 bn in 2023) and has emerged strongly in recent years. **2024** net profit was approximately **SAR 9.3 billion**, up 15–16% from 2023. This continued profit growth came on the back of rising net interest income and controlled costs. Riyadh Bank is known for its corporate banking strength and significant government-linked lending, and it also invests in fintech (an early adopter of digital wallets and blockchain experiments). Riyadh’s profit (\$2.5b) in 2024 is comparable to NBK’s ~\$1.95b, but achieved in a much larger economy. The bank’s strategy aligns with Saudi’s economic diversification – it finances many Vision 2030 projects (e.g. entertainment, tourism, infrastructure). Digitally, it launched an app-only proposition (“Riyad Digital”) and partnered with fintechs for SME lending.

Comparison: Riyadh Bank’s profit growth (+15%) in 2024 outpaced NBK’s (+7%), reflecting Saudi banks’ tailwind from a booming non-oil sector (private sector credit in KSA grew ~14% in 2023 and continued strong into 2024). However, Riyadh’s NIM (~3%) and efficiency are

similar to NBK’s. Kuwaiti banks operate in a saturated market, while Saudi banks benefit from a still under-leveraged economy (credit-to-GDP in KSA is rising). Thus, Saudi banks have larger growth runways.

Summary (Saudi vs Kuwait): The top 3 Saudi banks (SNB, Al Rajhi, Riyadh) had combined profits of roughly **\$13.4 bn in 2024** – about **3 times** that of Kuwait’s top 3 (NBK, KFH, and CBK combined around ~\$4.5–5.0 bn). Saudi banks’ scale is immense; for perspective, Saudi Arabia’s top 10 banks collectively earned \$21.2 bn in 2024 arabnews.com. Yet Kuwait’s banks keep pace in innovation and performance relative to their size. Saudi banks are heavily influenced by government mega-projects and a large population (~35m vs Kuwait’s 4.5m). One notable trend is the rise of **digital banks in KSA:** the central bank (SAMA) licensed new digital-only banks (STC Bank and D360 launched in 2022). Kuwaiti regulators have not yet licensed independent digital banks, but Kuwaiti incumbents have launched digital offshoots (e.g. NBK’s **Weyay** youth digital bank), somewhat bridging that gap.

United Arab Emirates (UAE) – Top 3 Banks

First Abu Dhabi Bank (FAB): FAB is the UAE’s largest bank by assets (~AED 1.2 trillion, USD ~\$326 bn) and was formed by merging NBAD and FGB in 2017. It has a significant international presence. **2024** net profit was **AED 17.1 billion** (USD \$4.7 bn), a 4% year-on-year increase, achieving a new record high. (By comparison, 2023 net profit was AED 16.4b, which had been boosted by one-off gains from a payments subsidiary sale.) FAB’s Q4 2024 profit rose 4% YoY to AED 4.18b, slightly beating estimates, indicating continued momentum. The bank’s strength lies in its large capital base and government relationships – it is a key financier of Abu Dhabi government projects and ADNOC’s ventures. FAB experienced some market volatility in 2022 that hit its investment income, but 2023 saw recovery and 2024 delivered growth driven by core banking operations (operating income was up 15% in 2024 on higher net interest and fee income). It remains very well-capitalized (CET1 >13%). On the digital side, FAB has been somewhat less retail-focused than peers,

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but it's investing in AI for internal processes and has a dedicated digital research lab. It hasn't launched a separate digital-only bank, but its mobile app and online capabilities for customers are among the most advanced in the region. **By comparison**, NBK or KFH's profits (\$1.9–2.0b) are less than half of FAB's ~\$4.7b, but FAB operates across a federation of ~10 million people with huge sovereign wealth backing. FAB's ROE (~12–13%) is on par with Kuwaiti peers' (NBK's ~15%, KFH's ~11%), reflecting a lower return on assets given its massive balance sheet.

Emirates NBD (ENBD): ENBD is Dubai's largest bank and the second-largest in the UAE. It had an excellent **2024**: profit after tax reached **AED 23.0 billion** (USD ~\$6.26 bn), up 7% YoY. Profit before tax was AED 27.1b (+15%), a record high for ENBD. This performance was driven by strong total income of AED 44.1b (which grew 12%), thanks to solid loan growth (+10%), a big influx of CASA deposits (+AED 48b increase), and robust non-interest income. ENBD's results were buoyed by Dubai's economic boom in 2023–24

(especially in real estate and tourism) and by the bank's strategic expansion in Saudi Arabia and Egypt. Notably, the bank's loans in Saudi Arabia grew by an astonishing 57% in 2024 as ENBD expanded its branch network there. ENBD is at the forefront of digital banking in the region: its **Liv.** mobile-only bank (launched 2017) was among the first GCC digital banks targeting millennials. By end-2024, ENBD reported that 98% of new customers were onboarded digitally, reflecting its success in digital adoption. ENBD has digitized most services and uses advanced analytics to personalize offerings. **Comparison:** ENBD's profit (\$6.3b) is over 3× that of NBK or KFH (\$2b each), and its asset base (~AED 997b, \$271b) dwarfs Kuwaiti banks'. ENBD's success highlights how a dynamic, diversified economy can propel banking growth – Dubai's open, service-oriented economy and rapid population influx (expatriates) provided huge opportunities. Kuwaiti banks operate in a slower-growing, more oil-dependent environment. However, ENBD and NBK share common strengths: both are diversified (ENBD has significant operations in KSA, Egypt,

etc.; NBK in GCC, Egypt, and internationally) and both invest heavily in fintech and digital innovation.

Abu Dhabi Commercial Bank

(ADCB): ADCB is the UAE's third-largest bank. It reported **2024** net profit of **AED 9.42 billion** (USD ~\$2.57 bn), up 15% from 2023. This continues a strong growth trajectory following ADCB's merger with Union National Bank and Al Hilal Bank in 2019. ADCB's 2024 performance was supported by rising interest income and successful integration synergies; in fact, it achieved over AED 10b in pre-tax profit for the first time in 2024. ADCB is particularly active in retail and SME lending, and through its subsidiary Al Hilal, it launched a digital Islamic bank ("Al Hilal Digital") aimed at younger customers in 2021. ADCB is considered a digital leader – it uses AI in credit scoring and has a highly rated mobile app. In 1H 2025, ADCB's net profit continued to rise (+12% YoY), indicating sustained momentum. **Comparison:** ADCB's size (assets \$177b) and profit (\$2.6b) put it in the same league as NBK/KFH in terms of earnings, though larger in assets. All three

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UAE giants (FAB, ENBD, ADCB) have benefited from a rapid post-Covid economic upswing in the Emirates and higher interest rates boosting margins. They also face competition in a crowded UAE market but have the advantage of large expat populations and the UAE's status as a regional financial hub. Kuwaiti banks, by contrast, serve a smaller, more homogeneous market. This means UAE banks can scale up fintech innovations across more customers quickly (e.g., ENBD's Liv. acquired hundreds of thousands of users across the GCC). Kuwaiti banks often pilot innovations on a smaller scale before expanding regionally.

Key Takeaways (UAE vs Kuwait):

UAE banks overall had higher absolute profits and growth in 2024, but Kuwait's banks match or exceed them in certain stability metrics like asset quality. For instance, Kuwait's top banks have very low non-performing loan ratios (~1–2%), whereas some UAE banks have had NPL ratios of 3–5% in the recent past (e.g., Emirates NBD's NPL ratio spiked to ~5% in 2022 after acquiring Turkey's DenizBank). However, UAE banks

maintain strong provision coverage, and by 2024 many had improved asset quality. This underscores that Kuwaiti banks' asset quality is among the best in the GCC. In terms of digital trends, UAE banks might be a step ahead in implementing **open banking** and launching standalone digital bank brands. Kuwait is catching up via the Central Bank of Kuwait (CBK)'s initiatives – for example, CBK issued an open banking draft framework in 2025. So, while UAE banks often lead in new tech adoption, Kuwaiti banks are not far behind and have launched digital offshoots and advanced mobile services in anticipation of regulatory changes.

Qatar – Top 3 Banks

Qatar National Bank (QNB): QNB is the largest bank in the Middle East by assets (~QAR 1.3 trillion, USD ~\$357 bn), with operations in more than 30 countries. **2024** net profit was **QAR 16.7 billion** (USD ~\$4.6 bn), up around 8% – a record high, slightly above analysts' expectations. QNB's sheer scale (it

accounts for over 45% of Qatar's banking assets) gives it a dominant position in its home market. In 2024 it saw ~7% loan growth (to QAR 911b) and ~3% deposit growth. QNB's diversification – including a significant business in Turkey (QNB Finansbank) as well as subsidiaries in Southeast Asia and Egypt – helped sustain growth even after Qatar's World Cup-related surge in 2022. The bank's asset quality is solid (NPL ~2.9%) and capital adequacy strong (19% CAR). QNB has also been innovating digitally: it launched a new mobile app and digital wallet, and it experiments with blockchain for trade finance. **Compared to Kuwaiti banks**, QNB's profit (\$4.6b) is more than double NBK's, and its assets are nearly 10× Kuwait's largest. But QNB's international exposure (e.g. Turkey's volatile lira) adds risks that Kuwaiti banks generally avoid. QNB's ROE (~18%) is higher than NBK/KFH's, showing efficient use of capital. One differentiator is QNB's aggressive international strategy, which made it a truly global Gulf bank – something Kuwaiti banks are just beginning to attempt (e.g. KFH's acquisition of AUB, NBK's regional expansion).

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Qatar Islamic Bank (QIB): QIB is Qatar's second-largest bank and the leading Islamic bank in the country. It has grown rapidly over the past decade. **2024** net profit was **QAR 4.605 billion** (USD \$1.26 bn), up 7% from 2023. This growth was driven by steady expansion in retail and corporate financing (financing assets grew 2.4% in 2024) and excellent cost control – QIB consistently boasts one of the best efficiency ratios among Islamic banks (2024 cost-to-income around 17.0%, the lowest in Qatar). QIB has embraced digital transformation; its mobile app has won awards, and it introduced an AI-powered virtual assistant. Qatar's regulator (QCB) rolled out **open banking** in 2023, and QIB has been among the first to implement open APIs for fintech integration. **Comparison:** KFH is analogous to QIB in many ways – both are major Islamic incumbents in their markets. KFH's profit (\$1.96b in 2024) is larger than QIB's (\$1.26b) partly due to KFH's merger with AUB which boosted its earnings base. QIB operates in a market with higher GDP per capita and has strong state support (Qatar's sovereign fund is a key shareholder). Both banks

focus on digital innovation; for instance, QIB's digital onboarding and personal finance management tools mirror some offerings by Boubyan Bank in Kuwait. Each is a leader in Islamic finance in their country, with QIB often looking to regional models (like Al Rajhi or KFH) for growth strategies.

Commercial Bank of Qatar (CBQ): CBQ is Qatar's largest private-sector conventional bank (since QNB and QIB have significant government ownership). **2024** net profit was **QAR 3.03 billion** (USD \$833m), up a modest 0.7% from 2023 [cbq.qa](#). This essentially flat performance came after a very strong 2022; CBQ faced margin pressures in 2024, as funding costs rose and competition in corporate lending intensified post-World Cup. The bank's core business remains solid: it has been modernizing with a new core banking system and pushing digital services. CBQ also owns strategic stakes in banks abroad (e.g., 34% of National Bank of Oman and 100% of Alternatif Bank in Turkey). The flat profit growth in 2024 reflects a normalization after earlier gains – higher interest income was largely offset by

increased provisioning and operating costs. However, CBQ has a strong innovation record – it was first in Qatar with contactless cards and has a robust mobile banking suite. **Comparison:** CBQ's profit (\$0.83b) is about half of NBK's ~\$1.95b, despite Qatar's economy being similar in size to Kuwait's. This reflects how **QNB and QIB dominate** the Qatari market, whereas Kuwait's banking market share is more evenly distributed between NBK, KFH, and others. Also, NBK's international business and diversification (e.g., NBK has significant operations in foreign markets) give it an edge in profit generation, whereas CBQ is more domestically focused (with minority investments abroad contributing less to income).

Overall (Qatar vs Kuwait): Qatar's banks – especially QNB – have regional heft and outsize scale. In 2024, QNB and QIB together earned about ~\$5.7b in profit, exceeding the entire Kuwaiti banking sector's profits. However, on a per-capita basis, Kuwait's banks are highly penetrated and profitable as well. Qatar experienced a unique boom around

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the 2022 FIFA World Cup, after which banking growth moderated. Both countries' banks are heavily influenced by public-sector dynamics (natural gas revenues for Qatar, oil for Kuwait), which affect liquidity and credit demand. In terms of digital innovation, Qatar's regulators have been proactive – QCB introduced open banking and instant payments ahead of Kuwait. This means Qatari banks like QIB are already integrating into fintech ecosystems and offering open-data services, while Kuwaiti banks are preparing to do so in 2025 as CBK finalizes its framework. Nonetheless, Kuwaiti banks have not been standing still; they have modernized their digital offerings in anticipation, ensuring that once regulations permit, they can quickly adopt open banking services.

Bahrain – Top Banks

Bahrain's banking sector is smaller and includes both domestic retail banks and numerous offshore wholesale banks. The top local retail banks by assets and profit

are: National Bank of Bahrain (NBB), Bank of Bahrain & Kuwait (BBK), and (after recent consolidation) Al Salam Bank (which has grown via mergers).

National Bank of Bahrain (NBB): NBB is part government-owned and is the largest conventional bank in Bahrain. **2024** net profit was **BHD 81.5 million** (USD ~\$217m), up 4% from 2023. NBB has been expanding regionally (it acquired a controlling stake in Bahrain Islamic Bank and has ventures in Saudi Arabia). It is known for stability and strong capital buffers. NBB has embarked on digital upgrades and was an early adopter of open banking services (Bahrain's Central Bank mandated open banking in 2018, making Bahrain a regional testbed). NBB's efficiency and ROE (~11%) are comparable to Kuwaiti mid-tier banks like Al Ahli Bank of Kuwait (ABK).

BBK (Bank of Bahrain & Kuwait): BBK is another leading bank in Bahrain, more privately held (with some institutional shareholders). **2024** net profit was **BHD 72 million** (~USD \$190m), roughly flat compared to 2023. BBK's profit was stable – higher interest

income was offset by some increased provisions and expenses. BBK has a joint-venture presence in Kuwait (it historically had ties to AUB Kuwait, now part of KFH Group). It invests in fintech partnerships and introduced digital customer onboarding early on. BBK's ROE (~10-11%) is modest, reflecting a focus on prudent growth.

Al Salam Bank: Al Salam has risen to be a top-3 player after acquiring the retail operations of Ithmaar Bank in 2022 and completing the acquisition of KFH Bahrain in 2024. It is an Islamic bank. **2024** net profit was **BHD 59 million** (USD ~\$156m), a 40% YoY jump, driven by these acquisitions and strong organic growth. Al Salam's assets grew sharply and its financing portfolio rose ~37% in 2024 due to the integration of acquired businesses. It now holds significant market share in Bahraini retail banking. Al Salam has been very innovative, leveraging Bahrain's fintech-friendly environment: it launched a digital-only offshoot (“ila Bank”) targeting young customers, and was the first in Bahrain to offer Apple Pay, among other digital wallet services. The integration of KFH

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Bahrain's operations is expected to further boost Al Salam's Islamic banking franchise in 2025.

Comparison (Bahrain vs Kuwait):

Bahrain's top banks are modest in size – for instance, NBB's total assets are around \$11 bn, BBK ~\$10 bn, and Al Salam ~\$9 bn post-merger – whereas Kuwait's top banks are an order of magnitude larger (NBK's assets \$132 bn, KFH \$120 bn). Likewise, their profits (in the \$150–220m range for 2024) are much smaller than those of Kuwaiti leaders (nearly \$2b each). However, Bahrain serves as a **fintech incubator** for the GCC. With live open banking since 2019, crypto-asset regulations in place, and a regulatory sandbox welcoming new tech, Bahraini banks often **punch above their weight in innovation**. They have implemented digital initiatives (like open-API banking, digital onboarding, and even crypto services) that larger banks in other GCC countries are now adopting. Kuwaiti banks can observe Bahrain's experience with open banking – where Bahraini banks launched successful account aggregation apps and partnered with fintechs – to implement best

practices when Kuwait launches similar rules in 2025. Economically, Bahrain's environment is more strained (high public debt and lower oil revenues), so banks like NBB and BBK focus on prudent lending and cost control. It's notable that they still achieved moderate profit growth in 2024 despite rising global interest rates that increased their funding costs. Kuwaiti banks, benefiting from a wealthier government and abundant local liquidity, saw relatively stronger results in 2023–24. Thus, while Bahrain's banking sector is smaller, it offers a glimpse into the future of banking innovation that Kuwait is keen to follow, albeit with the advantage of larger balance sheets.

Oman – Top Banks

Oman's banking sector is the smallest in the GCC, with Bank Muscat dominating the landscape. The next largest are National Bank of Oman (NBO) and Bank Dhofar (a merger between Bank Dhofar and Ahli Bank Oman has been under discussion, which could reshape the rankings).

Bank Muscat: The giant in Oman, holding about 40% market share. **2024** net profit was **OMR 225.6 million** (USD ~\$586m), up 6.2% [agbi.com](https://www.agbi.com). Bank Muscat's growth in 2024 was steady, supported by higher net interest income and some provision releases. It remains well-capitalized and has manageable NPLs (3% of loans). The bank has been modernizing its services – it launched a refreshed mobile app (“BM Mobile”) with advanced features, and even a digital-only sub-brand for youth. It also partners with fintechs for payments and financial services innovation. Compared to Kuwait, Bank Muscat's profit (\$586m) is about one-third of NBK's, reflecting Oman's smaller economy. However, Bank Muscat's net interest margin (~4%) is relatively high, as lending rates in Oman are higher to compensate for risk and market size. In 2024, Oman's banking sector profits grew ~15% from a low base [agbi.com](https://www.agbi.com), and Bank Muscat, being the largest, was a major contributor to this stability and growth.

National Bank of Oman (NBO): NBO (part-owned by Qatar's CBQ) is the second-largest bank in Oman. **2024** net

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profit is estimated around **OMR 63 million** (USD ~\$164m), which represents very strong growth (likely >20% YoY). NBO has been active in retail banking and has cross-border operations in the UAE. It's pushing digital offerings aggressively; for example, NBO recently introduced an AI-powered chatbot and digital account opening for new customers. The bank's improved profitability in 2024 can be attributed to widening margins and lower impairment charges, as Oman's economy saw a recovery with higher oil prices. NBO's expansion into neighboring markets and its focus on tech are helping it punch above its weight regionally.

Bank Dhofar: Dhofar is the third-largest Omani bank. **2024** net profit was **OMR 43.6 million** (USD ~\$113m), up 12.5%. It has been improving efficiency and expanding its Islamic window operations (Maisarah Islamic Banking). There have been talks of Bank Dhofar merging with Ahli Bank Oman (the latter is part-owned by Bahrain's Ahli United Bank, now part of KFH group); if that merger proceeds, it could create a stronger #2 bank in Oman, rivaling NBO in size. Bank

Dhofar's 2024 growth was driven by higher operating income and a moderate decline in loan loss provisions, reflecting better asset quality trends in Oman. The bank is also investing in digital channels and recently revamped its mobile app to attract younger customers.

Comparison (Oman vs Kuwait): Oman's banks are challenged by a smaller, slower-growing economy and until recently had higher relative NPLs (due to some large corporate defaults a few years back). However, asset quality has improved, and overall sector profits in Oman rose about **15.2% in 2024 to OMR 522.6 million (\$1.36b)**[agbi.com](https://www.agbi.com). For perspective, this **combined profit of all Omani banks (\$1.36b)** in 2024 is roughly the same as (or even a bit less than) a single large Kuwaiti bank's profit (NBK earned ~\$1.95b in 2024). Kuwaiti banks collectively made around ~\$5.4b in 2024, significantly more in absolute terms, underscoring Kuwait's more robust banking sector relative to GDP. Omani banks, however, often enjoy higher net interest margins due to limited competition and the higher yields demanded in that market. They are now

catching up digitally – Oman's central bank in 2022–2023 set out an open banking roadmap and introduced a fintech sandbox. In this, Oman is a bit behind Bahrain and the UAE but is trying to leapfrog by learning from others. For example, Bank Muscat and NBO are preparing open banking services for 2025, taking cues from Bahrain's early implementation. Kuwaiti banks likely have more resources than Omani banks to invest in cutting-edge tech, but Omani banks might benefit from a late-mover advantage by adopting proven technologies at lower cost. Overall, Kuwait's banks are in a much stronger position size-wise, but Oman's banks are making strides to modernize and consolidate for stability.

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Cross-Cutting Regional Themes

Financial Performance: Across the GCC, banks enjoyed a profit boom in 2022–2023 thanks to rising interest rates and post-pandemic economic recovery. By 2024, profit growth began to diverge by country: Saudi and UAE banks still saw solid increases (helped by non-oil sector momentum and population growth), Qatari banks had moderate growth (after the one-off World Cup surge in 2022), Kuwaiti banks grew around 7–8%, Bahraini banks saw slight growth, and Omani banks saw ~15% growth (coming off a lower base). In general, GCC banks remain very profitable, with Return on Equity (ROE) roughly in the 12–16% range in 2024 across most major institutions, and low NPL ratios (usually <3%, well below 5% in most cases). Kuwaiti banks' average ROE (~12% in 2024) is a bit lower than Saudi (~15%) or Qatar (~14%), reflecting perhaps higher capitalization or a less leveraged economy, but Kuwait's asset quality (NPL ~1.5%) is among the best in the GCC. All GCC banks built significant provision buffers during COVID-19, and those conservative measures have paid

off – banks have been able to release some provisions as economies improved, boosting net profits.

Innovation & Digital Transformation: All GCC banking sectors are investing in digital innovation, but the pace and approach vary. The **UAE and Bahrain are frontrunners** – UAE's big banks have launched separate digital banks (e.g., Emirates NBD's Liv., Mashreq's Neo, and a consortium-backed digital bank Wio in Abu Dhabi), and Bahrain mandated open banking early (2018), fostering close collaboration between banks and fintech startups. Saudi Arabia is quickly following – SAMA rolled out an Open Banking framework in 2022–2023 and authorized new digital banks (e.g., **STC Bank** and **D360**, which went live in 2022). **Kuwait and Qatar** have been a bit more cautious: Qatar issued open banking regulations in 2023, and Kuwait issued a draft framework in 2025 (expected to go live soon). Nonetheless, banks in Kuwait did not wait for regulations to innovate – they launched very advanced mobile apps, online lending platforms, and even digital-only subsidiaries (NBK's **Weyay** and Boubyan's UK-based **Nomo** digital

bank). Oman is just starting its digital push; its central bank announced open banking plans and a fintech sandbox, but these are only beginning to bear fruit in 2024–2025. Notably, **mobile banking usage** has surged everywhere in the Gulf. For instance, Emirates NBD reported that by 2024, 98% of new customers were onboarded digitally, and a majority of transactions occur via digital channels. In Kuwait, NBK similarly noted that the **majority of transactions** are now executed through digital channels (e.g., NBK's online and mobile transactions number in the millions per quarter). Across the GCC, banks are adopting AI, cloud computing, and data analytics for risk management and personalized services. **Cybersecurity** remains a top focus region-wide given rising cyber threats; regulators are issuing cyber guidelines and banks are beefing up defenses (for example, both the CBK and the UAE Central Bank have introduced specific cybersecurity frameworks that banks must follow).

Regulatory Responses: Regulators in each GCC country are balancing

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innovation with stability, and we see several common themes:

Open Banking: Bahrain (live since 2019) and Saudi (framework launched in 2022, services rolling out in 2023) led the way; the UAE and Qatar followed with frameworks in 2022–23; Kuwait and Oman are now in the process of finalizing their regulations. Open banking allows licensed fintechs and third-parties to securely access banking data (with customer consent) via APIs – this is expected to accelerate product innovation and competition. Kuwaiti banks are preparing – for example, Boubyan Bank and KFH are looking to Bahrain’s experience, where banks launched successful aggregator apps and new services through open APIs, to guide their own open banking strategies once the CBK’s rules go live.

Capital and Prudential Rules: GCC regulators universally maintain stringent capital rules (aligned with Basel III) and encourage conservative loan loss provisioning. For instance, Kuwait’s CBK historically required general provisions of 1% on performing loans, which has led

Kuwaiti banks to carry extra reserves. This conservatism paid off – banks across the GCC were very resilient during the pandemic downturn and are well-capitalized now, giving them capacity to expand lending and pay dividends. Kuwait’s banks, in particular, boast some of the highest provision coverage ratios (often 200–300% coverage of NPLs), serving as a hefty buffer. Other regulators are now also ensuring high coverage; Saudi banks, for example, increased provisions preemptively in 2020 and ended 2024 with strong coverage and capital ratios. The high capitalization in Kuwait means slightly lower ROEs, but provides stability that peers are trying to emulate.

Consolidation: Mergers and acquisitions have been a notable trend over the last decade to increase efficiency and scale. Saudi Arabia saw NCB merge with Samba in 2021 to form SNB (creating a national champion). In the UAE, several combinations occurred (FAB from NBAD+FGB, Dubai Islamic Bank acquiring Noor Bank, ADCB merging with UNB and Al Hilal). Qatar merged Islamic banks Masraf Al Rayan and Al

Khaliji in 2021. Bahrain encouraged consolidation: Ithmaar Bank’s retail assets were absorbed by Al Salam Bank, and Bahrain’s Ahli United Bank was acquired by KFH (a cross-border deal between Kuwait and Bahrain) in 2022. Oman has long talked about bank mergers (e.g., a potential Dhofar-Ahli Oman merger could happen). In Kuwait, the major merger was KFH’s acquisition of AUB (Bahrain) in 2022, which significantly boosted KFH’s size. Consolidation is creating stronger banks that can invest more in technology and compete regionally. After mergers, those banks often jump in regional rankings (for example, KFH’s acquisition propelled it to near-equal footing with NBK in Kuwait). We may see further consolidation among mid-sized banks going forward, as smaller players feel pressure to scale up.

Regional Influence: Some GCC banks are increasingly becoming pan-Gulf (and even global) players. QNB and FAB, for instance, have multi-country networks spanning the Middle East, Africa, and Asia. Emirates NBD operates in multiple countries (notably Egypt, Turkey, Saudi,

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India, etc.). Saudi banks historically stayed mostly domestic, but that is changing: Al Rajhi has opened abroad (in Kuwait and Jordan) and SNB has signaled interest in international investments (it took a stake in Credit Suisse in 2022, and while that proved problematic, it shows an international ambition). Kuwaiti banks historically had a limited regional footprint beyond their home (NBK is the exception, with a presence across the GCC, Egypt, and even Europe/US; and now KFH via AUB's network). That too is changing: NBK opened a branch in Saudi Arabia in 2022, Boubyan and Gulf Bank have explored expansion or partnerships abroad, and KFH's merger extended its reach into Bahrain, Iraq, and other markets via AUB. There is also significant **cross-border ownership** within the GCC: for example, Qatar's QNB owns stakes in Commercial Bank of Iraq; the UAE's ADCB had a subsidiary in Egypt (sold in 2023); Bahrain's NBB owns part of BisB (Bahrain Islamic Bank); Kuwaiti banks like KFH now indirectly own assets in Bahrain, London, etc. The Gulf's banking sectors are interconnected through syndicated loans (often large projects are co-financed by a consortium

of GCC banks) and through shared large shareholders (sovereign wealth funds often own stakes across various GCC banks). This interconnectedness means that best practices and trends tend to spread quickly in the region – if one market innovates (like Bahrain with open banking or the UAE with digital banks), others watch closely and often follow.

Market Share and Competition: In each GCC country, the top 2–3 banks hold a significant market share: roughly 60–70% of assets. For example, in Saudi Arabia the top 3 banks (SNB, Al Rajhi, Riyadh) account for around 65% of the sector assets; in the UAE, the top 3 (FAB, ENBD, ADCB) about 60+%; in Qatar, the top 3 (QNB, QIB, CBQ) around 60%; in Bahrain, similarly ~60%; in Oman, perhaps 50–55%. In Kuwait, the top 3 (NBK, KFH, and now maybe Gulf Bank or Commercial Bank of Kuwait, depending on metric) hold around 65% of domestic assets. While this concentration is high, **competition is intensifying** with new entrants such as digital banks, foreign banks seeking niches, and fintech companies. For instance, Saudi Arabia has licensed

dozens of fintechs in payments, insurance tech, and open banking aggregators; the UAE has numerous foreign banks and neo-banks operating (like Liv., and digital platforms by foreign institutions); Bahrain and Oman actively encourage fintech startups through sandboxes. Kuwait has fewer foreign retail banks (local banks dominate retail), but fintechs – especially in payments and lending (e.g., BNPL providers, payment gateways) – are starting to nibble at certain segments. This competitive pressure is pushing all banks to **innovate, cut costs, and improve customer experience**. We see region-wide trends like zero-fee digital accounts, instant loan approvals via apps, and personalization through analytics as responses to this competitive environment. In summary, while the banking sector in each GCC state is still relatively consolidated, the margin for complacency is shrinking; even the largest banks are investing heavily in new technology and customer-centric services to defend their market share against agile newcomers.

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Comparative Snapshot: The table below illustrates how Kuwait’s top banks stack up against some leading GCC peers in 2024:

Bank (Country)	Total Assets	Net Profit 2024	YoY Profit Growth	ROE (2024)
NBK (Kuwait)	\$131.6 bn (KD 40.3 bn)	\$1.95 bn (KD 600.1m)	+7.0%	~15%
KFH (Kuwait)	\$119.7 bn (KD 36.7 bn)	\$1.96 bn (KD 601.8m)	+3.0%	~11% (CAR 19.9%)
SNB (Saudi)	~\$293 bn (SAR 1.1 tn)	\$5.65 bn (SAR 21.2 bn)	+5.9%	~11%
Al Rajhi (Saudi)	~\$260 bn (SAR 974.4 bn)	\$5.25 bn (SAR 19.7 bn)	~19%	~20%
FAB (UAE)	~\$326 bn (AED 1.2 tn)	~\$4.6 bn (AED ~17.1 bn)	+4% (approx.)	~13%
Emirates NBD (UAE)	~\$271 bn (AED 997 bn)	\$6.26 bn (AED 23.0 bn)	+7%	~18% (post-tax)
QNB (Qatar)	~\$357 bn (QAR 1.3 tn)	\$4.6 bn (QAR 16.7 bn)	+7.8%	~18%
NBB (Bahrain)	~\$11 bn	\$217 m (BHD 81.5m)	+4%	~11%
Bank Muscat (Oman)	~\$36.1 bn (OMR 13.9 bn)	\$586 m (OMR 225.6m)	+6.2%	~12%

Sources: Bank financial reports and press releases for 2024 results. USD conversions are approximate.

From the table, one can see that Kuwait’s NBK and KFH are **mid-tier in the GCC rankings by profit** – larger than any bank in Bahrain or Oman, roughly on par with some second-tier UAE banks (like ADCB), but smaller than the giants of Saudi and the UAE (or QNB in Qatar). Notably, NBK/KFH’s ROEs (circa 12–15%) are competitive, indicating efficient operations and strong returns on capital,

especially given their conservative balance sheets. The Gulf’s largest banks (ENBD, SNB, QNB) leverage their scale to produce multi-billion dollar profits, but they also operate in more populous and diverse markets. In terms of assets, Kuwaiti banks are smaller largely because Kuwait’s population and economy are smaller; however, they often have excess liquidity (a high loans-to-deposits gap)

which means capacity for growth if opportunities arise.

Regional Outlook: Looking ahead to late 2025 and beyond, GCC banks (including Kuwait’s) face a mix of opportunities and risks. On the **opportunity** side, government spending on infrastructure and development projects remains a major driver – e.g.,

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Saudi Arabia's Vision 2030 projects, Qatar's ongoing infrastructure and LNG expansion, UAE's real estate and Expo legacy projects – all of which will generate credit demand and fee income for banks. Fintech collaboration and digital banking expansion offer new revenue streams and cost efficiencies, as banks that successfully digitize can scale without commensurate branch expansion. A potential easing of interest rates in 2025–2026 (if global rates decline from their 2023–2024 peaks) could **stimulate loan growth** (making borrowing more affordable), though it may compress margins somewhat. On the **risk** side, global economic slowdowns or oil price volatility could affect regional liquidity and government fiscal space, which in turn could dampen credit growth or lead to higher NPLs if corporates struggle. Higher funding costs (if competition for deposits intensifies) and new entrants could pressure banks' net interest margins and fee income. Regulatory changes – such as the implementation of IFRS 9 expected credit loss models or future Basel capital rules – might require banks to adjust their capital and provisioning levels further. Geopolitical tensions are

also a perennial risk in the region. However, the GCC banking sector enters this next phase from a **position of strength**: capitalization is high, provisioning is robust, profitability is healthy, and most banks have improved their operational efficiency since the mid-2010s.

Kuwait vs Peers: In this context, Kuwait's banks are very well-positioned domestically but will need to ensure they do not lag behind in regional trends like open banking and fintech integration. Kuwait's banking sector sits between the mega-markets of Saudi/UAE and the niche markets of Bahrain/Oman. This gives Kuwaiti banks both an **advantage of focus** (deep local knowledge, strong customer relationships in a concentrated market) and a **need for differentiation** (since growth at home is moderate, innovation and external expansion are key to accelerating performance). We are already seeing Kuwaiti banks carefully expand regionally or into new segments – for example, NBK and KFH entering Saudi Arabia and other markets, and other banks considering fintech investments. One area of difference is

liquidity: Kuwaiti banks have extremely high liquidity and capital buffers, partly because local credit growth was subdued in past years due to political gridlock on big projects. If Kuwait's government unlocks major development projects (in housing, infrastructure, etc.) as part of the New Kuwait 2035 vision, Kuwaiti banks could deploy that liquidity more profitably at home, potentially boosting loan growth and earnings to match the trajectory of peers. In the meantime, they are likely to intensify regional expansion to diversify income – a path already taken by peers in the GCC. The experiences of GCC neighbors provide roadmaps in various domains: whether it's **open banking** (Bahrain and Saudi experiences), large-scale **mergers** (Saudi, UAE, Qatar cases), or **digital banking models** (UAE's digital-only banks), Kuwaiti banks are learning from these and tailoring strategies to Kuwait's context.

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Conclusion

In summary, through 2024 and into the first half of 2025, Kuwaiti banks have proven resilient and dynamic, achieving solid financial results and embarking on transformative initiatives. Despite operating in a smaller market, they keep pace with regional banking leaders in many aspects – from profitability metrics to digital innovation. All major Kuwaiti banks strengthened their balance sheets and capital positions, pursued strategic digital projects (such as NBK’s fintech partnerships and Boubyan’s international digital bank launch), and navigated new regulations adeptly. The sector is benefiting from a “strong and stable foundation,” as evidenced by rising profits and high capitalization levels, which provide a cushion against shocks.

Looking ahead, Kuwait’s banking outlook is positive yet not without challenges. The interplay of macroeconomic factors (oil revenues, interest rate trends, and government spending) and regulatory advancements (such as the new mortgage law and fintech regulations) will shape growth. Kuwaiti banks are **poised to support national development goals** (like the Kuwait 2035 vision) by financing infrastructure and SMEs, leveraging their strong liquidity and capital. They will also likely continue looking outward for growth – regional expansion and cross-border acquisitions/partnerships could diversify revenue streams and mitigate the limitations of a small domestic market. At the same time, competition at home is set to increase as fintechs and potentially foreign players (once open banking and other liberalizations kick in) enter segments of the market. To maintain their edge, Kuwaiti banks will need to continue innovating, improving customer experience, and optimizing efficiency.

Comparatively, Kuwait’s banking sector is in an enviable middle ground in the GCC – not as large as Saudi’s or the UAE’s, but also more solid and profitable than the smallest markets. This means Kuwaiti banks can be agile and focused, while also being influential in regional consortia and initiatives. The **collaborative nature** of GCC banking (syndicated loans, shared tech investments like GCC-wide payment systems, etc.) means Kuwait’s banks, despite their size, are key contributors and often punch above their weight in regional deals and forums. They remain influential players in the broader GCC banking arena – collaborating and competing with the region’s largest banks, and together driving the Gulf’s banking industry into a new era of digital, inclusive, and sustainable finance.

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Sources:

- KPMG – *Kuwait Banking Perspectives 2025* (analysis of 2024 results)
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- KFH 2024 results (Arab Times report; KFH 2023 investor webcast)
- Gulf Bank 2024 Annual Report
- Burgan Bank 2024 performance summary (Kamco Invest research)
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- ABK 2024 results (MarketScreener summary)
- Commercial Bank of Kuwait (Al-Tijari) 2024 results (press release and Kamco Invest analysis)
- KIB 2024 earnings call highlights
- Warba Bank 2024 results (Kamco Invest report)
- Reuters, Zawya, and local media reports on GCC banks (e.g., SNB, Al Rajhi, Riyad, FAB, ENBD, QNB, etc. for 2024)
- IMF/World Bank and S&P reports on GCC macroeconomic and banking sector outlooks.

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