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Global & Kuwait Banking Trends

2024/2025

GLOBAL COMPARISON | KEY METRICS

Building a cashless future; Digital Banking adoption on the rise in Kuwait

#	Parameter (2024)	Kuwait	USA	India	UK	Singapore	UAE
1	GDP (USD Tn)	0.2	29.2	3.9	3.6	0.5	0.6
2	Banking Assets (USD Tn)	0.4	24.1	3.1	9.1	1.8	1.2
3	Banking assets to GDP ratio	2.50	0.83	0.80	2.51	3.40	2.18
4	# of Banks *	~20	~680	~150	~280	~30	~30
5	SME to GDP Contribution %	22	44	38	52	48	43
6	Digital Banking Adoption %	37	66	32	86	35	34
7	Mobile Penetration %	182	116	78	131	162	219
8	# of FinTech Players	90+	10,000+	3,000+	1,500+	1,400+	650+
9	# of Neobanks & Digital Banks	2	90+	25+	22+	13+	8+
10	Digital Payments Growth YoY %	16	15	42	9	8	26

Kuwait Key Insights

~3 Mn internet banking users by 2029

FinTech industry | USD ~15 Bn by 2025

*Banks include Credit Unions, Cooperative & Foreign banks
Source: World Bank, MOEC, Central Bank of Kuwait, S&P

GLOBAL BANKS | FINANCIAL METRICS

Leading banks average 18% Capital Adequacy with 5.2% asset growth in 2024

	#	Parameter (As of Dec 2024)	JPMorgan Chase & Co.	Bank of America	ICBC *	Wells Fargo	Agricultural Bank of China *	HSBC	NBK	Avg.
Balance Sheet	1	Market Cap (USD Bn)	671	335	280	231	226	177	141	-
	2	Total Assets (USD Bn)	4,003	3,262	6,770	1,917	6,097	3,017	131	-
	3	Asset Growth % (Y-o-Y)	3.3	2.6	8.7	1.7	12.6	-0.7	7.0	**5.0**
	4	Loans & Advances Growth % (Y-o-Y)	1.8	4.0	8.9	-3.0	10.7	-1.8	6.0	**3.8**
	5	Net Non-Performing Loans (%)	0.4	0.4	1.4	0.9	1.3	0.8	1.3	**0.9**
	6	Customer Deposits Growth % (Y-o-Y)	0.2	2.2	1.8	0.0	7.7	2.6	4.0	**2.6**
	7	Loans to Deposits Ratio (%)	56	56	79	68	78	60	104	**72**
	8	Capital Adequacy Ratio (%)	18	15	19	15	18	21	17	**18**
P/L	9	Net Profit (USD Bn)	58	27	38	20	30	25	2	-
	10	Fee Income as a % of Total Income	24	36	17	31	13	25	27	**25**

Asset book growing at 5.0% for leading banks

Net NPL is <1% for leading banks

Source: S&P CapIQ, Consolidated Financial Reports

* As of Sep 2024

GLOBAL BANKS | OPERATING METRICS

Profitability of leading Global Banks operates at ROE 12% and ROA 1.0%

	#	Parameter (As of Dec 2024)	JPMorgan Chase & Co.	Bank of America	ICBC *	Wells Fargo	Agricultural Bank of China *	HSBC	NBK	Average
Return	11	ROA %	1.4	0.8	0.8	1.0	0.7	0.8	1.6	**1.0**
	12	ROE %	17	9	10	11	10	13	15	**12**
	13	Earnings Per Share (USD)	19.8	3.3	0.01	5.4	0.01	1.3	0.2	**4.3**
Cost	14	Cost to Income Ratio (%)	52	66	27	66	31	50	37	**47**
	15	Staff as a % of OPEX	56	60	-	65	-	56	54	**58**
Employee	16	Number of Employees (in 000s)	317	213	419	238	451	225	8	**-**
	17	Assets per employee (USD Mn)	12.6	15.3	16.1	8.1	13.5	13.4	16.2	**13.6**
	18	Loans per employee (USD Mn)	4.2	5.1	9.1	3.8	7.4	4.6	9.4	**6.2**
	19	Deposits per employee (USD Mn)	7.6	9.2	11.6	5.7	1.8	7.7	9.1	**7.5**
	20	Net Profit per employee (USD Mn)	0.18	0.13	0.10	0.08	0.74	0.11	0.26	**0.23**

Source: S&P CapIQ, Consolidated Financial Reports

* As of Sep 2024

GLOBAL BANKING | TECH TRENDS

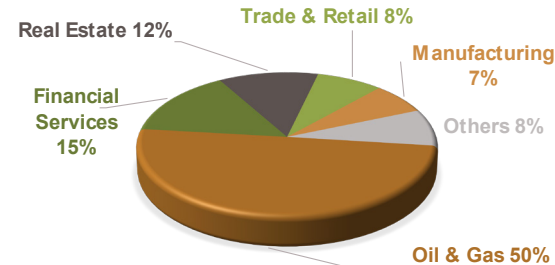## 6 significant trends shaping the Global Banking landscape

AI & MACHINE LEARNING
Use Case | Fraud detection, risk assessment, customer segmentation

DIGITIZATION & AUTOMATION
Costs Savings | KYC/AML checks, loan processing automation

OPEN BANKING
Operational Efficiency | Seamless digital experience; marketplace partnerships

GLOBAL BANKING

EMBEDDED FINANCE
New Customer Reach | Access through non-financial platforms

ECOSYSTEM BANKING
FinTech Ecosystem | Broader range of products & services

RISE OF NEO BANKS
Market Growth | Rapid increase in number of active users; CAGR rate of ~47%

Source: Cedar Research

KUWAIT | MACROECONOMIC OVERVIEW

Kuwait's GDP USD 162 Bn in 2024 | CAGR % -0.05

GDP SHARE BY SECTOR | 2024

Real Estate 12%
Trade & Retail 8%
Manufacturing 7%
Financial Services 15%
Others 8%
Oil & Gas 50%

N = USD 162 Bn

#	Country	FY14	FY24	CAGR %
	2014 – 2024 % change			
1	**GDP (USD Bn)**	163	162	-0.05
2	**GDP Per Capita (USD '000)**	44.1	32.4	-3.0
3	**Population (Mn)**	3.7	5.0	3.1
4	**Unemployment Rate (%)**	2.9	2.2	-2.7

GDP Benchmark (USD Tn) | CAGR (2014-24)

**Kuwait: 0.2	-0.05%**
**USA: 29.2	5.7%**
**India: 3.9	6.7%**
**UK: 3.6	1.8%**

Source: Cedar Research, IMF

Key Takeaways

Real GDP Decline | -2.7% Y-o-Y, due to oil production cuts and economic shifts

Population | Growing expatriate workforce causing shift towards multi-currency digital banking options

Non-Oil Economic Activity | Real estate, financial services, & trade has a steady growth rate of 3.1-4.4% CAGR

KUWAIT | BANKING OVERVIEW

Banking assets surged to 383 USD Bn | Driven by strong Islamic finance growth.

Total Assets
383 USD Bn

Conventional Banking Assets
188 USD Bn

Islamic Banking Assets
195 USD Bn

FY14 – FY24 (% change)							
#	Parameters	FY14	FY24	CAGR %	USA CAGR %	IND CAGR %	UK CAGR %
1	Banking Assets (USD Bn)	219	383	5.75	4.7	7.3	3.2
2	Deposits (USD Bn)	125	212	5.42	5.6	7.3	2.9
3	Op. Income (USD Bn)	8.3	12.5	4.18	6.8	5.9	4.6
4	Op. Expenditure (USD Bn)	3.7	4.3	1.51	4.5	6.8	3.3
5	Profit (USD Bn)	2.3	5.0	8.07	10.9	10.4	6.2

Source: Cedar Research, Central Bank of Kuwait

KEY BANKS | FINANCIAL METRICS

Top Kuwait Banks average 7% Asset Growth; leading Global Banks at 5%

Global		#	Parameter (FY2024)	NBK الوطني	KFH بت التمويل الكويتي	BURGAN BANK	بنك الخليج GULF BANK	ABK الأهلي	Average
CAR | 15% – 20%	Balance Sheet	1	Total Assets (KD Mn)	40,338	36,703	8,158	7,480	7,374	-
		2	Asset Growth %(Y-o-Y)	7	-3	10	4	17	**7**
NPL | 0.5% – 2.0%		3	Loans & Advances Growth % (Y-o-Y)	6	-2	6	5	13	**6**
		4	Non-Performing Loans (%)	1.3	1.7	1.8	1.3	1.2	**1.5**
		5	Customer Deposits Growth % (Y-o-Y)	4	-12	10	10	16	**6**
		6	Loans to Deposits Ratio (%)	104	99	91	117	109	**104**
		7	Capital Adequacy Ratio (CAR) (%)	17	20	19	17	17	**18**
	P/L	8	Operating Income (KD Mn)	1,240	1,747	288	249	195	-
		9	Net Profit (KD Mn)	639	642	51	60	53	-
		10	Fee Income as a % of Op. Income	27	21	18	20	26	**22**

Source: Financial Reports

KEY BANKS | OPERATING METRICS

Cost-to-Income Ratio averages 45%; ROE averages 9%

Global		#	Parameter (FY2024)	NBK الوطني	KFH بيت التمويل الكويتي	BURGAN BANK	GULF BANK بنك الخليج	ABK الأهلي	Average
ROA | 0.5% - 2.0%	Return	11	ROA %	1.6	1.7	0.7	0.8	0.8	1.1
ROE | 10% - 15%	Return	12	ROE %	15	11	5	7	8	9
Cost Income Ratio | ~50%	Return	13	Earnings Per Share (KD)	0.07	0.04	0.01	0.02	0.02	0.03
	Cost	14	Cost to Income Ratio (%)	37	37	57	46	46	45
	Cost	15	Staff Costs as a % of OPEX	54	58	56	58	54	56
	Employee	16	Number of Employees (in 000's)	8	18	3	2	3	-
	Employee	17	Assets / employee (KD Mn)	5.0	2.1	2.5	4.4	2.7	3.3
	Employee	18	Loans / employee (KD Mn)	2.9	1.1	1.4	3.2	1.8	2.1
	Employee	19	Deposits / employee (KD Mn)	2.8	1.1	1.5	2.7	1.6	1.9
	Employee	20	Net Profit / employee (KD '000)	79.3	35.9	15.3	35.4	19.5	37.1

Source: Financial Reports

DIGITAL BANKING | KUWAIT

Expansion of digital payments and online banking is reshaping Kuwait's financial ecosystem

Online Banking Penetration (%)

Year	Value
2019	20
2020	25
2021	28
2022	32
2023	35
2024	37
2025E	38

45% Adoption rate for Mobile Banking

~1.64 Mn Online banking users | 2024
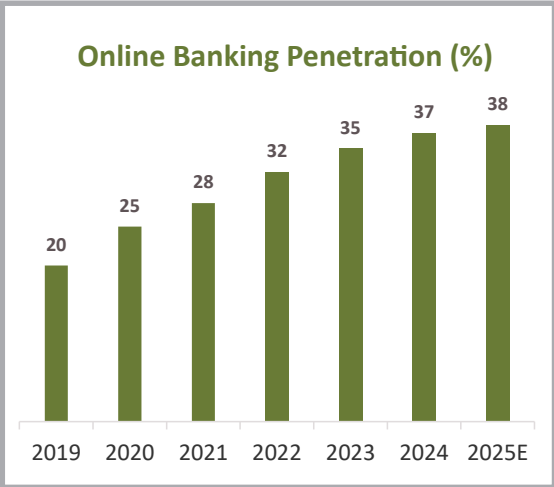
Key Trends in Digital Landscape 2022-2028F				
#	Particulars	2022	2028F	CAGR%
1	RTP* Value (USD Bn)	3.5	5.2	6.8
2	RTP* Volume (Mn)	150	220	6.5
3	Digital Cards Value (USD Bn)	12.6	18.5	6.5
4	Digital Cards Volume (Mn)	300	450	7.0

Key Takeaways

Online Banking | Adoption expected to grow from 37% in FY24 to projected 55% in FY29

Real-Time Payments | Transaction volume grew 26.5% in 2023, projected to reach 5.2 Bn by 2028

Digital Infrastructure | Investments accelerate digital transformation, estimated spending USD 15 Bn by 2028

Source: Cedar Research

* RTP | Real-Time Payment

KUWAIT BANKING | TECH OVERVIEW

Expansion of digital payments and online banking is reshaping Kuwait's financial ecosystem

$ 60.8 Bn
Global Digital Payments Value Share Kuwait

55%
Online banking adoption by 2029

$ 5.2 Bn+
Transaction value of Real-Time Payment by 2028

40%
Transactions via digital channels

Source: Cedar Research

Key Developments

Digital Payments | 15.3% CAGR from 2021-28F, expected to double in value

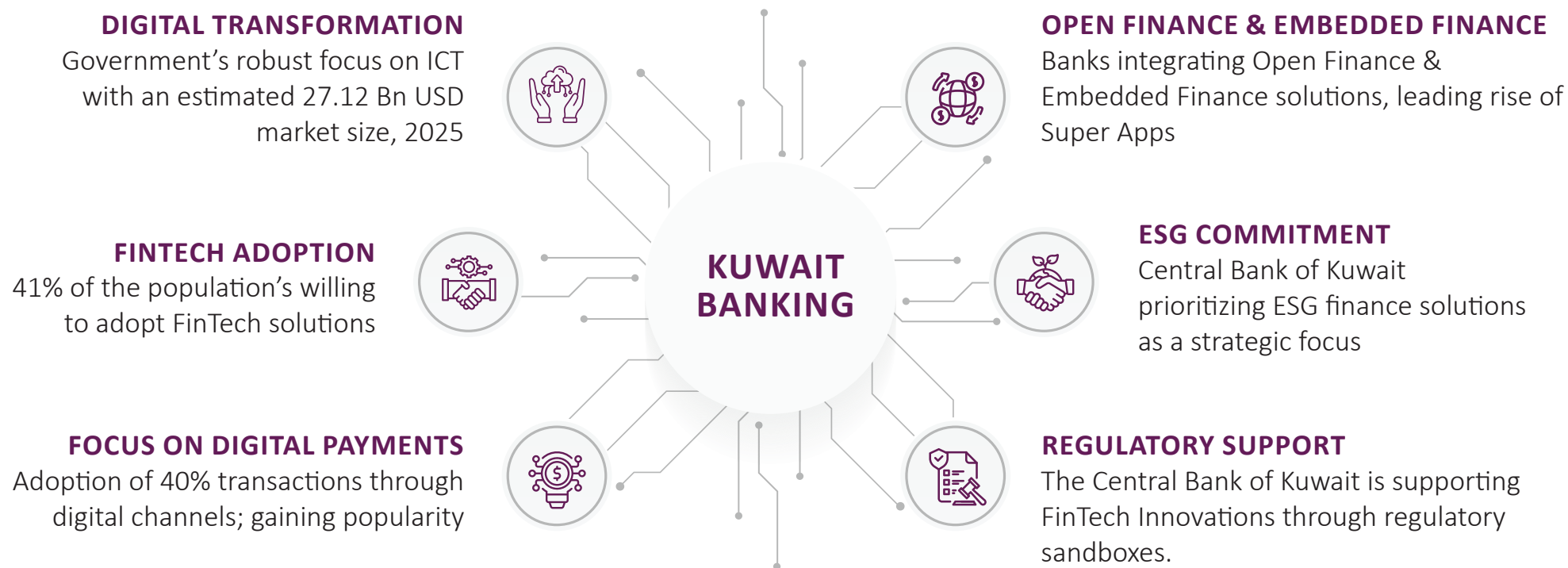**Digital Infrastructure |** 99% Internet Penetration in the region

Ease of Transactions | Knet, Apple Pay, & Google Pay—have grown 9 times faster than traditional POS transactions

Digital Banking | Country Readiness Index 0.64

Online Banking | 44% preference towards mobile banking; Redundancy of branches

KUWAIT BANKING | TECH TRENDS

Key trends shaping Kuwait's banking landscape span across Digitization, Inclusion & Security

DIGITAL TRANSFORMATION
Government's robust focus on ICT with an estimated 27.12 Bn USD market size, 2025

FINTECH ADOPTION
41% of the population's willing to adopt FinTech solutions

FOCUS ON DIGITAL PAYMENTS
Adoption of 40% transactions through digital channels; gaining popularity

KUWAIT BANKING

OPEN FINANCE & EMBEDDED FINANCE
Banks integrating Open Finance & Embedded Finance solutions, leading rise of Super Apps

ESG COMMITMENT
Central Bank of Kuwait prioritizing ESG finance solutions as a strategic focus

REGULATORY SUPPORT
The Central Bank of Kuwait is supporting FinTech Innovations through regulatory sandboxes.

Source: Cedar Research

DIGITAL BANKING | KEY TRENDS

Digital trends are operated by banks are primarily across 5 key trends
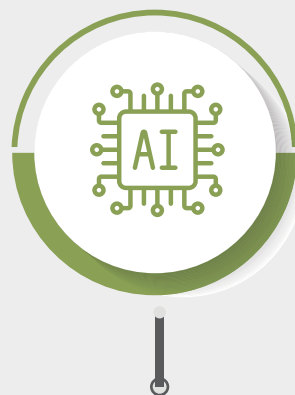
Self Onboarding & Underwriting

Eliminate friction in acquiring customers & streamline underwriting for faster approvals

Straight-through Processing

Eliminate manual work and enable real-time update where possible

Gen AI

Enable quick & efficient customer service; assist with banking needs

Hyper Personalization

Provide uniquely tailored experiences based on individual preferences

Customer Experience & Differentiation

Experience is key for banks backed by robust product programs and innovative pricing strategies

Source: Cedar Research

FUTURE-READY BANK | TECH IMPERATIVES

Bank of the future will be shaped by emerging tech, evolving business models, and changing customer expectations

AI-POWERED FINANCIAL SOLUTIONS
Use AI to personalize financial advice, anticipate needs, and automate tasks for efficiency

ENHANCE DIGITAL CUSTOMER EXPERIENCE
AI Integration, gamification, and personalized service delivery (e.g. chatbots & virtual assistants)

DIGITAL-FIRST APPROACH
Embrace E2E digital transformation, and mobile & online banking innovations

OPEN BANKING ECO-SYSTEM
Open banking to enhance the reach of financial services. Focus on scalability and monitoring

ROBUST CYBERSECURITY MEASURES
AI-driven systems, and real-time fraud detection & prevention

AGILITY & INNOVATION CULTURE
Foster agility, innovation, new technologies, and business models

Source: Cedar Research

ABOUT CEDAR

With a 35-year track record, Cedar is a Forbes-ranked global consulting firm with deep expertise in strategy & driving performance powered by the Balanced Scorecard. Its Financial Services & Financial Technology Practice is a Centre-of-Excellence transforming leading financial services institutions & technology companies as the digital and AI revolution accelerates.

ABOUT IBS INTELLIGENCE

Founded in 1991 and headquartered in the UK, Cedar's group firm, IBS Intelligence (IBSi) is the world's only pure-play Financial Technology focused research, advisory, and news analysis firm, with a 30-year track record and clients globally. We take pride in covering 4,000+ technology vendors globally – the largest by any analyst firm in this space. IBSi's Sales League Table is the industry barometer ranking banking technology suppliers globally for 20+ years.

ABOUT CEDAR-IBSI CAPITAL

Cedar-IBSi Capital is India's only early-stage FinTech venture capital fund, primarily focused on B2B FinTech/BankTech and founders building infrastructure technology for the global BFSI industry. The $30mn fund has achieved a First Close and has completed initial investments in Cogniquest and Wonderlend Hubs, both disruptive, AI-based advanced solutions that address large market opportunities in BFSI and beyond.

ABOUT CEDAR-IBSI FINTECH LAB

Founded in 2018, the Cedar-IBSi FinTech lab has been home to 50+ global financial technology companies seeking "soft-landing" and POC opportunities with banks across the region, making it one of the only such FinTech ecosystems in Asia.

We make Strategy, Technology & Capital Work.

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