

Shaping the Next Era of GCC Banking

Strategic Initiatives Defining the Future of Finance | Q3 2025

2025

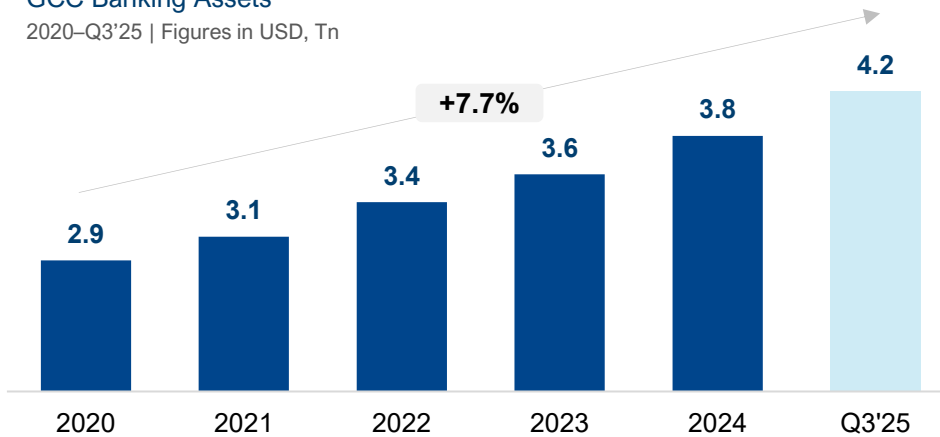


GCC banks are among the world's most profitable and efficient banks, driving strong demand for fintech, AI, payments, and embedded-finance partnerships

Current State of GCC Banking: Foundations for the Next Phase

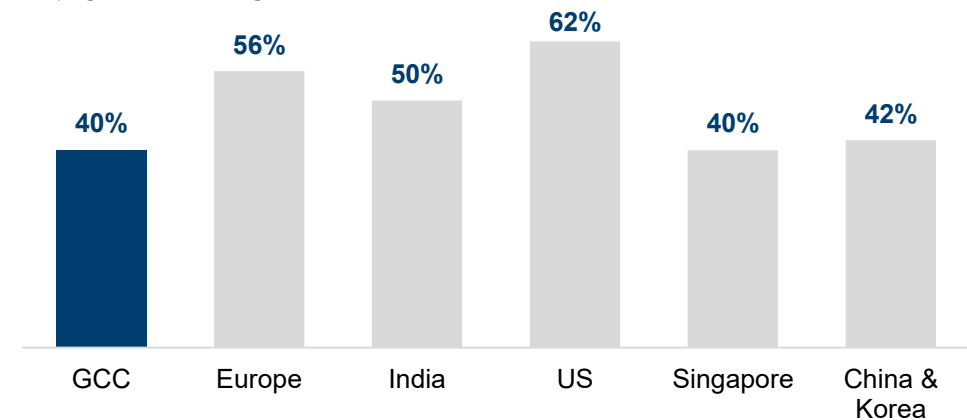
GCC Banking Assets

2020–Q3'25 | Figures in USD, Tn



Cost-to-Income Ratio | Global Benchmarking

2024 | Figures in Percentages



- **Banks in the GCC rank among the most profitable and efficient**, outperforming US and European peers on RoA, RoE, and cost-to-income ratios.
- This strength makes the region a high-potential market for FinTechs, with **banks actively seeking digital, data, and embedded-finance partnerships** to accelerate transformation.
- GCC banks are strengthening their **cross-border ambitions**, creating demand for advanced payments, API, AI, and embedded finance solutions.
- **Large profitability pools mean banks have the budgets to invest in AI, cloud, and real-time data platforms**; key catalysts for fintech collaboration and strategic initiatives

Source: Desk Research, Commercial Databases, Aranca Analysis

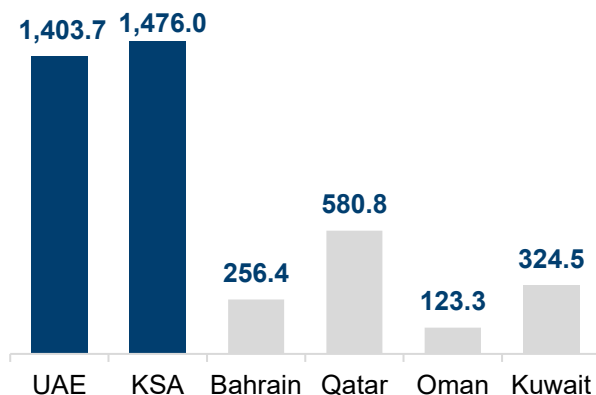


UAE is the fastest-growing market but has the highest-default rates; KSA is the largest banking market and has lowest defaults; other GCC markets are smaller with moderate growth

Benchmarking GCC Banking Performance (1/3)

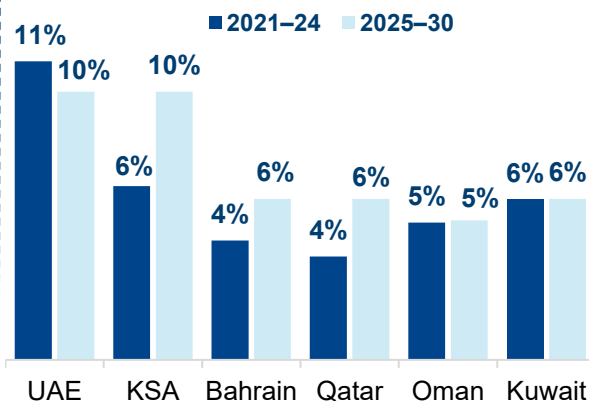
Banking Assets

2024 | Figures in USD, Bn



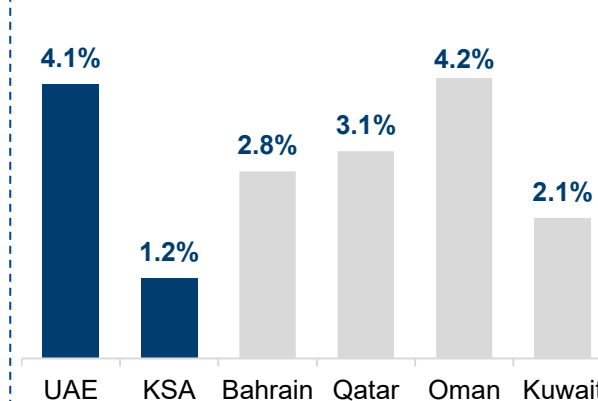
Banking Assets Growth Rate

2021–30 | Figures in Percentages



Non-performing Assets

2024 | Figures in Percentages



- Saudi Arabia maintains a **low NPA** ratio because its banking system is **anchored by stable, salaried Saudi nationals and large government-linked corporates**, leading to structurally lower default risk and stronger repayment discipline.
- The **UAE's NPA ratio is comparatively higher**, largely because its credit portfolio is **concentrated in SMEs**, a segment that typically carries higher default risk than the large corporate-heavy lending portfolios seen in other GCC markets.
- Oman's NPA ratio is elevated mainly because of prolonged economic slowdown and stress in sectors like construction and SMEs

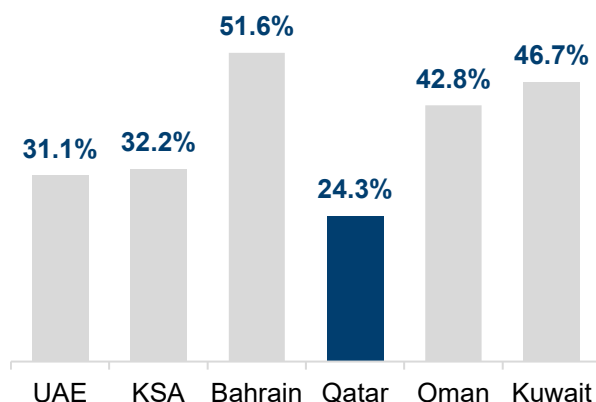
Source: Desk Research, Commercial Databases, Aranca Analysis

Qatari banks demonstrate world-class efficiency, Oman, KSA, and Kuwait sustain the strongest net interest margins, and the UAE and KSA emerge as the region's most profitable banking markets

Benchmarking GCC Banking Performance (2/3)

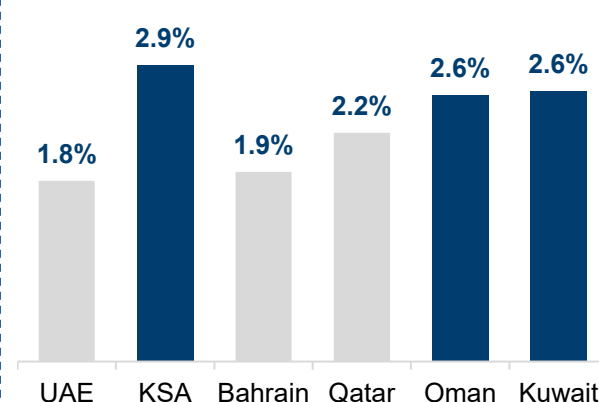
Cost to Income

2024 | Figures in Percentages



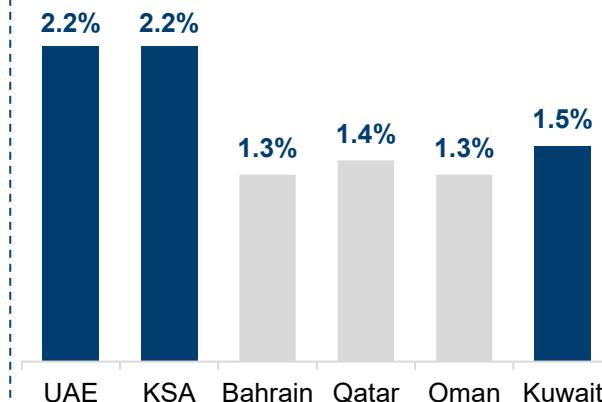
Net Interest Margin

2024 | Figures in Percentages



Return on Assets

2024 | Figures in Percentages



- **UAE's higher operating costs are offset by its large scale and diversified income**, enabling it to deliver one of the strongest ROA levels in the GCC.
- Qatar stands out as the **region's most efficient market**, with the lowest cost-to-income ratio, giving it a structural profitability advantage.
- KSA benefits from the **strongest lending margins in the region**, reflected in the highest NIM, **driven by a deep retail market** and sustained mortgage growth.
- **Bahrain's profitability remains under pressure as banks face both high operating costs and the lowest NIM**, limiting their ability to generate returns.

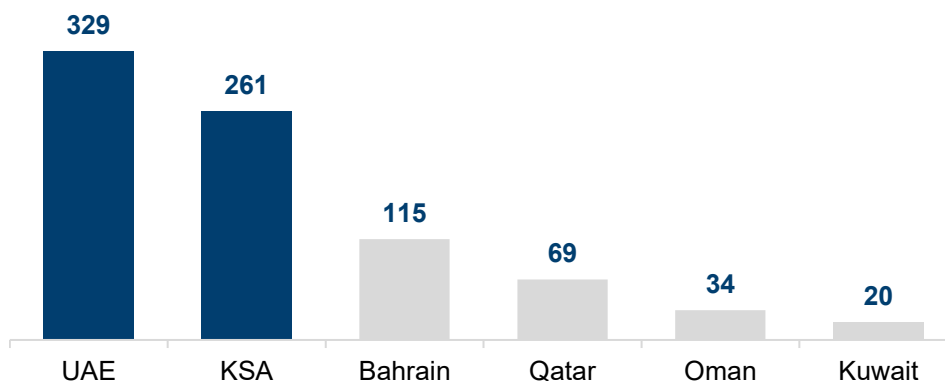
Source: Desk Research, Commercial Databases, Aranca Analysis

The UAE leads GCC fintech activity, with KSA close behind, while Bahrain is rapidly scaling its ecosystem. Across the region, digital banking penetration remains among the highest globally

Benchmarking GCC Banking Performance (3/3)

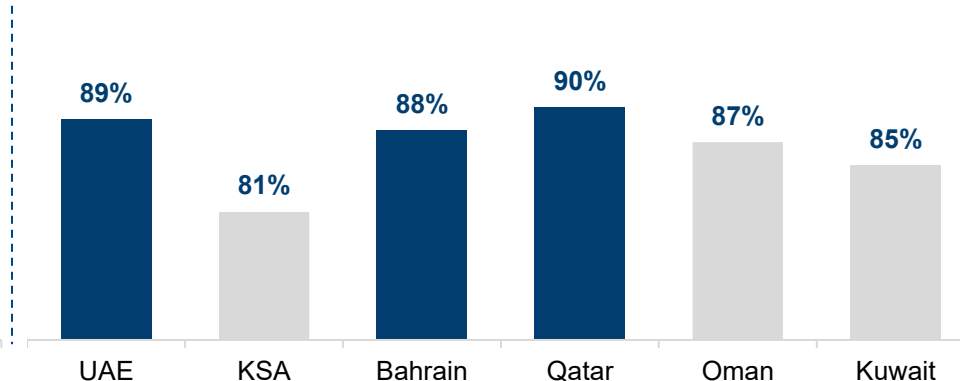
Number of Fintechs

2024 | Figures in Units



Indicative Digital Banking Penetration

2024 | Figures in Percentages



- **UAE** is the GCC's most mature FinTech hub, hosting regional HQs for global players and leading on open banking and open finance—drawing disproportionate talent, capital, and innovation.
- **Saudi Arabia** is the fastest-scaling FinTech market, where a large population and rapid shift to cashless payments create one of the region's biggest addressable opportunities.
- **Bahrain** punches above its weight, leveraging early regulatory leadership and a strong sandbox; high bank cost-to-income ratios are accelerating FinTech partnerships.
- **Qatar** is a steady-growth FinTech market, backed by high digital adoption, strong state support, and a small but affluent customer base that enables attractive unit economics.
- **Oman and Kuwait** remain nascent, with gradual regulatory progress and limited startup depth, but rising digital adoption is laying the groundwork for future expansion.

Source: Desk Research, Commercial Databases, Aranca Analysis

Profitability, digital penetration, and fintech expansion fuel GCC banking growth, led by UAE's innovation, KSA's scale, and Bahrain's regulatory-driven ecosystem advancement

Country-Level Strategic Positioning (1/2)

UAE	Saudi Arabia	Bahrain
<ul style="list-style-type: none"> High NIM and strong efficiency give banks the financial capacity to invest heavily in digital transformation, AI, cloud modernization, and new business models The UAE has the highest number of fintechs and the highest digital banking penetration in the GCC This makes the UAE: <ul style="list-style-type: none"> a hub for API-driven banking, embedded finance, and BaaS a leading market for AI, regtech, cybersecurity, and data platforms Scope for UAE to capitalize: <ul style="list-style-type: none"> cross-border digital payments and regional expansion personalization through AI and analytics 	<ul style="list-style-type: none"> KSA has the second-highest number of fintechs in the GCC, supported by an active regulatory agenda (SAMA + CMA sandboxes, Open Banking rollout) Large banks and an expanding market under Vision 2030 create high demand for enterprise-grade digital infrastructure and data-driven decisions. This positions KSA as: <ul style="list-style-type: none"> a major growth market for SME fintech, digital lending, payments a leader in nationwide Open Banking services and instant payments Scope for KSA to differentiate: <ul style="list-style-type: none"> SME digital ecosystems aligned with Vision 2030 consumer-first digital journeys (credit, onboarding, wallets) 	<ul style="list-style-type: none"> High Cost-Income ratio and low Net Interest Margin imply lending yields are low and operations costs are high Increased reliance on FinTech's to cut costs and build non-lending revenue streams High CIR means banks have limited capacity to fund large internal tech builds This makes Bahrain: <ul style="list-style-type: none"> a high-partnership market for fintechs a BaaS/Open Banking-heavy ecosystem Scope for Bahrain to differentiate: <ul style="list-style-type: none"> regulatory friendliness (Sandbox, Open Banking 2.0) niche fintech verticals (payments, crypto, digital identity)

Source: Desk Research, Commercial Databases, Aranca Analysis

Qatar adopts fintech cautiously, Oman faces limited scale and slow digital progress, while Kuwait modernizes gradually with emerging fintech focused on payments and SME needs

Country-Level Strategic Positioning (2/2)

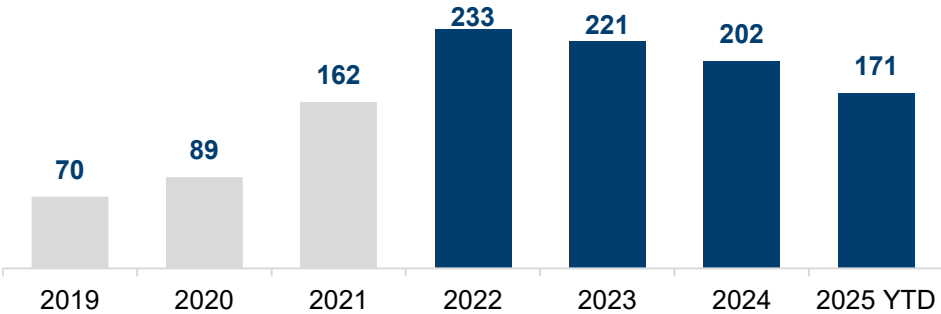
Qatar	Oman	Kuwait
<ul style="list-style-type: none"> • No full Open Banking/Open Finance framework, limiting ecosystem growth and slowing fintech–bank collaboration • Strong balance sheets push banks to prioritize stability and corporate relationships over rapid digital product expansion • This positions Qatar as: <ul style="list-style-type: none"> ◦ a cautious adopter of advanced fintech, prioritizing compliance, security, and operational reliability ◦ a market where digital adoption is growing but still concentrated in traditional channels • Scope for Qatar to capitalize: <ul style="list-style-type: none"> ◦ expanding WealthTech and investment apps for high-income retail customers 	<ul style="list-style-type: none"> • Moderate NIMs and a small banking market limit large-scale digital investment, pushing banks toward practical, cost-efficient upgrades • Fintech activity is one of the smallest in the GCC, concentrated mainly in payments and basic digital services • Digital adoption is rising, but cash use and branch dependence remain relatively high compared to UAE/KSA • Open Banking progress is early-stage, and slow implementation limits ecosystem growth and fintech collaboration • Scope for Oman to capitalize: <ul style="list-style-type: none"> ◦ targeted fintech partnerships for core gaps like credit scoring, RegTech, and automation ◦ SME-focused digital platforms 	<ul style="list-style-type: none"> • Healthy NIMs and strong liquidity give banks room to modernize, but regional leaders lag behind digital adoption due to slow regulatory momentum • The fintech ecosystem is still emerging, concentrated in payments and wallets, leaving gaps in SME finance, wealth tech, and embedded banking • Banks rely heavily on traditional revenue streams, making the shift to API-enabled or data-driven models slower than in UAE or KSA • Scope for Kuwait to capitalize: <ul style="list-style-type: none"> ◦ modernizing core systems to enable Open Finance readiness ◦ expanding digital retail lending and BNPL alternatives ◦ targeting SME digital financial services and automated onboarding

Source: Desk Research, Commercial Databases, Aranca Analysis

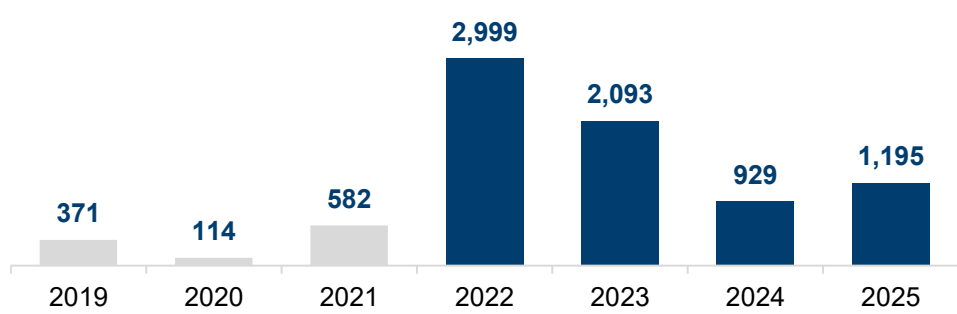
Fintech investment in the GCC has surged post-pandemic, dominated by the UAE and KSA, with capital flowing mainly into payments, WealthTech, Blockchain, and InsurTech

Fintech Investment Activity in the GCC: Volume, Value, and Focus Areas

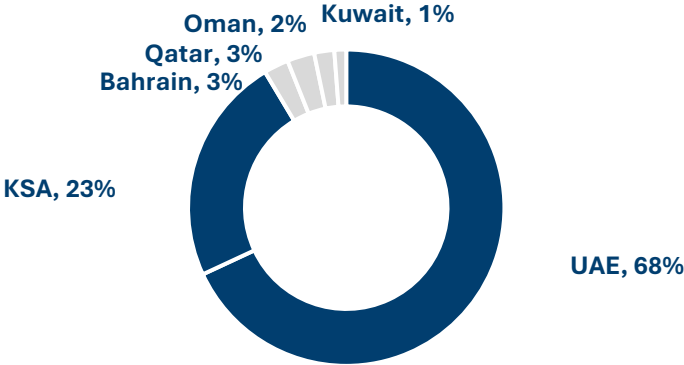
Number of Fintech Investments
2019–25 YTD | Figures in Units



Fintech Investment Value
2019–25 YTD | Figures in USD, Mn



Split of Fintech Investments by Region
2022–25 | Figures in Percentages



Key Observations

- Post-pandemic, fintech investments have sharply risen in both deal value and volume
- UAE is the hub of GCC fintech funding; UAE + KSA make up ~91% of all investments
- Payments, WealthTech, Blockchain, and InsureTech attract the majority of capital
- Regulatory sandboxes and innovation hubs are boosting early-stage activity

Source: Desk Research, Commercial Databases, Aranca Analysis

Top 15 Deals Completed in Q3 2025

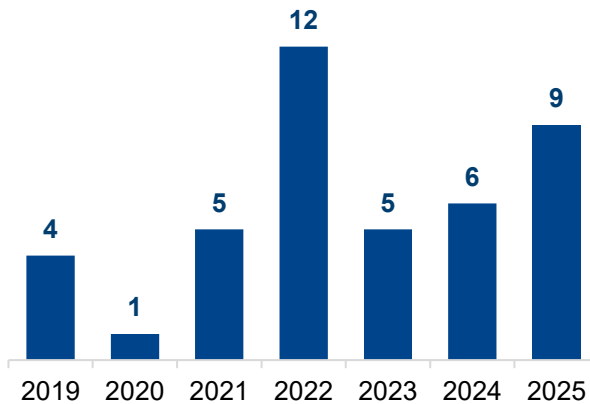
Date	Target	HQ	Sub-category	Deal Size (USD, Mn)	Deal Type	Investors
Jul-25	Palm Global Tech.	UAE	Lending	180.0	M&A	Above Food Ingredients
Sep-25	Hala	KSA	Payments	157.0	Late Stage	Arzan Venture Capital, BNV Capital, Endeavor Catalyst, Impact46, Isometry Capital, Kaltaire Investments, Khwarizmi Ventures, Middle East Venture Partners, Nour Nouf Ventures, QED Investors, Raed Ventures, Sanabil Investments, TPG, Wamda Capital
Jul-25	Huspy	UAE	Lending	59.0	Late Stage	Anyma, B&Y Venture Partners, Balderton Capital, COTU Ventures, Dara Capital, ExBorder Partners, KE Partners, Peak XV Partners, Turmeric Capital
Aug-25	Alaan	UAE	Spend Management	48.0	Early Stage	468 Capital, 885 Capital, Abdallah Abu-Sheikh, Hosam Arab, Jai Mahtani, Jeppe Rindom, Khalid Al Ameri, Mudassir Sheikh, Parth Garg, Peak XV Partners, Pioneer Fund, Sudeep Ramnani, Y Combinator, Yi Wei Ang
Jul-25	The Open Platform	UAE	Blockchain Infrastructure	28.5	Early Stage	Pantera Capital, Ribbit Capital
Aug-25	Holo (FS)	UAE	Lending	22.0	Later Stage	AL Maather, ANB Capital, Dubai Future District Fund, Impact46, Janus Ventures, MoreThan Capital, Mubadala Investment Company, Oryx Fund
Sep-25	BwaTech	KSA	Banking-as-a-Service	16.0	Later Stage	Sharaka Financial Company
Jul-25	Toyow	UAE	Digital Asset Infrastructure	10.0	PE	Nimbus Capital
Jul-25	STON.fi	UAE	Trading / Exchange Infrastructure	9.5	Early Stage	CoinFund Management, Ribbit Capital
Sep-25	Sindbad.Tech	KSA	WealthTech	4.8	Seed Round	Alkhabeer Capital
Sep-25	LDUN	KSA	Islamic Finance	4.8	Seed Round	Numu Angels, Sadu Capital, Suhail Ventures
Jul-25	Synervest	UAE	Payments	4.0	Early Stage	CMT Digital Holdings, Jura Investment Group
Sep-25	Orbii	UAE	Underwriting	3.6	Seed Round	DASH Ventures, Fintech Saudi, Prosus Ventures, Sanabil 500 MENA Seed Accelerator, Taz Investments, VentureSouq
Sep-25	Tokinvest	UAE	Digital Asset Infrastructure	3.2	Seed Round	Exponential Science, Triliv Holdings
Jul-25	Moneymoon	KSA	Islamic Finance	3.0	Early Stage	Core Vision Investments

Source: Desk Research, Commercial Databases, Aranca Analysis

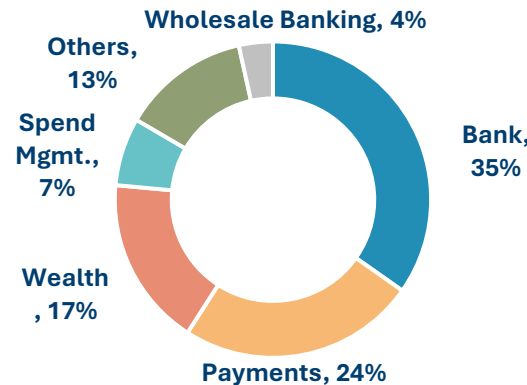
GCC bank investments surged post-2021, concentrated in UAE and Bahrain, with capital flowing into banking, payments, and wealth; wholesale banking remains underfunded

GCC Banks Investment Activity: Trends, Focus Areas, and Geography

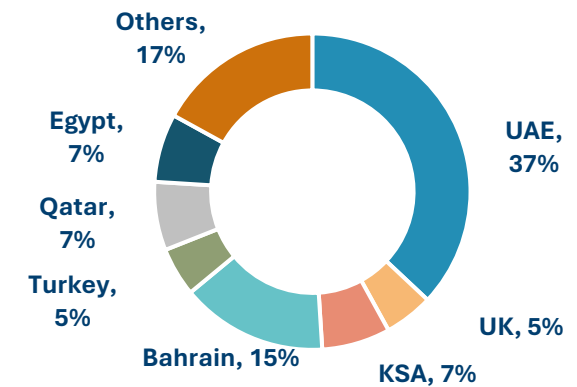
Number of Investments by GCC Banks
2019–25 YTD



Split of Investments in FS by GCC Banks
2019–25 YTD | Figures in Percentages



Investments by Region
2019–25 YTD | Figures in Percentages





- Emirates NBD, Al Salam Bank, Mashreq Bank and First Abu Dhabi Bank contribute to 61% of investments by GCC banks from 2019-2025.
- Banks investing or acquiring in other banks account for the largest share of investments in GCC followed by investing in payment solution companies.
- GCC bank investments have surged post-2021, peaking in 2022 (12 deals) and remaining elevated in 2024–25; banks are more aggressive in strategic expansion compared to pre-COVID years.
- Most GCC bank capital continues to concentrate in the UAE and Bahrain, while KSA prioritizes domestic builds over taking equity positions.
- Wholesale banking remains underinvested, creating clear opportunities in SME lending tech, supply-chain finance, and trade-finance digitalization.
- Payments and Open Banking are attracting growing investment momentum across the region.

Source: Desk Research, Commercial Databases, Aranca Analysis

Leading banks are investing in payments & trade-finance workflow solutions, targeting critical operational gaps, strengthening capabilities that directly improve efficiency and customer outcomes

Strategic Fintech Investments by GCC Banks



Deal Date: 2023

About Komgo

- Digitizes trade-finance workflows (LCs, guarantees) for corporates and banks.
- It uses blockchain to bring transparency, fraud-resistance, efficiency into global trade & commodity finance

Komgo & ENBD

- The partnership provides ENBD with optionality to streamline future trade-finance processes, improve automation, and connect to a global network of corporates & banks



Deal Date: 2023

About QPAY

- QPAY is Qatar's national payment gateway, enabling secure online payments for local debit-card holders.
- It provides POS and e-commerce payment solutions for merchants, supporting wider digital and cashless adoption.

QPAY & Qatar Islamic Bank

- QIB acquired the acquiring business of QPAY for an undisclosed fee in 2023, QIB collaborated with QPAY to launch the first Islamic PoS Solution in Qatar

Deal Date: 2022, 2025

About NymCard Payments

- Enables businesses to issue/manage cards and move money through a modular API-based payments platform
- Supports embedded credit, wallets and compliance tools to launch financial products quickly

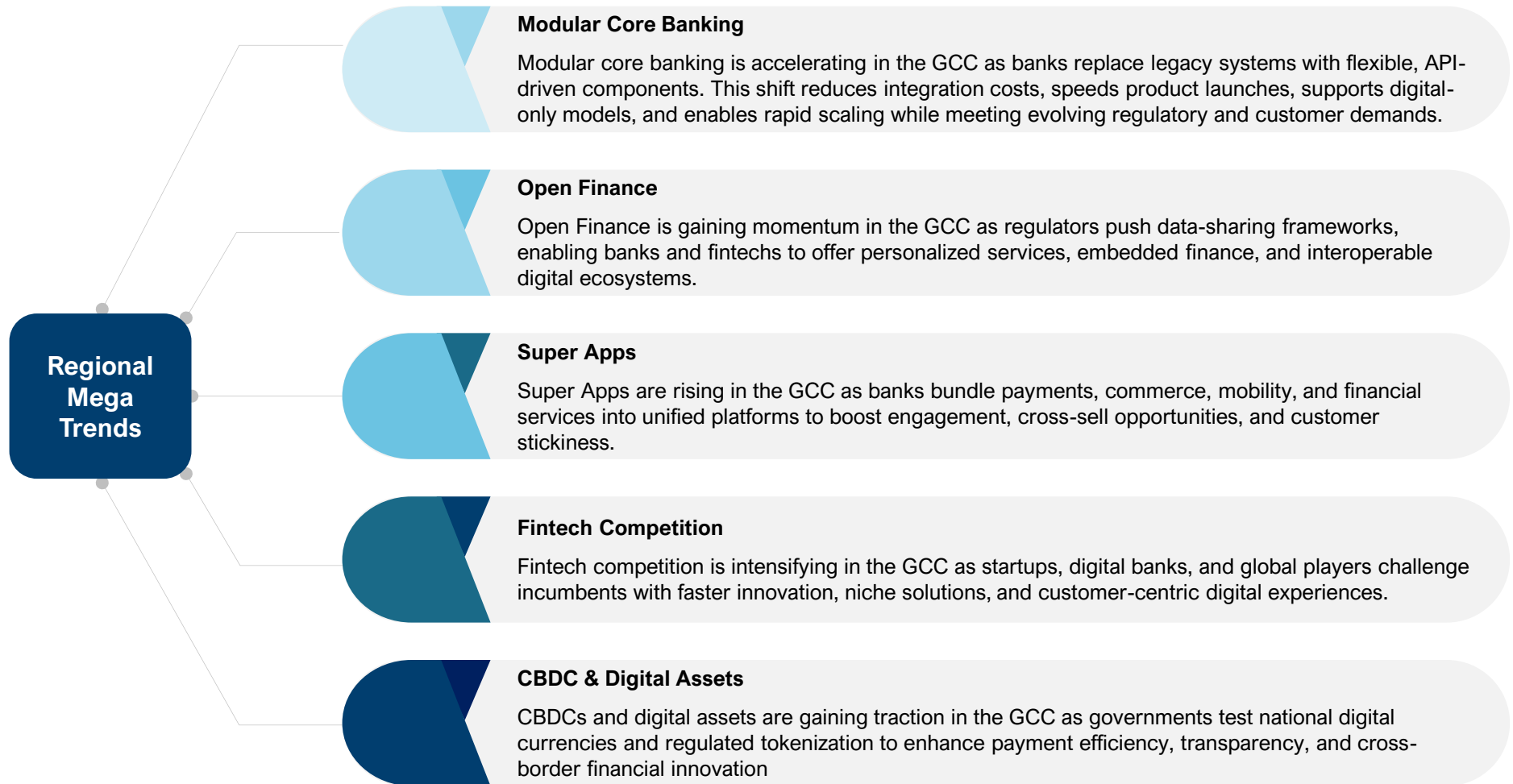
NymCard & Mashreq

- Mashreq invested in NymCard to leverage its API-based card-issuing and payments platform, accelerating Mashreq's digital payments and embedded-finance expansion in the UAE.

Source: Desk Research, Commercial Databases, Aranca Analysis

Modular cores, Open Finance, focused super-apps, competitive fintech economics, and advancing CBDC initiatives are key drivers reshaping GCC banking's digital and regulatory landscape

Regional Mega Trends Shaping GCC Banking



Source: Desk Research, Commercial Databases, Aranca Analysis

Modular cores replace monolithic systems with independent API modules, allowing faster upgrades, cheaper scaling, fintech integration, and lower operational risk for banks.

Modular Core Banking as an Enabler of Agility in GCC Banking

What is Modular Core Banking

- **Breaks the core into independent modules** (accounts, payments, lending, onboarding, etc.) so banks can upgrade or replace components without touching the entire system.
- Enables faster innovation and scalability by letting **banks plug in new features via APIs, integrate fintech partners** easily, and roll out products much faster than with monolithic cores.

Dimension	Traditional Core	Modular Core
Architecture	<ul style="list-style-type: none">• A single, tightly-coupled monolithic system where all functions (accounts, payments, lending) run on one codebase.	<ul style="list-style-type: none">• Built as separate, independent modules/services connected via APIs. Each component can be changed without touching the rest.
Flexibility	<ul style="list-style-type: none">• Any change; new product, regulatory update, pricing tweak requires modifying the whole system; long release cycles.	<ul style="list-style-type: none">• Banks can update or replace individual modules, enabling faster rollouts, A/B testing, and incremental upgrades.
Cost Structure	<ul style="list-style-type: none">• High upfront capex, heavy ongoing maintenance, expensive upgrades tied to a single vendor	<ul style="list-style-type: none">• Lower incremental costs, pay-as-you-grow models, ability to use best-of-breed modules from multiple vendors
Innovation Speed	<ul style="list-style-type: none">• Slow—release cycles are quarterly or annual. Innovation is constrained by legacy architecture	<ul style="list-style-type: none">• Rapid—new features, fintech partnerships, and product experiments can be deployed in weeks, not months
Vendor Dependency	<ul style="list-style-type: none">• Strong vendor lock-in because everything runs on one core platform	<ul style="list-style-type: none">• Mix-and-match architecture reduces dependency; banks can integrate fintechs easily.
Risk	<ul style="list-style-type: none">• A failure in one component can affect the entire core	<ul style="list-style-type: none">• Failures are isolated; one module going down doesn't crash the whole system

Global and Regional Examples

MAMBU









Source: Desk Research, Commercial Databases, Aranca Analysis

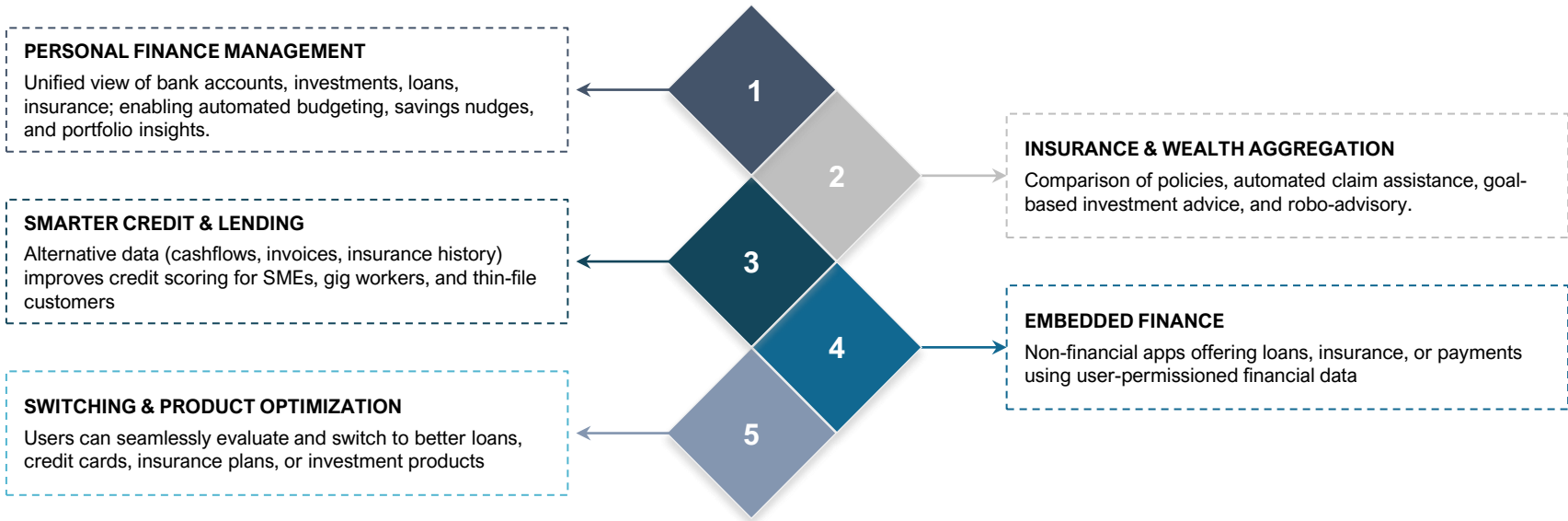
Open Finance expands Open Banking into full data-sharing, enabling smarter personal finance, improved credit, seamless product switching, wealth aggregation, and embedded financial services

Open Finance and Ecosystem Expansion in GCC Banking

What is Open Finance

- **An expansion of Open Banking into a full financial ecosystem** that enables smarter personal finance, easier access to credit and products, and highly tailored financial services.
- A regulated, consent-based system that lets customers share all their financial data (banking, loans, insurance, investments) with third-party providers via secure APIs, giving individuals, businesses more control over their financial lives

OPEN FINANCE USE CASES



Global and Regional Examples



PLAID



TARABUT
ترابط



لين
LEAN



TRUELAYER



SALTEDGE

Source: Desk Research, Commercial Databases, Aranca Analysis

Super apps turn banks into lifestyle platforms, boosting engagement by embedding payments, lending, insurance, and commerce while unlocking new revenue beyond traditional banking

Super Apps as a Natural Fit for GCC Banking Markets

What are Super Apps

- **A super app transforms a bank from a traditional service provider into a full-stack lifestyle and financial platform, increasing customer engagement, data insights, and revenue opportunities.**

WHY SUPER APPS

To become the primary digital destination

Banks want to own the customer relationship by embedding:

- Payments, lending, investments
- Insurance, loyalty, rewards
- Commerce (shopping, travel, food delivery, fuel)

To monetize beyond core banking

Going beyond lending and deposits, Superapps enable:

- Marketplace commissions
- Embedded finance revenue
- Personalized product cross-sell
- High-frequency transaction fees

Global and Regional Examples



- Built on KakaoTalk, **South Korea's leading social media platform**
- Payments, lending, deposits, investments directly from a mobile-first app
- Grew rapidly because **banking is embedded into a platform people already use daily**



- Digital bank built around a **lifestyle + banking model** for, mobile-first users
- Combines banking with **spending insights**, savings, offers, and rewards in one app
- Gained strong adoption by integrating non-banking experiences (food, travel, deals) into banking



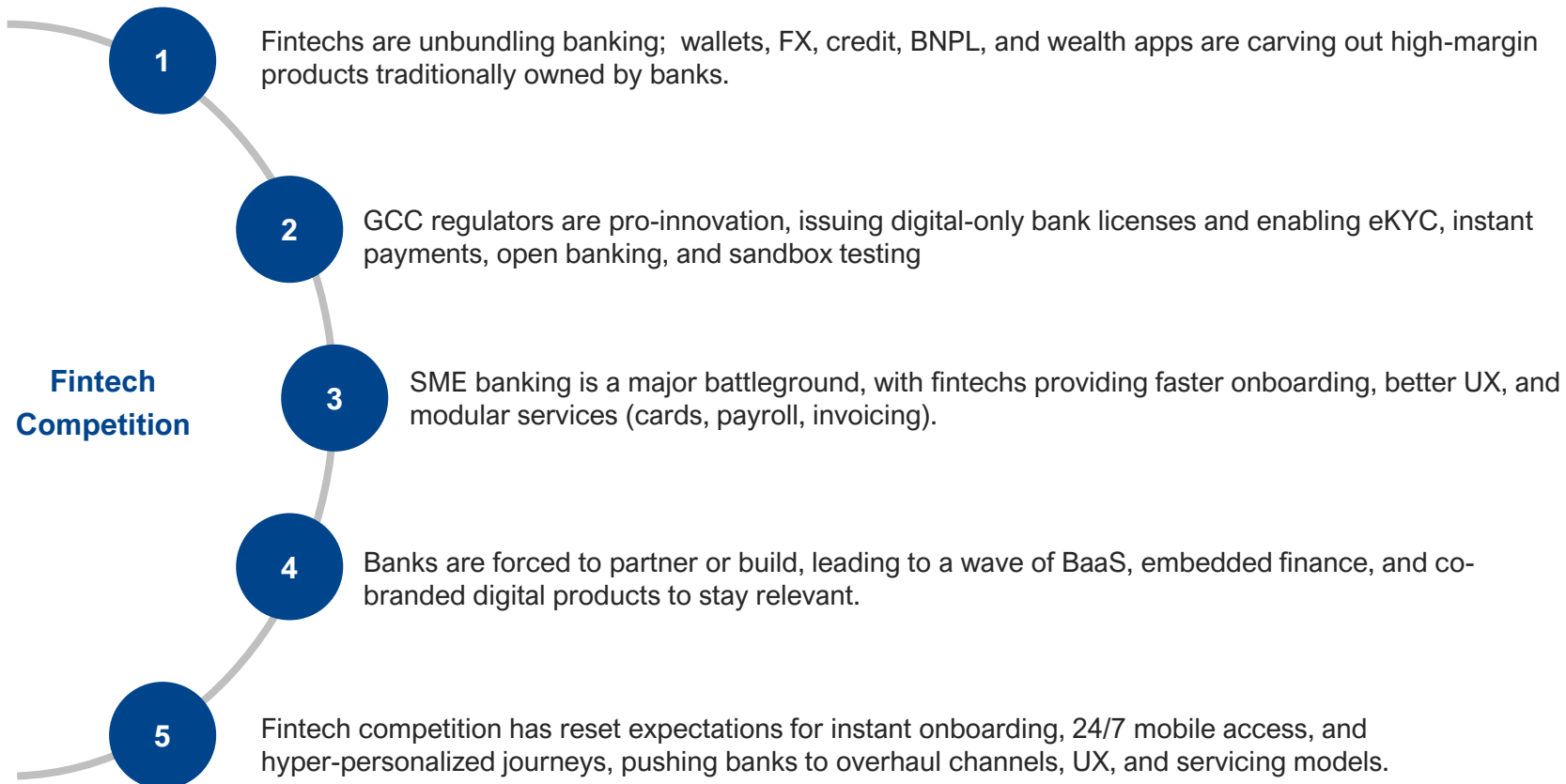
- Financial arm of Grab, **Asia's super app for ride-hailing, food delivery, and payments**
- Offers a full suite: wallet, lending, insurance, investments, merchant services
- **Scales rapidly because financial services are embedded into high-frequency daily-use activities**

Source: Desk Research, Commercial Databases, Aranca Analysis



Fintechs are unbundling banking, regulators are enabling innovation, and SME-focused fintechs push banks to partner, adopt BaaS, and deliver faster, hyper-personalized experiences

Fintech-Driven Competitive Disruption in GCC Banking”



Source: Desk Research, Commercial Databases, Aranca Analysis

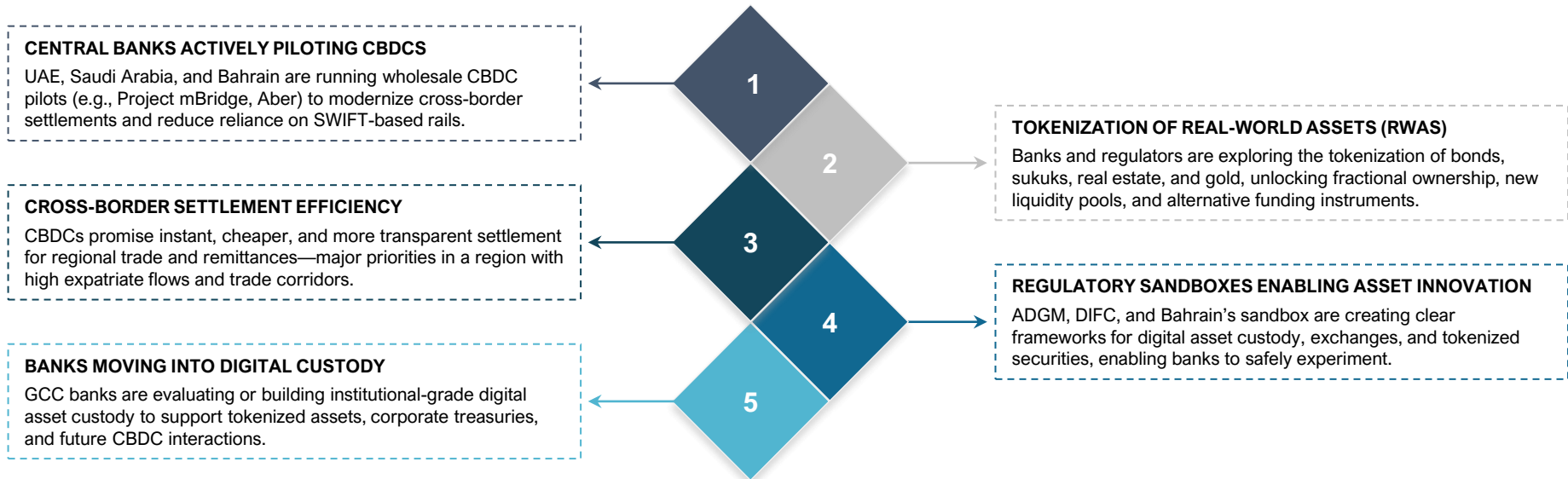


GCC central banks are piloting CBDCs, advancing cross-border settlement efficiency, and enabling tokenized assets through regulatory sandboxes and growing institutional digital-custody frameworks

Growing Adoption of CBDCs and Digital Assets in GCC Banking

What are CBDC & Digital Assets

- **CBDC:** Central-bank issued digital money aimed at making cross-border settlements faster, cheaper, and interoperable, led by UAE and Saudi pilots like mBridge.
- **Digital Assets:** Tokenized financial and real-world assets (e.g., sukuk, real estate) enabled by regulated blockchain frameworks in ADGM, DIFC, and Bahrain.



USD 1.2 Tn

GCC cross border payments value (2024) | Opportunity for CBDCs

20%

Increase in regional trade expected by improving cross border payment systems

USD 1.5 Bn

GCC Central Bank Digital Currency (CBDC) Market Size

1.8 Bn

Digital Payment transactions in GCC (2024)

Source: Desk Research, Commercial Databases, Aranca Analysis












aranca

Special Report | Shaping the Next Era of GCC Banking | Q3 2025

Innovative products by GCC banks are pushing faster digital adoption, deeper customer engagement, and new revenue models across retail, corporate, wealth and Islamic banking














Regional Product Innovation Landscape

Product	Concept	Regional Examples
Fractional Sukuk	<ul style="list-style-type: none"> Fractional Sukuk via Mobile App: Allows retail investors buy sukuk from just \$1,000 Inclusive Investment: Enables ownership of Sharia-compliant sukuk previously accessible only to institutions or HNWLs Fully Digital Experience: Seamless onboarding, and trading through the ADIB mobile app 	 
In-App Retail Crypto Trading	<ul style="list-style-type: none"> In-app crypto trading: Customers buy/sell BTC & ETH directly via the bank's mobile app. Powered by partners: Regulated providers handle liquidity, execution, and custody. Regulatory compliance: VARA and CBUAE frameworks ensure security and oversight 	  <i>Digital assets infrastructure provider</i>
Islamic Micro-SME Financing	<ul style="list-style-type: none"> The product gives small businesses early access to cash tied up in unpaid invoices, helping them manage day-to-day expenses. Funding is provided through a transparent profit-margin structure (Murabaha) instead of interest-based lending. Repayments are cleared automatically when the buyer pays the invoice. 	 
Green / Efficiency-Linked Home Improvement Loans	<ul style="list-style-type: none"> A loan that enables homeowners to finance energy-saving and sustainable home upgrades, such as solar panels, smart systems, and insulation. Loan terms are linked to efficiency outcomes—if energy-saving targets are achieved, the interest margin or cost is reduced. 	
Shariah-Compliant Digital Investment Platform	<ul style="list-style-type: none"> A digital platform where people can invest in Shariah-approved assets like sukuk (Islamic bonds), halal ETFs, Islamic REITs, and selected compliant digital tokens. Investments are carefully chosen to avoid Riba, gambling, alcohol, and other non-Islamic industries. The platform operates under the Central Bank of Kuwait's Woloj Innovation Hub. 	
Green Auto Loans	<ul style="list-style-type: none"> Preferential auto loans for EVs, hybrids, and plug-ins. Low interest rates: 25–50 bps discount compared to ICE vehicles to support green mobility. Option to finance chargers and accessories alongside the car. 	

Source: Desk Research, Commercial Databases, Aranca Analysis

Innovative products by global banks are pushing faster digital adoption, deeper customer engagement, and new revenue models across retail, corporate, wealth and Islamic banking

Global Product Innovation Landscape

Product	Concept	Global Examples
Offset Mortgage	<ul style="list-style-type: none"> Offset mortgage: Links savings and loans, charging interest only on the net balance (loan – deposits) while savings stay fully accessible. Example: An AED 1 Mn loan with AED 200 Th savings would result in interest being charged on AED 800 Th. Proven model in the UK & Australia, appealing to professionals, families, investors. 	 
Rule-Based Savings	<ul style="list-style-type: none"> Customers split money into virtual 'pots' or 'jars' for budgeting (rent, travel, school fees). Savings grow via rules/triggers such as round-ups from purchases, % of salary, or scheduled transfers. This can also extend into micro-investing, where spare change is invested in ETFs, funds, or sukuk. 	 
Carbon-Spend Insights & Green Rewards	<ul style="list-style-type: none"> Transaction-level carbon view: The app estimates the CO₂ footprint of each purchase by mapping spend categories (fuel, travel, groceries, etc.); estimates are added up for a monthly total. Action + rewards: Customers set goals, switch to lower-impact options (e.g., public transit, e-bills), and earn green cashbacks/rewards for progress. 	  
Shariah-Compliant Health Savings Account	<ul style="list-style-type: none"> A dedicated savings account where customers deposit funds to cover healthcare costs, with investments compliant with Shariah principles Funds grow via halal investment instruments such as Murabaha, and withdrawals for verified medical expenses are allowed without penalty Combines faith-aligned investing with financial planning for healthcare 	
Generative AI Personal Finance Assistant	<ul style="list-style-type: none"> A conversational AI assistant that helps clients plan, budget, and simulate financial scenarios in plain Arabic or English. Goes beyond traditional chatbots by running projections, recommending optimal loan repayment strategies, and alerting users to potential financial risks. Combines robo-advisory capabilities with interactive, personalized advice for smarter financial decisions. 	
Sustainable Supply Chain Finance	<ul style="list-style-type: none"> Trade finance solution where banks or financiers offer preferential financing terms to suppliers based on their ESG performance and sustainability KPIs Increasingly deployed by global banks and corporates as part of Scope 3 emission reduction strategies Verified scoring: Uses recognized raters and standards to validate improvements 	   

Source: Desk Research, Commercial Databases, Aranca Analysis

Over the next phase, GCC banks will use strategic investments to accelerate innovation, modernize infrastructure, expand ecosystems, and unlock sustainable growth beyond traditional banking models

GCC Banking Strategic Initiative Outlook



Investments as a Core Strategic Lever

GCC banks are increasingly using investments as a core strategic tool—not just for financial returns, but to accelerate capability-building across digital channels, data, and new business models. Strong profitability and capital buffers enable banks to pursue innovation-led investments while maintaining balance-sheet discipline.



Technology-Led Focus Areas Will Dominate

Bank-led investments will continue to concentrate on technology-enabled capabilities; particularly payments infrastructure, digital banking platforms, data & AI, Open Finance, and SME-focused solutions. These areas directly address cost efficiency, customer experience, and revenue diversification priorities across retail, SME, and corporate banking.



Platform Partnerships Over Pure Acquisitions

Large banks and state-backed institutions are expected to favor strategic stakes, joint ventures, and platform partnerships over full acquisitions. This approach allows banks to test and scale new technologies—such as embedded finance, BaaS, digital wealth, and tokenized assets—while managing execution risk and regulatory complexity.

Source: Desk Research, Commercial Databases, Aranca Analysis



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