

Arab Banking Sector Outlook: Balance Sheet, Regional Distribution, and Economic Significance



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Contact Information

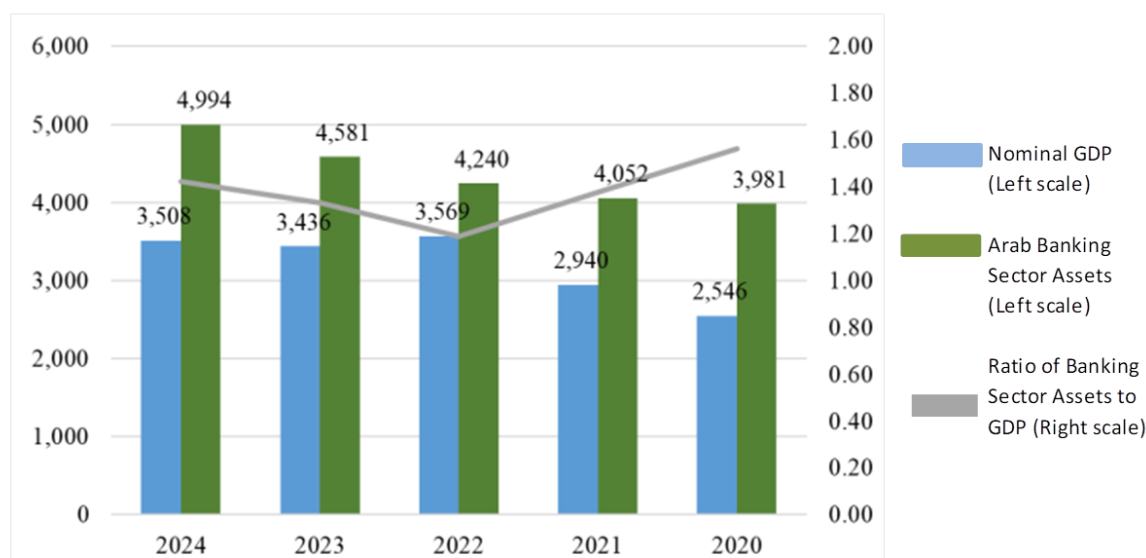
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The October 2025 issue of the *Union of Arab Banks' Economic Bulletin* reveals in an article important consolidated data on the performance, structure, and scale of the Arab banking sector. Based on official statistics from Arab central banks, the report demonstrates a continued expansion in assets, deposits, and credit portfolios region-wide, despite varying macroeconomic conditions among Arab economies. The article offers both forward-looking estimates and comparative assessments that allow a deeper understanding of the role of the financial system within national economies and in the broader regional context. By evaluating the size of banking assets, their relationship to GDP, and the distribution of assets across different Arab countries, the article provides a comprehensive overview of the current state of Arab banking heading into 2025.

According to the article, the aggregate assets of the Arab banking sector are forecasted to reach USD 5.129 trillion by the end of the first quarter of 2025, compared to an estimated USD 4.994 trillion by the end of 2024. This represents a growth rate of 8.8% during the full year 2024, following a growth of 8.0% during 2023. Deposits are expected to continue rising, reaching USD 3.053 trillion by the first quarter of 2025, compared to USD 2.985 trillion in 2024, reflecting a year-on-year positive trend. Credit portfolios will also slightly expand, amounting to USD 2.967 trillion in 2025 (first quarter outlook), and USD 2.930 trillion by end-2024, compared to USD 2.774 trillion at end-2023. Equity capital is projected to reach USD 558 billion by the end of 2024, compared to USD 520 billion in 2023, marking an annual increase of 7.3% in 2024 after 7.0% in 2023.

Title: Comparing the Development of the Size of the Arab Banking Sector with the Size of the Arab Economy (Billion USD):



Source: Arab Banks Union, Research and Studies Department, based on data from Arab central banks and the International Monetary Fund. Note: Excluding Syria.

Furthermore, when comparing total Arab banking assets to the size of the Arab economy, the value of banking assets represented 133% of total Arab GDP in 2023, compared to 119% in 2022, 138% in 2021, and 156% in 2020. For 2024, the ratio is expected to stand at 143%. This demonstrates that the Arab banking sector is structurally large relative to GDP, and although the ratio fluctuates, the sector remains dominant in the region's financial and economic system.

The ranking of Arab banking systems based on total assets shows significant concentration. UAE ranks first with USD 1.284 trillion in assets, followed by Saudi Arabia at USD 1.255 trillion. Qatar comes in at USD 569.8 billion, Egypt at USD 435.1 billion, and Kuwait at USD 305.6 billion. Other notable countries include Morocco at USD 207.7 billion, Bahrain at USD 250.1 billion, Iraq at USD 152 billion, and Algeria at USD 196.7 billion. Smaller yet relevant banking systems include Oman at USD 119.6 billion, Lebanon at 102.7 billion, Jordan at USD 99.9 billion, Tunisia at USD 57.8 billion, Libya at USD 38.2 billion, Palestine at USD 24.9 billion, Sudan at USD 10.2 billion, Mauritania at USD 4.6 billion, and Djibouti at USD 3.5 billion. As a share of total aggregated Arab banking assets in 2024, the UAE

accounts for 24.9% of regional assets, Saudi Arabia follows at 24.0%, Qatar at 11.3%, Egypt at 8.2%, and Kuwait at 6.0%.

Title: Financial Data of the Arab Banking Sectors (Billion USD):

Country	Total Assets			Total Deposits			Loans and Debts			Capital Accounts		
	Q1 2025	2024	2023	Q1 2025	2024	2023	Q1 2025	2024	2023	Q1 2025	2024	2023
UAE	1,284.9	1,241.5	1,109.5	802.6	778.3	688.8	504.4	499.0	470.1	142.7	145.6	133.0
KSA	1,255.3	1,198.4	1,055.2	747.8	718.0	659.6	982.7	973.4	854.9	162.1	157.1	144.3
Qatar	569.8	562.3	541.0	291.1	282.1	270.9	363.6	352.5	338.4	58.5	54.0	52.4
Egypt	435.1	409.1	459.7	277.0	265.2	328.2	309.6	295.7	344.6	28.0	27.1	28.7
Kuwait	305.6	299.6	286.5	166.9	165.0	159.2	157.7	155.3	149.2	53.8	51.6	49.0
Bahrain	250.1	247.8	238.5	78.6	80.3	83.1	59.8	58.2	57.1	28.9	29.3	28.2
Morocco	207.7	215.4	186.4	151.3	153.3	131.9	156.9	163.9	143.5	19.5	19.7	17.7
Algeria	196.9	196.9	181.9	116.8	116.8	104.9	143.3	143.3	142.2	14.0	14.0	13.8
Iraq	152.0	156.1	157.9	88.9	95.0	102.7	54.8	56.3	53.3	16.0	15.7	14.7
Oman	119.6	117.1	110.2	84.2	82.7	75.8	86.0	83.9	78.7	17.9	17.0	16.3
Lebanon	102.7	103.1	20.2	88.1	87.9	16.4	7.1	7.3	1.8	4.5	4.8	0.9
Jordan	99.9	98.6	93.3	58.2	57.5	51.9	68.9	67.1	64.7	10.8	10.7	10.2
Tunisia	57.8	57.4	52.1	33.9	35.7	33.4	44.5	46.1	42.0	5.0	5.0	4.6
Libya	38.2	38.2	33.2	29.9	29.9	26.3	6.7	6.7	6.4	2.7	2.7	1.9
Palestine	24.9	24.5	22.8	18.7	18.2	17.6	11.9	11.9	11.9	2.4	2.3	2.3
Yamen	7.7	7.4	7.0	5.1	5.3	5.3	1.8	2.0	2.3	0.3	0.4	0.4
Sudan	10.2	9.2	9.8	6.4	5.9	6.0	2.2	1.8	3.2	0.8	0.8	0.8
Mauritana	4.6	4.6	4.6	2.9	2.9	2.9	2.9	2.9	2.9	0.9	0.9	0.9
Djibouti	3.7	3.7	3.5	2.7	2.7	2.6	1.6	1.6	1.5	0.3	0.3	0.3
Comoros	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.0	0.0	0.0
Somalia	2.0	2.0	1.8	1.7	1.7	1.4	0.5	0.5	0.4	0.3	0.3	0.3
Total	5,129.4	4,993.8	4,581.0	3,053.2	2,984.7	2,783.6	2,967.1	2,929.6	2,774.3	568.6	558.5	520.3
GCC	3,785.3	3,666.7	3,341.0	2,171.2	2,106.3	1,937.4	2,154.2	2,122.4	1,948.4	463.9	454.6	423.2
The Arab Levant	387.2	389.7	301.3	259.0	263.9	196.3	144.5	144.5	135.8	34.0	33.9	28.6
North Africa	956.7	937.1	938.7	623.0	614.4	649.9	668.4	662.7	690.1	71.6	70.9	69.4

Source: Arab Central Banks

The article also highlights wide divergences in the ratio of banking assets to national GDP. Bahrain recorded the highest share, with banking assets equivalent to 528% of its GDP in 2024, while Lebanon followed with 365%, Qatar at 254%, UAE at 231%, and the Kuwait at 189%. Sudan, however, registered only 33%, and Somalia the lowest at 17%. These disparities indicate that certain Arab economies have highly oversized financial sectors relative to domestic output, while others are still developing broader financial capacity and deepening.

Therefore, the Union of Arab Banks' article illustrates that the Arab banking sector continues to experience sustained growth, with rising assets, deposits, credit volumes, and stronger capital levels. Despite varying economic environments across the region, the banking industry retains a dominant position relative to GDP in many Arab countries, particularly within the GCC bloc, where financial systems are heavily integrated into their national

economic models. Yet the large divergence among countries also reveals structural differences in financial depth, economic scale, and sector maturity. As the sector moves toward 2025 with assets projected at USD 5.129 trillion, the Arab region's banking system remains a central driver of financial intermediation, liquidity accumulation, and economic influence. The data underscore both the sector's resilience and the need for continuous monitoring of its proportional growth relative to real economic activity.

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