

GULF COOPERATION COUNCIL BANKING PERFORMANCE ANALYSIS – AN EXPLORATORY STUDY

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ABSTRACT

The study focuses on the Middle East Region including the Gulf Cooperation Council (GCC) and the Middle East and North Africa (MENA). GCC's main business is the exploration of oil and which contributes maximum government revenue. It is a two-fold analysis of macroeconomic variables assessing the effects on GCC banks' Key Performance Indicators (KPI). The research methodology employed is descriptive, having a detailed analysis of GCC economy and banking system. The analysis exhibited that the current economic decline is plunging oil prices resulting in the drawdown of revenue from oil companies. These had made a skewing impact on the macroeconomic variables such as GDP, currency pegging, stock market indices and etc. The second part of the analysis is the banking KPIs'. The study has revealed that for most MENA oil exporters, the fiscal adjustment is needed to absorb the unprecedented oil price shock.

KEYWORDS: *Inflation, Macroeconomic Variables, Oil Price Fluctuations*