



المتحدة للأوراق المالية
UNITED SECURITIES

Monthly Chart Book - Banking

March 1, 2026

Trends in Banking sector (1/2)



We reviewed the broad trends across key banking indicators in Saudi Arabia, the UAE, and Qatar. A summary of our findings is presented below:-

- **Saudi Arabia:**

- Consolidated assets of commercial banks (excluding overseas branches) increased by 10.3% YoY in December 2025, although growth moderated over the past two months. Expansion was driven by an 11.5% YoY rise in loans and a 9.0% YoY increase in investments. The share of investments in total assets remained stable, fluctuating within a narrow range of 15.1% to 15.4% over the past year.
- Government and GRE lending grew by 26% YoY in December 2025, while private sector loans increased by 10% YoY. Lending to real estate, utilities, and other sectors rose by more than 20% YoY. The NPL ratio of the top four banks improved QoQ, ranging between 0.68% and 0.92% as of December 2025.
- Deposit growth moderated to 8.7% YoY in December 2025, though this was an improvement from 6.6% YoY in November 2025. Growth was driven by a 23.6% YoY increase in time and savings deposits, while demand deposits remained broadly flat at -0.6% YoY. By counterparty, government deposits increased by 17.5% YoY.
- Since March 2025, the average yield on assets for the two largest banks has remained stable despite rate cuts, while the cost of funds increased marginally by 8 bps.

- **UAE:**

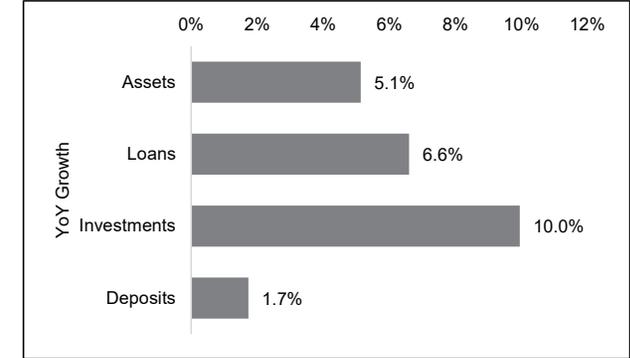
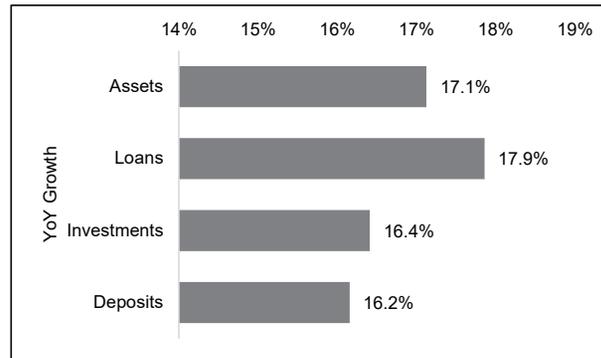
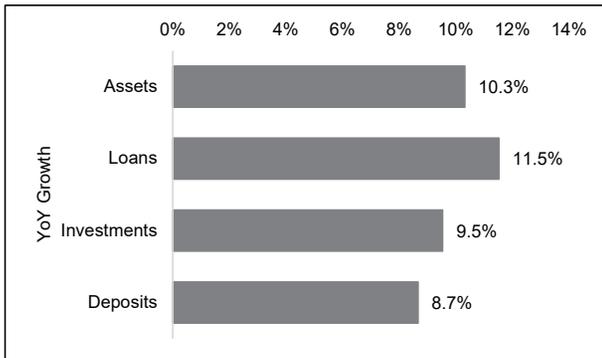
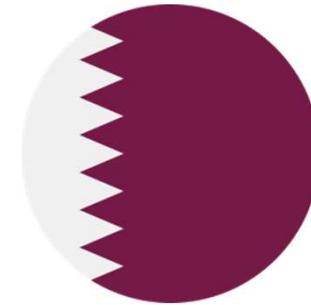
- Gross banking assets in the UAE increased by 17.1% YoY, with national bank assets rising by 18.0% YoY and foreign banks assets increasing by 10.5% YoY. Conventional banks assets increased by 16.2% ,while Islamic bank assets increased at a faster pace of 21.3% YoY. This marks the eighth consecutive year of YoY growth above the mid-teens level. Asset expansion was supported by a 17.9% YoY increase in lending and a 16.4% YoY rise in investments. The share of investments in total assets remained stable, ranging between 15.9% and 16.3% in 2025.
- Loan growth was driven by a 54.3% YoY increase in cross-border lending, reflecting banks' efforts to diversify domestic risk exposure. Domestic loans grew by 11.2% YoY, the highest growth rate recorded in 2025. The share of domestic loans declined from 84.5% in December 2024 to 79.7% in December 2025, indicating accelerated geographic diversification. By counterparty, government lending increased by 16.5% YoY, followed by private sector lending at 11.2% YoY. Within the private sector, individual loans rose by 16.2% YoY.

Trends in Banking sector (2/2)



- Deposits kept pace with lending, increasing by 16.2% YoY. Growth was supported by a 15.7% YoY rise in resident deposits and a stronger 21.2% YoY increase in non-resident deposits. The share of non-resident deposits increased by 40 bps over the past year. Conventional deposits grew by 13.7% YoY, while Islamic deposits expanded at a faster rate of 26.1% YoY, raising the share of Islamic deposits by 170 bps YoY.
- The average cost of deposits declined by 20 bps QoQ to 2.21%, compared with a 25 bps decline in the average yield on credit to 5.86%, suggesting effective transmission of rate cuts.
- **Qatar:**
 - Aggregate commercial bank assets increased by 5.1% YoY in December 2025, supported by 6.6% YoY loan growth and a 10.0% YoY rise in investments. The share of investments in total assets rose by 80 bps YoY to 18.8%. Since December 2024, investment growth has outpaced loan growth, indicating relatively subdued credit demand.
 - Loan expansion was driven by a 6.6% YoY increase in public-sector lending, while private-sector loans grew by 4.2% YoY. Cross-border credit increased by 5.1% YoY. The public sector's share of domestic lending remained broadly stable QoQ.
 - Since January 2025, YoY deposit growth has remained below 3%, reflecting weak momentum. Average YoY deposit growth in 2025 stood at 1.5%, with December 2025 registering 1.7%. The share of demand deposits increased to 19.7% in December 2025 from 18.3% a year earlier. Time and savings deposits were largely flat, growing by just 0.5% YoY in December 2025.
 - The weighted average interest rate on short-term customer deposits has converged, while rates on deposits with maturities above one year declined by 45 bps YoY to 5.53%. Yields on short-term credit facilities decreased, whereas yields on loans with maturities above three years remained broadly stable.
- **Key takeaways:**
 - The UAE and Saudi Arabia continue to demonstrate strong growth momentum, with the UAE outperforming across the four key parameters. While Saudi Arabia's loan growth remains in double digits, deposit growth warrants monitoring. In Qatar, growth prospects are likely to depend significantly on spending related to the North Field expansion project. Saudi banks' yields on credit have remained stable despite rate cuts, whereas the impact on yields in the UAE has been more pronounced, declining by 25 bps since March 2025. In Qatar, the effect has been more significant on loans with maturities of less than one year, with limited impact on longer-tenor facilities.
 - Looking ahead to 2026, NIM trends will largely depend on the trajectory of rate cuts. We expect Saudi banks to demonstrate a greater capacity to absorb rate reductions compared to their counterparts in the UAE and Qatar.

Trend in Key balance sheet components...

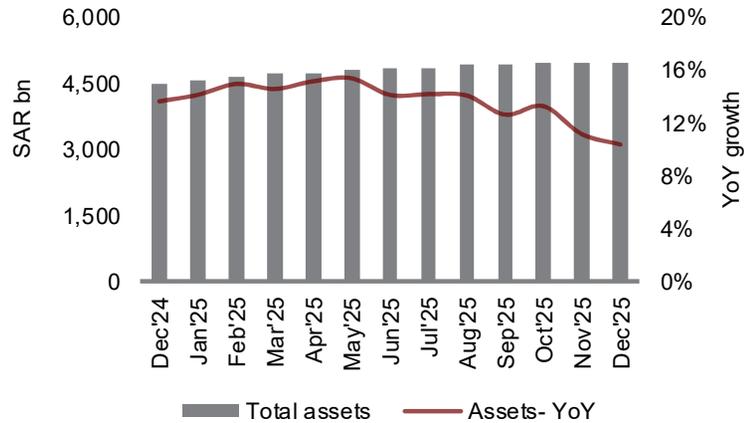


- Saudi's deposit continues to be lower than loan and investment growth
- UAE leads the pack with above mid teen growth across 4 key parameters
- Qatar's deposit book growth continues to struggle, while the preference is for investment growth

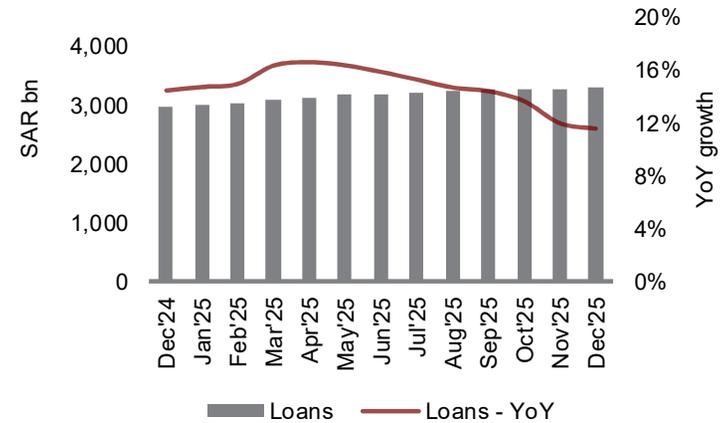


Saudi Arabia – Assets – Moderation in growth in Dec 2025

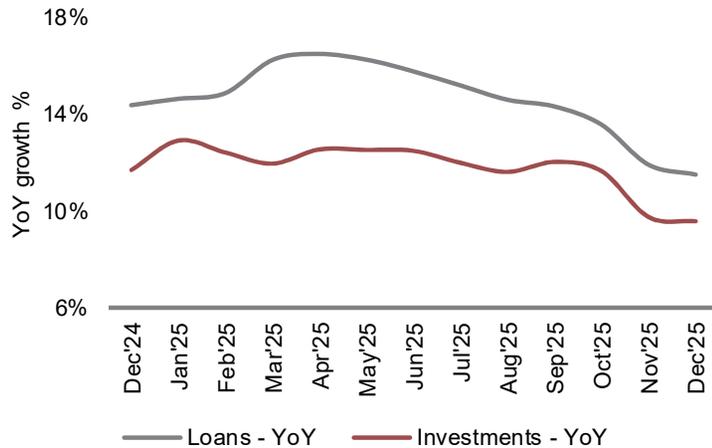
Pace of YoY growth in assets continue to moderate...



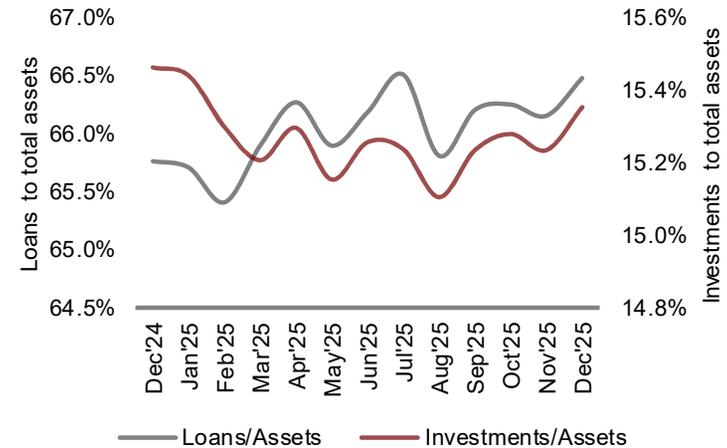
... with loans growing by 11.5% YoY in Dec'25



YoY investment growth lag loan growth in Dec'25



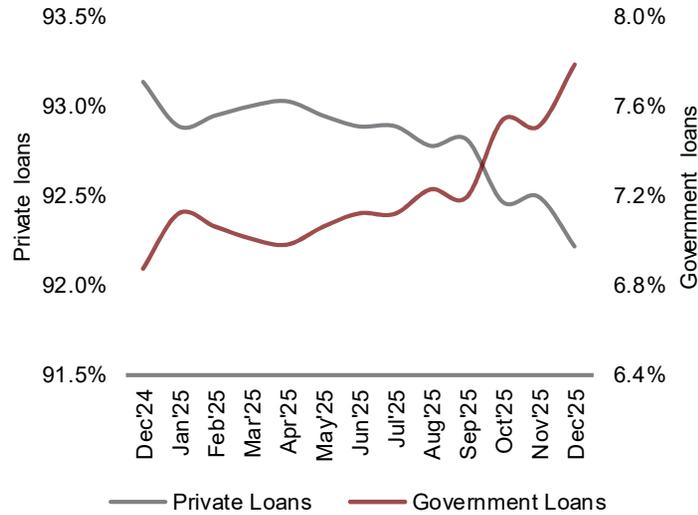
... with share of loans and investments increasing



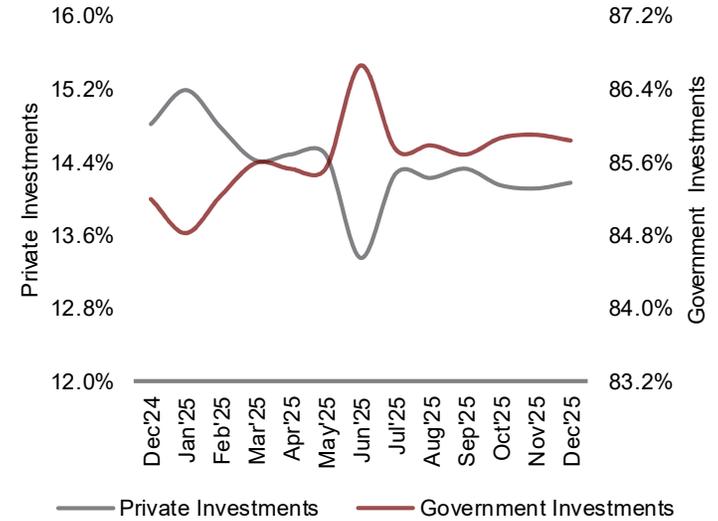
Saudi Arabia – Government and non-individual loans key driver



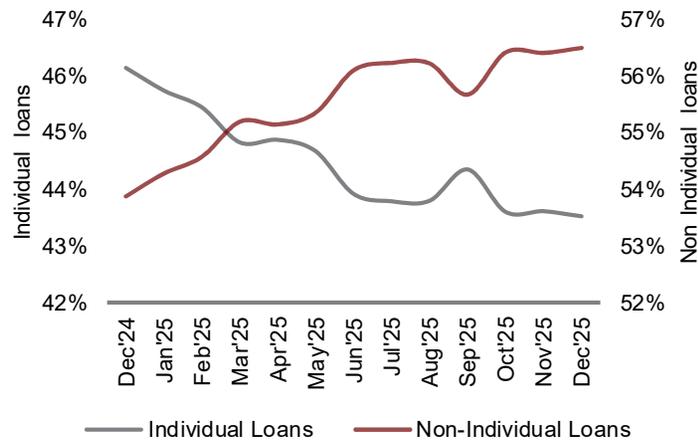
Share of government loans increase marginally



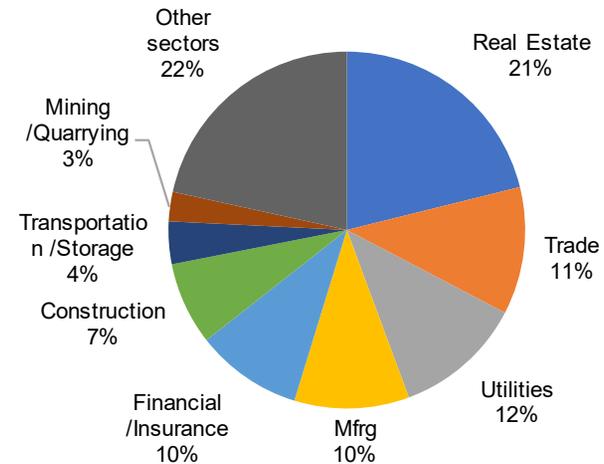
... even as mix of counterparty investments steady



Share of non-individual loans drive loan growth



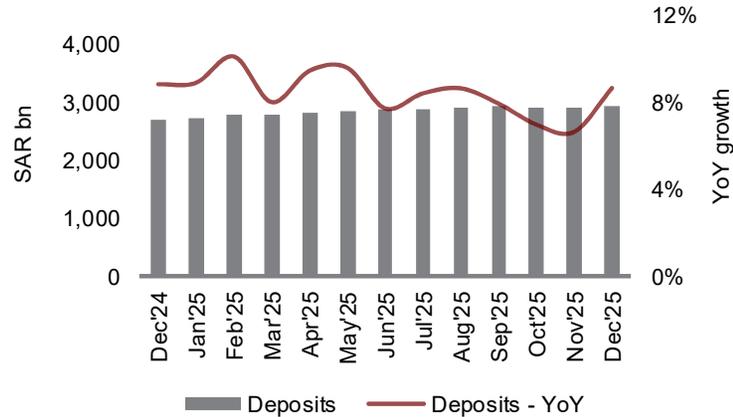
... with top three sectors cornering 44% share



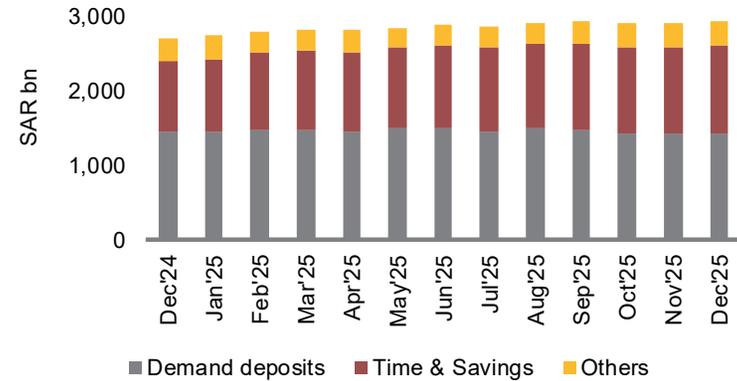


Saudi Arabia – Deposit growth driven by time deposit...

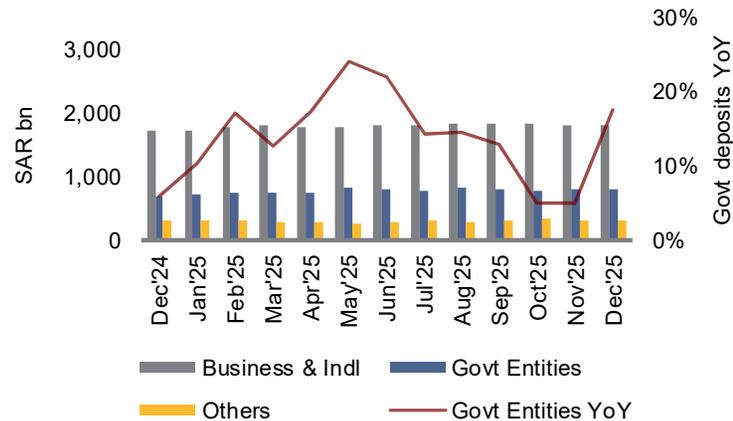
Pace of deposit growth reverse in Dec'25



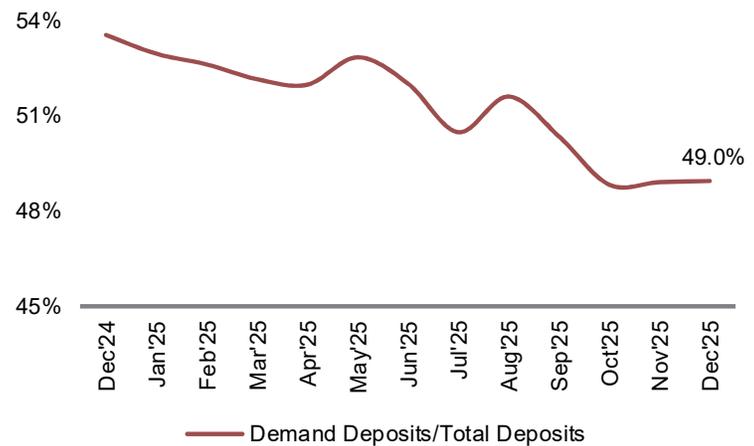
... driven by time and savings deposits growth



Government deposits grow at a faster pace of 17.5%



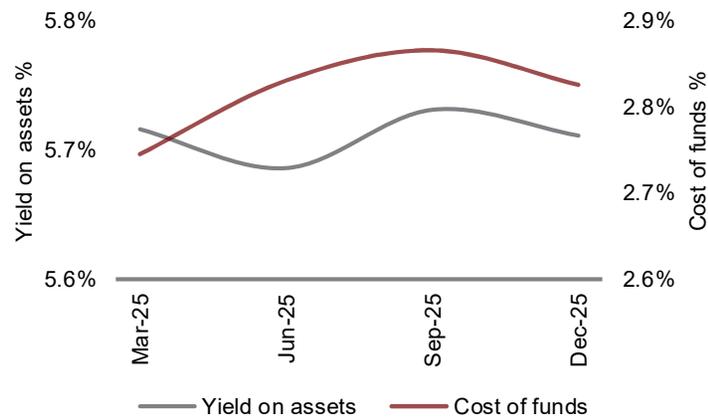
...with demand deposits remaining steady at 49%



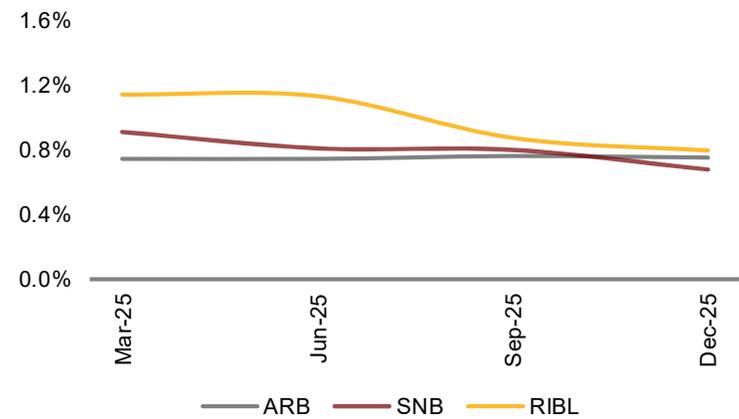
Saudi Arabia – Other Key data points



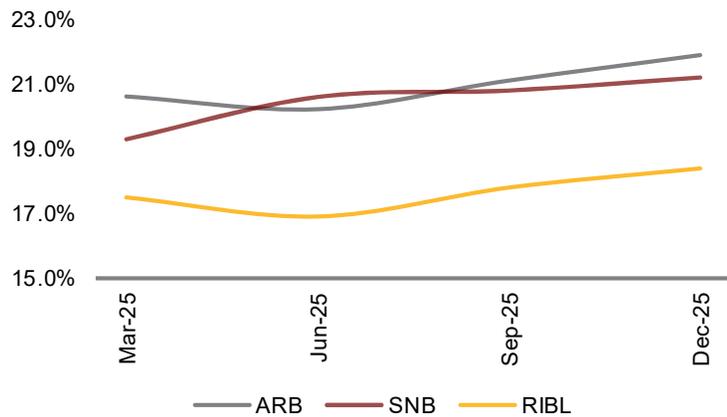
Yield and CoF decline marginally in Dec-25



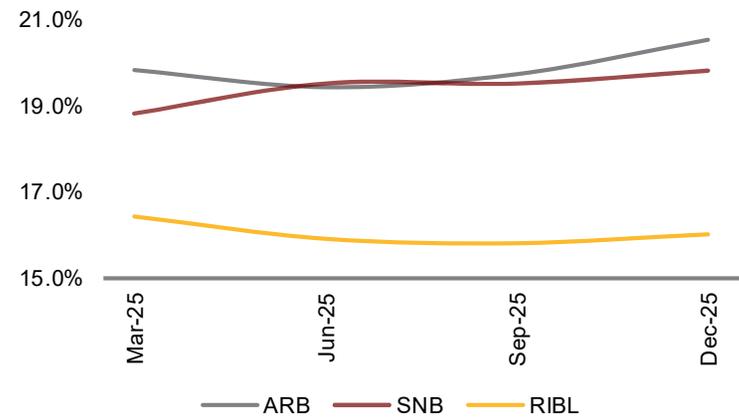
NPL ratios of top three banks improve QoQ



Core capital adequacy ratio improve in Dec-25



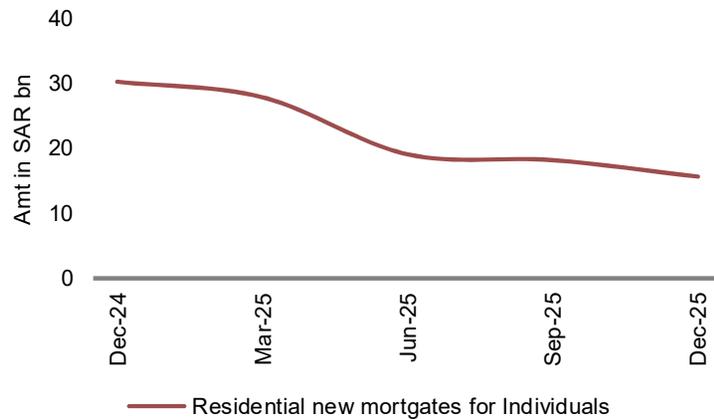
...with tier 1 capital remaining elevated in Dec-25



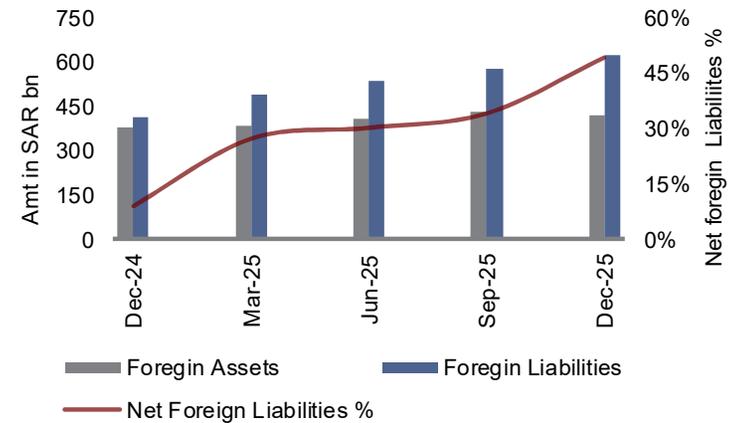
Saudi Arabia – Other Key data points



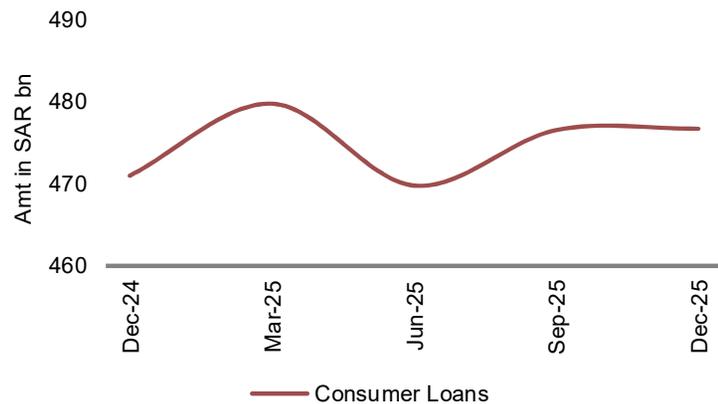
Residential new mortgages continue to decline...



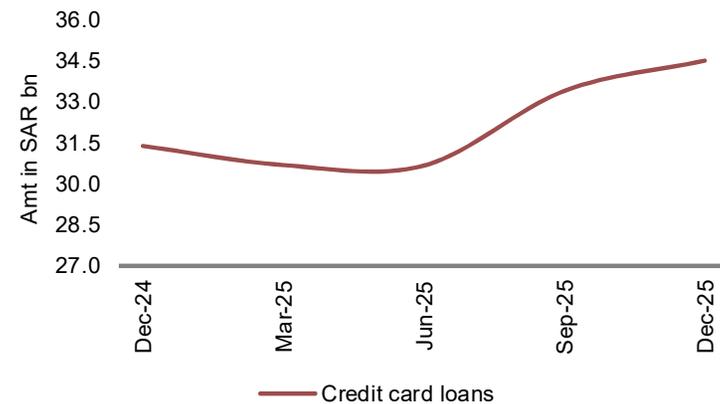
...with net foreign assets widening QoQ



Consumer loans largely flat compared to Sep-25



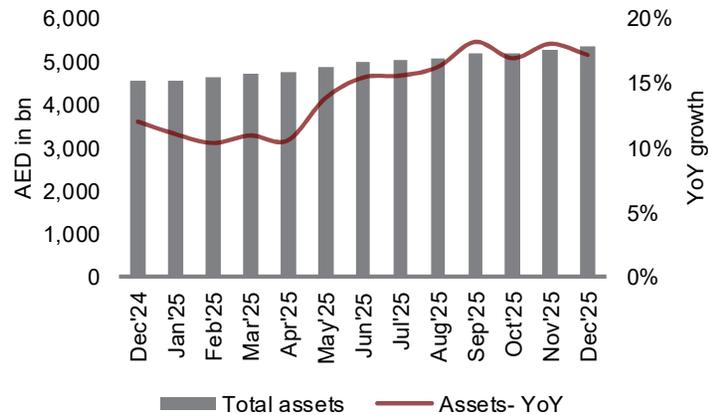
...outstanding credit card loans at the highest level



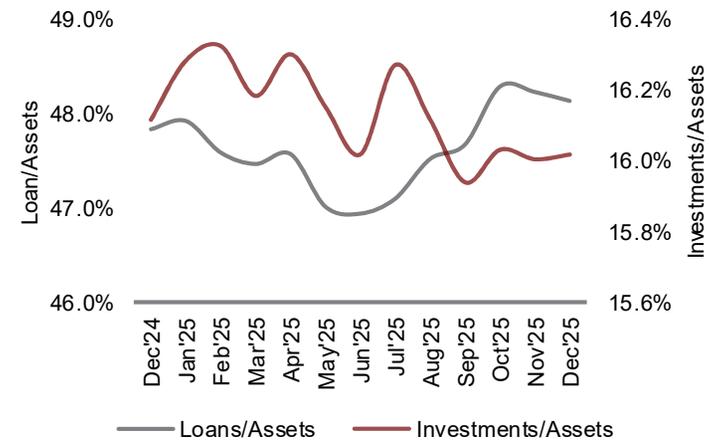
UAE – Assets – Consistent YoY growth above teens...



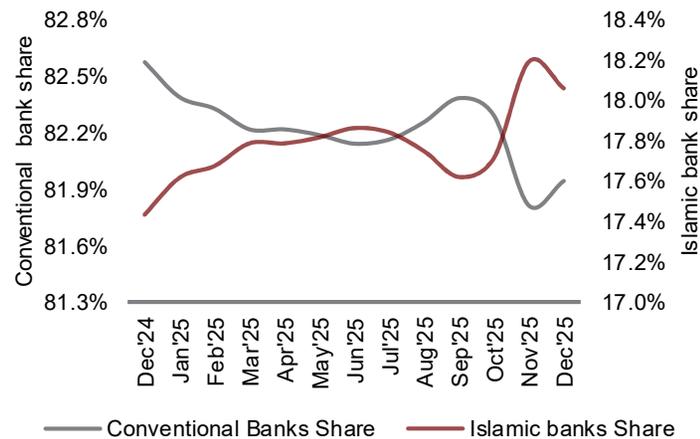
Assets - above mid-teen YoY growth since April 25...



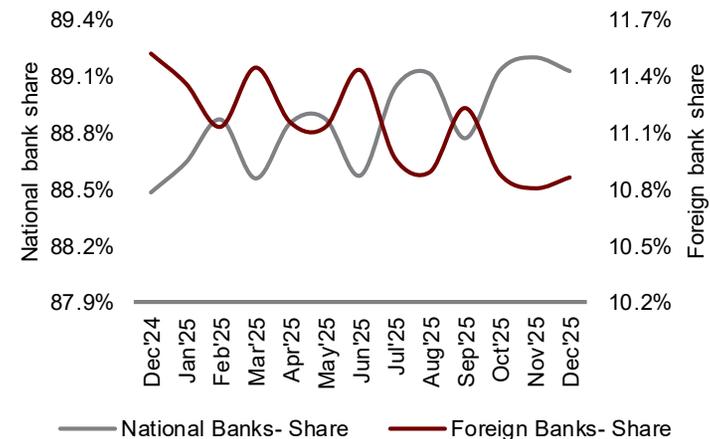
...with share of loans increasing post rate cuts



Islamic bank assets share continues to be high...



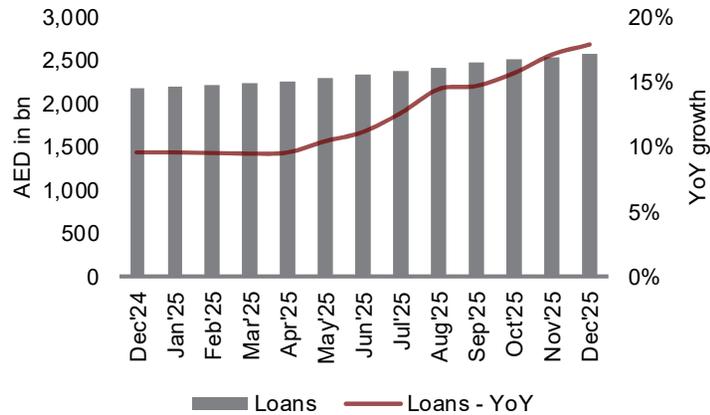
...while local bank's share rebound since Sep'25



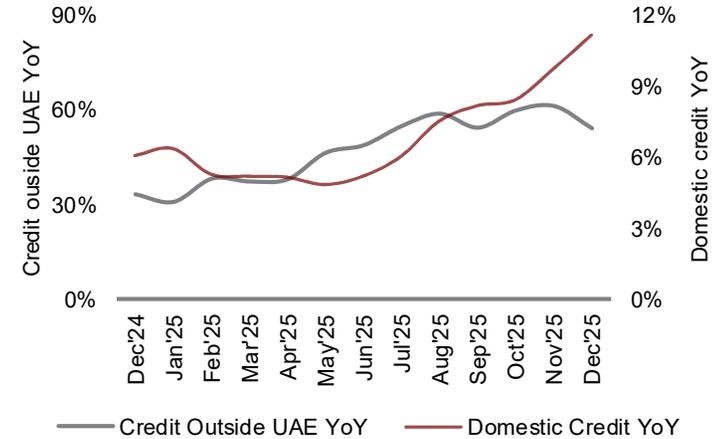
UAE – Loan growth driven by domestic and retail segments...



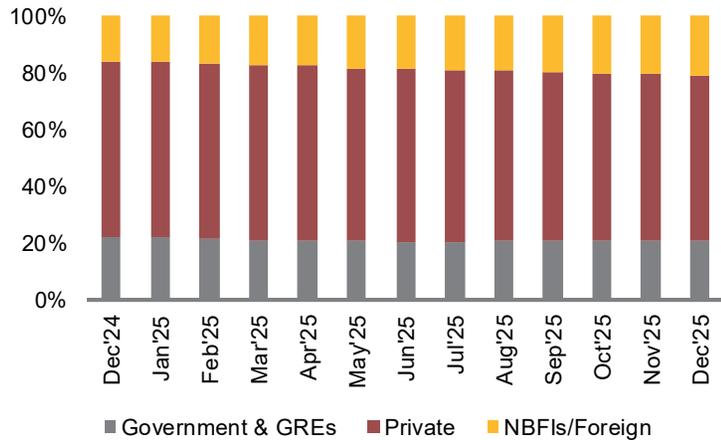
YoY loan growth momentum continues unabated...



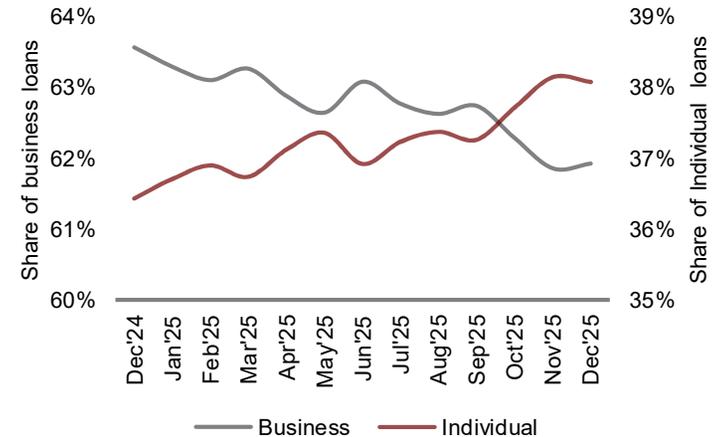
...driven by higher domestic growth at 11.2% YoY



Share of Govt/GREs loans decline marginally in Dec'25



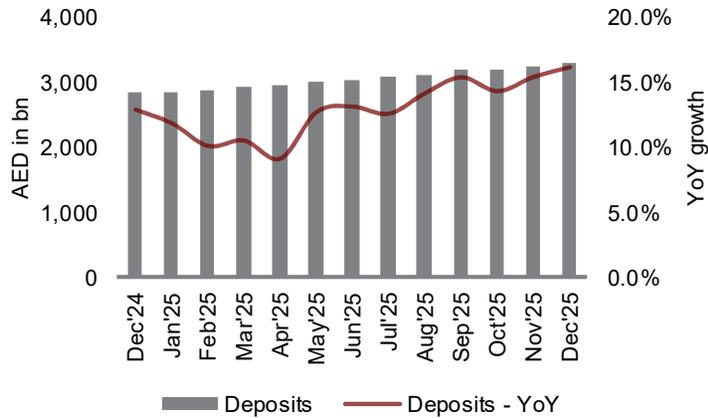
...while share of individual loans continue to increase



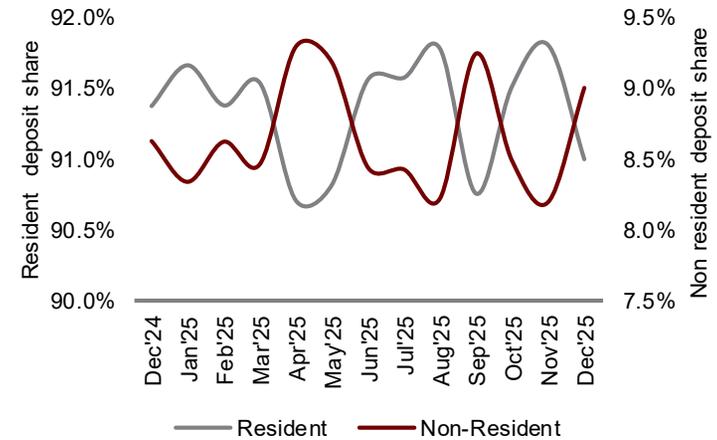
UAE – Deposits- keeping pace with growth in loans...



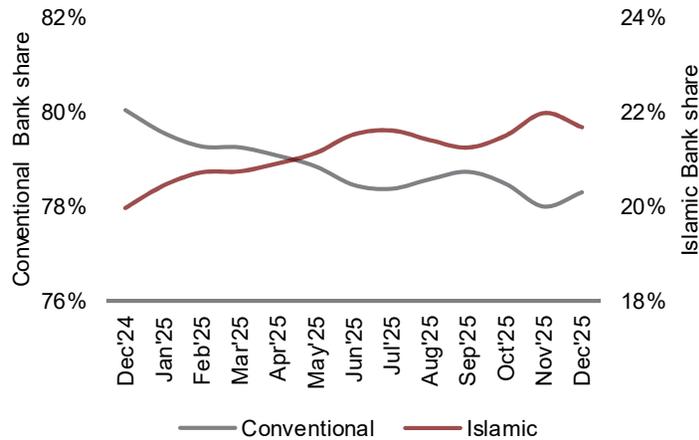
Deposits - double digit growth since May'25...



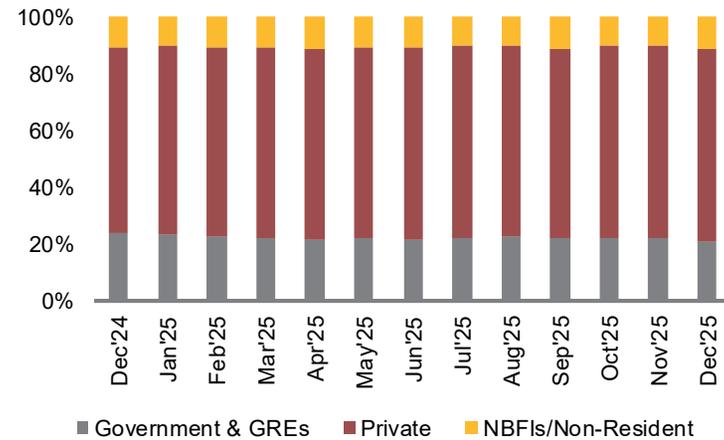
... share of NR deposits improve in Dec 25



Share of deposits from Islamic bank at 22%...



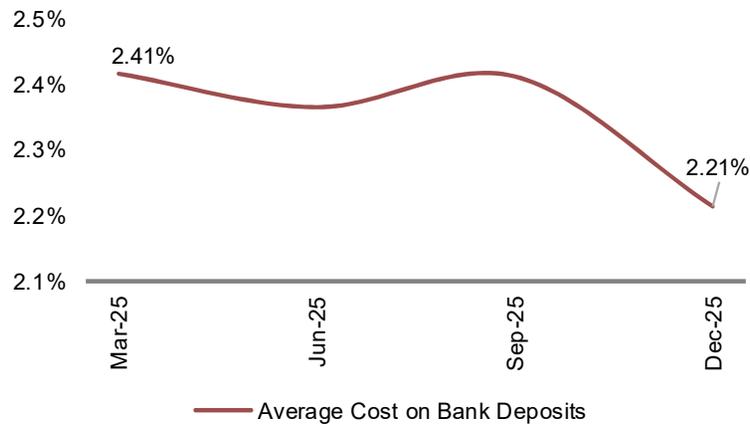
...while the share of deposits highest in last one year



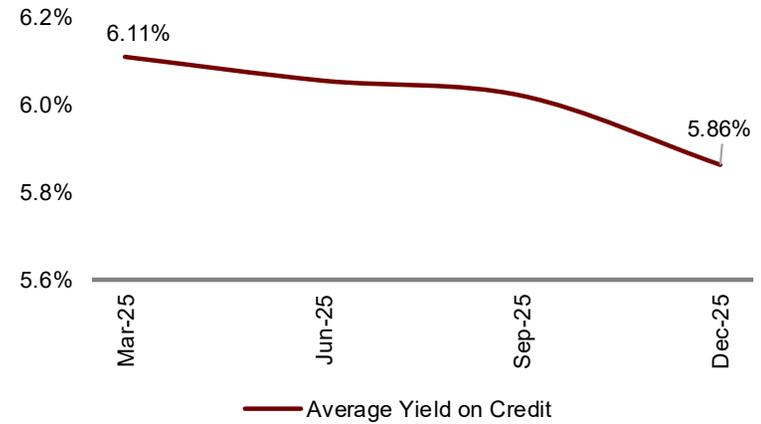
UAE – Other Key data points



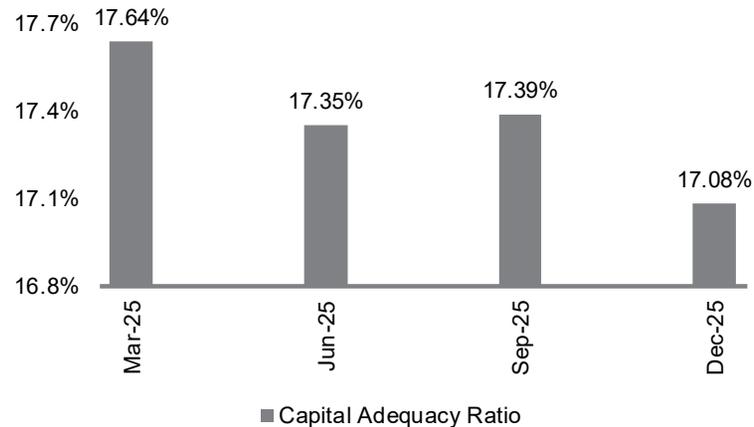
Cost of bank deposits declined by 20bps since Mar'25



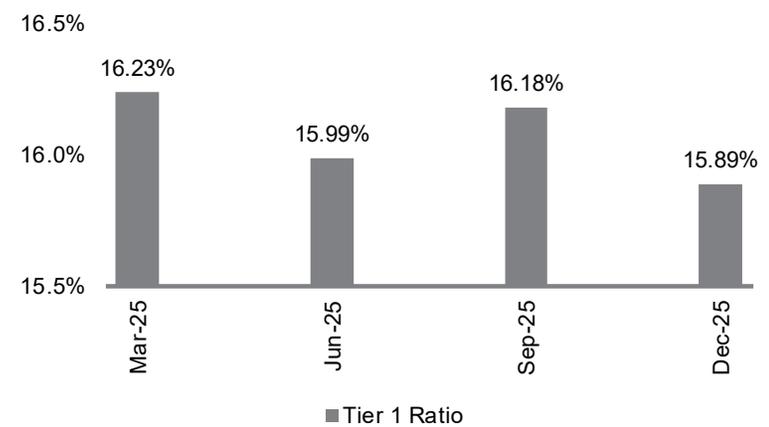
... even as average yield on credit decrease by 25bps



Capital adequacy ratio decline due to dividends...



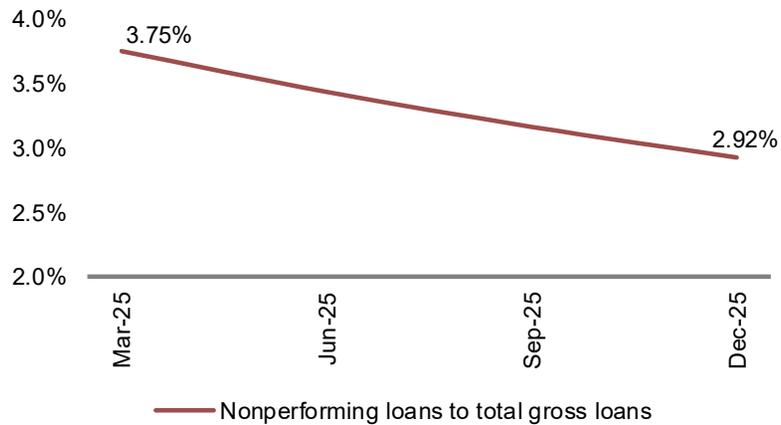
...even as core tier 1 capital remains range bound



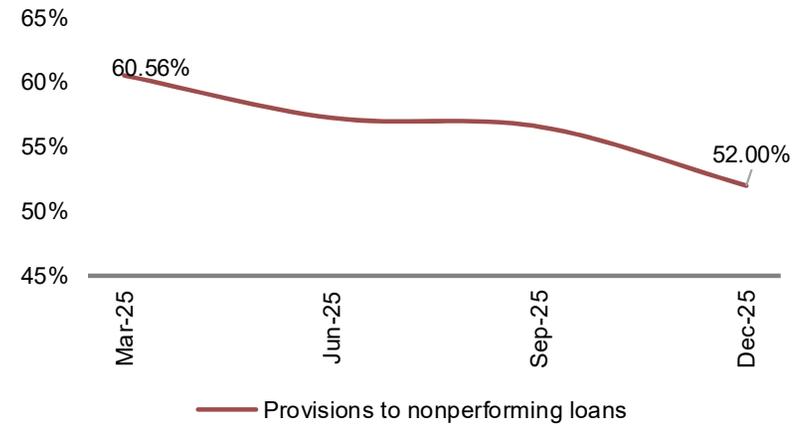
UAE – Other Key data points



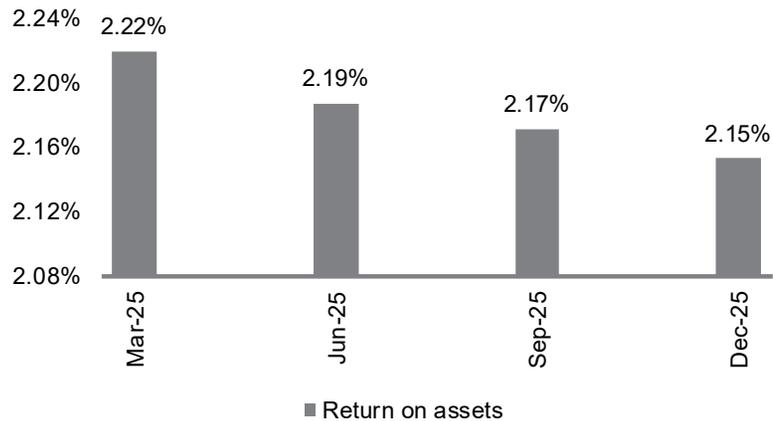
NPLs steadily declining pointing to good asset quality...



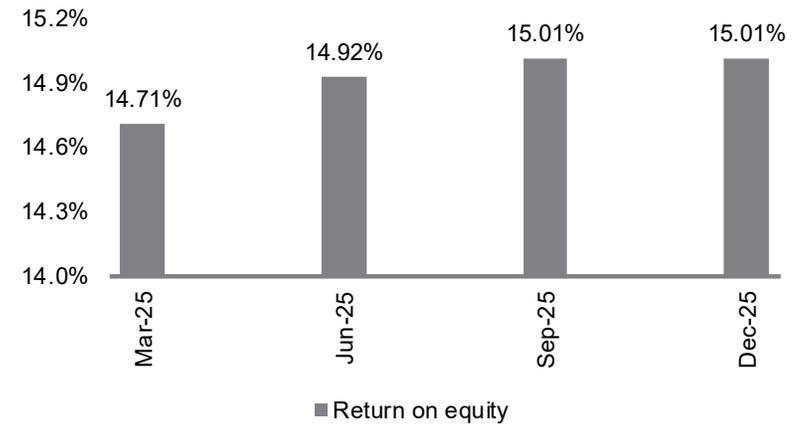
... however, provision to NPL decline by 856bps



ROA decline as assets grow faster than profits...



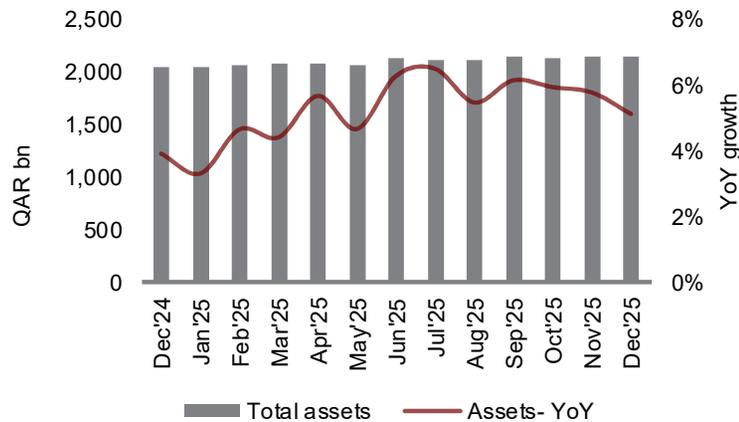
...however, ROE remains steady in last two quarters



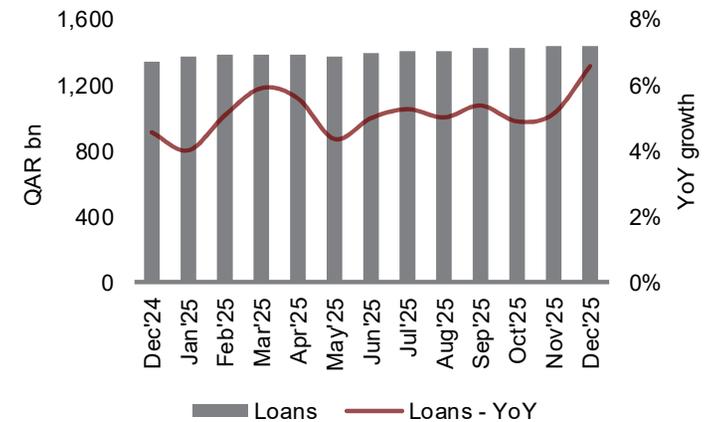


Qatar – Assets – Growth driven by increase in loans

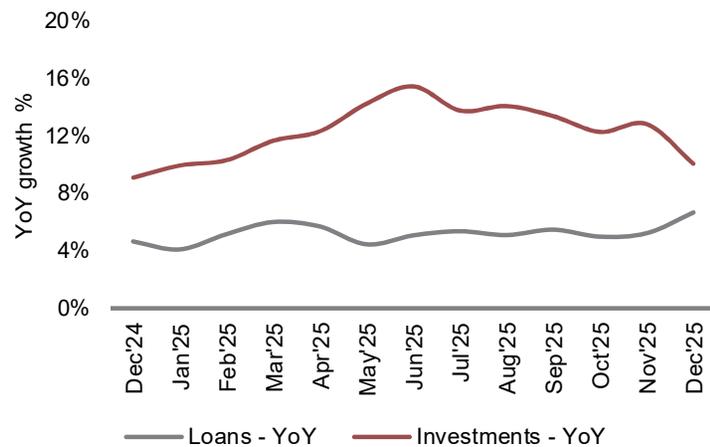
Assets - mid single digit growth in Dec'25...



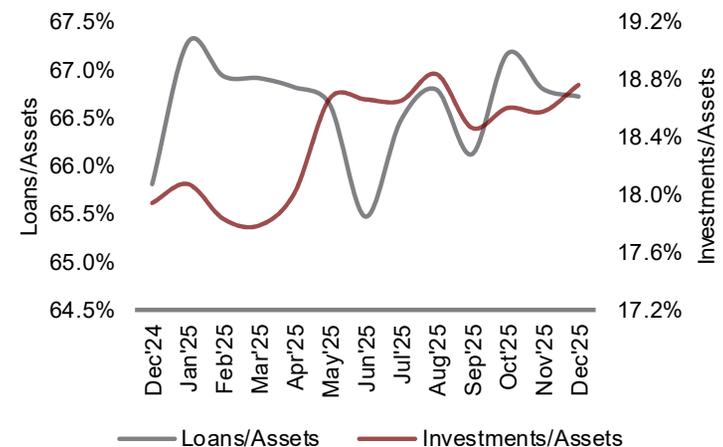
...with YoY loan growth above asset growth



YoY growth in investments steadily decline...



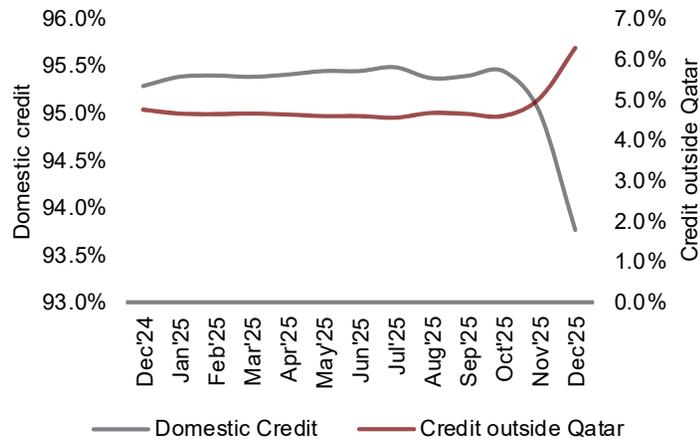
...no significant change in mix of major assets



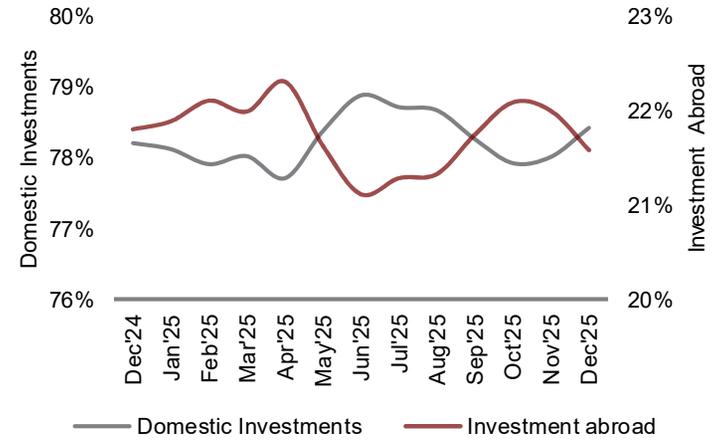


Qatar – Loans- Share of public lending declined in Dec'25...

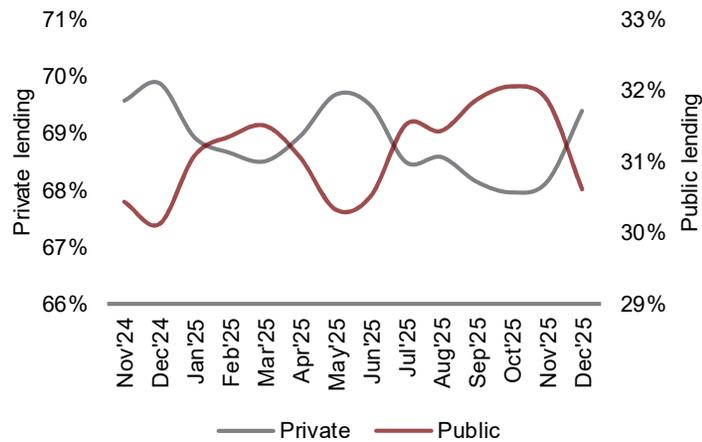
Credit outside Qatar increase could be one-off



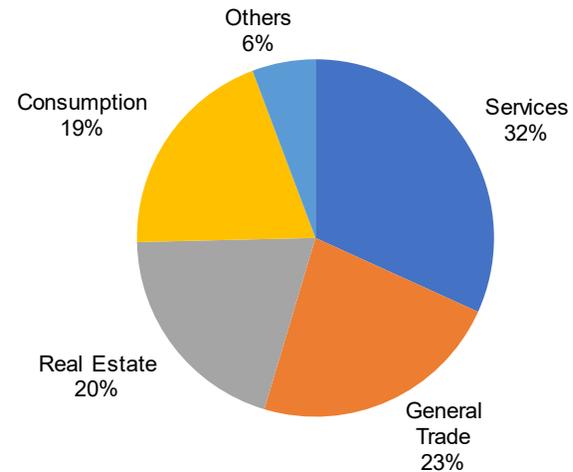
... while investment abroad decline in Nov/Dec'25



Share of public lending peaked in Oct'25...



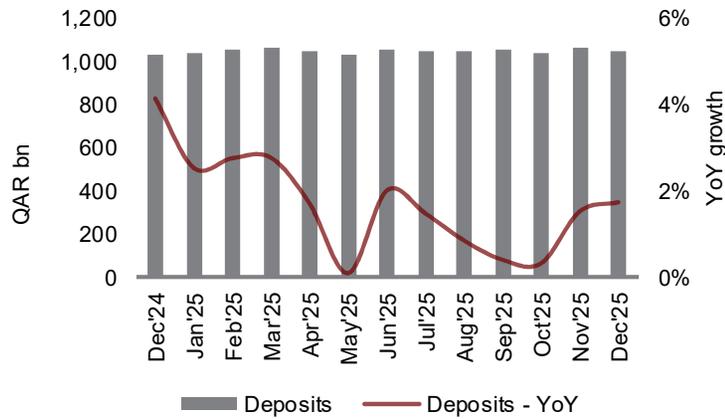
Top 3 non public book accounts for 75% of loans



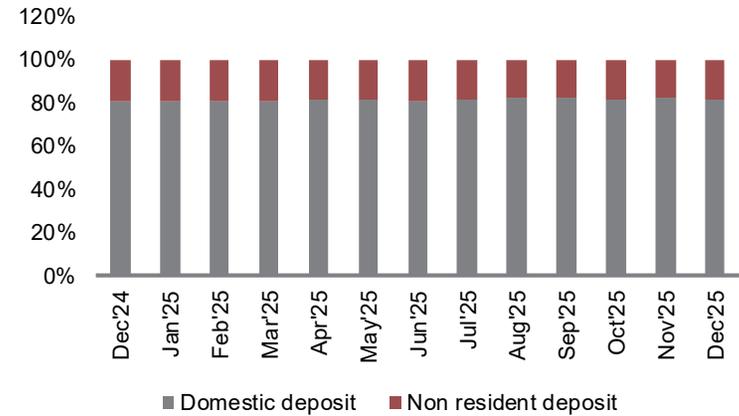
Qatar – Deposits growth continue to slow at below 2% YoY



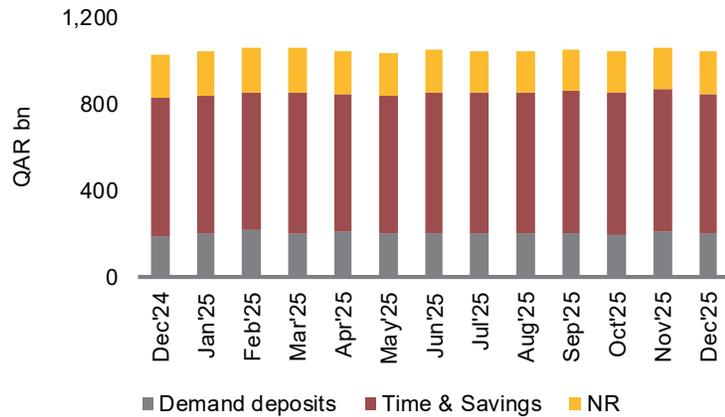
Deposits - YoY continues to be in single digit



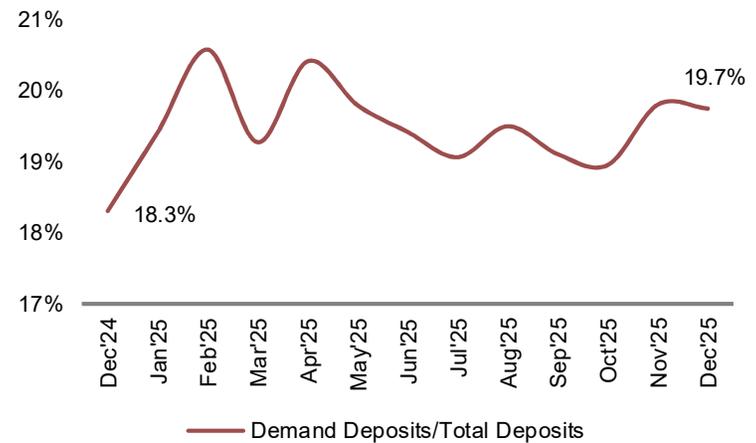
... NR deposits increase marginally in Dec'25



Demand Deposit decline offset by growth in TDs



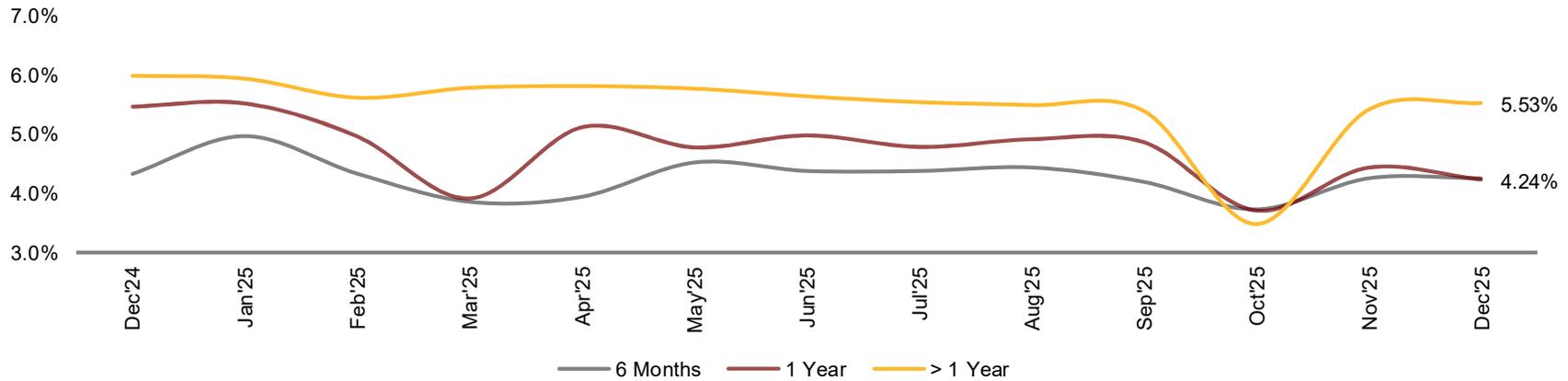
...share of demand deposits marginally decline MoM



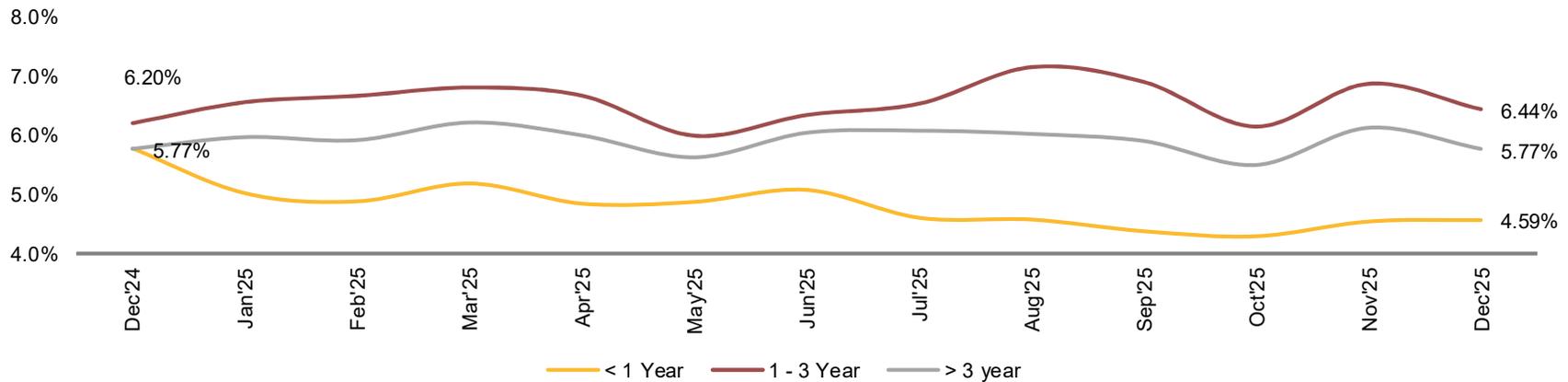
Qatar – Other Key data points



Weighted average interest on deposits - cost of 6 month and 1 year deposit converge in Dec'25



Weighted average interest on credit facilities - Divergence increase in various tenors of loans with a declining trend



Valuations...



COMPANY	CMP	MARKET CAP	TARGET PRICE	UPSIDE / DOWNSIDE	EPS (LCL)		BV (LCL)		PE	PB	DY
	LCL	LCL MN	LCL	(%)	2025	2026e	2025	2026e	2026e	2026e	2026e
SAUDI BANKS											
AL RAJHI	101.00	404,000	110.00	8.9%	6.2	6.8	28.7	32.6	14.8	3.1	2.9%
SNB	41.68	250,080	49.00	17.6%	4.2	4.2	30.9	32.9	9.9	1.3	5.5%
RIBL	27.78	83,340	33.00	18.8%	3.5	3.8	21.4	23.7	7.4	1.2	5.4%
ALINMA	27.98	69,950	31.00	10.8%	2.6	2.7	14.3	15.9	10.4	1.8	3.2%
SAB	34.22	70,322	40.00	16.9%	4.1	4.3	32.6	34.8	8.0	1.0	6.1%
ARNB	20.60	41,200	24.00	16.5%	2.6	2.6	20.9	22.2	7.9	0.9	6.3%
ALBI	25.60	38,400	30.00	17.2%	2.0	2.2	12.6	13.8	11.9	1.9	3.9%
UAE BANKS											
FAB	19.62	216,754	21.00	7.0%	1.91	1.82	12.0	12.9	10.8	1.5	4.6%
ENBD	33.00	208,448	33.75	2.3%	3.80	3.93	21.4	24.7	8.4	1.3	3.3%
ADCB	15.16	119,946	17.50	15.4%	1.45	1.47	10.1	10.9	10.3	1.4	4.6%
ADIB	25.50	92,616	26.50	3.9%	1.84	1.98	7.2	8.2	12.9	3.1	3.9%
DIB	8.30	60,100	10.00	20.5%	1.04	1.03	5.9	6.5	8.0	1.3	5.5%
QATARI BANKS											
QNB	19.30	178,263	22.00	14.0%	1.84	2.14	11.2	12.6	9.0	1.5	4.1%
QIB	23.70	56,001	25.00	5.5%	2.04	2.09	12.5	13.7	11.3	1.7	4.0%
CBQ	4.70	19,022	4.75	1.1%	0.54	0.68	5.2	5.5	6.9	0.8	6.4%
DHBK	2.95	9,146	2.70	-8.5%	0.30	0.33	3.8	3.9	8.9	0.8	5.1%



Key contacts

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