المتحدة للأوراق المالية
UNITED SECURITIES

Monthly Chart Book – Banking (Jun’26)

Sep 06, 2026

Trends in Banking sector

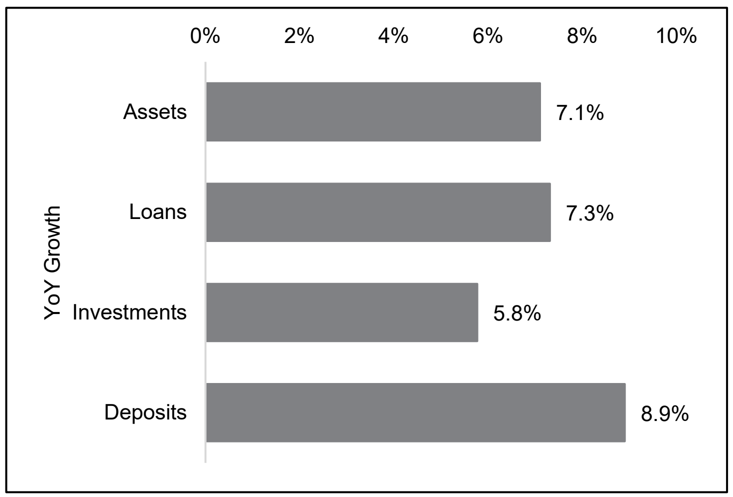
We reviewed broad trends across key banking indicators in Saudi Arabia, the UAE, and Qatar for Jun 2026. A summary of our findings is outlined below.

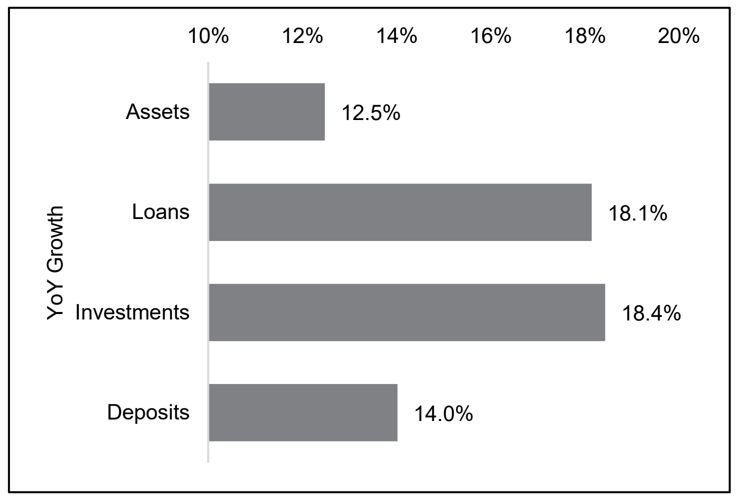
- **Saudi Arabia:** Saudi Arabia's commercial banking sector increased by 7.1% YoY in Jun 2026, slightly higher than 6.9% YoY in May 2026; however, the growth has been in single digits since the beginning of the year. Loan growth marginally improved to 7.3% YoY in June 2026 vs. 7.1% a month ago. Investment growth slowed to 5.8% YoY in Jun 2026, down from 6.1% a month ago. Deposit growth also softened to 8.9% YoY in Jun 2026 from 9.3% YoY in May 2026. It peaked in Apr 26, touching 10.5% YoY. Demand deposits moderated, declining by 3.2% YoY in June 2026, the third month in succession. Share of interest-bearing assets in total assets stood at 81.4% in June 2026. Interest spreads increased by 9bps sequentially in June 2026, while NPLs remained steady. Overall, the banking sector showed signs of marginal growth month on month; however, sustainability will hinge on abatement of the current geopolitical scenario

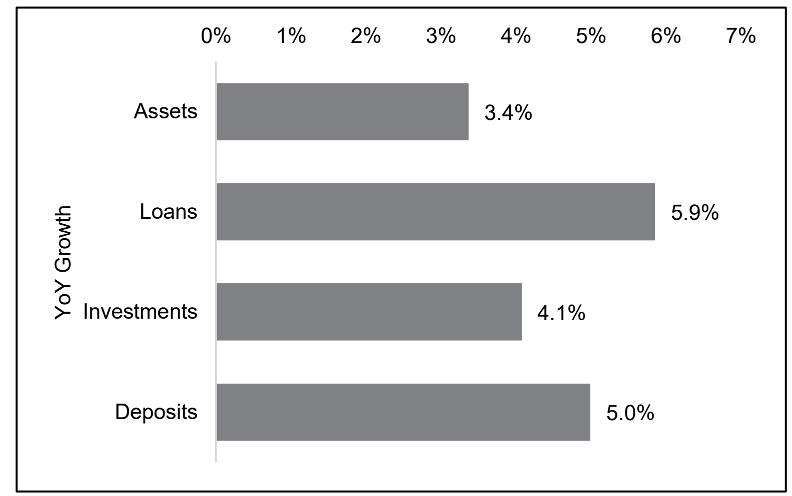
- **UAE:** UAE banking sector outperformance among GCC peers continued in June 2026; however, YoY growth across all four key parameters moderated. Assets increased by 12.5% YoY in June 2026, the lowest since last year, while loans increased by 18.1% YoY as foreign credit grew faster at 37.5% YoY. Investments increased 18.4% YoY, down from 19.1% YoY a month ago. Deposits, on the other hand, marginally declined to 14.0% YoY, from 14.7% YoY a month ago. Yields fell by 28bps in the last year, offsetting a decline in the cost of funds by 15bps YoY, indicating that banks have been able to increase spreads. NPLs improved, while the provision coverage ratio declined by 246bps YoY. Overall, while the UAE banking sector continues to be buoyant, growth marginally moderated in the last two months.

- **Qatar:** Qatar's banking sector's asset growth moderated to 3.4% YoY, the lowest in the last year, as loans increased by 5.9% YoY, while investments increased by 4.1% YoY. On a month-on-month basis, the YoY growth of both loans and investments moderated by 90bps and 350bps respectively. Deposits increased by 5% YoY, after peaking at 6.8% YoY in the previous month. Deposit growth bottomed in Feb'26, when it increased by a moderate 0.4% YoY; since then, there has been continuous growth, which was reversed in June 26. Interest on deposits moderated month on month across all the tenors, while interest on credit facilities increased for tenors of more than 1 year. Overall, Qatar is witnessing the lowest growth among the key GCC markets, given the relatively higher dependence on gas revenue and the delay in the North Field project

Growth trajectories across countries



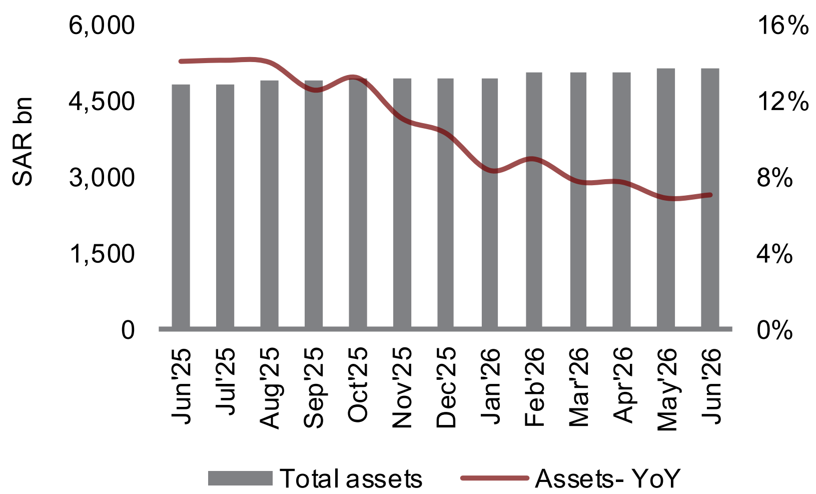




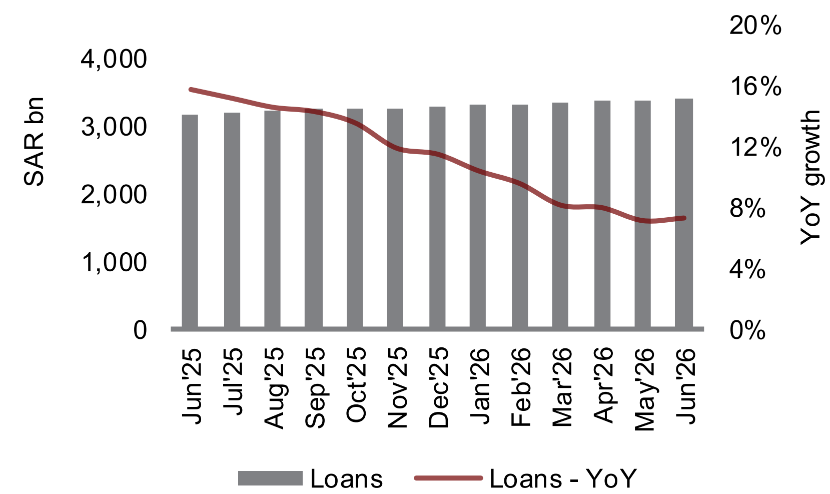
- Saudi: Assets and loans growth rebounds marginally by 20bps each, while YoY investments and deposits decline by 30bps and 40bps each in Jun’26
- UAE: Growth momentum across assets, loans, investments and deposits slowed; however, growth continues to be double-digit and best among GCC
- Qatar: Growth across all four key parameters declined MoM, with loans declining by 90bps while investments declined by 350 bps.

KSA – Assets – Moderate growth YoY, after declining since Feb'26

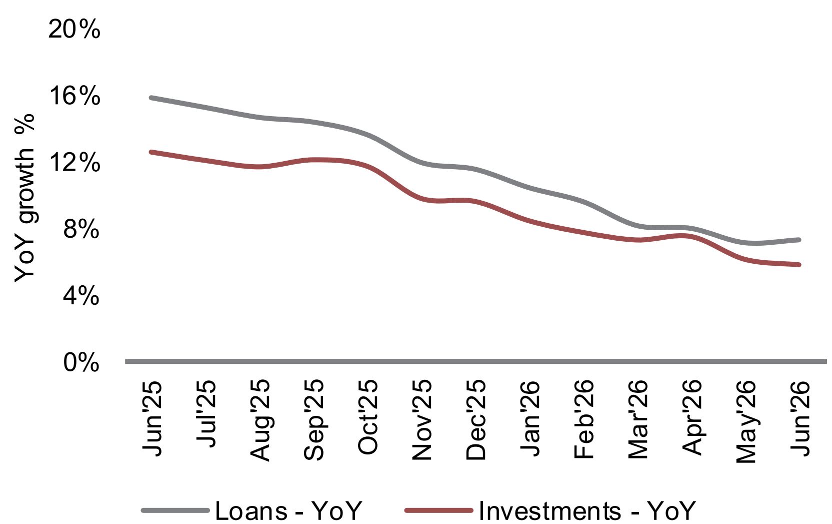
YoY Asset growth of 7.1% inch up moderately



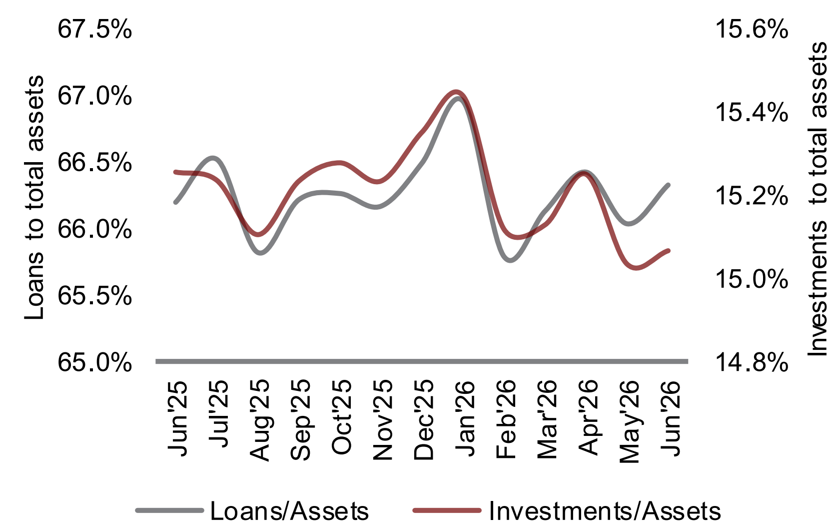
… loan growth mirroring asset growth trend



YoY loans grow faster than investments in Jun'26

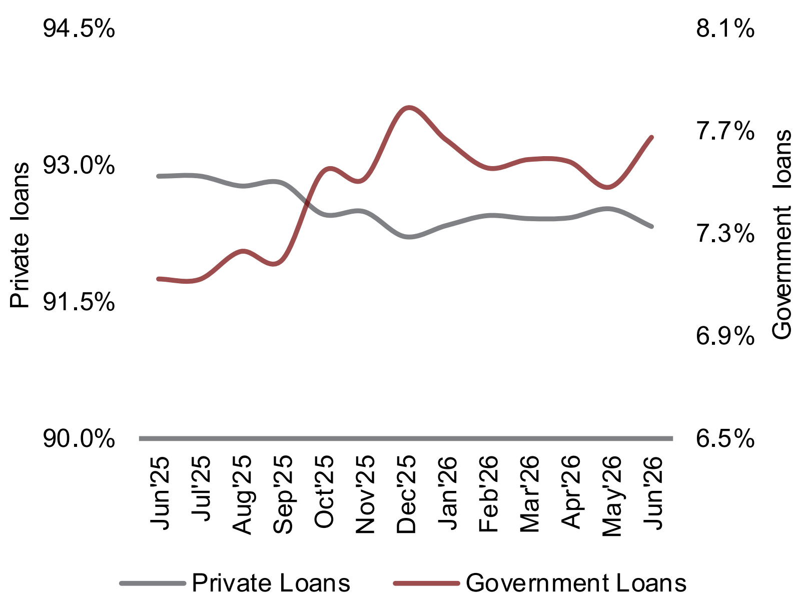


Share of interest-bearing assets at 81.4% in Jun'26

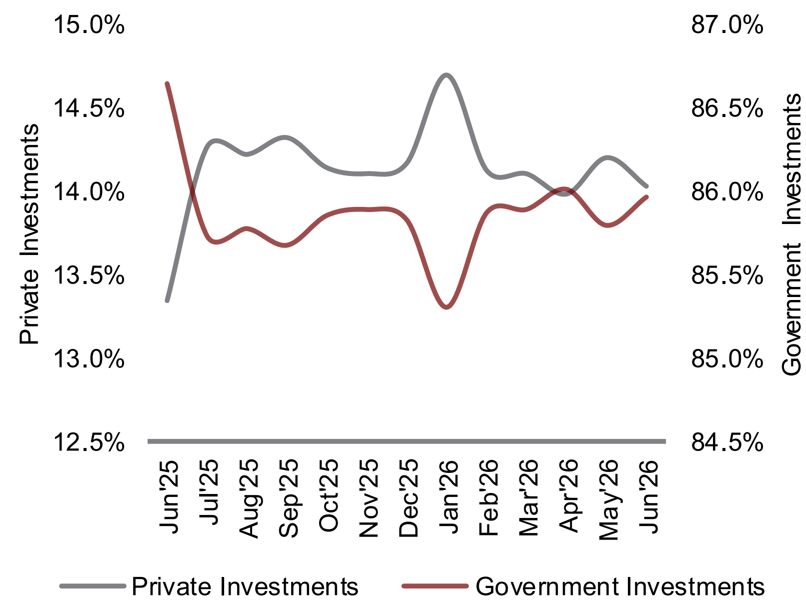


KSA – Share of private loans between 92.2% and 92.9% in the last year

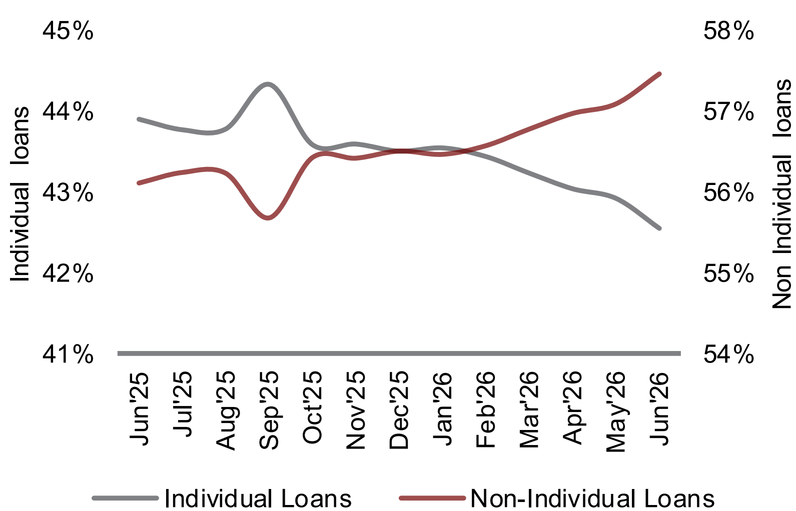
Private loans remains high at 92%+ in last year



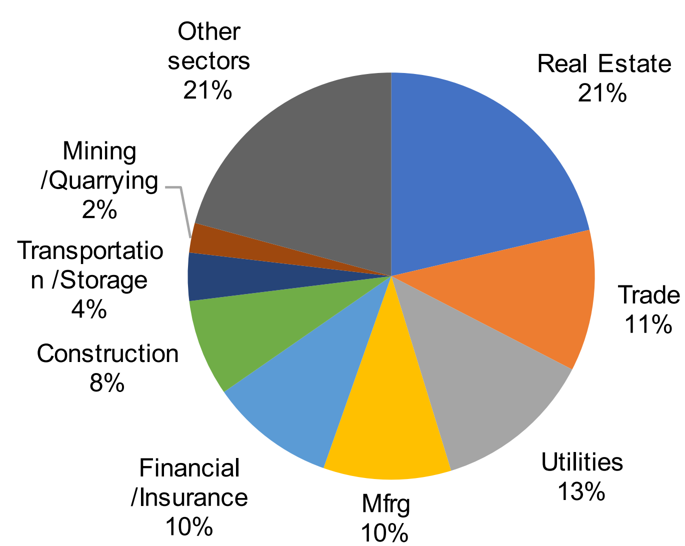
Private investments steady month on month in Jun



Share of non-individual loans marginally increase

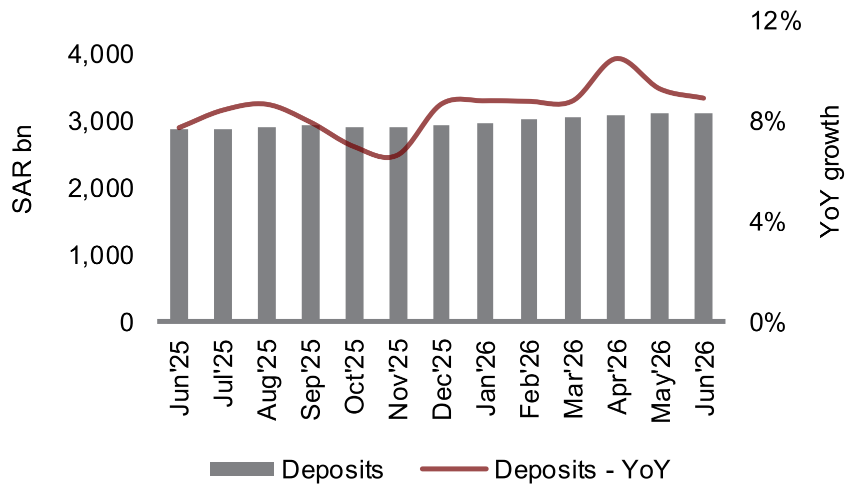


… utilities exposure increased to 13% in Jun'26

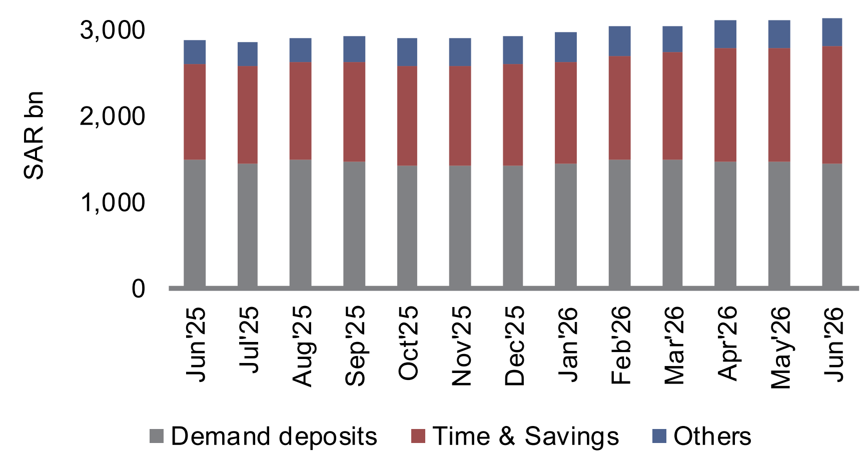


Demand deposits decline, as deposit growth has moderated since Apr

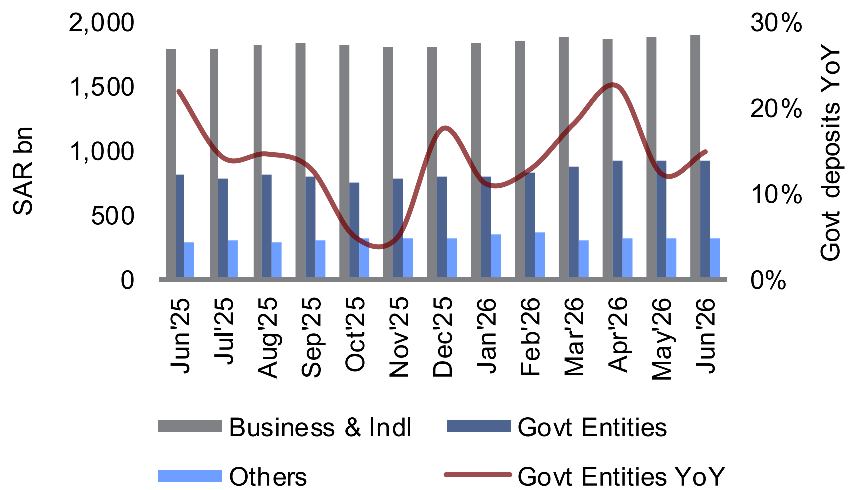
Deposit growth moderate for two consecutive months



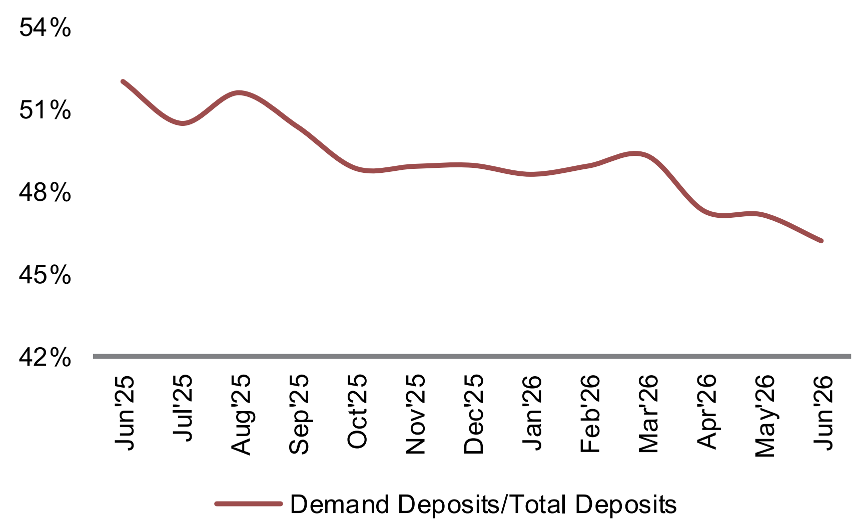
…share of time and savings deposits increase in Jun



Pace of growth in government deposits improve…

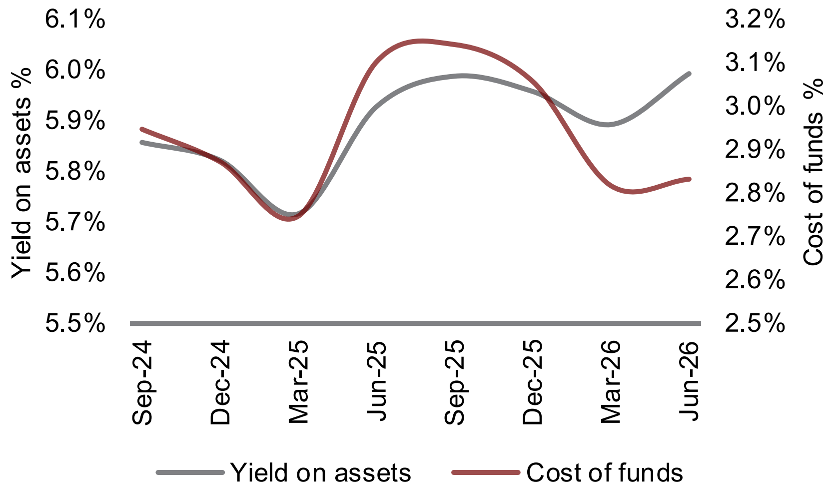


…trend in demand deposits shows a steady decline

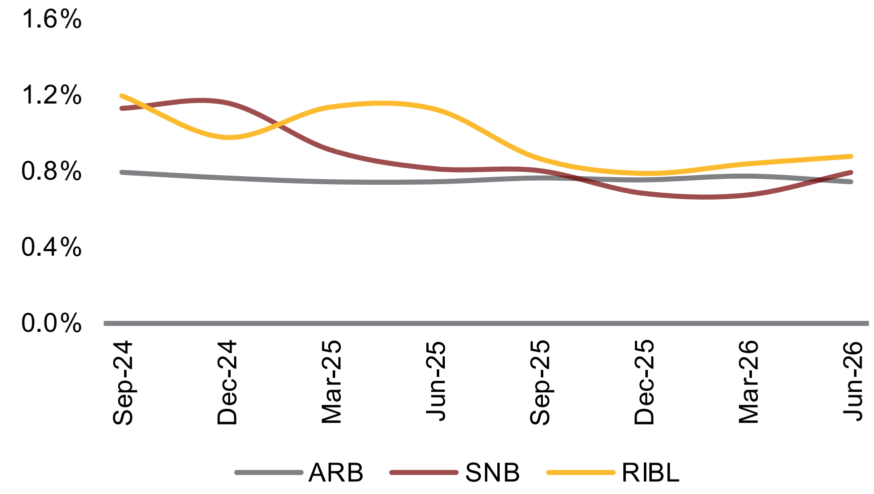


Other Indicators–NPLs marginally improved, CAR improved since Sep-24

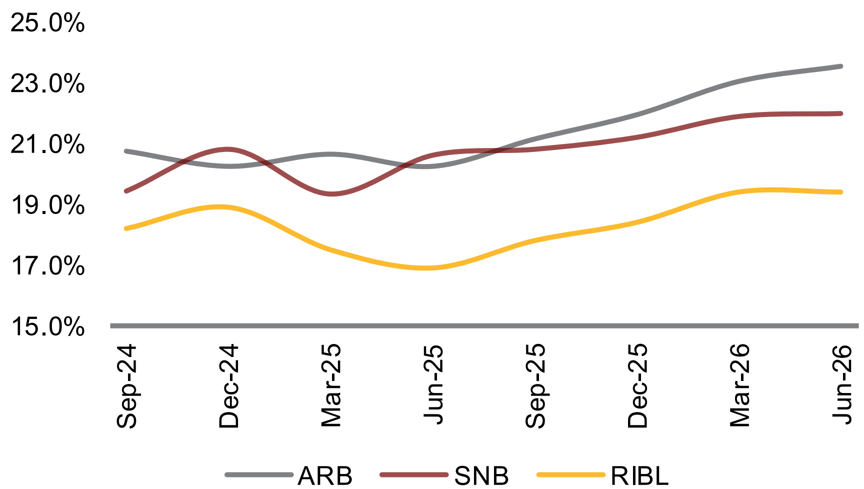
Spread of yield and cost of funds widen in Jun



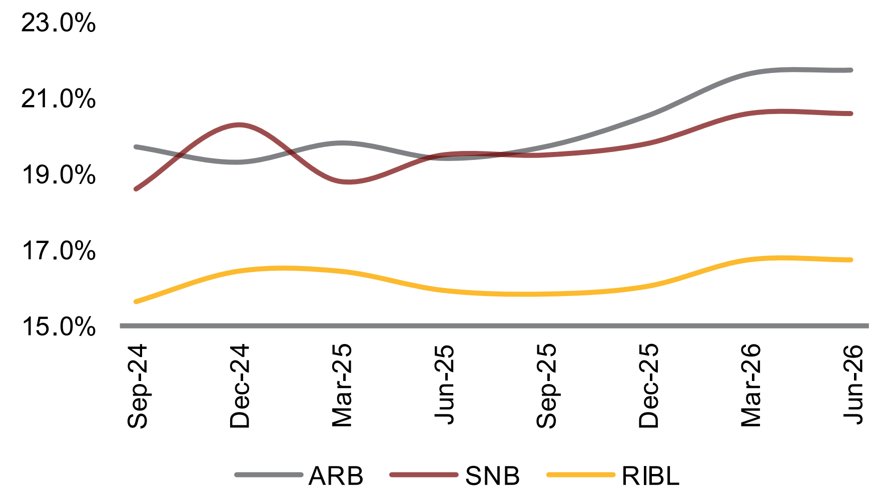
NPL ratios of the top three banks are largely stable



Core capital adequacy ratio improves for ARB and SNB

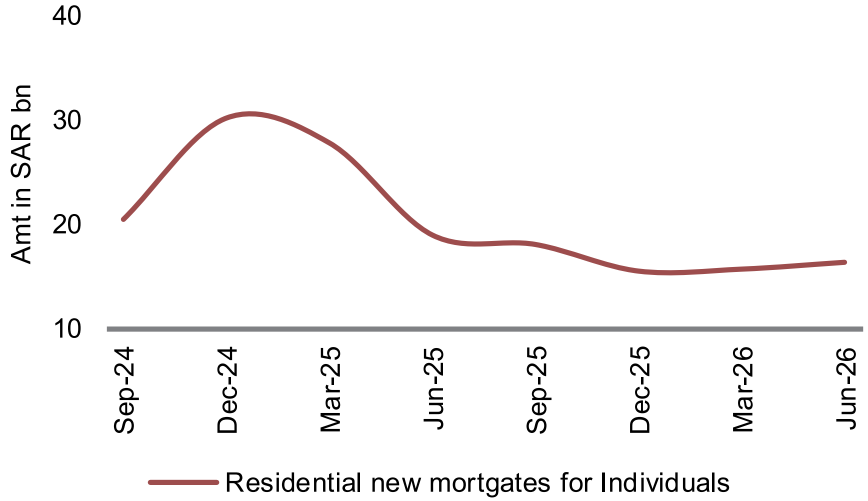


…with tier 1 capital remaining flat for SNB and RIBL

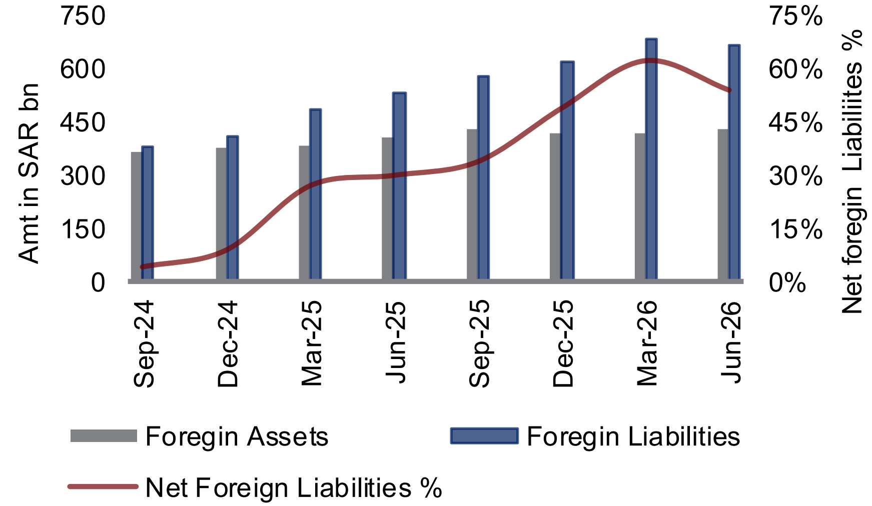


Other Indicators– Marginal growth in Mortgage and Consumer Loans

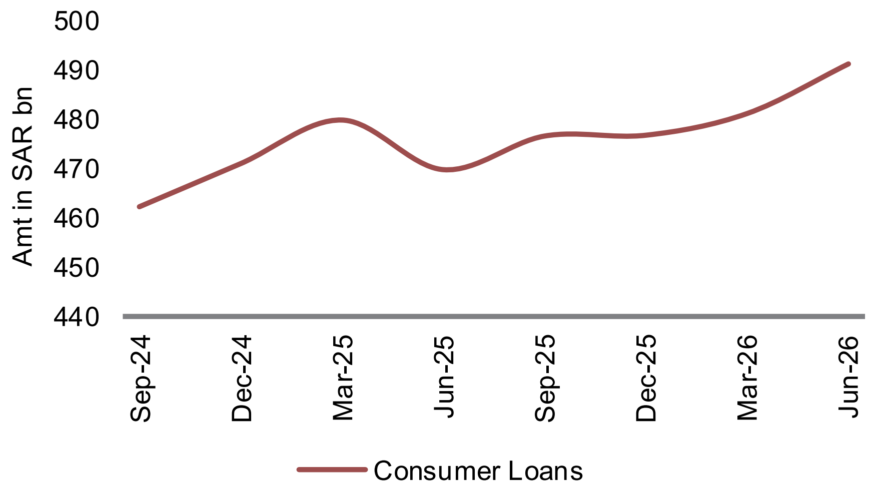
Residential new mortgages marginally improve…



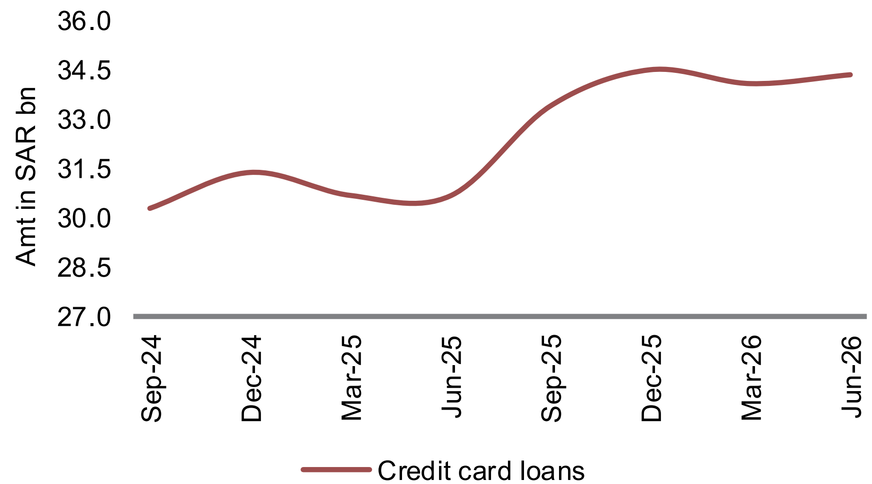
…with net foreign liabilities decline in Jun'26



Consumer loans improve on a QoQ basis moderately

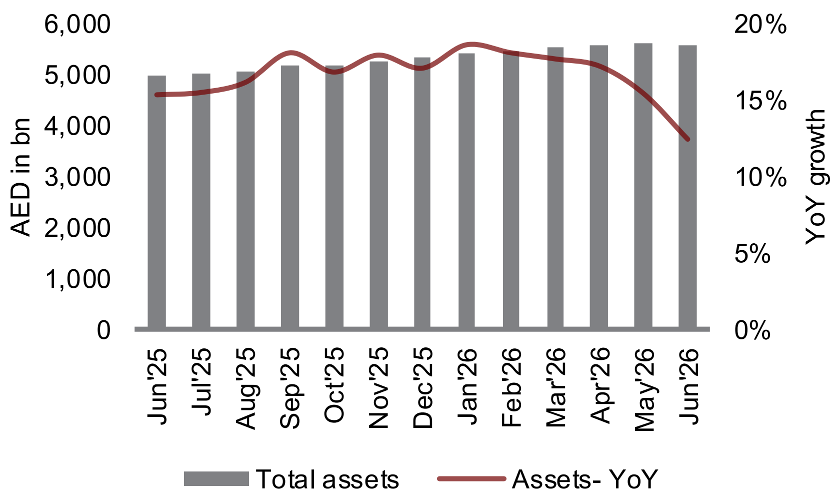


…outstanding credit card loans largely unchanged

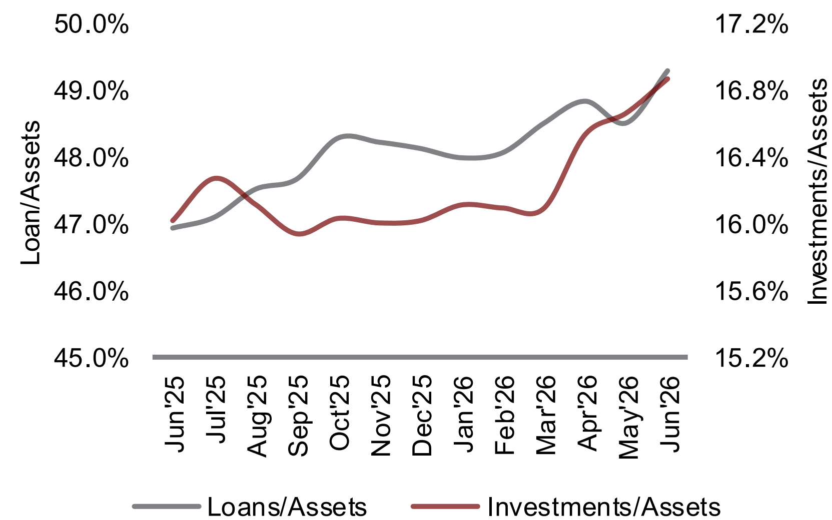


UAE – Assets – High base effect kicks in, growth at 12.5% YoY

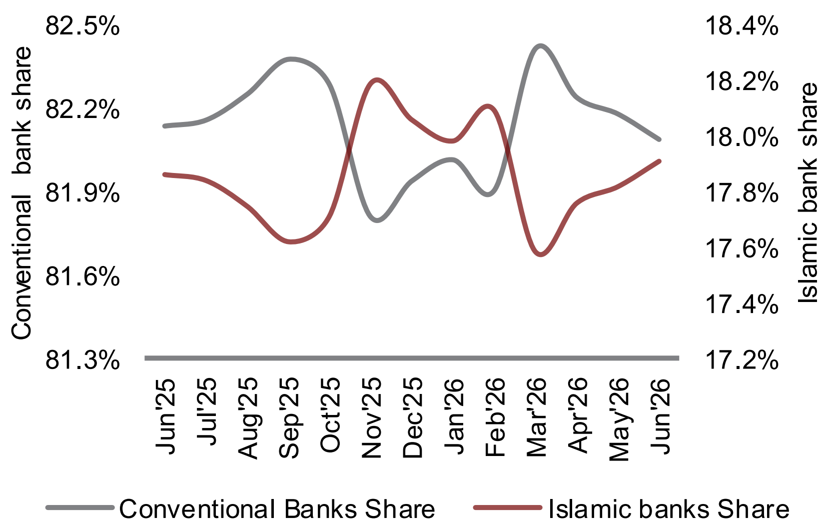
Assets - pace of YoY growth decline in Jun'26



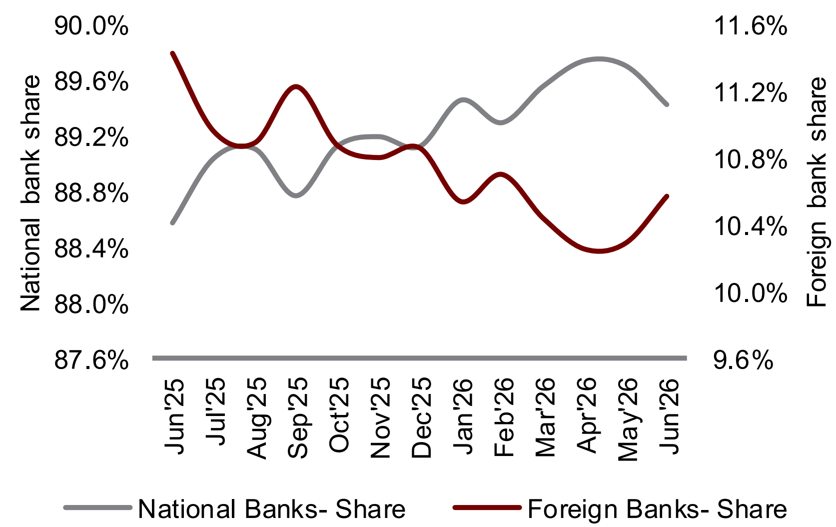
…share of interest bearing assets at peak at 66.2%



Mix of Conventional/Islamic steady on a MoM basis

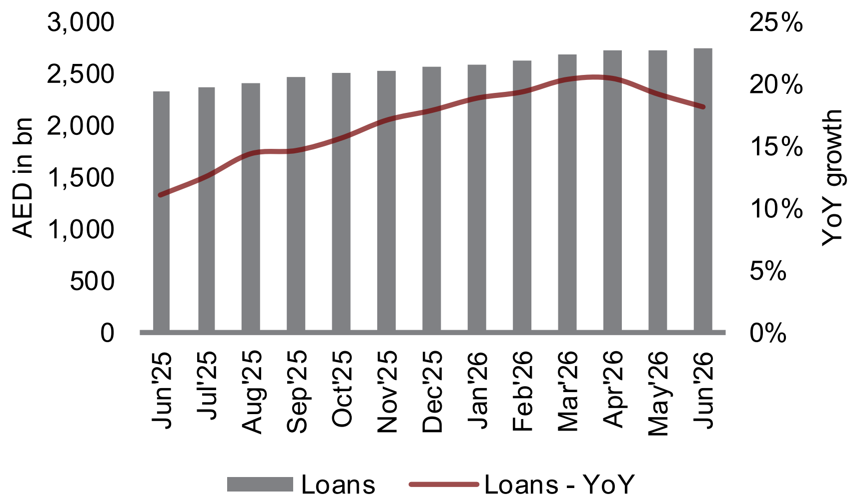


…ratio of foreign to national banks expand in Jun'26

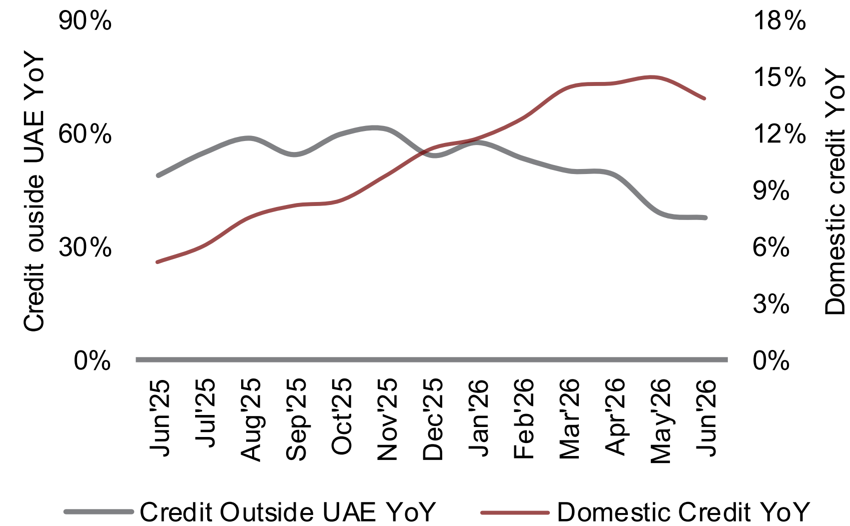


UAE – Loans – YoY growth marginally moderated at 18.1%

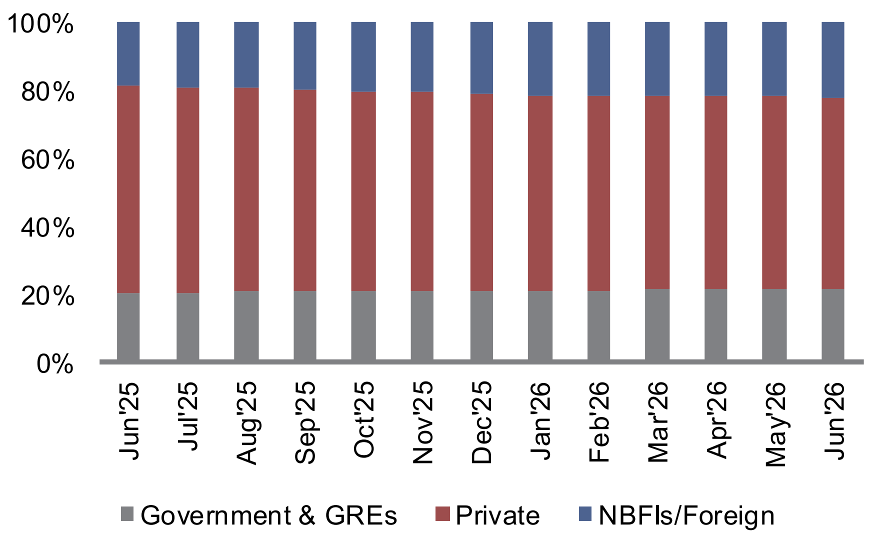
YoY loan growth taper down for the second month…



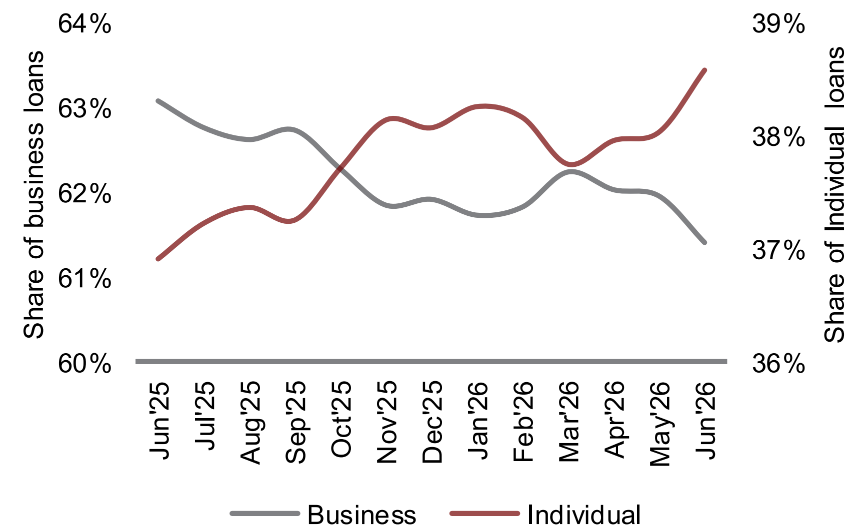
…domestic credit growth decline in Jun'26 at 14% YoY



No significant change in share of counterparty lending

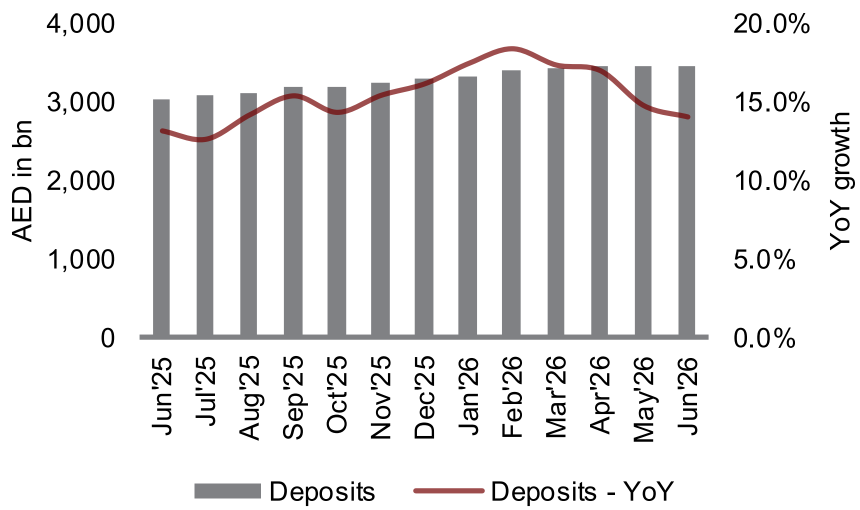


…Individual loans gain a higher share in Jun'26

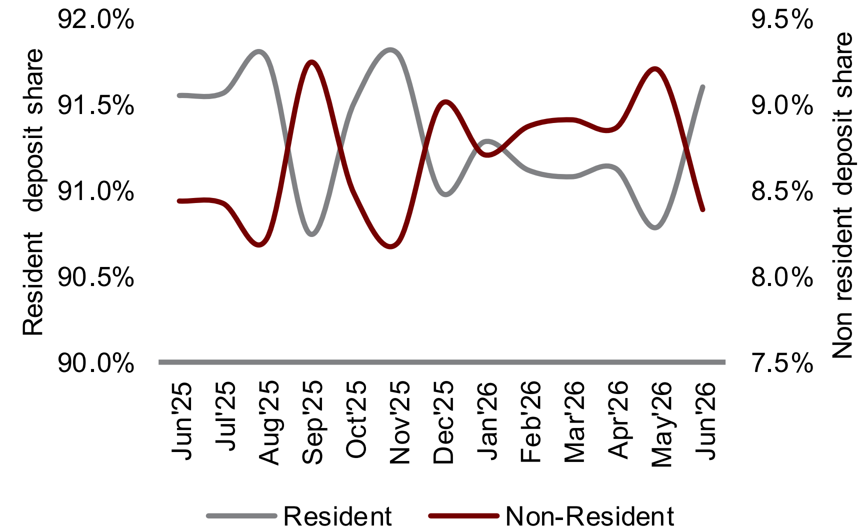


UAE – Deposits growth of 14.0% YoY – Lowest since Aug'25

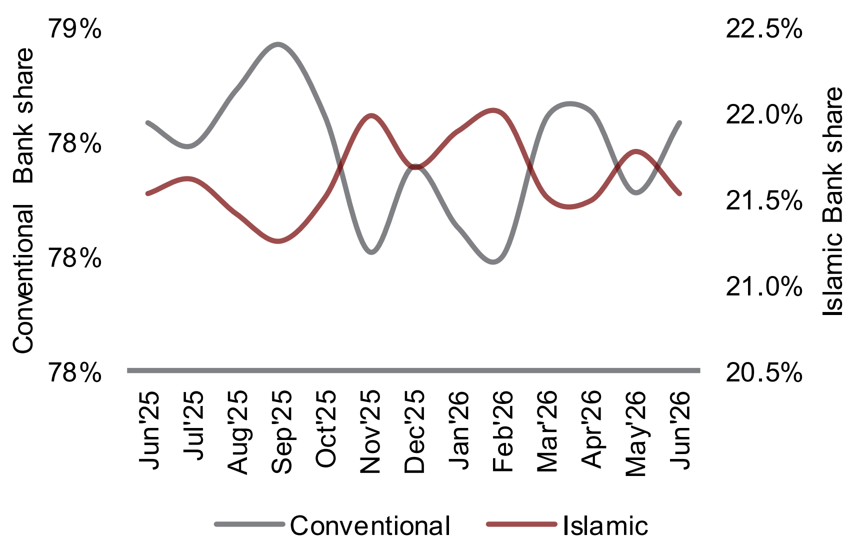
Deposits - YoY growth moderating since Oct'26



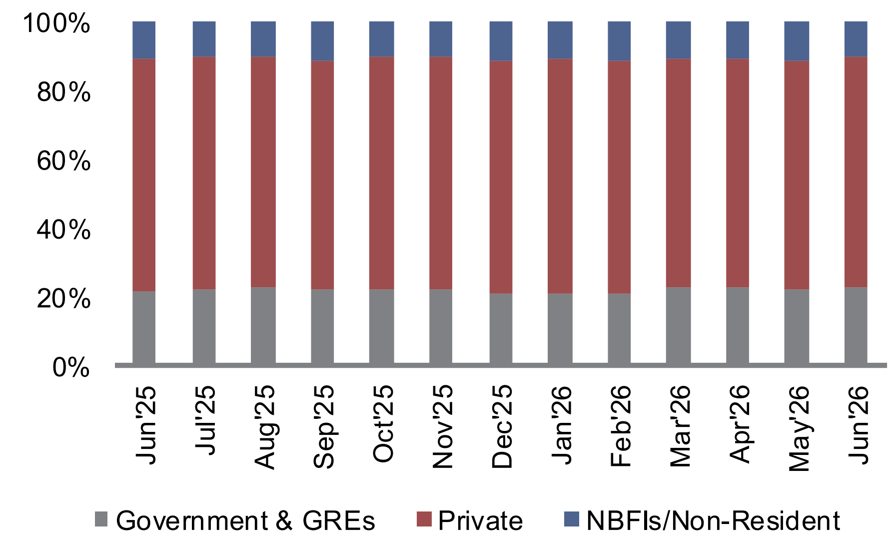
…share of non-resident deposits reverse in Jun'26



Deposit - Conventional/Islamc mix range bound

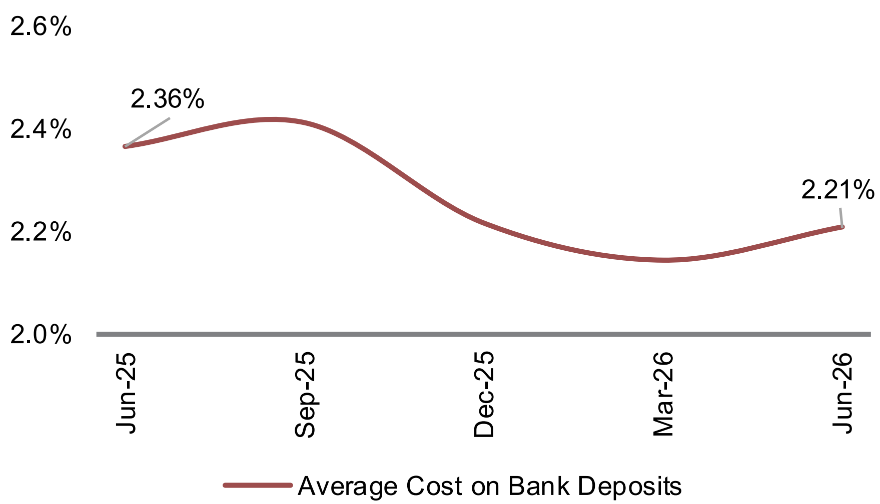


…marginal change in mix of counterparty deposits

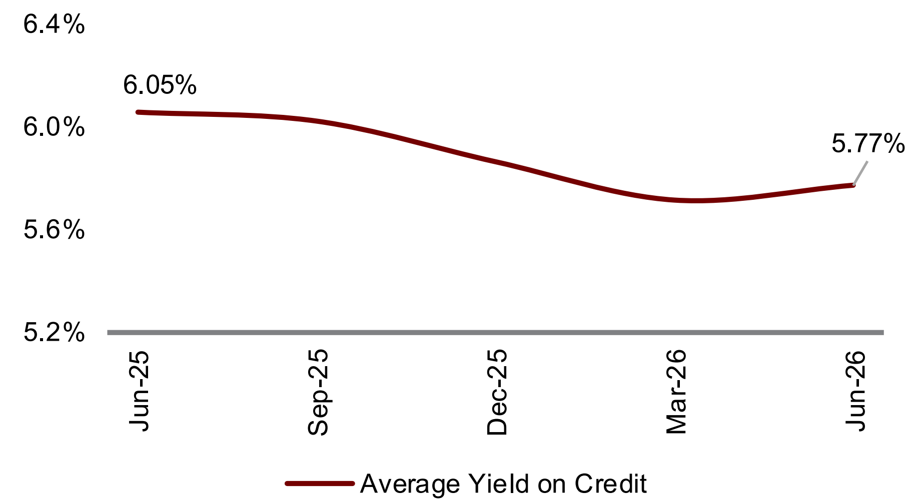


UAE – Other Indicator – Fall in cost of deposits lag yield declines

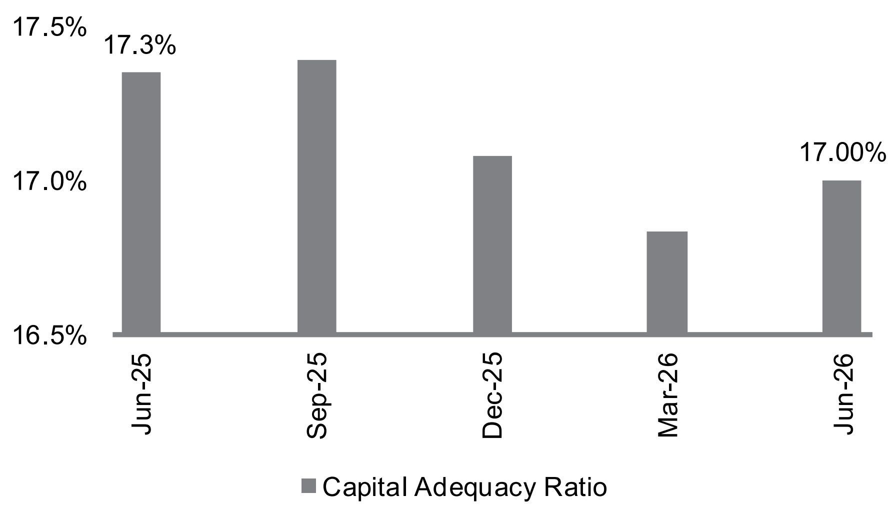
Cost of bank deposits down by 15bps since Jun-25



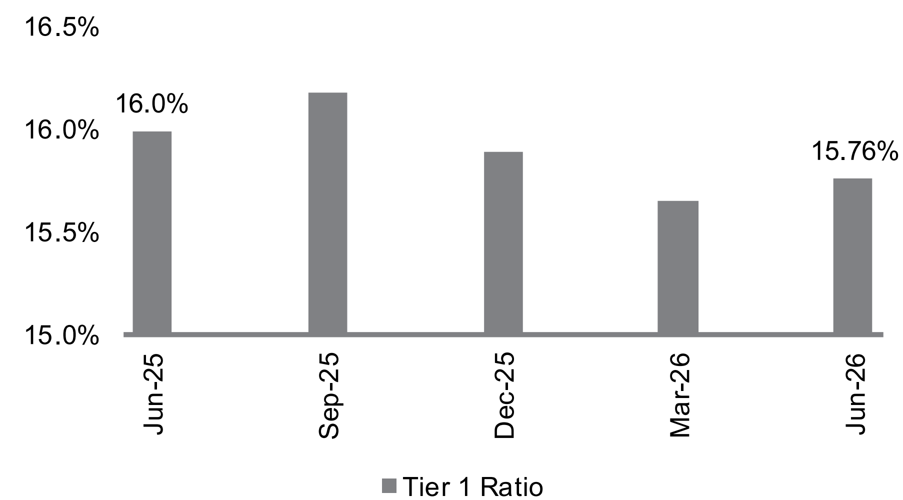
…yields at 5.77% lower by 28bps since Jun-25



CAR in the declined by 30bps since last one year

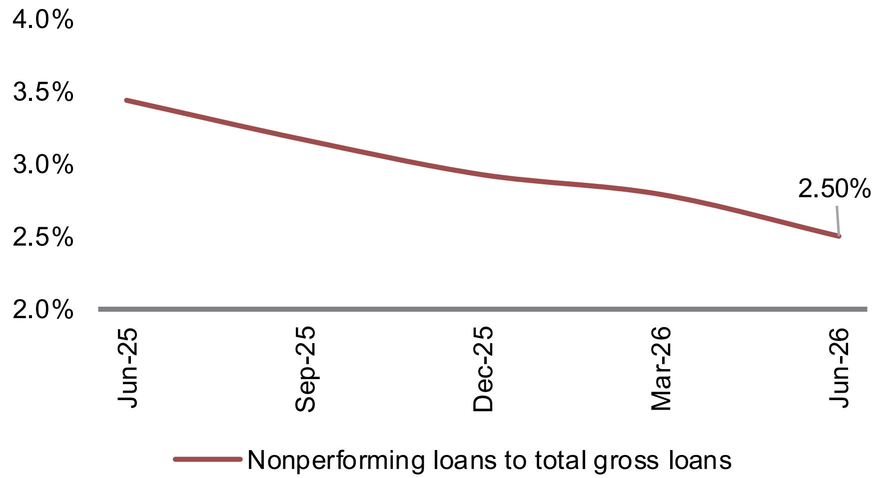


…core tier 1 capital decline by 24bps over 1 year

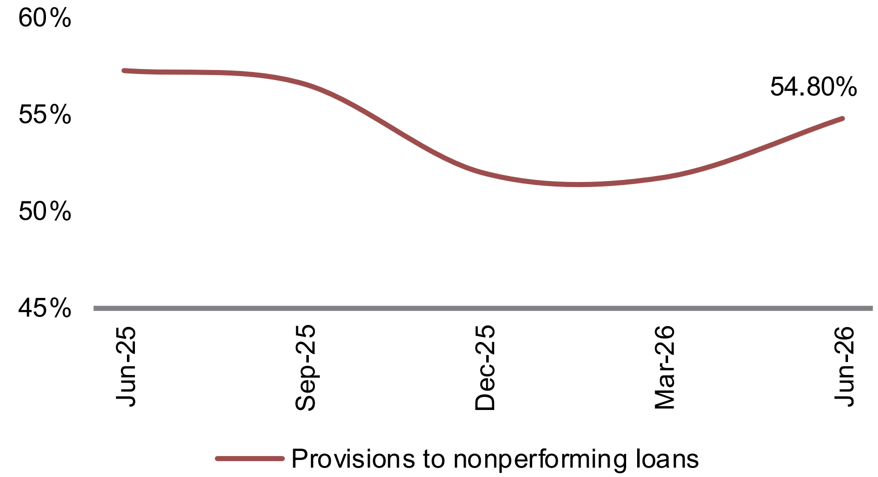


UAE – Other Indicator – NPLs improve, while coverage decline

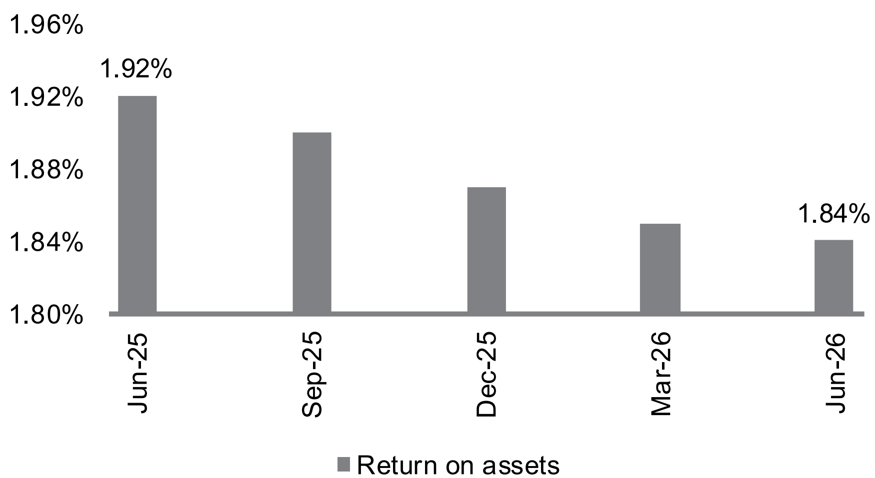
NPLs ratio improved to 2.5%, the lowest in since Jun'25



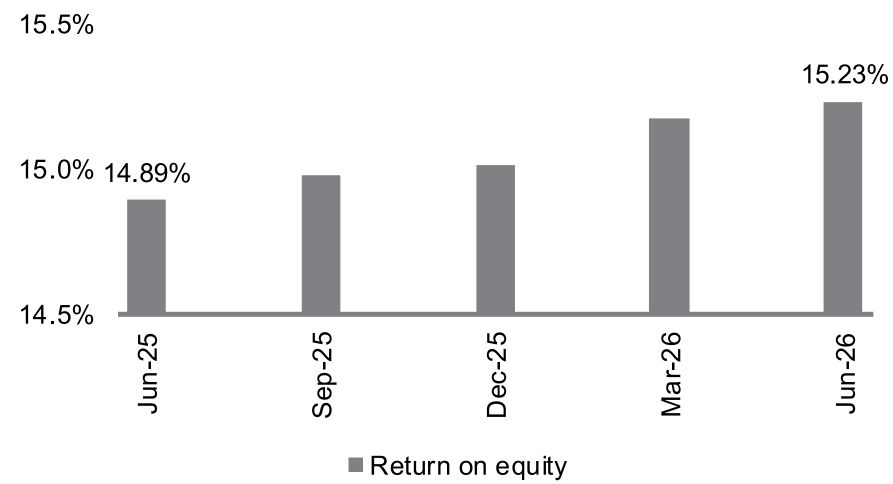
... however, provision to NPL decline by 246bps YoY



ROA has declined steadily over the last year

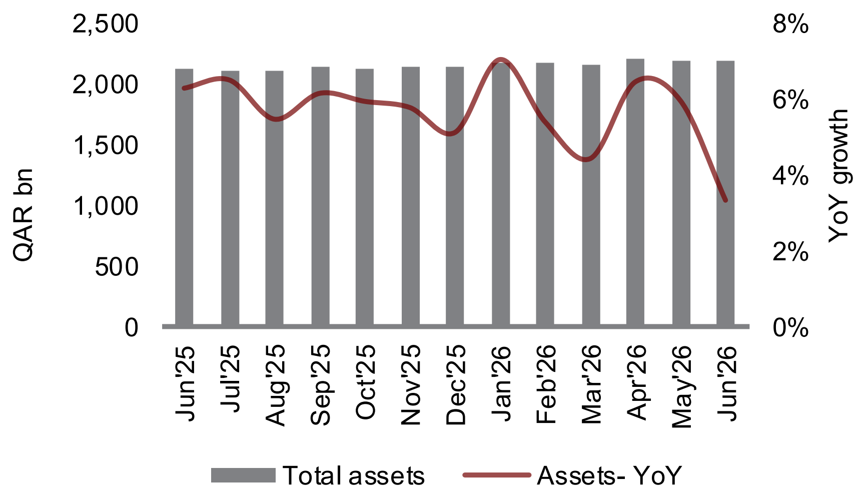


...ROE improve by 34bps as profits increase

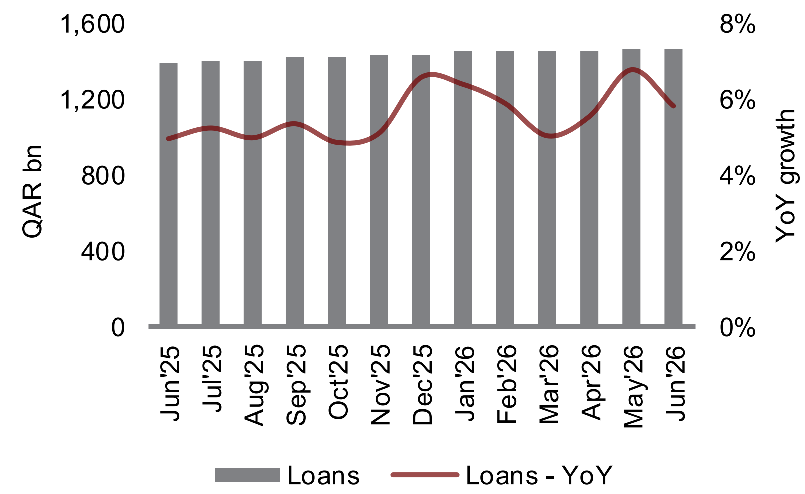


Qatar – Asset growth fell the most last year at 3.4% YoY

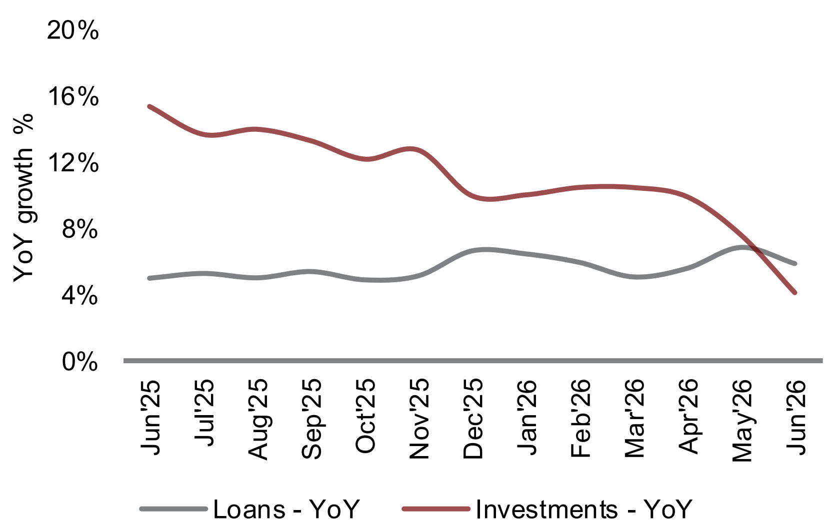
YoY asset growth continues to decline - 3.4% in Jun



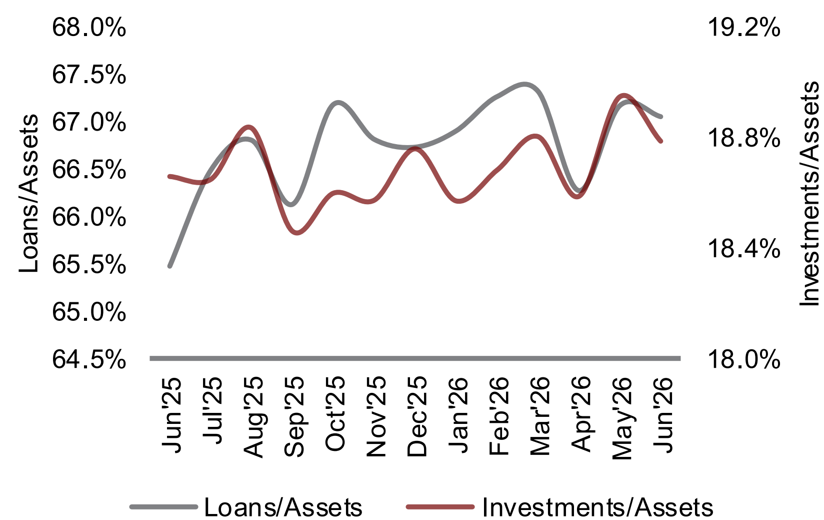
…loan growth at 5.9% YoY, moderate decline



Investment growth decline is steeper than the loan

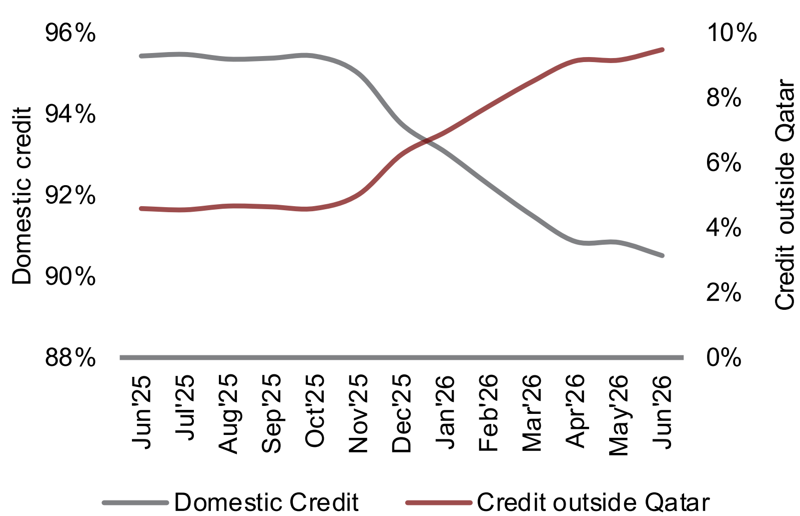


…mix of interest bearing assets lower by 30bps MoM

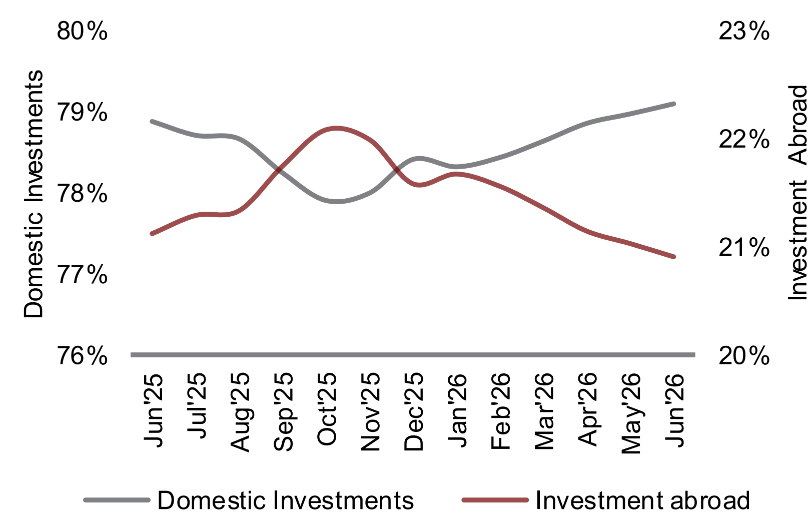


Qatar – Steady share of mix for loans and investments MoM

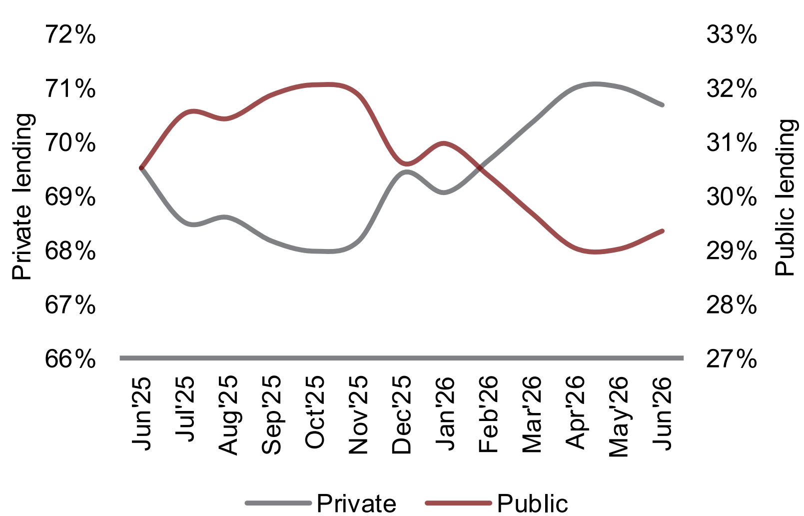
Uptrend in share of credit outside Qatar continues



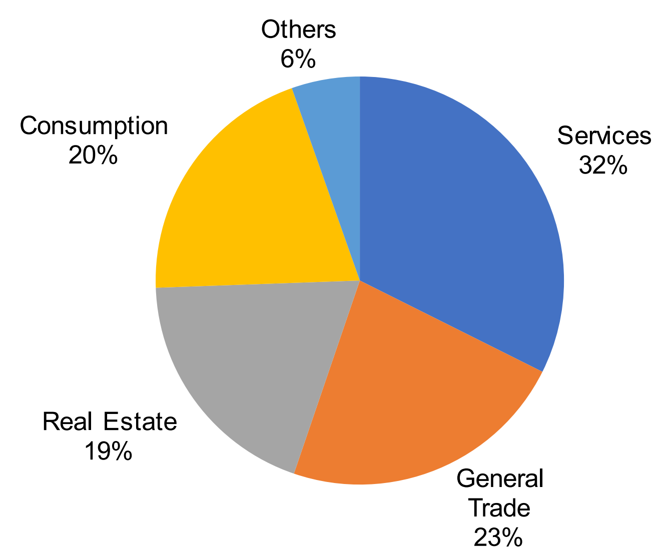
…while change in mix of investment insignificant



Private lending declined by 30bps MoM in Jun

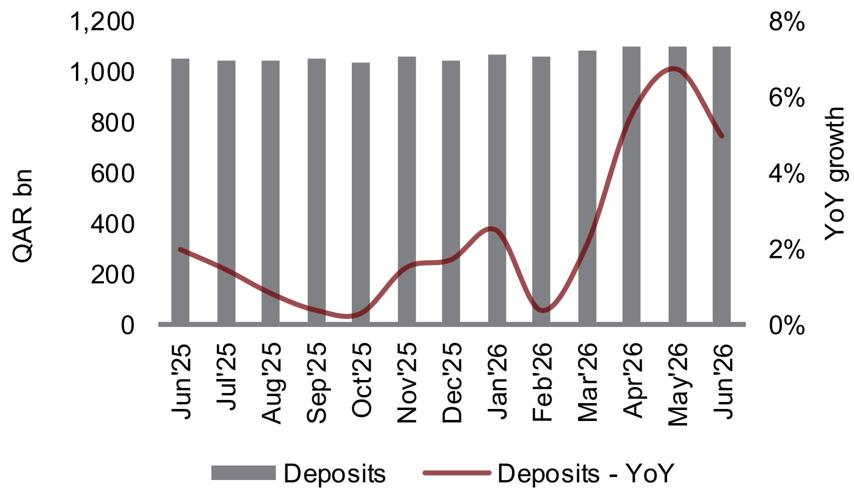


Top 3 sector exposure remain unchanged in Jun'26

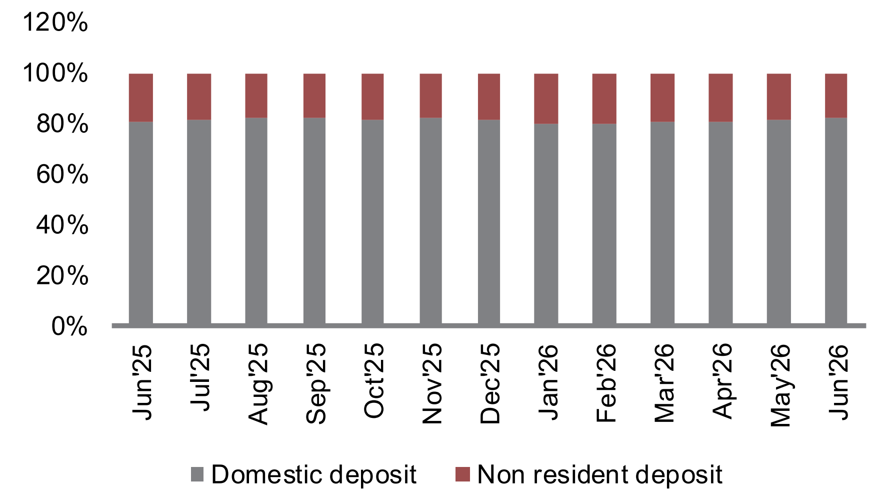


Qatar – Deposit declines to 5% YoY, after steady increase since Feb'26

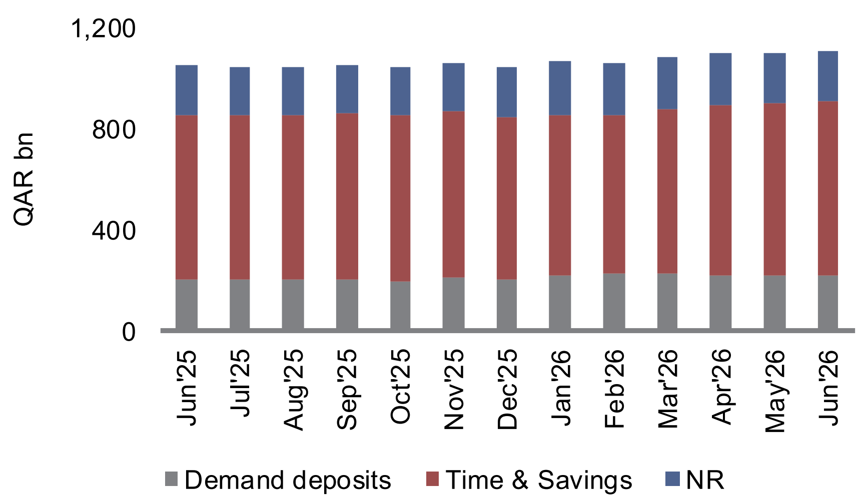
YoY trend reversal seen in the month of Jun



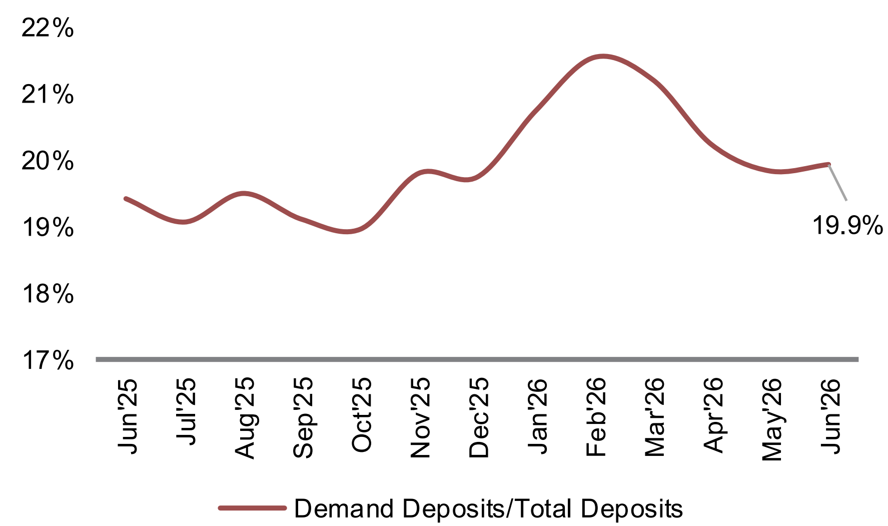
… even as the share of domestic deposits increases



NR deposits decline on a month-on-month basis

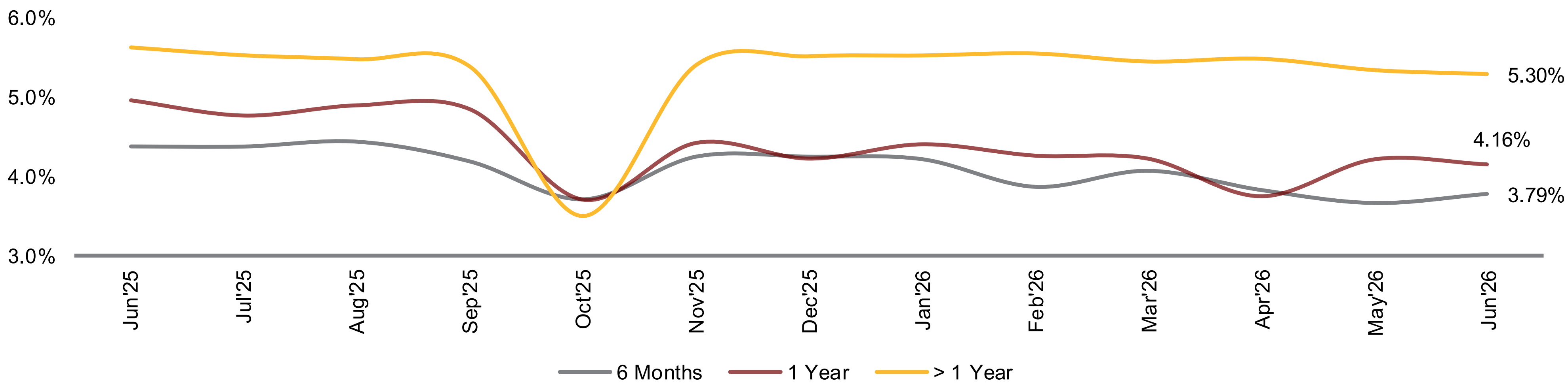


…minor uptick in demand deposits at 19.9% in Jun

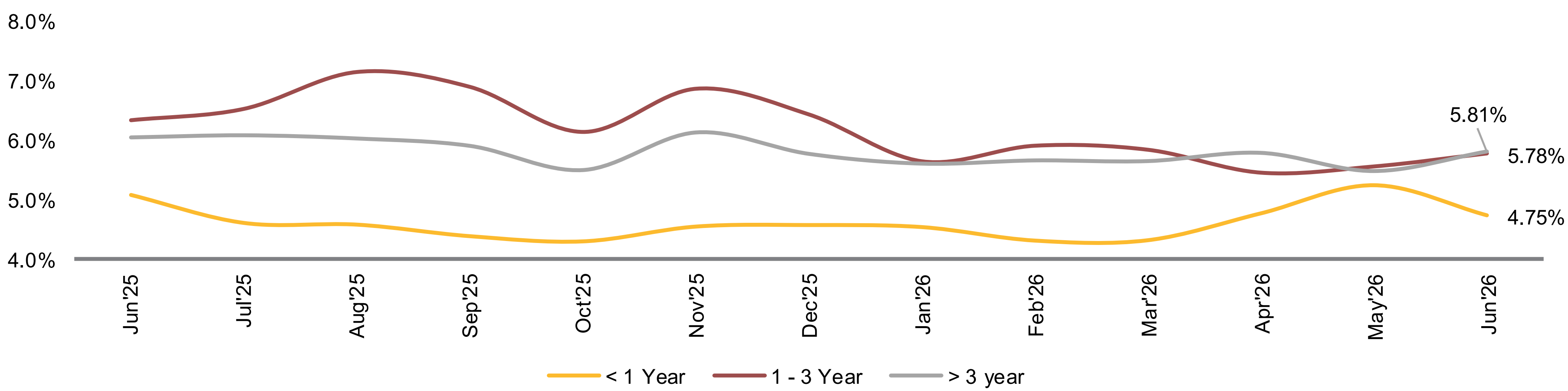


Qatar – Other Indicators – divergence in interest rates in short term

Weighted average interest on deposits - cost of long-term money is steady, short-term money diverges



Weighted average interest on credit facilities - Short-term credit declines, while longer tenor converges



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 BANK	66.20	397,200	75.00	13.3%	4.1	4.7	19.1	21.8	14.2	3.0	3.0%
SAUDI NATIONAL BANK	42.14	252,840	47.00	11.5%	4.2	4.2	30.9	32.9	10.0	1.3	5.5%
RIYAD BANK	20.48	81,920	24.00	17.2%	2.6	2.7	16.0	17.7	7.7	1.2	5.4%
ALINMA BANK	25.00	62,500	26.00	4.0%	2.6	2.6	14.3	15.9	9.5	1.6	3.6%
SAUDI AWWAL BANK	34.14	70,158	38.00	11.3%	4.1	4.0	32.6	34.6	8.5	1.0	5.9%
BANQUE SAUDI FRANSI	21.69	54,225	22.00	1.4%	2.1	2.2	17.1	18.2	9.8	1.2	4.9%
ARAB NATIONAL BANK	22.59	45,180	24.00	6.2%	2.6	2.5	20.9	22.1	8.9	1.0	5.8%
BANK ALBILAD	25.66	38,490	28.00	9.1%	2.0	2.1	12.6	13.7	12.1	1.9	3.9%
UAE BANKS											
FIRST ABU DHABI BANK	19.38	214,103	21.00	8.4%	1.92	1.89	12.0	13.0	10.2	1.5	4.6%
EMIRATES NBD	30.30	191,393	36.00	18.8%	3.80	3.82	21.4	24.7	7.9	1.2	3.6%
ABU DHABI COMMERICAL BANK	15.24	120,579	17.50	14.8%	1.45	1.59	10.1	11.0	9.6	1.4	4.6%
ABU DHABI ISLAMIC BANK	23.18	84,190	24.50	5.7%	1.84	1.87	7.2	8.1	12.4	2.9	4.3%
DUBAI ISLAMIC BANK	7.29	52,787	8.50	16.6%	1.04	0.94	5.9	6.5	7.8	1.1	6.3%
QATARI BANKS											
QATAR NATIONAL BANK	16.70	154,248	21.00	25.7%	1.88	1.99	11.2	12.6	8.4	1.3	4.8%
QATAR ISLAMIC BANK	21.55	50,921	25.00	16.0%	2.04	1.98	12.5	13.6	10.9	1.6	4.4%
COMMERCIAL BANK OF QATAR	4.16	16,837	4.75	14.2%	0.54	0.52	5.2	5.4	8.1	0.8	7.2%
DOHA BANK	2.70	8,371	2.75	1.9%	0.30	0.26	3.8	3.8	10.3	0.7	5.6%

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