المتحدة للأوراق المالية
UNITED SECURITIES

Monthly Chart Book – Oman Banking

Sep 6, 2026

Trends in Oman Banking sector

We reviewed the broad trends across key banking indicators in Oman for June 2026. A summary of our findings is presented below:-

- ## Balance Sheet indicators

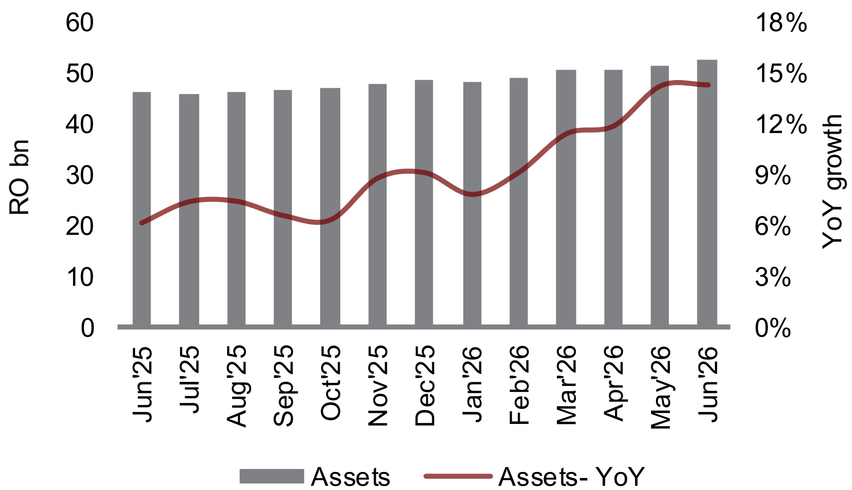
  - Combined assets of all banks increased by 14.3% YoY in June 2026, similar to the growth witnessed in the previous month, indicating sustained momentum. This marks the fourth consecutive month of double-digit asset growth. Conventional banking assets increased by 15.3% YoY, while Islamic banking assets increased by 8.6% YoY. The expansion in assets was primarily driven by a 12.3% YoY increase in loans and a 23.8% YoY growth in investments. Interest-bearing assets accounted for 88.2% of total assets in June 2026, steady month on month.
  - Loan growth of 12.3% YoY in June 2026 was the highest in the last year, driven by 12.3% YoY growth in conventional loans and 10.5% YoY growth in Islamic loans. The 12.7% YoY growth in loans was driven by 9.9% YoY growth in private credit, even as lending to Government and GREs increased by 24.5% YoY. Personal loans stood at 34.2% of the loan book. Among the non-personal loan book, lending to sectors like manufacturing and services was at 12% each. The loan book continues to be well diversified across sectors.
  - Investment growth remained robust at 23.8% YoY, declining from 27.1% YoY a month ago. Foreign investments were at 36.7% of total investments, largely remaining stable month on month. Since March ’26, investments have been growing above 18.5% YoY every month, indicating higher allocation in total assets.
  - Deposit growth continues to be robust at 13% YoY in June 2026, stable compared to the previous month, when it was at 12.9% YoY. Conventional deposits remained broadly stable, accounting for 77-79% of total deposits over the past year. By counterparty, the share of private-sector deposits continued to decline gradually, reaching 67.6% in June 2026.

- ## Other key indicators

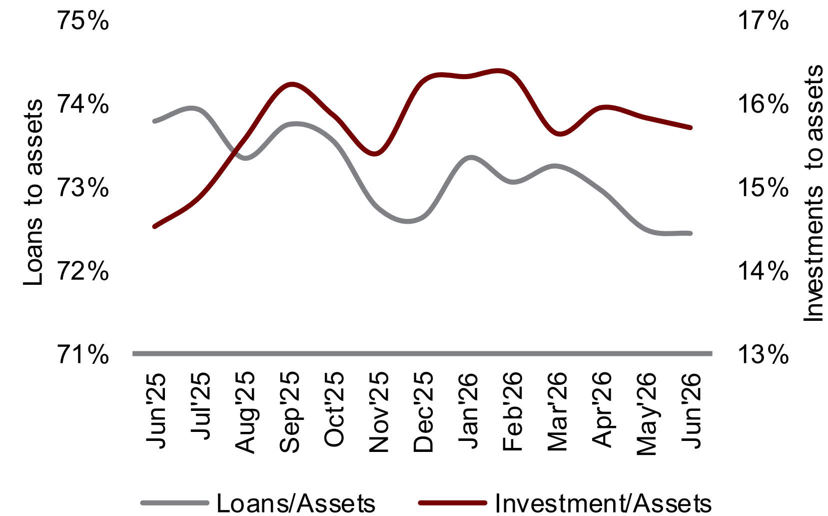
  - The spread between asset yields and the cost of funds remained largely stable at 2.96% in June 2026. Over the past year, the spread has widened by a moderate 3 basis points, reflecting limited ability to use this lever for income growth.
  - Regulatory developments: The Central Bank of Oman has mandated that all Islamic banking windows transition into independent standalone Islamic banks by 2030. This could trigger growth for Islamic banks and consolidation in this segment. Similarly, the role of banks in investment banking activities is expected to be regulated and the banks are awaiting further guidelines in this regard.

Asset growth momentum steady month on month at 14.3% YoY…

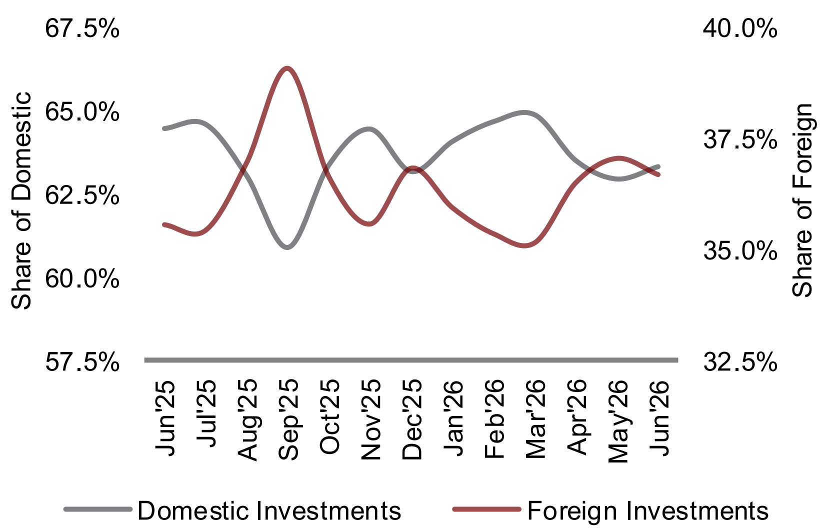
Asset growth momentum sustained in Jun'26



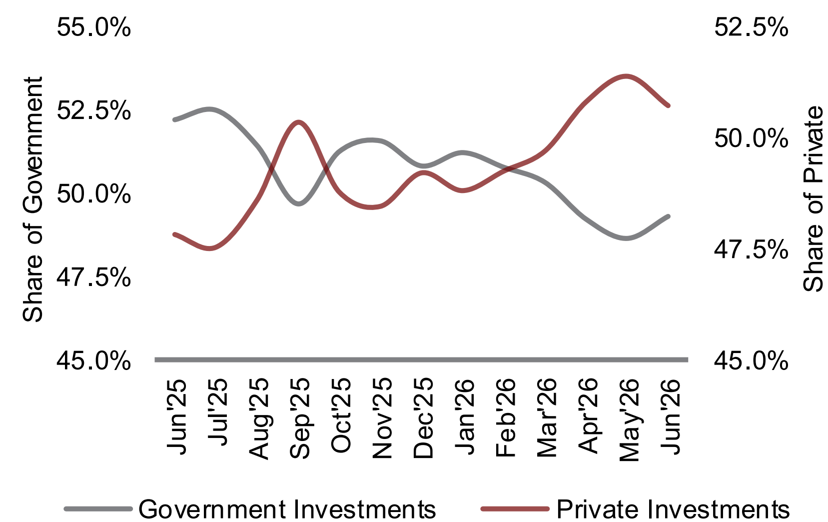
…with ratio of interest bearing assets unchanged



Share of domestic investments inch up marginally…

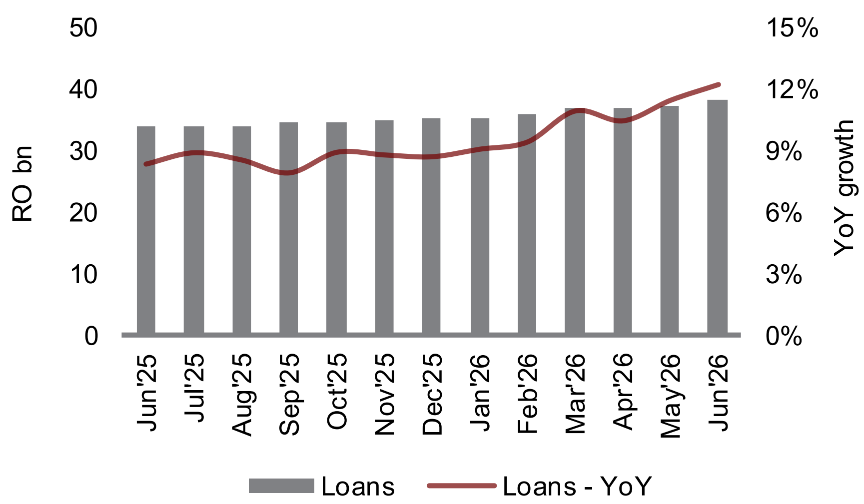


…preference for government investments in Jun

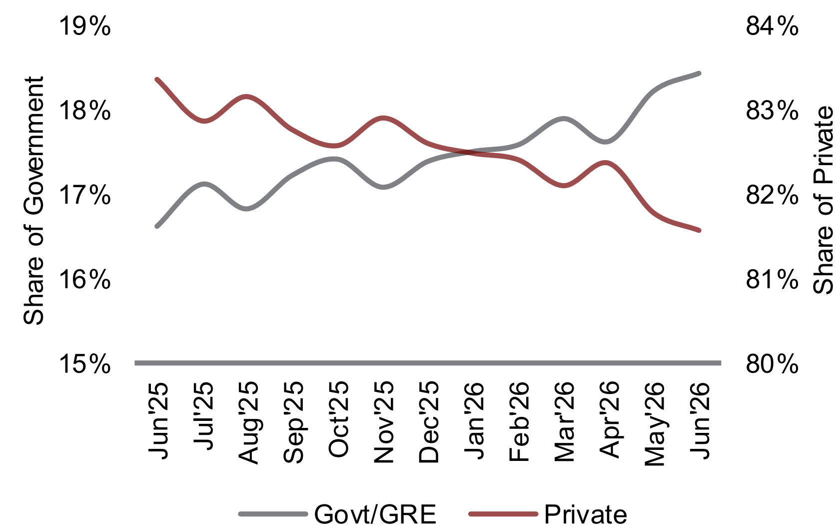


Loans – Uptrend momentum continues since Apr'26, at 12.3% YoY

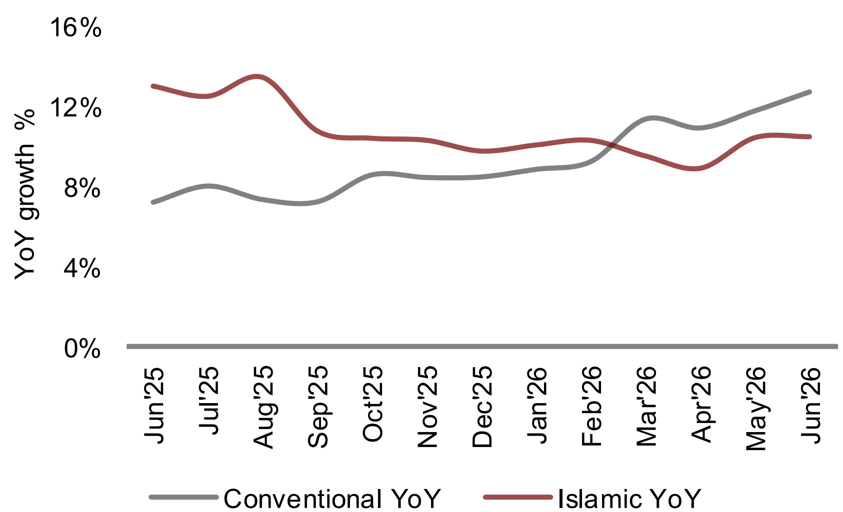
Loans - YoY growth momentum sustained…



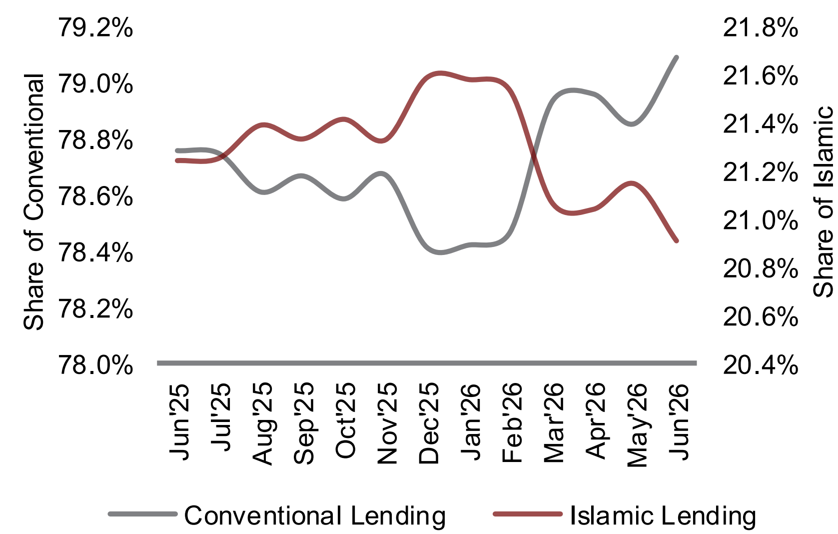
…share of govt/GREs see marginal increase



Conventional loans grow faster since Mar'26…

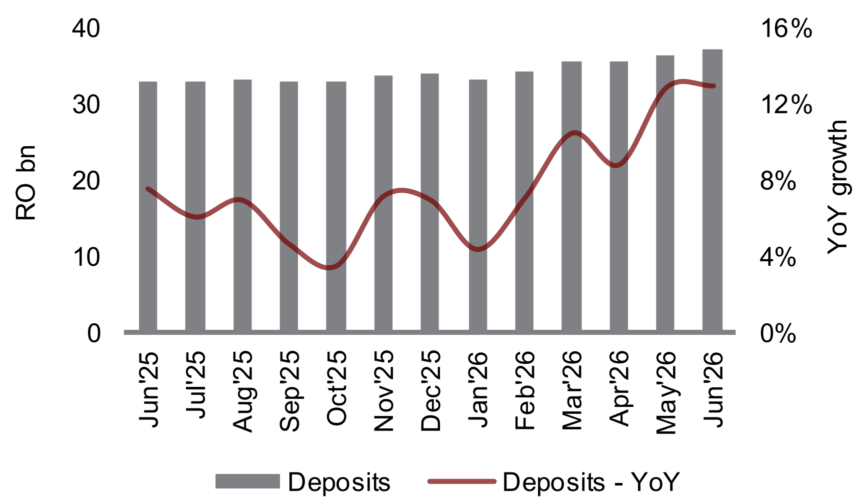


… Islamic lending in total loans declined in Jun'26

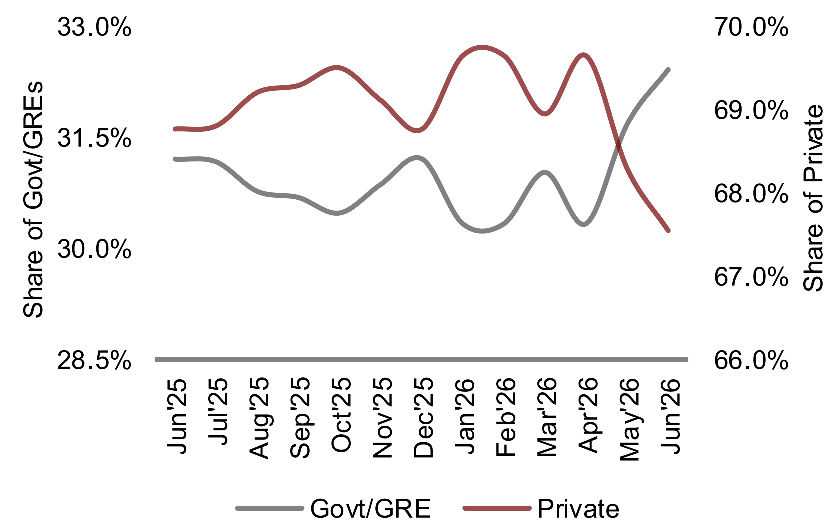


Deposit growth at 13% YoY – largely steady month on month

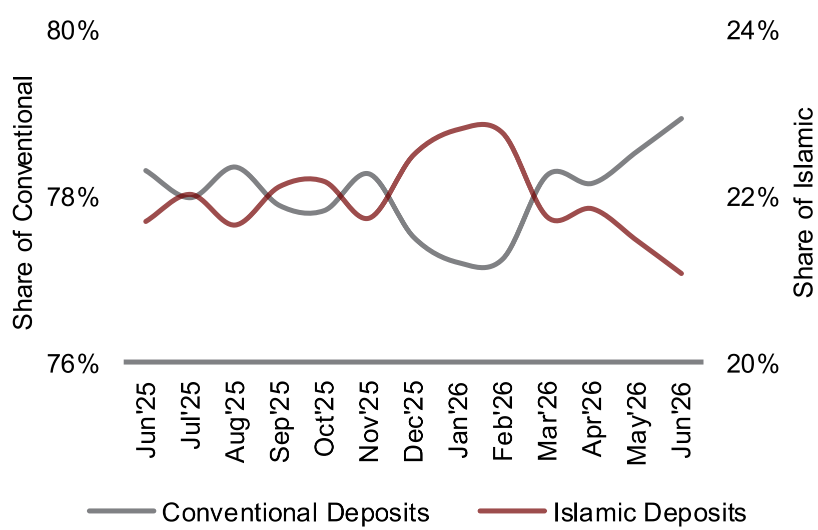
YoY deposit growth highest at 13% in Jun'26…



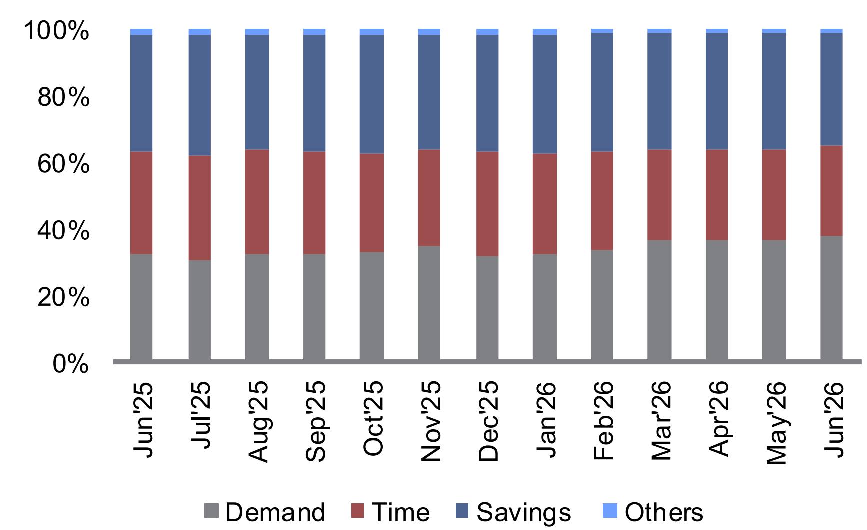
…share of Govt/GREs deposits continue to increase



Share of Islamic deposits continues to be steady…

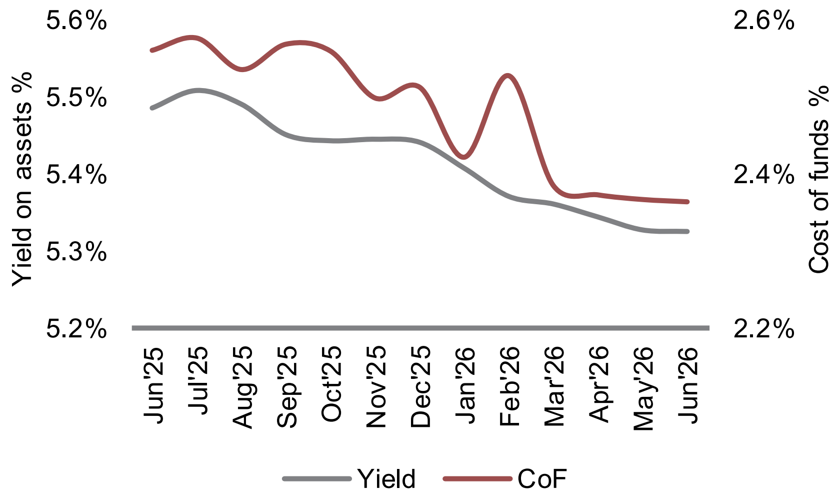


…mix of private conventional deposits changed

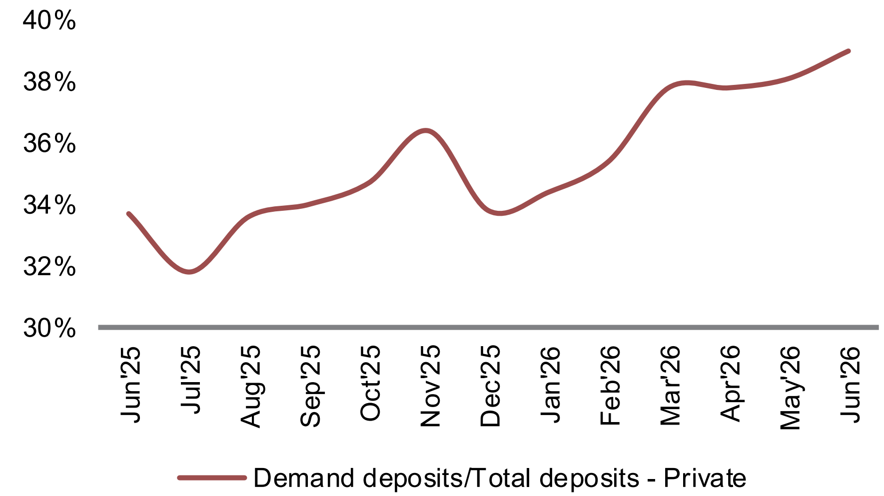


Other key trends – Spreads steady, LDR marginally lower

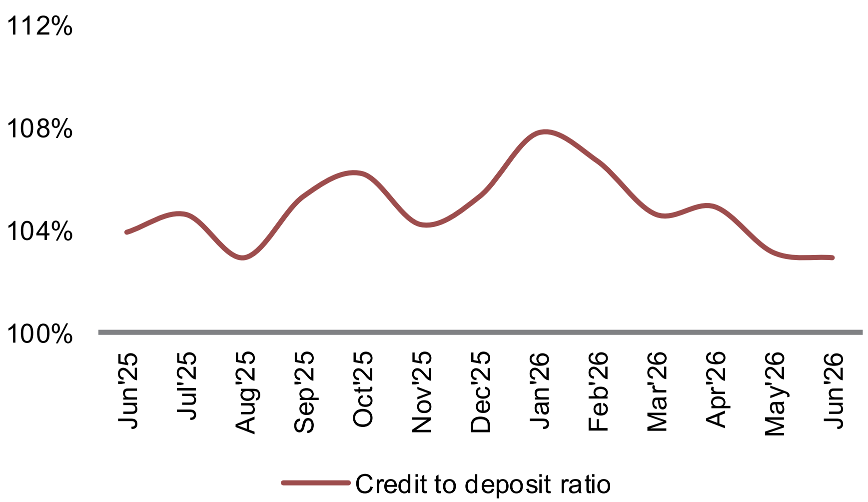
Spreads have moved in a narrow range since Apr…



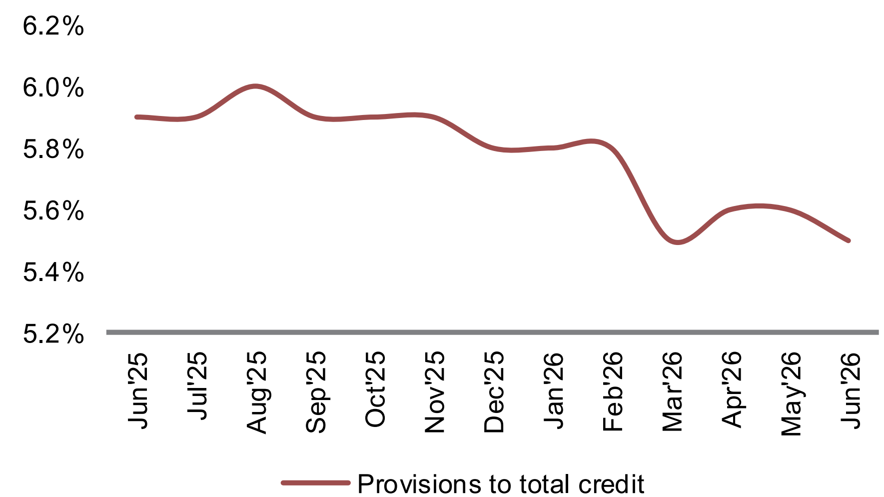
…demand/deposits (private) show upward trajectory



Credit Deposit ratio marginally declines in Jun'26...

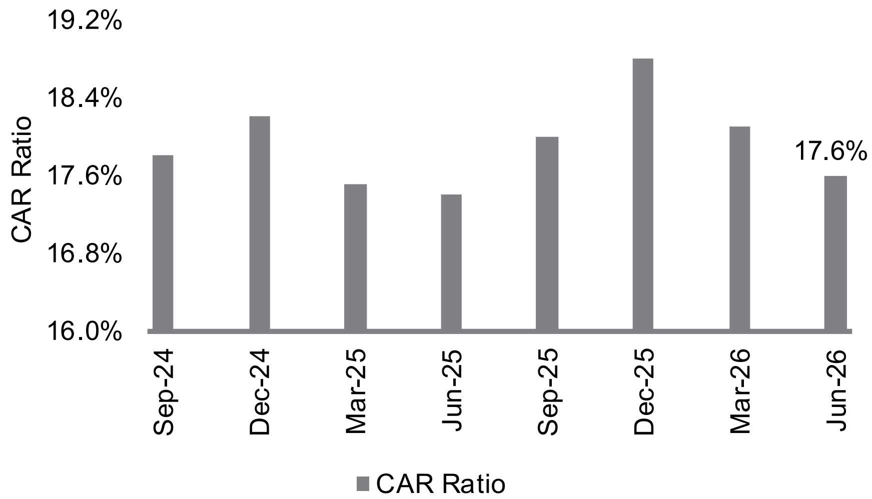


...provisions to total credit steady in three months

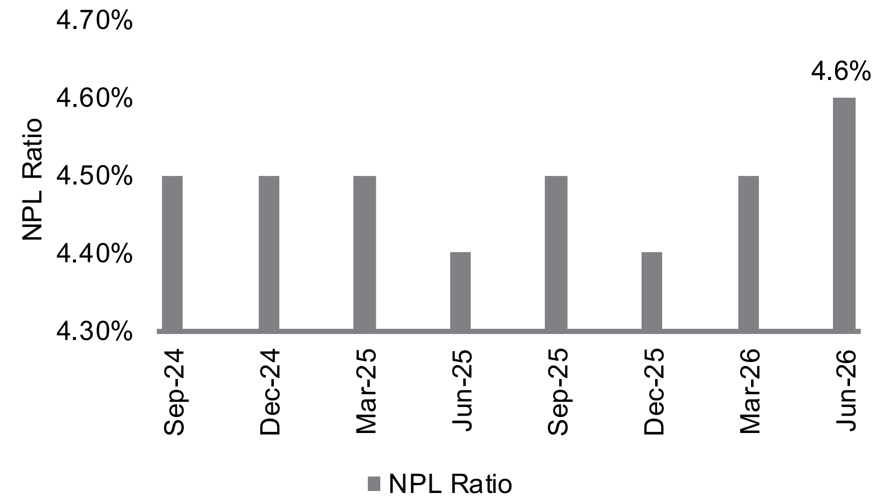


Other key trends –CAR decline QoQ, personal loan share steady

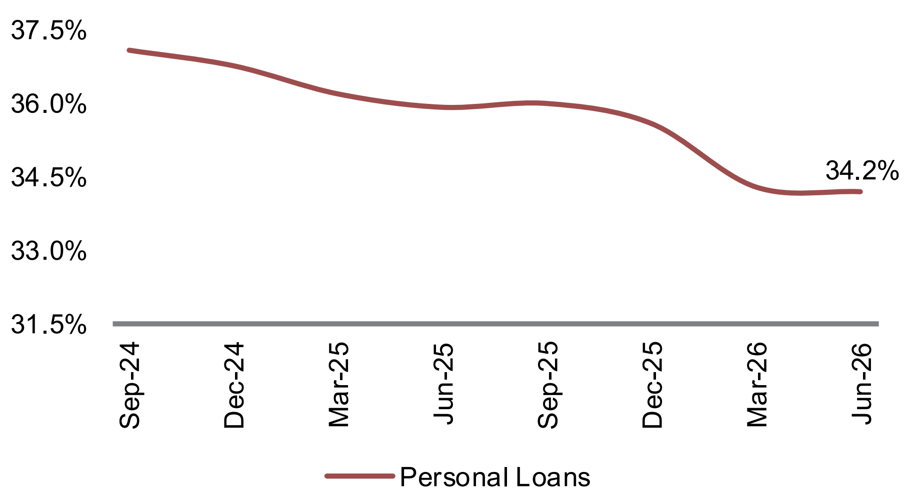
CAR declined since Dec-25, due to dividend payouts…



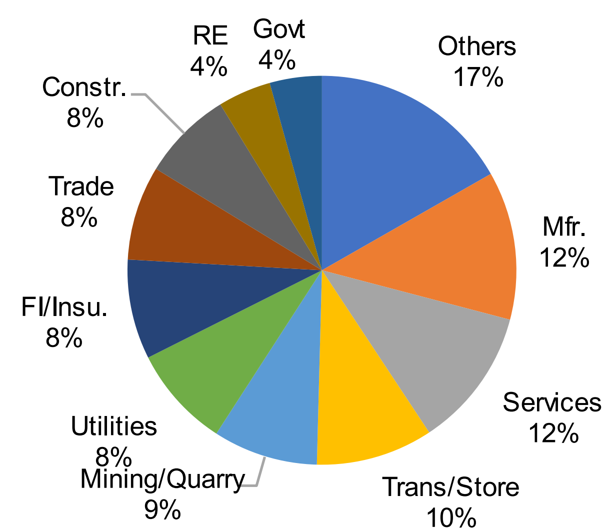
NPL ratio moderately increased in Jun-26 to 4.5%



Share of personal loans flat on a QoQ basis at 34.2%



…top 3 Non-personal segment contributing ~41%



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