U Capital
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Research

Sector

Oman Banking Statistics

Monthly Update
July 2026

Date

13 September 2026

Highlights

- **CBO's latest data (July'26) shows that total credit in Omani banks rose by 12.2% YoY to OMR 38.3bn.**
- **Loan-to-deposit (LDR) ratio increased to 103.2%.**
- **Islamic financing climbed to OMR 8.0bn (+10.9% YoY), representing 21.0% of total bank credit.**
- **Broad money (M2) supply increased by 14.9% YoY, while narrow money (M1) rose by 28.0% YoY in July'26.**
- **CBO's foreign assets fell 2.8% MoM and 1.7% YoY.**

Total Banking Sector (Conventional & Islamic)

- Oman's banking sector total credit stood at OMR 38.3bn at the end of July 2026, rising 12.2% YoY and flat MoM.
- Total deposits stood at OMR 37.3bn in July 2026, rising 13.2% YoY and flat MoM.
- Islamic deposits rose by 10.3% YoY to OMR 8.0bn by end-July 2026, accounting for 21.4% of total deposits.

Fig 1. Total credit Concentration July'26

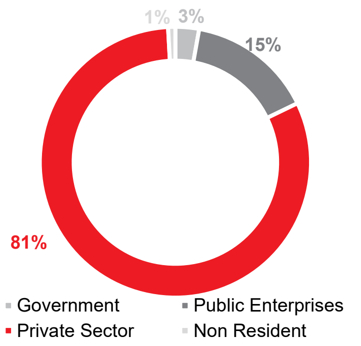
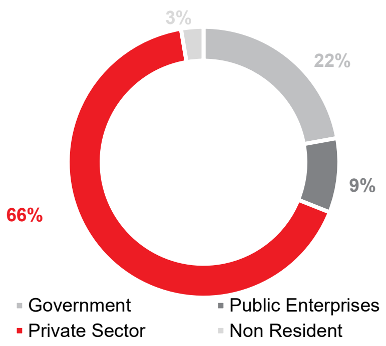


Fig 2. Total Deposits Concentration July'26



Source: CBO, U Capital Research

Fig 3. Omani Banking Sector: Total Credit

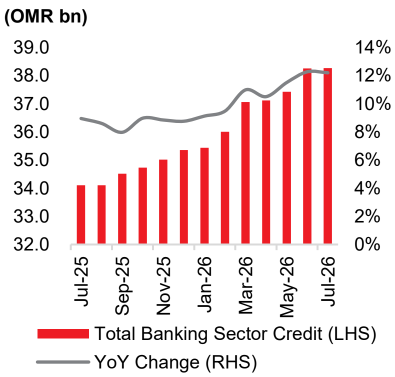
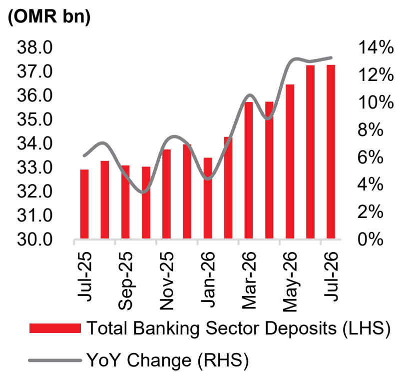


Fig 4. Omani Banking Sector: Total Deposit



Source: CBO, U Capital Research

Conventional Banking

- Total conventional credit reached OMR 30.2bn (-0.1% MoM and +12.5% YoY)
- Conventional credit in July showed mixed MoM performance across segments. Credit to the private sector increased by 1.1% MoM (OMR 252.9mn), making it the only positive contributor to monthly credit growth. In contrast, credit to public enterprises declined by 2.7% MoM (OMR 136.8mn), while credit to the government sector fell by 1.2% MoM (OMR 13.3mn). Credit to non-residents recorded the sharpest decline, decreasing by 28.9% MoM (OMR 129.7mn).
- Conventional deposits increased by 14.1% YoY reaching OMR 29.3bn.
- On a monthly basis, conventional deposits declined by 0.4% MoM. The decline was primarily driven by an 11.5% MoM contraction in public enterprise deposits, followed by a 1.1% decline in non-resident deposits. Government deposits increased by 1.4% MoM, whereas private sector deposits rose by 0.7% MoM. The combined share of government and public enterprise deposits accounted for 30.5% of total conventional deposits.
- Loan-to-deposit (LDR) ratio increased to 103.2%.

Fig 5. Conventional Credit Disbursal/ (Contraction)

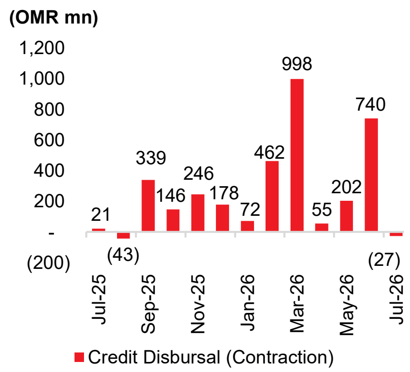
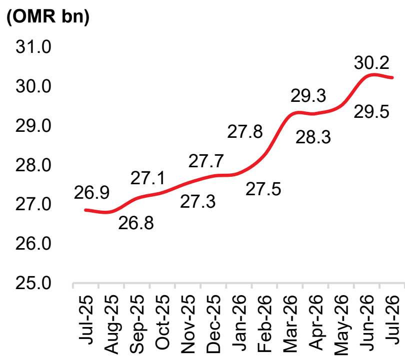


Fig 6. Conventional Banks: Total Credit

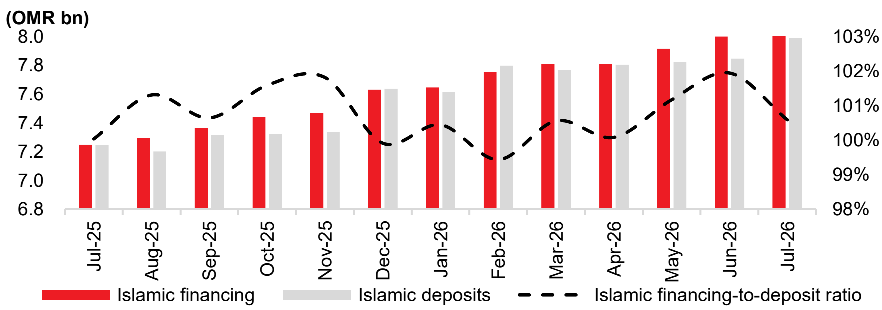


Source: CBO, U Capital Research

Islamic Banking

- At end July'26, Islamic banking financing (Banks & Islamic Windows) reached OMR 8.0bn (0.5% MoM and 10.9% YoY).
- Islamic deposits reached OMR 8.0bn (1.8% MoM and 10.3% YoY).
- Islamic financing accounts for 21.0% of total banking credit in Oman, while Islamic deposits represent 21.4% of total bank deposits. The Islamic financing-to-deposit ratio stood at 100.6% in July 2026, lower than 101.9% recorded in the previous month.

Fig 7. Islamic Banks: Islamic financing and deposits



Money Supply & CBO's Foreign Assets

- As per the CBO, Oman's narrow money supply (M1) expanded by 28.0% YoY in July 2026, primarily driven by a 31.7% YoY increase in demand deposits, while currency with the public rose 8.5% YoY. On a monthly basis, narrow money supply (M1) declined by 2.1%.
- Broad money (M2) supply declined by 0.3% MoM and increased by 14.9% YoY. Domestic liquidity contracted by OMR 76.7mn on a monthly basis, while broad money increased by OMR 3.8bn on an annual basis.
- CBO's foreign assets, which include bullion, IMF reserve assets, placements abroad, and foreign securities, stood at OMR 7.3bn (-2.8% MoM and -1.7% YoY) as of July 2026.
- The monthly decline in foreign assets was primarily driven by a 7.6% MoM contraction in Placements Abroad, which accounted for 35.6% of total foreign assets. Securities, the largest component with a 50.5% share, edged down by 0.3% MoM, while IMF Reserve Assets, representing 6.5% of the total, increased by 0.5% MoM. Bullion, accounting for 7.5% of total foreign assets, rose by 1.6% MoM.

Fig 8. Money Supply YoY Growth %

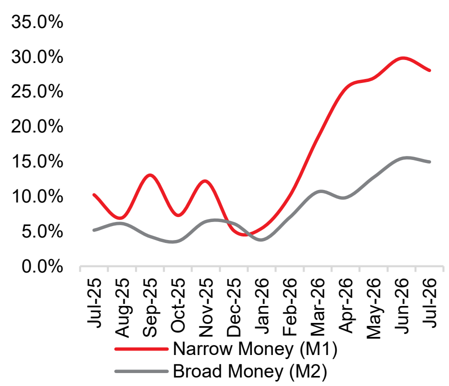
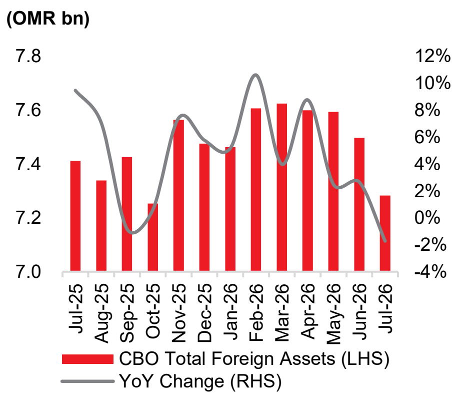


Fig 9. CBO Foreign Assets

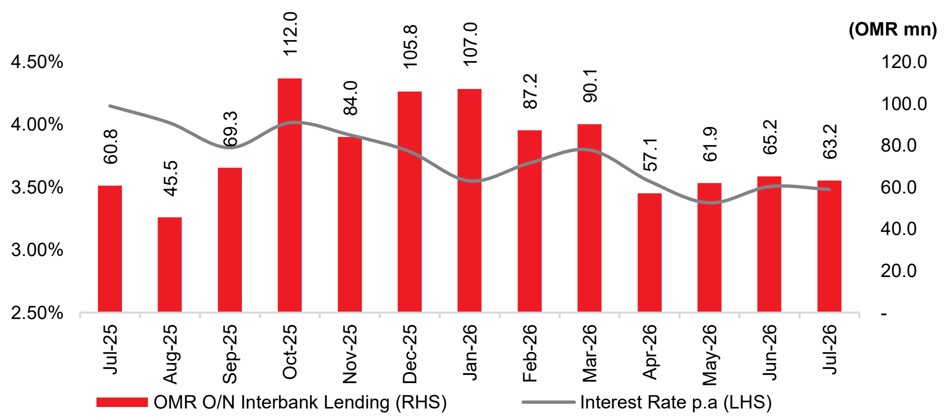


Source: CBO, U Capital Research

OMR Overnight Interbank Rate

- The OMR overnight domestic inter-bank lending rate declined by 2bps MoM to 3.482% in July 2026. Meanwhile, the overnight interbank lending amount decreased to OMR 63.2mn.

Fig 10. OMR Overnight Domestic Inter-Bank Lending



Source: CBO, U Capital Research

Weighted Average Interest Rates on Lending & Deposits

- Latest CBO data for conventional banks indicated that the weighted average Oman Rial interest rate spread (calculated as the lending rate minus the deposit rate) widened by 16bps MoM to 3.117% in July 2026.
- On a YoY basis, the spread widened by 18bps, reflecting a 20bps decline in lending rates and a 38bps decline in deposit rates.
- The weighted average FCY spread stood at 3.521% in July 2026, widening by 37bps MoM despite being 54bps lower on a YoY basis.
- The weighted average interest rate on private sector time deposits stood at 3.987%, down 32bps MoM, while interest rates on all private sector OMR deposits fell 18bps MoM and declined 38bps YoY.

Fig 11. Weighted Average Interest Rate Spreads, %

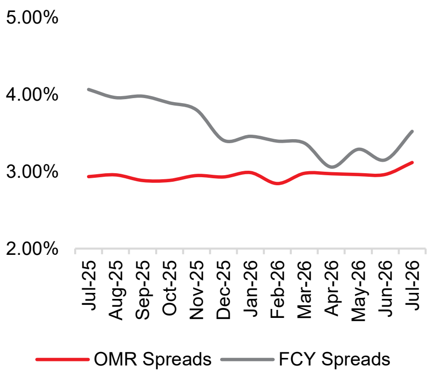
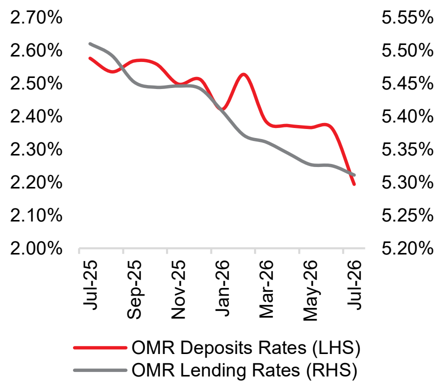


Fig 12. Weighted Average Interest Rate, %



Source: CBO, U Capital Research

- About 40.7% of conventional banks' total deposits (in OMR) have zero interest rates, The most significant chunk of the total credit of conventional banks (in OMR, 55.1%) falls within the 5% to 7% interest rate bracket.

Fig 13. % of Conventional Bank OMR Deposits, July'26

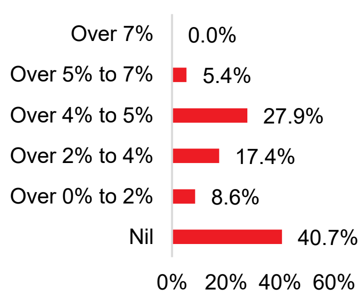
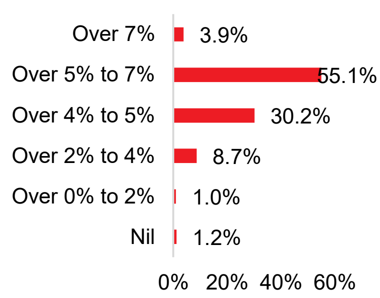


Fig 14. % of Conventional Bank OMR Lending, July'26



Source: CBO, U Capital Research

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