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GCC Corporate Earnings Report: Q2-2026

Sep-2026

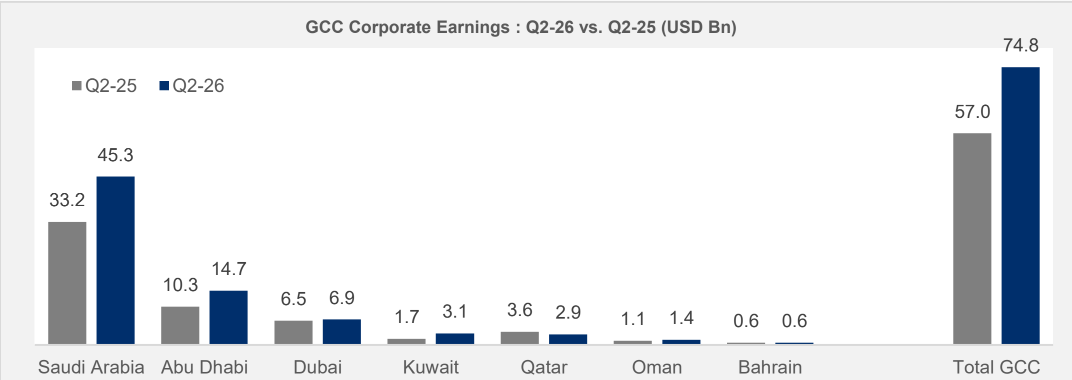
Energy and F&B drive net profit growth in Q2-2026...

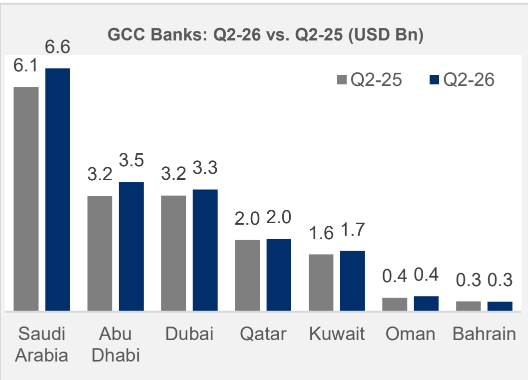
Aggregate net profits reported by companies listed on GCC exchanges witnessed y-o-y growth for the second consecutive quarter during Q2-2026 to reach a new record high level. Total net profits reached USD 74.8 Bn during the quarter, registering a y-o-y growth of 31.3% whereas q-o-q growth came in at 10.0%. The sharp increase mainly reflected an increase in average crude oil prices led by the regional geopolitical situation that helped to more than offset a decline in crude oil exports from the region. *Average Brent crude spot prices increased by 27% for the second straight quarter that helped more than a third of listed regional Energy companies report higher overall earnings during Q2-2026.*

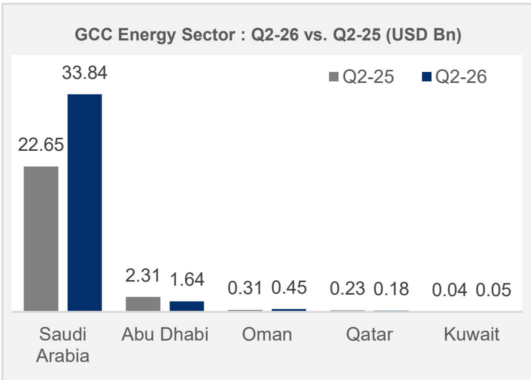
At the country level, the increase in profits mainly reflected double-digit y-o-y growth in profits for Kuwait, Saudi Arabia, Abu Dhabi and Oman and 4.9% growth in profits for companies listed on Dubai Exchange. On the other hand, Qatari and Bahraini companies reported decline in quarterly profits by 20.0% and 0.4%, respectively. *Kuwaiti companies registered the biggest percentage growth with net profits almost doubling to USD 3.1 Bn during Q2-2026 mainly reflecting losses from discontinued operations in the case of Agility's Q2-2025 earnings report that resulted in losses in the corresponding quarter last year. Banks in Kuwait also reported steady earnings, further supporting the overall growth.*

In terms of sectors, a majority of the sectors saw higher y-o-y profits during Q2-2026. This included heavyweight sectors like Energy, F&B, Real Estate, Materials and Transportation. Sectors like Banks and Telecom reported mid to low single-digit growth in earnings during the quarter. *On the other hand, these gains were more than offset by a fall in profits for Utilities, and Food & Staples Retailing and bigger Q2-2026 losses for the Media & Entertainment sector.*

Revenue growth for GCC-listed companies also showed a steep improvement during Q2-2026. Aggregate revenues reached USD 381.6 Bn during the quarter as compared to USD 326.3 Bn during Q2-2025, resulting in a y-o-y increase of 17.0%. The q-o-q growth was also healthy at 8.1% vs. Q1-2026. The increase was mainly led by a 28.1% y-o-y increase in revenues for Saudi Aramco. However, excluding this, the revenue growth for the rest of the companies remained in double-digit at 11.4% for the overall GCC region and 11.0% for Saudi-listed companies.







Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

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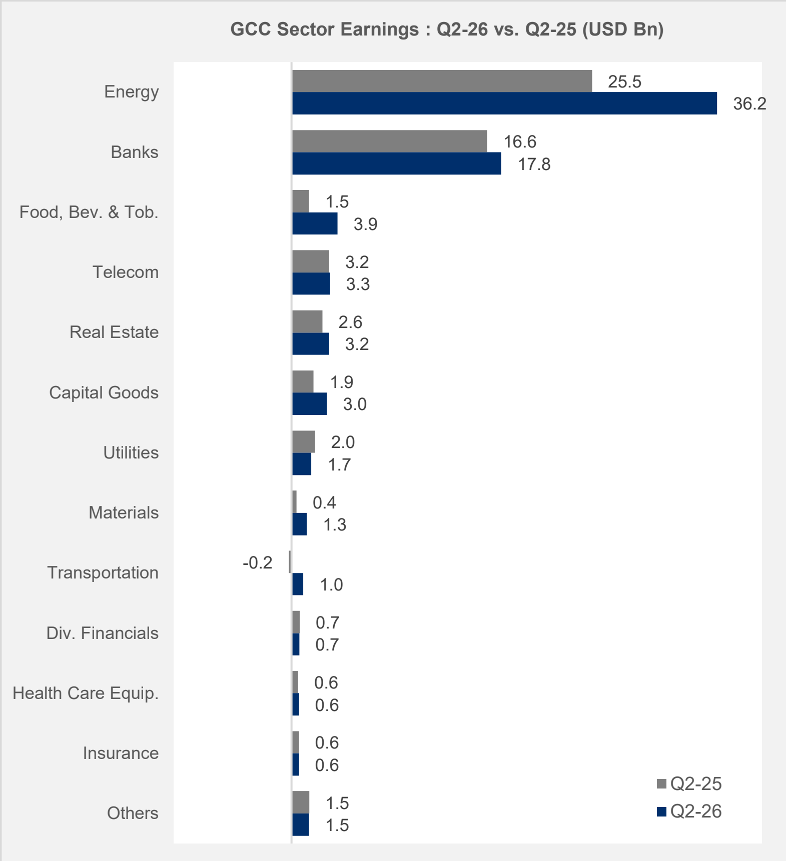
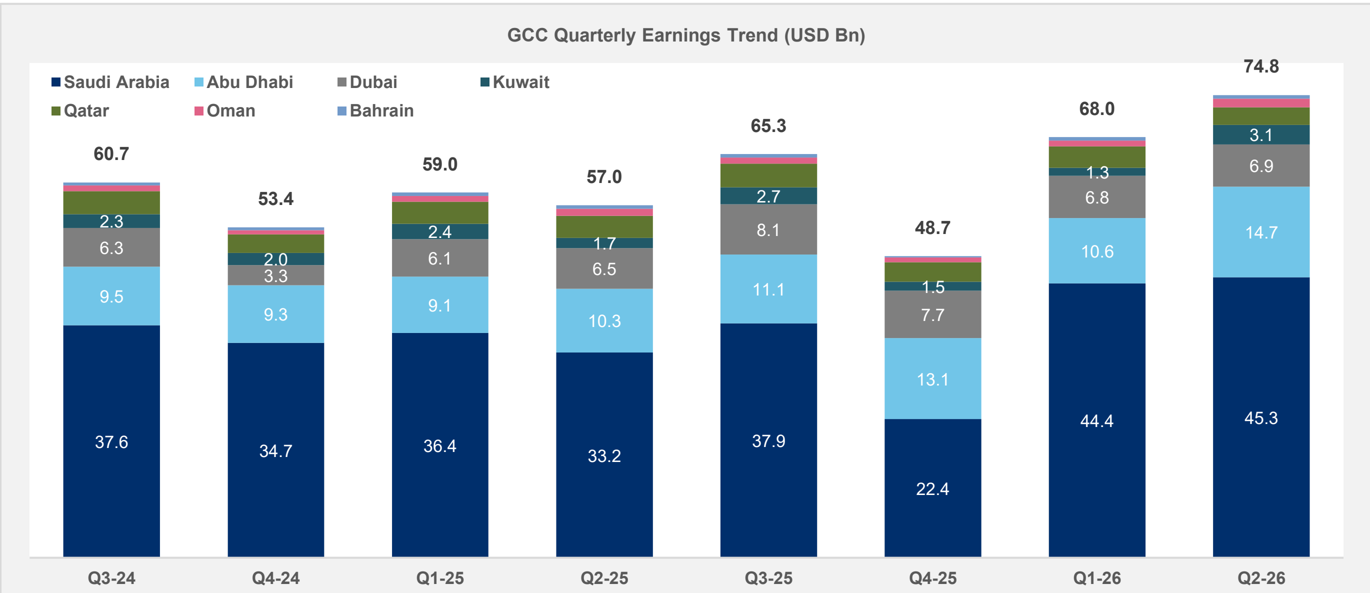
In terms of 1H-2026, aggregate net profits for GCC listed companies witnessed a slightly smaller y-o-y growth of 23.1% or USD 26.8 Bn to reach USD 142.81 Bn. The increase was led by almost 30% increase in net profits for companies listed in Abu Dhabi and Saudi Arabia followed by 14.6% increase in profits for Omani companies. Kuwaiti and Dubai-listed companies registered high single-digit growth in net income while Qatar and Bahraini companies registered profit declines of 11.6% and 0.2%, respectively.

Profits reported by listed banks in the GCC reached a new record high during Q2-2026 at USD 17.8 Bn backed by higher y-o-y profits registered in six out of the seven country aggregates in the region. Bahrain was the only exchange which registered a marginal y-o-y fall in profits for the sector. On the other hand, Omani banks registered the biggest y-o-y growth in profits at 9.9%. Banks in UAE, Saudi Arabia and Kuwait also registered y-o-y profit growth of around 8.0% during the quarter. The increase in profits reflected a three quarter-high growth in total bank revenues at 2.4% that reached USD 36.2 Bn supported by an increase in non-interest income while aggregate net interest income witnessed a decline. The sector experienced moderating earnings growth during the quarter mainly led by the Middle East situation although a robust projects pipeline continued to support overall growth.



Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

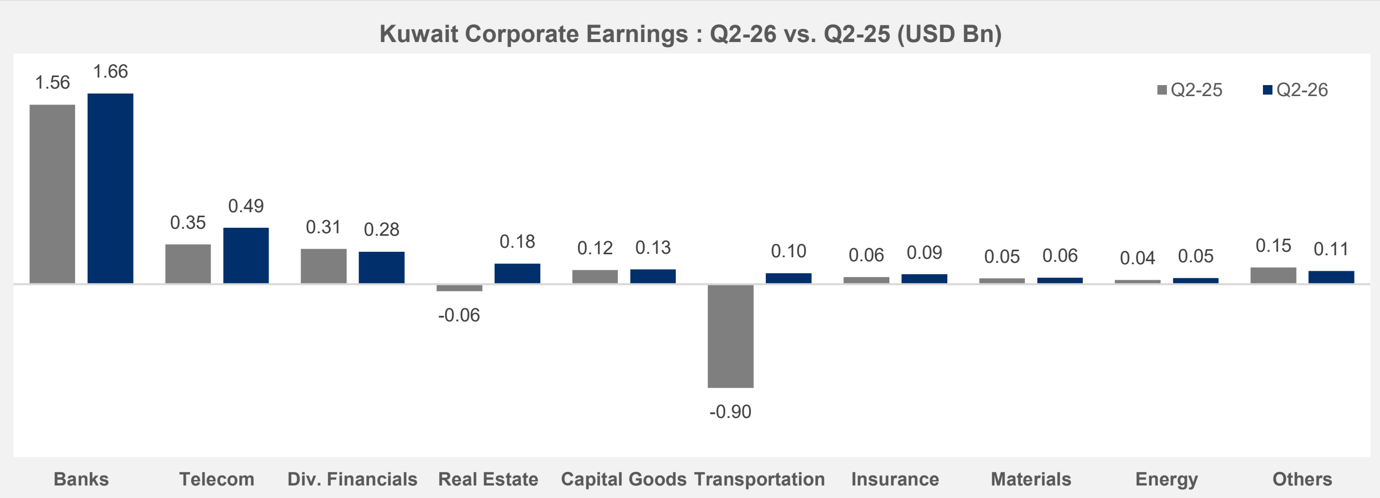
In the Energy sector, 20 out of 31 listed companies showed a y-o-y growth in profits during Q2-2026. The aggregate profit for the sector witnessed a y-o-y growth of 41.6% during Q2-2026 to reach USD 36.2 Bn as compared to USD 25.5 Bn during Q2-2025. This was also reflected in the 51% increase in average price for Brent crude oil during Q2-2026 reaching USD 102.6/b led by the geopolitical situation in the Middle East that resulted in the closure of the Strat of Hormuz. The ongoing war between Russia and Ukraine also spported prices during the quarter. Net profit reported by Saudi Aramco increased by 42% y-o-y during Q2-2026 to reach USD 32.3 Bn led by a 19% increase in total revenue. This revenue expansion was primarily driven by significantly higher realized prices across crude oil, refined products, and chemicals with average realized crude oil rpices increasing from USD 66.7/b in Q2-2025 to USD 108.1/b in Q2-2026 which more than compensated for lower overall sales volumes resulting from regional shipping disruptions and the closure of the Strait of Hormuz.



Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

Kuwait

Aggregate net profits of Boursa Kuwait-listed companies surged 88.7% to USD 3.1 Bn in Q2-2026, from USD 1.7 Bn in Q2-2025. Banking and Telecom were the key sectors driving the increase in profitability. On the other hand, the Transportation sector showed profits during the quarter after losses in Q2 last year, mainly driven by Agility PWC, which reported profits of KWD 18.6 Mn in Q2-2026, compared with a loss of KWD 282.0 Mn in Q2-2025 due to losses from discontinued operation. A one-off gain of KWD 11.7 Mn from a Court of Cassation judgment in April-2026 also supported profits. Net profits for National Real Estate Co. also reflected the aforementioned in its Q2-2026 results that also resulted into profits for the overall listed Real Estate sector. Meanwhile, total revenue for listed companies in Kuwait increased by 13.0% y-o-y and 9.0% q-o-q to reach USD 18.8 Bn in Q2-2026.



Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

In terms of 1H-2026 earnings, aggregate net profits of Boursa Kuwait-listed companies increased 7.4% y-o-y to USD 4.4 Bn, compared with USD 4.1 Bn in 1H 2025. Earnings growth was broad-based, led by the Banking, Telecommunication Services, and Transportation sectors. Of the 18 sectors, 11 recorded y-o-y profit growth, while seven reported declines. Diversified Financials and Capital Goods were the notable laggards during 1H-2026.

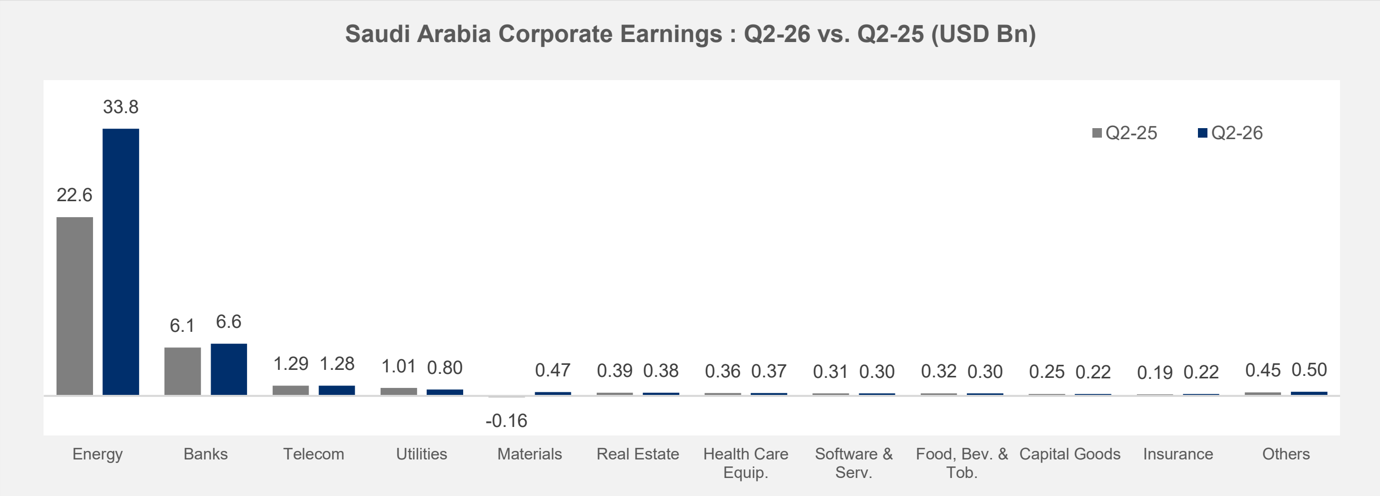
In the Banking sector, Kuwaiti listed banks reported net profits of USD 3.0 Bn in 1H-2026, up 4.6% y-o-y from USD 2.9 Bn in 1H-2025. On a quarterly basis, aggregate net profits increased 7.6% y-o-y to USD 1.7 Bn in Q2-2026, compared with USD 1.6 Bn in Q2- 2025. NBK reported a net profit of USD 611.1 Mn in Q2-2026, up 4.5% y-o-y, supported by higher net operating income and lower credit loss provisions and impairment losses. Kuwait Finance House recorded net profit of USD 602.1 Mn, an increase of 7.2%, mainly driven by a 10.1% rise in net financing income and a 14.6% increase in net fees and commission income. In contrast, Burgan Bank reported a 40.7% y-o-y decline in net profit that reached USD 19.4 Mn in Q2-2026 vs. USD 33.1 Mn in Q2-2025, primarily due to higher provisions for credit losses and net monetary losses arising from the application of IAS 29.

The Telecom sector outperformed other sectors as the biggest contributor to net profits growth during the period by recording a net profit of USD 489.0 Mn in Q2-2026 vs. USD 345.8 Mn in Q2-2025, registering a growth of 42.6%. Net profits reported by Zain Group almost doubled y-o-y during Q2-2026 to reach USD 453.2 Mn vs. USD 242.2 Mn in Q2-2026. STC Kuwait also reported a marginal growth in profits while the remaining two constituents in the sector reported profit declines. Zain Group recorded a 5% increase in Q2-2026 revenue to KWD 568 Mn (USD 1.85 Bn), while EBITDA rose to KWD 196 Mn (USD 639 Mn), with the EBITDA margin at 35%. Net profit growth for Zain Group was also supported by a USD 288 Mn gain from strategic investments by Zain Ventures. Net profits for Ooredoo dropped 88.2% to USD 8.9 Mn in Q2-2026, from USD 76.6 Mn in Q2-2025. The sharp decline was primarily due to the recognition of a KWD 23.5 Mn provision in Q2-2026 following the final hearing before the Supreme Court of Algeria in June 2026 concerning a claim filed by the Algerian Central Bank against the Group's subsidiary, Wataniya Telecom Algerie. Excluding this one-off provision, net profit attributable to owners of the parent would have increased 16%.

Saudi Arabia

Aggregate net profits of Saudi-listed companies increased 36.7% to USD 45.3 Bn in Q2- 2026, compared with USD 33.2 Bn in Q2-2025. Earnings growth was mainly driven by the Energy, Banking and Materials sectors, which together accounted for 92.0% of total earnings during Q2-2026. In contrast, Utilities, Media & Entertainment, and Food & Staples Retailing sectors recorded declines in profitability. For 1H-2026, aggregate net profits rose 29.0% to USD 89.7 Bn, from USD 69.5 Bn in 1H 2025. The Energy sector was the largest contributor, with profits rising 38.8% to USD 66.9 Bn, an increase of USD 18.7 Bn. Banking and Telecom also recorded profit growth of 7.9% and 2.4%, respectively. Meanwhile, total revenue for listed companies in Saudi Arabia increased by 20.7% y-o-y and 10.2% q-o-q to reach USD 230.0 Bn.

During Q2-2026, the Energy sector was the largest contributor to overall earnings growth, with net profit rising 49.4% to USD 33.8 Bn, compared with USD 22.6 Bn in Q2-2025. Saudi Aramco delivered resilient results in Q2-2026, with adjusted net income rising to USD 33.4 Bn, compared with USD 22.8 Bn in Q2-2025, bringing H1-2026 adjusted net income to USD 67.2 Bn. The company's revenue increased to SAR 521.8 Bn in Q2-2026, from SAR 407.1 Bn in Q2-2025, primarily driven by higher prices of crude oil, refined products and chemicals, partially offset by lower sales volumes.



Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

Net profits of the Saudi Banking sector increased 8.3% to USD 6.6 Bn in Q2-2026, compared with USD 6.1 Bn in Q2-2025, supported by strong lending growth and resilient operating income. Al Rajhi Bank reported USD 1.9 Bn net profit, up from USD 1.6 Bn in Q2-2025, driven by a 13.7% increase in net income from financing and investments and a 13.3% rise in total operating income. On a sequential basis, net profit increased 3.9% from SAR 6.75 Bn in Q1-2026. Saudi National Bank (SNB) recorded a 7.5% increase in net profit to USD 1.8 Bn, mainly supported by a 1.6% rise in income from financing and investments to SAR 15.4 Bn, reflecting higher net special commission income, investment gains and foreign-exchange income. Similarly, Saudi Awwal Bank (SAB) reported a 9.5% increase in net profit to USD 620.5 Mn, compared with USD 567.0 Mn in Q2-2025. The growth was primarily driven by a 2.9% increase in gross special commission income, supported by growth in the loan portfolio and interbank lending, despite lower average yields and weaker investment income.

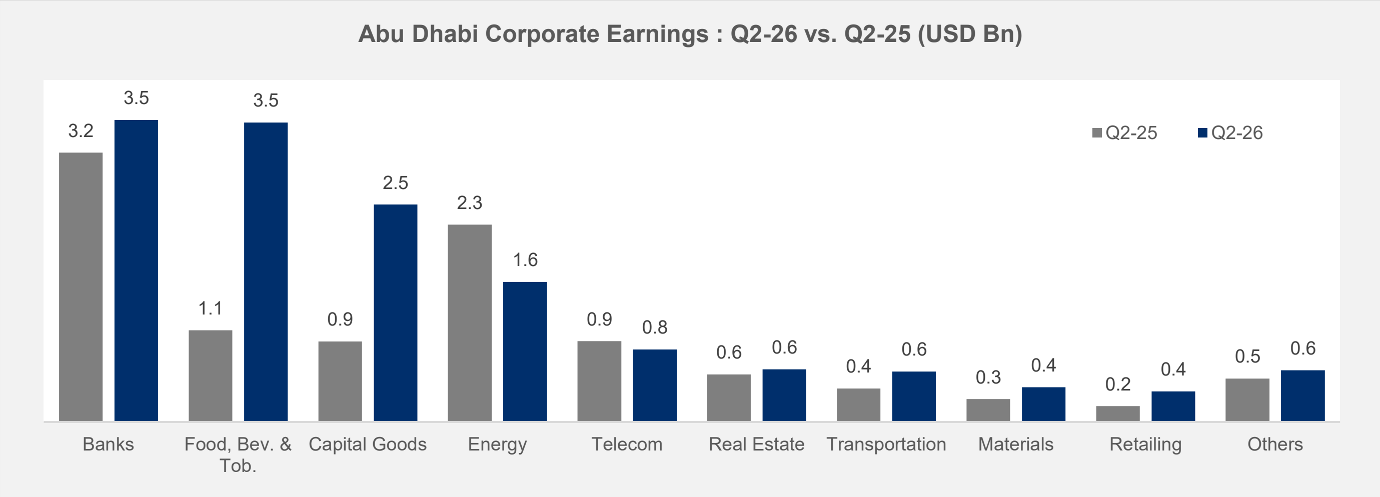
Within the telecom sector, Saudi Telecom Company (stc) reported a net profit of USD 964.4 Mn in Q2-2026, down 5.4% y-o-y from USD 1.0 Bn in Q2-2025. The decline was primarily attributed to a SAR 119 Mn increase in finance costs and a SAR 69 Mn decrease in finance income, despite revenue reaching SAR 20.2 Bn during the quarter. The company also announced a cash dividend of SAR 0.55 per share for Q2-2026. Zain KSA, on the other hand, reported a net profit of USD 54.3 Mn in Q2-2026, compared with USD 34.0 Mn in Q2-2025, reflecting a strong 59.7% y-o-y increase, driven by an improved revenue mix, particularly in the consumer 5G segment. The increase in profitability was supported by a 1.8% rise in gross profit to SAR 1.65 Bn. The company also recognized SAR 15 Mn in income from the Universal Service Fund during the quarter. EBITDA increased 3.0% y-o-y to SAR 873 Mn, compared with SAR 850 Mn in Q2-2025, an increase of SAR 23 Mn.

Abu Dhabi

Listed companies in Abu Dhabi witnessed a 41.8% y-o-y increase in total net profits during Q2-2026, reaching USD 14.7 Bn compared to USD 10.3 Bn in Q2-2025. Aggregate net profits also rose by 29.8% y-o-y during 1H-2026, amounting to USD 25.2 Bn versus USD 19.4 Bn in 1H-2025. The Banking sector in Abu Dhabi reported a strong improvement in net profits with aggregate earnings of USD 3.5 Bn in Q2-2026 against USD 3.2 Bn in Q2-2025, reflecting a y-o-y growth of USD 380.8 Mn or 12.1%. The Food, Beverage & Tobacco sector posted the second-largest net earnings on the exchange in Q2-2026, recording a 226.1% y-o-y jump in total profits to USD 3.5 Bn as compared to USD 1.1 Bn during Q2-2025. The Capital Goods sector along with the Energy sector were among the other significant industries that achieved y-o-y aggregate earnings growth during Q2-2026, thereby contributing positively to the overall expansion in total exchange-wide profits during the period. Meanwhile, total revenue for listed companies in Abu Dhabi increased by 14.0% y-o-y and 5.1% q-o-q to reach USD 67.8 Bn in Q2-2026.

The Banking sector delivered broad-based earnings growth across all listed banks. First Abu Dhabi Bank led the performance by reporting the largest net profits in Q2-2026 after a 3.8% y-o-y increase, reaching USD 1.6 Bn against USD 1.5 Bn in Q2-2025. In terms of half-year performance, FAB's net earnings advanced marginally by 0.9% to USD 2.92 Bn compared to USD 2.89 Bn in 1H-2025. FAB's growth was underpinned by a 7% increase in operating income to USD 5.31 Bn, supported by strong core lending and expanding net interest margins. Abu Dhabi Commercial Bank reported the second-largest net earnings in the Banking sector during Q2-2026, at USD 919.1 Mn versus USD 699.2 Mn in Q2-2025. ADCB's profit growth was primarily driven by a 12%

expansion in operating income to USD 3.26 Bn (AED 12.0 Bn), underpinned by strong customer lending, expanding 18% annually alongside a 22% spike in non-interest income.



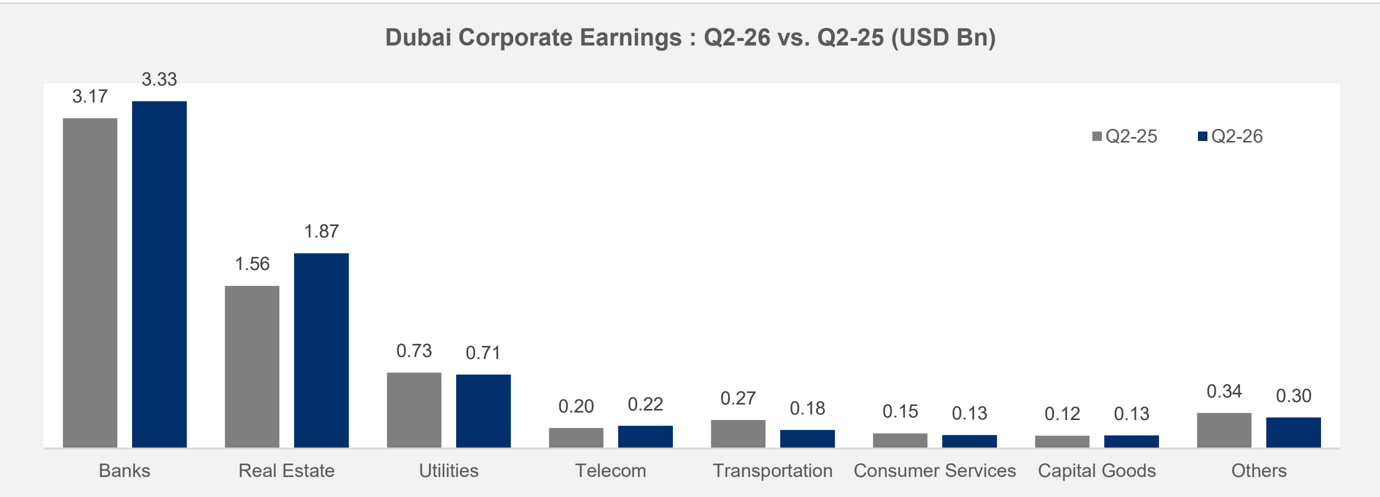
Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

Within the Food, Beverage & Tobacco sector, Q2-2026 total net earnings jumped over three times to reach USD 3.5 Bn as compared to USD 1.1 Bn during Q2-2025. Similarly, total net earnings of the sector during 1H-2026 jumped 227.4% y-o-y to reach USD 4.9 Bn as compared to USD 1.5 Bn during the corresponding period in 2025. Most of the growth was driven by International Holding Company, which reported 1H-2026 net earnings that reached USD 4.87 Bn, up from USD 1.48 Bn in 1H-2025. The company's growth was mainly due to strategic non-operating income, including a massive one-off gain from investment disposals and the favorable acquisition of subsidiaries.

The Capital Goods sector reported the third-largest aggregate net earnings during Q2-2026, which reached USD 2.5 Bn as compared to USD 0.9 Bn in Q2-2025, recording a 170% y-o-y increase. Similarly, the aggregate net earnings for the sector during 1H-2026 witnessed similar growth, increasing 227.7% y-o-y to reach USD 3.7 Bn as compared to USD 1.1 Bn. Most of the sector's growth was driven by the jump in net earnings of Two-Point Zero Group, which reached USD 1.93 Bn in 1H-2026 as compared to USD 173.2 Mn in 1H-2025. For Q2-2026, the company reported a net profit of USD 1.4 Bn.

Dubai

Net profits reported by Dubai-listed companies increased by 4.9% y-o-y to USD 6.9 Bn in Q2-2026 as compared to USD 6.5 Bn in Q2-2025. The earnings growth during the quarter was primarily driven by moderate aggregate net profits from the Banks and Real Estate sectors, with these two sectors together accounting for 75.9% of the total profits on the exchange during the quarter. It is noteworthy that out of the thirteen sectors on the Dubai Stock Exchange, nine reported y-o-y profit increases during Q2-2026, while the remaining four sectors posted declines. For 1H-2026, aggregate net profits increased by 8.5% y-o-y to reach USD 13.7 Bn versus USD 12.6 Bn in 1H-2025. Meanwhile, total revenue for listed companies in Dubai increased by 14.1% y-o-y and 4.6% q-o-q to reach USD 28.7 Bn in Q2-2026.



Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Banking sector's total net profits increased 5.1% y-o-y in Q2-2026 to USD 3.3 Bn compared to USD 3.2 Bn in Q2-2025. For 1H-2026, profits for the sector improved 3.0% y-o-y to USD 6.5 Bn versus USD 6.4 Bn in 1H-2025. The growth in sector earnings was mainly attributable to Mashreq Bank, which reported a 16.2% y-o-y growth in net profit of USD 1.1 Bn for 1H-2026. The y-o-y increase in first-half net profits for the bank was mainly due to a healthy increase in non-interest income from its upgraded global markets platform. Moreover, Emirates NBD's 1H-2026 net earnings recorded 2.8% y-o-y growth to reach USD 3.5 Bn as compared to USD 3.4 Bn in 1H-2025. The bank delivered a record financial performance, capturing total income of USD 7.6 Bn supported by strong regional operations and the milestone international consolidation of India's RBL Bank, which helped push total group assets past USD 354 Bn.

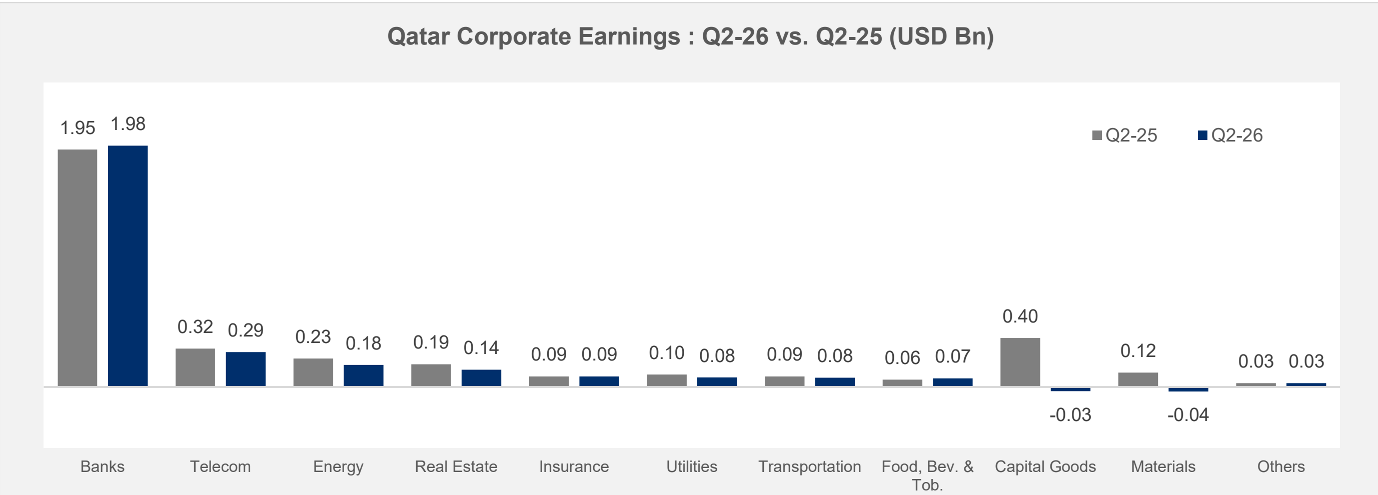
In the Real Estate sector, net profits surged 20.1% y-o-y to USD 1.9 Bn in Q2-2026 as compared to USD 1.6 Bn in Q2-2025. For 1H-2026, aggregate profits for the sector rose 29.5% y-o-y to USD 4.2 Bn vs. USD 3.2 Bn in 1H-2025. Emaar Properties posted the biggest net profits within the sector, reaching USD 1.0 Bn in Q2-2026 compared to USD 0.92 Bn in Q2-2025. The growth was primarily anchored by strong customer demand, with total property sales hitting USD 7.20 Bn, while recurring-revenue portfolio from shopping malls, retail, and hospitality added further stability and drove its revenue backlog to USD 44.90 Bn. Emaar Development reported the second-largest net earnings during 1H-2026, which reached USD 1.5 Bn as compared to USD 1.0 Bn in 1H-2025. Meanwhile, net earnings for the Tecom Group improved by 9.1% y-o-y to reach USD 219.1 Mn.

Total net earnings for the Utilities sector rose by 9.3% y-o-y in 1H-2026 to USD 1.0 Bn against USD 930.3 Mn in 1H-2025. Two out of the three constituent companies in the sector reported earnings growth during 1H-2026. Dewa posted a 12.3% y-o-y increase in profits that reached USD 838.4 Mn, while Emirates Central Cooling Systems Corp. reported a 15.3% y-o-y increase to reach USD 126.2 Mn during the same period. Net profits for Tabreed declined by 30.4% y-o-y to reach USD 30.9 Mn in 1H-2026, mainly due to higher revenues during the quarter reflecting a normalized expense base and increased financing costs from recent market-rate refinancing and acquisition-related growth debt.

Aggregate net earnings for the Telecom sector improved 9.8% during Q2-2026 to reach USD 217.2 Mn as compared to USD 198.0 Mn in Q2-2025. Moreover, the Telecom sector's 1H-2026 net earnings also improved 12.6% y-o-y during 1H-2026 to reach USD 444.3 Mn as compared to USD 394.6 Mn in 1H-2025.

Qatar

Net profits for Qatari-listed companies declined by 20.0% y-o-y to USD 2.9 Bn in Q2-2026, compared with USD 3.6 Bn in Q2-2025. The earnings contraction during the quarter was primarily driven by lower aggregate net profits from the Telecommunication Services, Energy and Real Estate sectors, which collectively contributed 21.2% of total market profits. It is noteworthy that out of the fifteen sectors on the Qatari Stock Exchange, twelve reported y-o-y profit increases during Q2-2026, while the remaining three sectors posted declines. For 1H-2026, aggregate net profits also decreased by 11.6% y-o-y to reach USD 6.4 Bn versus USD 7.2 Bn in 1H-2025. Key sectors, Banking and Energy, recorded profit declines of 0.1% and 23.1%, respectively. Meanwhile, total revenue for listed companies in Qatar declined marginally 0.8% y-o-y and 0.5% q-o-q to reach USD 21.3 Bn in Q2-2026.



Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Banking sector outperformed other sectors as the biggest contributor to net profits during the period by registering a net profit of USD 1.98 Bn in Q2-2026 vs. USD 1.95 Bn in Q2-2025, up by 1.6%, accounting for 69.2% of the overall exchange profits during the quarter. QNB reported a 5.1% increase in Q2-2026 net profit to USD 1.11 Bn, compared with USD 1.06 Bn in Q2-2025, supported by an 11.2% increase in operating income to USD 10.6 Bn. Meanwhile, QIB reported a 4.1% increase in Q2-2026 net profit to USD 340.0 Mn, compared with USD 326.6 Mn in Q2-2025, supported by strong growth in financing assets and fee income, while maintaining a low cost-to-income ratio. Qatar First Investment Bank reported a 78.8% increase in Q2-2026 net profit to USD

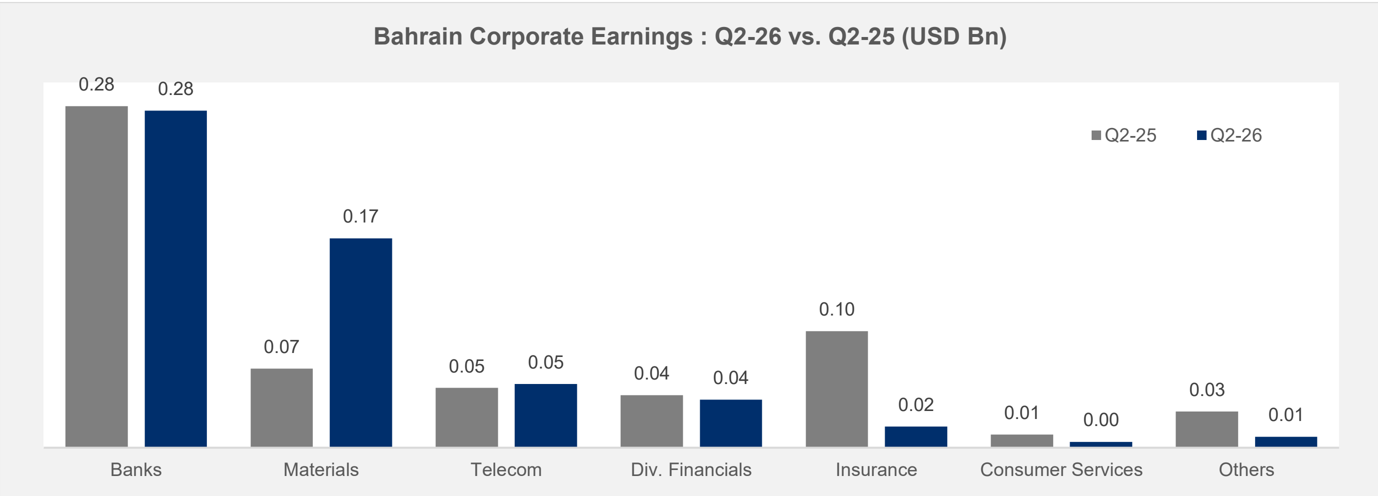
20.6 Mn, compared with USD 11.5 Mn in Q2-2025. The growth was mainly driven by a 38.7% increase in income from investing activities, along with higher fee and commission income, supported by strong fee, dividend and investment income. On the other hand, Commercial Bank of Qatar reported a 16.0% decline in Q2-2026 net profit to USD 140.5 Mn, from USD 167.4 Mn in Q2-2025, despite an 11.2% increase in net operating income, mainly due to higher provisions. The Group's results were also impacted by Alternatif Bank, which reported a QAR 28.2 Mn loss, mainly due to hyperinflationary accounting and market volatility.

Aggregate profits of Qatar's Energy sector declined 23.3% to USD 180.3 Mn in Q2-2026, from USD 235.0 Mn in Q2-2025. The decline was mainly driven by Gulf International Services Co., which reported losses of USD 2.4 Mn in Q2-2026 vs. a profit of USD 51.0 Mn in Q2-2025. The weaker performance was primarily due to lower drilling activity following the temporary suspension of several offshore rigs and weaker aviation performance, partly offset by stronger contributions from the insurance business. Net profit for Qatar Gas Transport Co. (Nakilat) reported a 2.0% decline in Q2-2026 to USD 114.7 Mn, compared with USD 117.0 Mn in Q2-2025. For 1H-2026, net profit declined marginally by 0.3% to QAR 857.0 Mn, as weaker marine-services activity offset growth in the core LNG shipping business.

In the Telecom sector, Ooredoo reported net profit of USD 231.3 Mn in Q2-2026, compared with USD 271.1 Mn in Q2-2025, marking a 14.7% y-o-y decline, mainly due to a one-off legal provision in Algeria. Revenue for the Telco increased 4.6% y-o-y to USD 6.0 Bn, driven by sustained growth across Iraq, Algeria, Tunisia and Palestine. EBITDA rose 8.0% to USD 2.6 Bn, supported by topline growth. For 1H-2026, Net profit declined 5.1% to QAR 1.8 Bn, although normalized net profit increased 3.7%, reflecting underlying operational growth. Vodafone Qatar reported a net profit of USD 54.8 Mn in Q2-2026, representing a 20.0% y-o-y increase, supported by higher service revenue driven by continued growth across its core business lines, including mobility, managed services, fixed broadband and Internet of Things (IoT).

Bahrain

Total Q2-2026 net profits for Bahrain-listed companies remained stable, witnessing a marginal decline of 0.4% to reach USD 572.2 Mn as compared to USD 574.4 Mn during Q2-2025. The overall quarterly earnings decline was broad-based, with twelve of the fourteen sectors recording y-o-y net earnings declines during the quarter, while the remaining two sectors witnessed y-o-y growth during the same period. The picture was similar in terms of first-half performance, as the aggregate net earnings for Bahrain-listed companies remained stable, recording a marginal 0.2% slip to reach USD 1.14 Bn during 1H-2026 as compared to USD 1.14 Bn in 1H-2025. Meanwhile, total revenue for listed companies in Bahrain increased by 8.9% y-o-y and 8.5% q-o-q to reach USD 4.7 Bn in Q2-2026.



Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Banking Sector recorded the largest contribution to quarterly growth. Q2-2026 net profits for the sector declined by 1.3% y-o-y, reaching USD 277.0 Mn compared to USD 280.8 Mn in Q2-2025. For 1H-2026, sector earnings also declined 20.5% y-o-y to USD 531.3 Mn against USD 668.4 Mn in 1H-2025. The subdued performance was underpinned by profit declines in seven out of the nine reported 1H-2026 net earnings, including an USD 11.7 Mn loss reported by United Gulf Holding Company. On the other hand, Al Salam Bank recorded a 23.5% y-o-y increase in net earnings for 1H-2026 to reach USD 122.4 Mn, while BBK registered a 10.2% y-o-y improvement in net profits that reached USD 112.8 Mn during the same period. Profitability was boosted by the accelerated, pre-emptive acquisition of high-yielding fixed-income instruments, particularly within its Sukuk portfolio, which grew by 14.1% to USD 5.85 Bn, as well as expanding its revenue base across core banking, asset management, and takaful (Islamic insurance) operations, leading to highly resilient earnings.

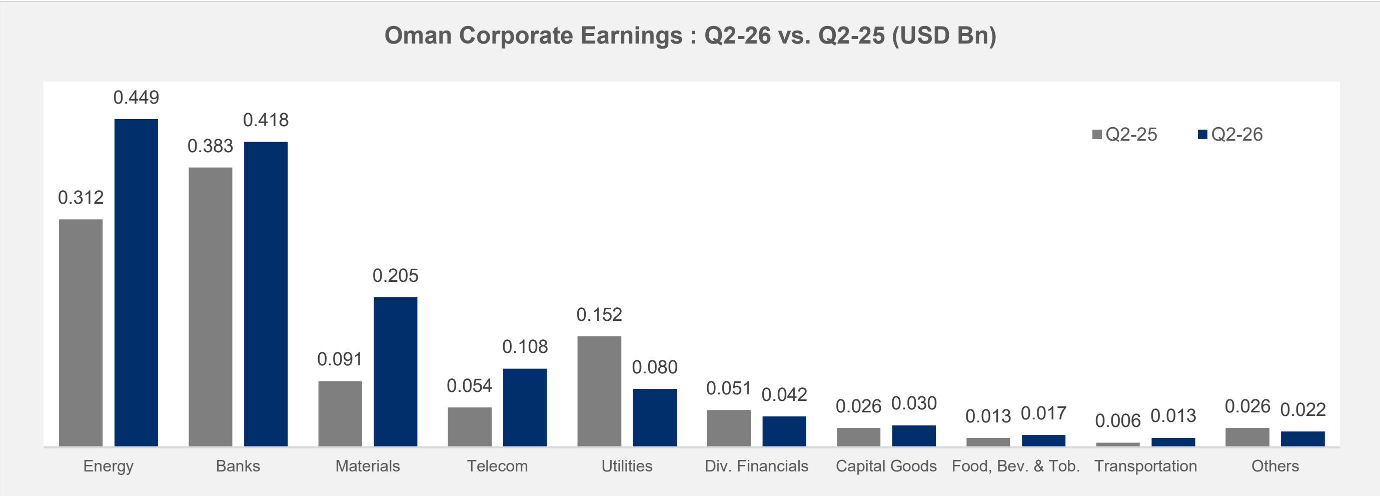
Net profits for the Materials sector, which has Aluminum Bahrain as its sole constituent, registered a sharp surge of over 2.6x to reach USD 172.1 Mn in Q2-2026 compared with USD 65.1 Mn in Q2-2025. On a 1H-2026 basis, sector profits (ALBA's profits) increased by 227.4% y-o-y to USD 370.6 Mn against USD 113.2 Mn in 1H-2025. Aluminum Bahrain's net profit growth during the period was primarily driven by higher global aluminum prices and a significant market deficit, which offset substantial declines in its production and sales volumes.

The Telecom sector recorded the third largest aggregate net earnings by sector during Q2-2026, with USD 52.3 Mn as compared to USD 49.1 Mn in Q2-2025. Both Telecom companies that comprise the sector recorded y-o-y growth in their Q2-2026 net earnings. Bahrain Telecom Company (BEYON) Q2-2026 net earnings increased by 6.9% y-o-y to reach USD 48.6 Mn as compared to USD 45.5 Mn, while Zain Bahrain's net earnings improved 1.5% y-o-y to reach USD 3.7 Mn during the same period. BEYON's net earnings growth was primarily driven by higher net revenues and a continuous focus on operational efficiencies, with quarterly revenue remaining relatively stable at BHD 125.8 Mn (USD 333.7 Mn). However, the Telecom sector's 1H-2026 net earnings slipped 4.5% y-o-y to reach USD 95.7 Mn as compared to USD 100.2 Mn due to a 4.9% y-o-y decline in BEYON's 1H-2026 net earnings, which reached USD 88.9 Mn during the period.

The Diversified Financials sector recorded an 8.2% y-o-y decline in aggregate net profits during Q2-2026, reaching USD 39.6 Mn compared with USD 43.1 Mn in Q2-2025. For 1H-2026, sector-wide net earnings declined by 1.5% y-o-y to reach USD 76.5 Mn during 1H-2026 as compared to USD 77.6 Mn in 1H-2025. The dip in the sector's net earnings was mainly attributable to Esterad Investments Company's reported loss of USD 6.5 Mn during Q2-2026, down from a profit of USD 2.8 Mn in Q2-2025.

Oman

Total net profits for listed companies in Oman increased by 24.2% y-o-y to USD 1.4 Bn in Q2-2026 compared with USD 1.1 Bn in the same quarter in 2025. For 1H-2026, total net earnings increased by 14.6% y-o-y to reach USD 2.3 Bn as compared to USD 2.0 Bn in 1H-2025. The net earnings growth was concentrated in the Energy, Banking, and Materials sectors, even as eight out of fourteen sectors on the exchange reported y-o-y profit increases during Q2-2026. Total revenue for listed companies in Oman increased by 18.0% y-o-y and 10.3% q-o-q to reach USD 10.3 Bn in Q2-2026.



Source: Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Energy sector reported the largest aggregate net earnings among the sectors on the exchange, with USD 448.9 Mn in Q2-2026 as compared to USD 311.7 Mn in Q2-2025. In terms of first-half performance, the sector's total net earnings increased by 27.1% y-o-y to reach USD 732.8 Mn as compared to USD 576.7 Mn in 1H-2025. OQ Exploration & Production SA reported the largest net earnings, which increased by 19.4% y-o-y during 1H-2026 to reach USD 517.0 Mn as compared to USD 432.8 Mn in 1H-2025. The increase was attributed to 12% y-o-y growth in its revenues, which reached USD 1.8 Bn, mainly driven by a rising energy market, where the company's average realized oil price climbed 8% to USD 80.90 per barrel, alongside a 2% increase in average gas sales pricing. The majority of the eight companies that comprise the sector and reported their financials during 1H-2026 recorded y-o-y net earnings improvements, including Asyad Shipping Company, which witnessed its net earnings more than double to reach USD 101.1 Mn as compared to USD 46.6 Mn in 1H-2025. Moreover, 1H-2026 net earnings for OQ Gas Networks increased by 7% y-o-y to reach USD 70.5 Mn.

Total Q2-2026 earnings of the Banking Sector grew by 9.2% to USD 418.0 Mn as compared with USD 382.6 Mn in Q2-2025. For 1H-2026, total net profits for the Banking Sector increased by 9.7% y-o-y to USD 792.9 Mn compared with USD 722.6 Mn in 1H-2025. Bank Muscat recorded the highest net earnings among banks in 1H-2026 at USD 357.1 Mn, up from USD 362.8 Mn in 1H-2025. Sohar International Bank followed with the second-largest net profits at USD 137.7 Mn versus USD 119.9 Mn in 1H-2025. Bank Muscat's net profit growth during 1H-2026 was driven by a robust rise in non-interest income and a strategic reduction in net impairment losses, with non-interest income growth of 12.7% to USD 239.6 Mn, underpinned by robust domestic trade volumes and strong investment yield.

Aggregate net profits for the Telecom Sector almost doubled y-o-y to USD 107.6 Mn from USD 54.4 Mn in Q2-2025. For 1H-2026, total net profits improved 74.0% y-o-y to USD 173.7 Mn from USD 99.8 Mn in 1H-2025. 1H-2026 net profits for OmanTel jumped 67.6% y-o-y to reach USD 152.1 Mn as compared to USD 90.7 Mn in 1H-2025. Similarly, net earnings for Ooredoo Oman increased by 137.0% y-o-y to reach USD 21.6 Mn as compared to USD 9.1 Mn in 1H-2025.

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