

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index recorded marginal gains over the week (ending 22nd April 2025). USTs rose over the week with the bond market stabilizing. In credit, Global corporate IG index ended flat while Global HY index recorded gains last week. EM bonds ended unchanged.

All GCC bond indices recorded positive returns, barring Qatar. Bahrain was the best performer. The 5yr CDS spreads tightened across all GCC countries. In the USD sovereign market, the 10yr bond yields declined across all GCC countries, barring Oman and Qatar.

GCC equities

Most regional indices posted declines last week with the exception of Dubai and Kuwait. Dubai posted the largest weekly gain, outperforming the rest of regional indices. Overall, MSCI GCC underperformed both MSCI EM and MSCI ACWI last week.

GCC key developments:

- ▶ **The IMF lowered Saudi Arabia's 2025 growth outlook amid sluggish oil recovery.**
- ▶ Kuwait earmarks USD6bn for infrastructure in the upcoming budget.
- ▶ Emirates Islamic Bank recorded over AED1bn in quarterly profit for first time.
- ▶ RAKBANK reported a strong results in Q1' 25.
- ▶ Saudi Arabia's Riyadh Bank posted a 20% rise in net profit for Q1'25.
- ▶ Al Rajhi Bank reported a 34% profit growth in Q1'25.
- ▶ Banque Saudi Fransi posted a 16% increase in Q1'25 net profit.

GCC bond issuances:

- ▶ **Ajman Bank plans to raise USD500mn in new sukuk.**

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GCC Weekly Market Performance

| Index | | | | Rates | | | |
|-------------------|---------|-------|-------|--------------|--------|----------|----------|
| Fixed Income | Latest | -1w % | YTD % | 3M interbank | Latest | -1w (bp) | YTD (bp) |
| Global Agg | 487.0 | 0.25 | 5.30 | Saudi | 5.37 | 5.06 | -5.02 |
| Global Treasuries | 206.8 | 0.44 | 6.26 | UAE | 4.26 | 1.05 | -18.35 |
| EM USD Agg TR | 1259.3 | 0.05 | 0.81 | Kuwait | 4.00 | 0.00 | - |
| EM LatAm TR | 1138.1 | 0.09 | 0.47 | Bahrain | 5.64 | -0.65 | -4.58 |
| EM EMEA TR | 372.0 | 0.18 | 0.94 | Oman | 4.70 | 2.05 | -21.95 |
| EM Asia TR | 655.9 | -0.19 | 1.02 | Qatar | 4.65 | - | - |
| Bahrain TR | 207.1 | 0.59 | 1.89 | US SOFR | 4.32 | 1.00 | -8.00 |
| Oman TR | 158.6 | 0.21 | 1.39 | 5Y Sov. CDS | Latest | -1w (bp) | YTD (bp) |
| Kuwait TR | 160.4 | 0.12 | 2.25 | Saudi Arabia | 89.79 | -1.10 | 22.90 |
| Qatar TR | 139.7 | -0.05 | 1.50 | Abu Dhabi | 46.35 | -1.30 | 1.20 |
| Saudi Arabia TR | 143.6 | 0.11 | 1.76 | Dubai | 64.30 | -0.40 | -2.00 |
| UAE TR | 145.5 | 0.05 | 2.01 | Kuwait | 75.09 | - | 0.30 |
| Equity | Latest | -1w % | YTD % | Bahrain | 245.37 | -1.60 | 53.50 |
| ADX | 9256.6 | -0.04 | -0.70 | Oman | 146.80 | -0.50 | 37.40 |
| DFM | 5134.4 | 1.60 | -0.37 | Qatar | 45.15 | -2.20 | -0.80 |
| Tadawul | 11586.4 | -0.41 | -4.26 | 10Y yield | Latest | -1w (bp) | YTD (bp) |
| DSM | 10139.3 | -0.58 | -4.08 | Saudi Arabia | 5.15 | -1.90 | -21.00 |
| MSM30 | 4290.9 | -0.31 | -6.17 | Abu Dhabi | 4.59 | -1.80 | -45.80 |
| BHSE | 1892.5 | -0.93 | -4.38 | Dubai | 4.61 | -4.10 | -24.80 |
| KWSE | 8394.2 | 0.34 | 7.09 | Bahrain | 5.71 | -6.00 | -2.90 |
| MSCI GCC | 717.9 | -0.11 | -1.14 | Oman | 4.71 | 4.90 | -12.80 |
| MSCI EM | 1073.8 | 1.39 | 0.26 | Qatar | 4.71 | 4.90 | -12.80 |
| MSCI ACWI | 796.3 | 0.65 | -5.20 | | | | |

Note: data from 16th April 2025 to 22nd April 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► The IMF lowered Saudi Arabia's 2025 growth outlook amid sluggish oil recovery

The International Monetary Fund (IMF) has revised down its 2025 economic growth projection for Saudi Arabia, citing slower-than-expected recovery in oil production as a drag on the region. In its latest World Economic Outlook, the IMF cut the kingdom's 2025 GDP forecast to 3%, down from 3.3% predicted in January. It also reduced the 2026 estimate to 3.7%. The broader Middle East and Central Asia region saw its 2024 growth outlook trimmed to 3% from 3.6%. Despite earlier expectations of a 4.4% rebound, uncertainty over oil prices and global headwinds are now clouding Saudi Arabia's recovery prospects, even as the country accelerates efforts to diversify away from oil dependence.

(Source: Zawya).

► Kuwait earmarks USD6bn for infrastructure in the upcoming budget

Kuwait plans to invest around USD6bn in infrastructure and public service projects under its 2025-2026 budget. The spending will target key sectors such as transportation (roads and rail), utilities (water and electricity), and port development—most notably the Mubarak Al Khabeer Port. Capital expenditure is set at KHD1.7bn (approximately USD5.7bn), spread across more than 90 infrastructure projects.

(Source: Zawya).

► Emirates Islamic Bank recorded over AED1bn in quarterly profit for first time

Emirates Islamic Bank reported a record-breaking profit exceeding AED1bn (USD272mn) for Q1'25, marking a 24% increase from the same period last year. The growth was fueled by sustained business confidence in the UAE, which bolstered both interest and non-interest income. Total income climbed 8% YoY to AED1.45bn, while operating profit rose 5%. The bank's total assets increased by 11% to AED123bn, with customer financing and deposits growing by 7% and 8%, respectively.

(Source: Zawya).

RAKBANK reported a strong results in Q1' 25RAKBANK reported strong results for Q1'25, with net profit after tax climbing to AED704.49mn —a 22.7% YoY increase. Total assets surpassed AED90bn (USD24.52bn) for the first time.

(Source: Zawya).

► Saudi Arabia's Riyadh Bank posted a 20% rise in net profit for Q1'25.

Saudi Arabia's Riyadh Bank posted a 20% rise in net profit for Q1'25, reaching SAR2.49bn (USD664mn), up from SAR2.07bn in the same period last year. Earnings per share also improved to SAR0.79 from SAR0.66, outperforming analyst expectations..

(Source: Zawya).

► Al Rajhi Bank reported a 34% profit growth in Q1'25.

Al Rajhi Bank reported a robust 34% YoY increase in Q1'25 net profit to SAR5.9bn (USD1.57bn), largely driven by a 26% rise in income from financing and investments. The bank's earnings per share reached SAR1.41, up from SAR1.05 in Q1 2024.

(Source: Zawya).

► Banque Saudi Fransi posted a 16% increase in Q1'25 net profit

Banque Saudi Fransi reported a 16% increase in Q1 2025 net profit to SAR1.34bn (USD357mn), supported by higher fee and commission income. Earnings per share rose to SAR0.50 from SAR0.44 in the same quarter a year ago.

(Source: Zawya).

► Ajman Bank plans to raise USD500mn in new sukuk

Ajman Bank is marketing a USD500mn senior unsecured sukuk as part of its USD1.5bn Trust Certificate Issuance Programme. Initial price guidance is set at a spread of 165bp over Treasuries. The 5-year sukuk, expected to settle on April 30, will be listed on Nasdaq Dubai and the London Stock Exchange's International Securities Market. Fitch has rated the bank BBB+ with a stable outlook.

(Source: Zawya).

GCC Weekly Market View

Investment Strategy | April 23 2025

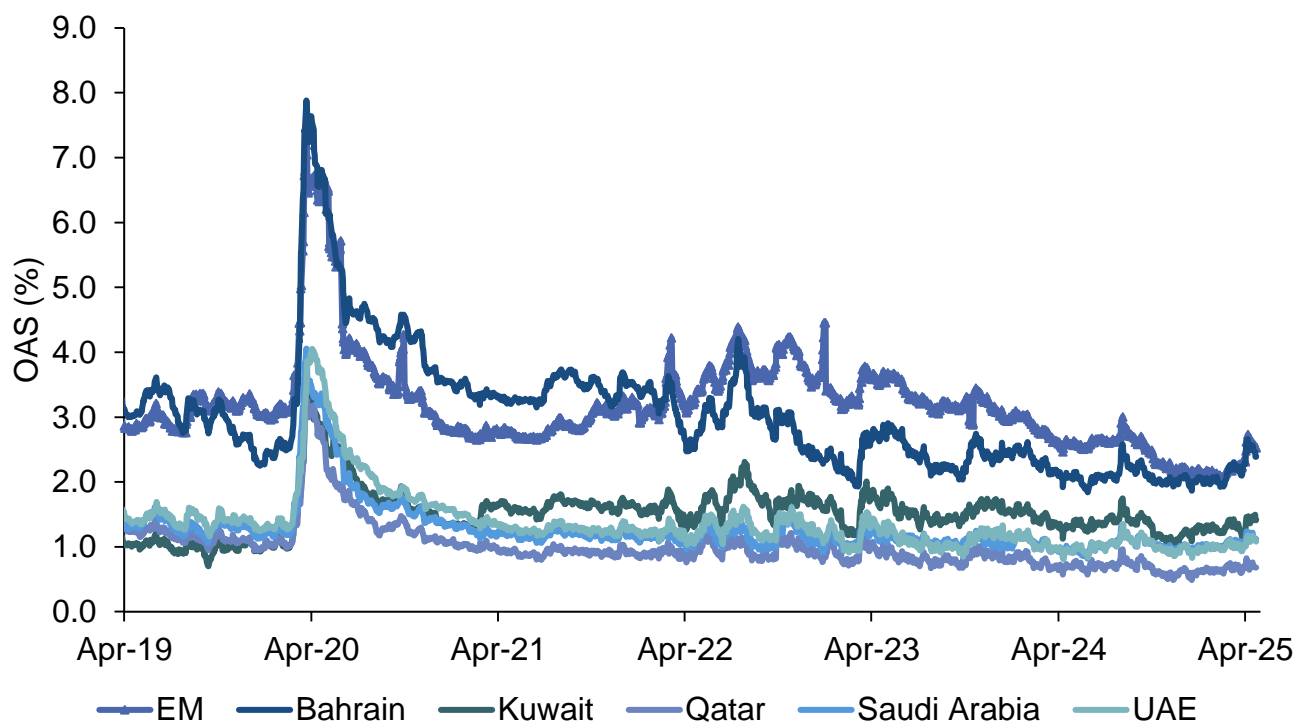
GCC bond issuances

| Issuer | BBG | Sector | Cou ntry | Issue Amt* | Cpn | Maturity | Maturity Type | Curr ency | Issue Date | Rtg [^] | YTM (mid) | YTC (mid) |
|---------------------------------------|--------|------------------------|-------------|---------------|---------------|-------------------|------------------|--------------|------------|------------------|--------------|--------------|
| Saudi Government International Bond | KSA | Sovereign | SA | 3000 | 5.375 | 1/13/2031 | AT MATURITY | USD | 1/13/2025 | A+ | 5.45 | - |
| KFH Sukuk Co | KFHKK | Financial Institutions | KW | 1000 | 5.376 | 1/14/2030 | AT MATURITY | USD | 1/14/2025 | A | 5.33 | - |
| Aldar Properties PJSC | ALDAR | Financial Institutions | AE | 1000 | 6.6227 | 4/15/2055 | CALLABLE | USD | 1/15/2025 | BBB- | 6.63 | 6.63 |
| Fab Sukuk Co Ltd | FABUH | Agency | AE | 600 | 5.153 | 1/16/2030 | AT MATURITY | USD | 1/16/2025 | AA- | 5.12 | - |
| Al Rajhi Sukuk Ltd | RJHIAB | Financial Institutions | SA | 1500 | 6.25 | - | PERP/CALL | USD | 1/21/2025 | BBB- | 6.10 | 6.23 |
| BSF Sukuk Co Ltd | BSFR | Financial Institutions | SA | 750 | 5.375 | 1/21/2030 | AT MATURITY | USD | 1/21/2025 | A- | 5.43 | - |
| First Abu Dhabi Bank PJSC | FABUH | Agency | AE | 750 | 5.31 | 1/22/2030 | AT MATURITY | USD | 1/22/2025 | AA- | 5.25 | - |
| Emirates NBD Bank PJSC | EBIUH | Agency | AE | 750 | 5.41 | 1/22/2030 | AT MATURITY | USD | 1/22/2025 | A+ | 5.36 | - |
| Gaci First Investment Co | PIFKSA | Agency | SA | 2400 | 5.25 | 1/29/2030 | CALLABLE | USD | 1/29/2025 | A+ | 5.29 | 5.29 |
| Gaci First Investment Co | PIFKSA | Agency | SA | 1600 | 5.625 | 7/29/2034 | CALLABLE | USD | 1/29/2025 | A+ | 5.67 | 5.67 |
| Bapco Energies Sukuk Ltd | BEXBAH | Agency | BH | 1000 | 6.25 | 1/29/2035 | AT MATURITY | USD | 1/29/2025 | B+ | 6.23 | - |
| FIN DEPT GOVT SHARJAH | SHJGOV | Sovereign | AE | 500 | 4.625 | 02/13/2032 | AT MATURITY | EUR | 02/06/2025 | BBB- | 4.67 | - |
| Ma'aden Sukuk Ltd | MAADEN | Agency | SA | 750 | 5.25 | 2/13/2030 | CALLABLE | USD | 2/13/2025 | BBB+ | 5.26 | 5.26 |
| Ma'aden Sukuk Ltd | MAADEN | Agency | SA | 500 | 5.5 | 2/13/2035 | CALLABLE | USD | 2/13/2025 | BBB+ | 5.49 | 5.49 |
| Saudi Electricity Sukuk Programme Co | SECO | Agency | SA | 1500 | 5.225 | 2/18/2030 | AT MATURITY | USD | 2/18/2025 | A+ | 5.25 | - |
| Saudi Electricity Sukuk Programme Co | SECO | Agency | SA | 1250 | 5.489 | 2/18/2035 | AT MATURITY | USD | 2/18/2025 | A+ | 5.50 | - |
| Emirates NBD Bank PJSC | EBIUH | Agency | AE | 1000 | 6.25 | - | PERP/CALL | USD | 2/25/2025 | A+ | 6.07 | 5.97 |
| Alpha Star Holding IX Ltd | DAMACR | Financial Institutions | AE | 750 | 7 | 8/26/2028 | AT MATURITY | USD | 2/26/2025 | BB | 6.93 | - |
| SIB Sukuk Co III Ltd | SIB | Financial Institutions | AE | 500 | 5.2 | 2/26/2030 | AT MATURITY | USD | 2/26/2025 | | 5.15 | - |
| Abu Dhabi Commercial Bank | ADCBUH | Agency | AE | 600 | 5.41 | 2/26/2030 | AT MATURITY | USD | 2/26/2025 | A+ | 5.30 | - |
| SRC Sukuk Ltd | SRCSUK | Agency | SA | 1000 | 5.375 | 2/27/2035 | AT MATURITY | USD | 2/27/2025 | A+ | 5.37 | - |
| SRC Sukuk Ltd | SRCSUK | Agency | SA | 1000 | 5 | 2/27/2028 | AT MATURITY | USD | 2/27/2025 | A+ | 4.98 | - |
| Qatar Government International Bond | QATAR | Sovereign | QA | 2000 | 4.875 | 2/27/2035 | AT MATURITY | USD | 2/27/2025 | AA | 4.69 | - |
| Qatar Government International Bond | QATAR | Sovereign | QA | 1000 | 4.5 | 2/27/2028 | AT MATURITY | USD | 2/27/2025 | AA | 4.40 | - |
| QNB Finance Ltd | QNBK | Agency | QA | 700 | 5.4057 92 | 3/4/2030 | AT MATURITY | USD | 3/4/2025 | | 5.35 | - |
| Doha Finance Ltd | DHBKQD | Financial Institutions | QA | 500 | 5.25 | 3/5/2030 | AT MATURITY | USD | 3/5/2025 | A | 5.15 | - |
| National Central Cooling Co PJSC | TABRED | Utility | AE | 700 | 5.279 | 3/5/2030 | CALLABLE | USD | 3/5/2025 | BBB | 5.20 | 5.20 |
| RAK Capital | RAKS | Sovereign | AE | 1000 | 5 | 3/12/2035 | AT MATURITY | USD | 3/12/2025 | A+ | 4.98 | - |
| SNB Funding Ltd | SNBAB | Financial Institutions | SA | 750 | 5.5425 371 | 3/17/2030 | AT MATURITY | USD | 3/17/2025 | A- | 5.49 | - |
| ABQ Finance Ltd | ABQKQD | Financial Institutions | QA | 500 | 4.95 | 3/25/2030 | AT MATURITY | USD | 3/25/2025 | A | 5.03 | - |
| Emirates Islamic Bank PJSC | EIBUH | Agency | AE | 750 | 5.059 | 3/25/2030 | AT MATURITY | USD | 3/25/2025 | A+ | 4.95 | - |
| Aldar Investment Properties Sukuk Ltd | ALDAR | Financial Institutions | AE | 500 | 5.25 | 3/25/2035 | CALLABLE | USD | 3/25/2025 | BBB+ | 5.22 | - |
| SNB Funding Ltd | SNBAB | Financial Institutions | SA | 300 | 4.9581 236 | 10/10/2026 | AT MATURITY | USD | 4/10/2025 | | 5.06 | - |
| Mashreq AL Islami Sukuk Co Ltd | MASQUH | Financial Institutions | AE | 500 | 5.03 | 4/22/2030 | AT MATURITY | USD | 4/22/2025 | | 4.96 | - |
| AUB Sukuk Ltd | AUBBI | Financial Institutions | BH | 400 | 6.709 | #N/A Field Not | PERP/CALL | USD | 4/22/2025 | | 6.72 | 6.74 |

*Amount Issued in USD/AEDmillion, Bloomberg sector classification has been used, ^Issuer rating used where applicable, Fitch rating or equivalent used Source: Fitch Ratings, Moody's ratings, Bloomberg, ADCB Asset Management

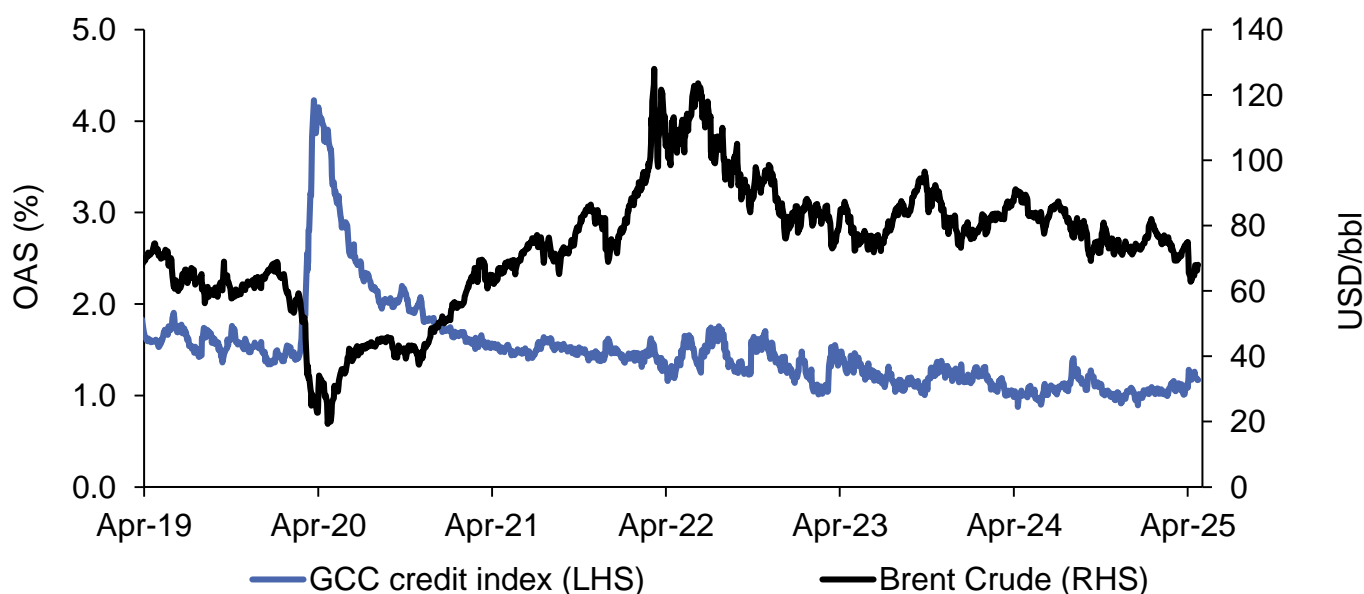
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

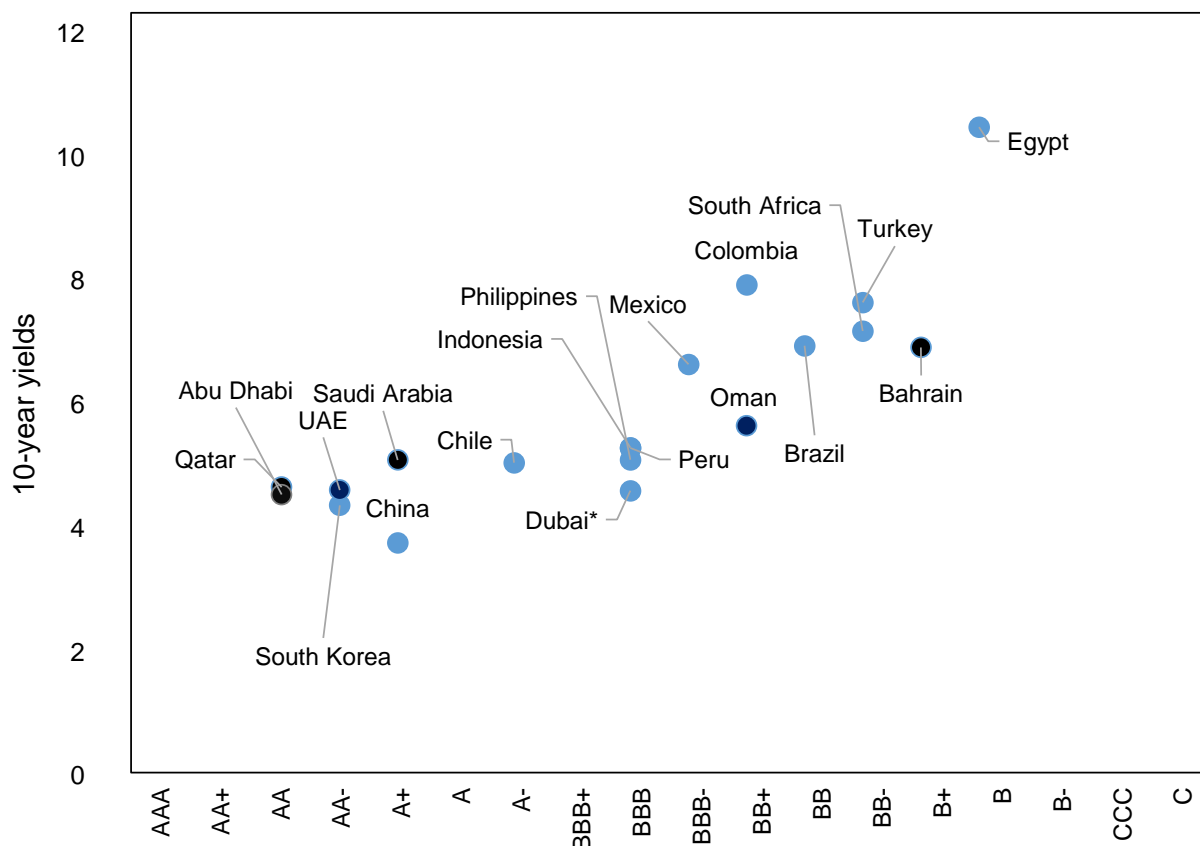
GCC corporate OAS spread versus Brent Crude



Source: Bloomberg, ADCB Asset Management

10yr yield versus Credit ratings (EM vs GCC)

GCC sovereign valuation versus peers



Source: Bloomberg, ADCB Asset Management, *Dewa rating used as a substitute for Dubai, Fitch ratings are used for all countries

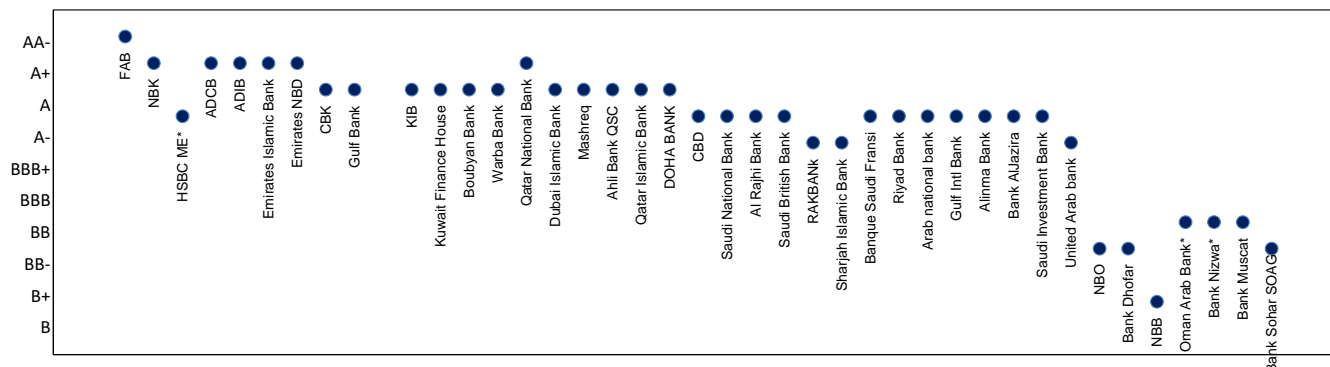
GCC Sovereign Rating

| Country | Saudi Arabia | Abu Dhabi | Dubai* | Kuwait | Bahrain | Oman | Qatar | Egypt |
|---------|--------------|-----------|--------|--------|---------|------|-------|-------|
| Moody's | Aa3 | Aa2 | Baa2 | A1 | B2u | Ba1 | Aa2 | Caa1 |
| Fitch | A+ | AA | - | AA- | B+ | BB+ | AA | B |

Note: *DEWA rated used as proxy for Dubai

GCC Financials Credit Rating

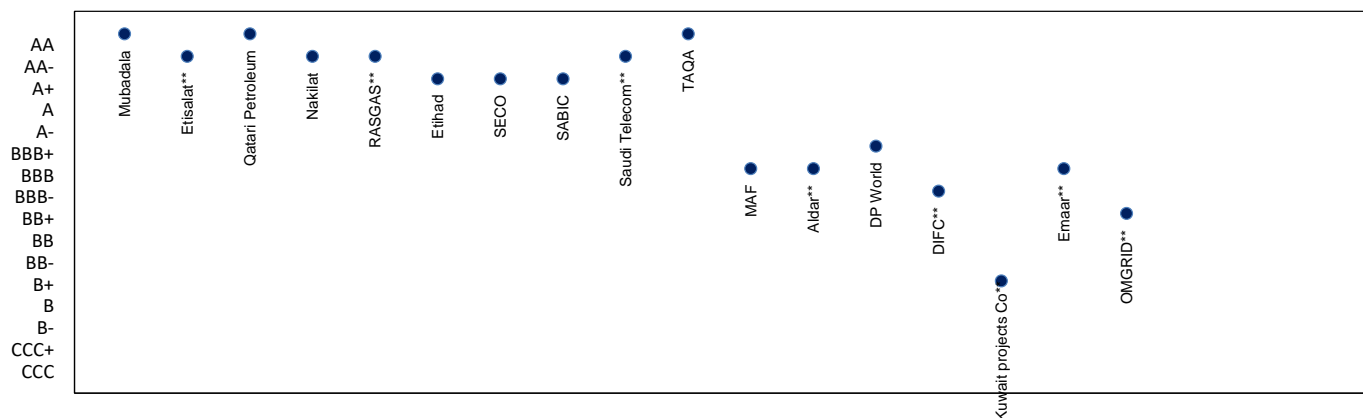
GCC Financials



Note: The ratings refer to Fitch ratings, *Moody's rating used as substitute where the corporate/bank not rated by Fitch rating | Source: Bloomberg, ADCB

GCC Corporate Credit rating

GCC Corporates



Note: The ratings refer to Fitch ratings, **Moody's rating used as substitute where the corporate/bank not rated by Fitch rating | Source: Bloomberg, ADCB

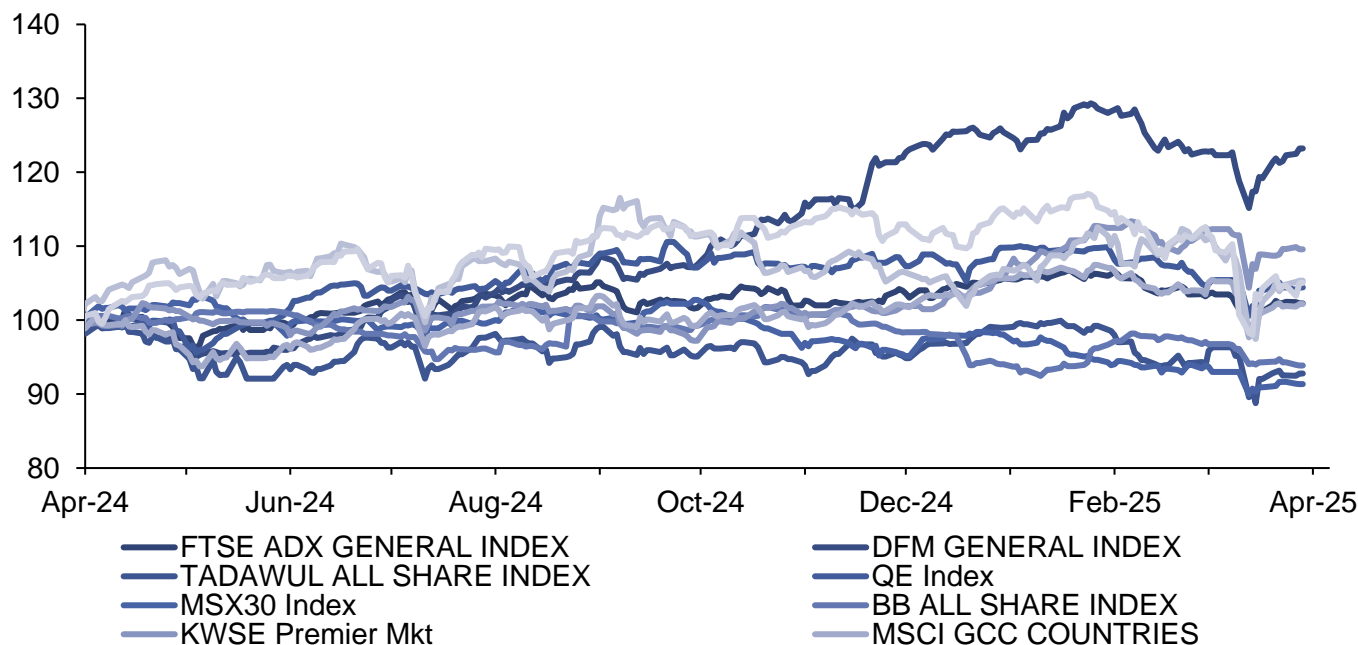
GCC equities – performance, earnings, and valuations snapshot

| Equity Index | 12M forward PE | 12M forward EPS growth | 12M forward dividend yield |
|--------------|----------------|------------------------|----------------------------|
| ADX | 14.2x | 5.5% | 2.4% |
| DFM | 8.8x | - | 5.6% |
| Tadawul | 15.0x | 8.0% | 3.9% |
| DSM | 11.0x | 1.0% | 5.0% |
| MSM30 | 8.8x | 1.5% | 6.4% |
| BHSE | 6.9x | - | 9.8% |
| KWSE | 15.1x | -13.3% | 2.6% |
| MSCI GCC | 13.3x | 6.8% | 4.1% |
| MSCI EM | 12.0x | 8.0% | 2.8% |
| MSCI ACWI | 17.0x | 8.9% | 2.0% |

Notes: *data as of 23 April 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

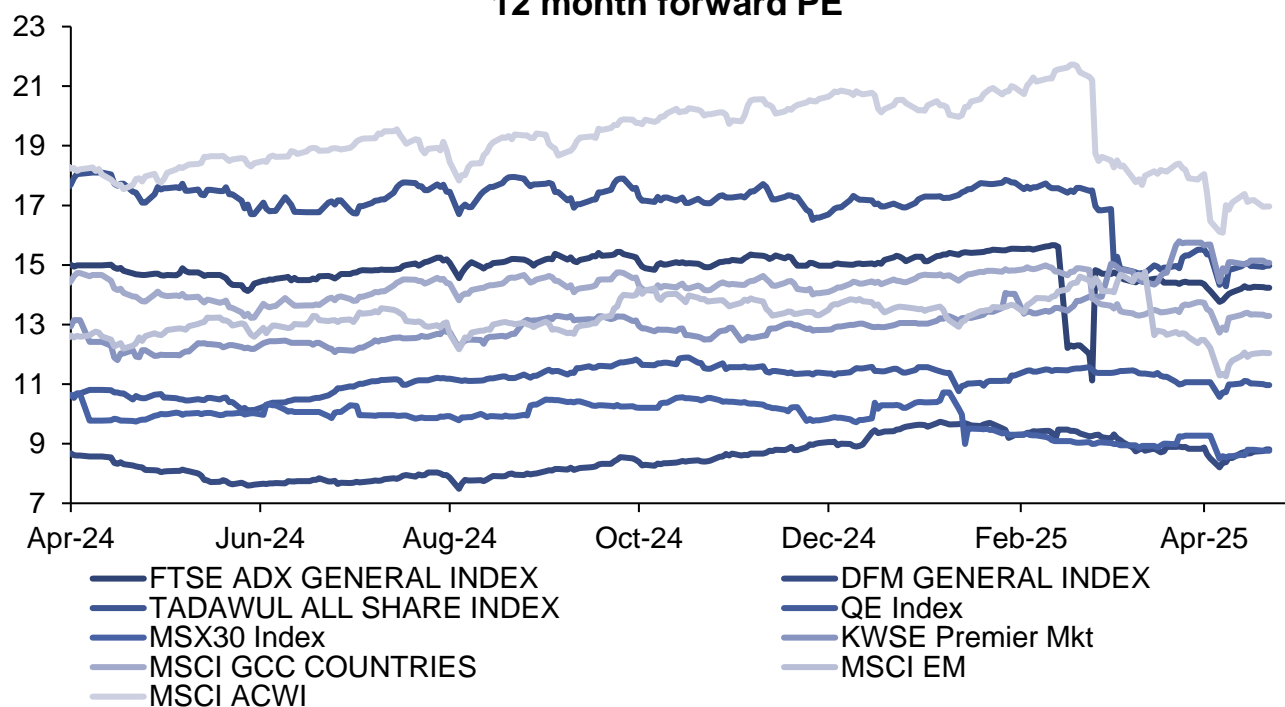
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

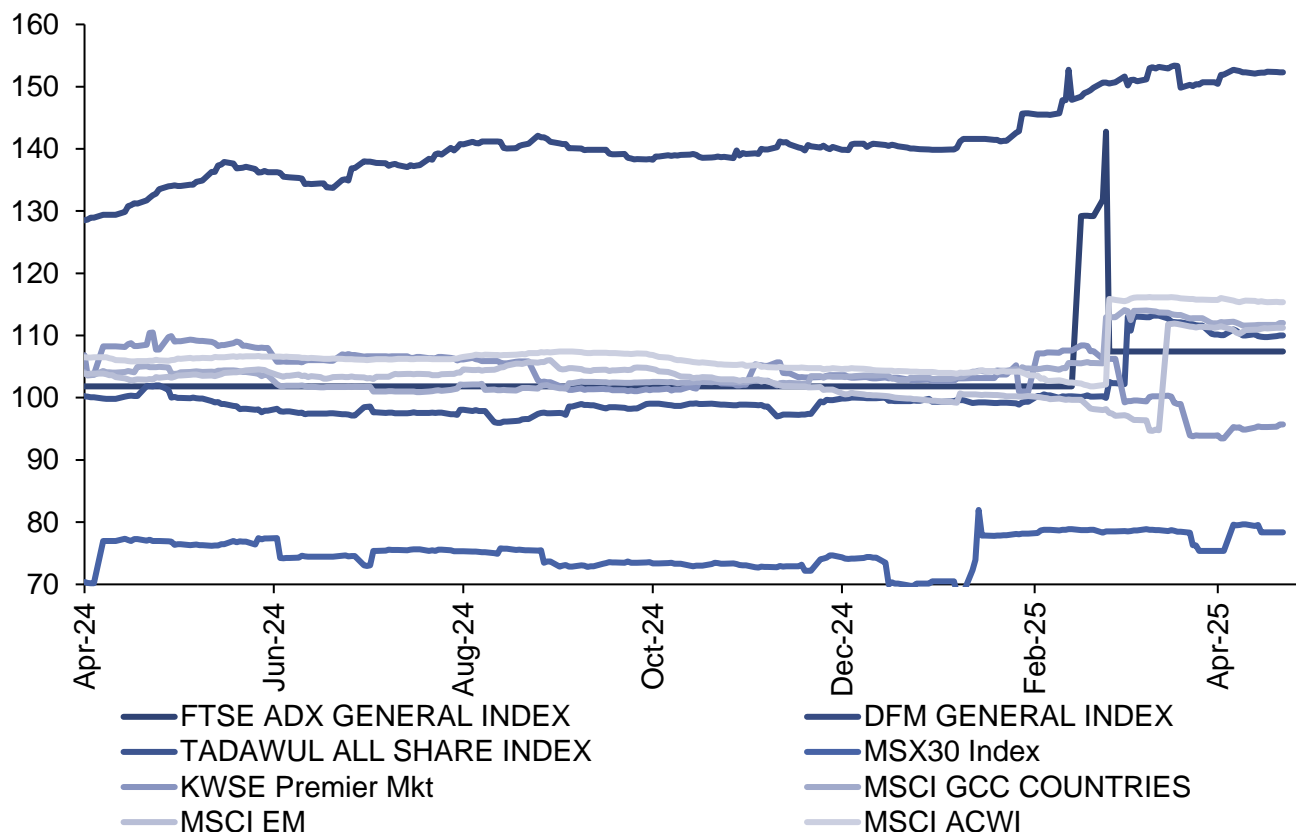
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

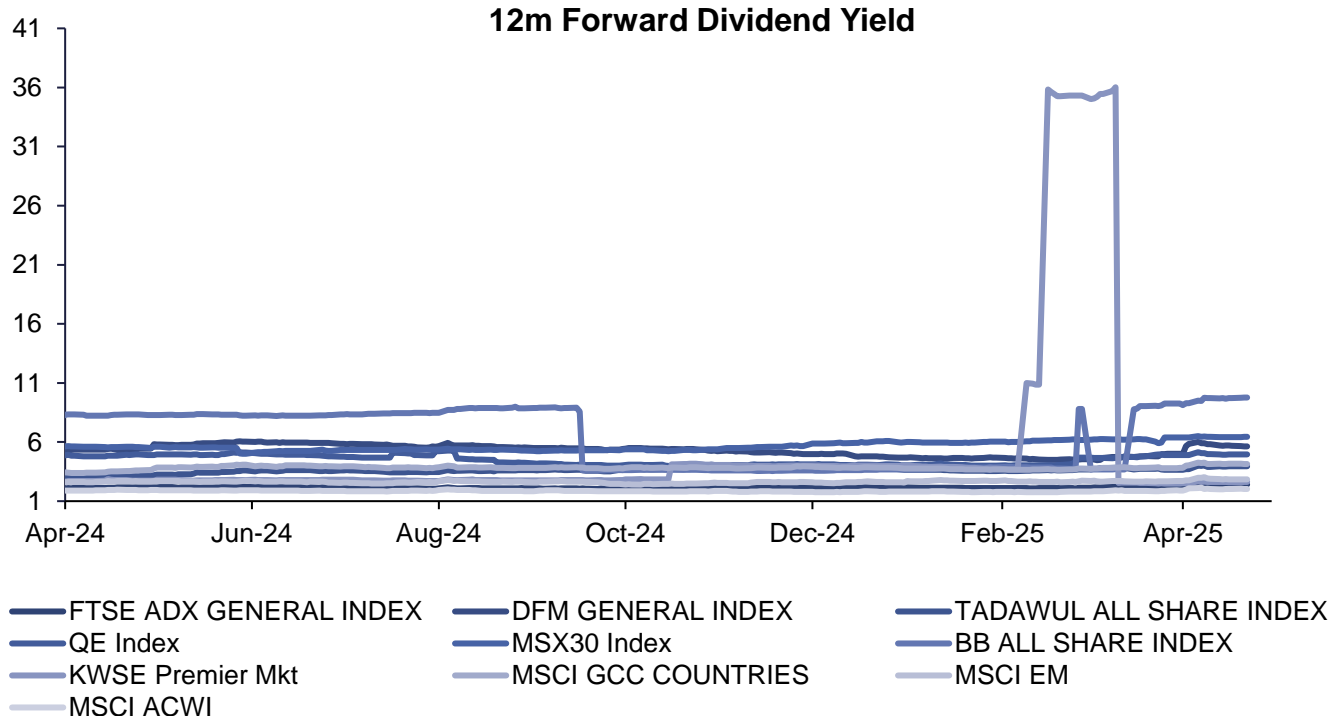
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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