

Saudi Banking Monthly Report

Banking Monthly Report

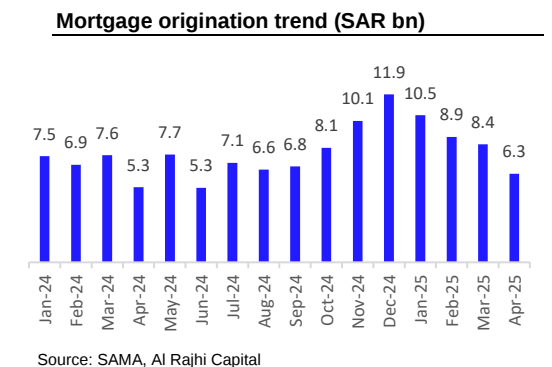
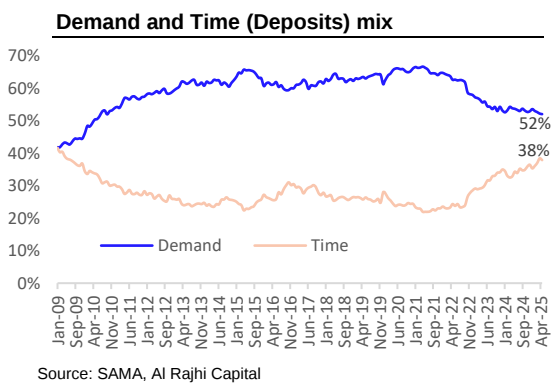
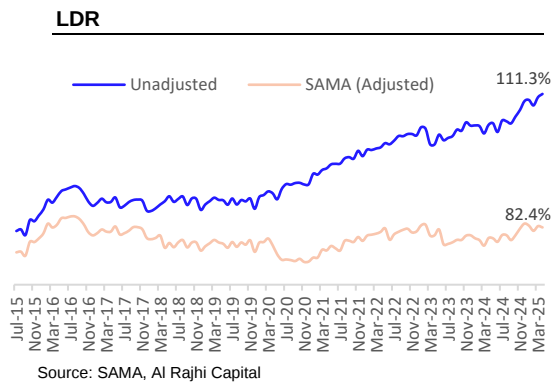
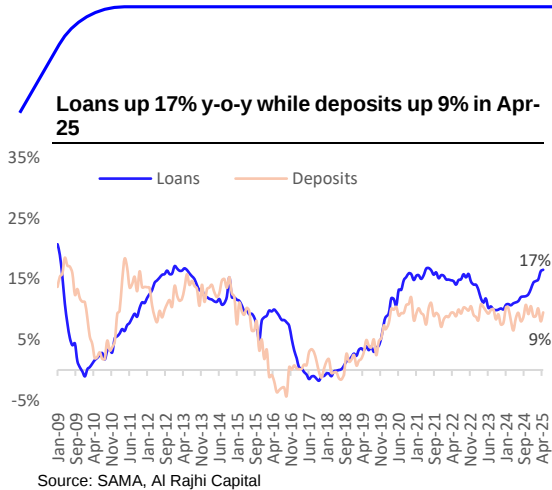
29 May 2025

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LDR continues to widen, corporate credit remains strong

- **Corporate credit growth in April remained strong, though moderated versus March.**
- **Mortgage momentum slowed in April compared to the average run rate in 1Q25.**
- **Deposit growth continued to lag credit, and thus LDR further widened to over 111%.**
- **Aggregate profits grew by 16% y-o-y, but relatively slower growth compared to 1Q25.**

More details:

Credit: The credit growth in April came in at 0.8% m-o-m and +16.5% y-o-y (March: +1.9% m-o-m, +16.3% y-o-y). Bank lending to the private sector increased 0.8% m-o-m and 15.2% y-o-y (March: +1.9% m-o-m, +15.0% y-o-y). The proxy for corporate loans (total bank credit minus retail loans) showed encouraging trends, and grew another 0.7% m-o-m (+22% y-o-y), after recording its best month over month growth in March of 3.1%.

Deposits: Total deposits' growth was again flat, just 0.1% m-o-m (March: 0.3%), due to fall in private deposits (demand + time) which declined 1.4% m-o-m, while government deposits increased 1.2% m-o-m. Nevertheless, sharp growth of 7.5% m-o-m in quasi-money deposits more than offset the decline in private deposits. Within time deposits, private declined sharply by 3% m-o-m, while government were up 1% m-o-m. Overall, the mix of time deposits declined m-o-m to 37.8% (as a share of total deposits), though still elevated.

Liquidity: The simple LDR increased 72bps m-o-m to 111.3%, while the adjusted LDR (SAMA reported) decreased by 28bps m-o-m to 82.4%.

Mortgage: Mortgage originations came in at SAR 6.3bn, up 15% y-o-y but saw a decline of 25% m-o-m. So far in 2025, the average mortgage origination has been SAR 8.5bn (+24.1% y-o-y).

Banking sector net profit before Zakat and tax: Profit before Zakat and tax for March came in at SAR 7.8bn, -11.9% m-o-m and +15.9% y-o-y (March: +6.8% m-o-m, +27.1% y-o-y). PBT for 4M25 came in at SAR 33.0bn, seeing a growth of 20.1% compared to 4M24.

Consumer spending (including PoS, cash withdrawals and e-commerce) increased 0.7% y-o-y in April to SAR 113.9bn (+17.3% y-o-y in March). Cash withdrawals in value terms decreased 15.2% y-o-y (+8.2% y-o-y in March) to SAR 38.4bn.

Figure 1 SAMA Monthly Data

(SAR bn)	Apr-25	Apr-24	y-o-y	Mar-25	m-o-m
Credit					
Total Credit	3,126	2,683	16.5%	3,102	0.8%
Claims on Private Sector	2,908	2,526	15.1%	2,885	0.8%
Claims on Public Sector	218	158	38.3%	217	0.4%
Deposits					
Total Deposits	2,808	2,565	9.5%	2,804	0.1%
Demand Deposits	1,459	1,379	5.8%	1,462	-0.2%
Time Deposits	1,062	842	26.1%	1,076	-1.2%
Interbank Liabilities	122	97	25.2%	119	2.1%
Key Ratios					
Demand Deposit Mix	52.0%	53.8%	-179 bps	52.1%	-17 bps
Time Deposit Mix	37.8%	32.8%	499 bps	38.4%	-52 bps
Simple LDR (%)	111.3%	104.6%	672 bps	110.6%	72 bps
SAMA LDR (%)	82.4%	80.1%	231 bps	82.7%	-28 bps
Other Key Indicators					
Residential Mortgage	6.3	5.3	17.9%	8.4	-25.0%
Average Mortgage Origination (YTD)	8.5	6.9	24.1%	9.3	-8.0%
Profit before Zakat	7.8	6.7	15.9%	8.8	-11.9%
Rates (%)					
SAIBOR 3M*	5.36%	6.22%	-86 bps	5.40%	-5 bps
SOFR*	4.31%	5.32%	-101 bps	4.33%	-2 bps

Source: SAMA, Al Rajhi Capital. *Spot rate considered for April 2025 and average taken for April 2024 and March 2025.

Claims on Private sector excludes investment in private securities; *Claims on Public sector excludes govt and quasi-govt bonds

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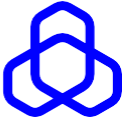
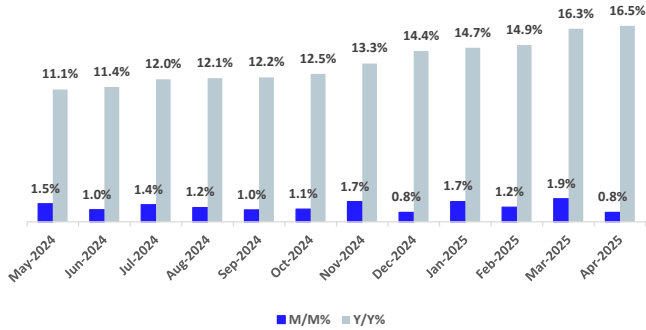
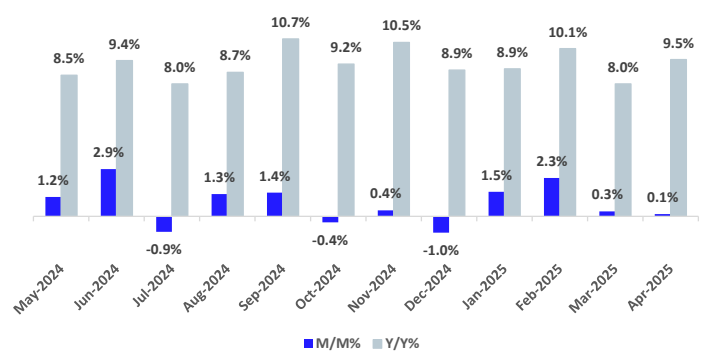
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Figure 2 Credit Growth (Last 12 Months)



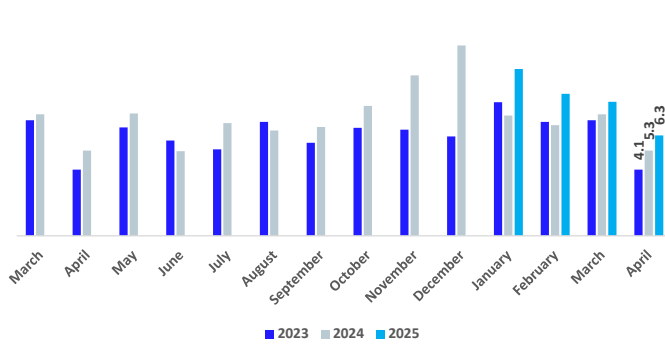
Source: Saudi Central Bank, Al Rajhi Capital

Figure 3 Deposit Growth (Last 12 Months)



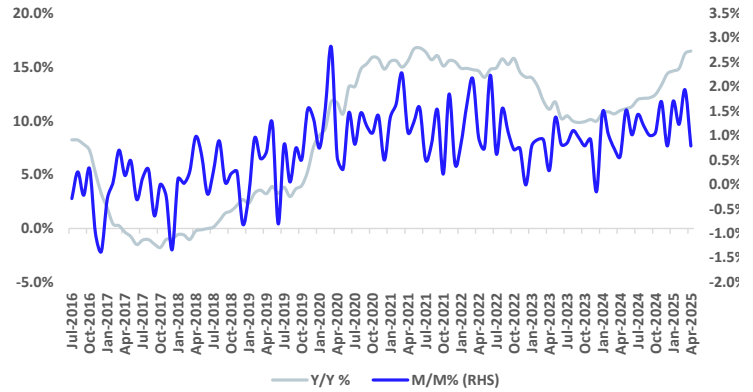
Source: Saudi Central Bank, Al Rajhi Capital

Figure 4 New Mortgage Origination (Last 12M, SAR bn)



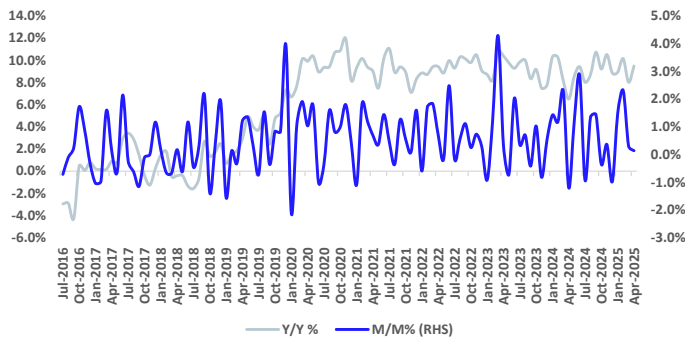
Source: Saudi Central Bank, Al Rajhi Capital.

Figure 5 Credit Growth Long Term



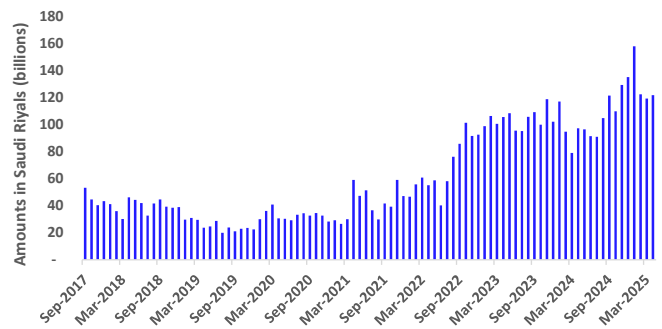
Source: Saudi Central Bank, Al Rajhi Capital

Figure 6 Deposit Growth Long Term



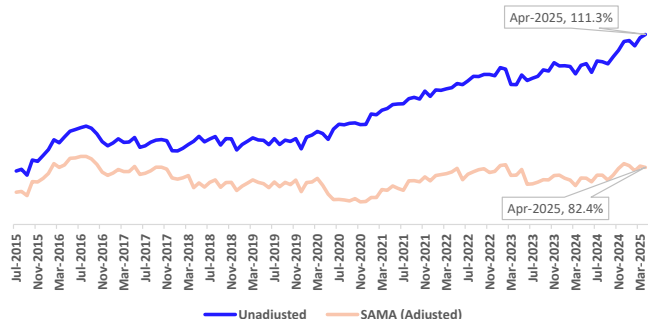
Source: Saudi Central Bank, Al Rajhi Capital

Figure 7 Interbank Liabilities (Long-Term)



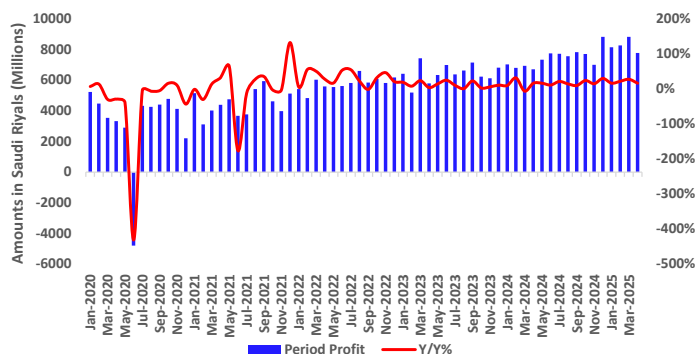
Source: Saudi Central Bank, Al Rajhi Capital

Figure 8 LDR (Long-Term)



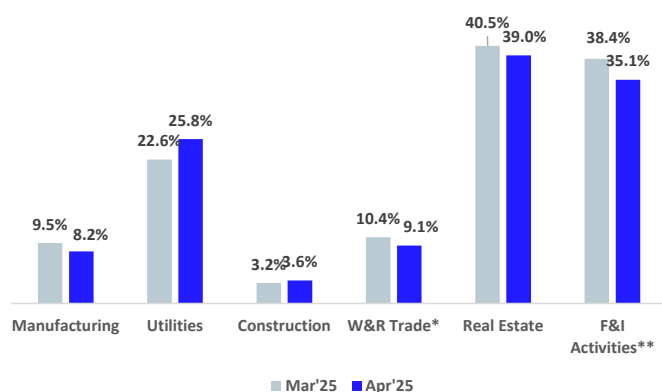
Source: Saudi Central Bank, Al Rajhi Capital

Figure 9 Bank profit before zakat



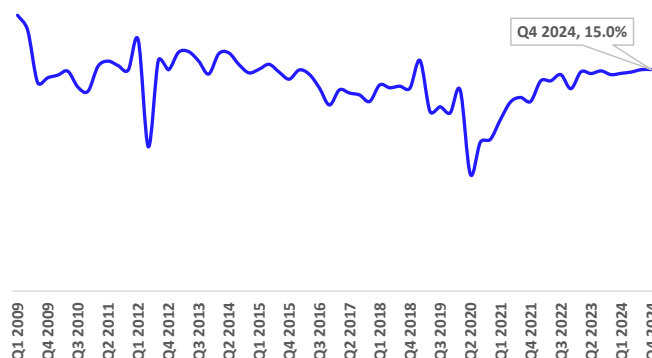
Source: Saudi Central Bank, Al Rajhi Capital

Figure 10 Bank-Credit Classified by Economic Activity



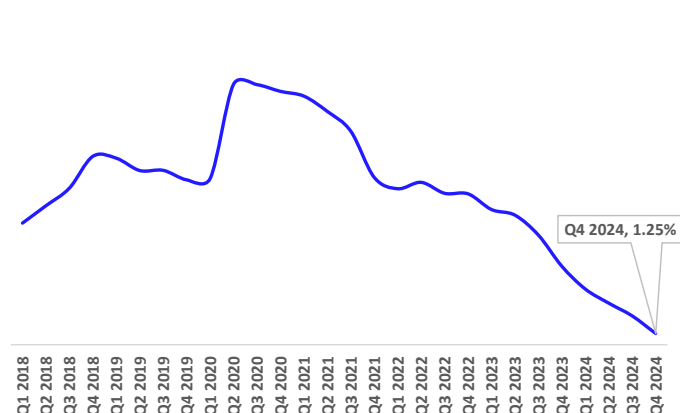
Source: Saudi Central Bank, Al Rajhi Capital; * Wholesale and Retail Trade; ** Finance & Insurance Activities

Figure 11 Return on Equity (Banks)



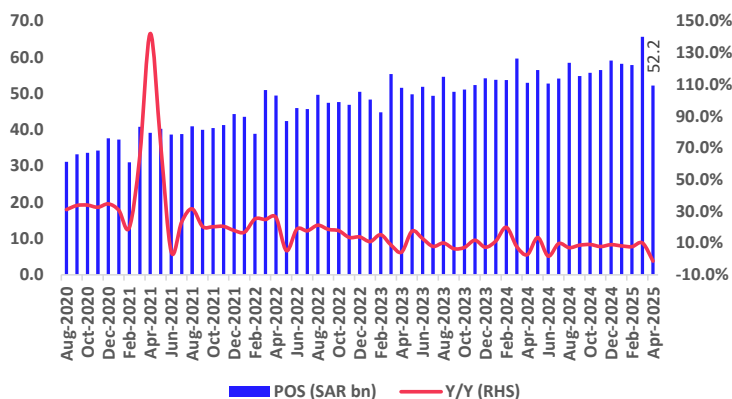
Source: Saudi Central Bank, Al Rajhi Capital

Figure 12 Non-performing loans to Gross loans



Source: Saudi Central Bank, Al Rajhi Capital

Figure 13 Point-of-sale transactions (POS) trend



Source: Saudi Central Bank, Al Rajhi Capital

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