

Saudi Monthly Economic Report

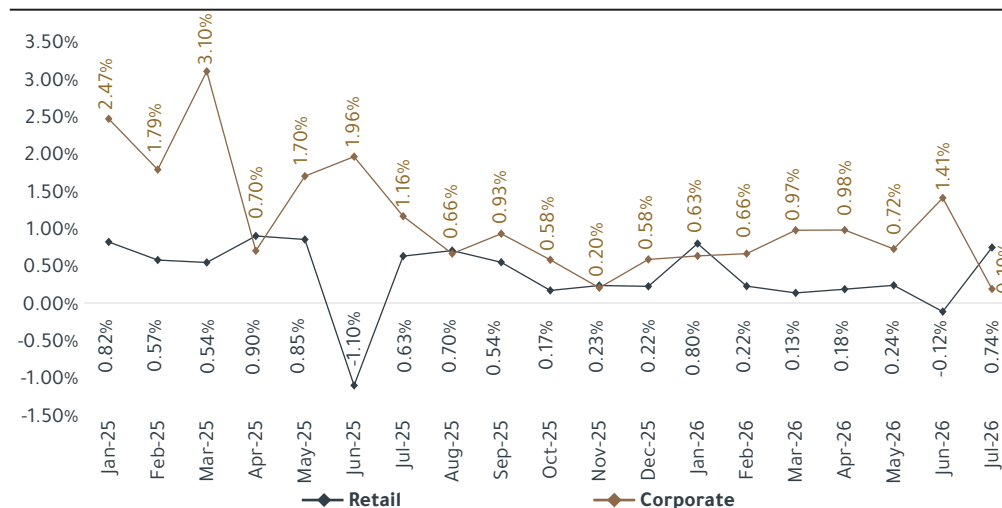
July 2026



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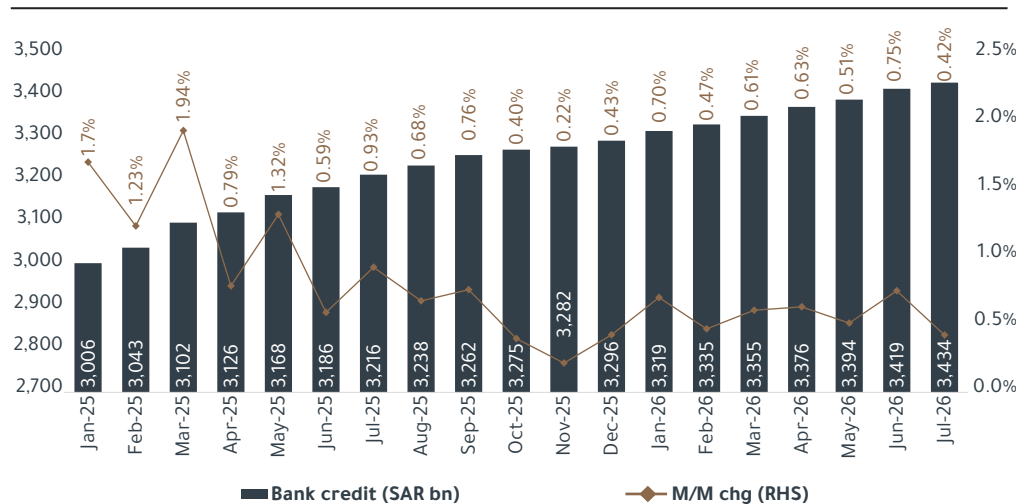
- Total credit stood at SAR 3,434bn in July-26, up 0.42% M/M (up 6.8% Y/Y); Retail loans grew by 0.74% M/M (+4.1% Y/Y) to reach SAR1,466bn, while corporate loans grew by 0.19% M/M (8.8% Y/Y) to SAR 1,968bn in Jul-26.
- Total deposit base declined to SAR 3,113bn down 0.59% M/M (up 8.6% Y/Y). Time and savings deposits were up 1.7% M/M (up 24.6% Y/Y) to SAR 1,399bn, led by 4.6% M/M increase in non-government deposits.
- Demand deposits decreased by 0.5% M/M (-0.5% Y/Y) to SAR 1,439bn (non-govt down 3.3% M/M and govt up 11.9% M/M). Other Quasi Money deposits decreased by 11.3% M/M to SAR 274bn.

Retail vs corporate loan growth (M/M)



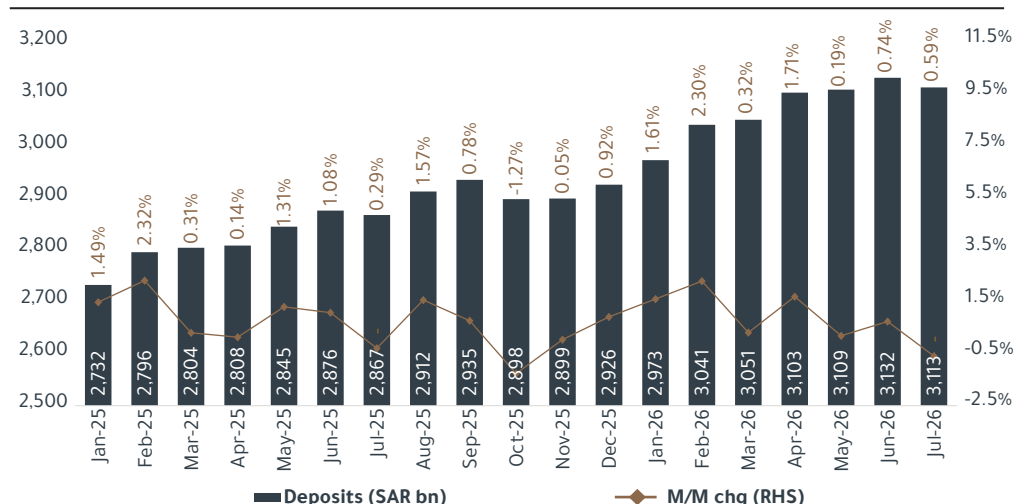
Source: SAMA, Aljazeera Capital Research

Banking sector credit (SAR bn)



Source: SAMA, Aljazeera Capital Research

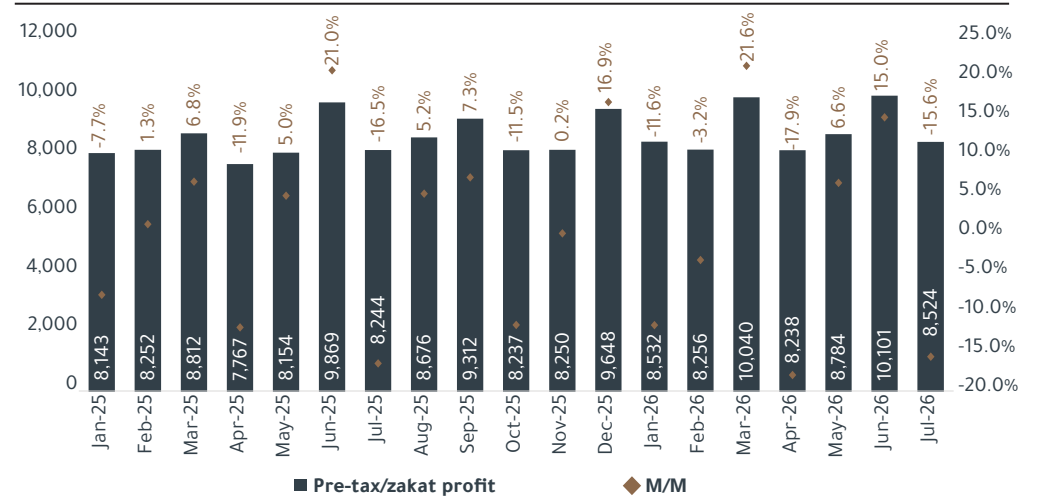
Total deposits (SAR bn)



Source: SAMA, Aljazeera Capital Research

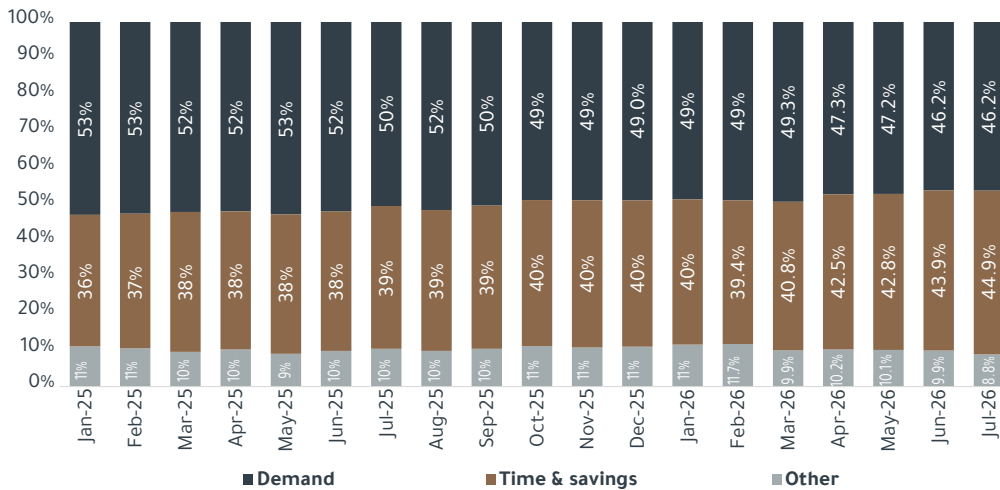
- Profit before Zakat and taxes for Jul-26 was reported at SAR 8.5bn down 15.6% M/M (+3.4% Y/Y).
- On an YTD basis Profit Before Zakat and taxes were up 5.5% Y/Y to SAR 62.5bn.
- Overall, share of Time and saving deposits in total deposits increased by 103bps M/M to 44.9%, while share of demand deposits increased by 3bps M/M to 46.2%.
- Other Quasi money deposits share in total deposits decreased by 106bps M/M.

Banking sector profit before zakat and tax (SAR mn)



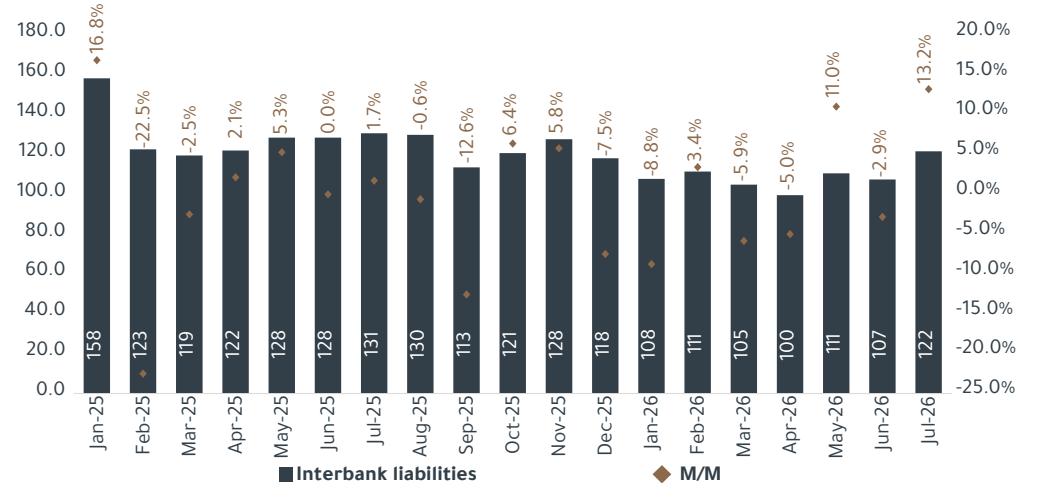
Source: SAMA, Aljazira Capital Research

Deposit mix



Source: SAMA, Aljazira Capital Research

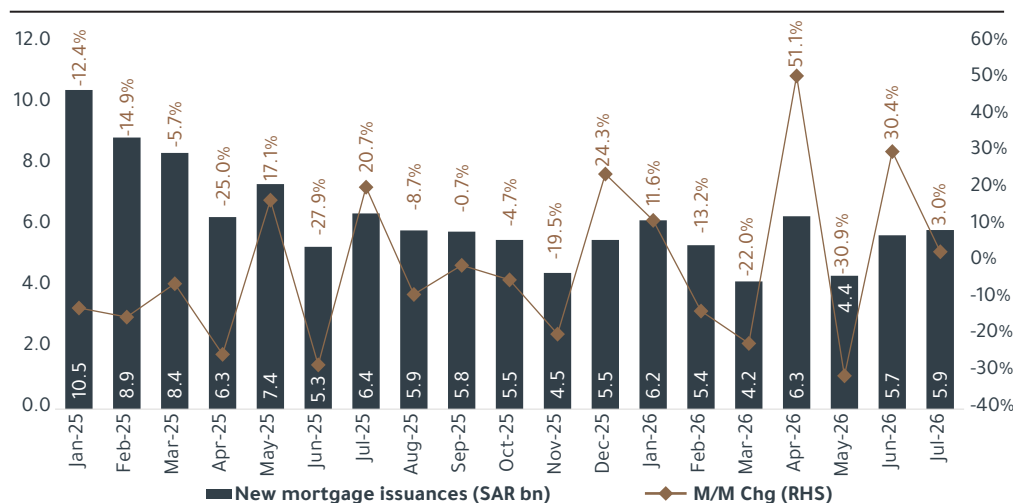
Interbank liabilities (SAR bn)



Source: SAMA, Aljazira Capital Research

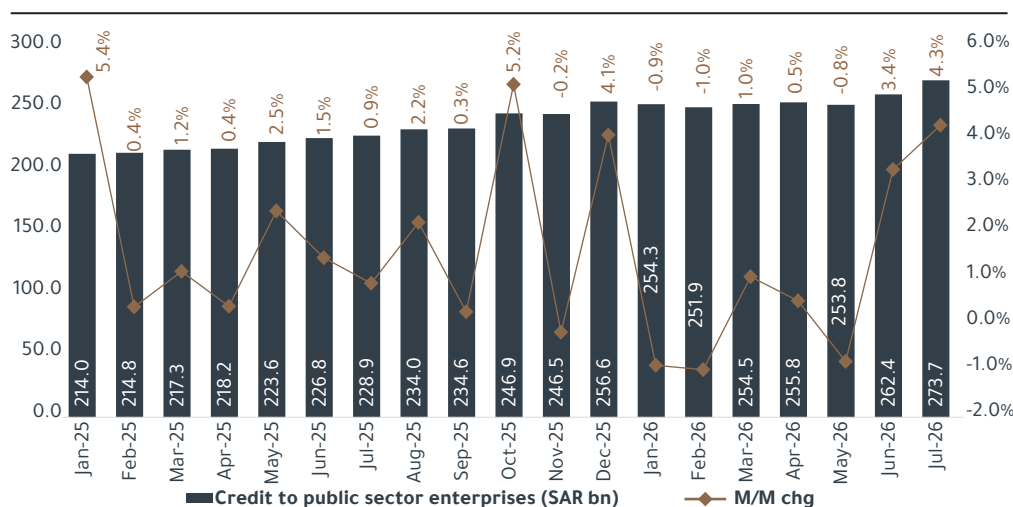
- Individual residential mortgage lending declined 8.5% Y/Y (up 3.0% M/M) to SAR 5.9bn in July 2026.
- Credit to public sector enterprises increased by 4.3% M/M (up 19.6% Y/Y) to SAR 274bn.
- E-commerce sales using MADA increased by 11.9% M/M (up 26.0% Y/Y) to SAR 37.6bn.

Mortgage loan issuances (SAR bn)



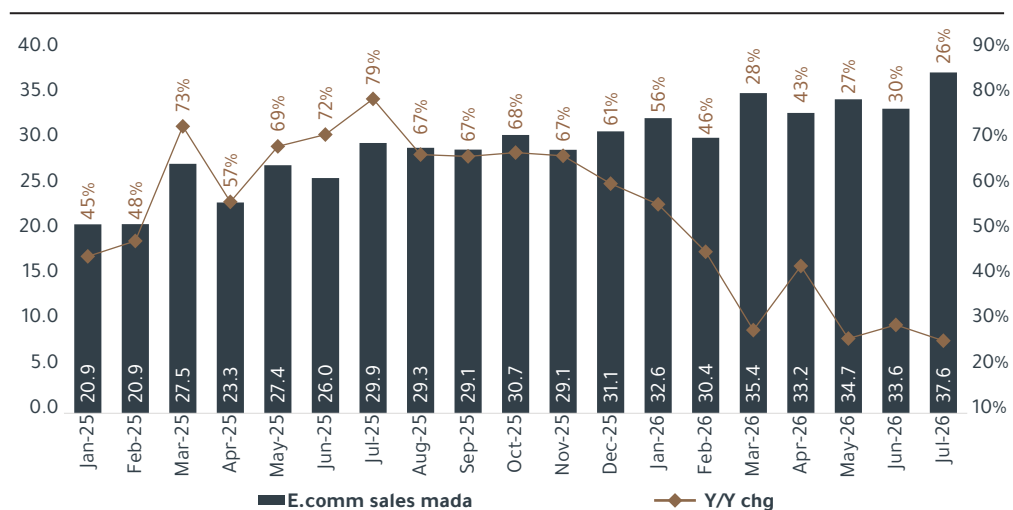
Source: SAMA, Aljazeera Capital Research

Loans to public sector enterprises (SAR bn)



Source: SAMA, Aljazeera Capital Research

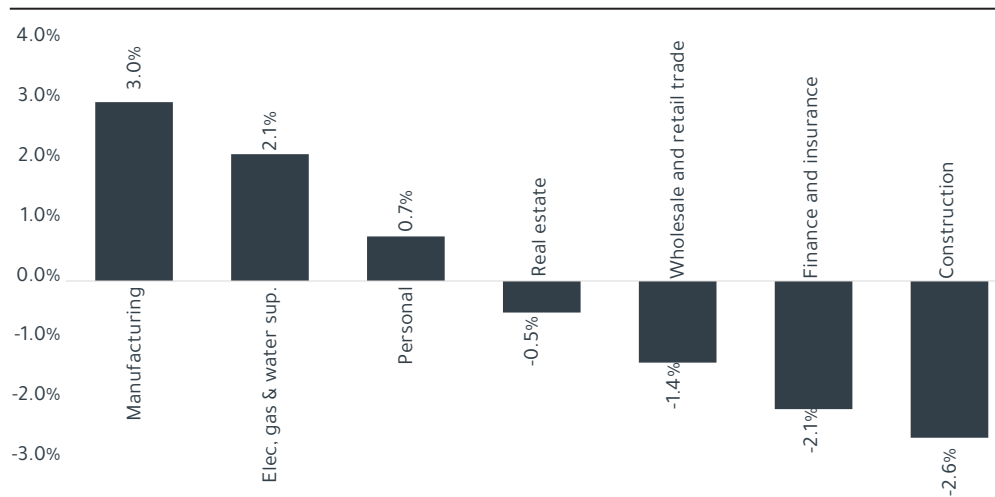
E-commerce sales using MADA (SAR bn)



Source: SAMA, Aljazeera Capital Research

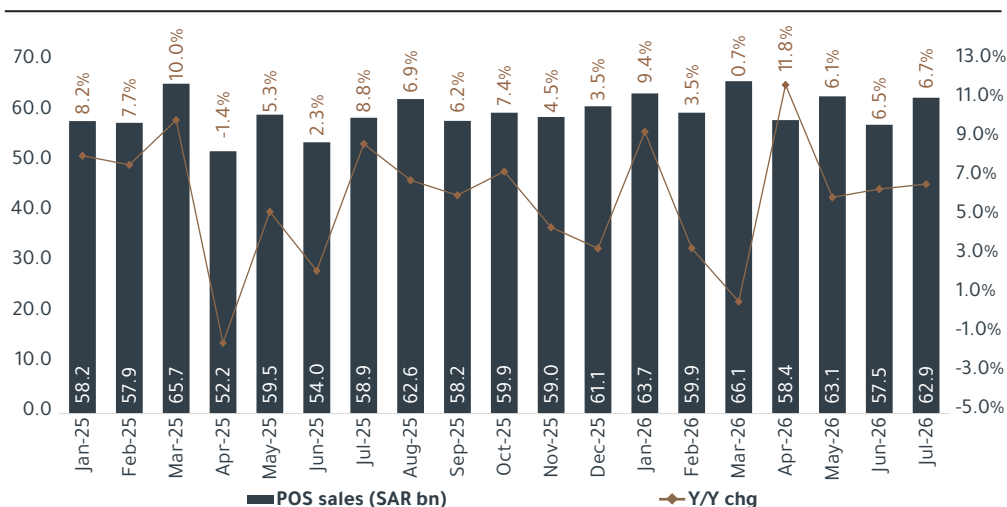
- Manufacturing, Electricity, gas and water, real estate and Personal loans saw strongest M/M loan growth in Jul-26.
- Total POS sales increased by 9.3% M/M (up 6.7% Y/Y) to SAR 62.9bn M/M.
- Normal and regulated LDR ratios grew by 111/100bps M/M in Jul-26 to 110.3/80.7%, as deposit declined by 0.59% M/M while loans grew by 0.42% M/M.

Activity wise loan growth - July-2026 (M/M)



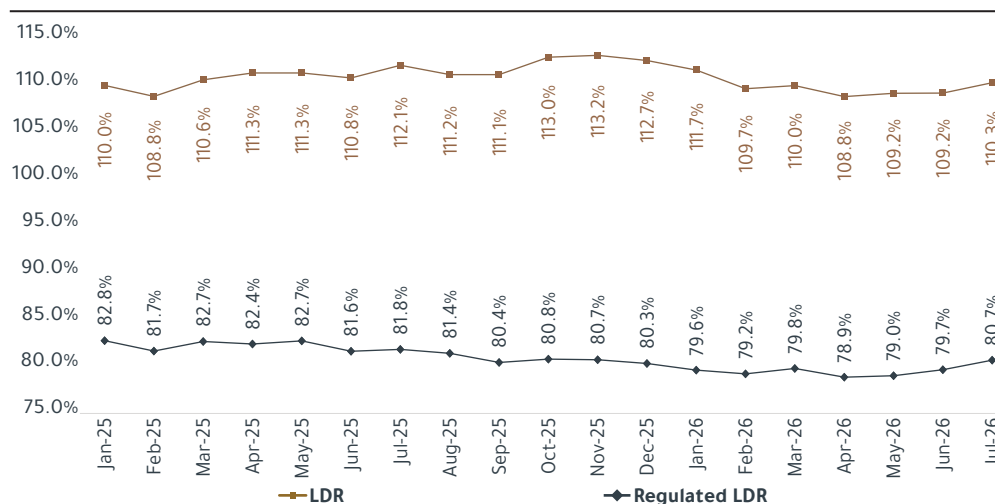
Source: SAMA, Aljazira Capital Research

POS sales (SAR bn)



Source: SAMA, Aljazira Capital Research

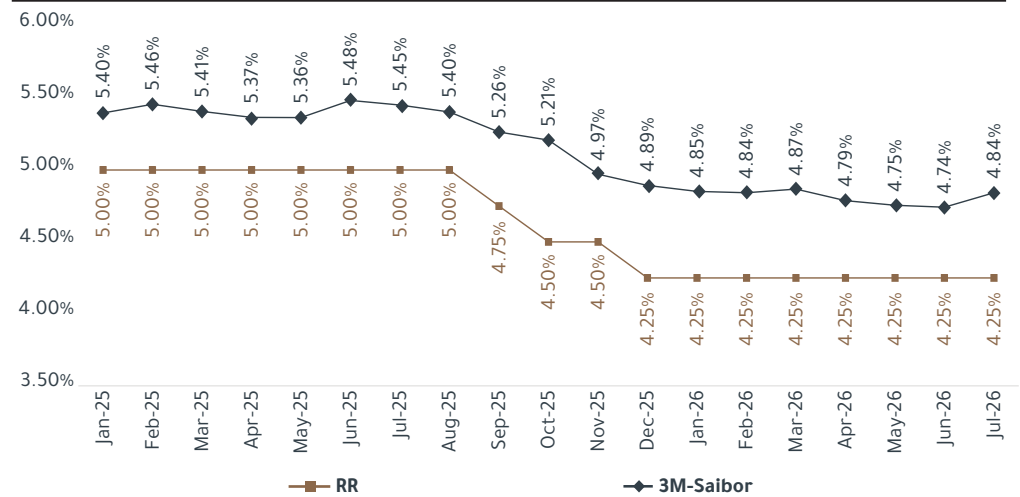
LDR both regulated and unregulated



Source: SAMA, Aljazira Capital Research

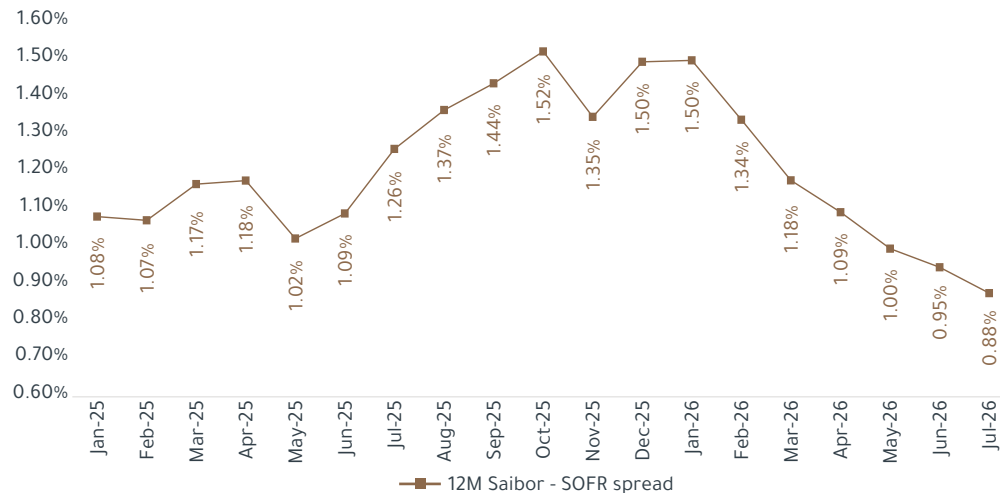
- 3MSaibor increased by 10bps M/M (-61bps Y/Y) to 4.84%. 3MSaibor-SOFR spread increased by 2bps M/M in July-26 to 1.07%, while 12MSaibor-SOFR spread declined by 7bps M/M to 0.88%.
- Spread remains sizably above the long-term averages due to tight liquidity conditions.
- CPI inflation stood at 1.78% Y/Y (+0.19% M/M) in July-26 as compared to 1.71% in Jun-26.

Repo Rate and 3M-Saibor



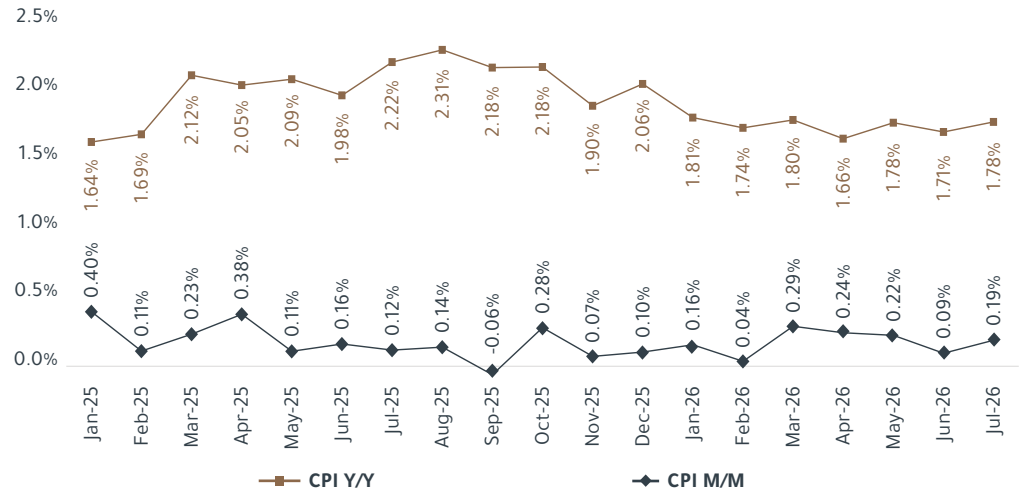
Source: SAMA, Aljazira Capital Research

Saibor-SOFR spread



Source: SAMA, Aljazira Capital Research

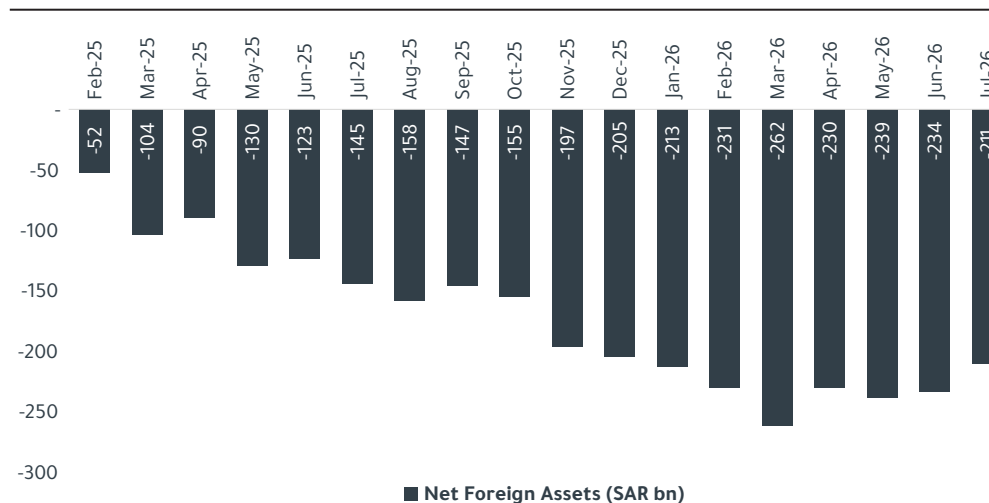
CPI Inflation



Source: SAMA, Aljazira Capital Research

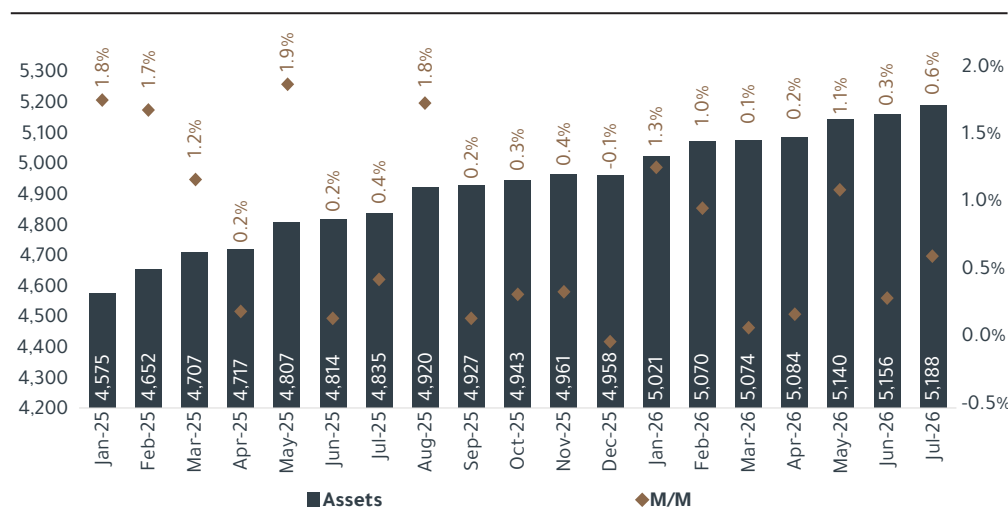
- Net Foreign assets of Banks stood at SAR -211bn, up SAR 23.0bn M/M (down SAR 66.2bn Y/Y), as total assets increased by SAR 7.4bn to SAR 439bn while total liabilities decreased by SAR 15.6bn to SAR 650bn.
- Total assets of banks grew by 0.6% M/M to SAR 5,188bn, while total liabilities increased by 0.8% M/M to SAR 4,521bn.

Net foreign assets of banks (SAR bn)



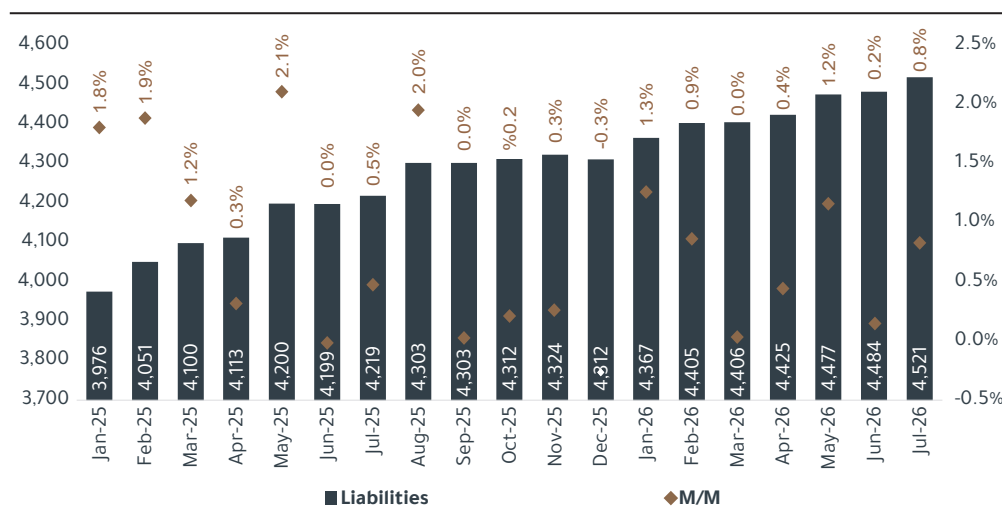
Source: SAMA, Aljazeera Capital Research

Total assets of banks (SAR bn)



Source: SAMA, Aljazeera Capital Research

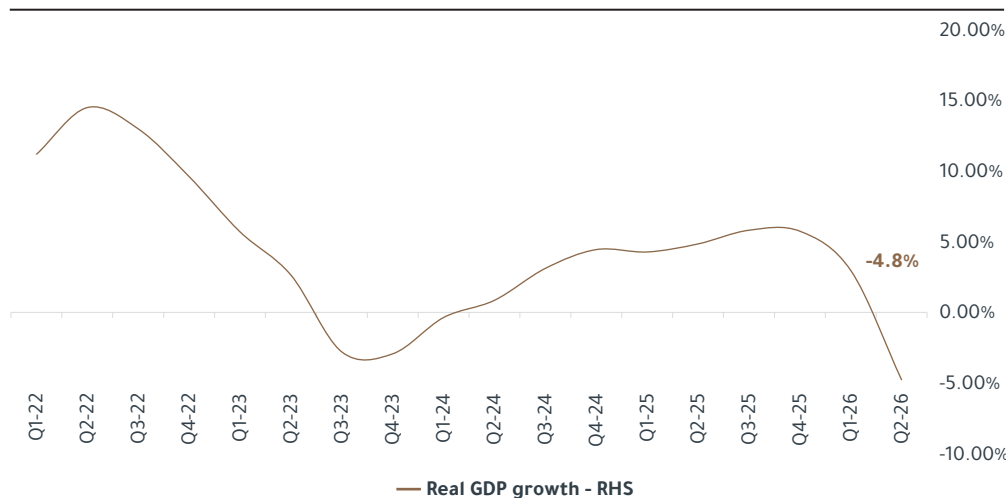
Total liabilities of banks (SAR bn)



Source: SAMA, Aljazeera Capital Research

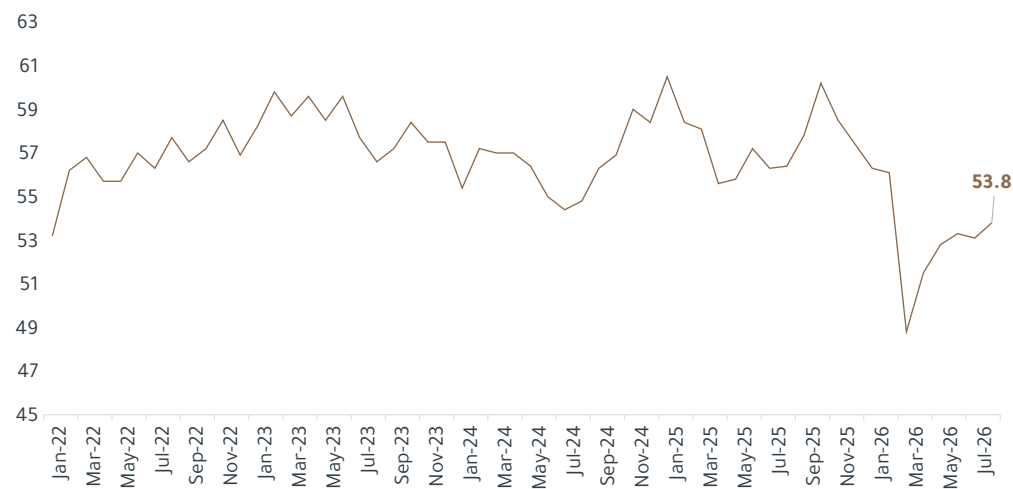
- Real GDP contracted 4.8% Y/Y in Q2-26 - the weakest reading since the oil production cuts. Oil sector was the sole driver of the contraction. Oil activities declined -24.7% Y/Y in Q2-26 versus +2.9% in Q1-26
- August 2026 is a positive reading, but we see it as a moderate recovery rather than a strong expansion. The most important development is that the contraction seen in Q1 2026 has clearly been reversed.
- Consumer spending rose strongly to SAR 145bn in Jul-26, up 11.4% M/M and around 7.8% Y/Y. Growth was broad-based, led by e-commerce (+26% Y/Y), while POS also increased 6.7% Y/Y. Overall, the data points to healthy consumer momentum, with continued structural shift toward digital payments.

Real GDP Y/Y growth



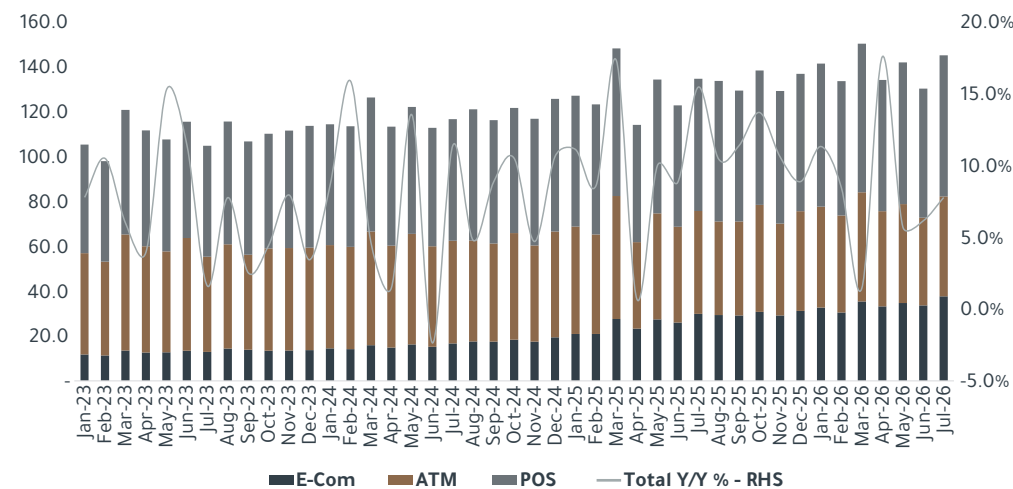
Source: Argaam, Aljazeera Capital Research

KSA Purchasing Managers Index



Source: Argaam, Aljazeera Capital Research

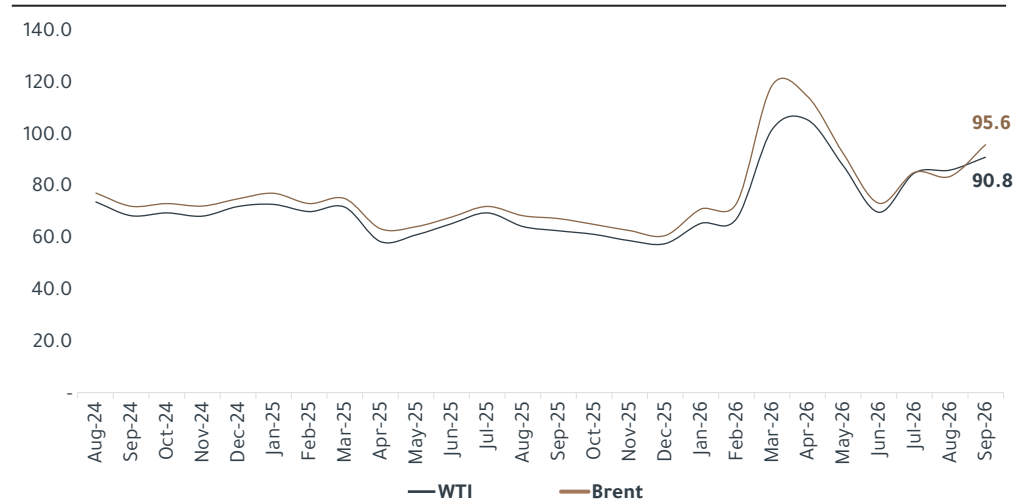
Consumer Spending (SARbn)



Source: Argaam, Aljazeera Capital Research

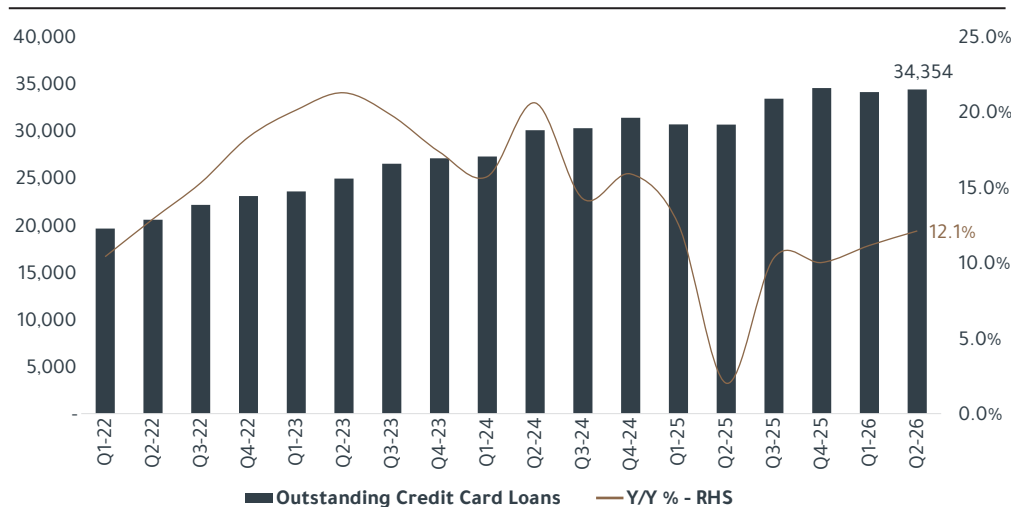
- Oil prices strengthened toward the end of the month. WTI rose from \$84.7/bbl in July to \$85.8/bbl in August, while Brent eased slightly from \$84.8 to \$83.3/bbl. Oil prices moved sharply higher at the start of September. Brent climbed to approximately \$95/bbl, as renewed U.S.-Iran military tensions increased fears of supply disruptions.
- The latest reading shows outstanding credit card loans rising modestly to SAR 34.35bn in Q2-26, up from SAR 34.08bn in Q1-26. This represents a 0.8% Q/Q increase, while the Y/Y growth rate remained strong at 12.1%.
- Saudi Arabia's outstanding government debt increased to SAR 1.685tn in Q2-26, up from SAR 1.519tn at end-2025 and SAR 1.216tn at end-2024, reflecting continued debt issuance to finance strategic investments and manage fiscal requirements while maintaining ample market liquidity.

Crude oil prices (USD)



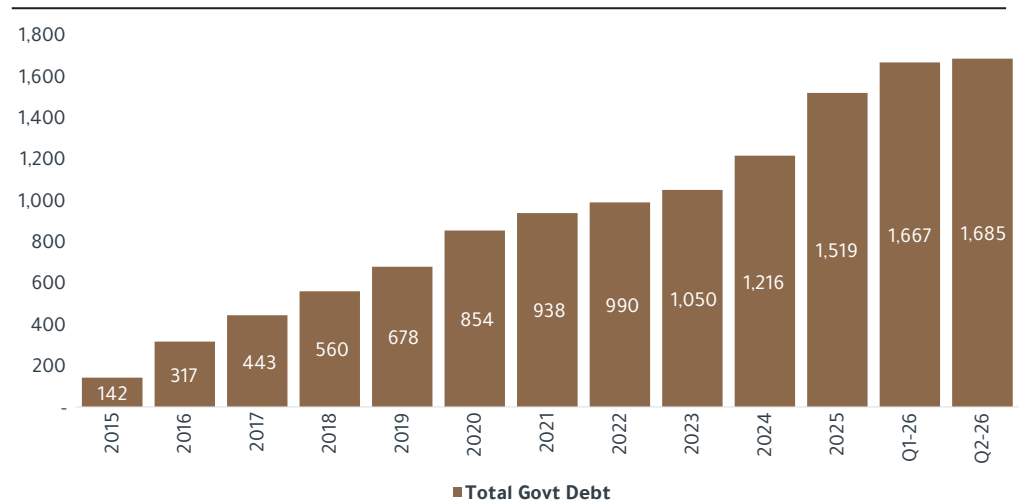
Source: NDMC, Aljazira Capital Research

Outstanding Credit Card Loans (SAR bn)



Source: Argaam, Aljazira Capital Research

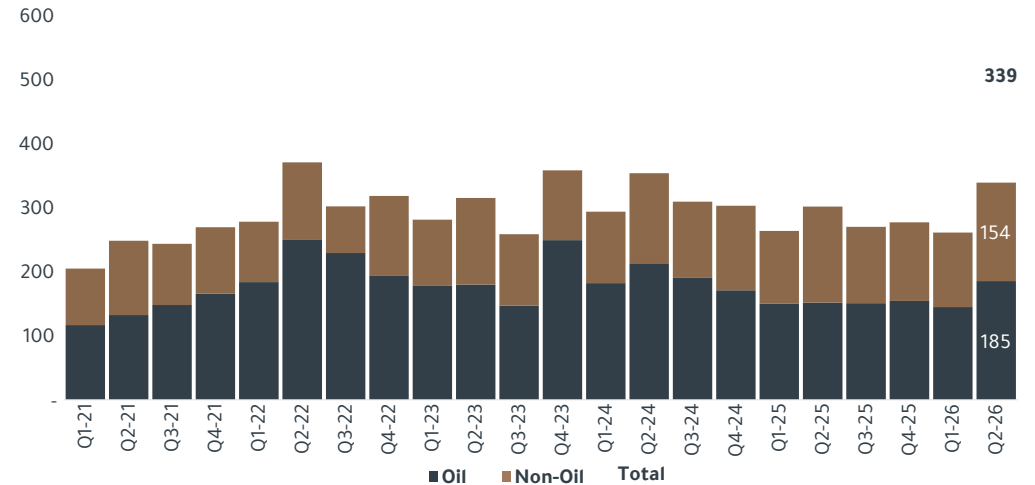
Outstanding Government Debt (SAR bn)



Source: SAMA, Aljazira Capital Research

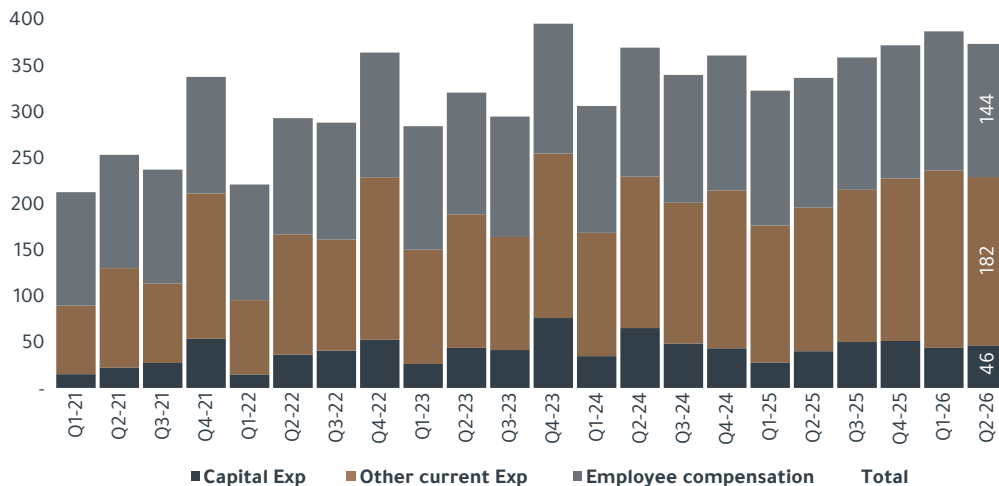
- Total government revenue increased to SAR 339bn in Q2-26 from SAR 261bn in Q1-26, driven by a rebound in oil revenue to SAR 185bn (+27.9% Q/Q) alongside a strong increase in non-oil revenue to SAR 154bn (+32.2% Q/Q).
- Total fiscal expenditure stood at SAR 373bn in Q2-26, down 3.5% Q/Q from SAR 387bn in Q1-26, as lower employee compensation and other current expenditure more than offset a modest increase in capital spending.
- Saudi Arabia recorded a fiscal deficit of SAR 34bn in Q2-26, improving significantly from the SAR 126bn deficit in Q1-26, as the rebound in both oil and non-oil revenues outpaced government expenditure.

Quarterly Fiscal Revenues (SAR bn)



Source: Argaam, Aljazeera Capital Research

Quarterly Fiscal Expenditure (SAR bn)



Source: Argaam, Aljazeera Capital Research

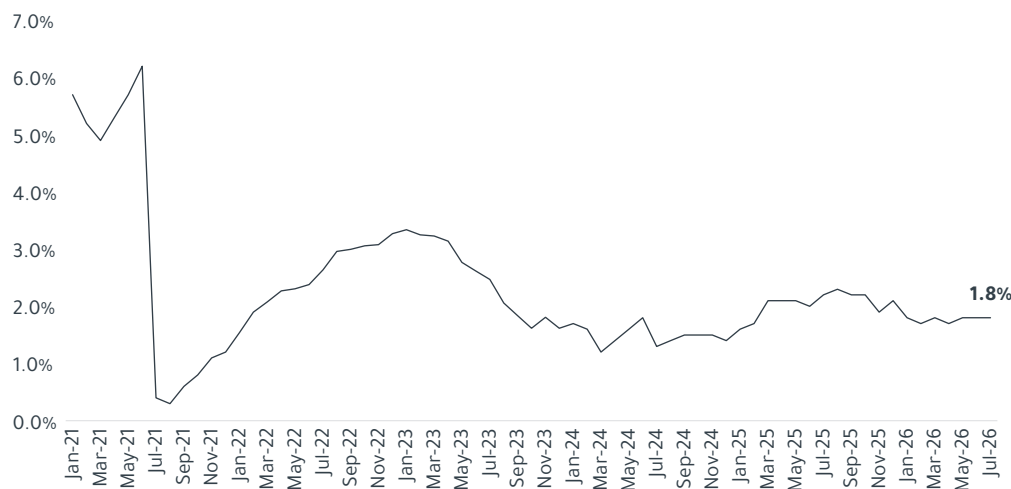
Fiscal Surplus / (Deficit) (SAR bn)



Source: Argaam, Aljazeera Capital Research

- Saudi inflation remained subdued at 1.8% y/y in July 2026, unchanged from the previous month. Inflation has remained broadly stable around 2% over the past year, highlighting limited underlying price pressures despite continued economic activity.
- Housing & Utilities was the largest contributor, rising 4.2% y/y, while Personal Care & Miscellaneous and Recreation increased by 2.9% and 2.4%, respectively. Meanwhile, prices for clothing and household furnishings declined modestly, helping to contain overall inflation.
- The Retail Real Estate Price Index increased to 104.3 in Q2-26 from 100.6 in Q1-26, marking a strong 3.7% Q/Q increase. The Commercial Real Estate Price Index edged up to 112.0 in Q2-26 from 110.8 in Q1-26 (+1.1% Q/Q), indicating continued resilience in the commercial property market.

Inflation Y/Y change %



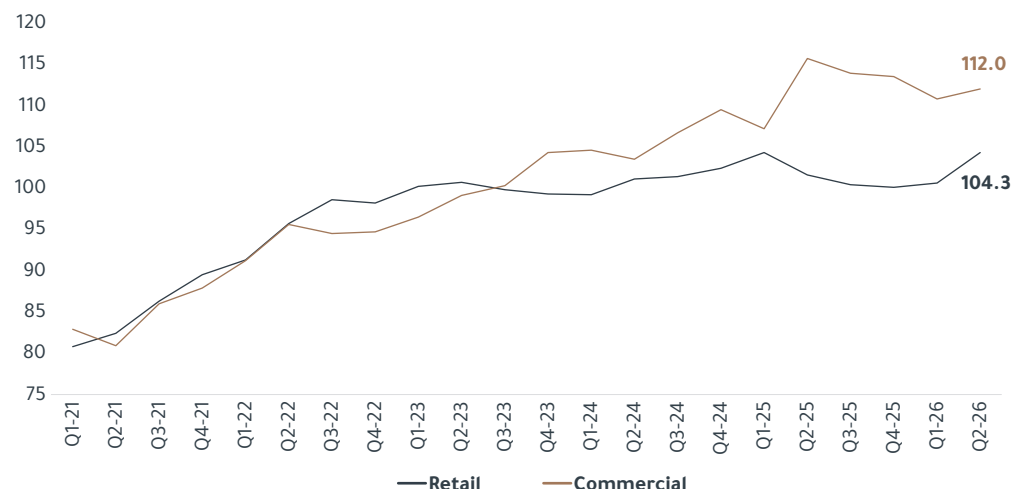
Source: SAMA, Aljazira Capital Research

CPI Breakdown

Category	Weight %	July-26	July-25	Y/Y %
General Index	100.0%	105.4	103.6	1.8%
F&B	21.9%	103.3	101.9	1.4%
Tobacco	0.7%	99.9	99.4	0.5%
Clothing & Footwear	3.7%	96.5	96.9	-0.4%
Housing & Utilities	20.2%	116.7	112.8	3.5%
Furnishing & Household Equip	6.7%	97.5	98.1	-0.6%
Health	4.0%	100.0	99.7	0.3%
Transport	14.5%	102.5	100.8	1.7%
Communication	5.2%	98.3	97.7	0.6%
Recreation	3.2%	106.4	103.8	2.5%
Education	2.2%	102.4	101.3	1.1%
Hospitality	8.4%	108.1	106.5	1.5%
Finance	3.2%	106.9	104.7	2.1%
Personal Care & Misc	6.1%	111.8	107.7	3.8%

Source: Argam, Aljazira Capital Research

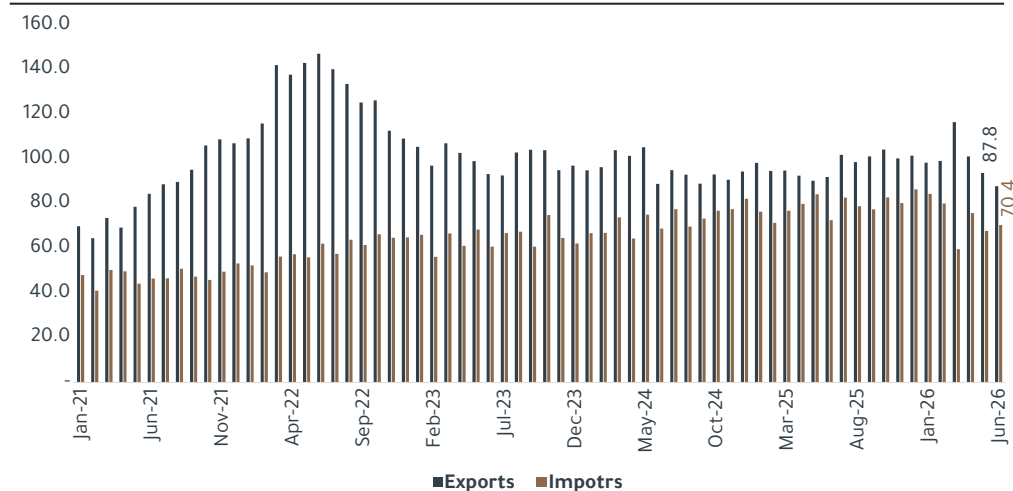
Real Estate Price Index



Source: GASTAT, Aljazira Capital Research

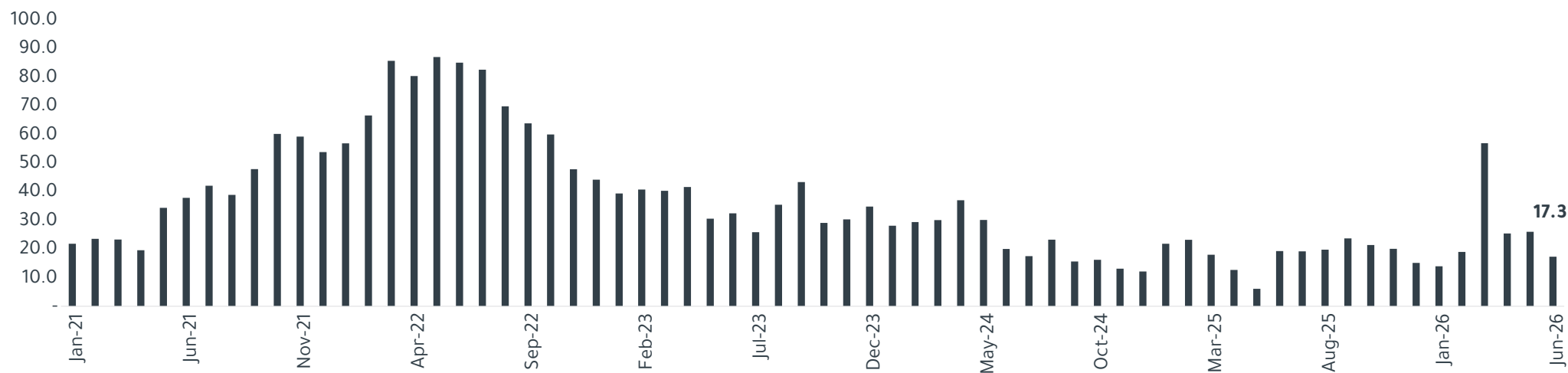
- Exports fell sharply to SAR 87.8bn in Jun-26, down 6.4% M/M from SAR 93.8bn and -4.5% Y/Y from SAR 91.9bn in Jun-25. Imports increased to SAR 70.4bn in Jun-26, up 4.0% M/M, but remained below Jun-25 (SAR 72.7bn)
- Trade surplus narrowed sharply to SAR 17.3bn in Jun-26, down from SAR 26.0bn in May. This was driven mainly by the weakening in exports, which fell faster than imports.
- The surplus remains positive but is well below the 2021-22 highs, indicating a weaker external balance.

Exports & Imports (SAR bn)



Source: Argaam, Aljazira Capital Research

Trade Balance (SAR bn)



Source: Argaam, Aljazira Capital Research

Director - Head of Sell-Side Research

Jassim Al-Jubran

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1. Overweight: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. Underweight: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. Neutral: The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. Suspension of rating or rating on hold (SR/RH): This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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