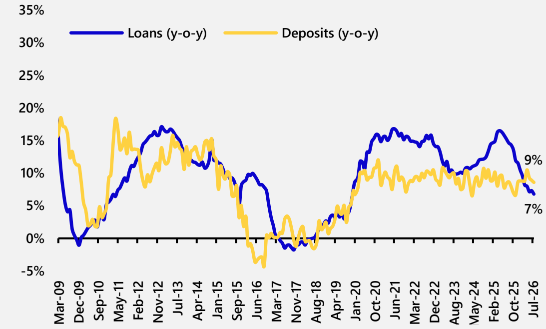
Saudi Banking Monthly Report
31-AUG. '26

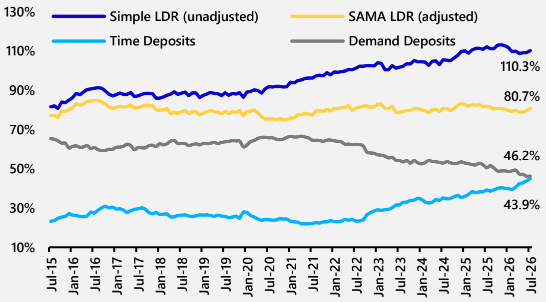
alrajhi capital الراجحي المالية

Loans and Deposits growth YoY trend



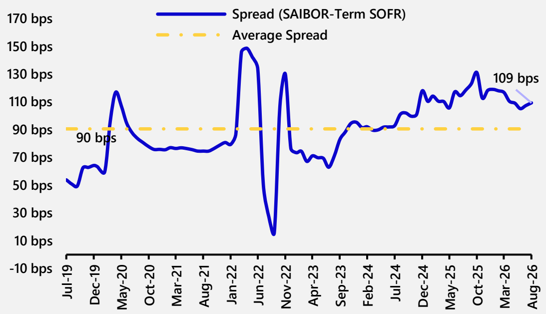
Source: SAMA, alrajhi capital

LDR & Deposits Mix



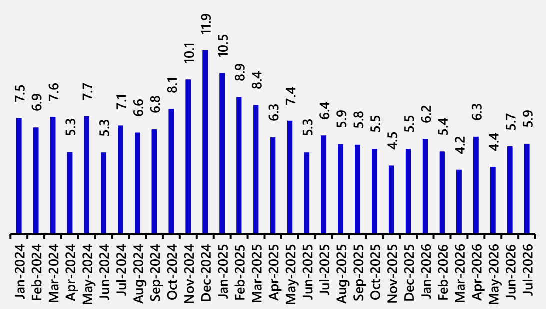
Source: SAMA, alrajhi capital

SAIBOR – Term SOFR Spread



Source: Bloomberg, SAMA, alrajhi capital

Mortgage Origination Trend (SAR bn)



Source: SAMA, alrajhi capital

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Credit slows despite retail acceleration

- Retail credit accelerates, highest MoM change in the last six months
- Mortgage originations up MoM for second consecutive month
- Corporate credit growth moderates after a strong pick up in June
- Deposits decline MoM as demand and quasi-money deposits under pressure
- LDR up MoM, but 292bps lower versus the peak in Nov. 2025
- YTD sector profits up 5.5% YoY

Credit: growth moderated a bit in July to +0.4% MoM (+6.8% YoY), versus YTD average of 0.6% and below 2025 average growth of +0.9% MoM. Corporate loans were largely flat at +0.2% MoM (+8.8% YoY), after clocking a strong MoM growth of 1.4% in June, while retail loans accelerated to 0.7% MoM, but +4.1% YoY.

Mortgage: Monthly originations increased MoM to SAR 5.9bn (+3.0% MoM, -8.5% YoY). 7M26 average is SAR 5.4bn, -28.5% YoY, flat vs. trailing 12m average of SAR 5.4bn and just ~3% down vs. 2H25 (impact of regulatory changes).

Deposits: Deposit growth MoM lagged credit growth for second consecutive month and also declined MoM for the first time in nine months, -0.6% MoM (+8.6% YoY), due to sharp decline in quasi money deposits (-11.3% MoM) and also some outflows from demand deposits (-0.5% MoM), partly offset by time deposits (+1.7% MoM). The decline in demand deposits came mainly from private sector (-3.3% MoM), while government deposits grew notably (+11.9% MoM). Overall, the mix of time deposits rose 103bps MoM to 44.9%, reaching a new record high.

Liquidity: Simple LDR grew 111bps MoM to 110.3%, while the adjusted LDR rose 100bps to 80.7%. Simple LDR is still 292bps lower than the peak of 113.2% in November 2025. SAIBOR–Term SOFR spread has been largely flat in July and August versus June, but notably below October 2025's peak of ~131bps.

Consumer Spending (incl. PoS, cash withdrawals, e-commerce) +11.4% MoM to SAR 145bn (+7.8% YoY), aided by e-commerce (+11.9% MoM, +26.0% YoY) and POS (+9.3% MoM, +6.7% YoY).

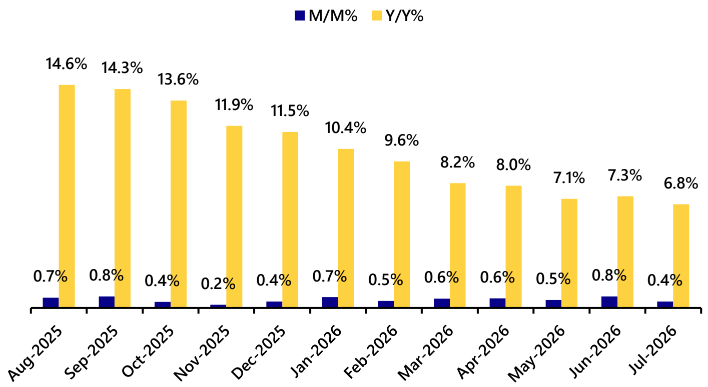
Profitability: Profit before Zakat and tax in July at SAR 8.5bn, -15.6% MoM and +3.4% YoY (June: +15.0% MoM, +2.4% YoY); 7M26 profit grew 5.5% YoY.

SAMA Monthly Data

(SAR bn)	Jul-26	YTD	Jul-25	YoY	Jun-26	MoM
Credit						
Total Credit	3,434	4.2%	3,216	6.8%	3,419	0.4%
Corporate	1,968	5.7%	1,808	8.8%	1,964	0.2%
Retail	1,466	2.2%	1,408	4.1%	1,455	0.7%
Deposits						
Total Deposits	3,113	6.4%	2,867	8.6%	3,132	-0.6%
Demand Deposits	1,440	0.5%	1,447	-0.5%	1,447	-0.5%
Time Deposits	1,399	19.2%	1,123	24.6%	1,375	1.7%
Interbank Liabilities	122	2.9%	131	-7.0%	107	13.2%
Key Ratios						
Demand Deposit Mix	46.2%	-271 bps	50.5%	-423 bps	46.2%	3 bps
Time Deposit Mix	44.9%	482 bps	39.2%	577 bps	43.9%	103 bps
Simple LDR (%)	110.3%	-236 bps	112.1%	-185 bps	109.2%	111 bps
SAMA LDR (%)	80.7%	34 bps	81.8%	-117 bps	79.7%	100 bps
Other Key Indicators						
Residential Mortgage	5.9	5.9%	6.4	-8.5%	5.7	3.0%
Avg. Mortg. Origination (YTD)	5.4	-19.0%	7.6	-28.5%	5.4	1.4%
Profit before Zakat	8.5	-11.7%	8.2	3.4%	10.1	-15.6%
Rates (%)						
SAIBOR 3M*	4.84%	-46 bps	5.46%	-61 bps	4.74%	10 bps
Term SOFR*	3.77%	-38 bps	4.31%	-54 bps	3.69%	8 bps
Spread (SAIBOR-SOFR)	107 bps	-8 bps	114 bps	-7 bps	105 bps	2 bps

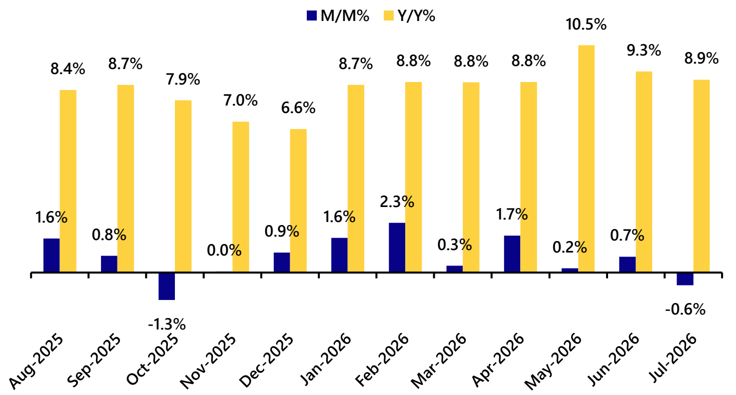
*Source: SAMA, Al Rajhi Capital. *Average taken for July 2026, July 2025 and June 2026.*

Figure 1 **Credit Growth (Last 12 months)**



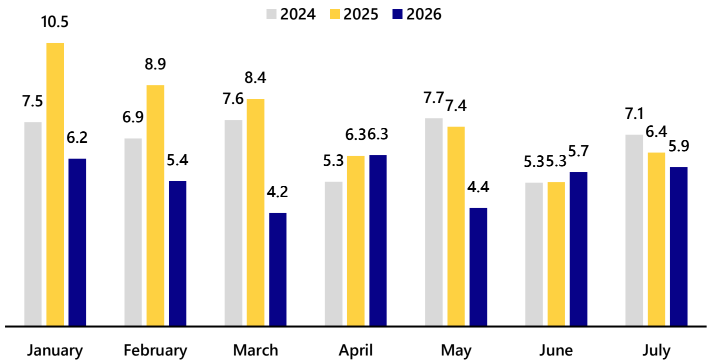
Source: SAMA, alrajhi capital

Figure 2 **Deposit growth (Last 12 months)**



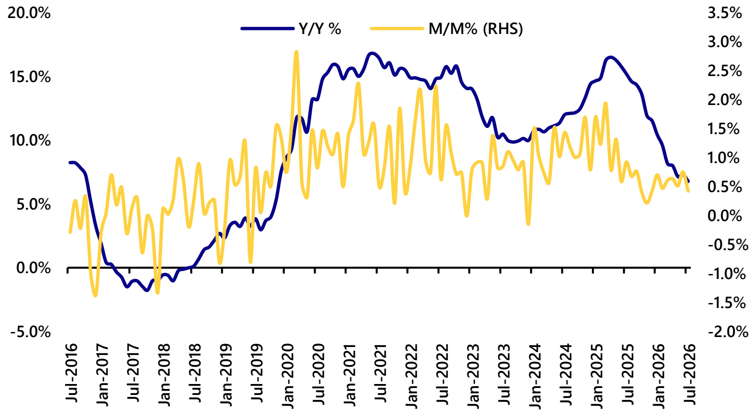
Source: SAMA, alrajhi capital

Figure 3 **New Mortgage Origination (Last 12M, SAR bn)**



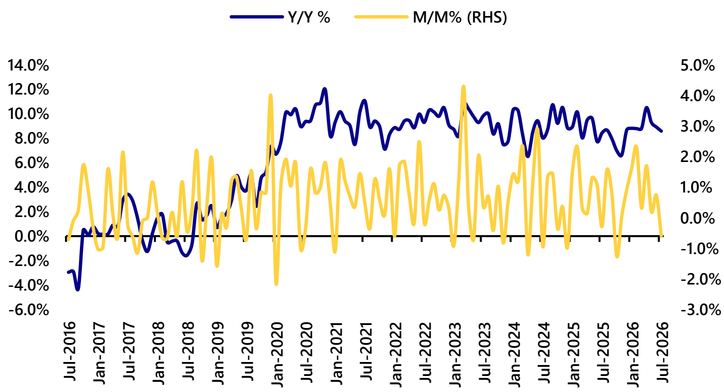
Source: SAMA, alrajhi capital

Figure 4 **Credit Growth long-term**



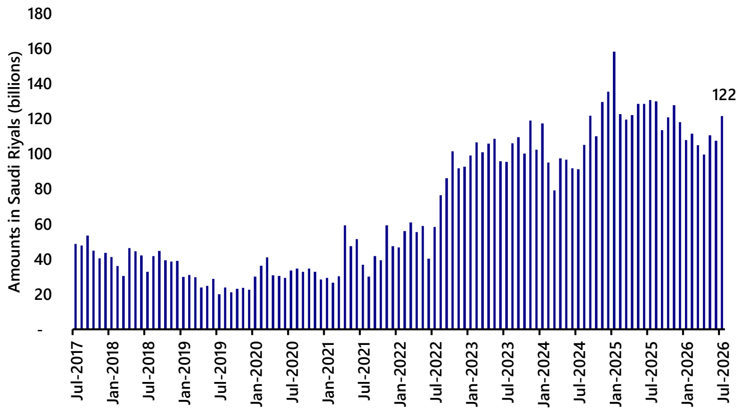
Source: SAMA, alrajhi capital

Figure 5 **Deposit Growth long-term**



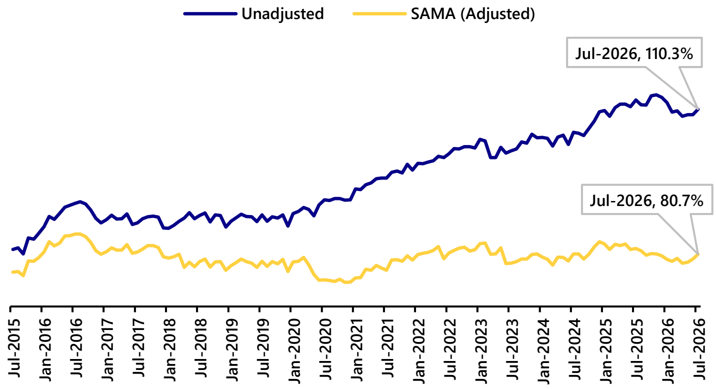
Source: SAMA, alrajhi capital

Figure 6 **Interbank Liabilities (Long-term)**



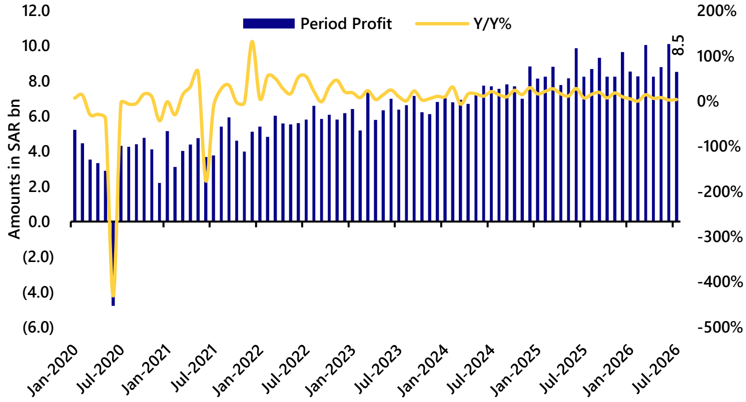
Source: SAMA, alrajhi capital

Figure 7 **LDR Long-term**



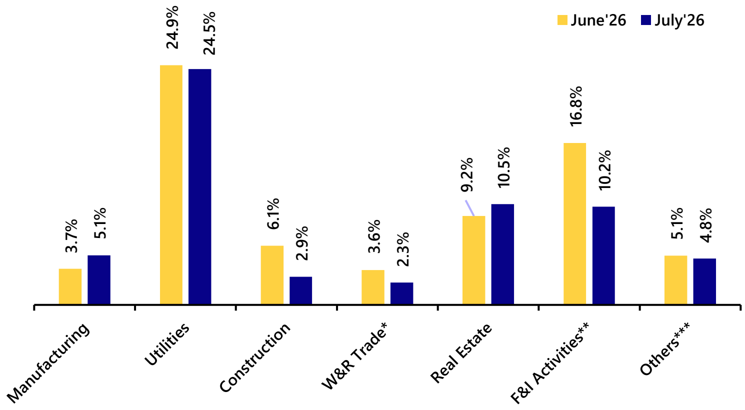
Source: SAMA, alrajhi capital

Figure 8 **Bank profit before zakat**



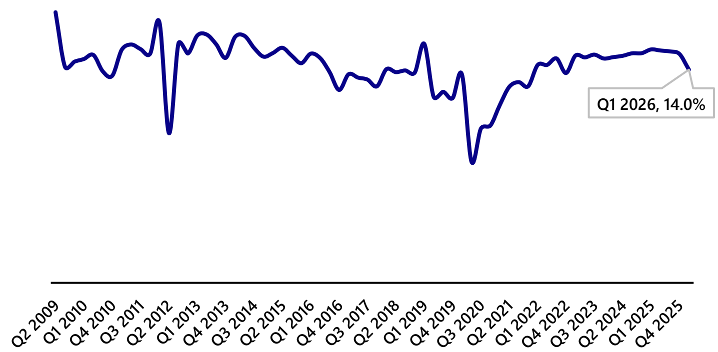
Source: SAMA, alrajhi capital

Figure 9 **Bank-Credit Classified by Economic Activity**



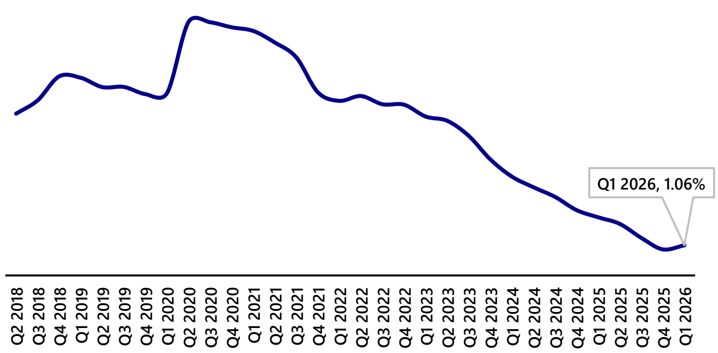
Source: SAMA, alrajhi capital Wholesale and Retail Trade; ** Finance & Insurance Activities. ***Others include Mining & Quarrying, Transportation and Storage, Accommodation and Food Service Activities, Agriculture, Forestry and Fishing, Information and Communication, Professional, Scientific and Technical Activities,. Administrative and Support Service Activities, Education,. Human Health and Social Work Activities and. Other Activities*

Figure 10 **Return on Equity (Banks)**



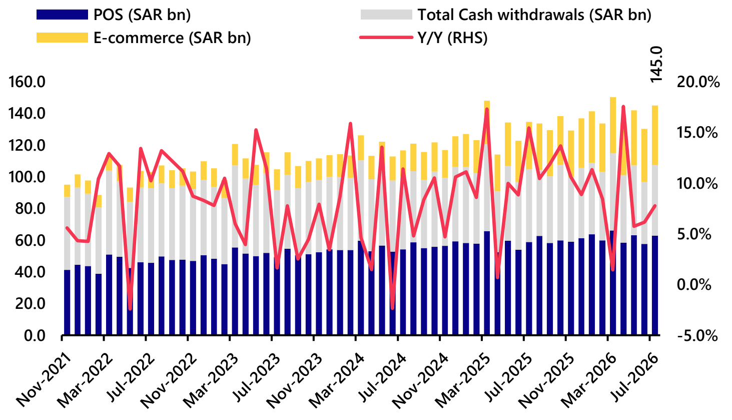
Source: SAMA, alrajhi capital

Figure 11 **Non-performing loans to Gross loans**



Source: SAMA, alrajhi capital

Figure 12 **Consumer spending trend (SAR bn)**



Source: SAMA, alrajhi capital

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