

Saudi Banking Monthly Report

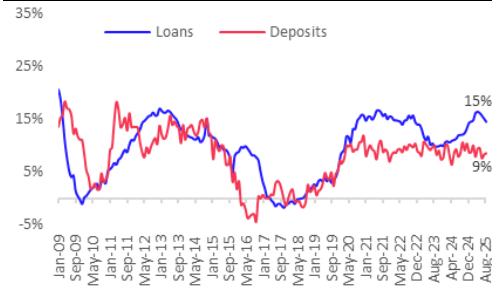
Banking Monthly Report
1 October 2025

Research Department

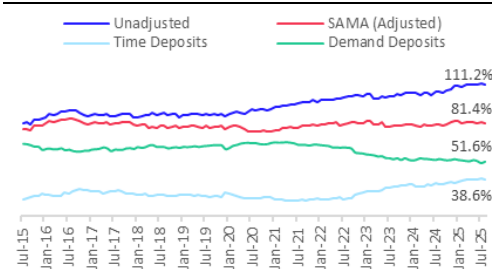
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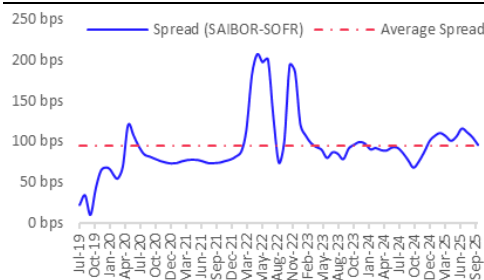
Loans and Deposits y-o-y trend



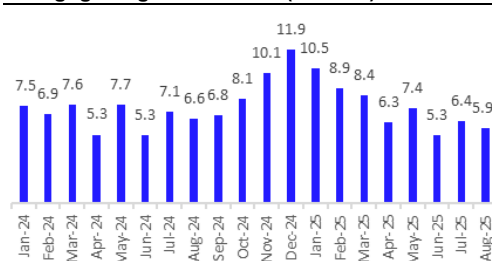
LDR & Deposits Mix



SAIBOR SOFR Spread is just under 100bps



Mortgage origination trend (SAR bn)



Saudi Banking Monthly Report

Demand deposits rebound, liquidity pressure eases

- **Deposit growth rebounded strongly (outpacing credit), led by government demand deposits (+21.1% m-o-m)**
- **LDR eased, also SAIBOR-SOFR spreads narrowed in September**
- **Credit growth moderated in August (+0.7% m-o-m) vs. July (+0.9%)**
- **Mortgage originations slowed sharply to SAR 5.9bn, below the YTD monthly average**
- **Nevertheless, personal loans (ex-mortgages) saw improved momentum**

More details:

Credit: Credit growth in August was up 0.7% m-o-m (+14.6% y-o-y) versus +0.9% m-o-m in July, and below the YTD 2025 average run rate of about +1.1%. Corporate loans (+0.7% m-o-m, +19.6% y-o-y) grew broadly in line with the total credit on m-o-m., while mortgage origination was weak, implying personal loans (ex-mortgage) growing at a solid rate in August.

Mortgage: Mortgage originations declined -8.7% m-o-m and -11.2% y-o-y to SAR 5.9bn, second consecutive month of y-o-y decline, and also below 2025 YTD average of SAR 7.4bn.

Deposits: Total deposits, outpaced credit, increasing 1.6% m-o-m in August (July: -0.3% m-o-m) helped by a sharp increase in demand deposits (+3.8% m-o-m) and largely flattish growth in time deposits (+0.2% m-o-m), that more than offset the decline in quasi deposits (-4.2% m-o-m). The monthly increase in demand deposits came mainly from the govt. that saw 21.1% m-o-m jump in demand deposits. Overall, govt. deposits increased 5.1% m-o-m, while private deposits were up 1.0% m-o-m. The mix of demand increased to 51.6%, while time decreased to 38.6%.

Liquidity: The simple LDR declined 98bps m-o-m to 111.2%, while the adjusted LDR was down 44bps m-o-m to 81.4%. While the average SAIBOR-SOFR spread in August was elevated around 106bps, the average spread in September narrowed to 97bps.

Consumer spending (including PoS, cash withdrawals and e-commerce) increased 10.4% y-o-y in August to SAR 133.5bn (+15.4% y-o-y in July), while cash withdrawals in value terms decreased 7.2% y-o-y (flattish y-o-y in July) to SAR 41.6bn. S

Profitability: Banks profit before Zakat and tax (PBT) for August was up +15.0% y-o-y to SAR 8.7bn, (July: +7.0% y-o-y). PBT for 8M25 came in at SAR 67.9bn, witnessing a growth of 17.6% y-o-y.

Figure 1 SAMA Monthly Data

(SAR bn)	Aug-25	Aug-24	y-o-y	Jul-25	m-o-m
Credit					
Total Credit	3,238	2,825	14.6%	3,216	0.7%
Claims on Private Sector	3,004	2,651	13.3%	2,987	0.6%
Claims on Public Sector	234	173	35.0%	229	2.2%
Deposits					
Total Deposits	2,912	2,680	8.7%	2,867	1.6%
Demand Deposits	1,503	1,437	4.5%	1,447	3.8%
Time Deposits	1,126	930	21.1%	1,123	0.2%
Interbank Liabilities	130	105	23.6%	131	-0.6%
Key Ratios					
Demand Deposit Mix	51.6%	53.6%	-204 bps	50.5%	111 bps
Time Deposit Mix	38.6%	34.7%	396 bps	39.2%	-53 bps
Simple LDR (%)	111.2%	105.4%	577 bps	112.1%	-98 bps
SAMA LDR (%)	81.4%	80.7%	69 bps	81.8%	-44 bps
Other Key Indicators					
Residential Mortgage	5.9	6.6	-11.2%	6.4	-8.7%
Average Mortgage Origination (YTD)	7.4	6.8	9.1%	7.6	-2.9%
Profit before Zakat	8.7	7.5	15.0%	8.2	5.2%
Rates (%)					
SAIBOR 3M*	5.40%	6.11%	-71 bps	5.46%	-6 bps
SOFR*	4.34%	5.33%	-99 bps	4.34%	1 bps
Spread (SAIBOR-SOFR)	106 bps	78 bps	28 bps	112 bps	-6 bps

Source: SAMA, Al Rajhi Capital. *Average taken for July 2025, July 2024 and June 2025.

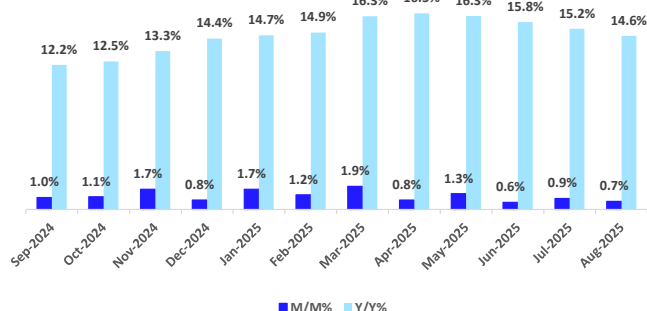
**Claims on Private sector excludes investment in private securities; Claims on Public sector excludes govt and quasi-govt bonds

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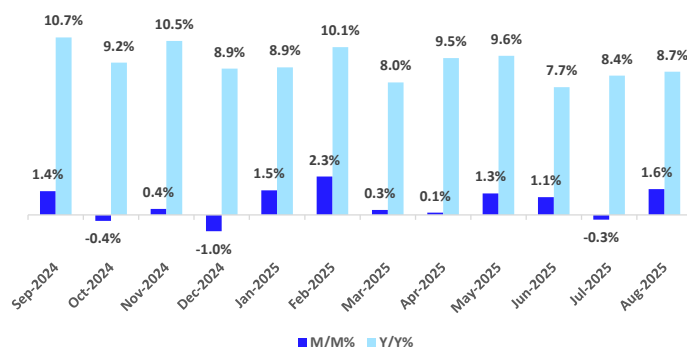
1 October 2025

Figure 2 Credit Growth (Last 12 Months)



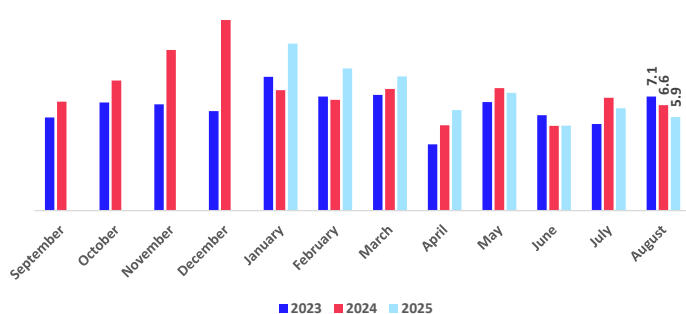
Source: Saudi Central Bank, Al Rajhi Capital

Figure 3 Deposit Growth (Last 12 Months)



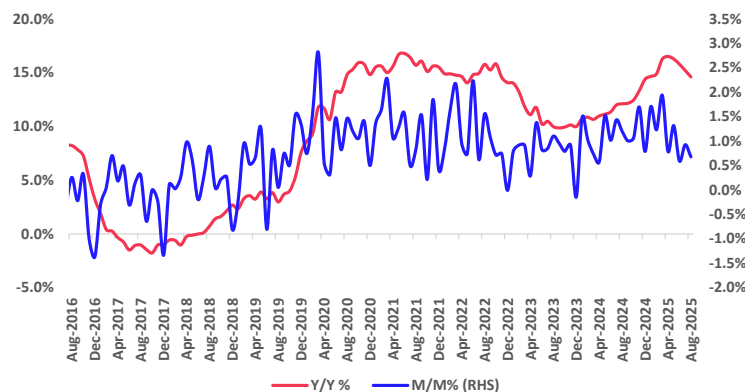
Source: Saudi Central Bank, Al Rajhi Capital

Figure 4 New Mortgage Origination (Last 12MSAR bn)



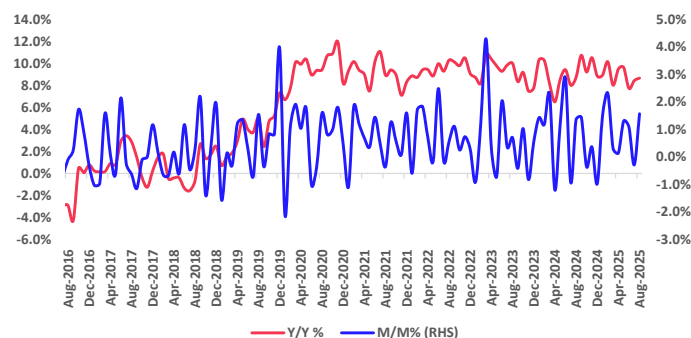
Source: Saudi Central Bank, Al Rajhi Capital

Figure 5 Credit Growth Long Term



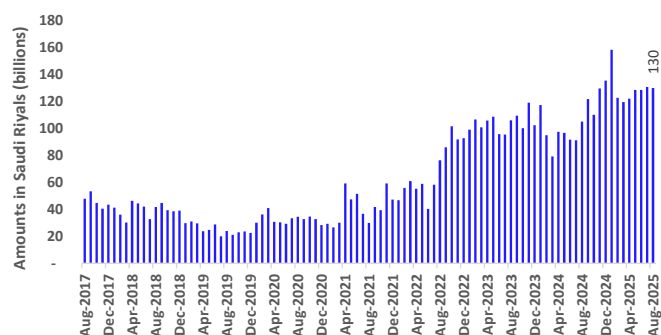
Source: Saudi Central Bank, Al Rajhi Capital

Figure 6 Deposit Growth Long Term



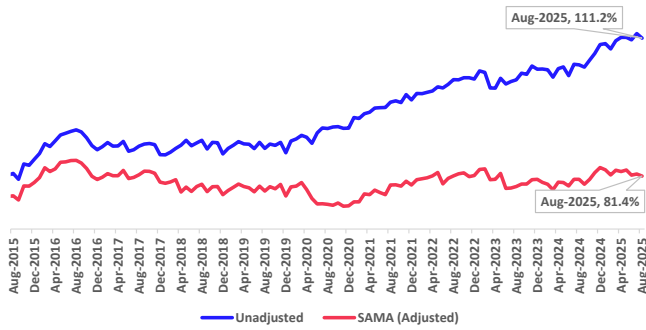
Source: Saudi Central Bank, Al Rajhi Capital

Figure 7 Interbank Liabilities (Long-Term)



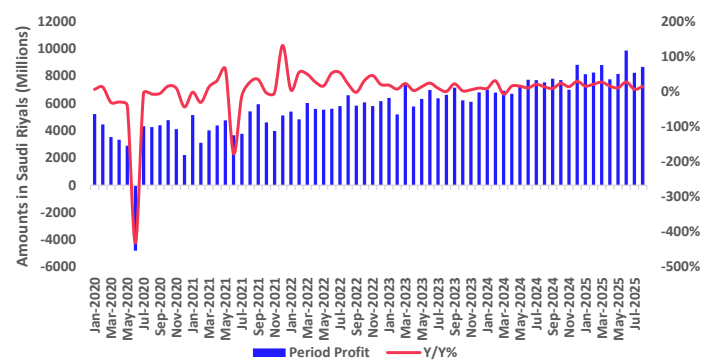
Source: Saudi Central Bank, Al Rajhi Capital

Figure 8 LDR (Long-Term)



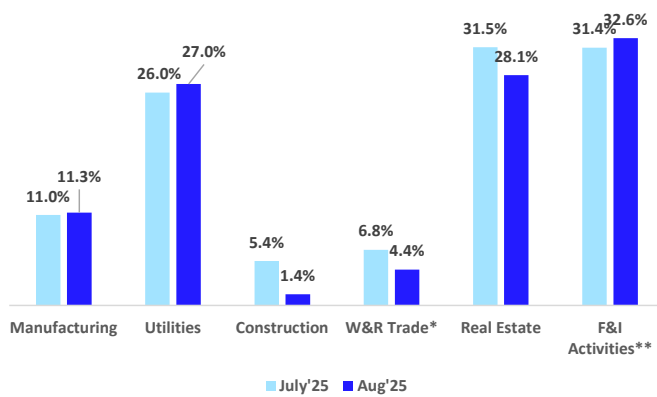
Source: Saudi Central Bank, Al Rajhi Capital

Figure 9 Bank profit before zakat



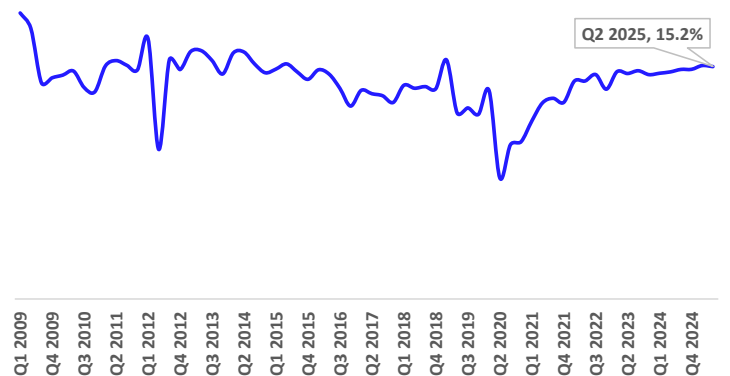
Source: Saudi Central Bank, Al Rajhi Capital

Figure 10 Bank-Credit Classified by Economic Activity



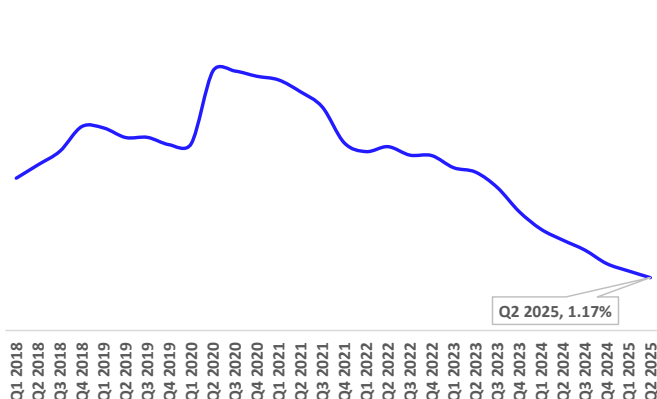
Source: Saudi Central Bank, Al Rajhi Capital; * Wholesale and Retail Trade; ** Finance & Insurance Activities

Figure 11 Return on Equity (Banks)



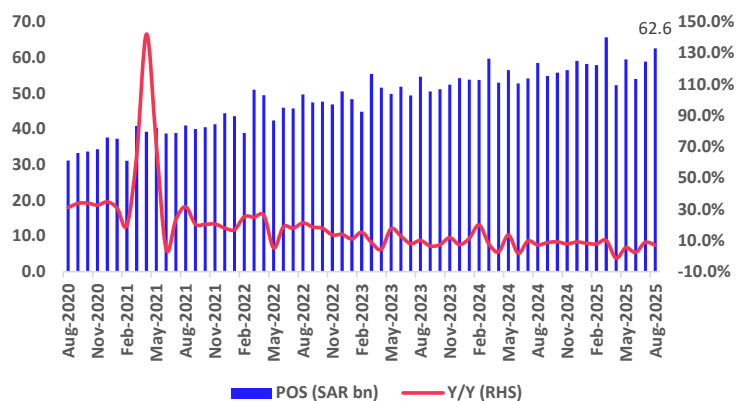
Source: Saudi Central Bank, Al Rajhi Capital

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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