

SAUDI ECONOMIC CHARTBOOK

First Quarter **2026**

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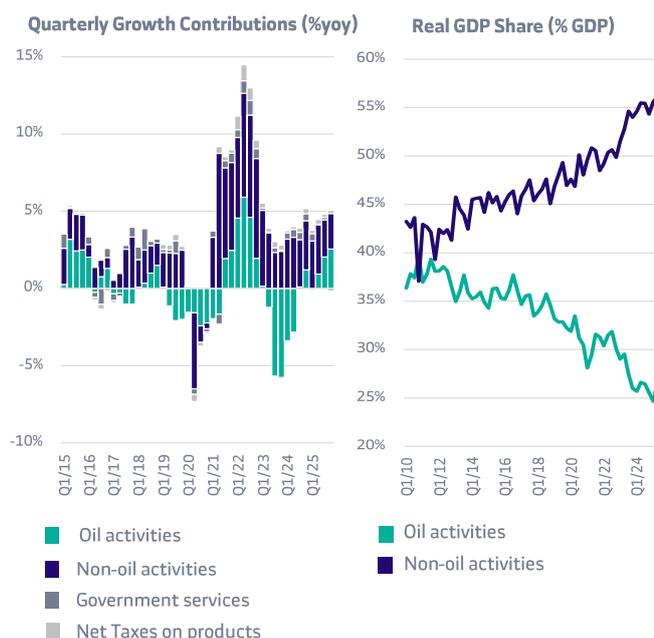
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Balanced Growth Perspectives for 2026

- Flash estimates for Q4 2025 show that GDP growth slightly picked up to 4.9%yoy, which can be explained by a growth acceleration to 10.4%yoy in the oil sector, while non-oil activities recorded solid growth of 4.1%yoy.
- The PMI business climate indicator for the non-oil economy gradually softened in January to 56.3 after reaching a peak of 60.2 last October, but is at this level still clearly in expansion territory, hence, indicating firm growth of the non-oil economy.
- Private sector credit demand growth slowed to 10.2%yoy by end of the year after a peak of 15.2%yoy in April 2025. Meanwhile, the shift from demand deposits to time and savings deposits continued, with the former showing flat growth in December, while the latter increased by 24%yoy.
- Saudi crude production reached 10.1mbd in December, up from 8.9mbd a year earlier. Crude oil exports rose by 0.84mbd over the same period. Oil prices recovered notably so far in 2026, with the price gains primarily attributable to an increased geopolitical risk premium.
- Property prices entered a consolidation phase in the second half of 2025 after rising by over 30% in the last four years, according to the official real estate price index. At the same time, the value of all real estate transactions decreased by 22% in 2025 compared to the previous year.
- After hitting a low in TASI of under 10,300 at the beginning of the year, the Saudi stock market subsequently recovered substantially above the 11,000 mark. This rebound was primarily supported by significant net purchases from foreign institutional investors.

Balanced Growth in the Short Term, Rising Non-Oil Contribution in the long Term

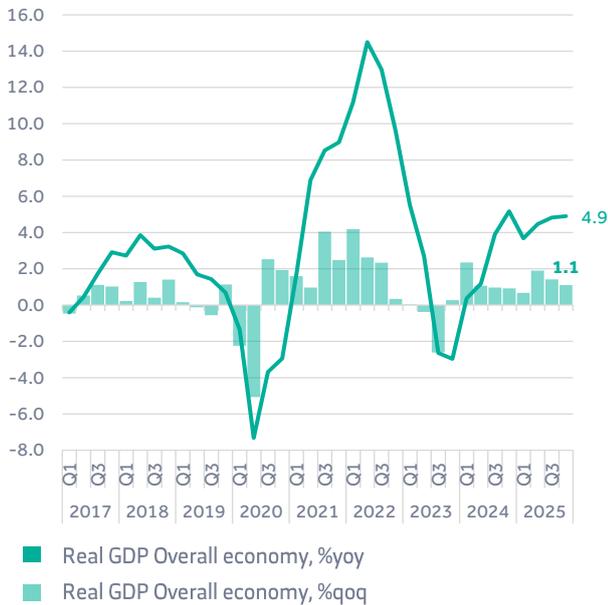


In Q4/2025, the oil sector contributed 52% (2.6%yoy) to the overall economic growth of 4.9%yoy, while non-oil activities added 47% (2.3%yoy). This constitutes a balanced growth composition between oil- and non-oil economy. For 2026, we expect a similarly balanced growth breakdown with oil contributing about 41% to the forecasted overall growth of 4.3% and non-oil activities contributing 55%. However, due to the expected long-term growth differential in favor of non-oil activities and their sustainably growing share of total GDP, the non-oil economy will end up covering 80-90% of overall Saudi GDP growth in the longer term.

source: GASTAT, RC

Gross Domestic Product (GDP) by Main Economic Activities

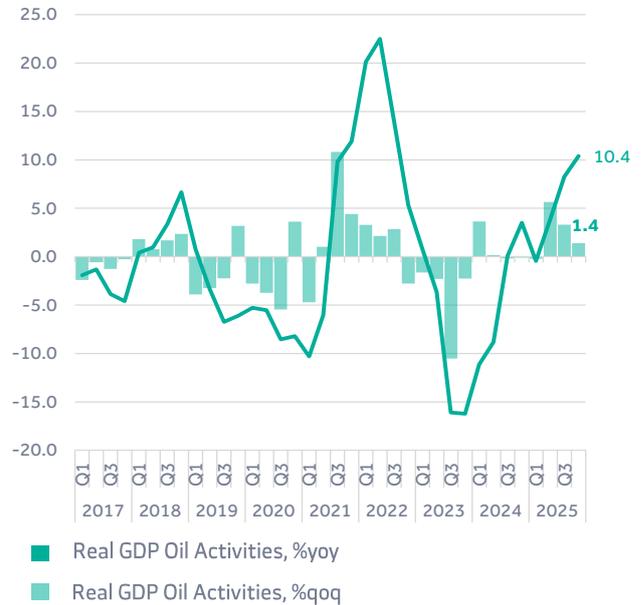
Figure 1:
GDP Overall Economy



(Q4 2025 flash estimate)

source: GASTAT

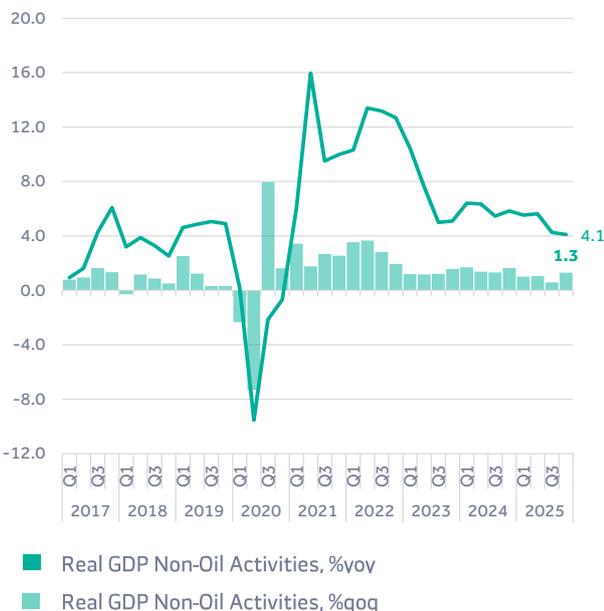
Figure 2:
GDP Oil Activities



(Q4 2025 flash estimate)

source: GASTAT

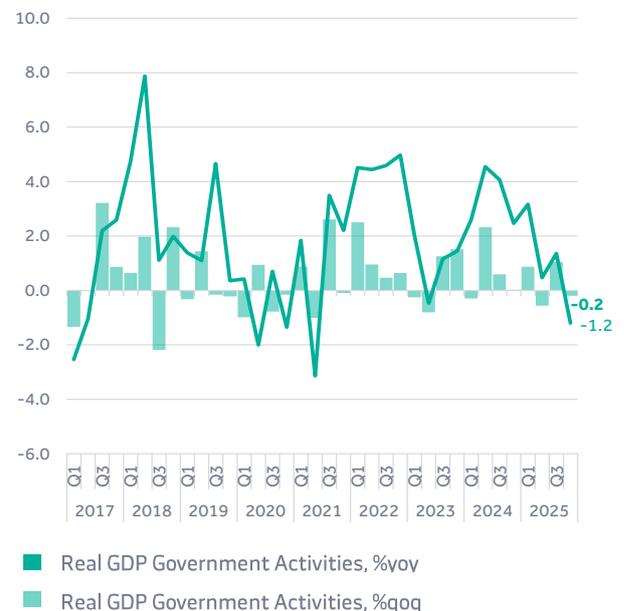
Figure 3:
GDP Non-Oil Activities



(Q4 2025 flash estimate)

source: GASTAT

Figure 4:
GDP Government Activities



(Q4 2025 flash estimate)

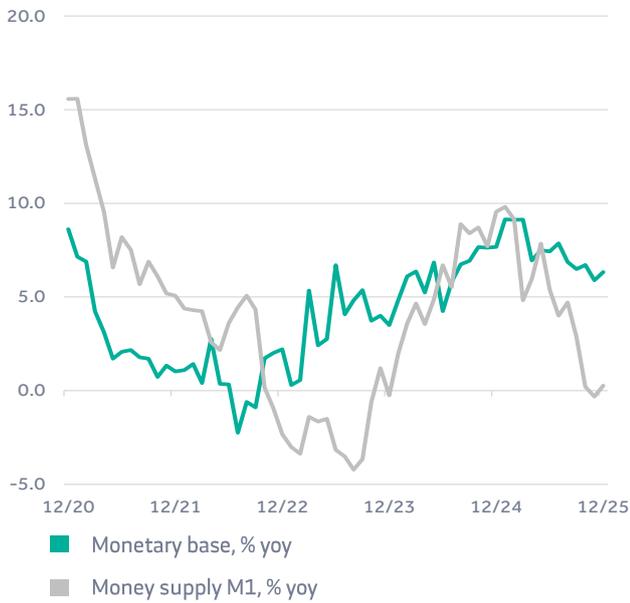
source: GASTAT

Based on latest flash estimates, the Saudi economy continued on its expansionary growth path with 4.9%yoy in Q4 2025. This has been primarily driven by the strong recovery of the oil sector rising by 10.4%yoy, while non-

oil activities still showed solid growth, albeit with 4.1% yoy at a gradually lower rate. For the full year 2025, the Saudi economy expanded by 4.5% with oil sector growth amounting to 5.6% and non-oil activities rising by 4.9%.

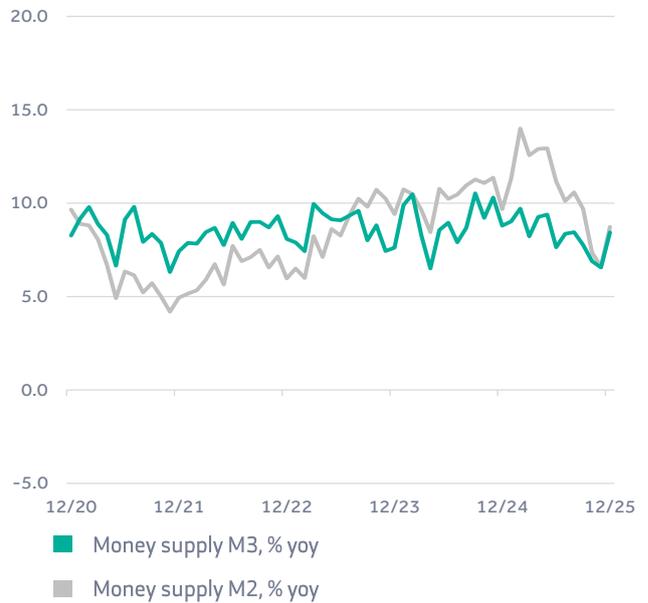
Monetary Aggregates, Credit and Commercial Banks' Deposits

Figure 1:
Growth Rate Monetary Base and Money Supply M1



source: SAMA

Figure 2:
Growth Rate Money Supply M2 and M3



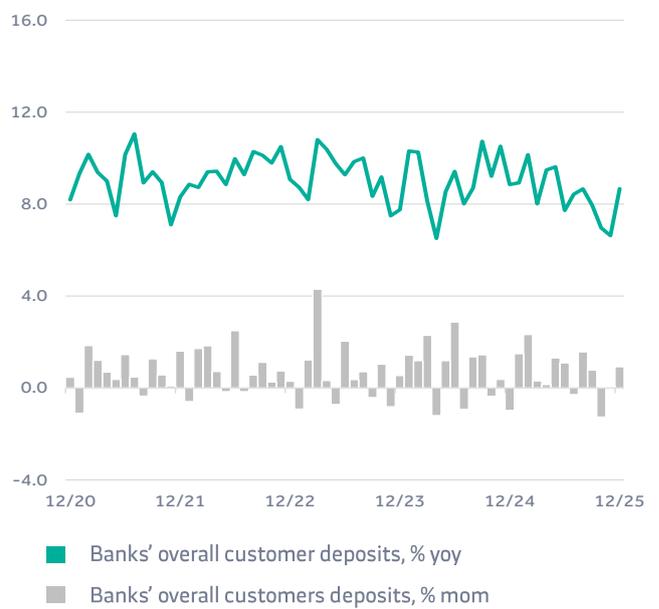
source: SAMA

Figure 3:
Growth of Credit to the Private Sector



source: SAMA

Figure 4:
Growth of Commercial Banks' Deposits



source: SAMA

The shift from demand deposits to time&savings deposits intensified further in Q4 2025. While demand deposits remained roughly unchanged y-o-y in December, time&savings deposits soared by 23.6%yoy. This explains

the growth difference between narrow money supply M1 and the more broadly defined M2 and M3. Private credit growth slowed notably in H2 2025, reaching 10.2%yoy in December, after peaking at 15.2%yoy in April.

Commercial Banks Key Ratios

Figure 1:
Private Sector Loan-Deposit-Ratio

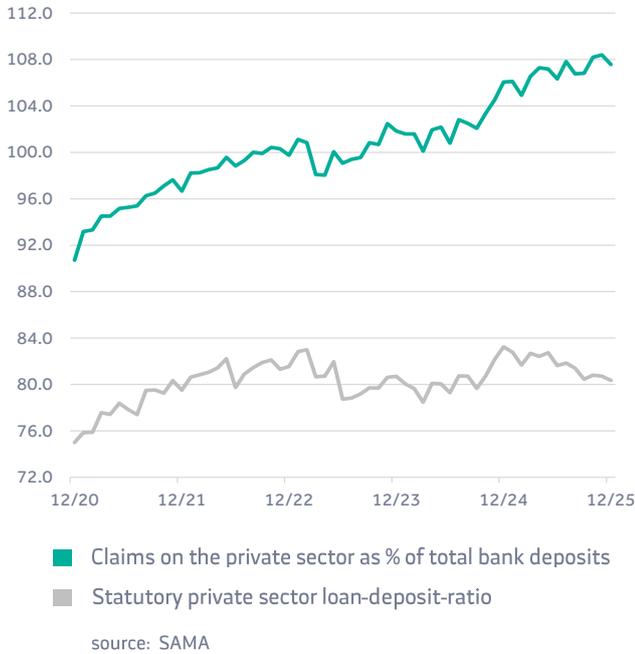


Figure 2:
Government Sector Loan-Deposit-Ratio

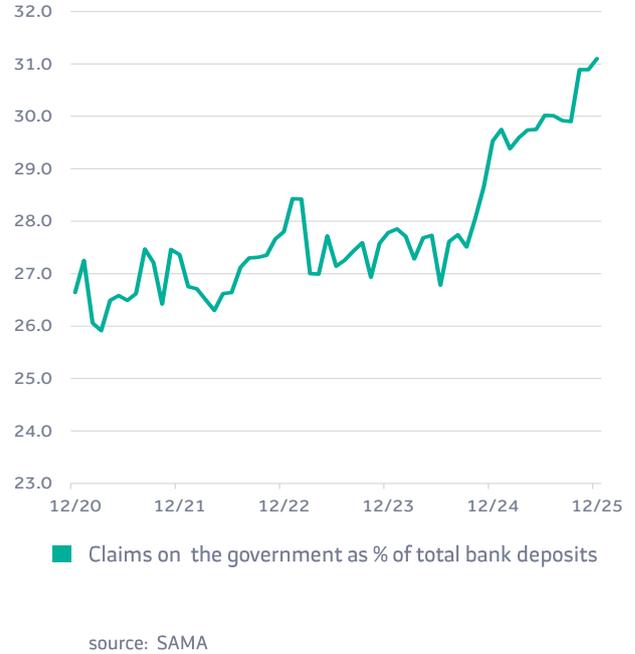


Figure 3:
Foreign Assets to Total Assets Ratio

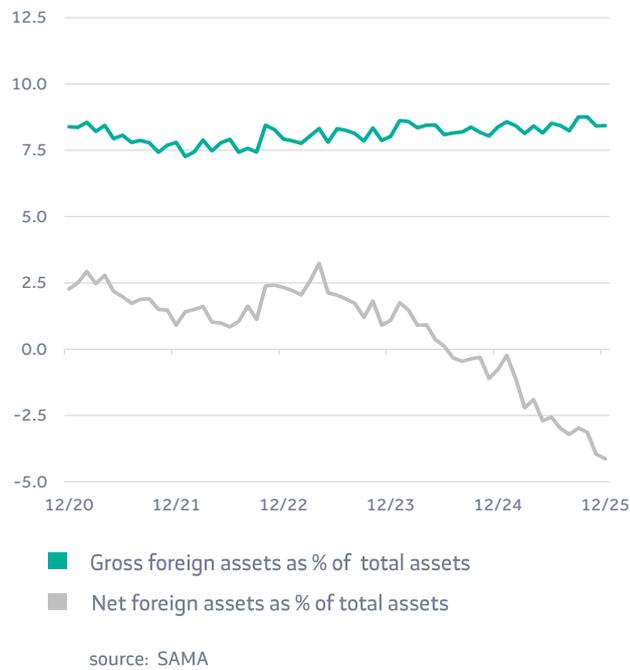


Figure 4:
Excess Liquidity to Total Assets Ratio

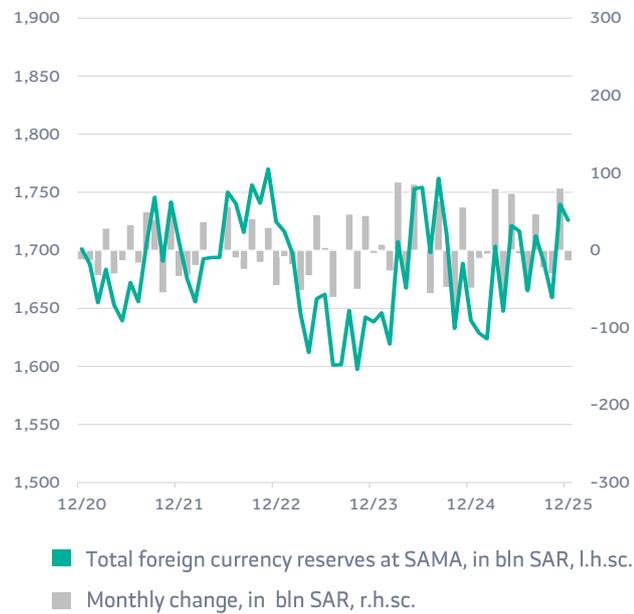


Private sector Loan-Deposit-Ratio (LDR) broadly stabilized as loan growth started to soften since Spring. The statutory LDR even declined from 83.2 in December 2024 to 80.3 in December 2025. The public sector LDR

gradually expanded in Q4 2025 from 29.9 in Sep to 31.1 in December 2025. Meanwhile, as Saudi banks increasingly refinance themselves abroad, their net foreign liabilities rose to 4.1% of total assets at the end of the year.

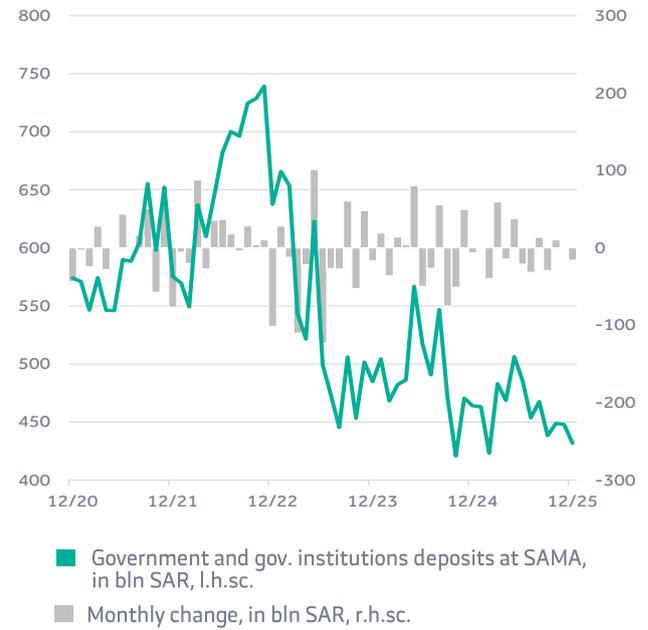
SAMA Balance Sheet and Government Deposits

Figure 1:
Foreign Currency Reserves at SAMA



source: SAMA

Figure 2:
Government Deposits at SAMA



source: SAMA

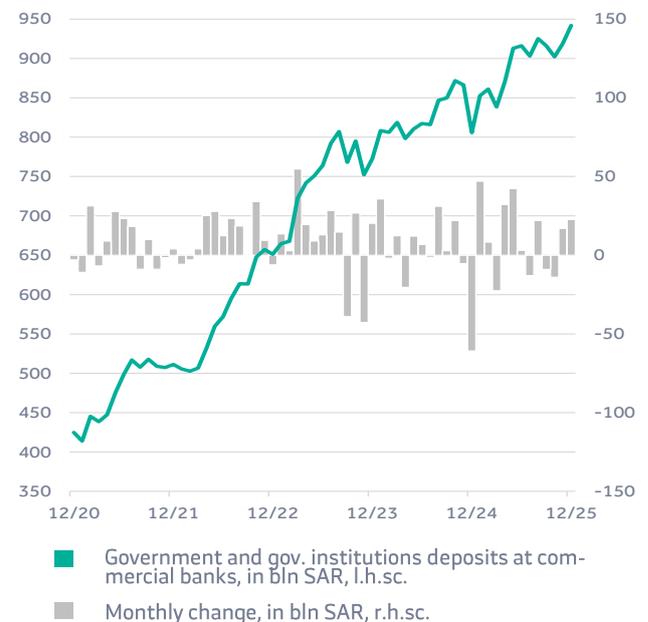
Figure 3:
Breakdown of Foreign Currency Reserves at SAMA



source: SAMA

Throughout 2025, SAMA's official reserves increased by 86bln SAR to a level of 1,726bln SAR by the end of 2025. In the fourth quarter alone, there was a net inflow of 67bln SAR. Over the past five years, official reserves

Figure 4:
Government Deposits at Commercial Banks

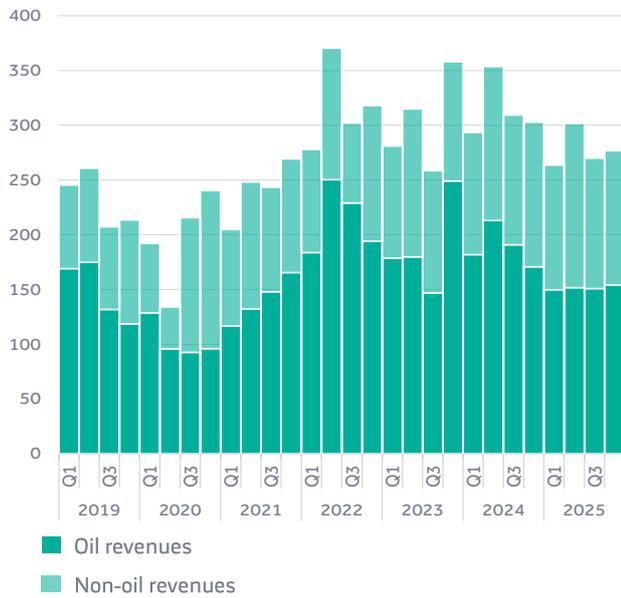


source: SAMA

have stabilized at approximately 1,700 bln SAR. While government and public institutions' deposits with SAMA decreased slightly by 33bln SAR in 2025, their deposits with commercial banks increased by 136bln SAR.

Quarterly Fiscal Balance and Outstanding Government Debt

Figure 1:
Quarterly Fiscal Revenues (in bln SAR)



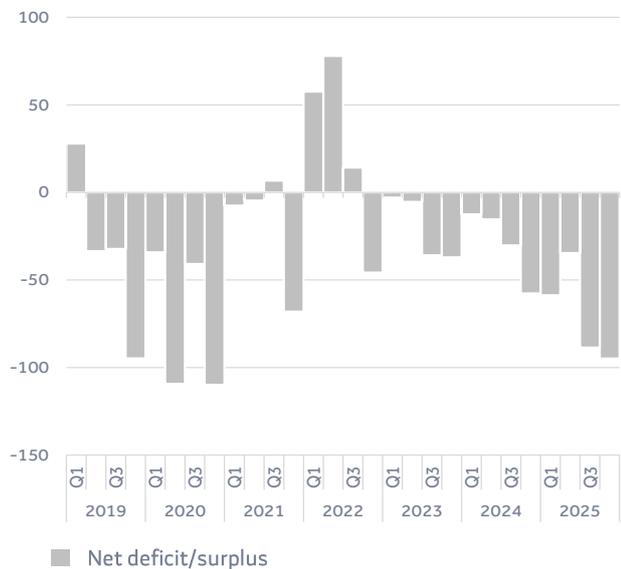
source: MoF

Figure 2:
Quarterly Fiscal Expenditure (in bln SAR)



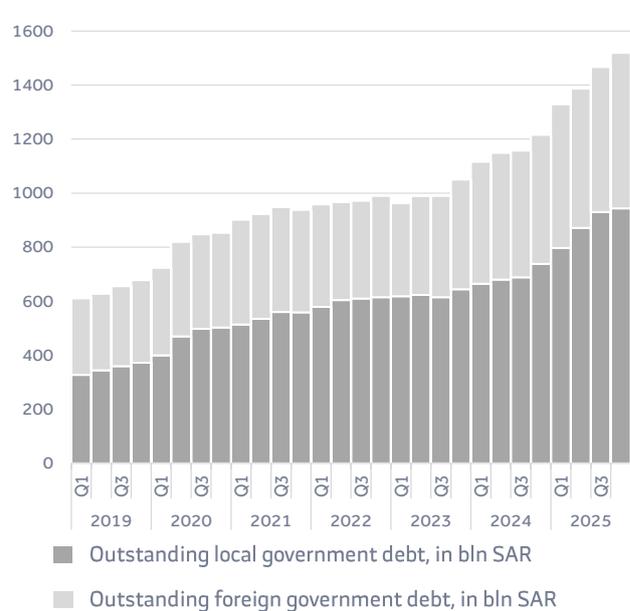
source: MoF

Figure 3:
Quarterly Fiscal Deficit/Surplus (in bln SAR)



source: MoF

Figure 4:
Outstanding Government Debt (End of Quarter)



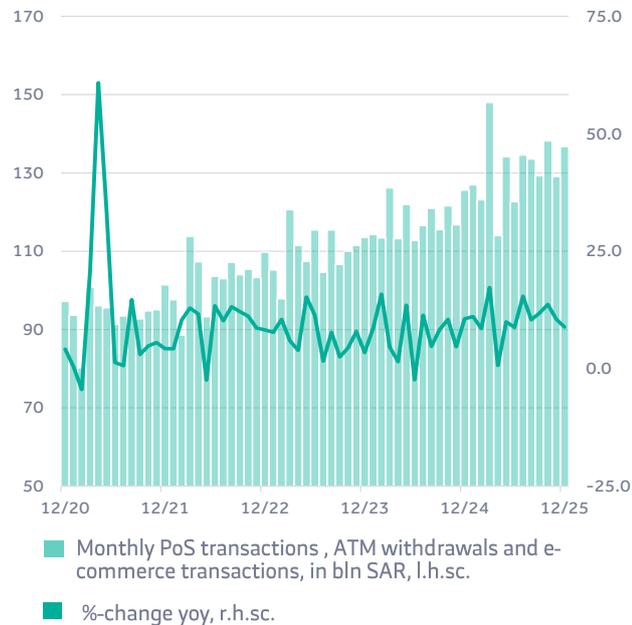
source: MoF

The fiscal year 2025 ended with a deficit of 95bln SAR in the last quarter. For the entire year, this resulted in a fiscal shortfall of 277bln SAR. Fiscal revenues declined by 12% compared to the previous year, primarily due to a

20% drop in oil revenues. In contrast, expenditures slightly increased by a marginal 1%. This almost flat spending growth can be mainly attributed to a reduction in capital expenditures by 12%.

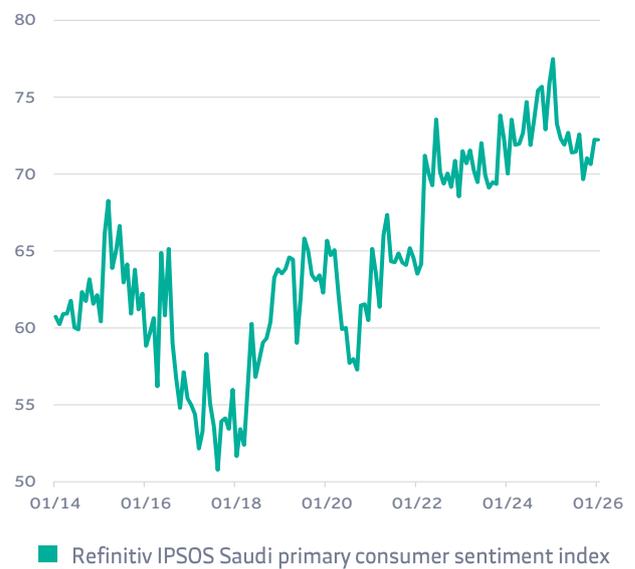
Indicators for Private Spending and Non-Oil Business Climate

Figure 1:
Private Spending Indicator



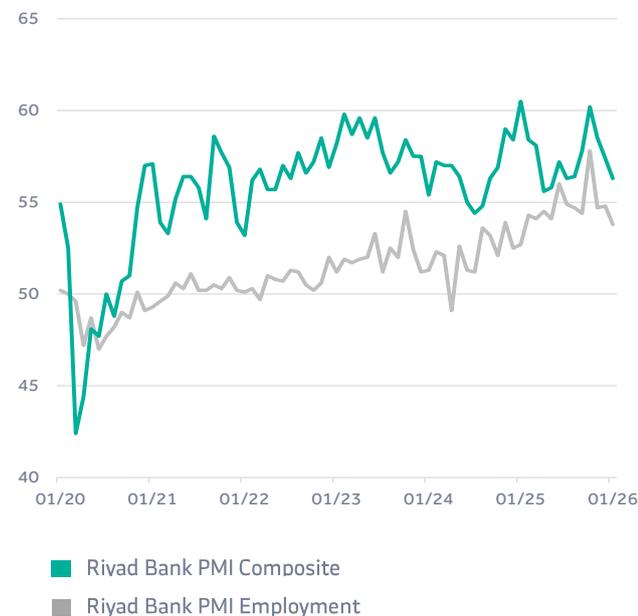
source: SAMA

Figure 2:
Consumer Sentiment Indicator



source: Refinitiv

Figure 3:
PMI Composite and PMI Employment Index



source: S&P Global Market Intelligence

Figure 4:
PMI New Orders and PMI New Export Orders



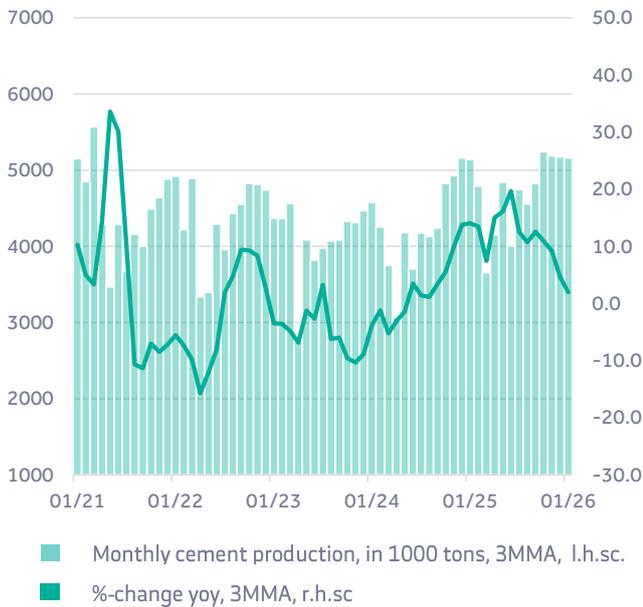
source: S&P Global Market Intelligence

Consumer spending rose by 11.0%yoy in Q4 2025. The full year growth for 2025 amounted to 10.7%. This compares to 7.7% in 2024 and to 6.7% in 2023. Meanwhile, the PMI business climate indicators gradually weakened

after a peak value in Q4 2025. The PMI Composite showed a reading of 56.3 in January 2026, after a peak of 60.2 in October 2025. A similar picture emerged for the PMI Employment and the PMI New Orders.

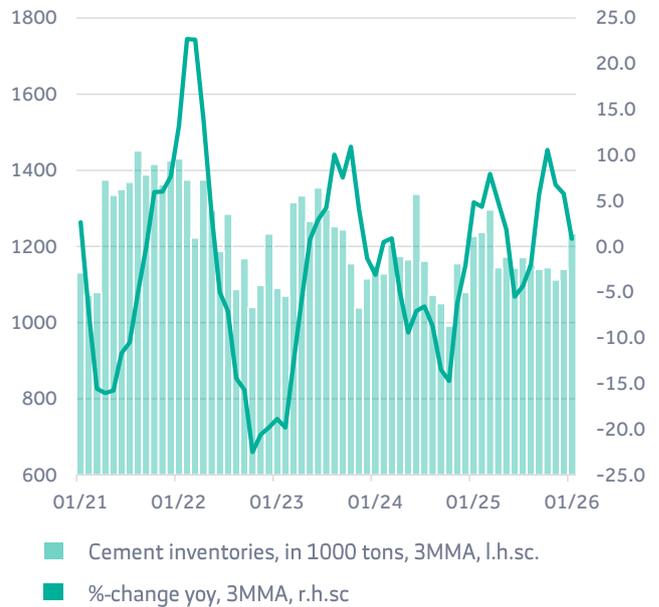
Cement Sector and Non-oil Exports and Imports

**Figure 1:
Cement Production**



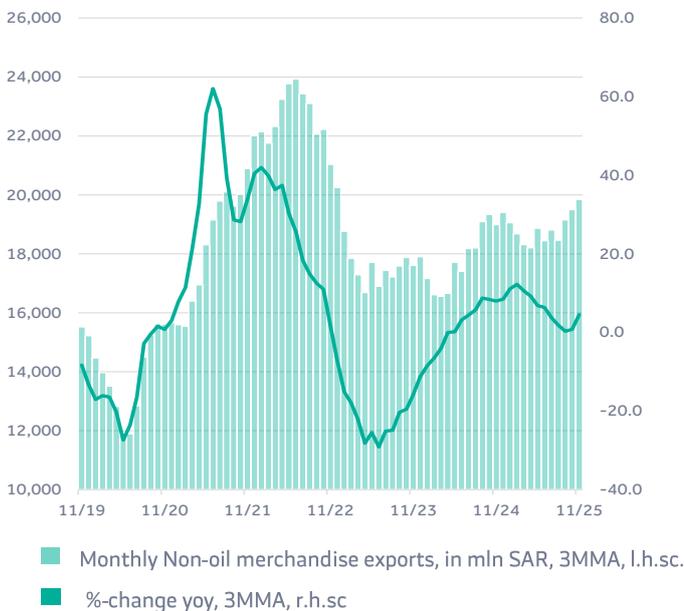
source: Yamama Cement

**Figure 2:
Cement Inventories**



source: Yamama Cement

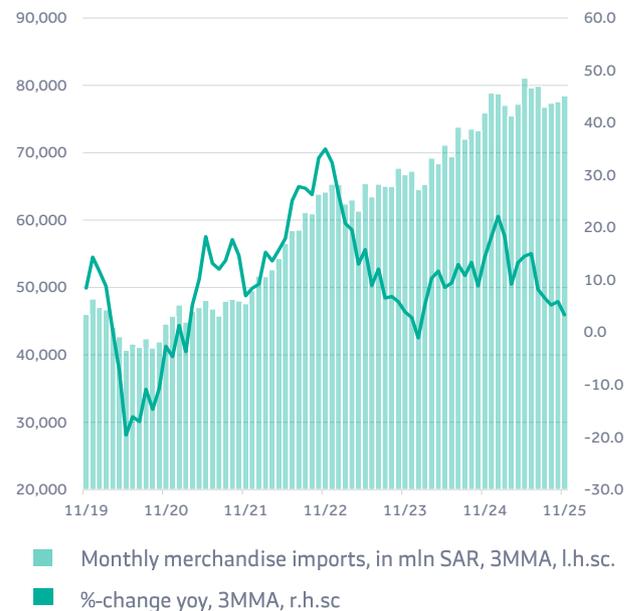
**Figure 3:
Non-Oil Merchandise Exports**



source: GASTAT

With an annual growth rate of 10.4%, cement production reached in 2025 its highest increase since 2020. However, growth slowed significantly in the second half of the year. After a peak growth rate of 19%yoy in Q2 2025,

**Figure 4:
Merchandise Imports**



source: GASTAT

the year-on-year increase slowed to just 0.4% in January 2026. Non-oil exports saw accelerating growth in H2 2025, rising by 4.7%yoy in November. By contrast, import growth continued to slow, reaching 3%yoy in November.

Consumer Price Inflation

Figure 1:
Consumer Price Inflation All Items

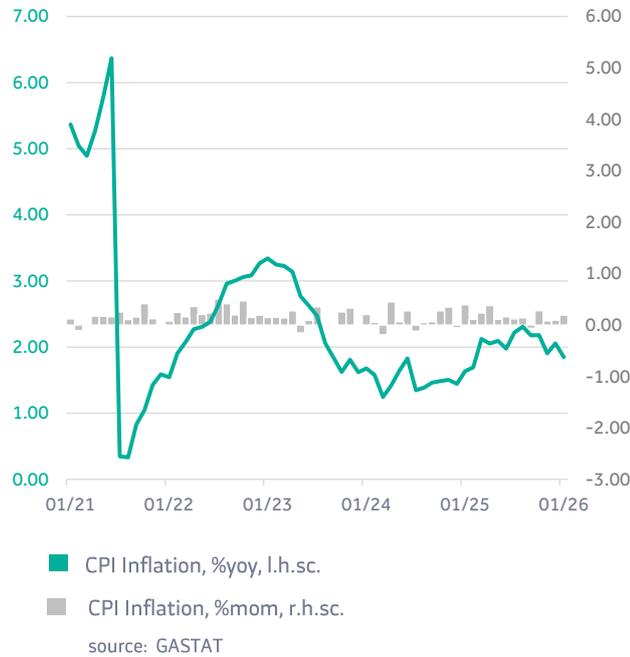


Figure 2:
CPI Inflation Food & Housing

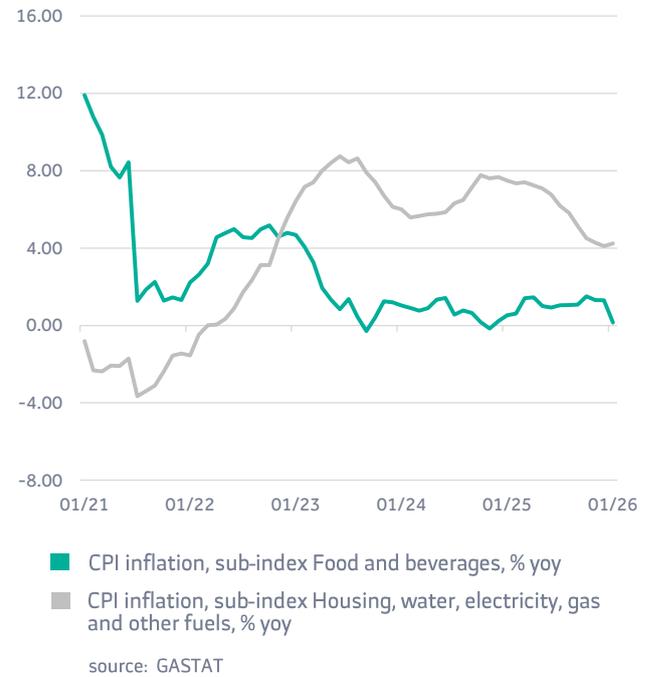
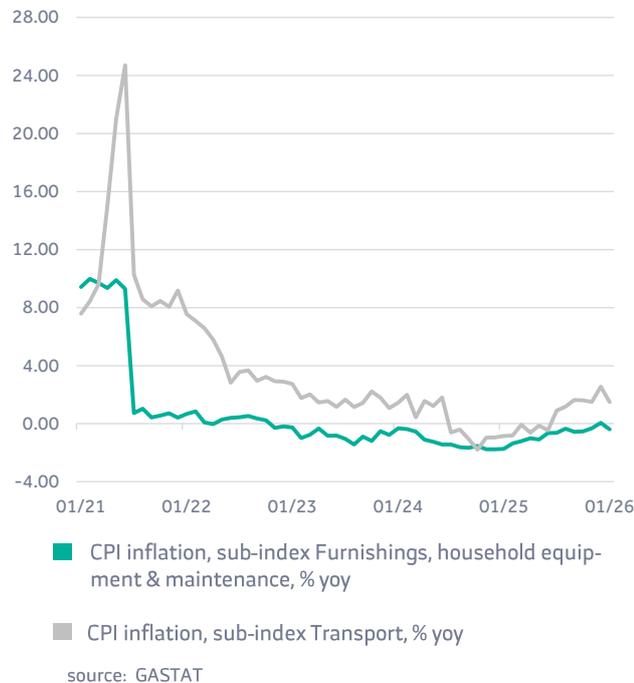
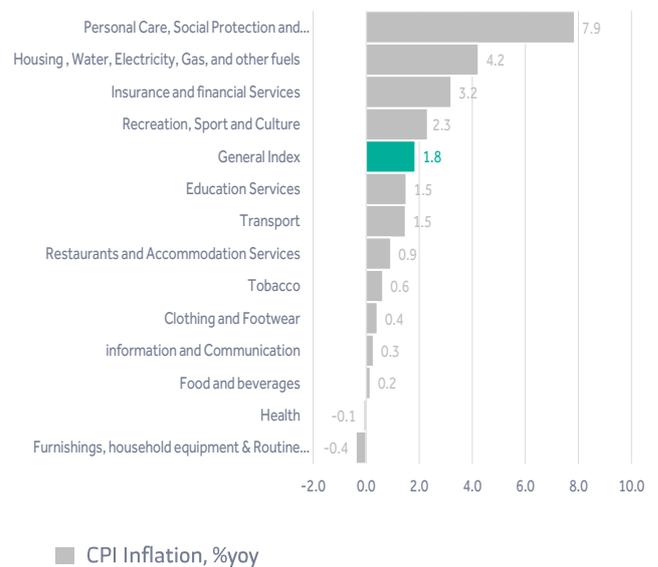


Figure 3:
CPI Inflation Furnishings & Transportation



CPI inflation eased gradually in January 2026 compared to the previous month, from 2.1%yoy to 1.8%yoy. Food & beverages, the category with the highest weighting in the consumer basket, decreased from 1.3%yoy to 0.2%

Figure 4:
CPI Inflation by Main Categories January 2026

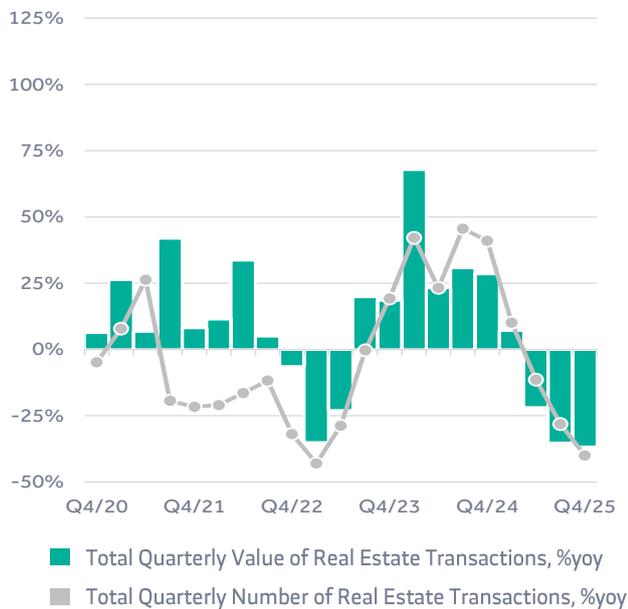


source: GASTAT

yoy. In contrast, inflation in the Housing category stabilized at 4.2%yoy in January after 4.1%yoy in December. Transportation as the third most important category also saw slowing inflation with 1.5%yoy after 2.6%yoy.

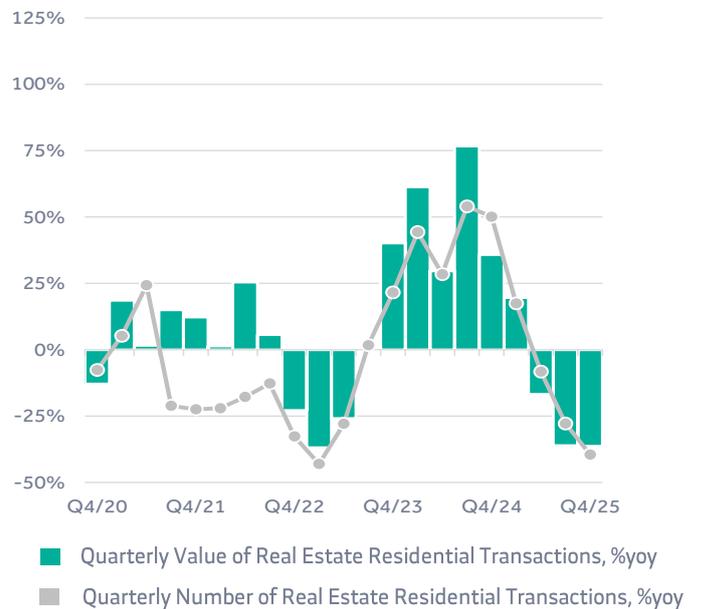
Real Estate Market: Transaction Activity

Figure 1:
Real Estate Transactions Total %yoy



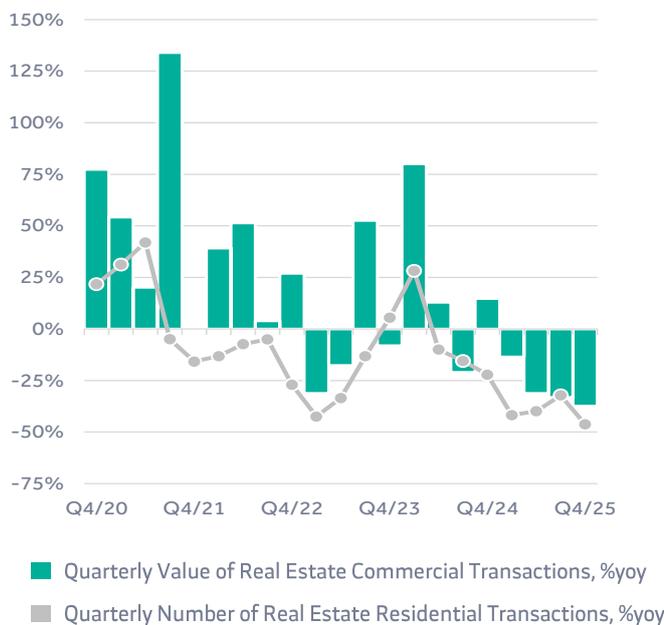
source: MOJ, RC

Figure 2:
Real Estate Transactions Residential %yoy



source: MOJ, RC

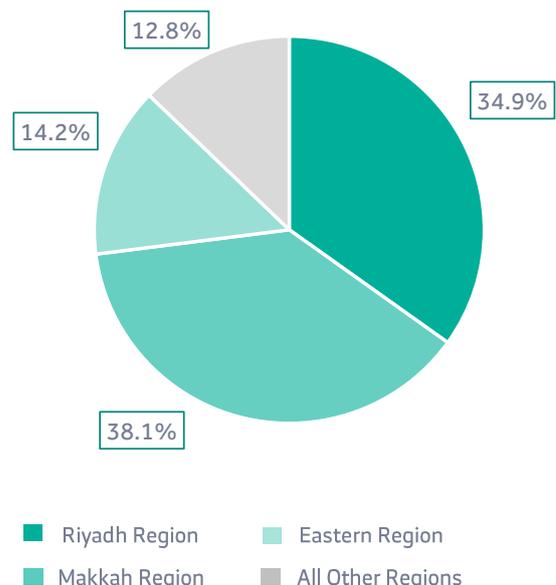
Figure 3:
Real Estate Transactions Commercial %yoy



source: MOJ, RC

The overall transaction value in the Saudi real estate market decreased by 36% in Q4 2025. For the full year 2025, this translates to a reduction of 22%. Residential real estate transactions saw a corresponding decrease of

Figure 4:
Breakdown of Transaction Value by Regions (Q4 2025)



source: MOJ, RC

19% in 2025, while the overall commercial transaction value declined by 28%. This reduction in real estate activity could primarily be observed in the Riyadh region, where the corresponding volumes fell by 41% in 2025.

Real Estate Market: Price Indices

Figure 1:
General Real Estate Index

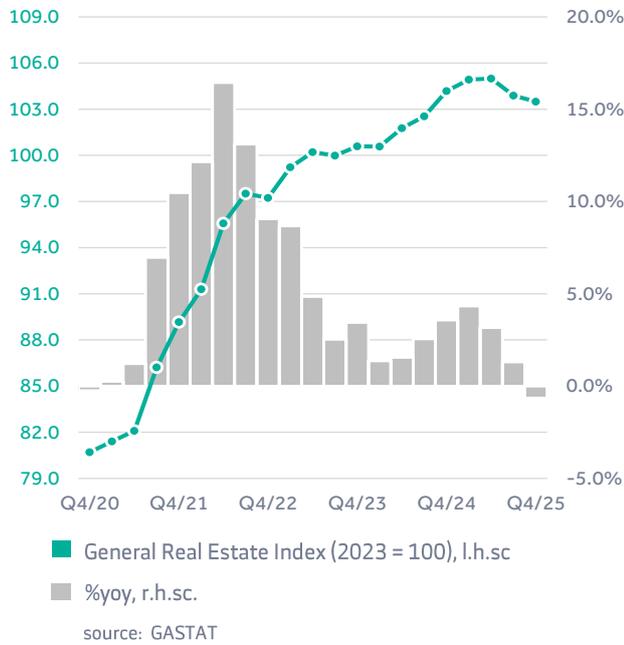


Figure 2:
Residential Real Estate Index

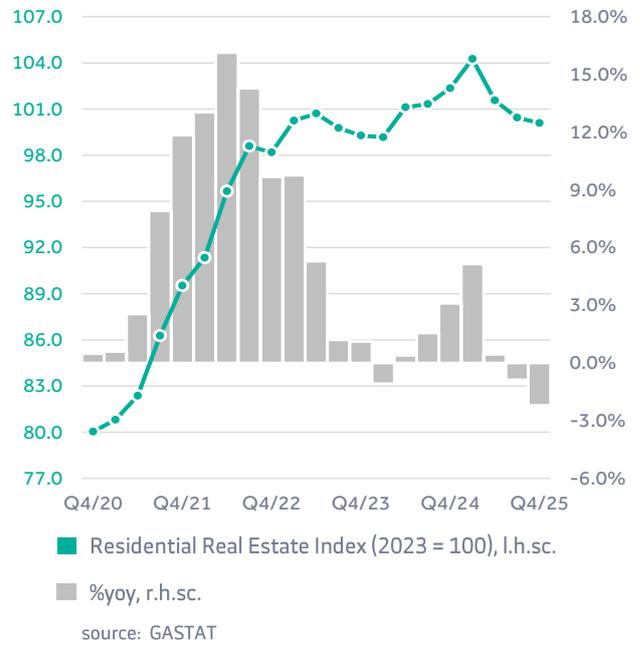


Figure 3:
Commercial Real Estate Index

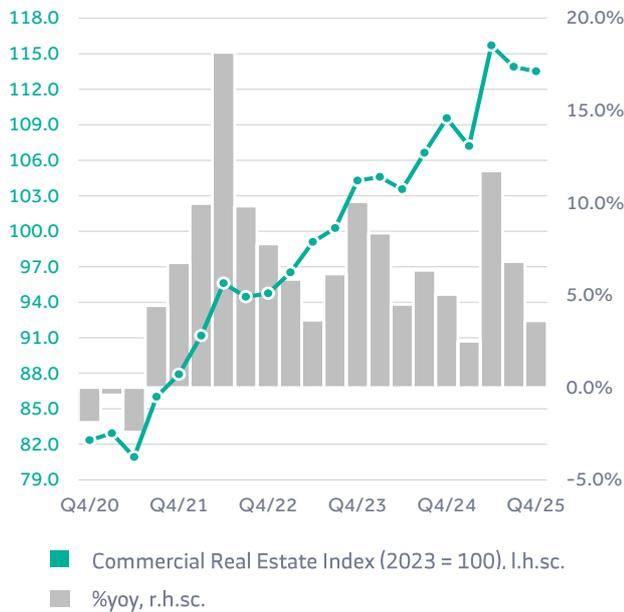
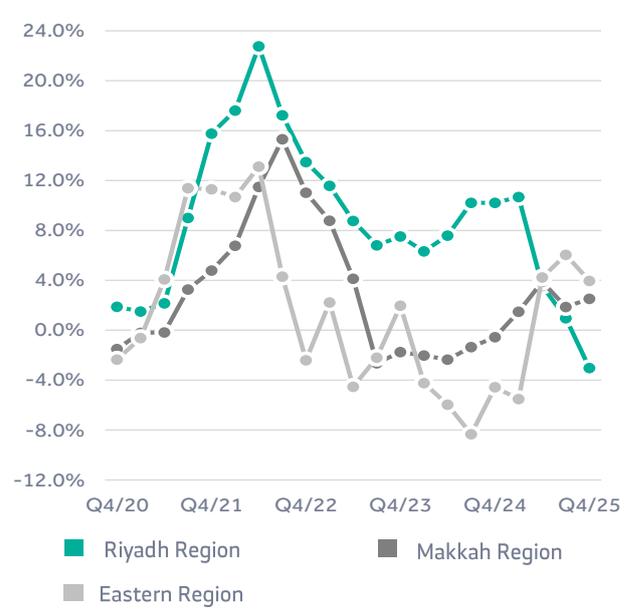


Figure 4:
Real Estate Price Indices Main Regions (%yoy)



Parallel to the transaction volume, real estate prices also declined in H2 2025. The general index fell by 1.4% in Q4 2025 from an all-time high in Q2 2025, representing a year-on-year decrease of 0.7%. This price decline was

solely attributable to residential properties, which fell by 2.2%yoy in Q4, while commercial properties saw an increase of 3.6%yoy. As with the transaction volume, this price decline was also concentrated in the Riyadh region.

Oil Market Statistics: Production, Exports, Refinery and Prices

Figure 1:
Saudi Crude Oil Production and Exports

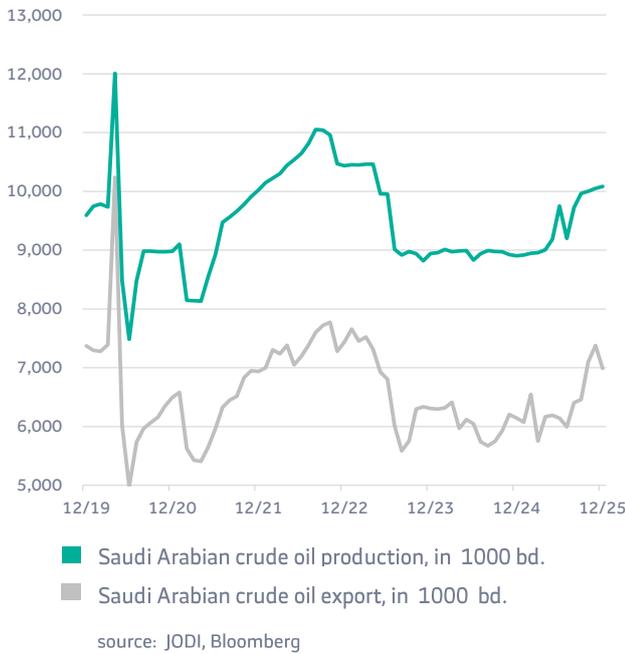


Figure 2:
Saudi Crude Refinery Output and Exports

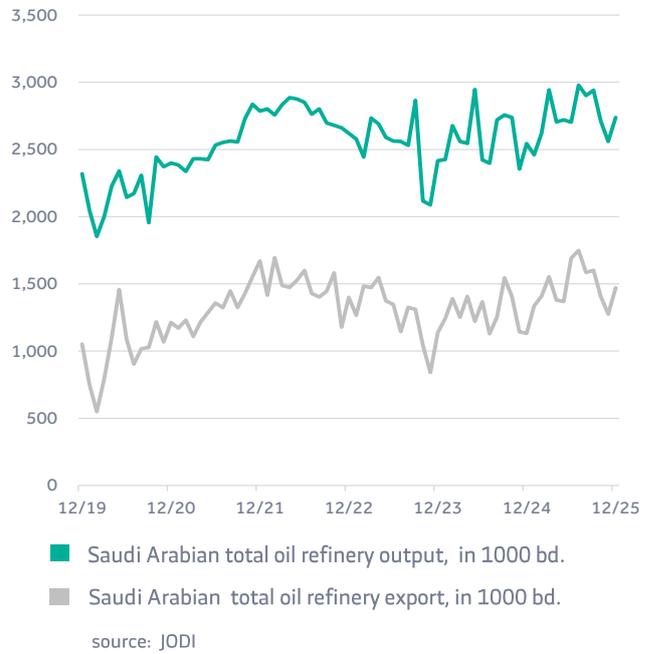


Figure 3:
OPEC Crude Output



Figure 4:
Oil Prices



Saudi crude production reached 10.1mbd in December, up from 8.9mbd a year earlier. Correspondingly, crude oil exports rose by 0.84mbd during the same period. Given the prevailing global oil market balance, OPEC has put

any further output expansion on hold in Q1 2026. After reaching new lows in December, oil prices recovered notably in January, with the price increase primarily attributable to an increased geopolitical risk premium.

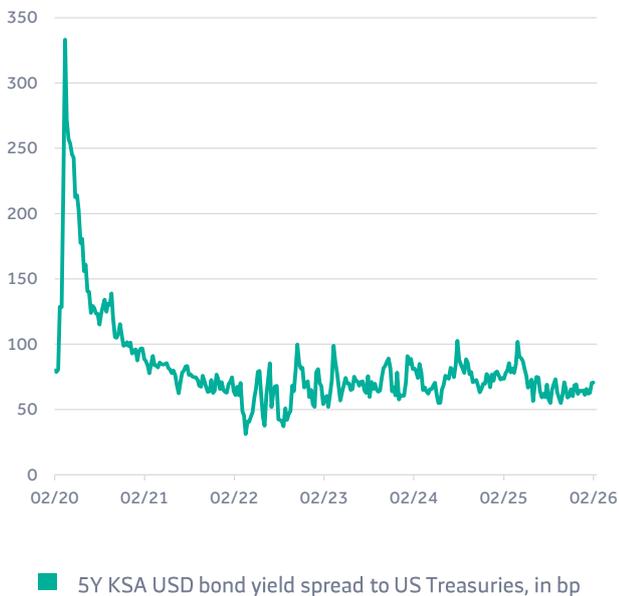
Foreign Exchange and KSA Credit Spread

Figure 1:
12-Months Forward Exchange Rate USD/SAR



source: Bloomberg

Figure 3:
KSA USD Bond Yield Spread to US Treasuries



source: Bloomberg

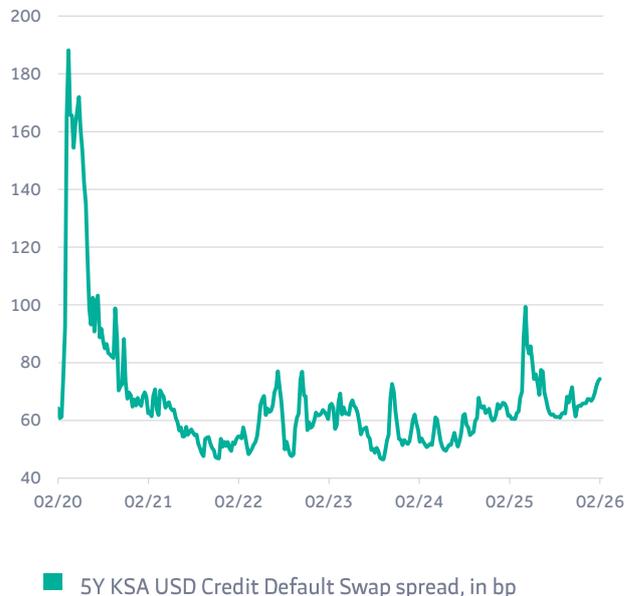
The recent widening of the 12M SAR/USD forward rate premium primarily reflects an increase in the corresponding interest rate spread, although a significant easing could be observed at the beginning of 2026. In

Figure 2:
SAR Nominal and Real Effective Exchange Rate



source: Bloomberg, JP Morgan

Figure 4:
KSA CDS Spread



source: Bloomberg

contrast, the yield spread to USD Treasuries and the KSA CDS spread didn't show any significant widening. Besides, the real and nominal SAR exchange rate index recorded a depreciation of 6-7% since January 2025.

Short-term, Long-term and Official Interest Rates

Figure 1:
3-Months SAIBOR vs. USD 3M Term SOFR

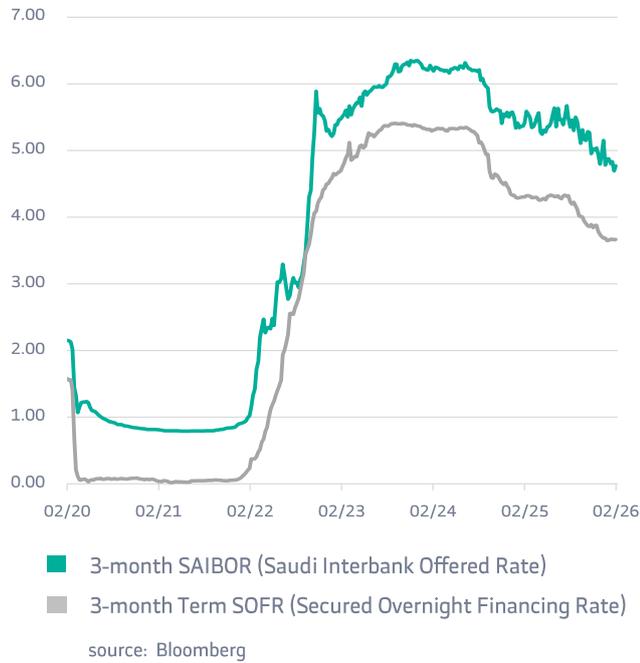


Figure 2:
5-Year Swap Rate SAR vs. USD

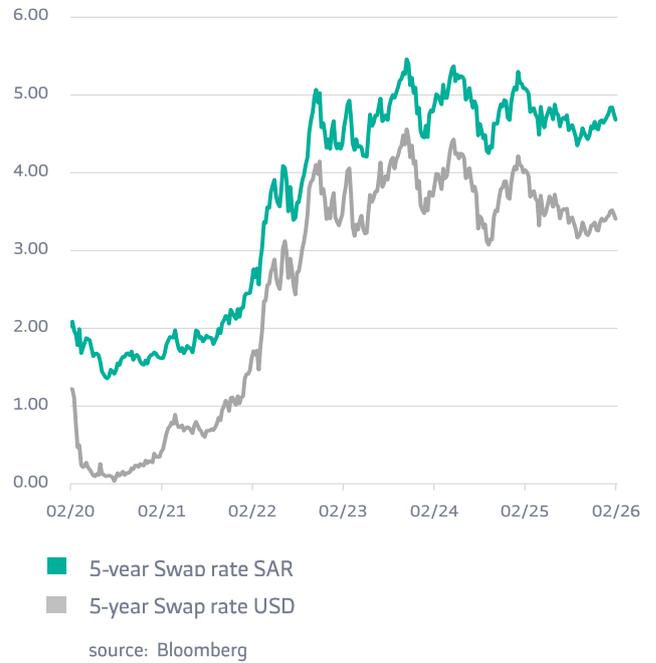


Figure 3:
5-Year KSA SAR Sukuk vs. USD Bond Yield



Due to the recent interest rate cuts by the Fed and SAMA, the 3M SAIBOR has fallen below 5%, with the spread to the 3M US interest rate narrowing to approximately 105bp in the first weeks of 2026, after having peaked at

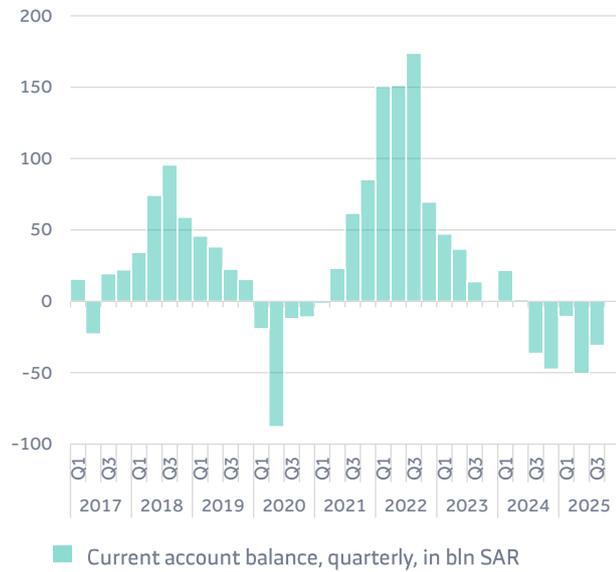
Figure 4:
Central Bank Rate and 3-Months SAIBOR



140bp before. A similar observation could be made in the area of 5Y SAR and USD swap rates. In contrast, the yield difference between KSA SAR Sukuk and KSA USD Sukuk widened to approximately 50bp for the 5Y tenor.

Saudi Balance of Payments

Figure 1:
Current Account Balance



source: SAMA

Figure 2:
Foreign Direct Investments

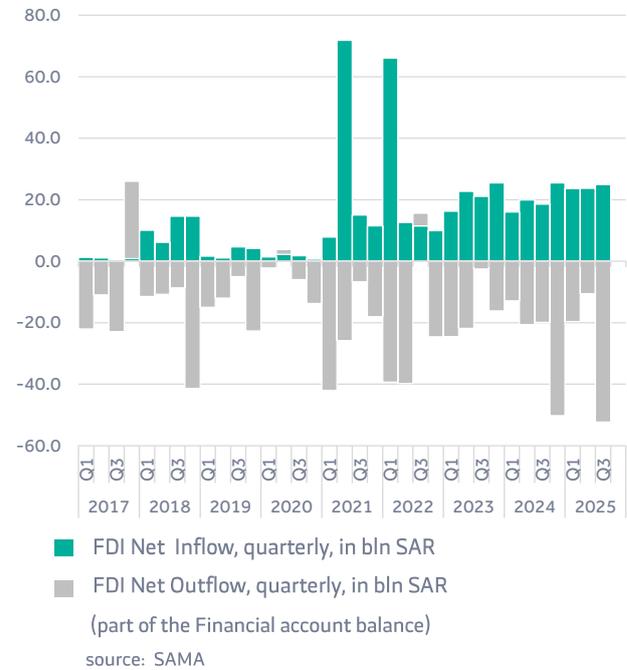
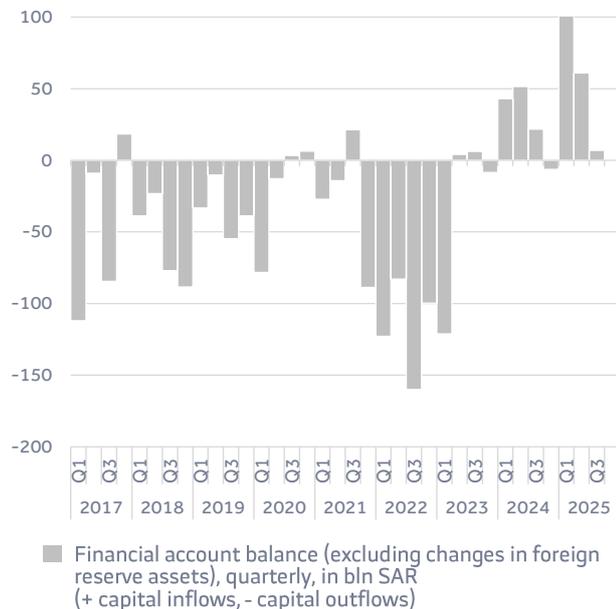
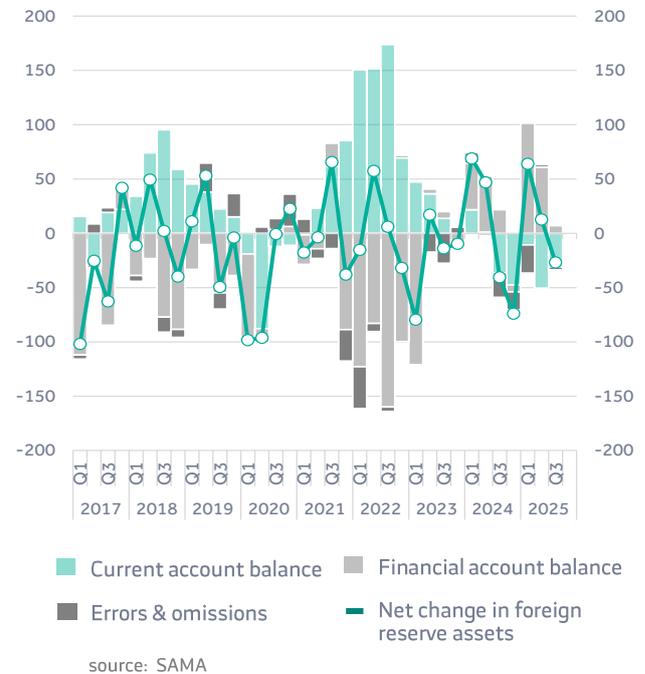


Figure 3:
Financial Account Balance



source: SAMA

Figure 4:
Contribution to Balance of Payments



The third quarter 2025 recorded a current account deficit of 31bln SAR, considerably smaller than the 50bln SAR deficit in Q2 2025. Conversely, the financial account surplus decreased substantially from 61bln SAR in Q2 to

just 7bln SAR in the third quarter, partly also due to elevated foreign direct investments abroad amounting to a record 52bln SAR. As a result, official foreign reserves with SAMA declined by 27bln SAR in Q3 2025.

Tadawul: Saudi Equity Market Statistics

Figure 1:
Tadawul All-Share Index



Figure 2:
Tadawul Average Daily Traded Value

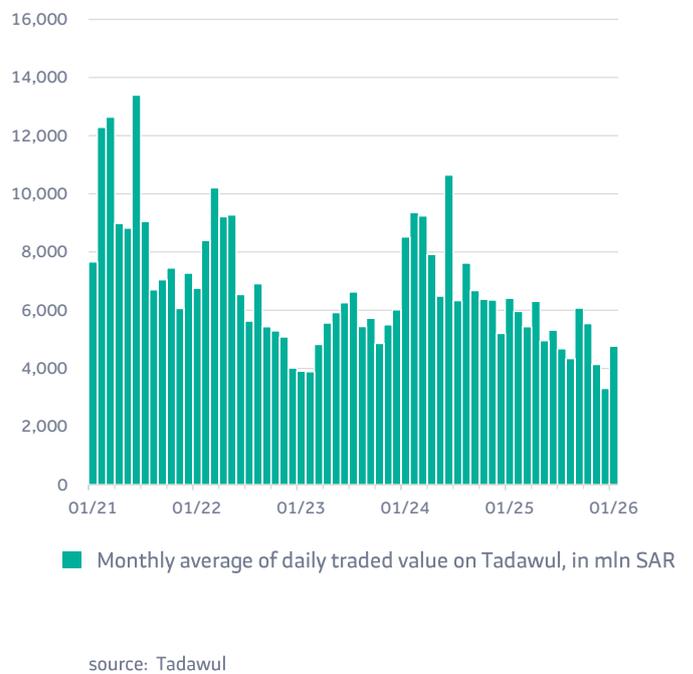


Figure 3:
Monthly Net Purchase by Ownership (in bln SAR)

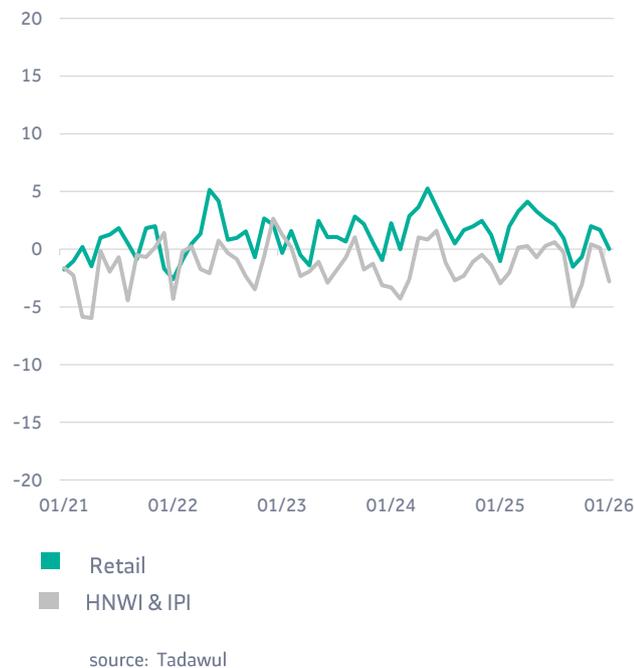
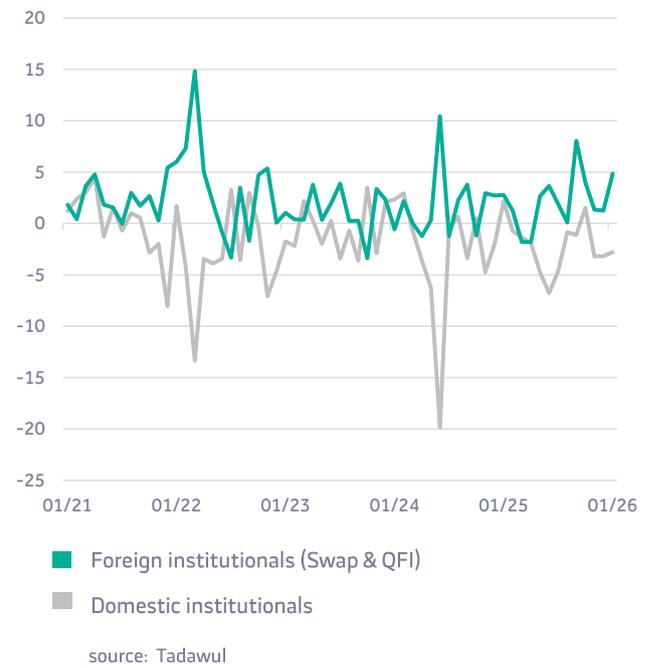


Figure 4:
Monthly Net Purchase by Ownership (in bln SAR)

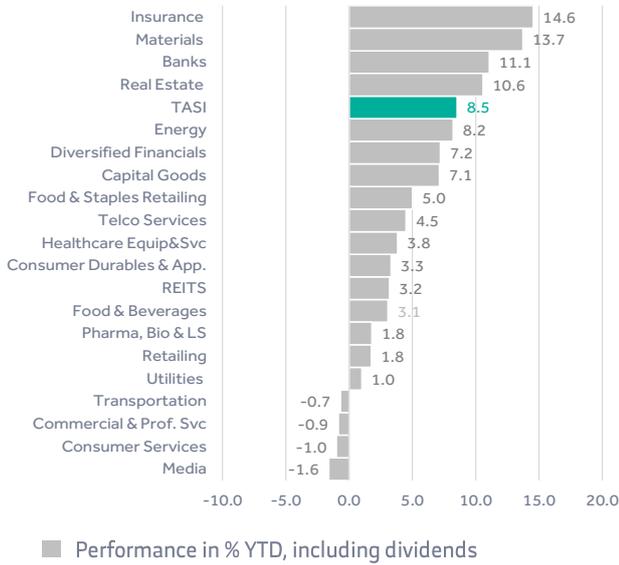


After hitting a low of under 10,300 at the beginning of the year, the Saudi stock market subsequently recovered significantly to over the 11,000 mark. Accordingly, the daily traded value increased in January to an average of

4.8 billion SAR, compared to 3.3 billion SAR in December. The recovery in January was primarily supported by significant net purchases from foreign institutional investors, while domestic investors were net sellers.

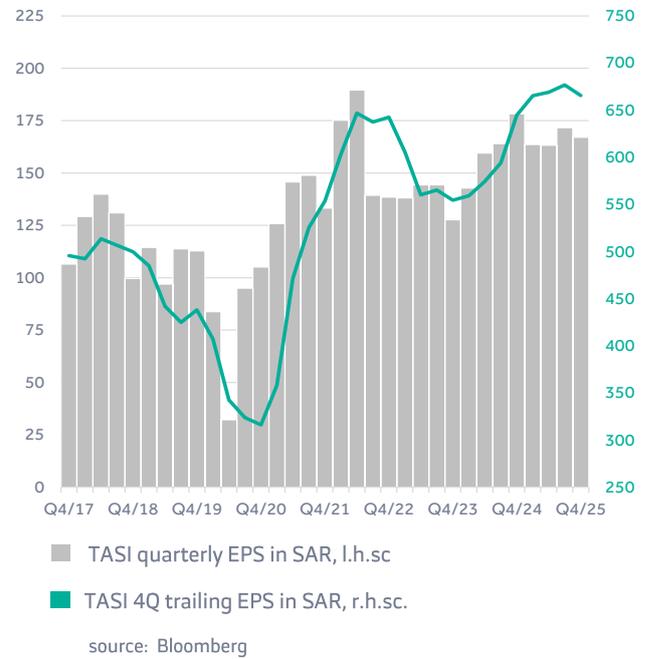
Tadawul: Saudi Equity Market Statistics

Figure 1:
Performance TASI Sectors Jan 2026YTD



source: Bloomberg

Figure 2:
Quarterly Earnings TASI



source: Bloomberg

Figure 3:
Valuation TASI: PE-Ratio Trailing



source: Bloomberg

Figure 4:
Valuation TASI: PE-Ratio Forward



source: Bloomberg

The Tadawul all-share index gained a remarkable 8.5% in January. The best-performing sector was insurance with a gain of 14.6%, particularly following the official announcement of a national insurance strategy. At the

bottom of the performance rankings were the media and consumer services sectors, with declines of 1.6% and 1.0%, respectively. The rally in January has brought valuation indicators back close to their long-term averages.

Saudi Economic Outlook

As already in 2025, the Saudi economy is expected to benefit in 2026 and 2027 from positive growth contributions from both the oil sector and the non-oil economy.

We project continued solid growth for non-oil activities, albeit at a slightly lower pace than in the years before. After 6.0% in 2024 and 4.9% in 2025, we forecast non-oil activities to expand by 4.3% in 2026 and to gradually re-accelerate to 4.6% in 2027. This would ultimately constitute a period of seven consecutive years of growth above 4% for non-oil activities.

Within the oil sector, the unwinding of the previous output cuts has resulted in an increase of oil production by more than 1mbd in the course of 2025. Against the backdrop of a potentially oversupplied market in 2026, OPEC+ decided to abstain from any further output increase in Q1 2026. But given the most recent rebound in oil prices, it seems likely that OPEC+ may resume its planned production increase in the course of 2026 which, however, may be partly extended into the next year. Based on these assumptions, we expect oil sector activities to expand by 6.2% in 2026 and by 2.2% in 2027.

As a consequence, we forecast the overall economy to expand by 4.3% in 2026 after 4.5% last year. For 2027, we expect a gradual growth slowdown to 3.4%.

Following a period of strong fiscal expansion between 2021 and 2024, the government embarked on a course of consolidation in 2025, which will continue in the current year, before a gradual fiscal expansion is expected in 2027. As a consequence, we forecast a fiscal deficit of 4.3% of GDP this year after 5.9% in 2025. For next year, the fiscal shortfall is expected to narrow to 3.5%.

The current account balance is projected to show a deficit of 3.9% of GDP in 2026 after 3.5% last year. For next year we project the deficit to narrow to 2.6%, this mainly as a result of higher oil export revenues and further improving travel and tourism revenues.

We expect inflation to gradually soften in 2026 as rental inflation as the main driver so far is expected to further ease. We, therefore, forecast an average inflation of 1.8% in 2026 with a slight pick-up to 2.0% in 2027.

Finally, we expect the US Federal Reserve to cut its FED fund rate from currently 3.75% to 3.25% until end of this year and to keep rates unchanged in 2027. SAMA is expected to follow the FED on this monetary policy path.

Given this baseline scenario, we expect 3M SAIBOR rate to decline to 4.20% by end of 2026, and to bottom out slightly above 4.0% in 2027.

Facts and Forecasts at a Glance

	2024	2025	2026f	2027f
Real GDP Growth				
Overall economy	2.6	4.5	4.3	3.4
Non-oil Activities	6.0	4.9	4.3	4.6
Government Activities	2.3	0.9	1.1	1.4
Oil Activities	-4.4	5.6	6.2	2.2
Fiscal Balance and Government Debt				
Fiscal Balance in bln SAR	-116	-277	-207	-177
Fiscal Balance in % GDP	-2.5	-5.9	-4.3	-3.4
Government debt in bln SAR	1216	1519	1726	1903
Government debt as % GDP	26.2	32.2	35.4	37.0
Trade and Current Account Balance				
Trade Balance in bln SAR	339	238	175	172
Trade Balance in % GDP	7.3	5.0	3.6	3.3
Current Account in bln SAR	-21	-166	-191	-133
Current Account in % GDP	-0.5	-3.5	-3.9	-2.6

source: GASTAT, SAMA, RC

	2024	2025	2026f	2027f
Oil Prices and Production (yearly average)				
Brent price (USD pb)	79.9	68.2	64.0	66.0
WTI price (USD pb)	75.8	64.6	61.0	63.0
OPEC Basket price (USD pb)	79.9	69.2	64.0	66.0
KSA oil production (mln bd)	9.0	9.5	10.1	10.3
Inflation and Interest Rates (year end)				
CPI Inflation (yearly average)	1.50	2.04	1.80	2.00
3M SAIBOR SAR	5.54	4.90	4.20	4.10
Reverse Repo Rate	4.50	3.75	3.25	3.25
Official Repo Rate	5.00	4.25	3.75	3.75
Labor Market (yearly average)				
Unemployment rate total in %	3.5	3.1	3.0	2.9
Unemployment rate Saudi in %	7.4	6.9	6.7	6.5
Labor force part. total in %	66.3	67.4	67.5	67.6
Labor force part. Saudi in %	51.2	49.8	50.0	50.2

source: GASTAT, SAMA, Bloomberg, RC

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