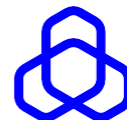


## Saudi Banking Monthly Report

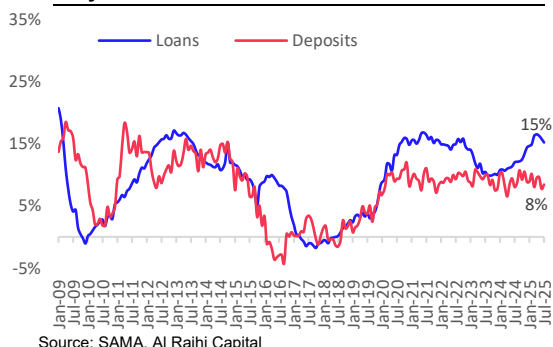
Banking Monthly Report

31 August 2025

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alrajhi capitalResearch Department  
Madhu Appissa, CFA

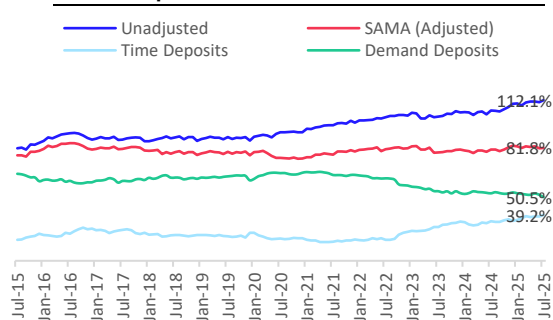
Tel +966 11 834 5486, appissam@alrajhi-capital.com

## Loans up 15% y-o-y while deposits up 8% in July-25



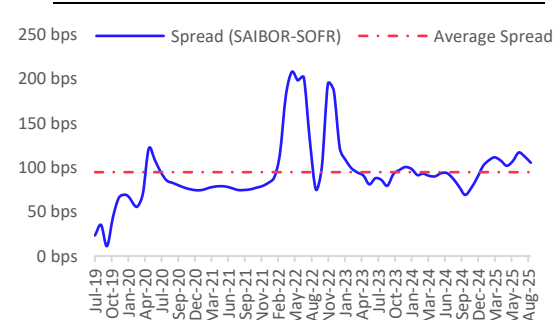
Source: SAMA, Al Rajhi Capital

## LDR &amp; Deposits Mix



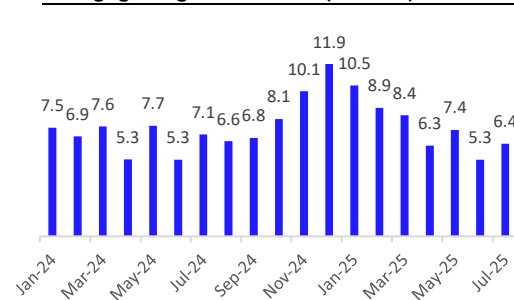
Source: SAMA, Al Rajhi Capital

## SAIBOR SOFR Spread is just over 100bps



Source: SAMA, Al Rajhi Capital

## Mortgage origination trend (SAR bn)



Source: SAMA, Al Rajhi Capital

## Saudi Banking Monthly Report

## Loan growth resilient, but deposits' growth weakens

- **Credit growth gains momentum in July (+0.9% m-o-m) after a modest 0.6% growth in June**
- **Mortgage activity picked up slightly versus June, but remained weaker vs. last year**
- **Deposit growth softened due to decline in govt. deposits; the shift from demand to time deposits reached levels not seen since 2010**
- **LDR spiked by 135bps m-o-m, SAIBOR-SOFR stays elevated**
- **Overall, July data indicates tight liquidity conditions, while consumer spending stayed resilient.**

## More details:

**Credit:** Growth in July picked up, 0.9% m-o-m (+15.2% y-o-y) versus 0.6% m-o-m in June, but is trending below the average YTD 2025 run rate of about 1.2%. The growth continues to be led by corporate loans (indicated by total bank credit minus personal loans), which was up 1.2% m-o-m (+21.2% y-o-y).

**Mortgage:** Mortgage originations came in at SAR 6.4bn, +20.7% m-o-m, but down 9.3% y-o-y. So far in 2025, the average mortgage origination has been SAR 7.6bn (+12.0% y-o-y).

**Deposits:** Total deposits, after outpacing credit last month, declined 0.3% m-o-m in July (June: +1.1% m-o-m) hurt by a sharp decline in demand deposits (-3.2% m-o-m), that more than offset the growth in time deposits (+2.1% m-o-m) as well as other quasi money deposits (+5.8% m-o-m). The monthly decline in demand deposits came mainly from the govt. that saw 11.8% m-o-m decline in demand deposits. Overall, government deposits declined 3.6% m-o-m, while private deposits were up 0.2% m-o-m. The mix of demand deposits decreased to 50.5%, lowest seen since June 2010, while time deposits mix increased to 39.2%.

**Liquidity:** The simple LDR increased 135bps m-o-m to 112.1%, while the adjusted LDR was also up 22bps m-o-m to 81.8%. The average SAIBOR-SOFR spread in July was elevated around 112bps, higher than the average. However, the average spread in August narrowed to 105bps.

**Consumer spending** (including PoS, cash withdrawals and e-commerce) increased 15.4% y-o-y in July to SAR 134.5bn (+8.8% y-o-y in June), while cash withdrawals in value terms came in flat y-o-y (-4.7% y-o-y in June) to SAR 45.8bn.

**Profitability:** Profit before Zakat and tax (PBT) for July was up +7.0% y-o-y to SAR 8.2bn, (June: +27.6% y-o-y). PBT for 7M25 came in at SAR 59.2bn, witnessing a growth of 18.0% y-o-y.

Figure 1 SAMA Monthly Data

(SAR bn)	Jul-25	Jul-24	y-o-y	Jun-25	m-o-m
<b>Credit</b>					
Total Credit	3,216	2,791	15.2%	3,186	0.9%
Claims on Private Sector	2,987	2,623	13.9%	2,959	0.9%
Claims on Public Sector	229	169	35.6%	227	0.9%
<b>Deposits</b>					
Total Deposits	2,867	2,645	8.4%	2,876	-0.3%
Demand Deposits	1,447	1,399	3.4%	1,495	-3.2%
Time Deposits	1,123	930	20.8%	1,100	2.1%
Interbank Liabilities	131	91	43.3%	128	1.7%
<b>Key Ratios</b>					
Demand Deposit Mix	50.5%	52.9%	-244 bps	52.0%	-152 bps
Time Deposit Mix	39.2%	35.2%	400 bps	38.2%	93 bps
Simple LDR (%)	112.1%	105.5%	660 bps	110.8%	135 bps
SAMA LDR (%)	81.8%	80.7%	111 bps	81.6%	22 bps
<b>Other Key Indicators</b>					
Residential Mortgage	6.4	7.1	-9.3%	5.3	20.7%
Average Mortgage Origination (YTD)	7.6	6.8	12.0%	7.8	-2.5%
Profit before Zakat	8.2	7.7	7.0%	9.9	-16.5%
<b>Rates (%)</b>					
SAIBOR 3M*	5.46%	6.21%	-76 bps	5.48%	-3 bps
SOFR*	4.34%	5.34%	-101 bps	4.32%	2 bps
Spread (SAIBOR-SOFR)	112 bps	87 bps	25 bps	117 bps	-5 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

## Saudi Banking Monthly Report

Banking Monthly Report

31 August 2025

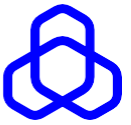
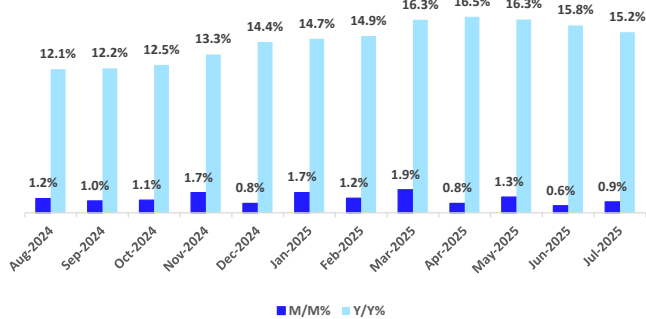
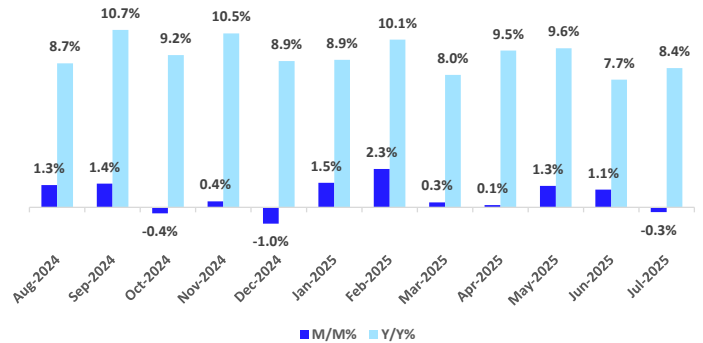
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Figure 2 Credit Growth (Last 12 Months)



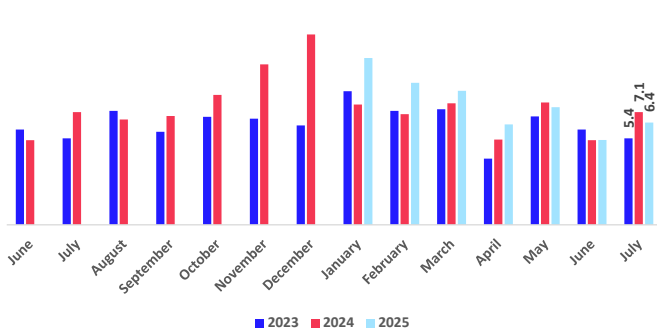
Source: Saudi Central Bank, Al Rajhi Capital

Figure 3 Deposit Growth (Last 12 Months)



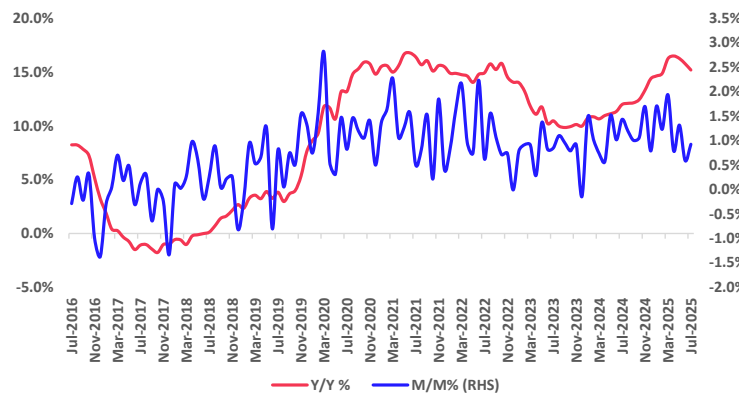
Source: Saudi Central Bank, Al Rajhi Capital

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



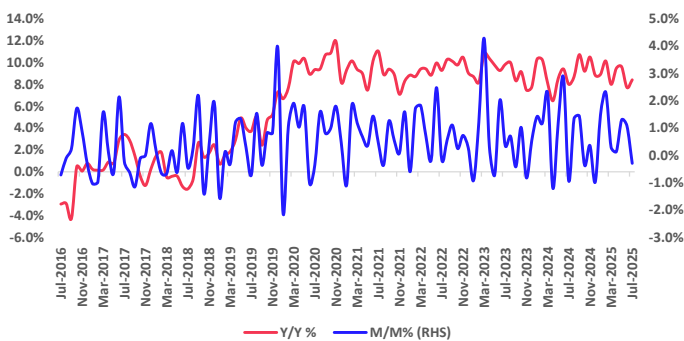
Source: Saudi Central Bank, Al Rajhi Capital.

Figure 5 Credit Growth Long Term



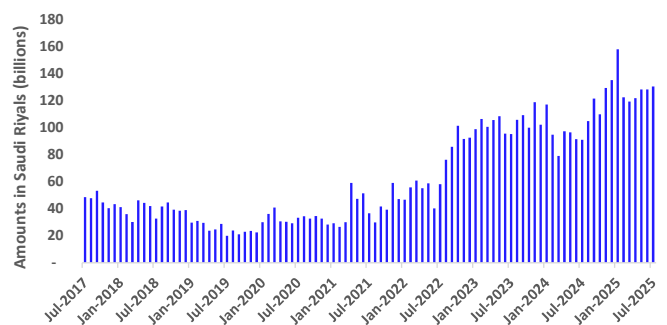
Source: Saudi Central Bank, Al Rajhi Capital

Figure 6 Deposit Growth Long Term



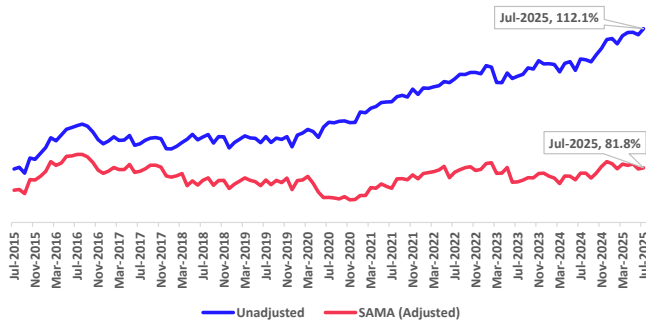
Source: Saudi Central Bank, Al Rajhi Capital

Figure 7 Interbank Liabilities (Long-Term)



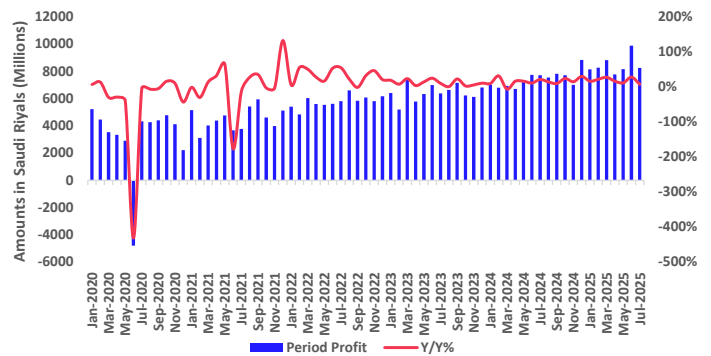
Source: Saudi Central Bank, Al Rajhi Capital

Figure 8 LDR (Long-Term)



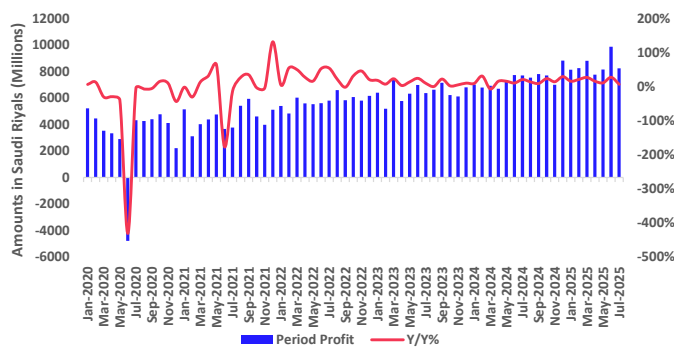
Source: Saudi Central Bank, Al Rajhi Capital

Figure 9 Bank profit before zakat



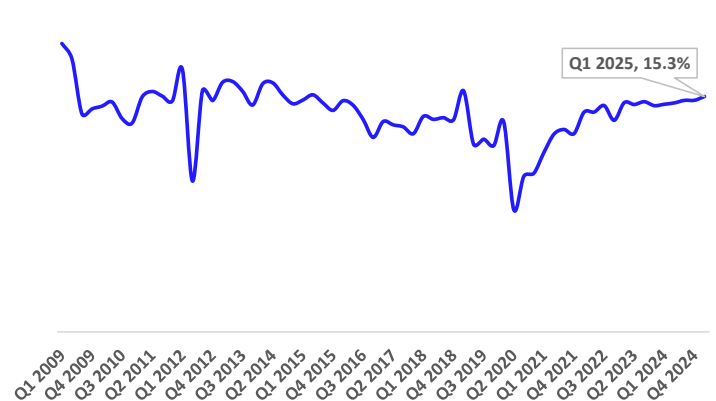
Source: Saudi Central Bank, Al Rajhi Capital

Figure 10 Bank-Credit growth by Economic activity



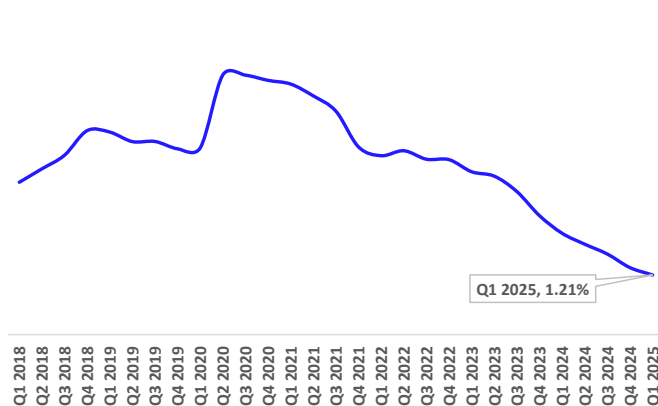
Source: Saudi Central Bank, Al Rajhi Capital; \* Wholesale and Retail Trade; \*\* Finance & Insurance Activities

Figure 11 Return on Equity (Banks)



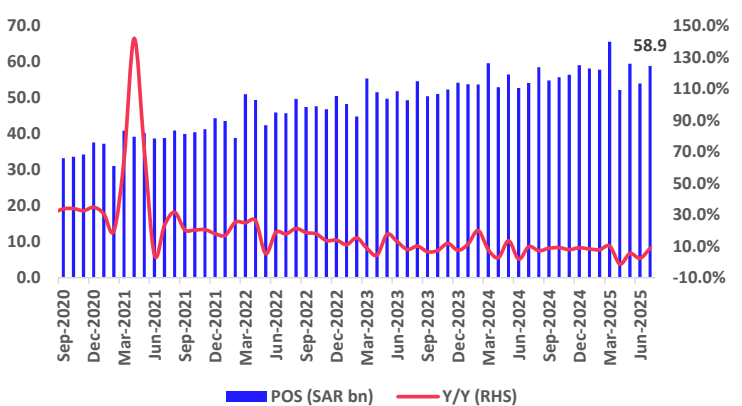
Source: Saudi Central Bank, Al Rajhi Capital

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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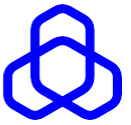
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