

Banking Monthly Report (December 2025)

Loans and deposits: Bank lending to the private sector rose 10.2% y/y in December 2025 (+0.2% m/m), marginally lower than the increase in last month. Retail real estate loans increased by 8.9% y/y in December 2025 (+0.8% m/m). Meanwhile, residential new monthly mortgage disbursements fell sharply by 53.5% y/y to SAR5.5bn in December 2025. At 8.7% y/y (+0.9% m/m), deposits grew slower than loans on an annual basis. With regards to the deposit mix, the share of Time & Savings deposits remained at 40% in December 2025. Time and Savings deposits, and Government deposits (32% of total deposits) grew by 23.6% y/y and 16.9% y/y, respectively, in December 2025, while demand deposits fell by 0.6%. The sector's LDR declined 38bps m/m to 80.3% in December 2025, signaling easing liquidity, however, banks still relied on external funding to maintain loan growth.

Banking sector profits: The profit before tax for the banks increased 9.4% y/y and 16.9% m/m to SAR9.6bn in December 2025. Meanwhile, the 4Q25 profit before tax grew 11.1% y/y to SAR26.1bn. The yield curve remains inverted, with Saudi 3M SAIBOR at ~4.8%, and the 10Y Govt Bond yield at ~4.7%.

Economic activity: PoS transactions rose 9.3% y/y in December 2025, while ATM withdrawals declined 6.2% over the same period. KSA's non-oil private sector PMI declined to 57.4 in December 2025 from 58.5 in November 2025, recording a second monthly decline but still in remained in the expansionary phase that indicates solid growth in non-oil private sector. The Federal Reserve, at its January 27–28 meeting, maintained the benchmark rate at 3.50–3.75% with an expansion in economic activity while job gains remained low. The Fed will continue to assess the upcoming economic data for its future policy decisions.

Figure 1: Key metrics

Key metrics (SARbn unless specified)	Dec-25	Dec-24	y/y	Nov-25	m/m
Loans					
Claims on Private Sector	3,147	2,855	10.2%	3,142	0.2%
Residential New Mortgages	5.5	11.9	-53.5%	4.5	24.3%
Retail Real Estate Loans*	742	681	8.9%	736	0.8%
Claims on Govt. and Quasi Govt.	910	795	14.4%	896	1.6%
Deposits					
Total Deposits	2,926	2,692	8.7%	2,899	0.9%
Demand Deposits	1,432	1,441	-0.6%	1,418	1.0%
Time and Savings Deposits	1,174	950	23.6%	1,171	0.3%
Government Deposits	942	806	16.9%	919	2.5%
Other key indicators					
LDR (%)	80.3%	83.2%	-290bps	80.7%	-38bps
Profit Before Tax	9.6	8.8	9.4%	8.3	16.9%
SAMA Foreign Reserves (US\$bn)	460	437	5.3%	464	-0.8%
Money Supply (M3)	3,168	2,921	8.4%	3,139	0.9%
Rates (%)					
	Spot	2024	2025	YTD^	
SAIBOR 3M	4.8%	6.0%	5.3%	4.9%	
Repo	4.3%	5.8%	4.9%	4.3%	
Reverse Repo	3.8%	5.3%	4.4%	3.8%	
US Fed Data					
	Current	2025	2026	2027	
Bbg cons. benchmark rate expectations	3.75%	3.75%	3.26%	3.24%	
Next Fed meeting	17-18 March 2026				

Source: SAMA, Bloomberg. *Based on our calculations, cumulative number as on latest month, ^Average

Valuation metrics of Saudi Banks

Bank	P/E*	P/B	Div. Yield*
Al Rajhi	16.2x	3.9x	3.0%
SNB	10.6x	1.5x	5.1%
Riyad	8.4x	1.4x	5.9%
Alinma	11.5x	2.0x	3.6%
BJAZ	9.5x	1.1x	0.8%
Al Bilad	12.5x	2.2x	2.5%
BSF	9.1x	1.1x	6.2%
Arab	8.9x	1.1x	5.7%
SIB	8.4x	1.1x	6.0%
SAB	8,74	1.1x	5.7%

Source: Bbg, *based on Bbg cons. (12m fwd)

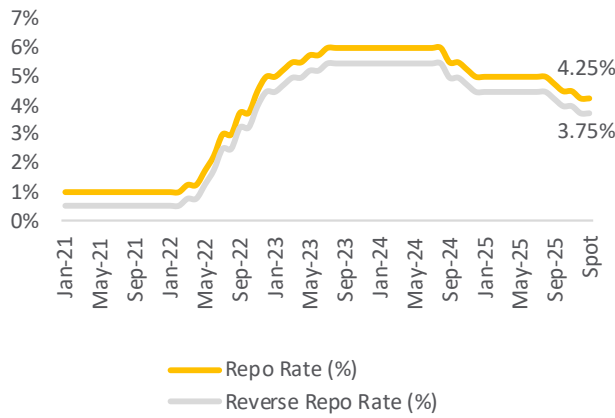
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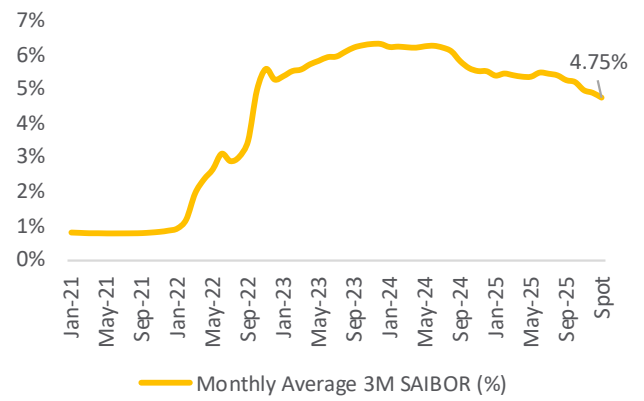
Chart Pack

Figure 2: Policy Rates



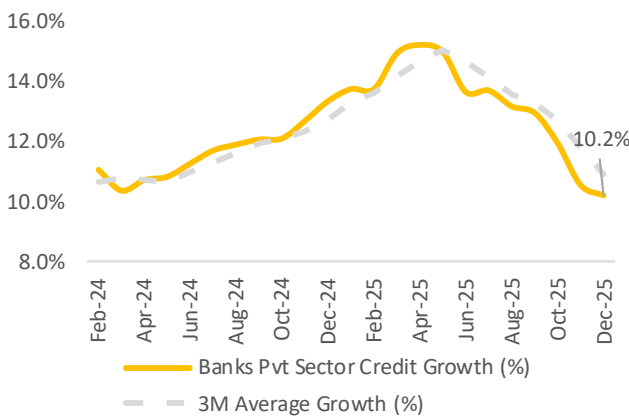
Source: SAMA, GIB Capital

Figure 3: Monthly Average 3M SAIBOR



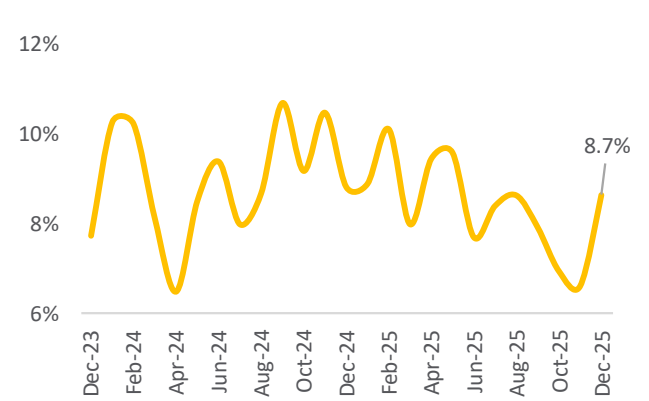
Source: Bloomberg, SAMA, GIB Capital

Figure 4: Banks Private Sector Credit Growth (y/y)



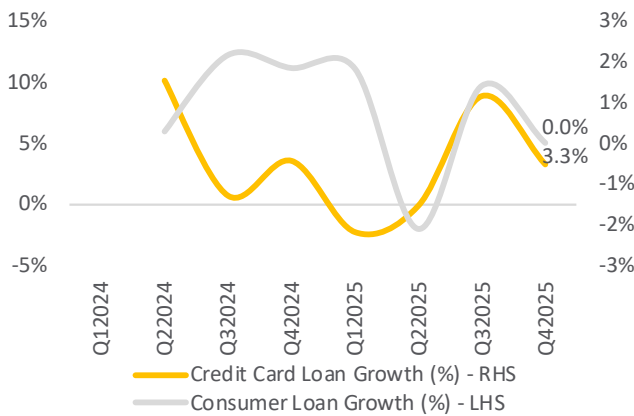
Source: SAMA, GIB Capital

Figure 5: Banks Deposit Growth (y/y)



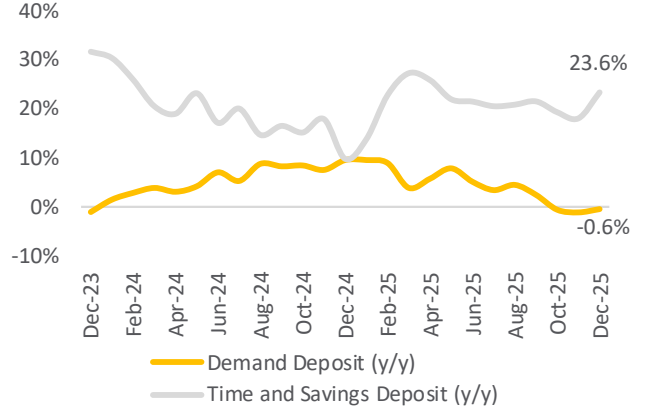
Source: SAMA, GIB Capital

Figure 6: Consumer and Credit Card Loan Growth (q/q)



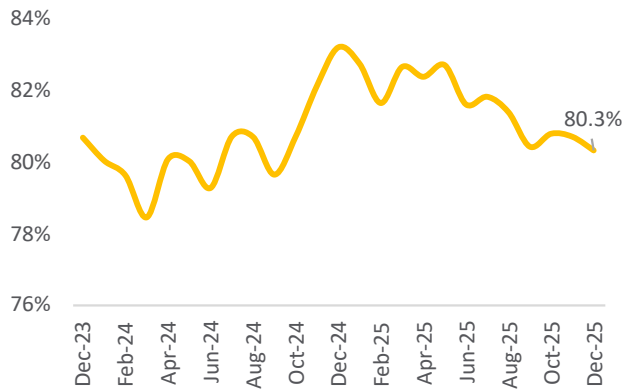
Source: SAMA, GIB Capital

Figure 7: Demand vs. Time and Savings Deposit Growth



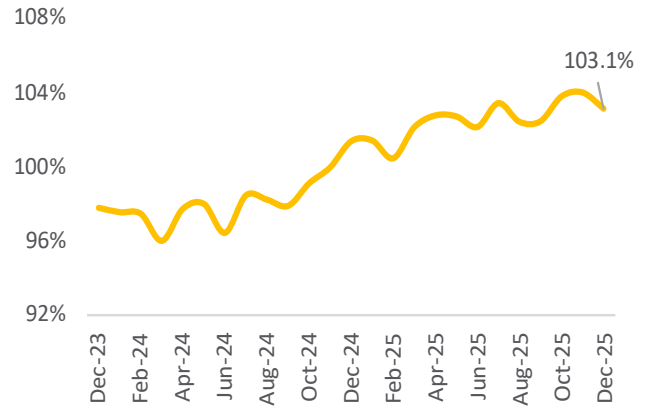
Source: SAMA, GIB Capital

Figure 8: Banks Loans-to-Deposit Ratio



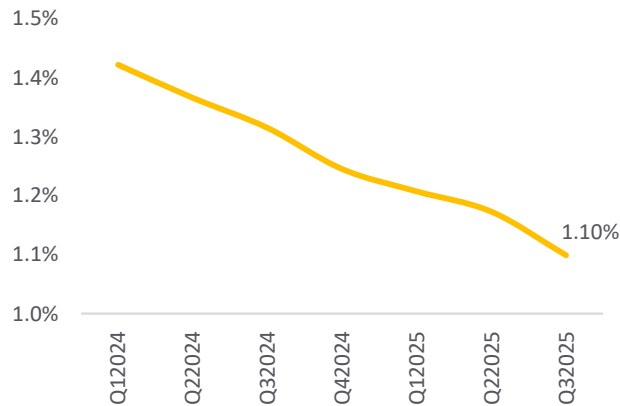
Source: SAMA, GIB Capital

Figure 9: Loans-to-Deposit Ratio



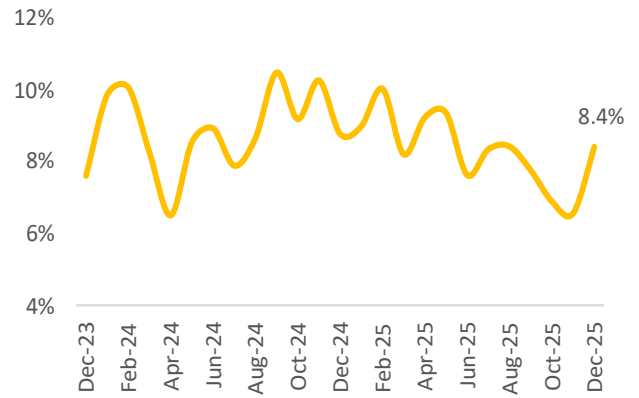
Source: GIB Capital, calculated as reported loans/reported deposits

Figure 10: Non-Performing Loans (NPL) as % of Total Loans



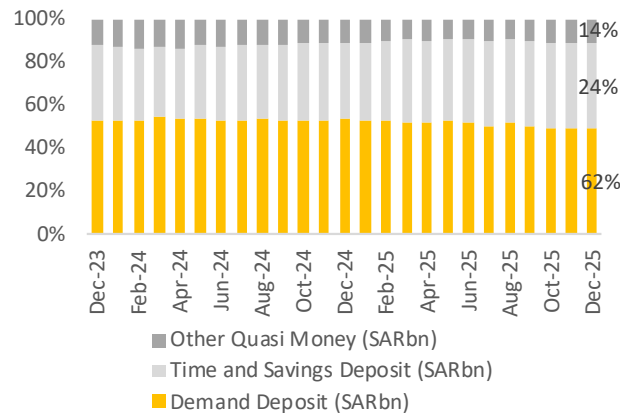
Source: SAMA, GIB Capital

Figure 11: Banking Sector Non-Govt Deposits Growth (y/y)



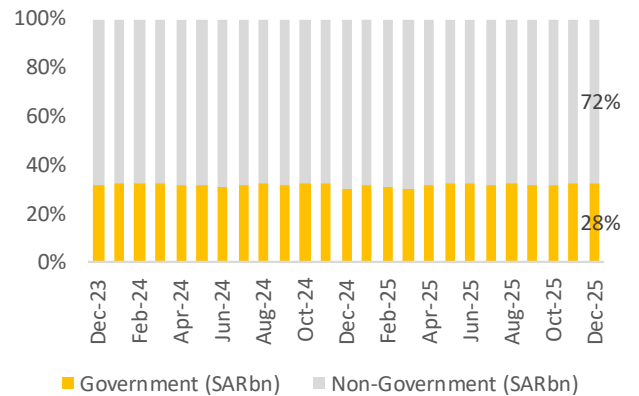
Source: SAMA, GIB Capital

Figure 12: Mix of Deposit – Demand, Time and Savings, and Others



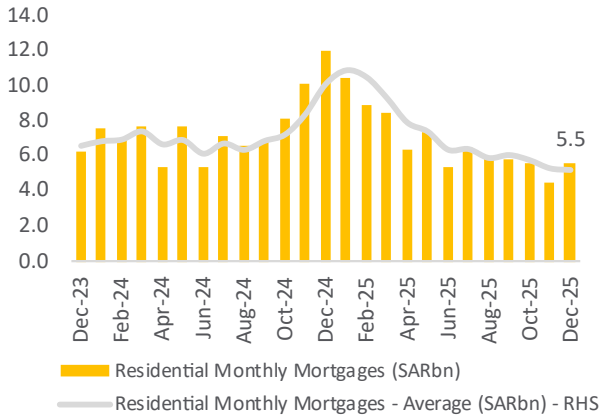
Source: SAMA, GIB Capital

Figure 13: Mix of Deposit – Government and Non-Government



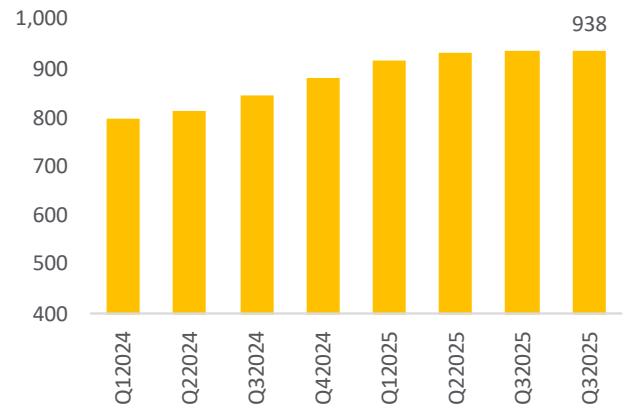
Source: SAMA, GIB Capital

Figure 14: Residential Monthly Mortgages



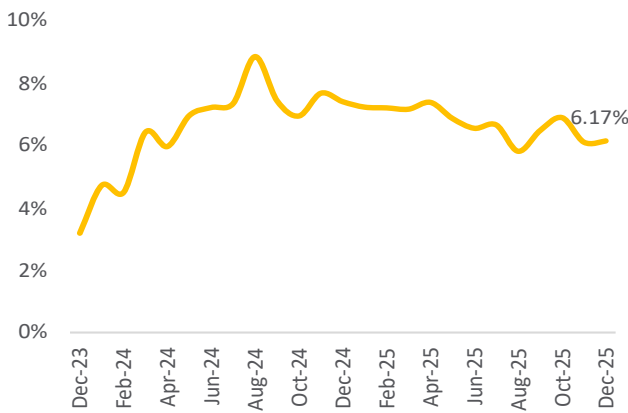
Source: SAMA, GIB Capital

Figure 15: Real Estate Loans by Banks (SARbn)



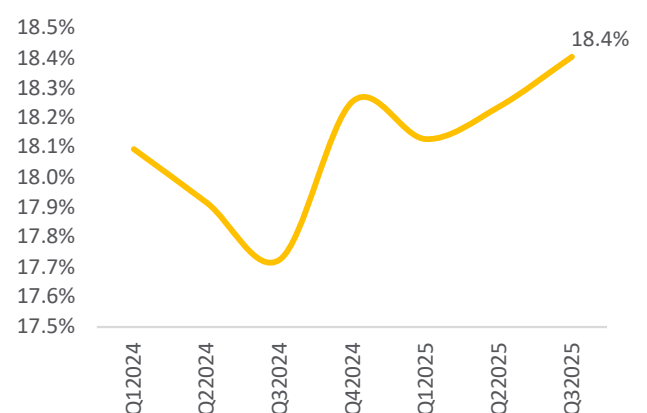
Source: SAMA, GIB Capital

Figure 16: Banking Sector Total Assets Growth (y/y)



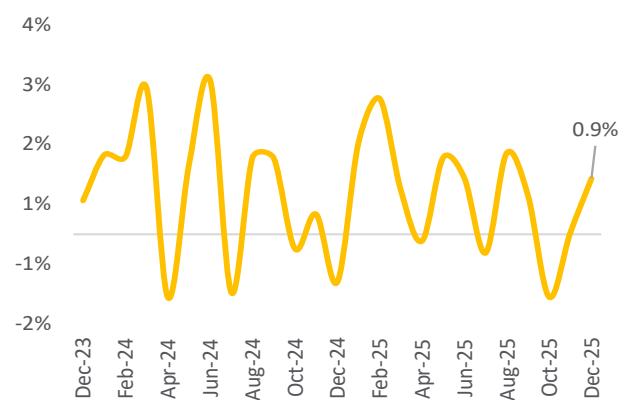
Source: SAMA, GIB Capital

Figure 17: Tier1 Capital-to-Risk Weighted Assets (RWA)



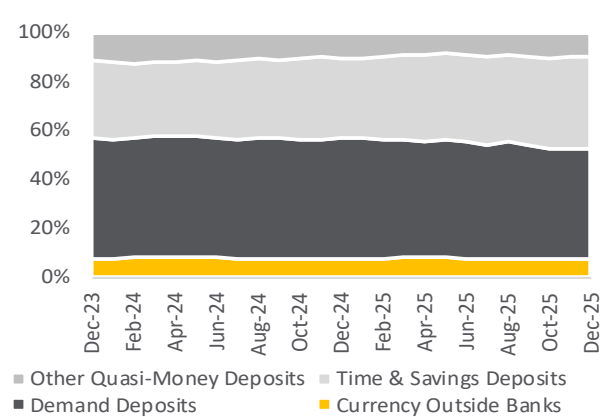
Source: SAMA, GIB Capital

Figure 18: Money Supply (M3) Growth (m/m)



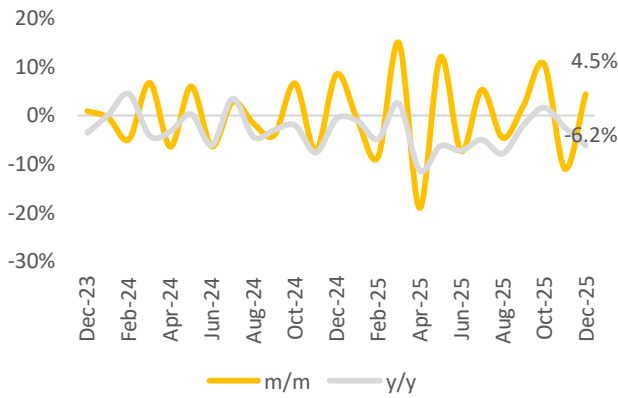
Source: SAMA, GIB Capital

Figure 19: Money Supply (M3) Components



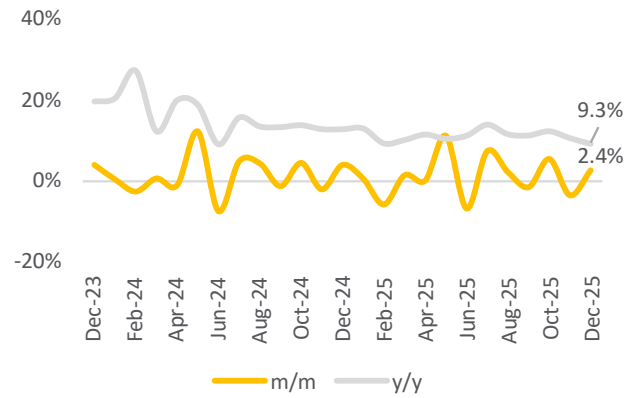
Source: SAMA, GIB Capital

Figure 20: ATM Withdrawals Growth



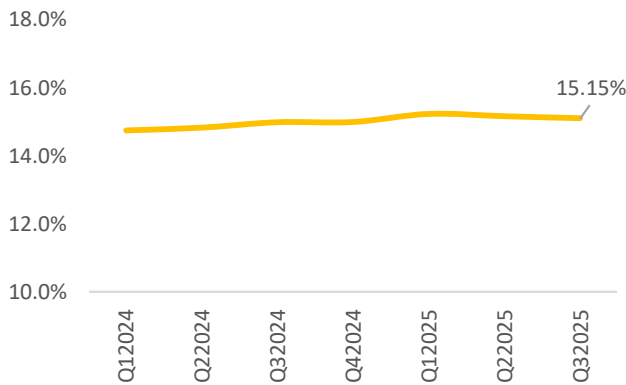
Source: SAMA, GIB Capital

Figure 21: PoS Transactions Growth



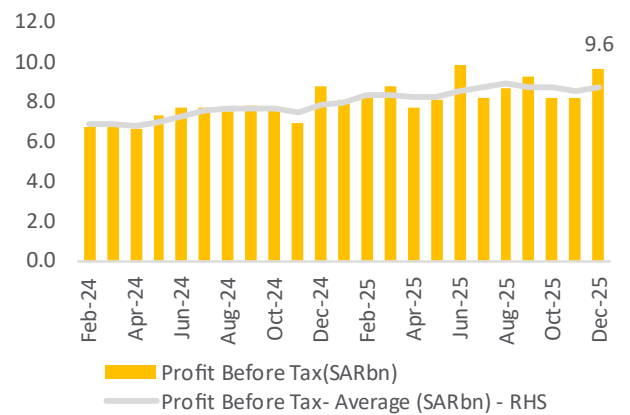
Source: SAMA, GIB Capital

Figure 22: Return on Equity



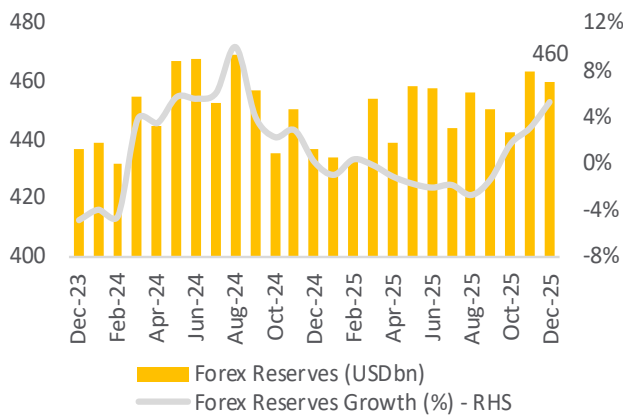
Source: SAMA, GIB Capital

Figure 23: Profit Before Tax



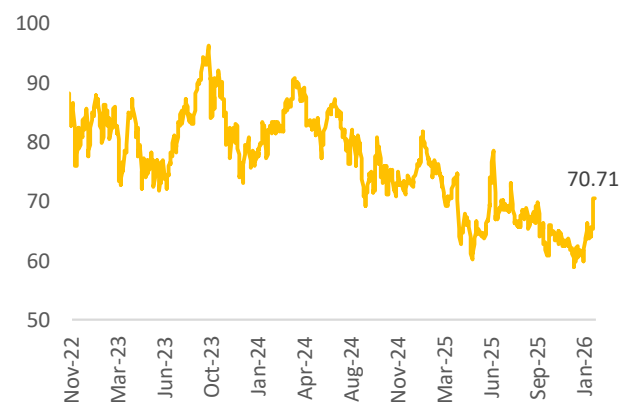
Source: SAMA, GIB Capital

Figure 24: Forex reserves



Source: SAMA, GIB Capital

Figure 25: Oil prices (US\$/bbl)



Source: Bloomberg, GIB Capital

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