

Banking Monthly Report (February 2026)

Loans and deposits: Bank lending to the private sector grew 8.8% y/y to SAR3.2tn in February 2026 (+0.4% m/m), slightly slower than the increase last month. Retail real estate loans rose by 5.8% y/y in February 2026 (+0.7% m/m). Meanwhile, residential new monthly mortgage disbursements declined 39.7% y/y to SAR5.4bn in February 2026. Deposits grew 8.8% y/y (+2.3% m/m) in February 2026, in line with lending growth, reversing the trend of prior months where lending outpaced deposits. With regards to the deposit mix, the share of Time & Savings deposits stood at 39% in February 2026 compared to 37% in corresponding month last year. Time and Savings deposits, and Government deposits grew by 16.2% y/y and 14.8% y/y, respectively, in February 2026, while demand deposits rose by 1.2%. The sector's LDR declined by 39bps m/m to 79.2% in February 2026, indicating a modest easing in liquidity pressure.

Banking sector profits: The profit before tax for the banks remained broadly flat on an annual basis (down 3.2% m/m), reaching SAR8.3bn in February 2026. Meanwhile, the 1Q26 (Jan & Feb) profit before tax grew 2.4% y/y to SAR16.8bn. The yield curve remains inverted, with Saudi 3M SAIBOR at ~4.8%, and the 10Y Govt Bond yield at ~5%.

Economic activity: PoS transactions rose 6.5% y/y in February 2026, while ATM withdrawals declined 3.6% over the same period. KSA's non-oil private sector PMI eased to 56.1 in February 2026 from 56.3 in January 2026, marking a fourth consecutive decline but remaining in expansionary phase, supported by healthy demand and orders despite rising cost pressures. In the recent Fed meeting held on March 17-18, the committee witnessed steady economic growth, with modest job gains, while inflation remained somewhat elevated. As a result, it kept interest rates unchanged at 3.5%–3.75% and reiterated on monitoring economic conditions and risks to guide future policy to bring inflation back to its target levels.

Figure 1: Key metrics

Key metrics (SARbn unless specified)	Feb-26	Feb-25	y/y	Jan-26	m/m
Loans					
Claims on Private Sector	3,191	2,933	8.8%	3,177	0.4%
Residential New Mortgages	5.4	8.9	-39.7%	6.2	-13.2%
Retail Real Estate Loans*	742	701	5.8%	736	0.7%
Claims on Govt. and Quasi Govt.	910	821	10.8%	907	0.3%
Deposits					
Total Deposits	3,041	2,796	8.8%	2,973	2.3%
Demand Deposits	1,488	1,470	1.2%	1,446	2.9%
Time and Savings Deposits	1,199	1,032	16.2%	1,186	1.1%
Government Deposits	989	861	14.8%	953	3.8%
Other key indicators					
LDR (%)	79.2%	81.7%	-245bps	79.6%	-39bps
Profit Before Tax	8.3	8.3	0.1%	8.5	-3.2%
SAMA Foreign Reserves (US\$bn)	476	433	10.0%	476	0.1%
Money Supply (M3)	3,289	3,034	8.4%	3,218	2.2%
Rates (%)					
	Spot	2024	2025	YTD^	
SAIBOR 3M	4.8%	6.0%	5.3%	4.8%	
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%	3.37%	3.25%	
Next Fed meeting	28-29 April 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	15.4x	3.7x	3.4%
SNB	9.7x	1.3x	5.6%
Riyad	8.4x	1.4x	5.5%
Alinma	11.2x	2.0x	3.6%
BJAZ	8.8x	1.0x	1.2%
Al Bilad	12.2x	2.1x	3.2%
BSF	9.5x	1.2x	5.7%
Arab	8.3x	1.0x	6.3%
SIB	8.0x	1.0x	6.5%
SAB	8.8x	1.1x	5.8%

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

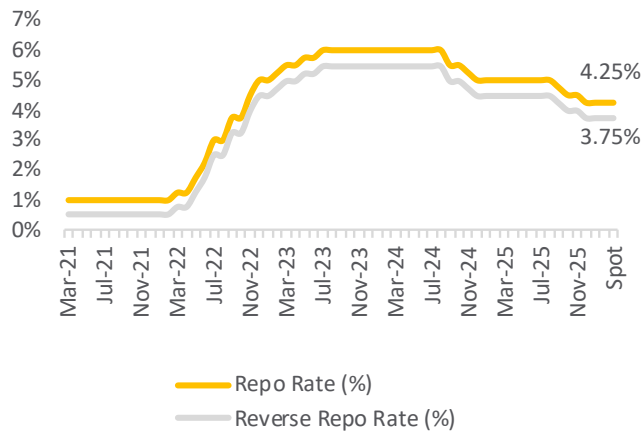
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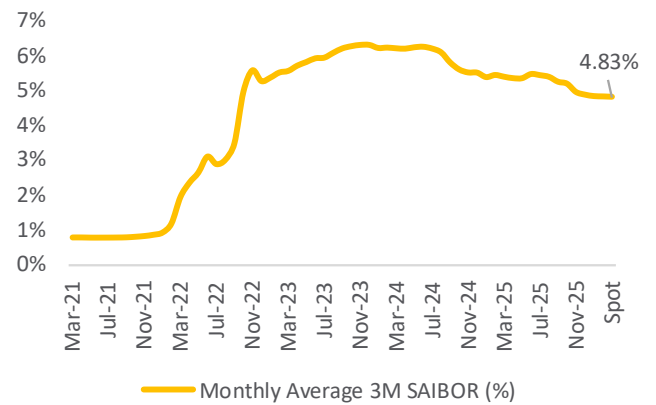
Chart Pack

Figure 2: Policy Rates



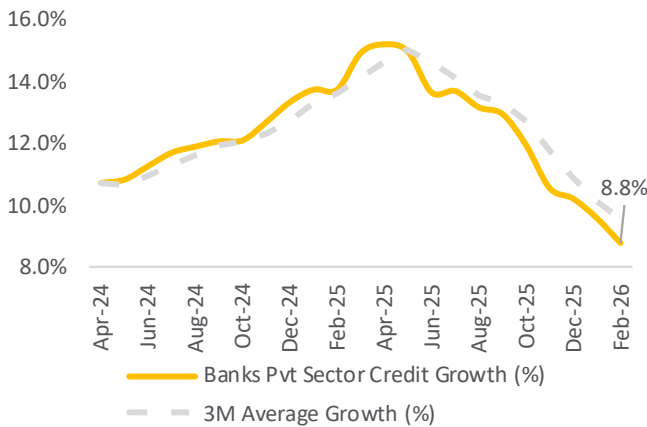
Source: SAMA, GIB Capital

Figure 3: Monthly Average 3M SAIBOR



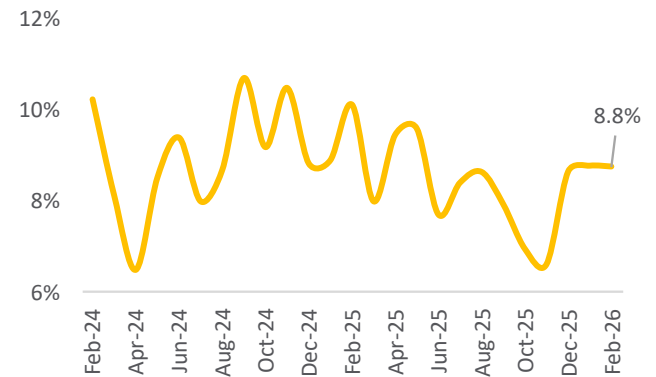
Source: Bloomberg, SAMA, GIB Capital

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



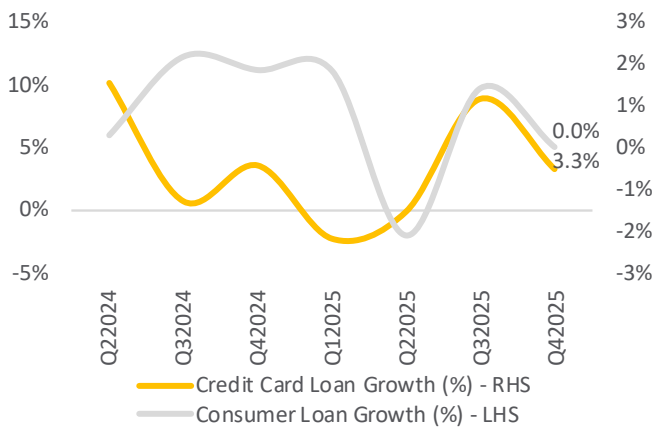
Source: SAMA, GIB Capital

Figure 5: Banks Deposit Growth (y/y)



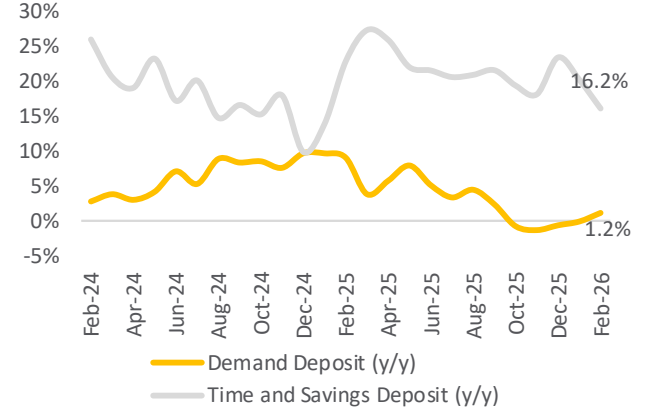
Source: SAMA, GIB Capital

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



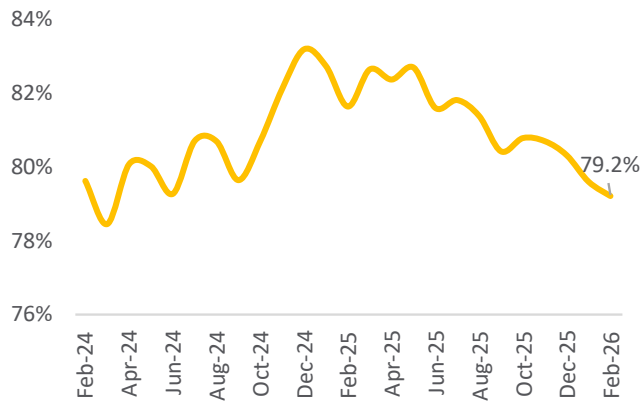
Source: SAMA, GIB Capital

Figure 7: Demand vs. Time and Savings Deposit Growth



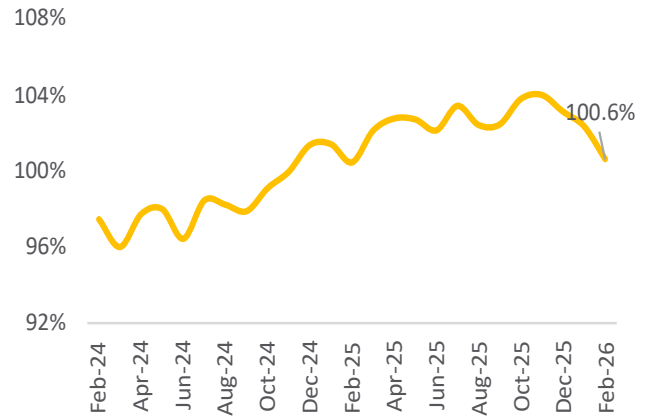
Source: SAMA, GIB Capital

Figure 8: Banks Loans-to-Deposit Ratio



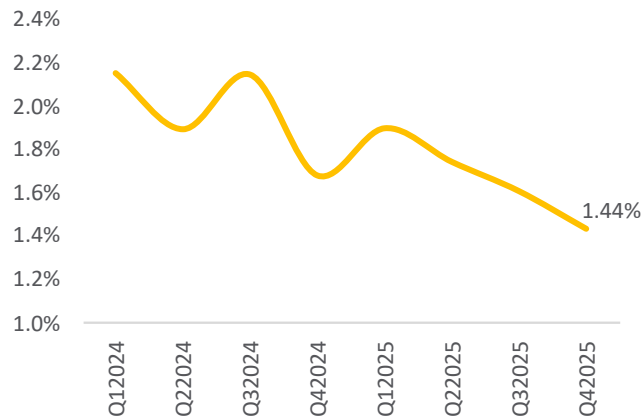
Source: SAMA, GIB Capital

Figure 9: Loans-to-Deposit Ratio



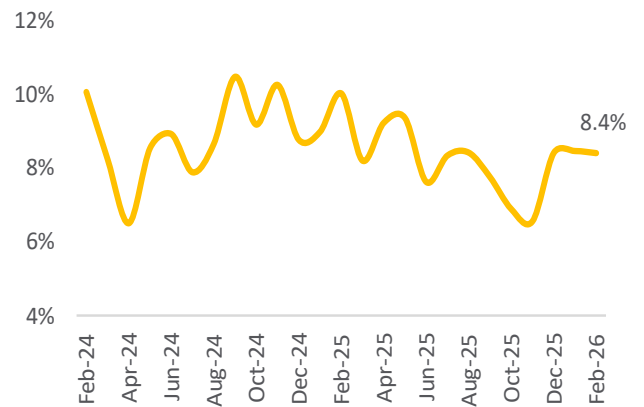
Source: GIB Capital, calculated as reported loans/reported deposits

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



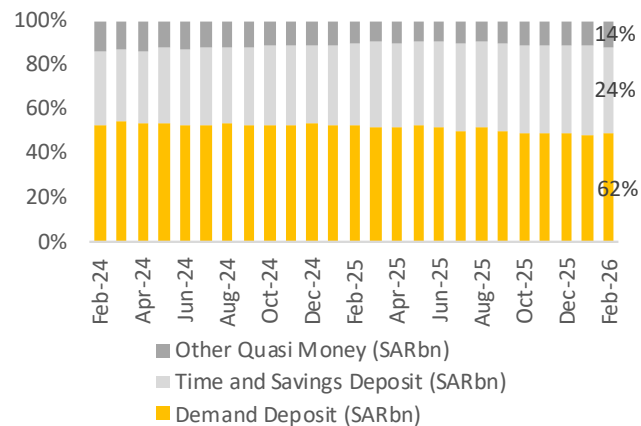
Source: SAMA, GIB Capital

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



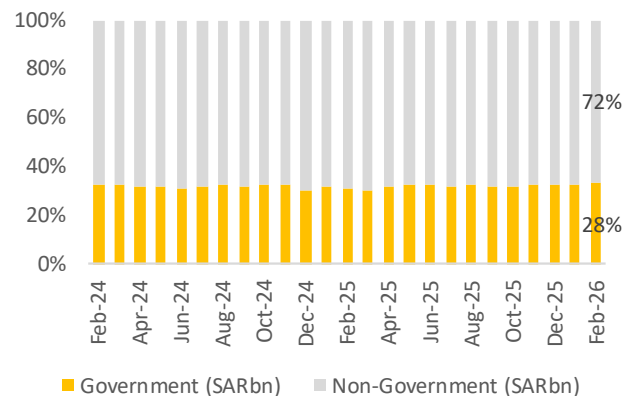
Source: SAMA, GIB Capital

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



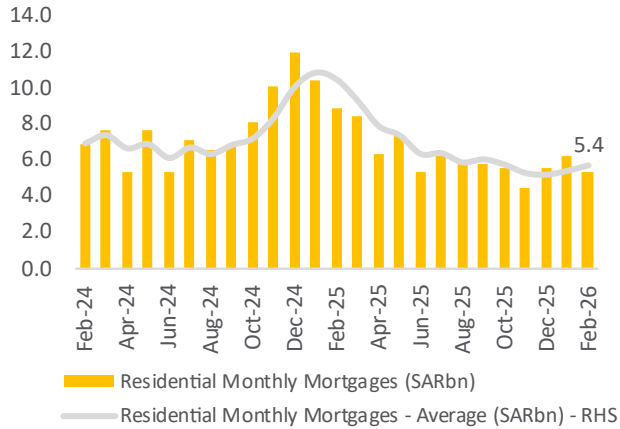
Source: SAMA, GIB Capital

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



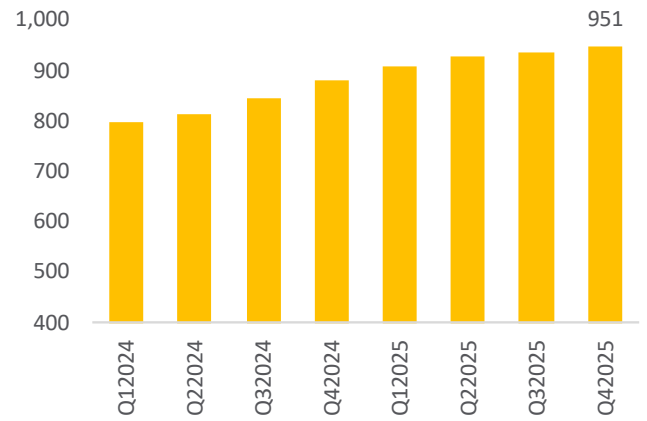
Source: SAMA, GIB Capital

Figure 14: Residential Monthly Mortgages



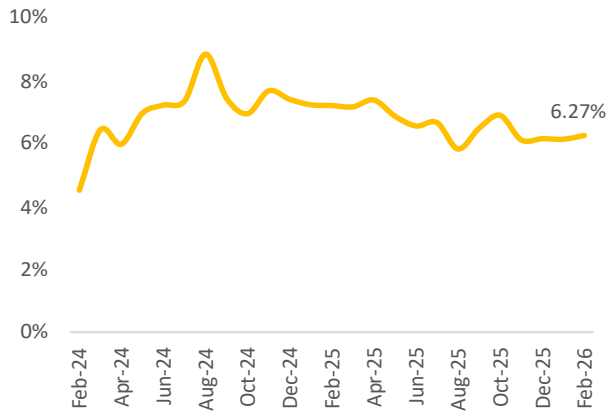
Source: SAMA, GIB Capital

Figure 15: Real Estate Loans by Banks (SARbn)



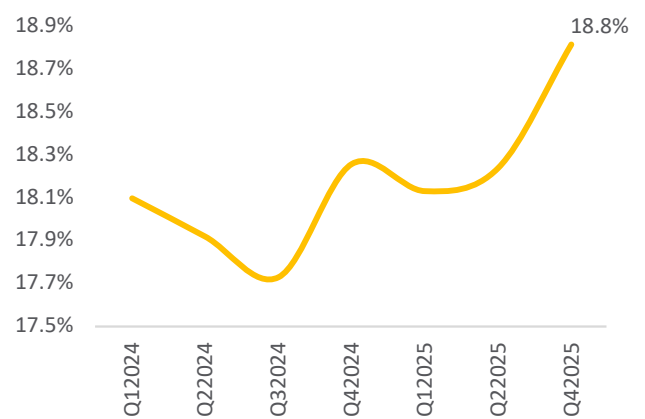
Source: SAMA, GIB Capital

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



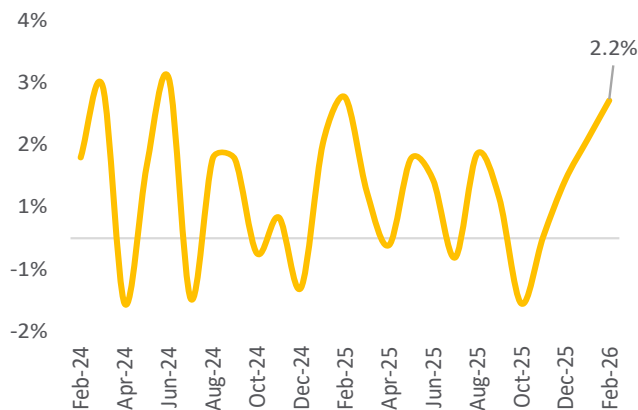
Source: SAMA, GIB Capital

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



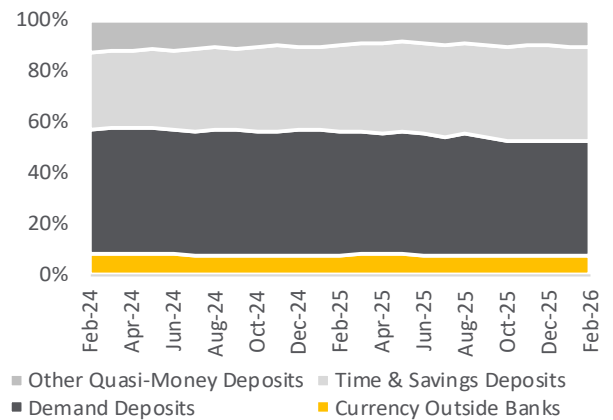
Source: SAMA, GIB Capital

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



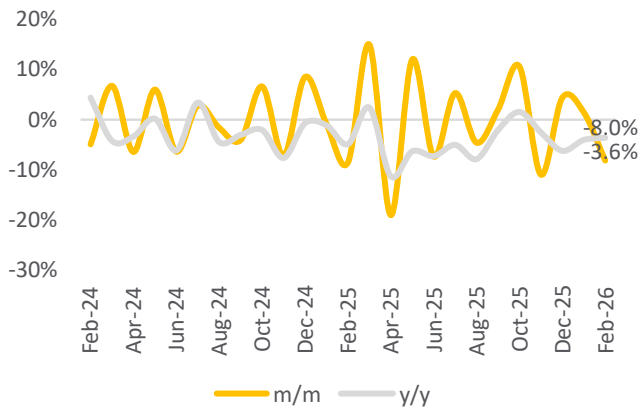
Source: SAMA, GIB Capital

Figure 19: Money Supply (M3) Components



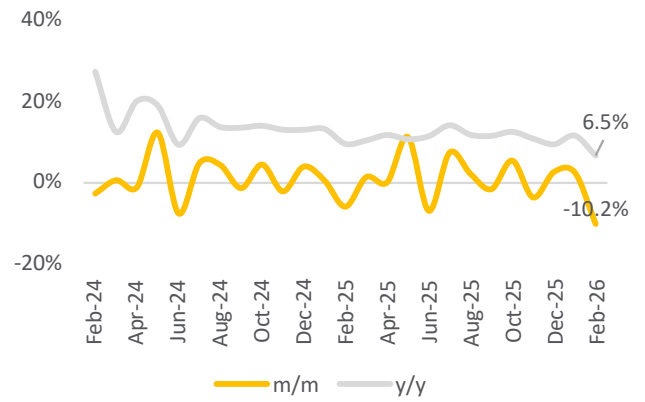
Source: SAMA, GIB Capital

Figure 20: ATM Withdrawals Growth



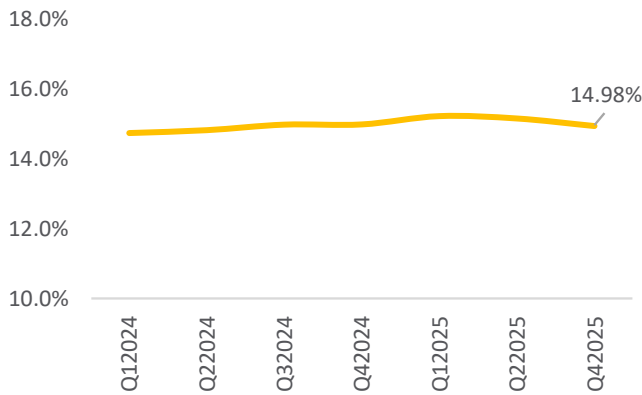
Source: SAMA, GIB Capital

Figure 21: PoS Transactions Growth



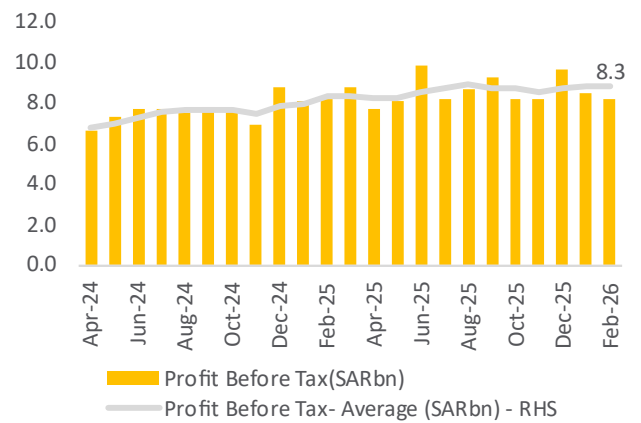
Source: SAMA, GIB Capital

Figure 22: Return on Equity



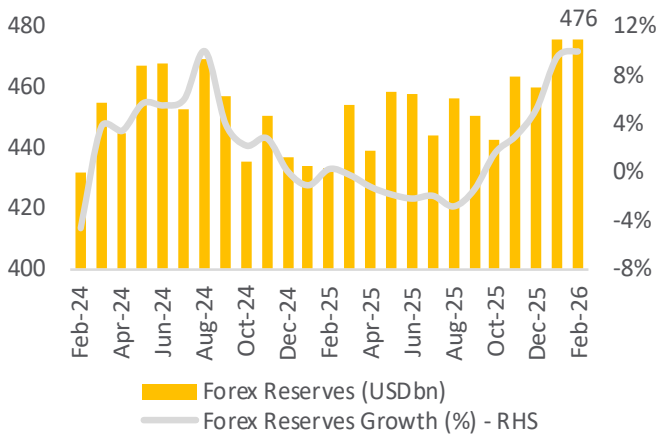
Source: SAMA, GIB Capital

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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