

Banking Monthly Report (September 2025)

Loans and deposits: Bank lending to the private sector grew 13.0% y/y in September 2025 (+0.8% m/m), largely in line with last month's growth. Meanwhile, retail real estate loans increased by 10.6% y/y in September (+0.8% m/m). However, residential new monthly mortgage disbursements declined by 14.7% y/y to reach SAR5.8bn in September 2025. At 7.9% y/y (+0.8% m/m), deposits grew slower than loans on an annual basis. With regards to the deposit mix, the share of Time & Savings deposits stood at 39% in September. Time and Savings deposits, and Government deposits (31% of total deposits) grew by 21.7% y/y and 7.8% y/y, respectively, while demand deposits rose by 2.4% y/y. The sector's LDR stood at 80.4% in September, indicating tighter liquidity, with banks increasingly turning to capital market instruments to meet funding needs.

Banking sector profits: The profit before tax for the banks jumped 19.1% y/y in September and rose by 7.3% m/m, reaching SAR9.3bn. Meanwhile, the 3Q25 profit before tax for the banks stood at SAR26.2bn, marking a 13.7% increase on y/y basis. The yield curve remains inverted, with Saudi 3M SAIBOR at ~5.0%, and the 10Y Govt Bond yield at ~4.4%.

Economic activity: PoS transactions grew 11.4% y/y in September, while ATM withdrawals declined by 2.0% over the same period. Saudi Arabia's non-oil private sector PMI expanded to 57.8 in September, up from 56.4 in August 2025, indicating a healthy expansion in economic activities. The Federal Reserve, at its October 28–29 meeting, cut its benchmark rate by 25bps to 3.75–4.0%, its second reduction in 2025 amid labor-market weakness and economic uncertainty. While markets expect another cut by year-end, Chair Powell cautioned against assuming further easing, citing the Fed's delicate balance between inflation and employment.

Figure 1: Key metrics

Key metrics (SARbn unless specified)	Sep-25	Sep-24	y/y	Aug-25	m/m
Loans					
Claims on Private Sector	3,135	2,775	13.0%	3,109	0.8%
Residential New Mortgages	5.8	6.8	-14.7%	5.9	-0.7%
Retail Real Estate Loans*	730	660	10.6%	724	0.8%
Claims on Govt. and Quasi Govt.	878	748	17.3%	871	0.7%
Deposits					
Total Deposits	2,935	2,719	7.9%	2,912	0.8%
Demand Deposits	1,478	1,443	2.4%	1,503	-1.6%
Time and Savings Deposits	1,153	947	21.7%	1,126	2.4%
Government Deposits	916	850	7.8%	925	-1.0%
Other key indicators					
LDR (%)	80.4%	79.7%	79bps	81.4%	-97bps
Profit Before Tax	9.3	7.8	19.1%	8.7	7.3%
SAMA Foreign Reserves (US\$bn)	451	457	-1.4%	457	-1.3%
Money Supply (M3)	3,172	2,944	7.8%	3,152	0.6%
Rates (%)					
	Spot	2023	2024	YTD^	
SAIBOR 3M	5.0%	5.9%	6.0%	5.4%	
Repo	4.5%	5.7%	5.8%	5.0%	
Reverse Repo	4.0%	5.2%	5.3%	4.5%	
US Fed Data					
	Current	2024	2025	2026	
Bbg cons. benchmark rate expectations	4.00%	4.50%	3.83%	3.26%	
Next Fed meeting	9-10 December 2025				

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	16.5x	3.9x	3.3%
SNB	9.9x	1.3x	5.5%
Riyad	8.1x	1.3x	6.2%
Alinma	10.6x	1.9x	4.1%
BJAZ	10.3x	1.1x	1.6%
Al Bilad	13.8x	2.1x	2.2%
BSF	9.1x	1.1x	6.3%
Arab	9.0x	1.2x	5.7%
SIB	7.9x	1.0x	6.3%
SAB	8.0x	1.0x	6.5%

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

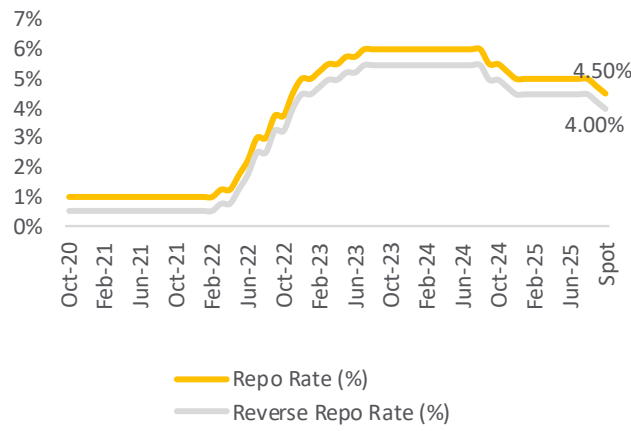
Kunal Doshi

+966-11-834 8372

Kunal.doshi@gibcapital.com

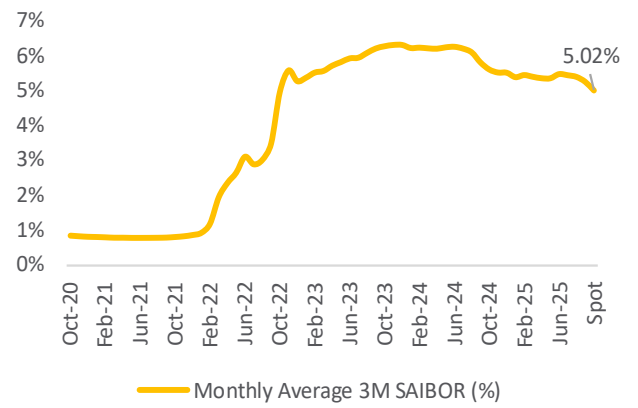
Chart Pack

Figure 2: Policy Rates



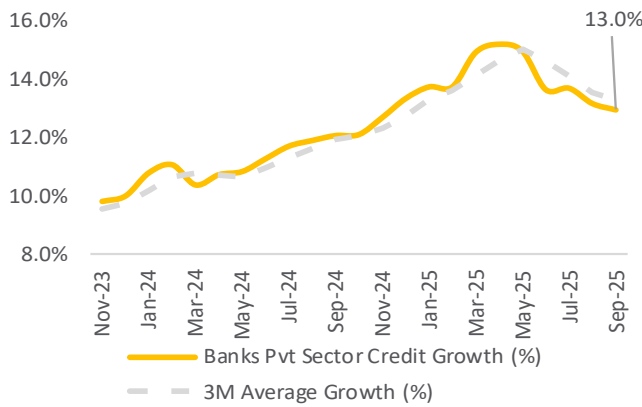
Source: SAMA, GIB Capital

Figure 3: Monthly Average 3M SAIBOR



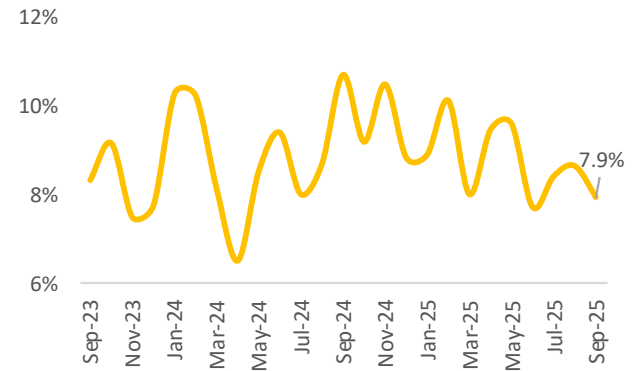
Source: Bloomberg, SAMA, GIB Capital

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



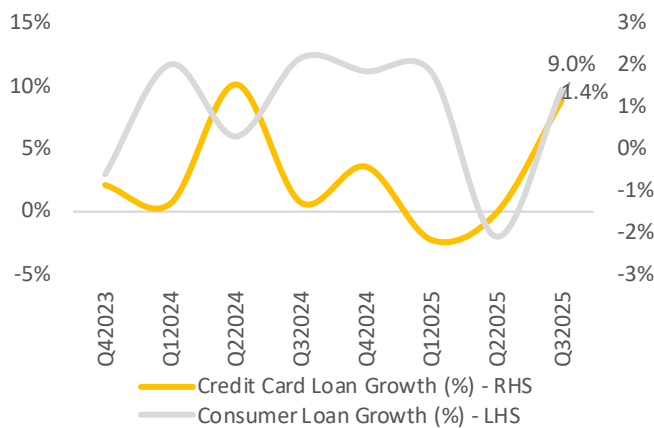
Source: SAMA, GIB Capital

Figure 5: Banks Deposit Growth (y/y)



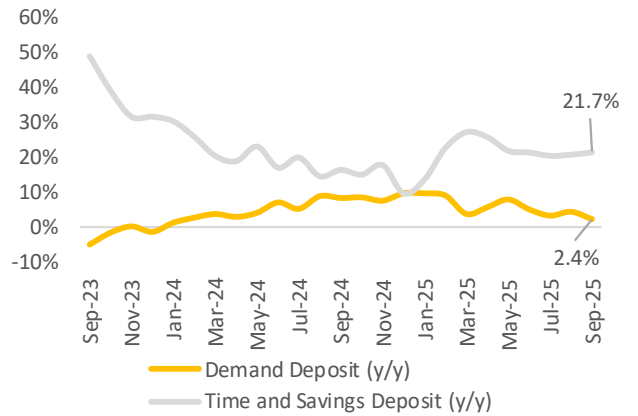
Source: SAMA, GIB Capital

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



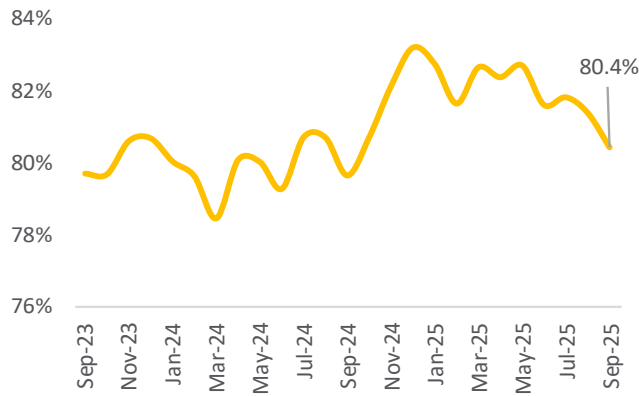
Source: SAMA, GIB Capital

Figure 7: Demand vs. Time and Savings Deposit Growth



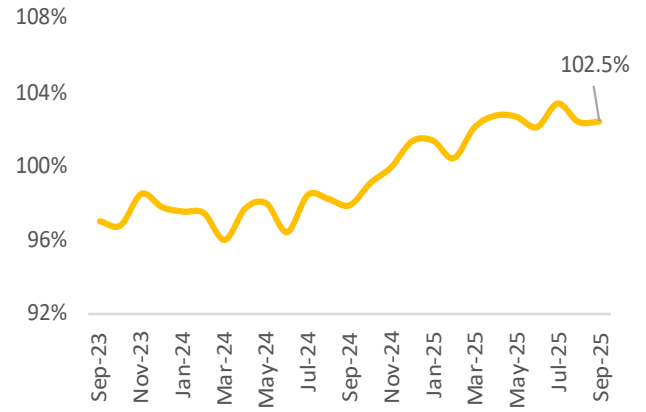
Source: SAMA, GIB Capital

Figure 8: Banks Loans-to-Deposit Ratio



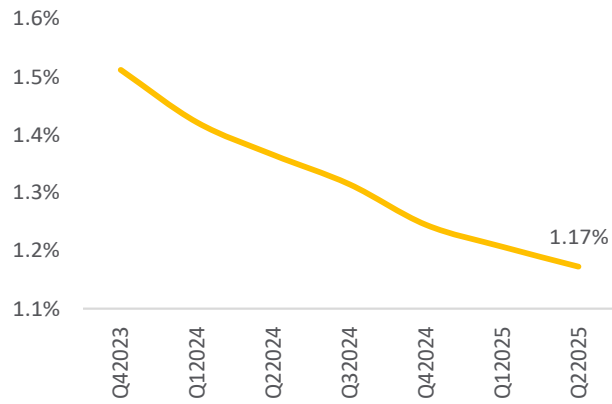
Source: SAMA, GIB Capital

Figure 9: Loans-to-Deposit Ratio



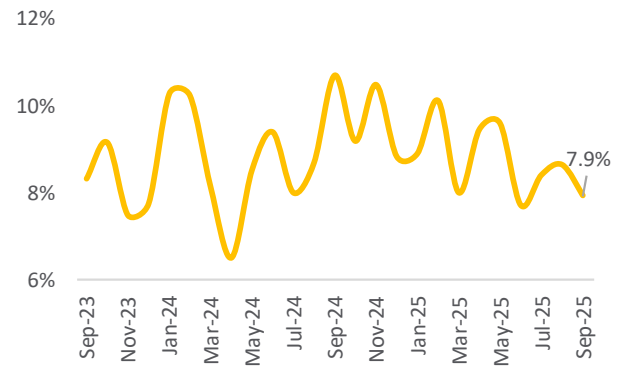
Source: GIB Capital, calculated as reported loans/reported deposits

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



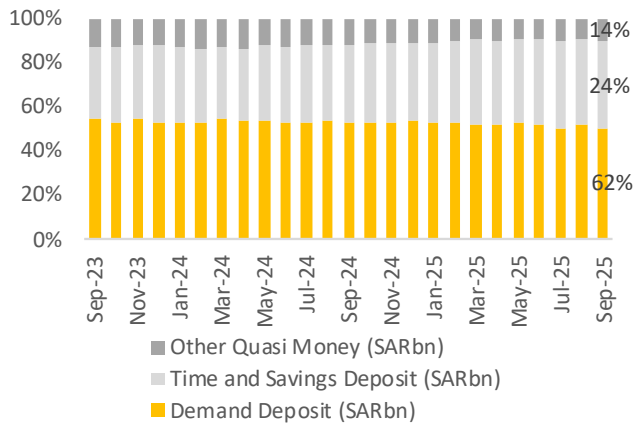
Source: SAMA, GIB Capital

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



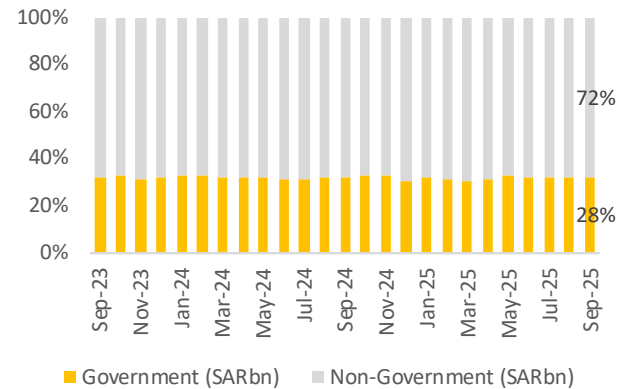
Source: SAMA, GIB Capital

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



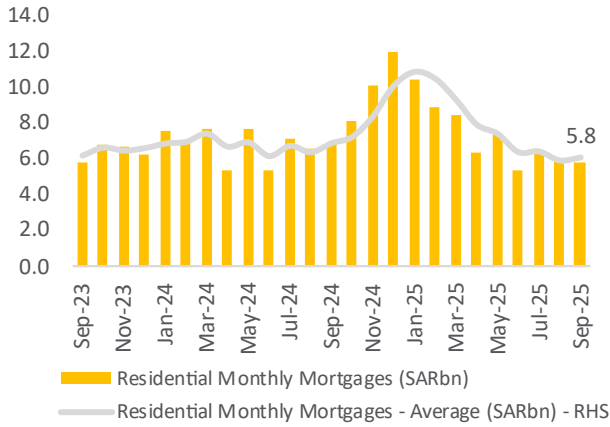
Source: SAMA, GIB Capital

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



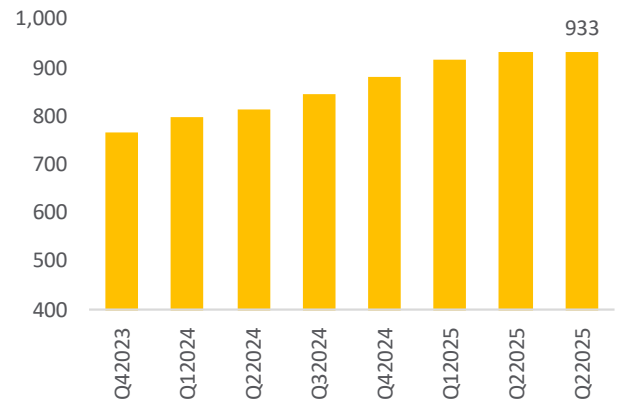
Source: SAMA, GIB Capital

Figure 14: Residential Monthly Mortgages



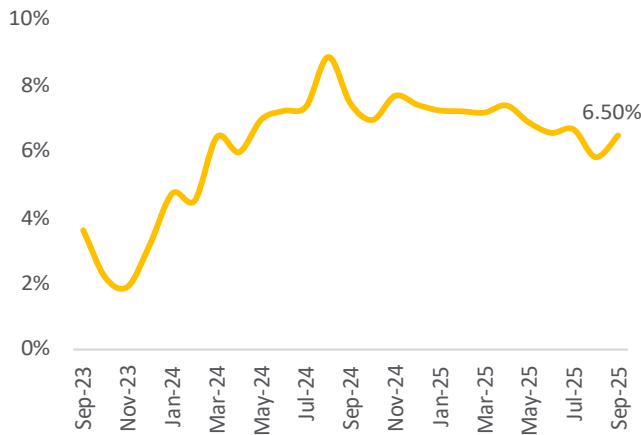
Source: SAMA, GIB Capital

Figure 15: Real Estate Loans by Banks (SARbn)



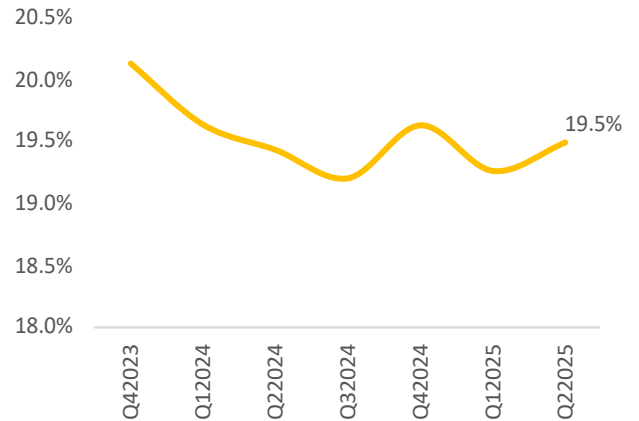
Source: SAMA, GIB Capital

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



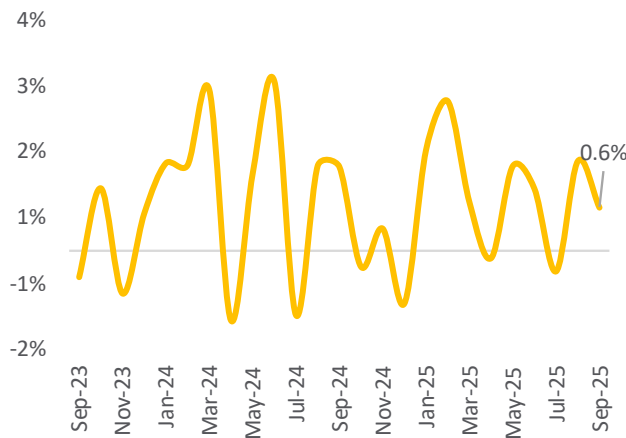
Source: SAMA, GIB Capital

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



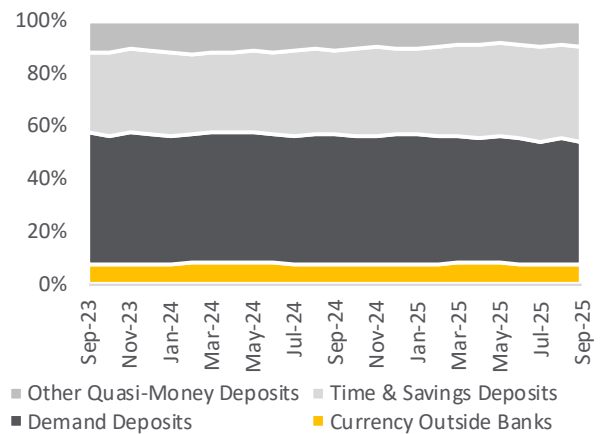
Source: SAMA, GIB Capital

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



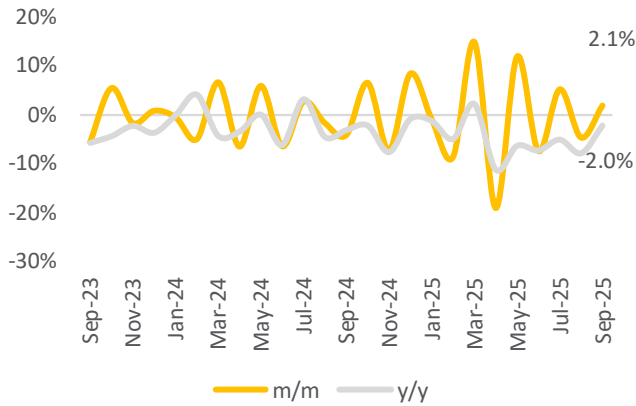
Source: SAMA, GIB Capital

Figure 19: Money Supply (M3) Components



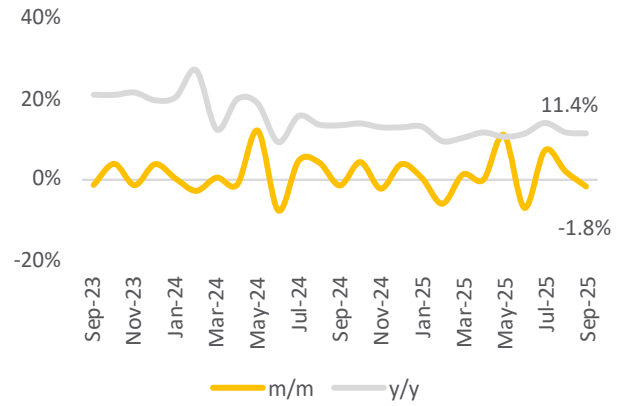
Source: SAMA, GIB Capital

Figure 20: ATM Withdrawals Growth



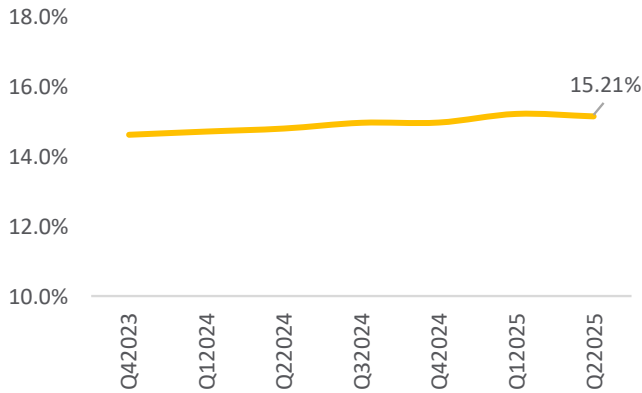
Source: SAMA, GIB Capital

Figure 21: PoS Transactions Growth



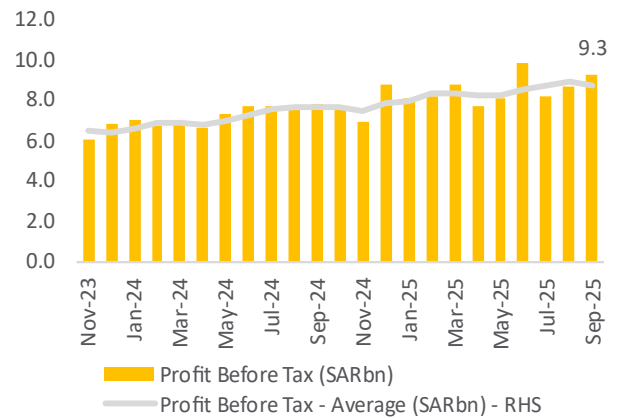
Source: SAMA, GIB Capital

Figure 22: Return on Equity



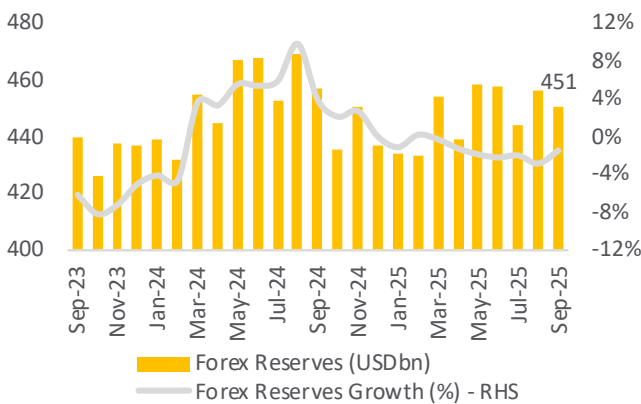
Source: SAMA, GIB Capital

Figure 23: Profit Before Tax



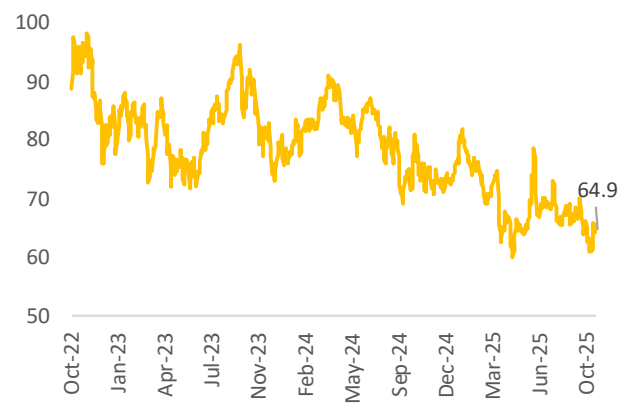
Source: SAMA, GIB Capital

Figure 24: Forex reserves



Source: SAMA, GIB Capital

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



Source: Bloomberg, GIB Capital

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Contact us for queries:

Sell Side Research Department,
GIB Capital,
B1, Granada Business & Residential Park,
Eastern Ring Road, PO Box 89589, Riyadh 11692
www.gibcapital.com