

Banking Monthly Report (March 2026)

Loans and deposits: Bank lending to the private sector grew 7.4% y/y to SAR3.2tn in March 2026 (+0.6% m/m), marginally slower than last month's increase. Retail real estate loans grew 6.7% y/y in March 2026 (+0.6% m/m). In the meantime, residential new monthly mortgage disbursements fell significantly 50.1% y/y to SAR4.2bn in March 2026. Deposits increased 8.8% y/y (+0.3% m/m) in March 2026, outpacing lending growth. With regards to the deposit mix, the share of Time & Savings deposits stood at 41% in March 2026 compared to 38% in March 2025. Time and Savings deposits, and Government deposits grew by 15.6% y/y and 19.0% y/y, respectively, in March 2026, while demand deposits rose by 2.9% y/y. The sector's LDR rose 58bps m/m but declined 288bps y/y to 79.8% in March 2026.

Banking sector profits: The profit before tax for the banks gained 13.9% y/y (up 21.6% m/m), reaching SAR10.0bn in March 2026. Meanwhile, the 1Q26 profit before tax grew 6.4% y/y to SAR26.8bn. The yield curve remains inverted, with Saudi 3M SAIBOR at ~4.7%, and the 10Y Govt Bond yield at ~4.9%.

Economic activity: PoS transactions grew 11.7% y/y in March 2026, while ATM withdrawals fell 6.5% over the same period. KSA's non-oil private sector PMI fell to 48.8 in March 2026, from 56.1 in February 2026, weakening for first time since August 2020, due to decline in overall business conditions. In the recent Fed meeting held on April 28-29, The Federal Reserve kept interest rates unchanged at 3.50%–3.75%, witnessing solid economic growth, stable unemployment, and elevated inflation driven partly by rising energy prices. The committee maintained its cautious policy stance.

Figure 1: Key metrics

Key metrics (SARbn unless specified)	Mar-26	Mar-25	y/y	Feb-26	m/m
Loans					
Claims on Private Sector	3,209	2,988	7.4%	3,191	0.6%
Residential New Mortgages	4.2	8.4	-50.1%	5.4	-22.0%
Retail Real Estate Loans*	746	699	6.7%	742	0.6%
Claims on Govt. and Quasi Govt.	914	830	10.1%	910	0.4%
Deposits					
Total Deposits	3,051	2,804	8.8%	3,041	0.3%
Demand Deposits	1,504	1,462	2.9%	1,488	1.1%
Time and Savings Deposits	1,244	1,076	15.6%	1,199	3.7%
Government Deposits	998	838	19.0%	989	1.0%
Other key indicators					
LDR (%)	79.8%	82.7%	-288bps	79.2%	58bps
Profit Before Tax	10.0	8.8	13.9%	8.3	21.6%
SAMA Foreign Reserves (US\$bn)	497	454	9.3%	476	4.3%
Money Supply (M3)	3,307	3,056	8.2%	3,289	0.5%
Rates (%)					
	Spot	2024	2025	YTD^	
SAIBOR 3M	4.7%	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%	3.46%	3.26%	
Next Fed meeting	16-17 June 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	3.4x	3.5%
SNB	9.1x	1.2x	6.1%
Riyad	8.2x	1.3x	5.3%
Alinma	11.5x	2.0x	3.3%
BJAZ	7.8x	1.0x	2.6%
Al Bilad	11.3x	1.9x	4.3%
BSF	9.3x	1.1x	5.9%
Arab	9.0x	1.0x	5.8%
SAIB	8.7x	1.0x	6.0%
SAB	8.5x	1.0x	6.2%

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

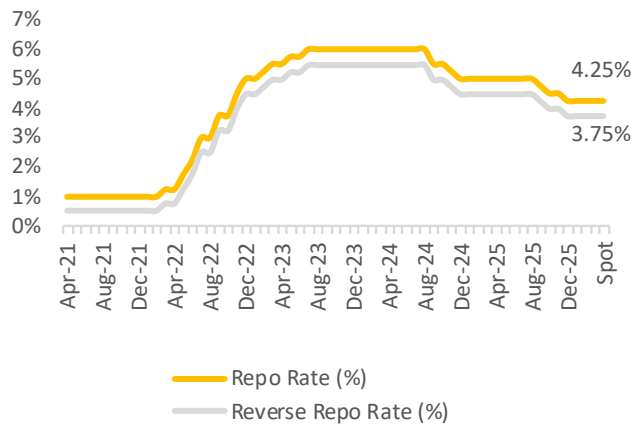
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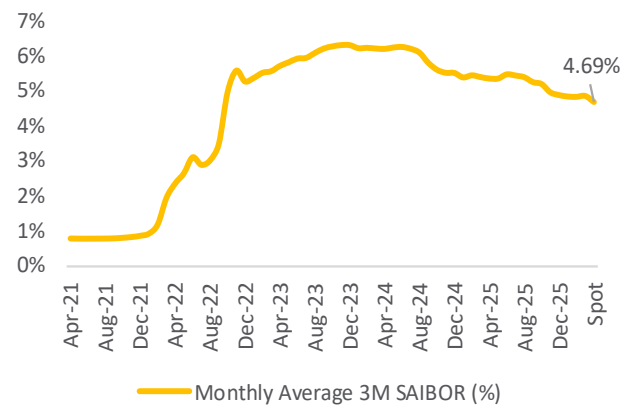
Chart Pack

Figure 2: Policy Rates



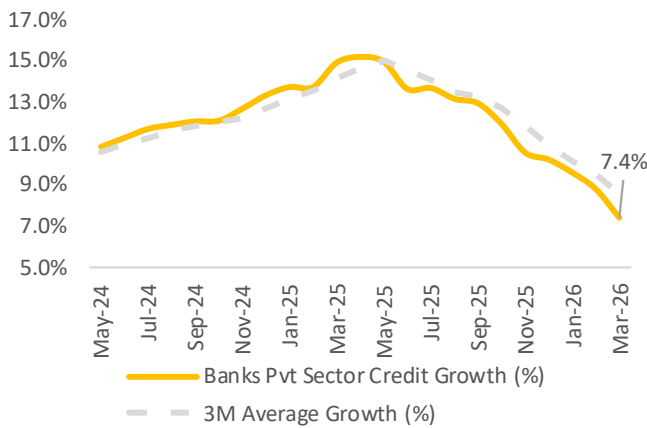
Source: SAMA, GIB Capital

Figure 3: Monthly Average 3M SAIBOR



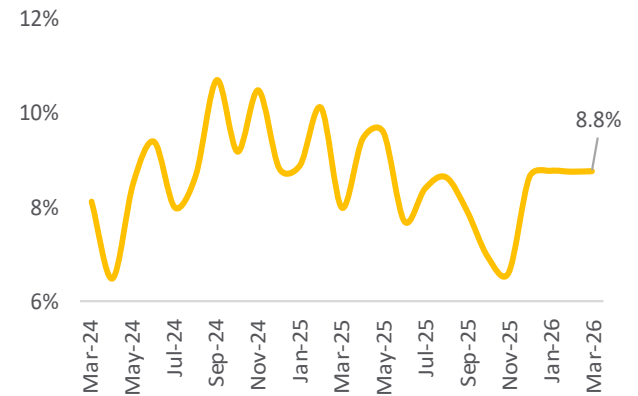
Source: Bloomberg, SAMA, GIB Capital

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



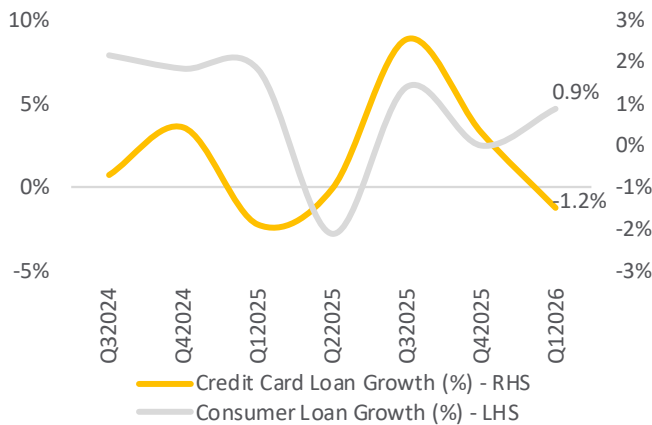
Source: SAMA, GIB Capital

Figure 5: Banks Deposit Growth (y/y)



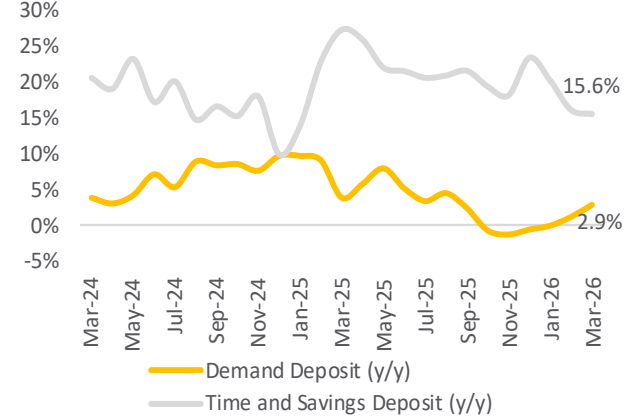
Source: SAMA, GIB Capital

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



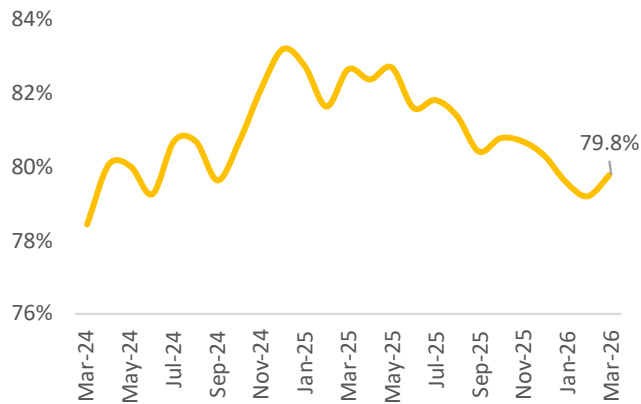
Source: SAMA, GIB Capital

Figure 7: Demand vs. Time and Savings Deposit Growth



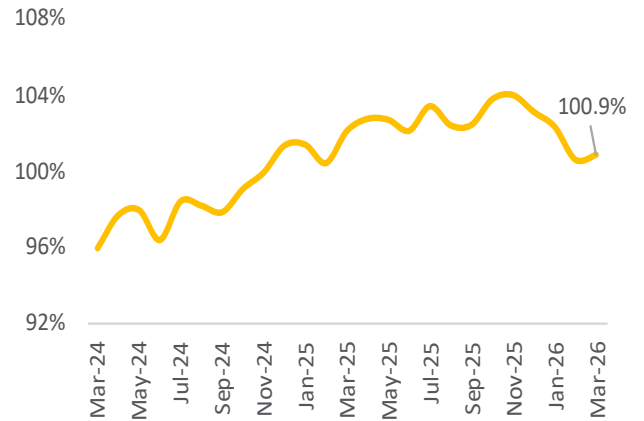
Source: SAMA, GIB Capital

Figure 8: Banks Loans-to-Deposit Ratio



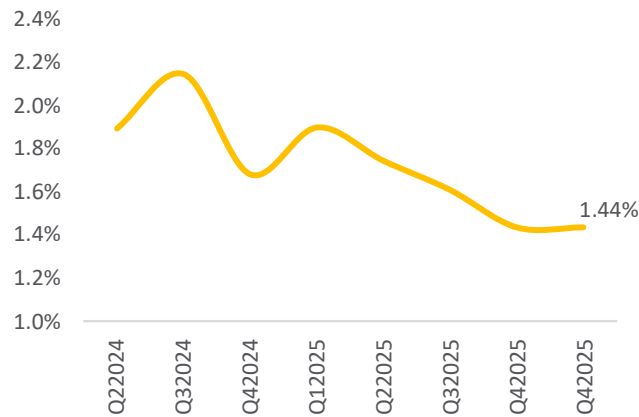
Source: SAMA, GIB Capital

Figure 9: Loans-to-Deposit Ratio



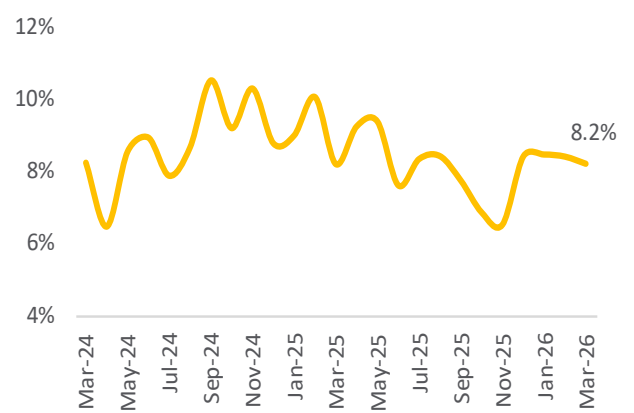
Source: GIB Capital, calculated as reported loans/reported deposits

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



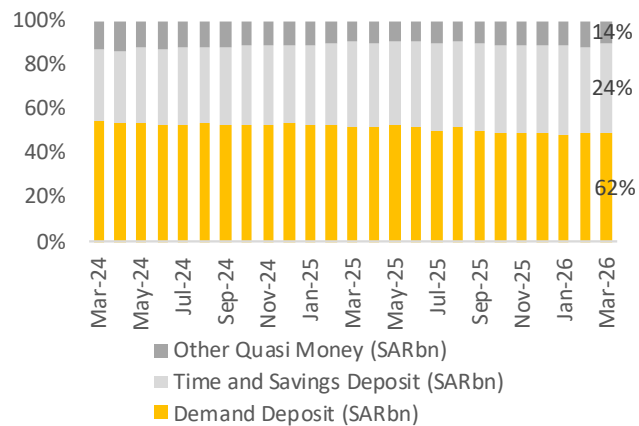
Source: SAMA, GIB Capital

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



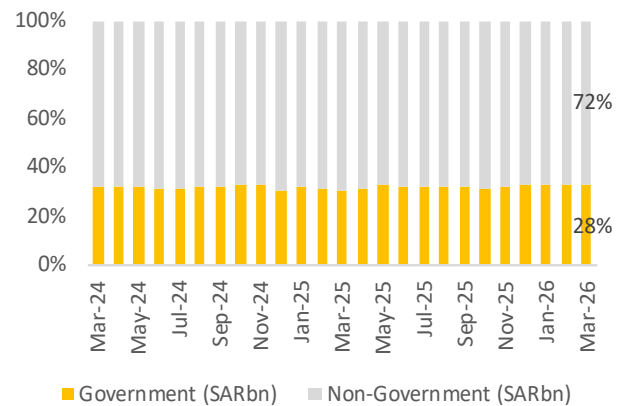
Source: SAMA, GIB Capital

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



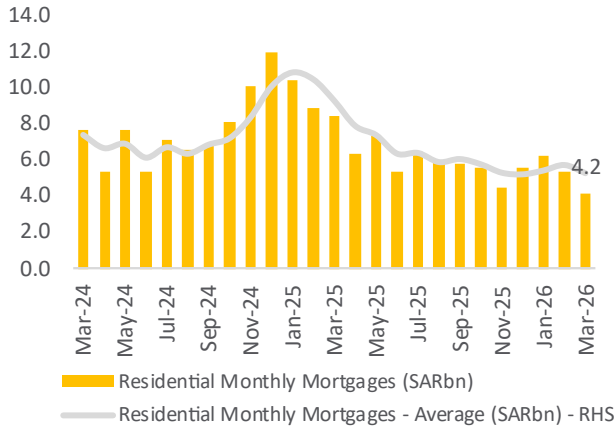
Source: SAMA, GIB Capital

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



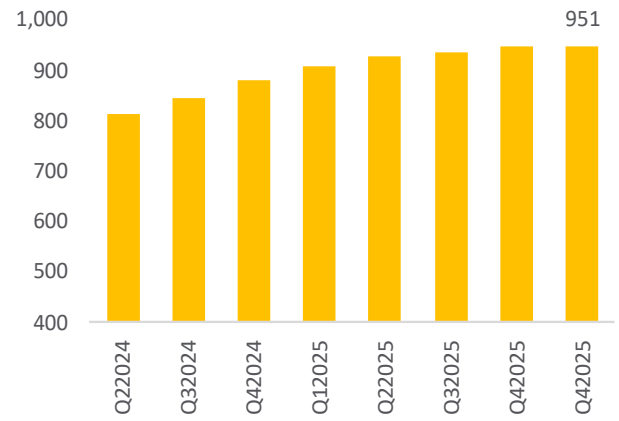
Source: SAMA, GIB Capital

Figure 14: Residential Monthly Mortgages



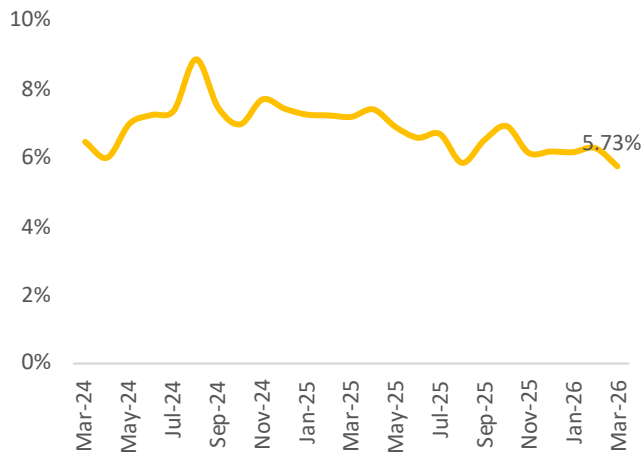
Source: SAMA, GIB Capital

Figure 15: Real Estate Loans by Banks (SARbn)



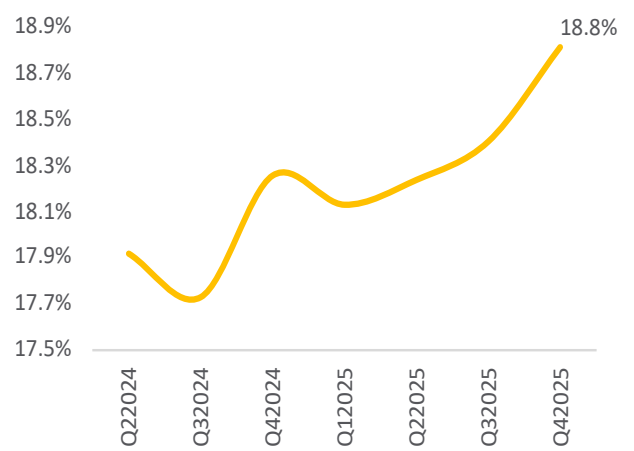
Source: SAMA, GIB Capital

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



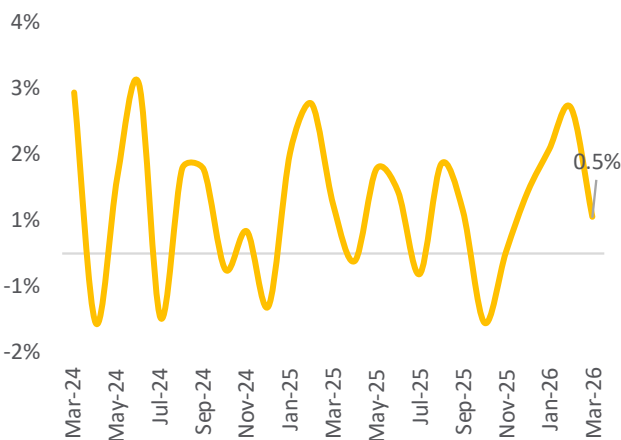
Source: SAMA, GIB Capital

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



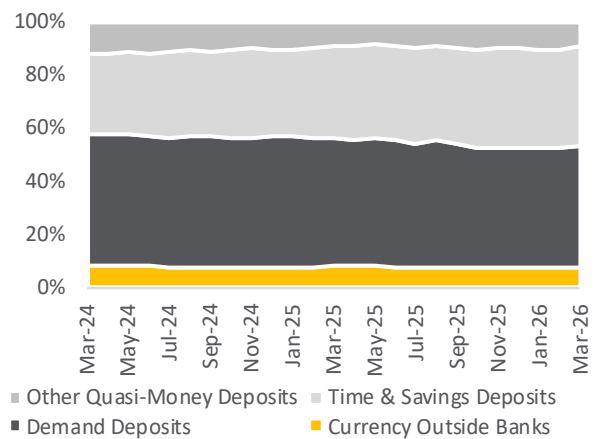
Source: SAMA, GIB Capital

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



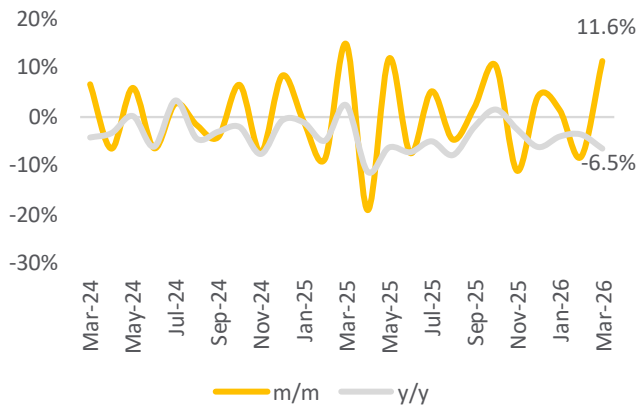
Source: SAMA, GIB Capital

Figure 19: Money Supply (M3) Components



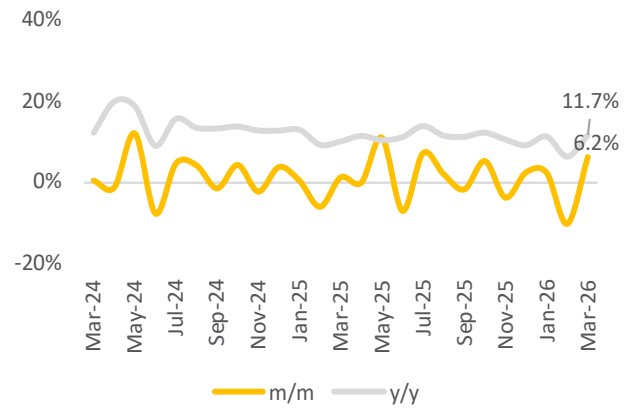
Source: SAMA, GIB Capital

Figure 20: ATM Withdrawals Growth



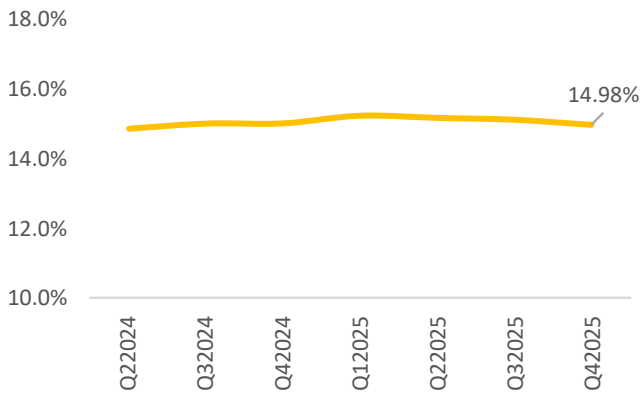
Source: SAMA, GIB Capital

Figure 21: PoS Transactions Growth



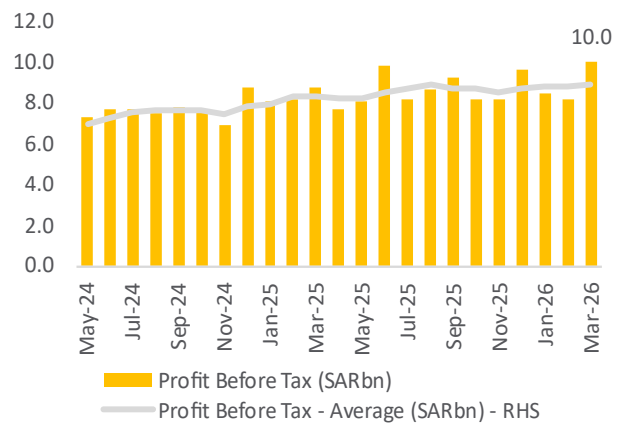
Source: SAMA, GIB Capital

Figure 22: Return on Equity



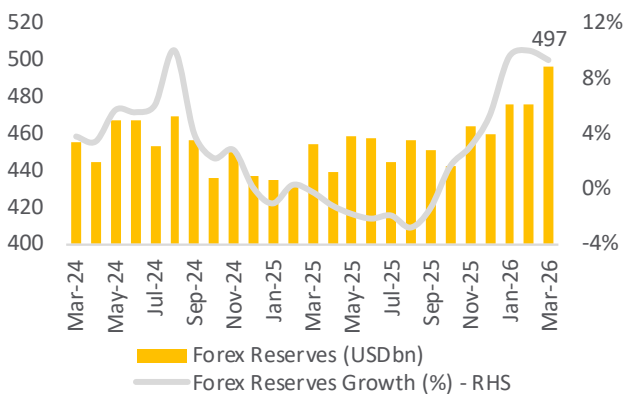
Source: SAMA, GIB Capital

Figure 23: Profit Before Tax



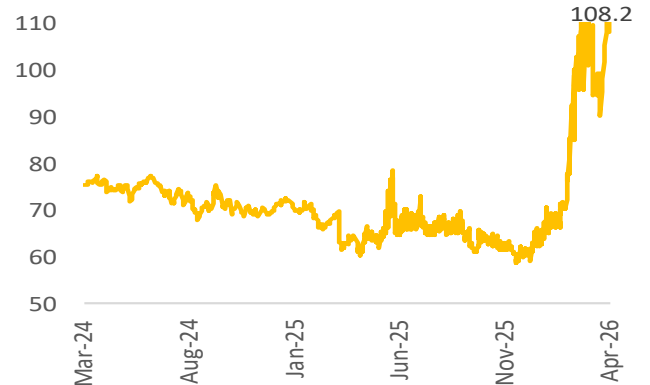
Source: SAMA, GIB Capital

Figure 24: Forex reserves



Source: SAMA, GIB Capital

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



Source: Bloomberg, GIB Capital

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