

# Saudi Banks

Monthly Report | February 2026



**Deposit growth exceeded credit expansion in Feb-26, resulting in a decline in LDR ratio; profits declined by 3.2% M/M in Feb-26**

Equity analyst

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## Deposit growth exceeded credit expansion in Feb-26, resulting in a decline in LDR ratio; profits declined by 3.2% M/M (+0.1% Y/Y) in Feb-26

Saudi Banks credit growth slowed down to 0.47% M/M, while deposits expanded by 2.3% M/M in Feb-26; monthly pre-tax profit stood at SAR 8.3bn in Feb-26, down 3.2% M/M. Regulated LDR ratio declined by 200bps M/M to 79.2%, since deposit growth exceeded the expansion in loan book. 6M Saibor-SOFR spread declined by 7bps M/M to 1.57%, however it remains sizably above the long-term average of 0.53% due to tight liquidity conditions. Consumer spending witnessed a slight slowdown on an M/M basis, as POS sales and e-commerce sales using MADA declined by 6.0% M/M and 6.6% M/M to SAR 59.9bn and SAR 30.4bn, respectively.

**Credit growth and segment-wise performance:** Total credit stood at SAR 3,334bn in Feb-26, up 0.47% MoM (up 9.6% Y/Y); on Y/Y basis credit growth slowed down to single digits for the first time in more than two years. Retail loans grew by 0.22% MoM (4.8% Y/Y) to reach SAR 1,449bn, while corporate loans grew by 0.66% MoM (13.6% Y/Y) to SAR 1,886bn in Feb-26. New mortgage issuances dropped to one of their lowest at SAR 5.4bn in Feb-26 down 13.2% MoM (down 39.7% Y/Y). Credit to public sector enterprises declined by 1.0% M/M to SAR 251.9bn.

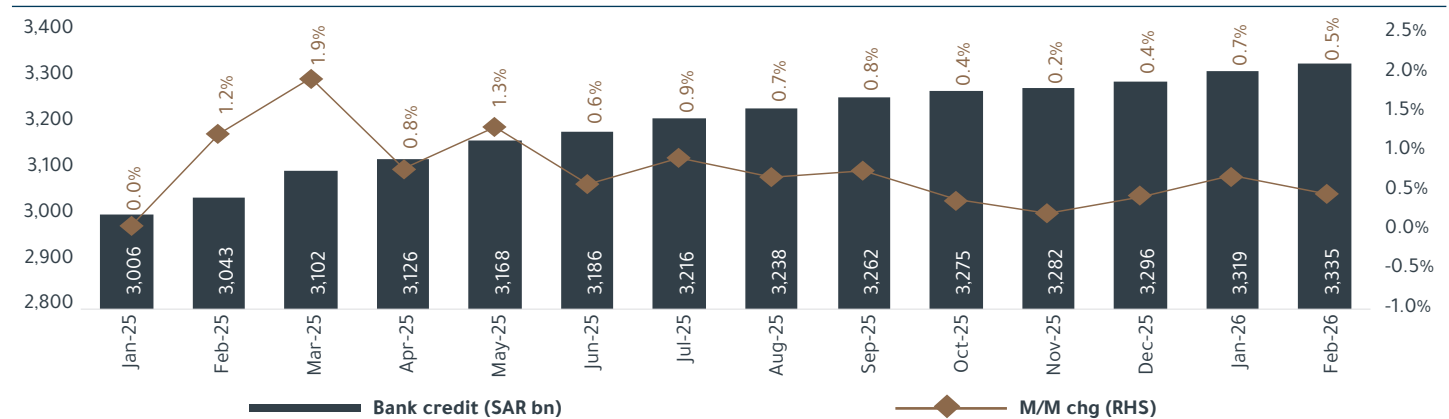
**Deposits growth and mix:** Total deposit base expanded to SAR 3,041bn up 2.3% MoM (up 8.8% Y/Y). The growth was led by Other quasi money deposits which were up 3.7% MoM (up 20.6% Y/Y) to SAR 354bn. Time deposits increased by 1.1% MoM (16.2% Y/Y) to SAR 1,198bn, led by 3.0% Y/Y increase in non-govt deposits. While demand deposits were up 2.9% MoM (1.2% Y/Y) to SAR 1,488bn (non-govt up 0.6% MoM and govt up 12.7% MoM). Overall, share of demand deposits in total deposits increased by 30bps MoM (down 366ps Y/Y) to 48.9%, while share of time & savings deposits declined by 46bps MoM (+252bps Y/Y) to 39.4% in Feb-26. Share of Other quasi money deposits increased by 16bps M/M (+115bps Y/Y) to 11.7% in Feb-26.

**Sector profitability trend:** Profit before Zakat and taxes for Feb-26 was reported at SAR 8.3bn down 3.2% M/M (+0.1% Y/Y), on a cumulative basis earnings for Jan-Feb 2026 grew by 2.4% Y/Y.

**LDR movement and SAIBOR-SOFR spread:** Normal and regulated LDR ratios declined by 200/39bps M/M in Feb-26 to 109.7/79.2%, as deposits growth (up 2.3% M/M) outpaced credit growth (up 0.47% M/M). 3MSaibor declined by 1bps M/M (61bps Y/Y) to 4.84%. 6M/12M Saibor-SOFR spread declined by 7/16bps M/M in Feb-26 to 1.57/1.34%. Spread remains sizably above the long-term averages due to tight liquidity conditions.

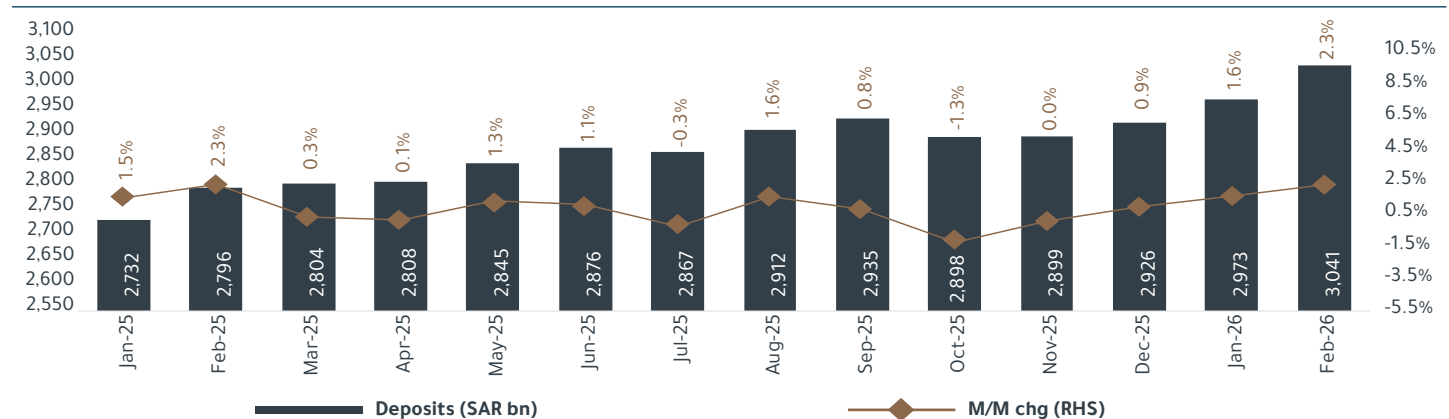
**POS sales and transactions:** Total POS sales declined by 6.0% M/M (up 3.5% Y/Y) to SAR 59.9bn M/M while E-commerce sales using MADA declined by 6.6% M/M (up 46% Y/Y) to SAR 30.4bn

### Banking sector credit (SAR bn)



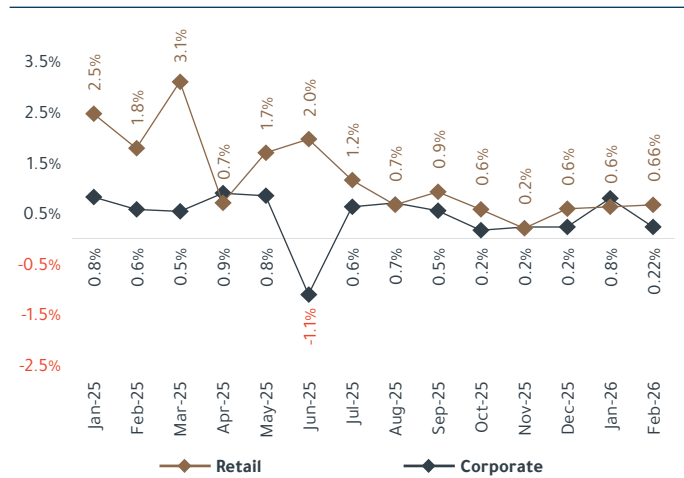
Source: SAMA, Aljazeera Capital Research

### Total deposits (SAR bn)



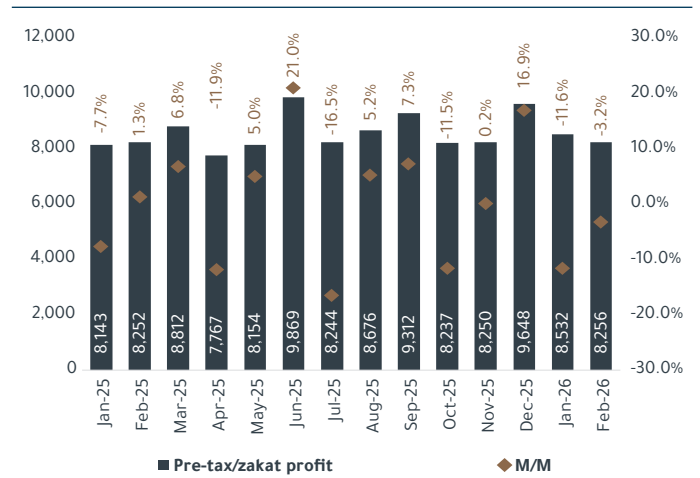
Source: SAMA, Aljazeera Capital Research

Retail vs corporate loan growth



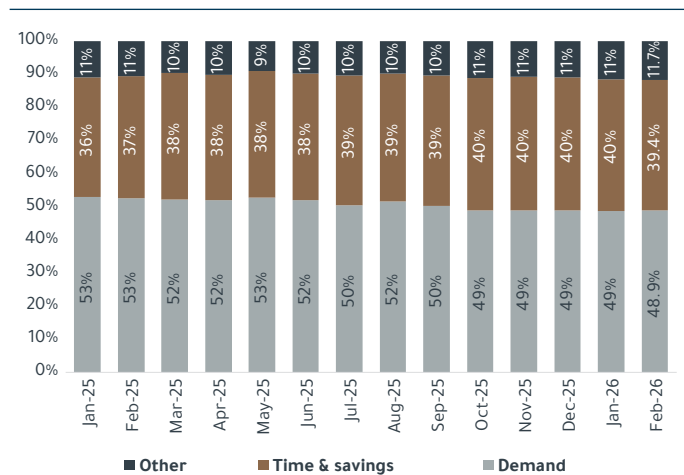
Source: SAMA, Aljazira Capital Research

Sector profit before zakat and tax (SAR bn)



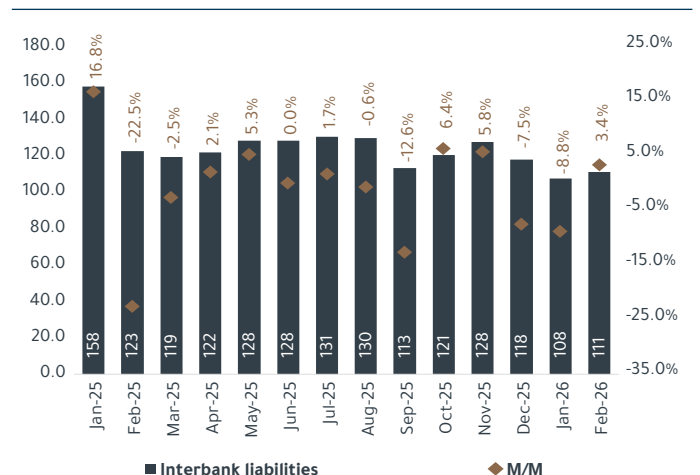
Source: SAMA, Aljazira Capital Research

Deposit mix



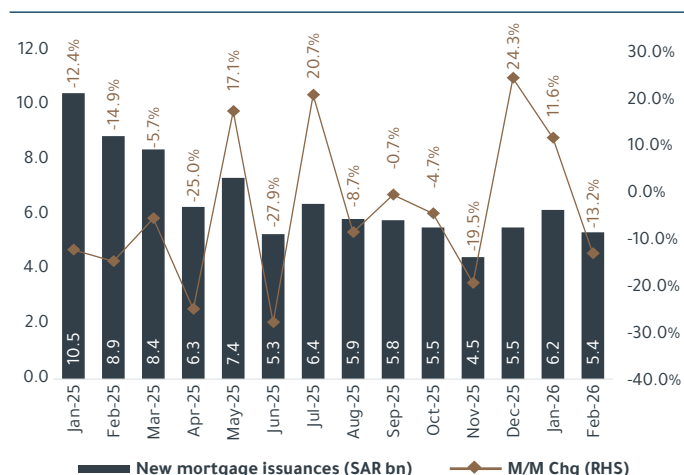
Source: SAMA, Aljazira Capital Research

Interbank liabilities (SAR bn)



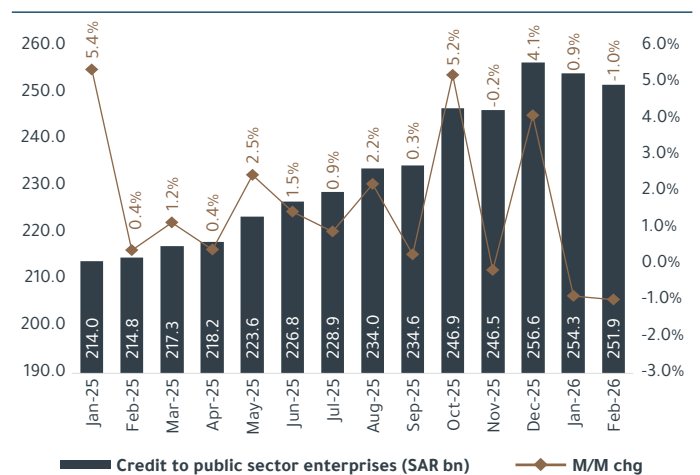
Source: SAMA, Aljazira Capital Research

Mortgage loan issuances (SAR bn)



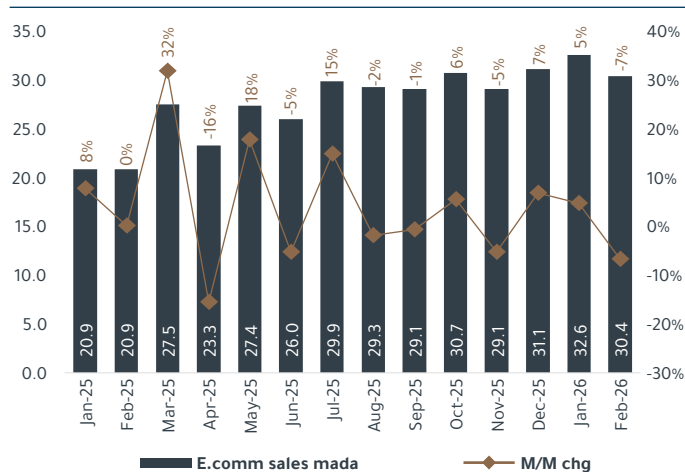
Source: SAMA, Aljazira Capital Research

Loans to public sector enterprises (SAR bn)



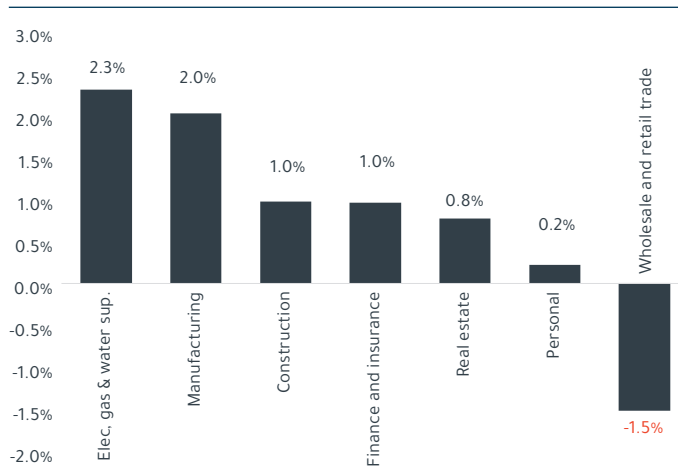
Source: SAMA, Aljazira Capital Research

E.commerce sales using MADA (SAR bn)



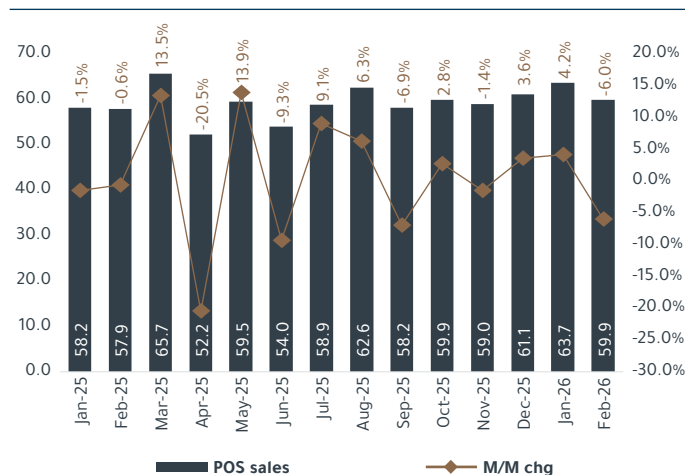
Source: SAMA, Aljazira Capital Research

Activity wise loan growth - Feb 2026 (M/M)



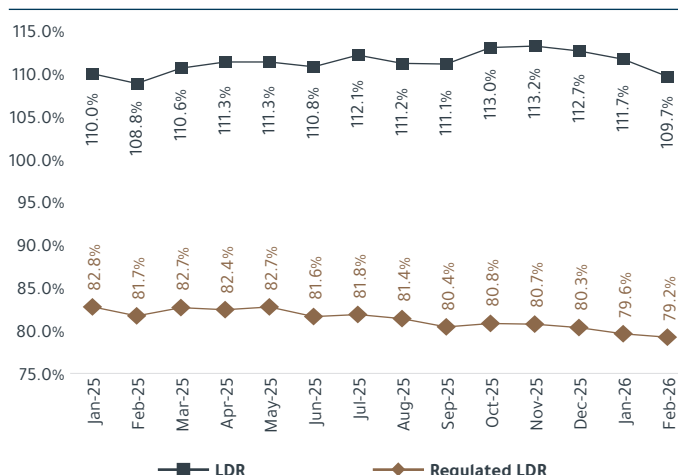
Source: SAMA, Aljazira Capital Research

POS sales (SAR bn)



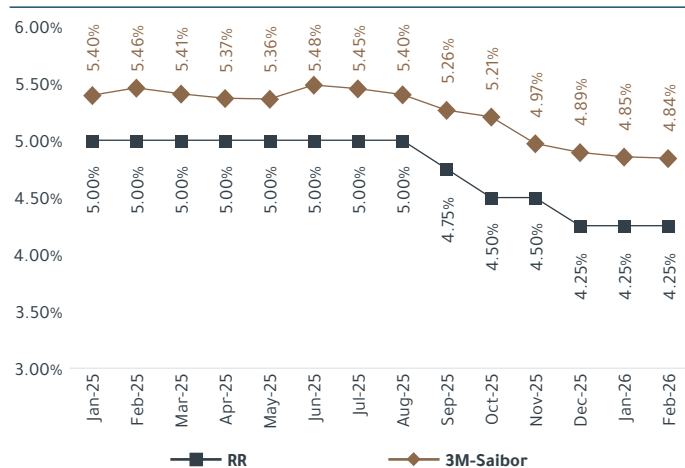
Source: SAMA, Aljazira Capital Research

LDR - Regulated and unregulated



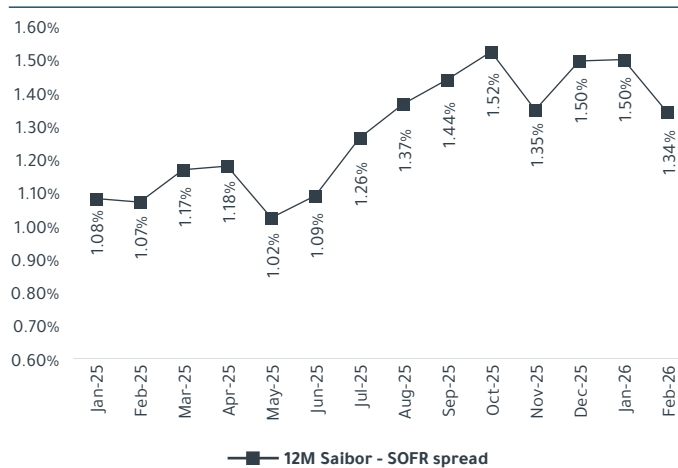
Source: SAMA, Aljazira Capital Research

Repo Rate and 3M-Saibor



Source: SAMA, Aljazira Capital Research

Saibor-SOFR spread



Source: SAMA, Aljazira Capital Research

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3. **Neutral:** The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. **Suspension of rating or rating on hold (SR/RH):** This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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