

# Saudi Banks

Monthly Report | March 2026



**Credit growth exceeds deposit expansion in Mar-26, resulting in an increase in LDR ratios; Mortgage issuances in Mar-26 were lowest in three years**

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## Credit growth exceeds deposit expansion in Mar-26, resulting in an increase in LDR ratios; Mortgage issuances in Mar-26 were lowest in three years

Saudi Banks credit growth slowed down to 0.61% M/M, while deposits expanded by 0.3% M/M in Mar-26; monthly pre-tax profit stood at SAR 10.0bn in Mar-26, up 21.6% M/M. Regulated LDR ratio increased by 58bps M/M to 79.8%, since credit growth exceeded the expansion in deposits. 6MSaibor-SOFR spread declined by 7bps M/M to 1.50%, however it remains sizably above the long-term average of 0.53% due to tight liquidity conditions. Consumer spending witnessed an increase on the M/M basis, as POS sales and e-commerce sales using MADA grew 10.5% M/M and 16.2% M/M to SAR 66.1bn and SAR 35.4bn, respectively.

**Credit growth and segment-wise performance:** Total credit stood at SAR 3,355bn in Mar-26, up 0.61% MoM (up 8.2% Y/Y); on Y/Y basis credit growth remained in single digits for the second time in more than two years. Retail loans grew by 0.13% MoM (4.4% Y/Y) to reach SAR 1,451bn, while corporate loans grew by 0.97% MoM (11.3% Y/Y) to SAR 1,905bn in Mar-26. New mortgage issuances dropped to their lowest in three years at SAR 4.2bn in Mar-26 down 22.2% MoM (down 50.1% Y/Y). Credit to public sector enterprises increased by 1.0% M/M to SAR 255bn.

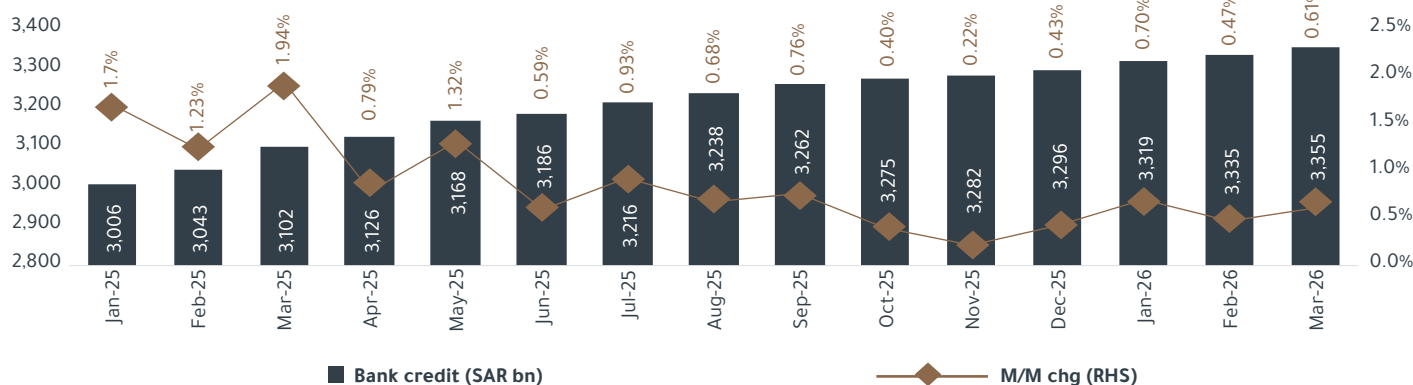
**Deposits growth and mix:** Total deposit base expanded to SAR 3,051bn up 0.3% MoM (up 8.8% Y/Y). The growth was led by Time and savings deposits which were up 3.7% MoM (up 15.6% Y/Y) to SAR 1,244bn, led by 9.5% Y/Y increase in govt deposits. Demand deposits increased by 1.1% MoM (2.9% Y/Y) to SAR 1,504bn (non-govt up 2.2% M/M and govt down 3.1% M/M). Other Quasi government deposits declined by 14.5% M/M to SAR 303bn. Overall, share of Time and saving deposits in total deposits increased by 134bps M/M to 40.8% while share of demand deposits expanded by 38bps M/M; Other Quasi government deposits share in total deposits declined by 172bps M/M.

**Sector profitability trend:** Profit before Zakat and taxes for Mar-26 was reported at SAR 10.0bn up 21.6% M/M (+13.9% Y/Y), on a cumulative basis pre-tax/zakat earnings for Q1-26 grew by 6.4% Y/Y. Overall, post-tax/zakat profits for the sector were up 7.6% Y/Y.

**LDR movement and SAIBOR-SOFR spread:** Normal and regulated LDR ratios increased by 32/58bps M/M in Mar-26 to 110.0/79.8%, as credit growth (up 0.61% M/M) outpaced deposits growth (up 0.3% M/M). 3MSaibor increased by 3bps M/M (-54bps Y/Y) to 4.87%. 6M/12M Saibor-SOFR spread declined by 7/16bps M/M in Mar-26 to 1.50/1.18%. Spread remains sizably above the long-term averages due to tight liquidity conditions.

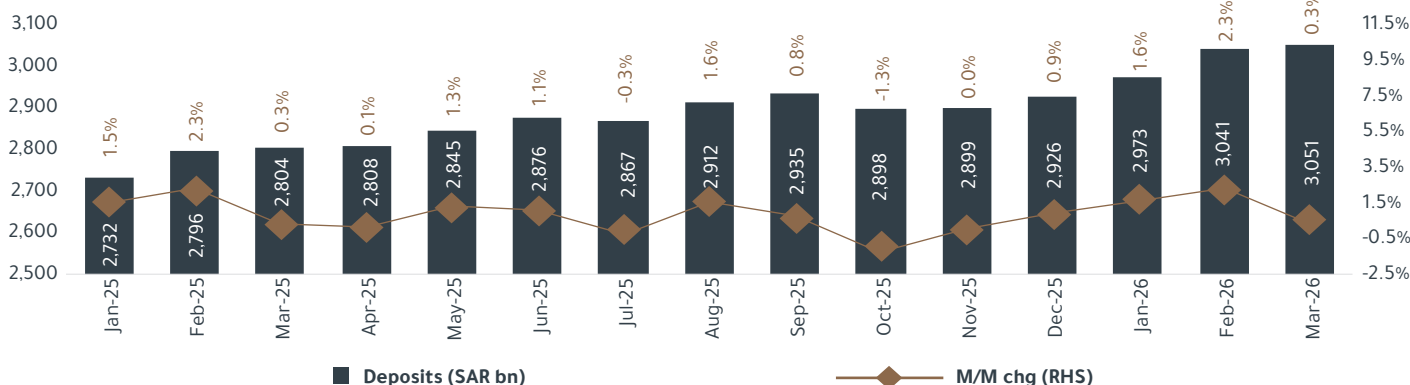
**POS sales and transactions:** Total POS sales increased by 10.5% M/M (up 0.7% Y/Y) to SAR 66.1bn, while E-commerce sales using MADA increased by 16.2% M/M (up 28% Y/Y) to SAR 35.4bn.

### Banking sector credit (SAR bn)



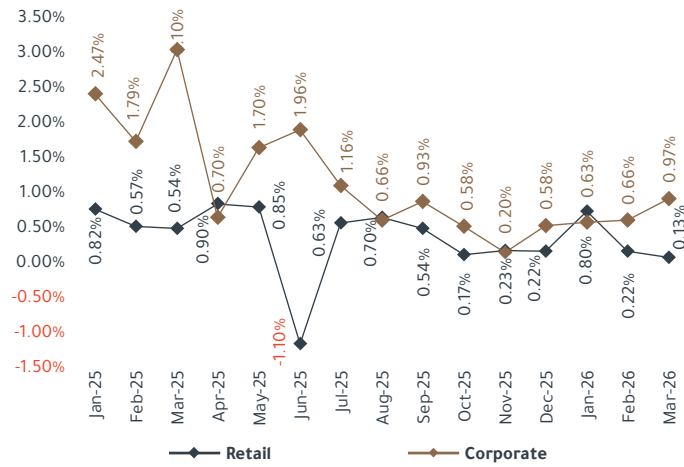
Source: SAMA, Aljazeera Capital Research

### Total deposits (SAR bn)



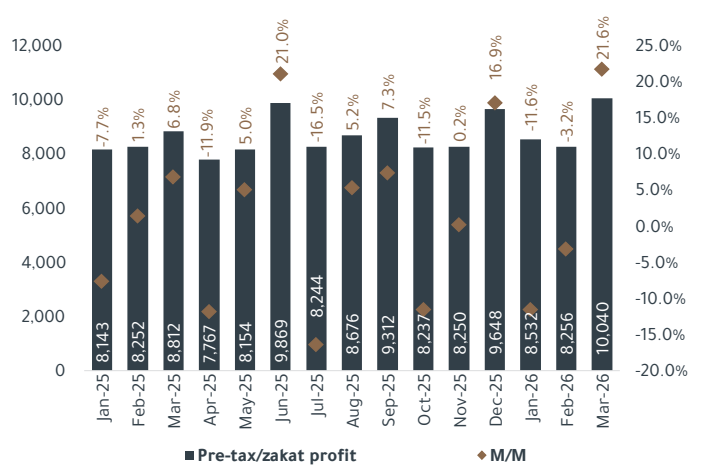
Source: SAMA, Aljazeera Capital Research

Retail vs corporate loan growth



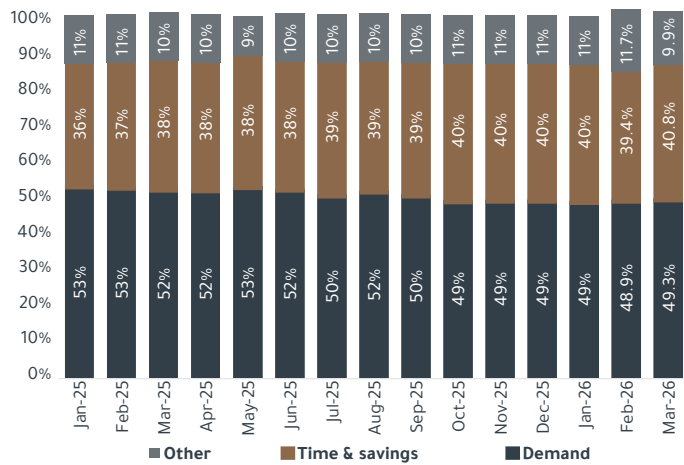
Source: SAMA, Aljazira Capital Research

Sector profit before zakat and tax (SAR mn)



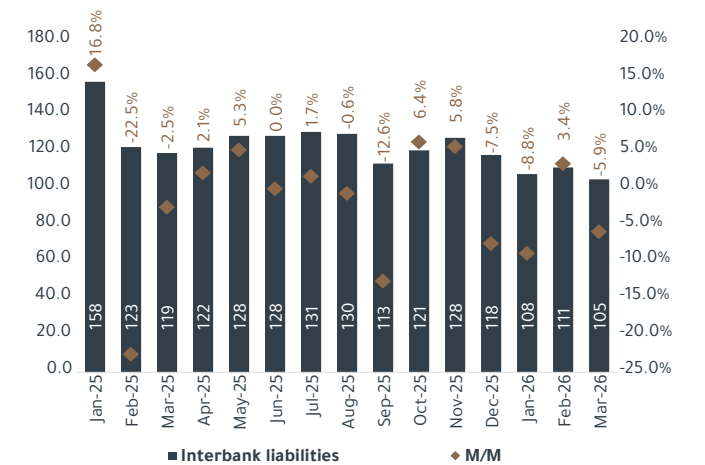
Source: SAMA, Aljazira Capital Research

Deposit mix



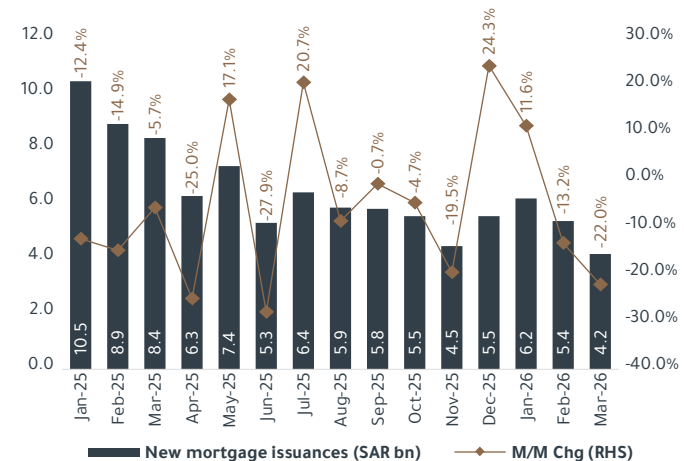
Source: SAMA, Aljazira Capital Research

Interbank liabilities (SAR bn)



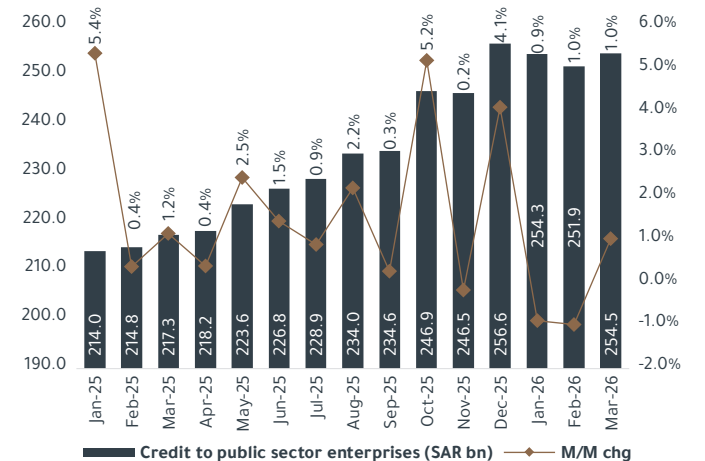
Source: SAMA, Aljazira Capital Research

Mortgage loan issuances (SAR bn)



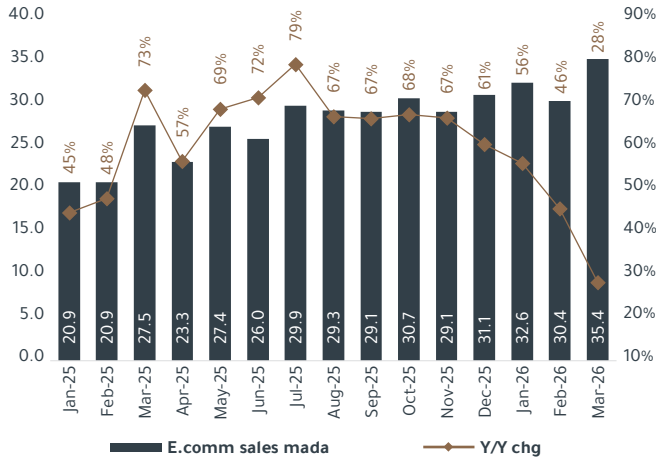
Source: SAMA, Aljazira Capital Research

Loans to public sector enterprises (SAR bn)



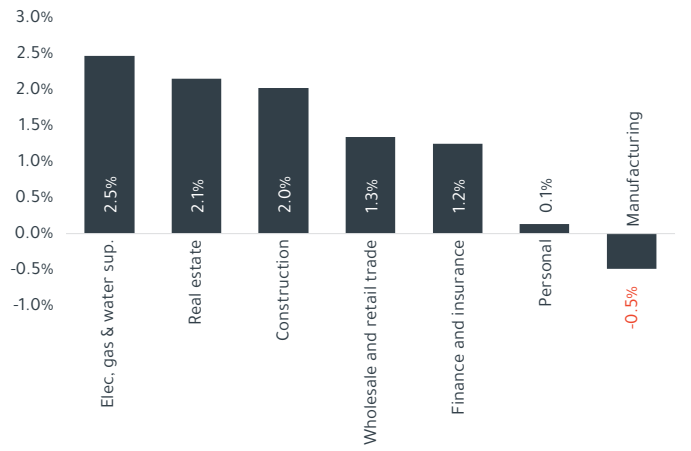
Source: SAMA, Aljazira Capital Research

E.commerce sales using MADA (SAR bn)



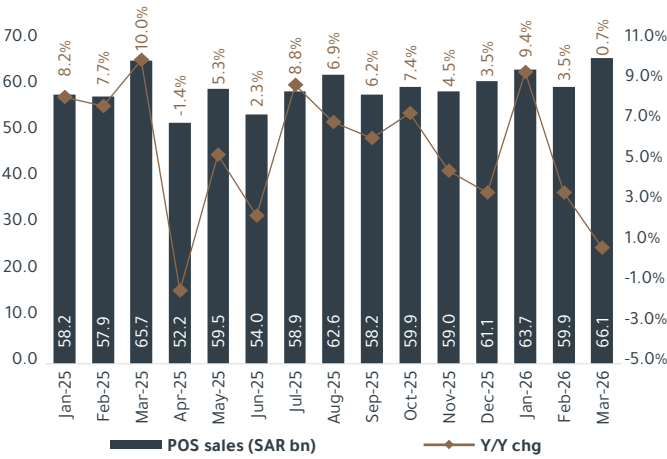
Source: SAMA, Aljazeera Capital Research

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



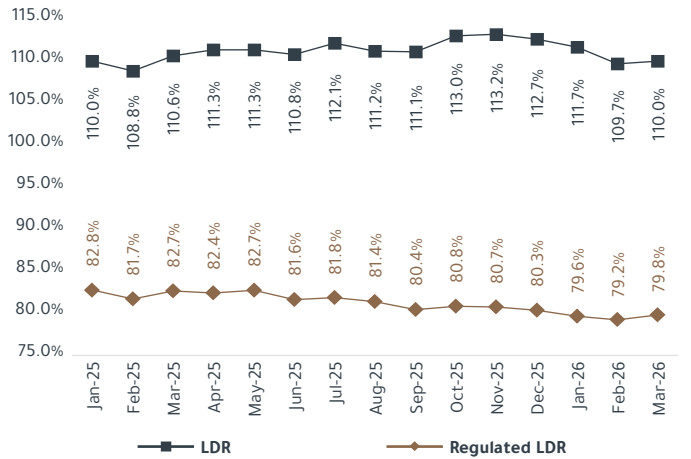
Source: SAMA, Aljazeera Capital Research

POS sales (SAR bn)



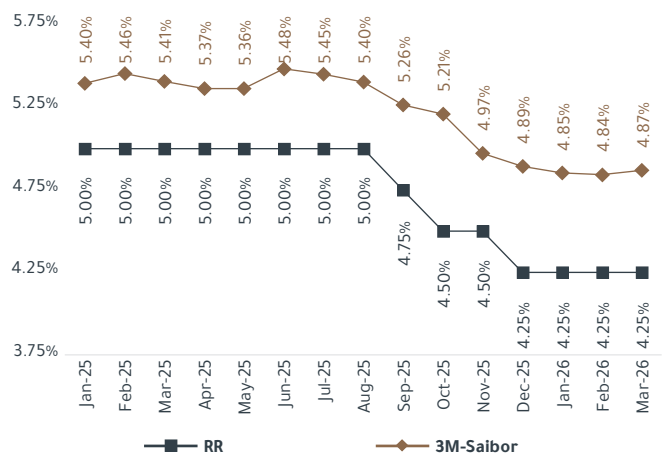
Source: SAMA, Aljazeera Capital Research

LDR - Regulated and unregulated



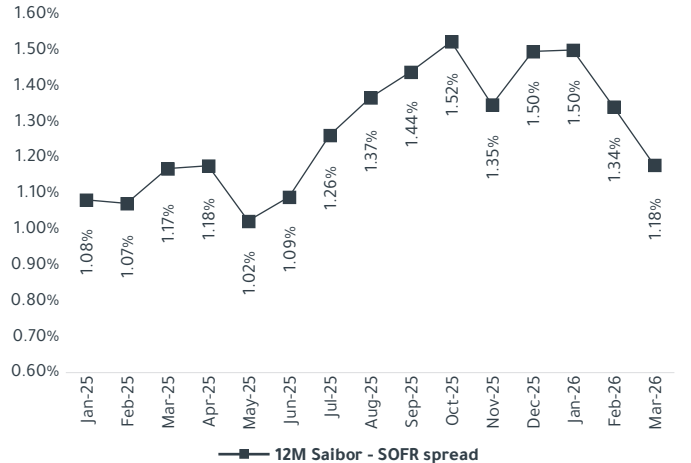
Source: SAMA, Aljazeera Capital Research

Repo Rate and 3M-Saibor



Source: SAMA, Aljazeera Capital Research

Saibor-SOFR spread



Source: SAMA, Aljazeera Capital Research

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1. Overweight: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. Underweight: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
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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