



# KSA Banking Pulse

Q1 | 2026

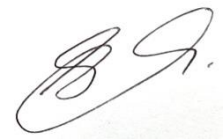
# KSA Banking: Sustained performance amid emerging challenges

Alvarez & Marsal Arabia Limited (A&M) is pleased to present the Q1 2026 edition of the KSA Banking Pulse (The Pulse – KSA)

In this quarterly series, we share results from our research examining the top ten largest listed KSA banks by assets and highlight key performance indicators of the sector. The Pulse aims to help banking executives and board members stay current on industry trends.



**Sam Gidoomal**  
Managing Director  
Head of Middle East Financial Services



First and foremost, I hope this report finds our readers safe and well.

The Q1 2026 performance underscores the resilience of the KSA banking sector, supported by healthy loan growth, stable margins, and easing credit costs. Nevertheless, banks witnessed emerging pressures from weaker non-interest income generation, higher operating expenditure, and lower benchmark rates.

Net financing increased by 1.6% QoQ while deposits grew by 3.9% QoQ, supporting improved liquidity conditions. Asset quality remained robust, with the sector NPL ratio stable at 0.9%, while the coverage ratio increased by 20bps QoQ to 162.6%.

Profitability remained healthy, with the sector NIM broadly sustained at 2.84%, while ROE compressed marginally, albeit remaining healthy at 14.7% amid lower interest rates and funding repricing pressures. Going forward, sustaining profitability is likely to depend on banks' ability to maintain lending momentum, improve fee-based income streams, and extract operating efficiencies as competition and investment spending continue to rise.

Key areas to watch in Q2 2026 include:

- **Margin trajectory:** the pace of further NIM compression as lower benchmark rates continue to flow through bank balance sheets and funding costs reprice.
- **Financing growth:** whether corporate, SME, and Vision 2030-related financing demand remains resilient amid evolving macroeconomic conditions.
- **Asset quality:** the sustainability of current credit metrics and whether banks maintain precautionary provisioning amid geopolitical uncertainty.

This report provides a concise, data-driven view of KSA banks' Q1 2026 performance and the key themes shaping the sector. We hope it serves as a useful reference for understanding the opportunities and challenges that may influence growth, profitability, and balance sheet performance in the quarters ahead.

*All the data used in this report has been obtained from publicly available sources and the methodology for the calculations is discussed in the glossary. The calculation of certain metrics has been updated, where required, to reflect appropriate comparative information. As a result, historical numbers may not match with those reported in previously published reports.*

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*The information contained in this document is of a general nature and has been obtained from publicly available information plus market insights. The information is not intended to address the specific circumstances of an individual or institution. There is no guarantee that the information is accurate at the date received by the recipient or that it will be accurate in the future. All parties should seek appropriate professional advice to analyse their situation before acting on any of the information contained herein.*

# Key Takeaways

## 1 KSA GDP Growth Rate and PMI

- The IMF progressively revised downward its FY 2026 GDP growth forecast for Saudi Arabia, lowering it from 4.5% in its January 2026 publication to 3.1% in April 2026, and further to 2.0% in June 2026, primarily reflecting the economic impact of the ongoing Middle East conflict
- The PMI for KSA in Mar 2026 declined to 48.8 from 57.4 in Dec 2025, as geopolitical tensions, supply chain disruptions, and weaker client demand weighed on business activity and new orders
- The PMI rebounded to 52.8 in May 2026, driven by improving domestic demand, renewed project activity, and continued government spending support

## 2 Policy Rates

- The U.S. Federal Reserve maintained its policy rate in Q1 2026 at 3.50–3.75% and held its stance in Q1 2026, balancing persistent inflation pressures against moderating economic growth
- In line with this stance, the Saudi Central Bank (SAMA) has also maintained its repo rate at 4.25% in Q1 2026
- SAMA is expected to broadly maintain alignment with the U.S. Federal Reserve, with market expectations currently favoring a stable-to-lower rate environment rather than additional rate hikes

## 3 Money Supply

- M1 growth remained muted, rising marginally by 5.2% QoQ to SAR 1,760.8bn in Q1 2026, as demand deposits increased by 5.0% QoQ to SAR 1,504.4bn
- M2 expanded by 5.5% QoQ to SAR 3,004.4bn in Q1 2026, driven by robust growth of 5.9% QoQ in time and savings deposits to SAR 1,243.6bn
- M3 increased by 4.4% QoQ to SAR 3,307.4bn, however there was a decline in other quasi-deposits of 5.2% QoQ to SAR 303.0bn, implying improving liquidity conditions that supports future credit expansion

# KSA Macro Overview

Stable monetary conditions and improving liquidity continue to support economic activity despite a softer growth outlook and geopolitical uncertainty

4.5%

Real GDP growth 2025

3.1%

Forecast GDP 2026

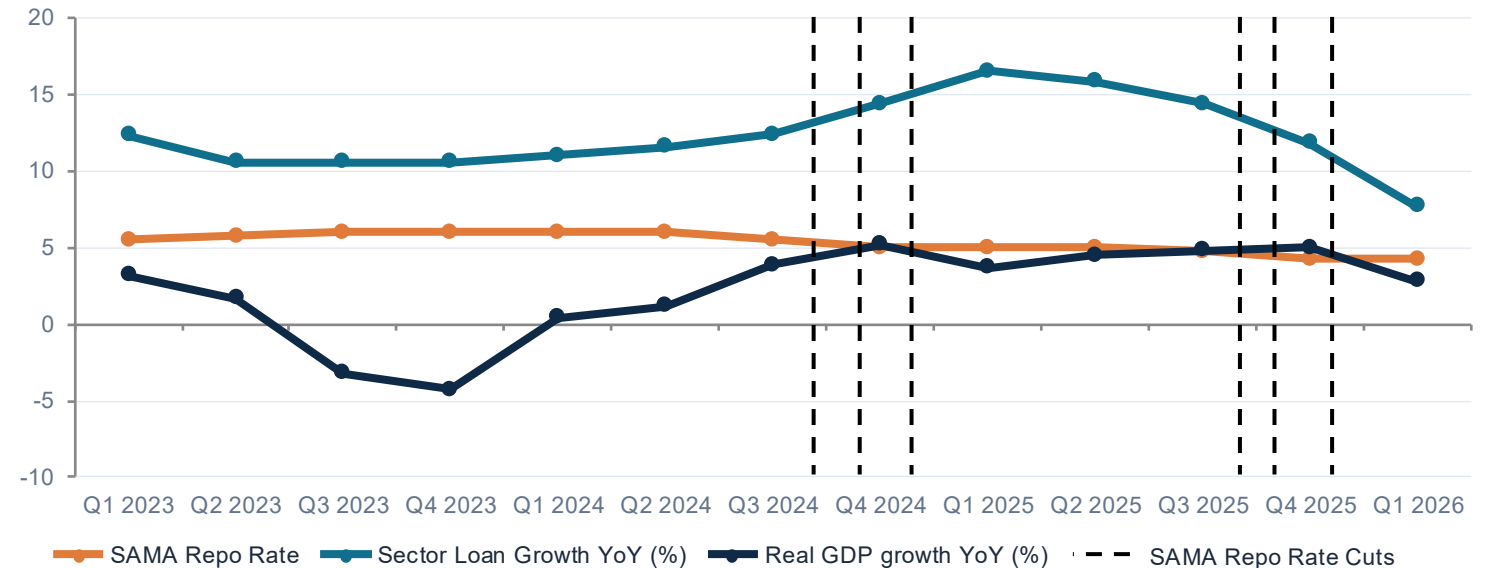
4.25%

SAMA Repo rate (Q1 2026)

52.8

May 2026 PMI

KSA Macro indicators



Overall, the KSA macroeconomic environment remains supportive, with stable policy rates, improving liquidity conditions, and a recovery in business activity helping offset the impact of geopolitical uncertainty and a softer growth outlook

# Key Takeaways

- 1 Growth and Funding**  
 Lending growth remained healthy in Q1 2026, driven by corporate, SME, and infrastructure financing, while stronger deposit growth helped improve liquidity conditions and support funding stability across the sector
- 2 Income & Efficiency**  
 Sector profitability remained resilient despite NIM compression, supported by loan volume growth. Higher spending on digital and AI initiatives led to a deterioration in cost efficiency
- 3 Returns**  
 RoE remained healthy at 14.7%, reflecting resilient earnings generation and efficient capital utilization, although lower margins and declining non-interest income weighed on profitability
- 4 Risk**  
 Asset quality remained broadly resilient; with the NPL ratio remaining low at 0.9% despite a modest increase in Stage 3 loans, while strong coverage ratios continued to support balance sheet resilience
- 5 Capital & Liquidity**  
 Capital and liquidity positions remained strong, supported by strong capital and liquidity ratio, healthy deposit growth, and continued balance sheet strengthening through Tier 1 capital issuances

## Implications

Overall, the KSA banking sector remained well positioned in Q1 2026, underpinned by resilient profitability, strong balance sheet fundamentals, and ample capital and liquidity to support future growth

## KSA Banking Sector overview

KSA banks remained fundamentally strong despite profitability headwinds and emerging asset quality pressures

	Metric	Q4 2025	Q1 2026	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Growth and Funding	Net L&A Growth (QoQ)	0.8% <span style="color: green;">▲</span>	1.6%					
	Deposits Growth (QoQ)	0.6% <span style="color: green;">▲</span>	3.9%					
	Loan-to-Deposit Ratio (LDR)	106.5% <span style="color: red;">▼</span>	104.1%					
Income and Efficiency	Net Income Growth (QoQ)	0.2% <span style="color: green;">▲</span>	1.2%					
	Cost of Funds (CoF)	3.4% <span style="color: red;">▼</span>	3.2%					
	Net Interest Margin (NIM)	2.84% <span style="color: green;">↔</span>	2.84%					
	Cost-to-Income Ratio (C/I)	28.2% <span style="color: red;">▲</span>	30.1%					
Returns	Return on Equity (RoE)	15.0% <span style="color: red;">▼</span>	14.7%					
	Return on Assets (RoA)	2.0% <span style="color: green;">↔</span>	2.0%					
	Return on Risk-Weighted Assets (RoRWA)	2.7% <span style="color: green;">↔</span>	2.7%					
Risk	Non-Performing Loans (NPL) %	0.9% <span style="color: green;">↔</span>	0.9%					
	Cost of Risk (CoR)	0.40% <span style="color: red;">▼</span>	0.15%					
	Coverage Ratio	162.4% <span style="color: green;">▲</span>	162.6%					
Capital & Liquidity	Capital Adequacy Ratio (CAR)	20.5% <span style="color: green;">▲</span>	20.9%					
	LCR	171.9% <span style="color: red;">▼</span>	171.6%					

Sources: Financial statements, Investor presentations, A&M analysis  
 Sources: 1 IMF, 2 US Board of Federal Reserve, 3 KSA Central Bank, (SAMA)

# Key Sector Developments

## KSA banking industry developments



### Market Liquidity

- Deposit growth outpaced lending growth in Q1 2026, helping to improve liquidity conditions and moderate sector LDR levels
- Sector liquidity remained comfortable, supported by healthy funding inflows, a strong CASA base, and diversified funding sources
- Banks continued to prioritize funding mix optimization and deposit mobilization to manage funding costs amid ongoing competition for deposits



### Costs

- Overall aggregate cost efficiency has dipped across the sector, showing varied performance from bank to bank
- Cost efficiency was impacted by heavy investments in digital transformation, AI capabilities, and core tech infrastructure
- Banks are increasingly focused on automation, workforce productivity, and digitalization initiatives to support long-term efficiency gains



### Asset Quality

- The Saudi banking sector demonstrated persistent credit asset resilience, demonstrated by the stable low NPL ratio at 0.9%
- Strong coverage ratios and ongoing recoveries successfully insulated balance sheets from credit degradation
- Despite prevailing global economic headwinds, domestic banks remain confident in the long-term health of their portfolios



### New Technologies

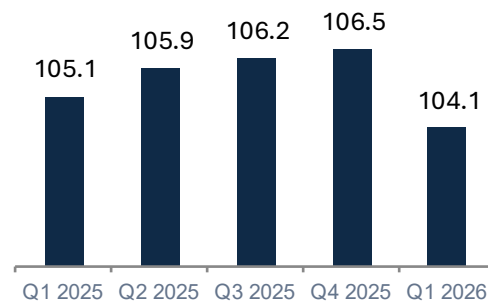
- KSA banks accelerating AI, cloud and digital banking investments to enhance efficiency, customer experience, and scalability
- AI adoption is broadening across banking operations, supporting risk management, fraud detection, marketing, and lending
- Vision 2030 continues to drive digital transformation, with banks expanding fintech, embedded finance solutions, and digital ecosystem capabilities



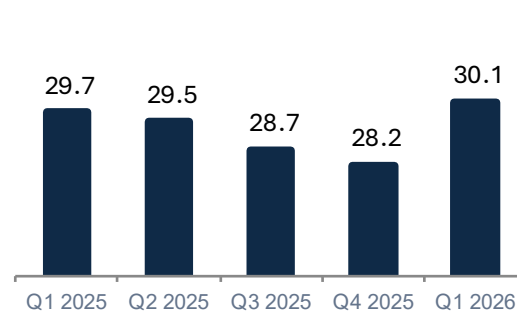
### Expected Challenges

- Lower benchmark rates and continued margin compression are expected to weigh on earnings across the sector
- Loan repricing and funding optimization initiatives may partially offset pressure on profitability
- Geopolitical uncertainty, regional conflicts, and oil price volatility may lead banks to maintain prudent provisioning and tighter risk management frameworks

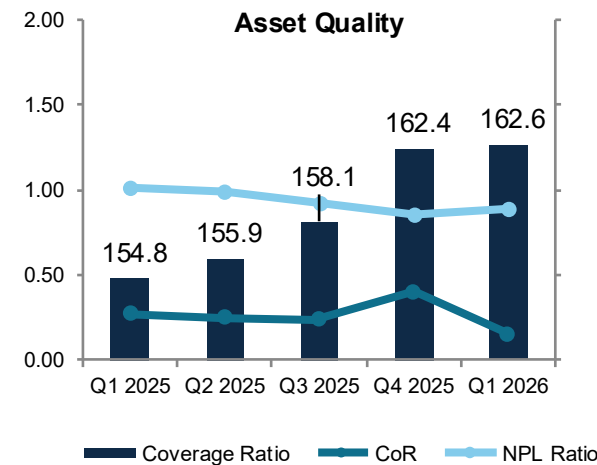
Loan-to-Deposit Ratio



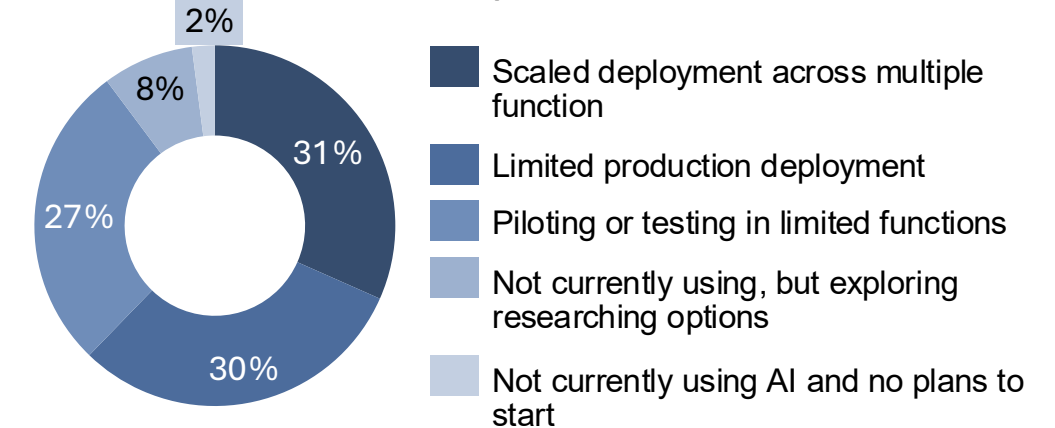
Cost-to-Income Ratio



Asset Quality



Institutional AI adoption in KSA



# Peer Archetypes

## Scale leaders

SNB, ALRAJHI, RIBL

Leading banking franchises with strong market positions, diversified revenue streams, and extensive corporate and retail banking services

## Balance sheet growth leaders

ALINMA, BALB, BJAZ

Delivered robust balance sheet growth, supported by strong financing expansion and sustained deposit inflows, reflecting continued customer acquisition and healthy business momentum

## Risk management leaders

SAIB, SAB

Maintaining strong asset quality while retaining prudent provisioning buffers

## Digital & AI transformation leaders

ANB, BSF

Accelerating digital transformation through AI adoption, automation initiatives, and investments in next-generation banking platforms

# KSA Banks – Relative Performance Analysis

ALRAJHI emerged as a top-performing bank across five KPIs, followed by SNB which also remained one of the strongest performers among the peers. In contrast, BJAZ, SAIB and SAB reported relatively lower rankings in selected indicators

Banks	Loan Growth QoQ %	Deposit Growth QoQ %	NIM %	RoE %	C/I %	NPL %	CoR %	CAR %
SNB	0.5%	4.6%	2.67%	13.2%	29.0%	0.7%	-0.31%	21.9%
ALRAJHI	0.1%	1.7%	3.32%	21.7%	23.3%	0.8%	0.33%	23.0%
RIBL	1.0%	6.3%	2.65%	15.1%	29.7%	0.8%	0.29%	19.4%
SAB	2.8%	2.5%	2.62%	11.1%	30.5%	1.3%	0.21%	19.3%
BSF	3.3%	2.2%	2.86%	11.6%	34.1%	1.0%	0.44%	21.0%
ALIMNA	3.7%	5.4%	3.21%	16.6%	32.6%	0.9%	0.26%	19.9%
ANB	1.7%	-0.6%	3.06%	13.1%	33.3%	0.9%	0.27%	20.0%
SAIB	3.2%	12.1%	2.11%	10.1%	39.1%	0.9%	0.20%	18.9%
BALB	6.2%	5.6%	2.92%	15.3%	41.7%	1.2%	0.22%	20.7%
BJAZ	3.1%	7.4%	1.97%	8.3%	52.8%	1.3%	0.26%	19.6%

■ Top 30%
 ■ Middle
 ■ Bottom 30%

# Voice of the CEO (1/2)



## Margin & funding outlook:

SAB's management expects margins to remain broadly stable, with potential upside in H2 2026 as repricing benefits flow through corporate and retail loan books

BSF maintained FY 2026 NIM guidance of ~3.0%, expecting corporate loan repricing and diversified funding sources to offset lower non-interest-bearing deposit (NIBD) ratio

Management guided FY 2026 NIM above 3.0% for ANB, supported by continued growth in low-cost demand deposits and ongoing funding-mix optimization initiatives



## Loan growth ambition:

SNB is targeting a 9.0% financing CAGR through 2027, supported by Vision 2030 projects and wholesale banking opportunities

ALRAJHI remains focused on expanding corporate relationships and growing SME financing through tailored banking solutions

BSF targets high-single-digit financing growth, supported by commercial lending and digital consumer banking initiatives

ANB expects mid-to-high-single-digit loan growth, driven by expansion across strategic and high-growth sectors



## Asset quality view:

SNB expects the cost of risk to remain between 0.15% – 0.25%, supported by prudent provisioning and strong coverage levels

ALRAJHI guides for a cost of risk of 0.30% – 0.40% while maintaining healthy asset quality and disciplined risk management

SAB continues to maintain elevated overlays and stress-testing measures to safeguard balance sheet resilience



## Capital deployment:

SNB maintains a disciplined capital allocation strategy with a Tier 1 CAR target of 19.0–20.0%

ALRAJHI continues to strengthen its capital base through Tier 1 Sukuk issuances of USD 1.0bn while supporting growth and shareholder distributions

ANB strengthened its capital base through a USD 750mn Sustainable Tier 1 Sukuk while targeting a CAR above 19.0%

SAIB expects its Tier 1 capital ratio to remain above 18.0%, supported by strong internal capital generation

## Voice of the CEO (2/2)



### Digital & AI transformation:

SNB plans to deploy **30+** AI use cases by 2027 and launch a Neo-financing subsidiary to strengthen its digital offering

ALRAJHI is advancing its cloud-ready strategy while leveraging AI-driven marketing and customer engagement capabilities

BSF is accelerating AI deployment across risk functions while expanding its digital banking ecosystem through its JB platform

ANB aims to become a regional digital champion through AI-powered retail banking, hyper-personalization, and fintech initiatives



### ESG & sustainable finance:

ALRAJHI continues to expand green financing activities, supported by strong ESG credentials and renewable energy financing

BSF is strengthening its ESG framework through the integration of sustainability across governance, risk management, and operations

ANB is executing its ESG roadmap through sustainable finance initiatives and a USD **750.0mn** sustainable Sukuk issuance



### Geographic expansion:

SNB continues to strengthen its Far East presence while maintaining a primary focus on domestic growth opportunities

ALRAJHI remains focused on deepening its position in KSA's corporate and SME banking sectors while leveraging its international footprint

ANB aims to expand its commercial banking footprint into emerging regional cities to support long-term growth



### Regulatory & macro view:

ALRAJHI expects stable rates and continued economic growth, supported by expansion in the non-oil economy

SAB continues to maintain elevated liquidity buffers and precautionary overlays amid regional uncertainty

BSF expects lower interest rates in FY 2026 while positioning to benefit from Vision 2030-driven growth opportunities

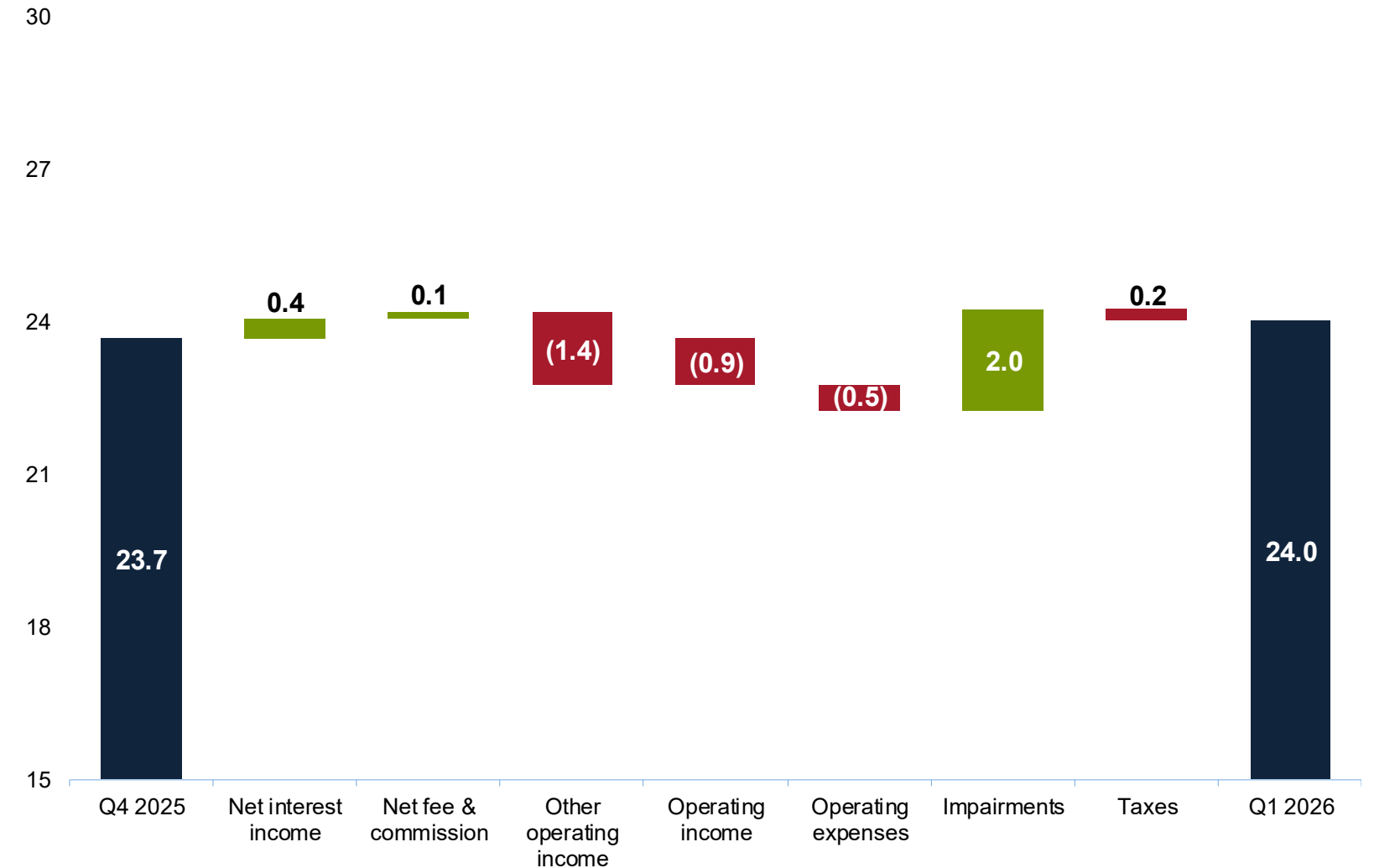
ALINMA remains cautious on the near-term macro-outlook, citing geopolitical uncertainty and oil price volatility while maintaining a positive medium-term view.

# Key Takeaways

- 1 Moderating operating income momentum**  
 Aggregate net income reported a growth of 1.2% QoQ in Q1 2026. However, operating income of the bank declined by 2.3% QoQ, due to slower growth in net interest income (1.1% QoQ) and decline in non-interest income (-13.2% QoQ) weighed on operating income.
- 2 Higher operating investments**  
 Operating expenses increased during the quarter by 4.1% QoQ as banks continued to invest in digital capabilities, technology infrastructure, and franchise expansion initiatives
- 3 Lower impairment charges**  
 Despite softer operating income performance, profitability was supported by a 61.4% QoQ decline in impairment charges, underscoring the sector's strong asset quality trends

## Income and Profitability (1/4)

Net Income Bridge (SAR bn)



### Implications

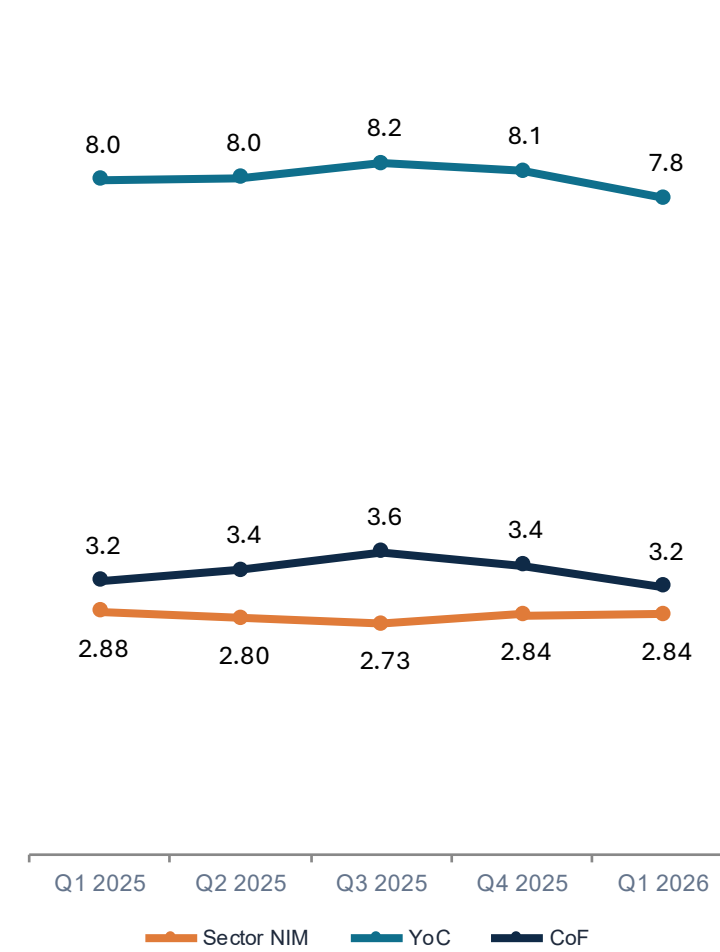
The KSA banking sector demonstrated earnings resilience in Q1 2026, supported by net interest income growth and lower impairment charges. However, moderating operating income growth and rising investment spending highlight the need for greater revenue diversification and improved operating efficiency to sustain profitability.

# Key Takeaways

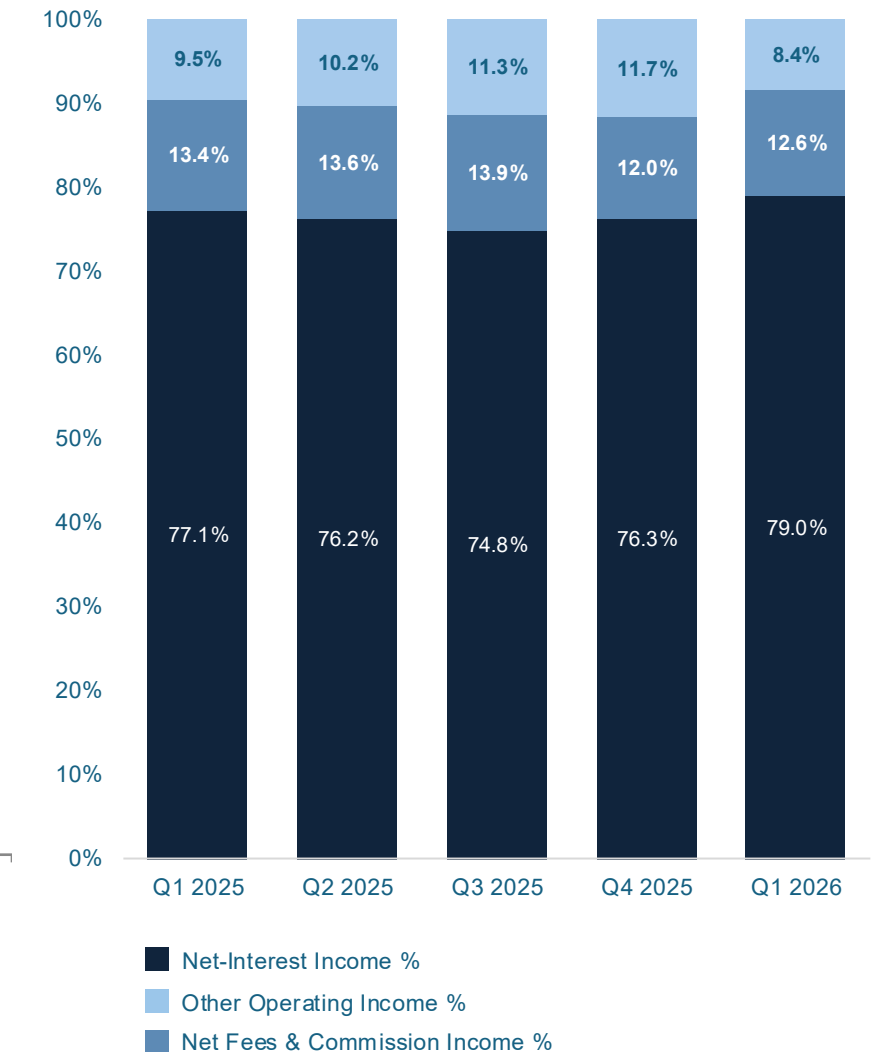
- 1 NIM remained broadly stable**  
 Sector NIM was sustained at 2.84% in Q1 2026, despite a 32bps QoQ decline in YoC to 7.8% and 25bps QoQ reduction in CoF to 3.2%. Margin stability was underpinned by lower funding costs and continued balance sheet expansion
- 2 Loan growth supported core revenue generation**  
 Continued loan growth remained a key driver of net interest income, as net financing expanded 1.6% QoQ, helping mitigate the effects of lower benchmark rates and ongoing margin pressure
- 3 Revenue mix became more interest-income driven**  
 The contribution of net interest income to operating income increased to 79.0% in Q1 2026 from 76.3% in Q4 2025, fees & commissions income contribution increased from 12% to 12.6%, while the share of other operating income declined, highlighting increased reliance on core lending activities during the quarter

## Income and Profitability (2/4)

NIM Trajectory (%)



KSA Banks Operating Income Mix



### Implications

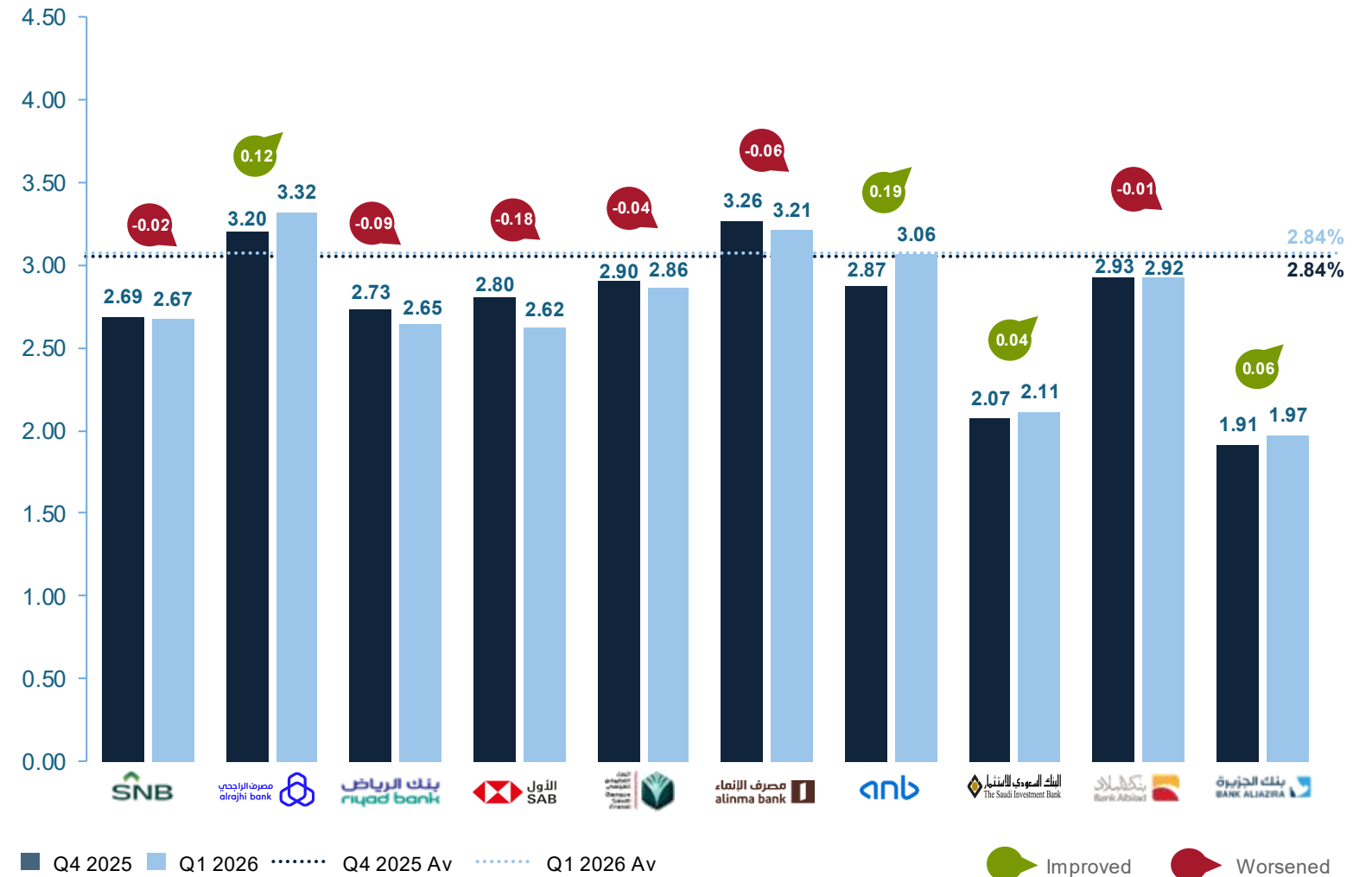
Stable margins and continued loan growth demonstrate the strength of core banking operations; however, increased reliance on interest income highlights the importance of expanding fee-based and non-interest revenue streams to support sustainable earnings growth.

# Key Takeaways

- Sector-wide margin pressure**  
Aggregate NIM remained stable during the quarter, however, six of the ten listed banks reporting margin compression, highlighting the broad-based challenge of loan repricing in the lower benchmark rates environment
- SAB recorded the steepest margin contraction**  
SAB reported the sharpest decline in NIM among its peers, with margins narrowing by 18bps QoQ to 2.62%. The contraction was primarily attributable to the repricing of earning assets following lower benchmark rates, coupled with the bank's strategic decision to maintain higher liquidity buffers, which diluted overall asset yields
- ALRAJHI demonstrated strong margin resilience**  
Among the five largest banks, ALRAJHI stood out as the only bank to deliver meaningful margin expansion, with NIM increasing to 3.32% from 3.20% in Q4 2025. Management attributed the NIM expansion to four key factors: asset repricing to capture a liquidity premium, optimization of the asset mix toward higher-yielding assets, improvement in the CASA mix, and the reduction/optimization of funding costs

## Income and Profitability (3/4)

### Net Interest Margin (% Quarterly)



### Implications

KSA banks will need to focus on strengthening low-cost deposit franchises, optimizing funding structures, accelerating loan repricing initiatives, and maintaining disciplined liquidity management. Institutions with a higher CASA base, superior pricing power, and greater balance sheet flexibility are likely to be better positioned to protect profitability and generate sustainable returns in the coming quarters.

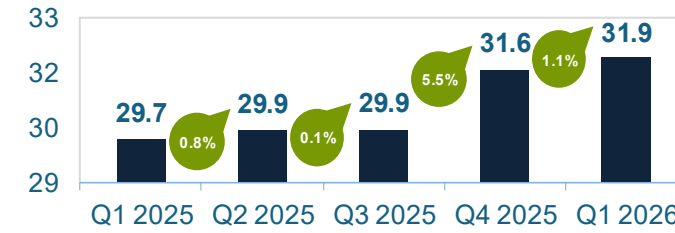
# Key Takeaways

- 1 Resilient net interest income growth**  
 Aggregate net interest income increased 1.1% QoQ to SAR 31.9bn, supported by continued loan growth despite lower benchmark rates, demonstrating the sector's ability to sustain earnings through balance sheet expansion
- 2 Fees and commission income**  
 Rose 2.9% QoQ, demonstrating the resilience of transaction-driven revenue streams and continued customer activity across core banking products
- 3 Other operating income**  
 Declined 29.8% QoQ, driven by weaker market-related revenues and regulatory changes affecting non-banking businesses. Despite resilient core lending activity, ancillary revenue streams continued to face cyclical headwinds

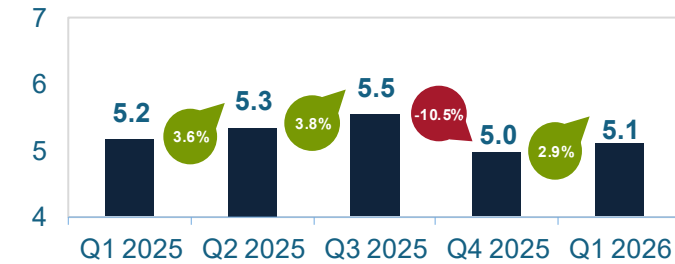
**Implications**  
 KSA banks continue to demonstrate resilient core earnings supported by lending growth; fees & commissions remain a strong contributor to the revenue mix. However, decline in other operating income highlights that banks navigate ongoing pressure on ancillary income streams

## Income and Profitability (4/4)

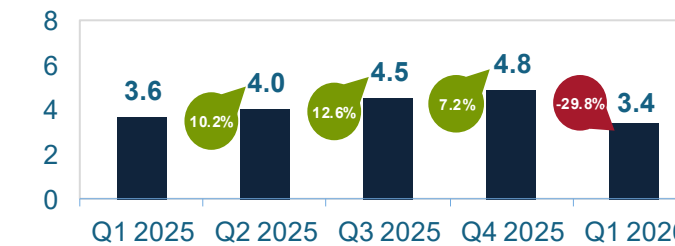
**Net Interest Income (SAR bn)**



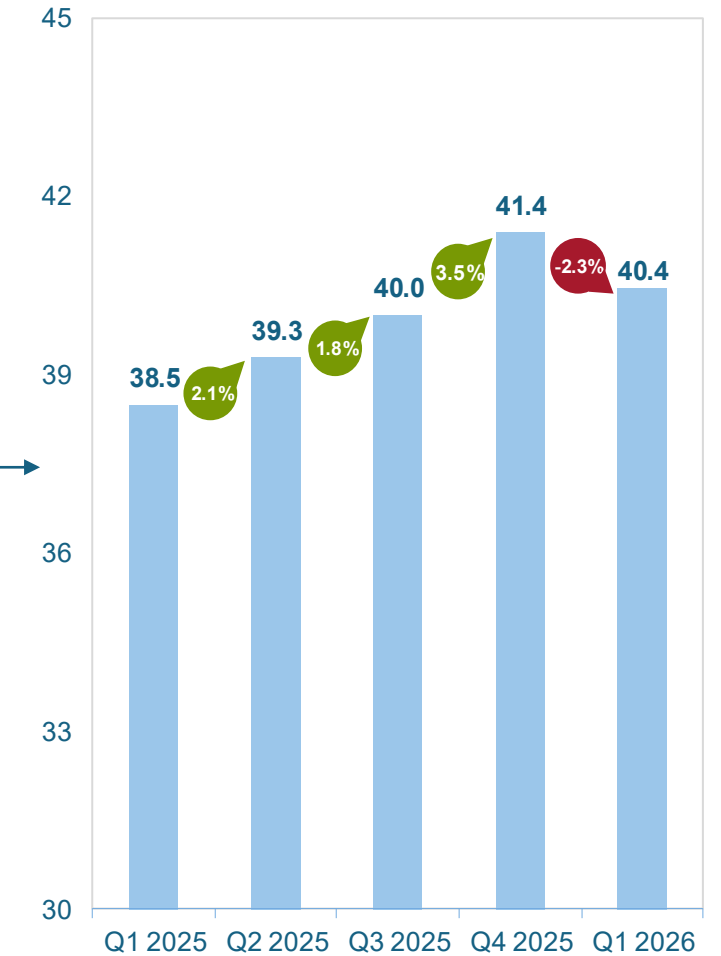
**Fees & Commission Income (SAR bn)**



**Other Operating Income (SAR bn)**



**Operating Income (SAR bn)**



Improved (green leaf icon) Worsened (red leaf icon)

# Key Takeaways

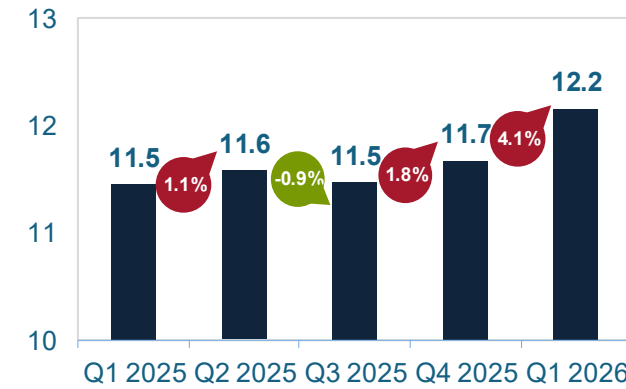
- 1 Cost efficiency deteriorated in Q1 2026**  
 Banks' C/I ratio increased to 30.1% from 28.2% in Q4 2025. The increase reflects a combination of higher operating expenses and softer operating income growth across the sector
- 2 Operating expenses increased sequentially**  
 Operating expenses increased further to SAR 12.2bn in Q1 2026 (+4.1% QoQ), driven by continued investments in technology infrastructure and business expansion initiatives across major banks
- 3 Technology-led transformation remained a key focus**  
 Banks continued to prioritize investments in AI, digital banking platforms, automation, and operating infrastructure to support long-term efficiency, customer acquisition, and scalable growth initiatives

### Implications

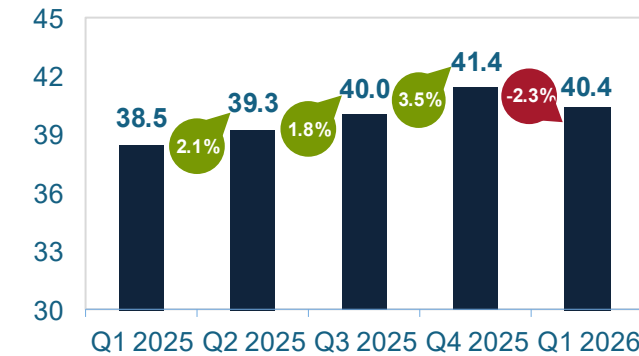
Elevated investment spending is creating near-term pressure on operating efficiency; however, these initiatives are expected to strengthen competitiveness and support future productivity improvements. Banks that successfully translate technology investments into revenue growth and cost savings are likely to achieve stronger operating leverage and sustainable profitability over the medium term

## Cost and Efficiency (1/2)

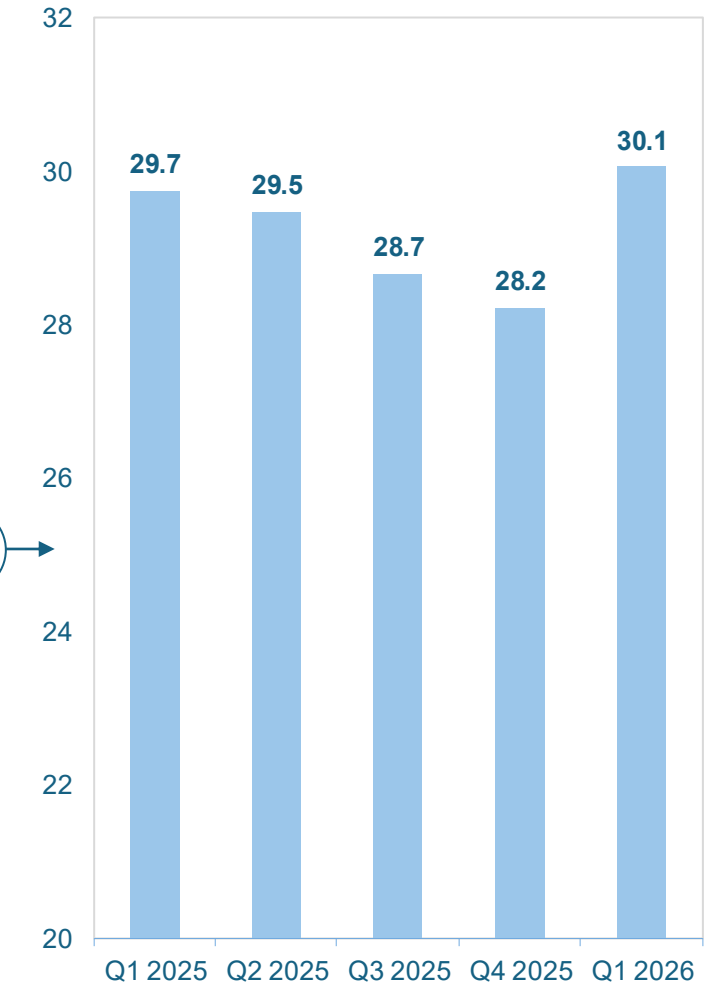
**Operating Expense**  
(SAR bn)



**Operating Income**  
(SAR bn)



**Cost to Income Ratio**  
(%, Quarterly)



● Improved   
 ● Worsened

Note: Some numbers might not add up due to rounding off  
 Source: Financial statements, investor presentations, A&M analysis

# Key Takeaways

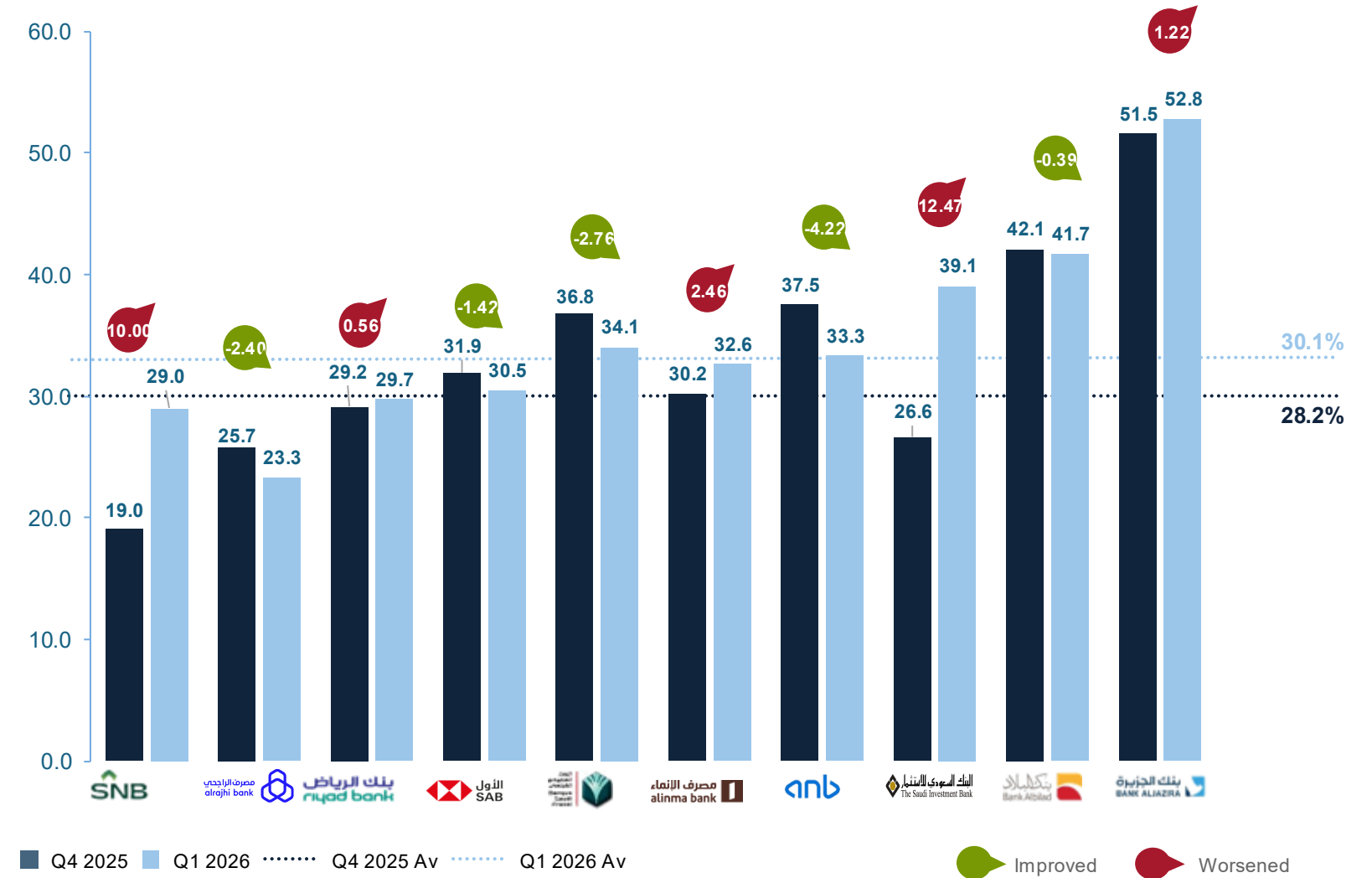
- Sector efficiency deteriorated**  
Sector C/I ratio deteriorated to 30.1% in Q1 2026 (vs. 28.2% in Q4 2025), reflecting higher operating expenses and ongoing investments in technology, automation, and digital transformation initiatives
- ALRAJHI maintained sector leading efficiency**  
ALRAJHI continued to report the strongest efficiency metrics in the sector, supported by workforce efficiency, procurement optimization, and scalable digital platforms
- SAIB reported higher efficiency pressure**  
SAIB reported the sharpest increase in the C/I ratio during Q1 2026 due to continued investments in digital transformation initiatives
- BJAZ's cost efficiency remained worst among peers**  
BJAZ continued to report the highest C/I ratio in the sector amid ongoing business expansion and transformation-related spending
- Revenue pressure limited efficiency gains**  
Softer operating income growth and continued margin pressure across several banks limited operating leverage during the quarter, resulting in a modest deterioration in efficiency metrics despite disciplined cost management

### Implications

As margin pressure persists across the KSA banking sector, operational efficiency and scalable digital infrastructure are becoming increasingly important for sustaining profitability and protecting returns amid rising technology and transformation-related costs

## Cost and Efficiency (2/2)

**Cost to Income Ratio**  
(%, Quarterly)



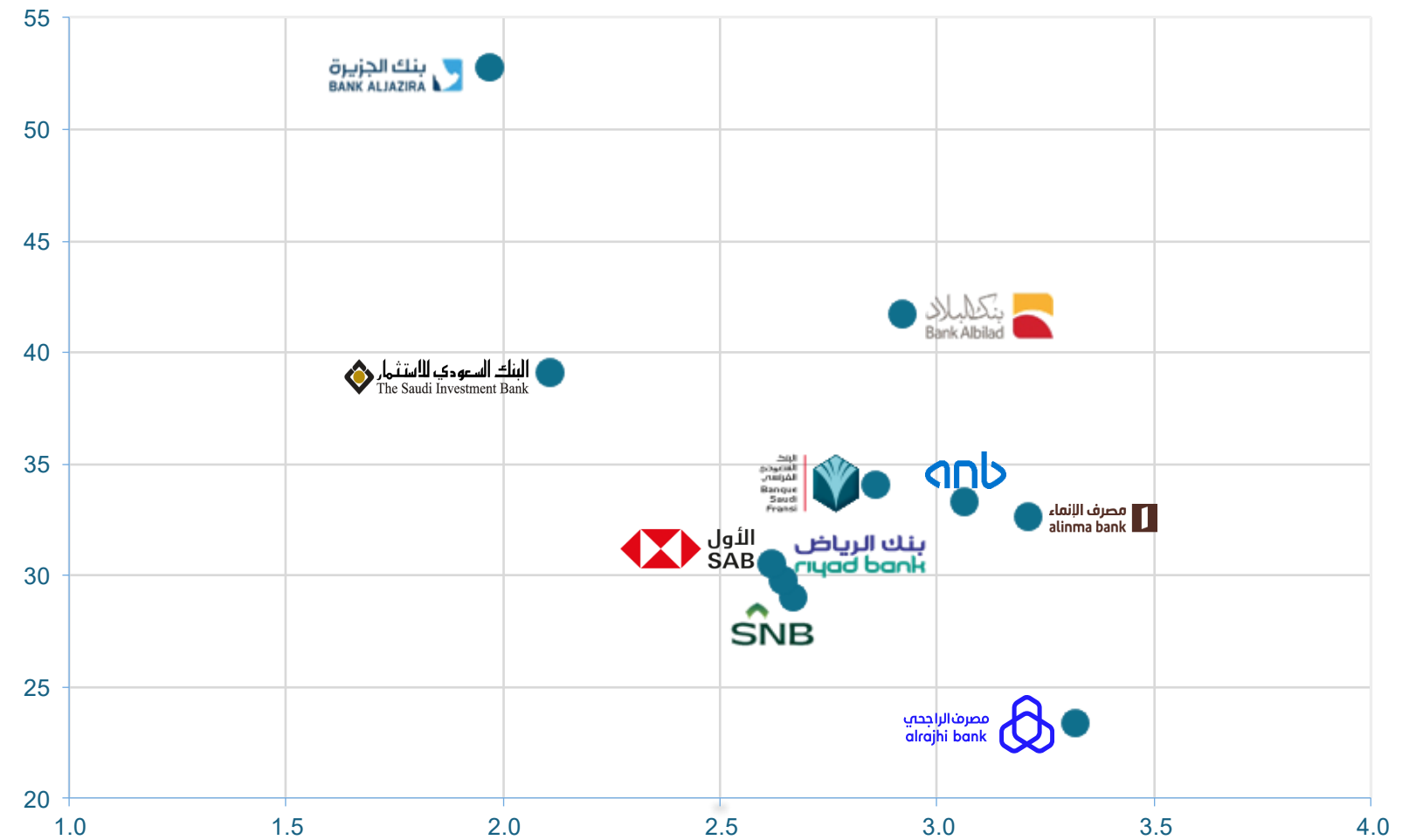
Note: Scaling and some numbers might not add up due to rounding  
Source: Financial statements, investor presentations, A&M analysis

# Key Takeaways

- 1 ALRAJHI and SNB led on operating efficiency**  
 ALRAJHI and SNB remained the best positioned banks, supported by workforce efficiency, cost optimization measures, and scalable digital ecosystems
- 2 Mid-sized banks faced cost pressure**  
 Most of the banks continued to report relatively elevated C/I ratios despite maintaining healthy NIMs, reflecting higher operating costs, ongoing digital transformation investments, and weaker operating leverage
- 3 BJAZ remained a high-cost outlier**  
 BJAZ remained a clear sector outlier in Q1 2026, reporting both the lowest NIM of 1.97% and the highest C/I ratio of 52.8%, reflecting that ongoing business expansion and transformation investments continued to weigh on operating efficiency

## Margin economics vs operating efficiency

C/I ratio %



### Implications

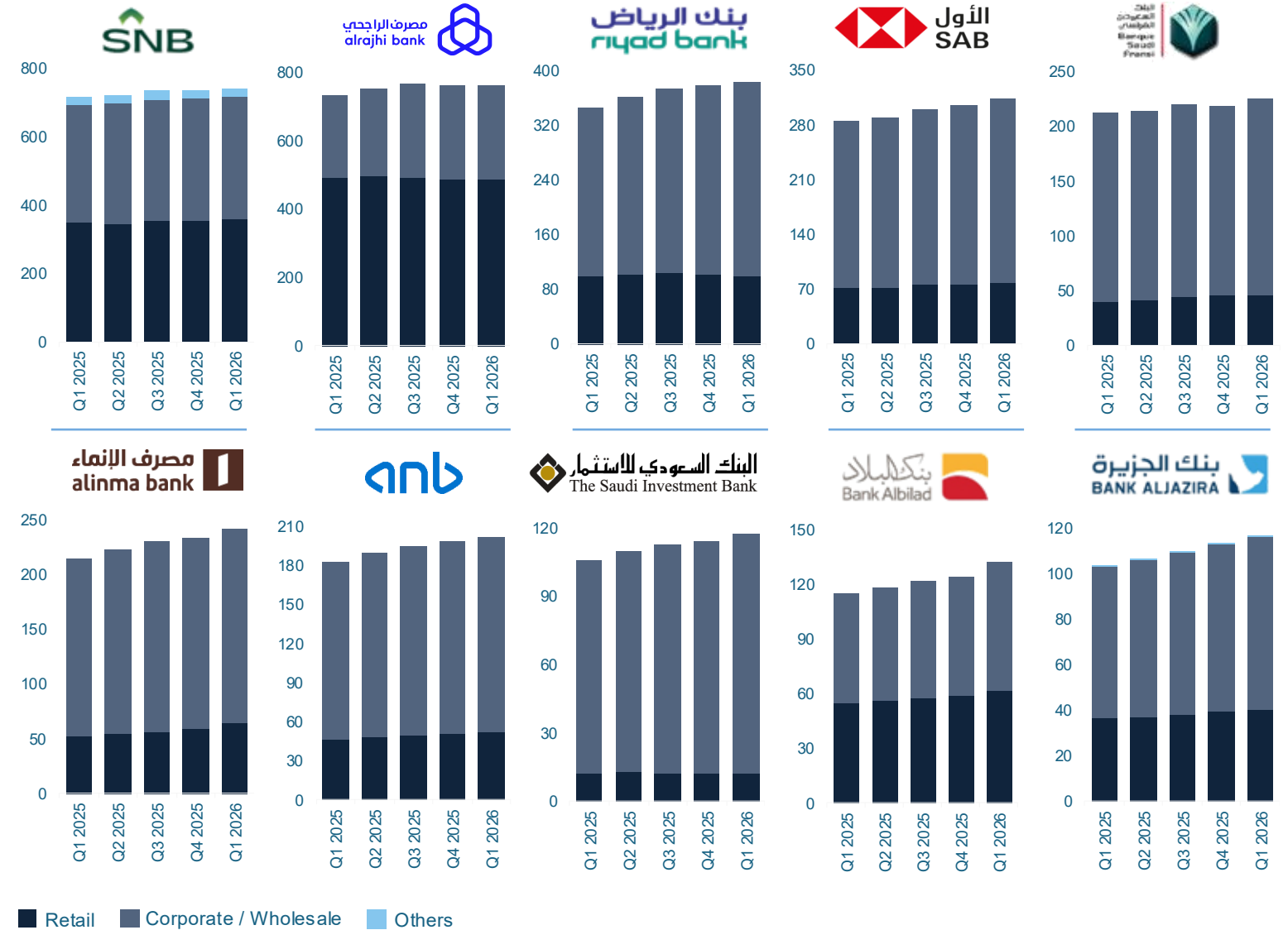
The sector continues to demonstrate a widening divergence in profitability and operating efficiency, with banks that benefit from stronger funding franchises, scalable digital infrastructure, and disciplined cost management being better positioned to sustain returns amid ongoing margin pressure

NIM %

# Key Takeaways

- Sector lending growth accelerated**  
 Net loans and advances across KSA banks increased by 1.6% QoQ in Q1 2026 (vs. 0.8% in Q4 2025), supported by continued momentum in corporate, SME and infrastructure-related lending
- Corporate lending continued to drive growth**  
 Corporate loans remained the key growth driver, increasing by 1.9% QoQ in Q1 2026 (vs. 1.5% in Q4 2025), supported by SME lending and Vision 2030-related projects. BALB reported particularly strong corporate and SME financing momentum
- Retail lending recovered sequentially**  
 Retail loans increased by 1.3% QoQ in Q1 2026 following a 0.2% decline in Q4 2025, indicating a gradual stabilization in consumer financing activity despite elevated borrowing costs. ALINMA reported the strongest retail financing growth supported by mortgage and personal lending expansion
- Large banks prioritized yield and asset mix optimization**  
 SNB and ALRAJHI continued to report relatively slower balance sheet growth, reflecting a greater focus on SME financing, yield optimization, selective lending, and improving the asset mix rather than aggressive loan expansion

## Gross Loans and Advances (SAR bn)



Note: Scaling and some numbers might not add up due to rounding

Note: KSA banks have no disclosure on Loans & Advances by Industry. The reporting only has details of corporate and retail loans

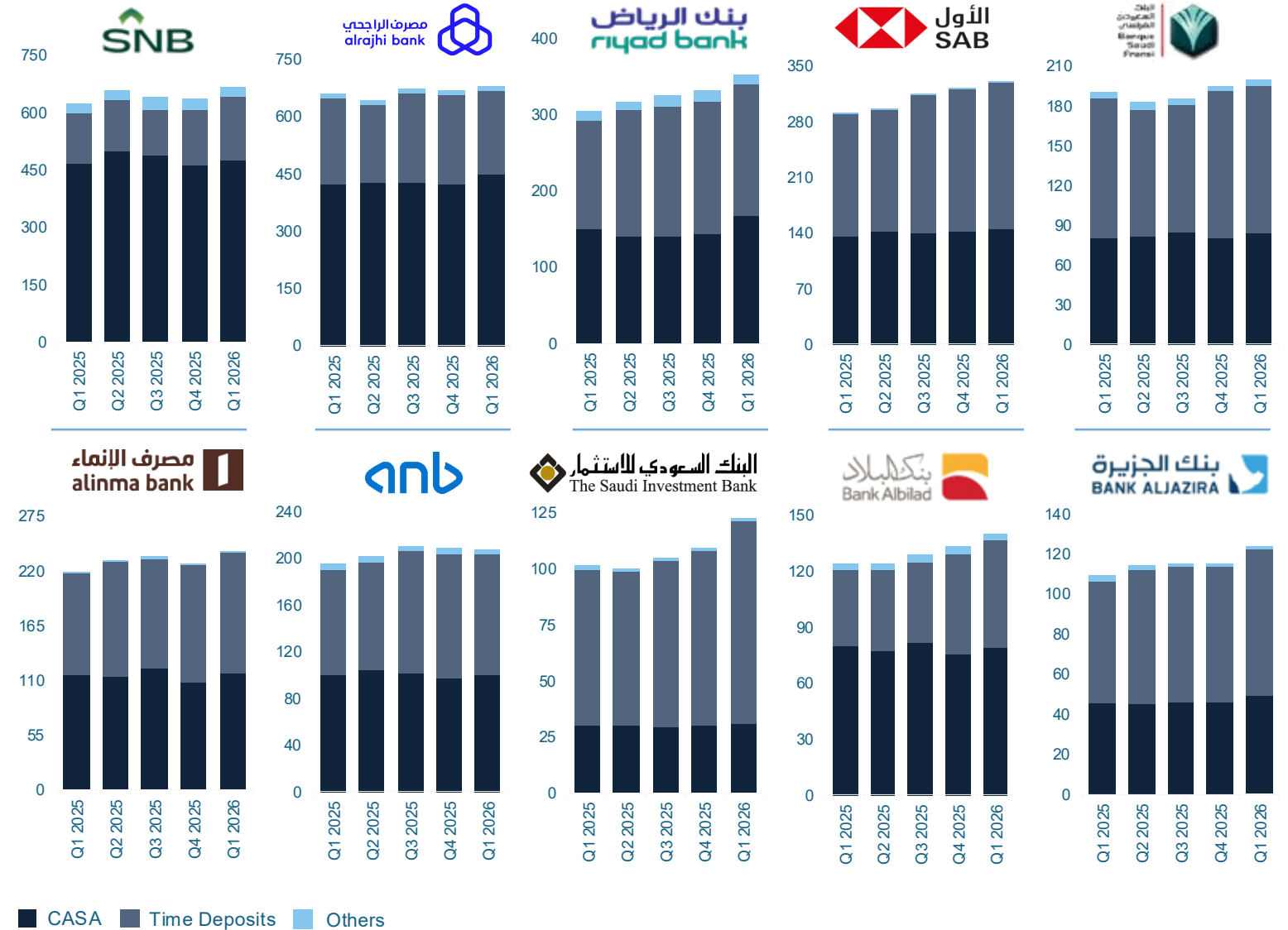
### Implications

The sector continues to transition toward corporate and infrastructure-led credit growth, with banks increasingly prioritizing asset mix optimization, yield quality, and selective lending over aggressive balance sheet expansion

# Key Takeaways

- Strong deposit growth**  
Aggregate deposits grew by 3.9% QoQ, driven primarily by strong CASA inflows, reflecting robust customer deposit mobilization and providing banks with a favorable funding mix and ample liquidity
- CASA growth remained resilient**  
Aggregate CASA deposits increased by 5.6% QoQ, supported by strong retail franchises and low-cost funding optimization initiatives. RIBL, ALINMA, BJAZ, and ALRAJHI reported some of the strongest retail deposit growth during the quarter
- Funding mix divergence continued across banks**  
Banks with stronger CASA growth and lower reliance on time deposits, such as ALRAJHI and RIBL, remained better positioned on funding costs, while banks such as SAIB, BALB, and BJAZ faced relatively higher funding pressure due to greater dependence on interest-bearing deposits
- Time deposit growth remained strong**  
Time deposit growth remained elevated across the sector as banks continued competing for liquidity and funding stability. SAIB, BJAZ, and BALB reported particularly strong growth in interest-bearing deposits during the quarter
- Competition for deposits continued to intensify**  
Banks increasingly focused on optimizing their funding mix and protecting CASA balances as competitive pressure for deposits and elevated funding costs persisted across the sector

## Customer Deposits (SAR bn)



### Implications

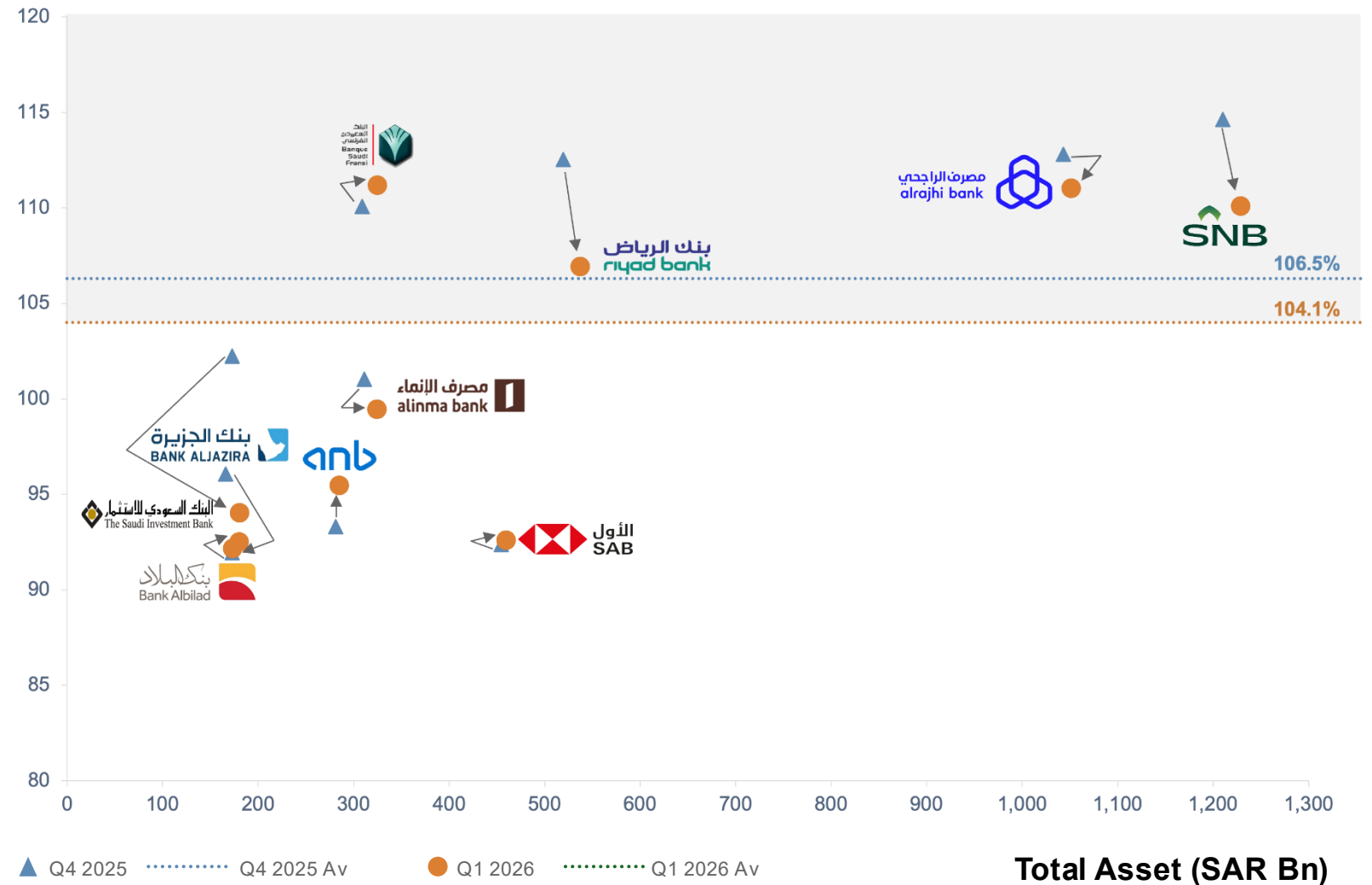
Strong deposit and CASA inflows eased funding pressure and improved the sector's funding mix this quarter, but intensifying competition for deposits means funding-cost advantage will increasingly favour banks with deeper CASA franchises, while those more reliant on time deposits face greater margin pressure going forward

# Key Takeaways

- Sector liquidity improved sequentially**  
Aggregate LDR ratio declined to 104.1% in Q1 2026 from 106.5% in Q4 2025, reflecting stronger deposit growth, easing funding pressure, and improving system liquidity conditions across the sector
- Large banks continued to operate at elevated LDRs**  
SNB, ALRAJHI, RIBL, and BSF continued to report relatively elevated LDR ratios reflecting stronger balance sheet utilization and continued corporate lending momentum despite remaining within SAMA regulatory thresholds
- Deposit growth helped support liquidity stability**  
Stronger retail and corporate deposit inflows during Q1 2026 helped improve funding stability and ease liquidity pressures, while banks continued to prioritize funding mix optimization amid elevated competition for deposits and higher funding costs
- Regulatory liquidity buffers remained comfortable**  
Most banks continued to maintain comfortable SAMA regulatory LDR positions and liquidity buffers, providing sufficient headroom to support financing growth and ongoing Vision 2030-related lending opportunities

## Loan-to-Deposits Ratio (%)

Loan-to-Deposit Ratio %



### Implications

Improving liquidity conditions and stable regulatory funding buffers provide banks with greater flexibility to support loan growth; however, competition for deposits and elevated funding costs remain the key sectoral challenges going forward

# Key Takeaways

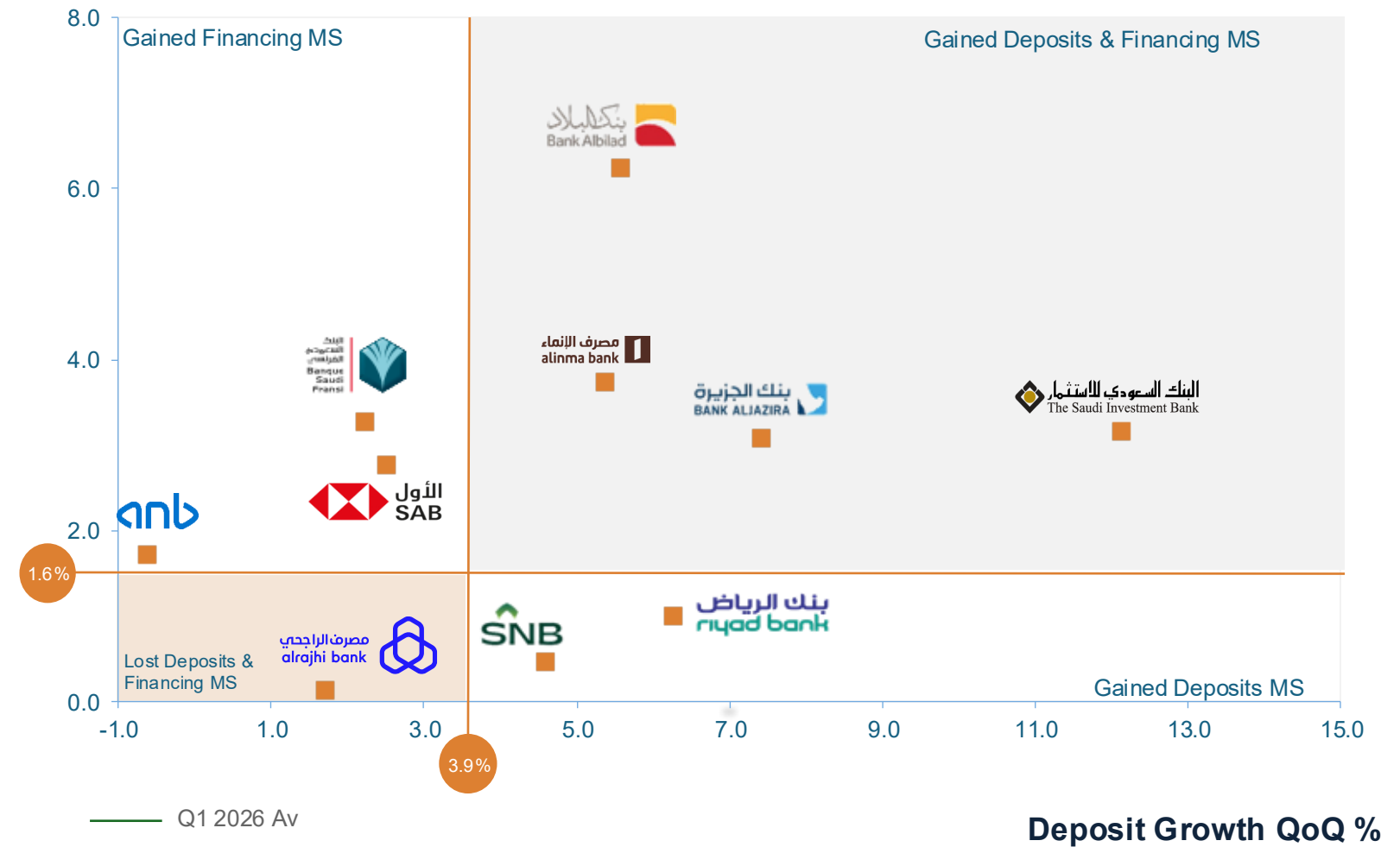
- 1 Deposit growth outpaced loan growth across most banks**  
 Most KSA banks reported stronger deposit growth relative to loan growth in Q1 2026, reflecting improving liquidity conditions, active liability management, and continued focus on funding stability mobilization across the sector
- 2 BALB led on balance sheet expansion**  
 BALB reported the strongest combined loan and deposit growth, supported by aggressive corporate lending expansion, SME financing momentum, and strong deposit mobilization initiatives
- 3 ALRAJHI prioritized funding quality and yield optimization**  
 ALRAJHI reported relatively slower balance sheet growth, greater focus on funding quality, liquidity management, selective lending, and yield optimization rather than aggressive asset expansion
- 4 Quarter-end volatility impacted lending momentum**  
 Loan growth across major banks turned more volatile toward the end of Q1 2026 following heightened regional geopolitical tensions in March

### Implications

The sector continues to demonstrate diverging growth strategies, with mid-sized banks pursuing more aggressive balance sheet expansion while larger banks increasingly prioritize funding quality, liquidity stability, and profitability preservation amid ongoing margin and funding pressures

## Net L&A and Deposit Growth (% Quarterly)

Net L&A Growth QoQ %



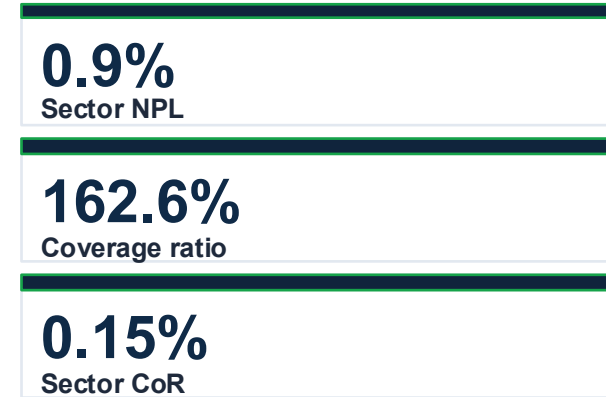
Note: MS refers to Market Share. A bank growing faster than the sector gains market share, while slower growth indicates a loss of market share

Source: Financial statements, Investor presentations, A&M analysis

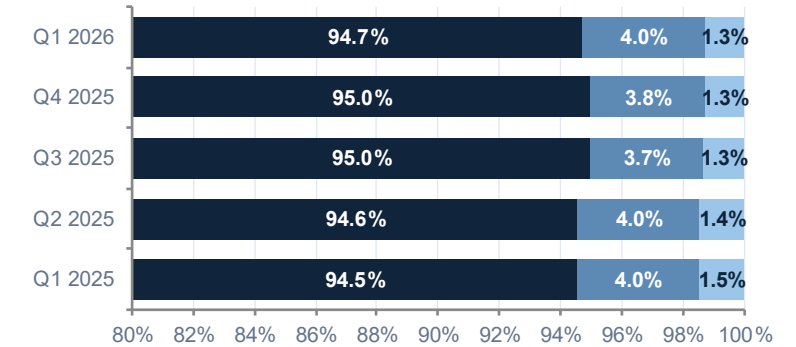
# Key Takeaways

- 1 Asset quality remained strong across the sector**  
 KSA banks continued to report resilient asset quality metrics in Q1 2026, with the sector NPL ratio remaining low at 0.9%, supported by stable corporate credit performance and healthy retail asset quality across most banks
- 2 Stage mix remained stable**  
 The sector's loan book remained heavily concentrated in Stage 1 assets, highlighting stable underlying credit quality
- 3 Coverage ratios remained robust**  
 Sector coverage ratio remained strong at 162.6%, providing substantial provisioning buffers and supporting overall balance sheet resilience
- 4 Credit quality remained resilient**  
 While Stage 3 loans increased by 3.4% QoQ, the sector NPL ratio remained broadly stable at 0.9%, reflecting continued resilience in underlying credit quality

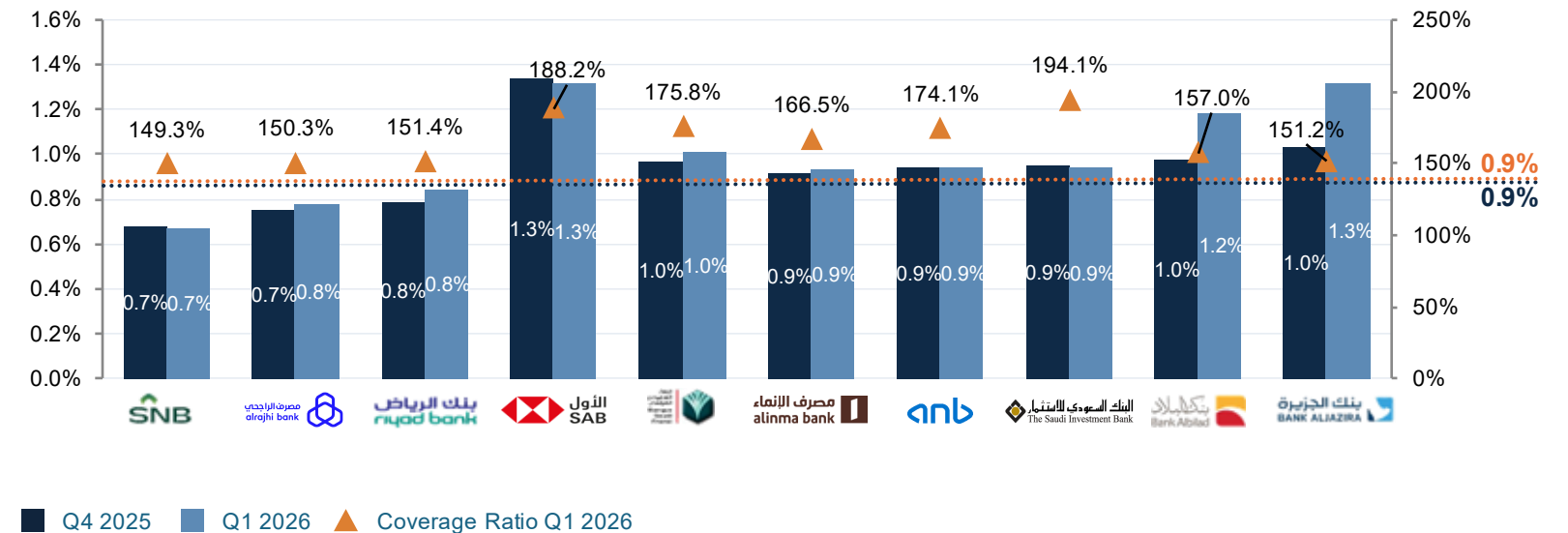
## NPL and Coverage Ratio



Loan book IFRS 9 stage mix (% of gross loans)



NPL ratio by bank – Q4 2025 vs Q1 2026 (%)



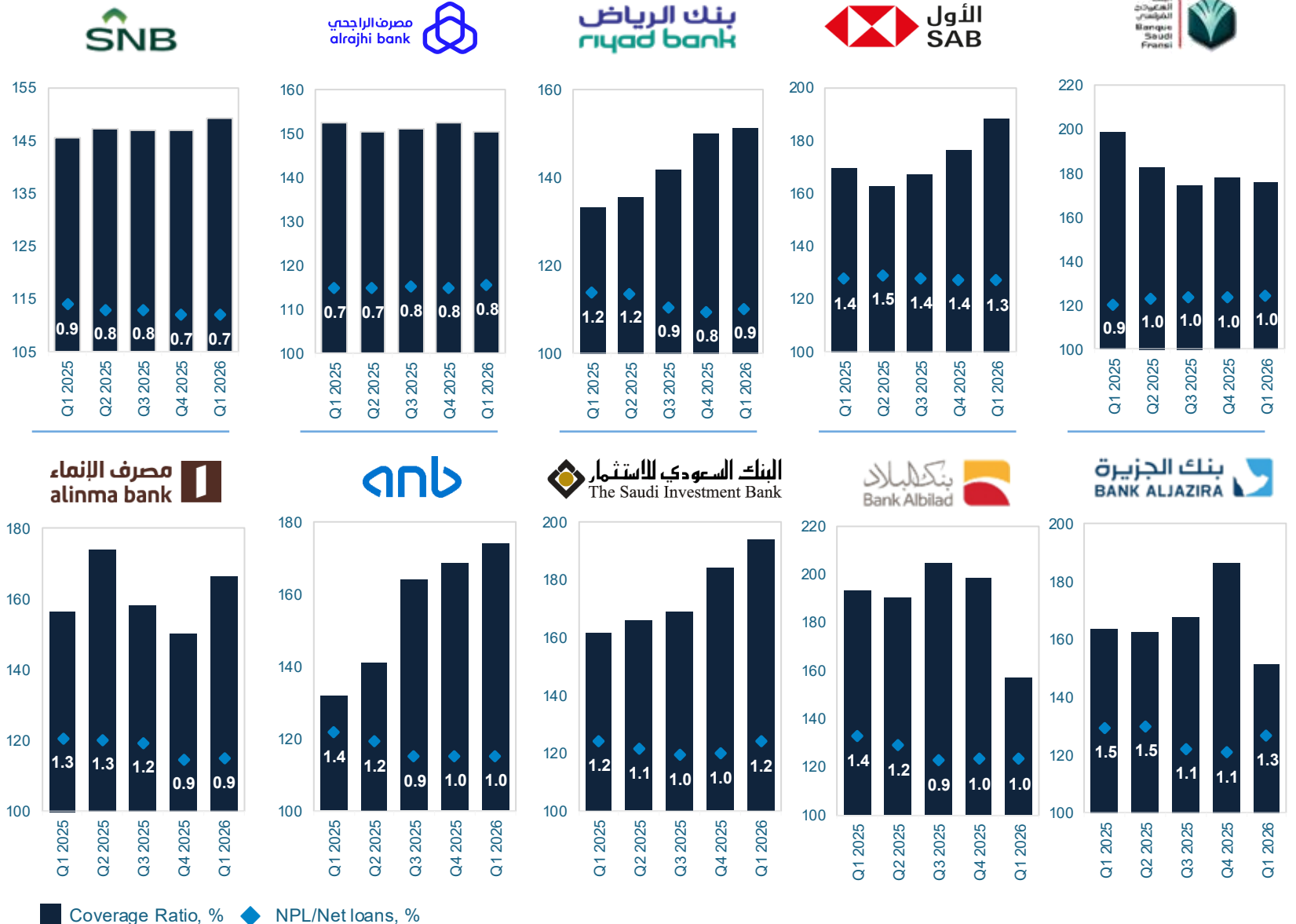
### Implications

Strong coverage levels and resilient asset quality metrics continue to support sector stability. While stage 3 loans increased modestly during the quarter, banks are likely to maintain a focus on selective underwriting, proactive portfolio monitoring, and prudent provisioning practices, amid elevated geopolitical and macroeconomic uncertainty.

# Key Takeaways

- Coverage ratios remained strong across the sector**  
Most KSA banks continued to maintain healthy coverage ratios of 162.6% in Q1 2026, with a 20bps QoQ increase, reflecting conservative provisioning buffers, and continued focus on balance sheet resilience amid macro and geopolitical uncertainty
- ALRAJHI and SNB maintained strong asset quality**  
ALRAJHI and SNB continued to report the lowest NPL ratios in the sector, supported by disciplined underwriting standards, strong retail asset quality, and stable funding profiles
- SAB and BJAZ reported higher risk metrics**  
SAB and BJAZ continued to report relatively higher NPL ratios, reflecting comparatively greater exposure to corporate, commercial, and trade-related lending segments despite maintaining healthy coverage buffers
- Cautious underwriting remained a key focus**  
Banks continued to maintain cautious underwriting standards amid rising corporate lending exposure, evolving geopolitical risks, and ongoing macro uncertainty

## Coverage Ratio<sup>1</sup> and NPL Ratio (% , Quarterly)



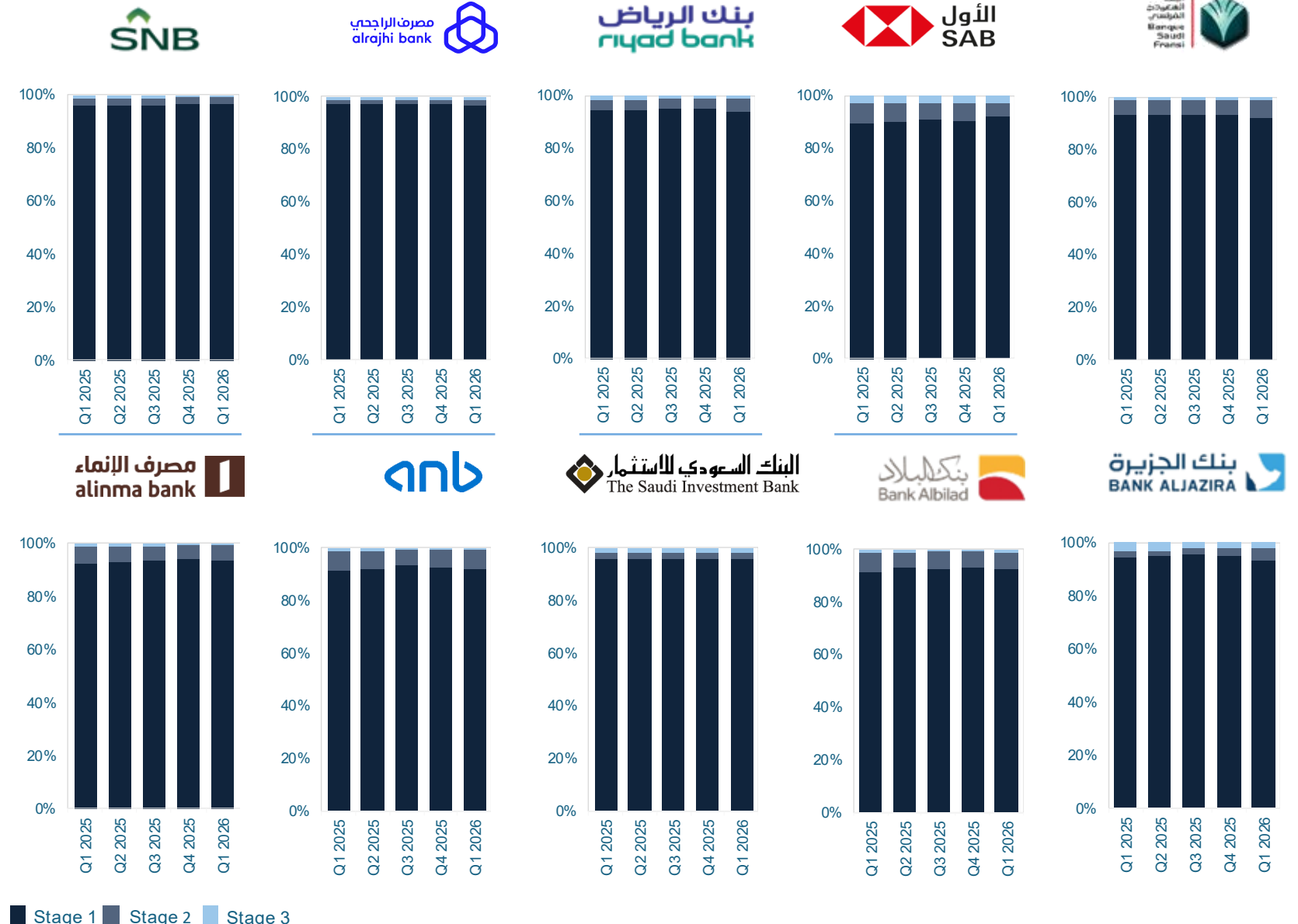
### Implications

Robust coverage buffers continue to underpin balance-sheet resilience across the sector; however, widening bank-level NPL dispersion reflects differences in portfolio composition, keeping conservative provisioning and selective underwriting critical as corporate lending expands amid macro and geopolitical uncertainty.

# Key Takeaways

- 1 Stage 1 assets continued to dominate loan books**  
KSA banks continued to maintain loan books heavily concentrated in Stage 1 assets, reflecting resilient underlying credit quality and stable borrower performance across most financing segments
- 2 Stage migration trends remained broadly stable**  
Most banks reported a relatively stable Stage 2 and Stage 3 loan composition during the quarter, indicating limited deterioration in overall portfolio quality despite ongoing macro and geopolitical uncertainty
- 3 SNB and ALRAJHI maintained strong asset quality**  
SNB and ALRAJHI continued to report among the highest Stage 1 asset composition and relatively lower impaired financing exposure, supported by disciplined underwriting standards and healthy retail asset quality
- 4 SAB and BJAZ reported relatively higher Stage 3 ratios**  
SAB and BJAZ continued to report relatively higher Stage 3 loan ratios reflecting their relatively greater exposure to corporate and commercial financing segments

## Stage Wise Gross L&A mix (%)



Note: Scaling and some numbers might not add up due to rounding  
Source: Financial statements, investor presentations, A&M analysis

### Implications

The sector continues to demonstrate resilient underlying asset quality, with continued corporate and SME financing expansion reinforcing the importance of cautious underwriting and prudent risk management practices

# Key Takeaways

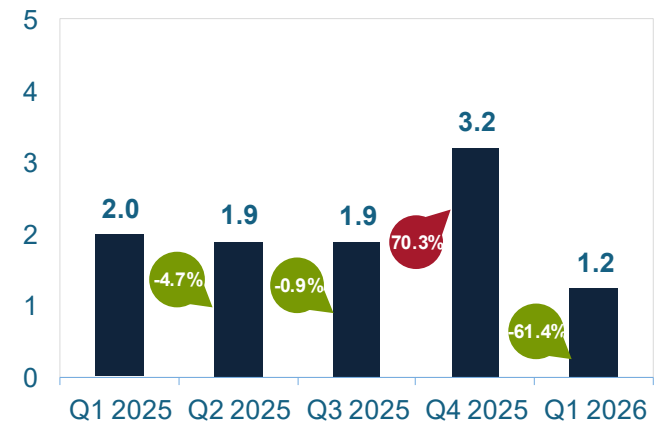
- 1 Provisioning charges declined sequentially**  
 Net loan loss provisions declined significantly to SAR 1.2bn in Q1 2026 (-61.4% QoQ), reflecting stable asset quality and recoveries within certain corporate portfolios
- 2 Sector cost of risk improved**  
 Sector CoR improved to 0.15% in Q1 2026 from 0.40% in Q4 2025, supported by resilient credit quality, lower impairment charges, and continued stability in retail and corporate portfolios
- 3 Recoveries and provision releases supported risk costs**  
 Several banks benefited from recoveries, guarantee-related releases, and lower provisioning charges during Q1 2026, with SNB reporting the largest sequential improvement in loan loss provisions, contributing to significant reduction in the sector CoR

## Implications

The sector continues to demonstrate resilient credit quality and improving impairment trend, and banks maintain prudent provisioning and selective underwriting standards amid ongoing macro and geopolitical uncertainty

## Cost of Risk (1/2)

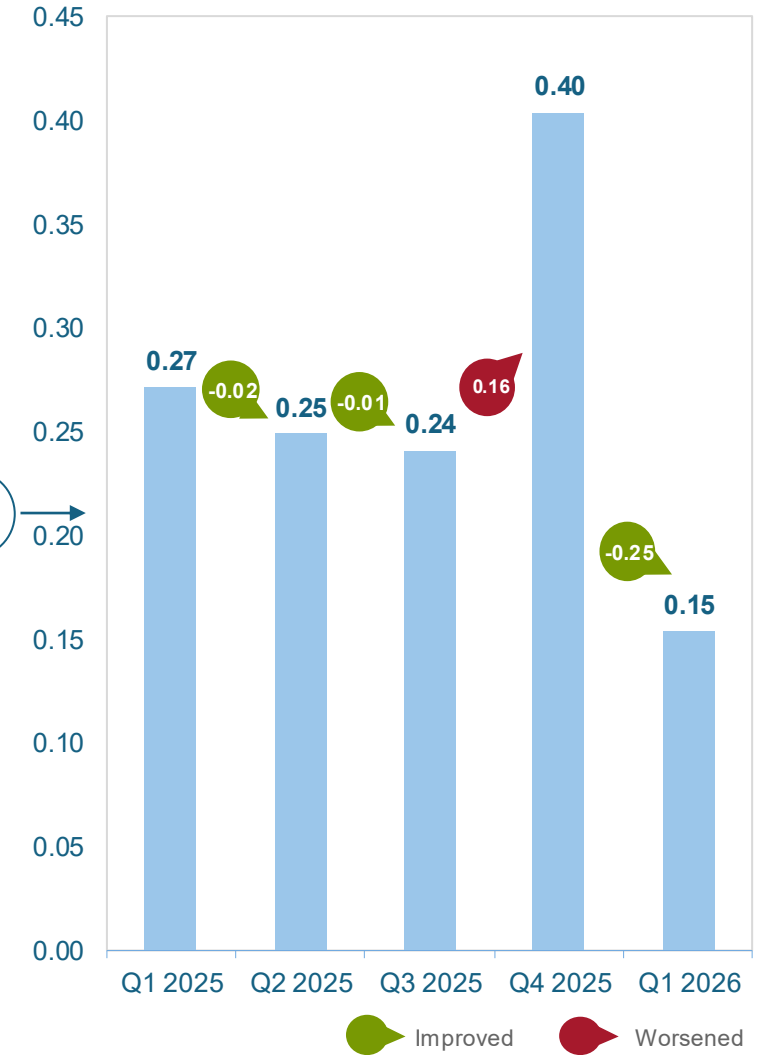
### Net Loan Loss Provisions (SAR bn)



### Gross Loans\*\* (SAR bn)



### Cost of Risk\* (%)



Note: Some numbers might not add up due to rounding.  
 \*CoR is calculated as annual Net Loan Loss Provisions divided by the Gross Loans, where gross loans are calculated as average of the current and previous period  
 \*\* Gross loans are calculated as average of the current and previous period  
 Source: Financial statements, investor presentations, A&M analysis

# Key Takeaways

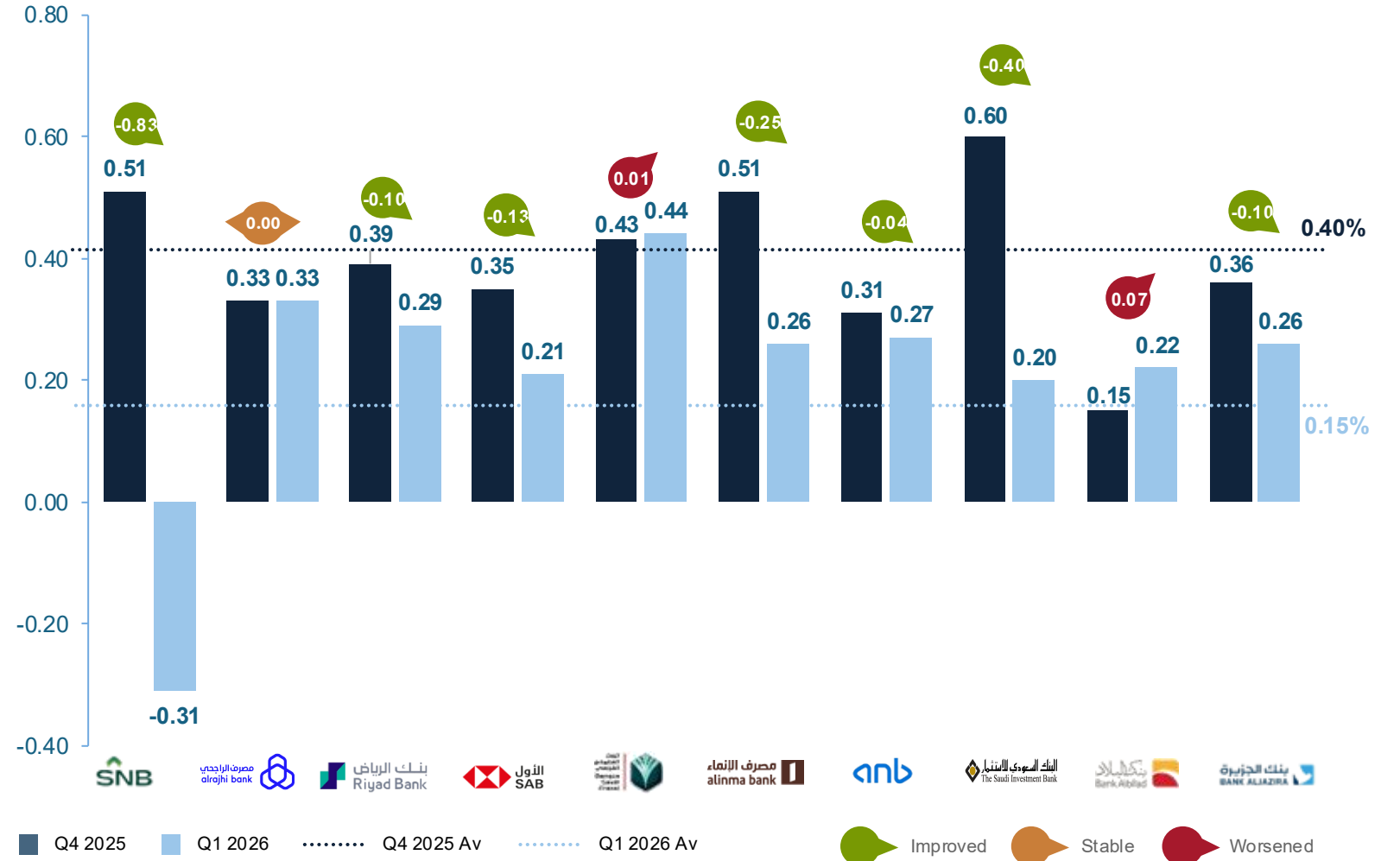
- 1 SNB reported the sharpest improvement**  
SNB reported the largest sequential improvement in cost of risk, supported by provision recoveries and releases within its wholesale financing portfolios
- 2 BSF continued to report elevated CoR**  
BSF continued to report a relatively higher cost of risk, reflecting conservative provisioning strategies and corporate lending exposure, although the bank benefited from provision reversals and lower commercial impairments during the quarter

### Implications

Lower impairment charges and improving cost of risk continued to support earnings resilience during Q1 2026, although the sustainability of provision normalization will remain dependent on credit quality trends and corporate portfolio performance going forward

## Cost of Risk (2/2)

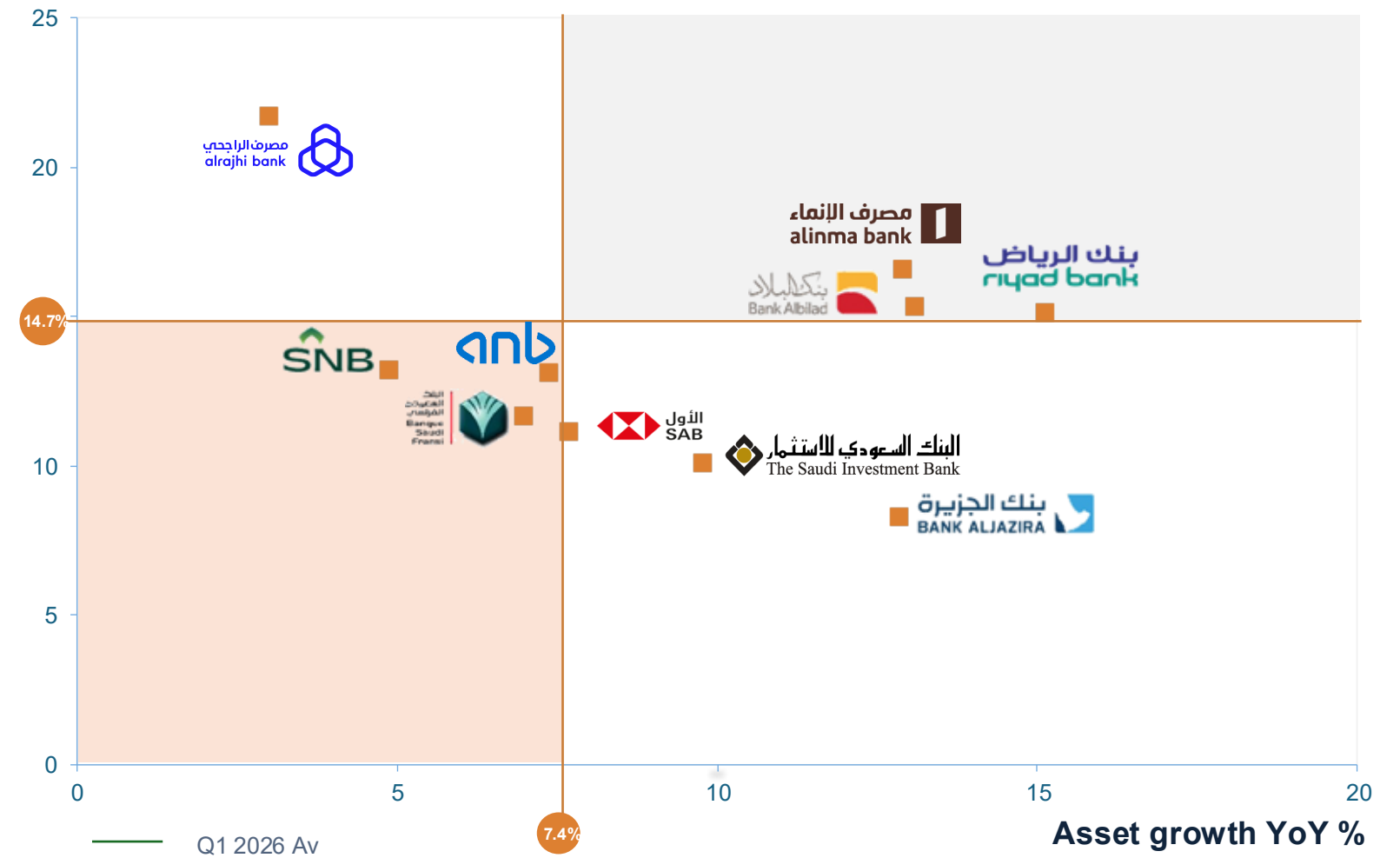
Cost of Risk (% Quarterly)



# Peer Archetypes

- 1 High growth and high return (top-right)**  
 ALINMA, BALB, and RIBL reported a strong combination of profitability and balance sheet expansion, with RoE reaching 16.6%, 15.3%, and 15.1%, respectively, alongside asset growth of 12.9%, 13.1%, and 15.1% YoY
- 2 Low growth but high return (top-left)**  
 ALRAJHI reported the highest RoE among peers at 21.7%; however, asset growth remained comparatively moderate at 3.0% YoY
- 3 High growth but lower-return (bottom-right)**  
 BJAZ and SAIB reported strong asset growth among peers of 12.9% and 9.8% YoY, respectively; however, profitability remained relatively lower, with RoE of 8.3% and 10.1%
- 4 Low growth and low return (bottom-left)**  
 SNB, BSF, and ANB reported moderate profitability and asset growth, reflecting stable but less differentiated performance relative to peers

## Profitable growth: RoE vs Asset Growth



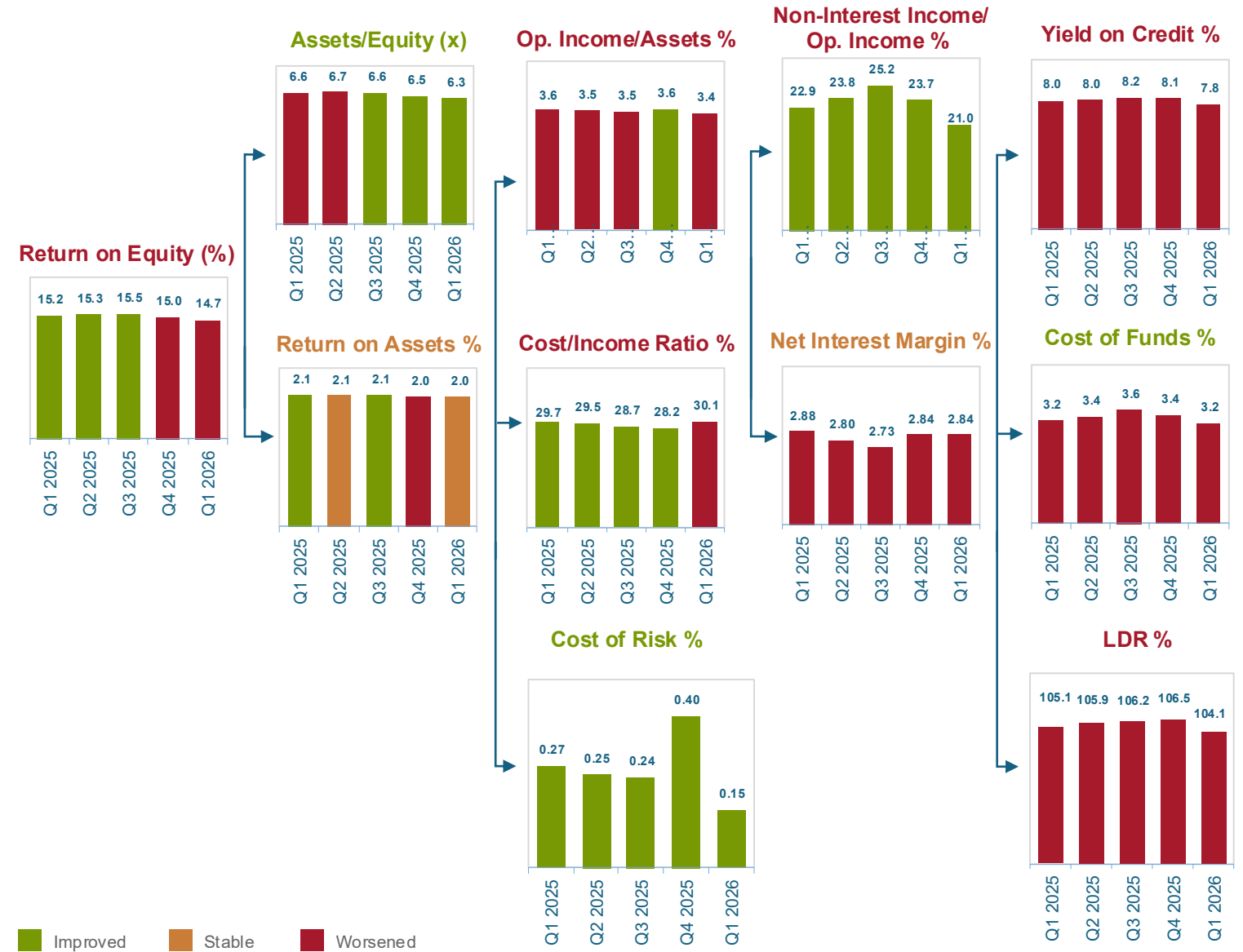
### Implications

Banks combining above-average profitability with healthy balance sheet expansion appear better positioned to sustain earnings momentum, while banks prioritizing growth may need to improve return generation to enhance shareholder value

# Key Takeaways

- RoE moderated slightly across the sector**  
 Sector RoE declined marginally to 14.7% in Q1 2026, reflecting softer operating profitability despite continued balance sheet growth and resilient earnings generation
- Lower leverage and margin compression weighed on returns**  
 Declining leverage, lower asset yields, softer operating income generation, and continued NIM compression weighed on sector profitability during the quarter as benchmark rates normalized and funding repricing pressures persisted
- Lower cost of funds and cost of risk provided support**  
 Improvement in funding costs and lower impairment charges helped partially offset pressure from weaker spreads, lower yields, and softer non-interest income contribution
- Liquidity conditions improved despite softer profitability drivers**  
 Sector LDR moderated to 104.1% in Q1 2026, reflecting stronger deposit growth and improving liquidity conditions, while funding mix optimization helped contain funding costs

## RoE Composition



Note: All the charts above are based on quarterly numbers and some numbers might not add up due to rounding  
 Op Income stands for Operating Income  
 Source: Financial statements, Investor presentations, A&M analysis, GATSTAT

### Implications

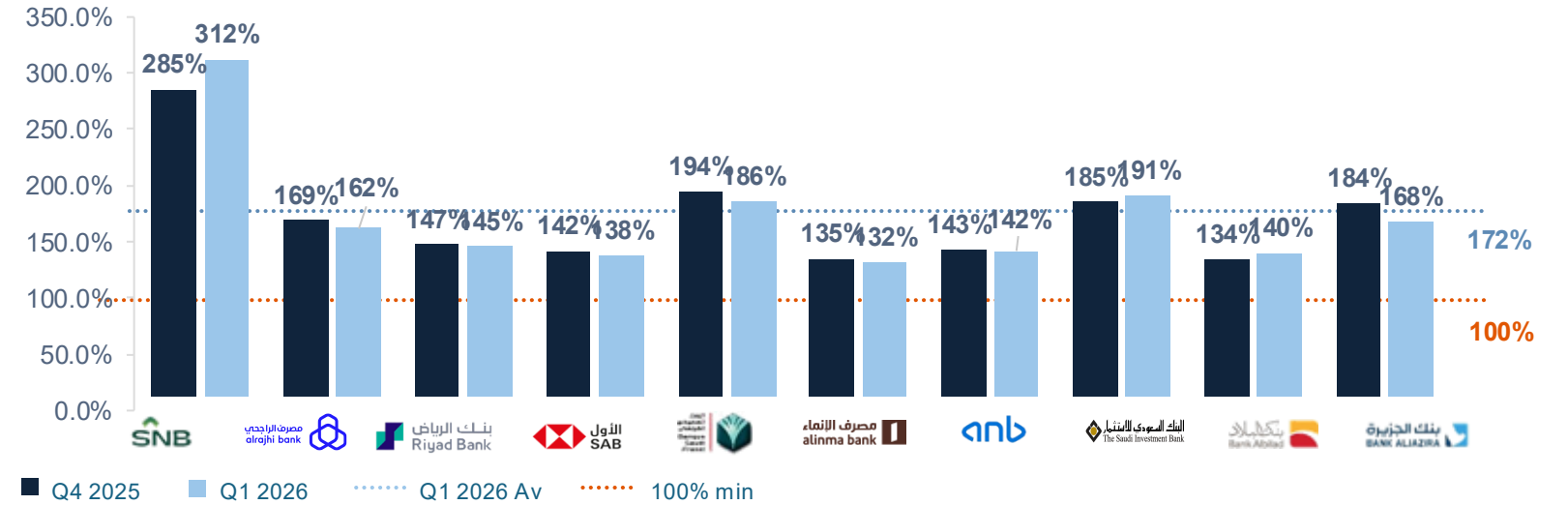
Sector profitability remained resilient despite lower spreads and declining leverage, highlighting the increasing importance of funding mix optimization, operating efficiency, and diversified revenue generation in sustaining returns going forward

# Key Takeaways

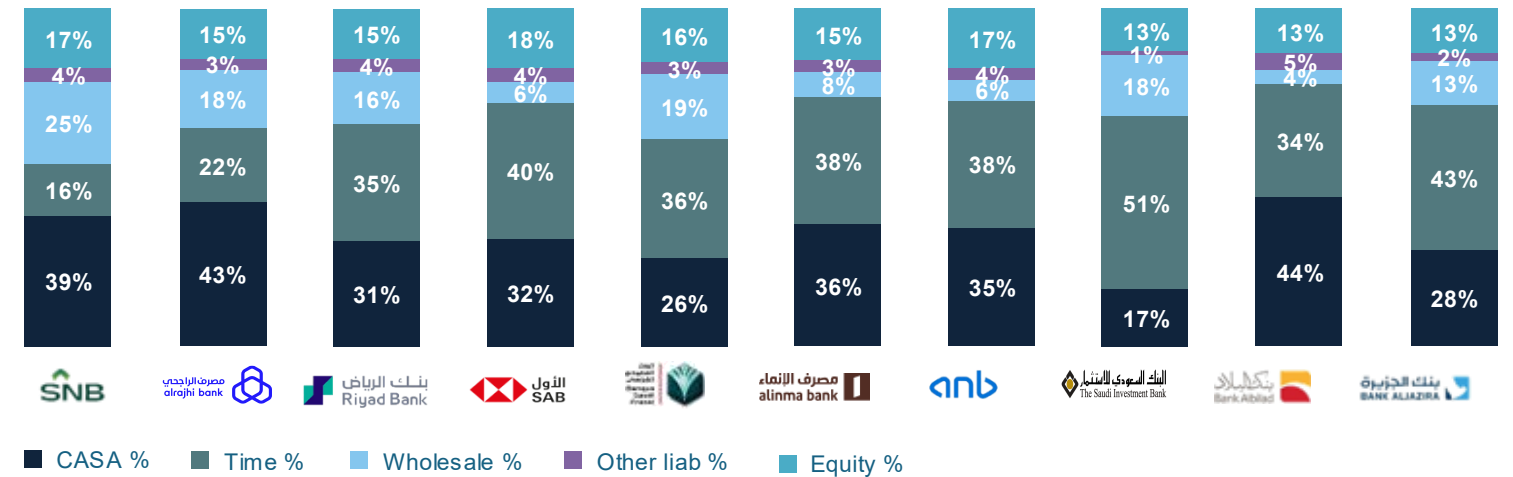
- Liquidity buffers comfortable across the sector**  
 All ten banks report the Liquidity Coverage Ratio under SAMA's Basel III framework (100% minimum). Sector LCR averages around 172% in Q1 2026, with every bank comfortably above the 100% floor (a range of roughly 132% to 312%)
- Broadly stable QoQ, with mixed direction**  
 The sector average held essentially flat at around 172%. Seven of the ten banks moved lower over the quarter, with BJAZ posting the largest decline (down 16pp to 168%), while SNB rose sharply (up 27pp to 312%) and SAIB and BALB also gained. The declines largely reflect balance sheet growth slightly outpacing high quality liquid asset accumulation
- Funding structure is where banks differ**  
 BALB is the most deposit led (78% of balance sheet), while SNB and BSF carry the largest wholesale shares (25% and 19%, respectively). CASA depth also varies materially: BALB, ALRAJHI and SNB are CASA heavy (44%, 43% and 39% of balance sheet, respectively), while SAIB and BJAZ rely more on time deposits (51% and 43% of balance sheet, respectively)

## Liquidity

Liquidity Coverage Ratio (LCR)



## Funding Structure



## Implications

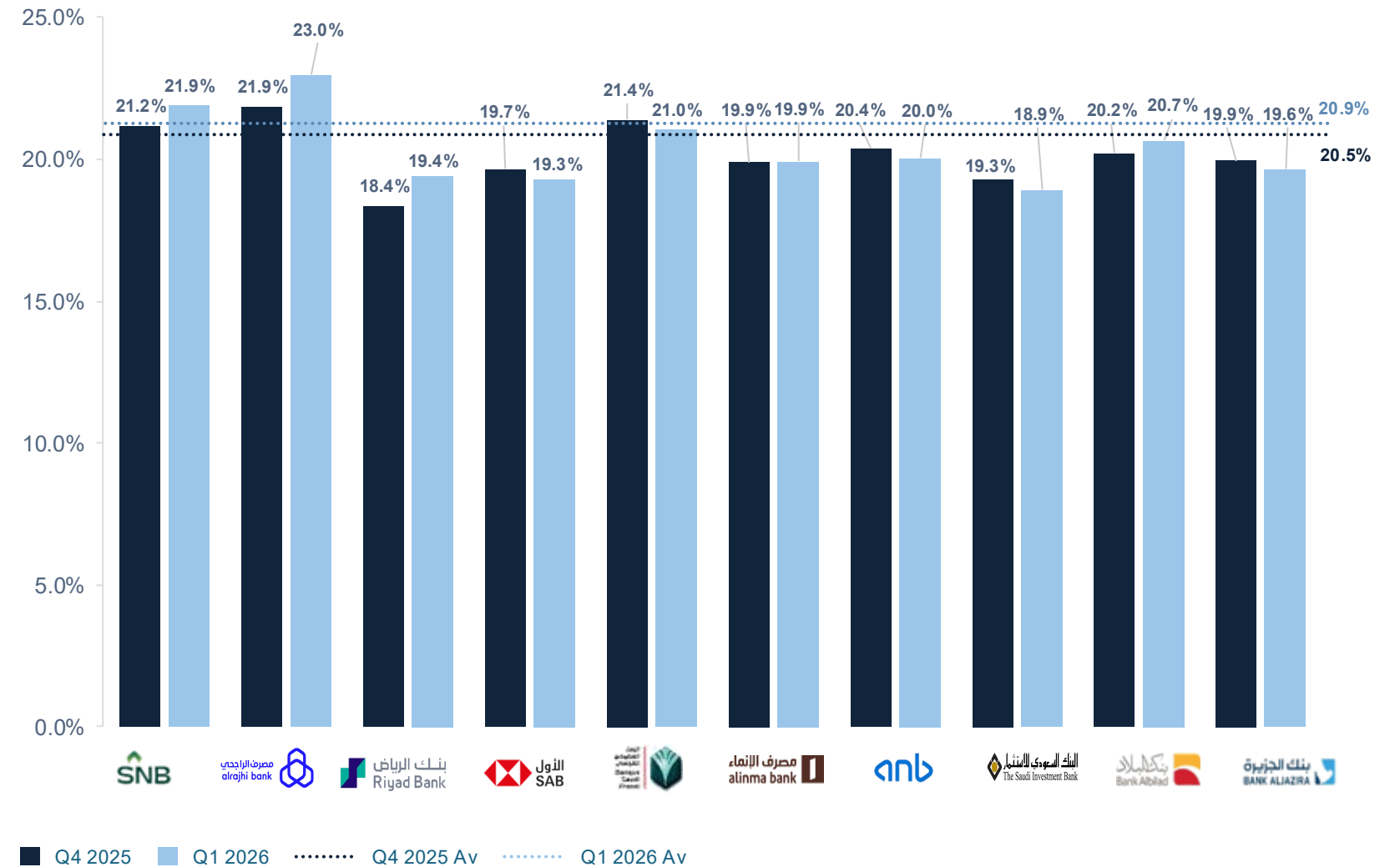
Regulatory liquidity is sound across the sector and converges well above the floor. The point of differentiation is structural, with funding composition reflecting business model choices, e.g. deposit led domestic retail banks versus more wholesale active or investment-oriented banks

# Key Takeaways

- 1 Stable capital base**  
 System CAR ticked up to 20.4% in Q1 2026 (vs 20.2% in Q4 2025). All ten banks sit comfortably above their respective SAMA minimum capital requirements, which vary by bank under SAMA's D-SIB and other buffer requirements
- 2 Tightly clustered ratios**  
 CAR ranges from 18.9% (SAIB) to 23.0% (ALRAJHI), reflecting capital convergence across the sector. ALRAJHI and SNB stand out on the high side
- 3 Idiosyncratic movements**  
 ALRAJHI led the quarter with a +1.1 pp uplift as capital accretion outpaced RWA growth, with RIBL (+1.0pp) and SNB (+0.7pp) also strengthening. The remaining banks moved within a narrow band, the largest declines around 0.4pp (SAB, BSF, ANB and SAIB) as RWA growth modestly outpaced capital

## Capital

Capital Adequacy Ratio (% Quarterly)



### Implications

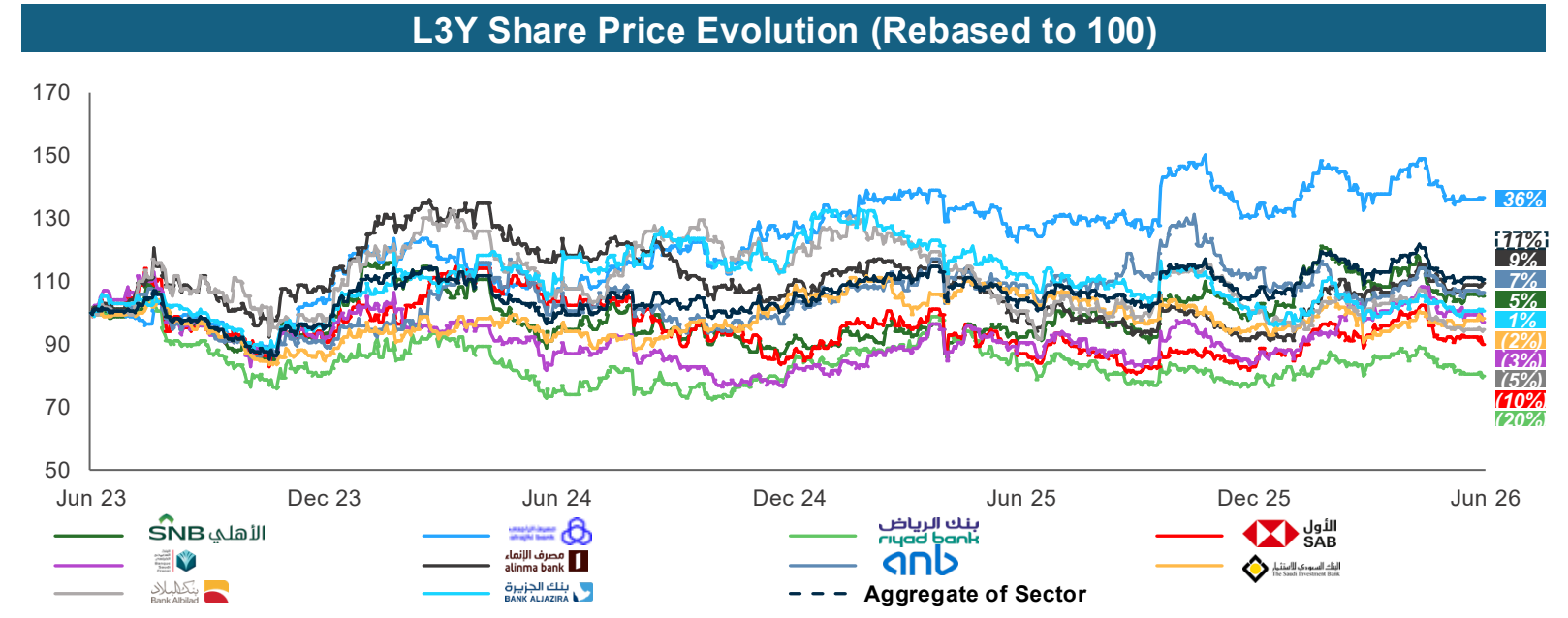
Capital levels are sound and broadly homogeneous across the sector. SAMA maintains the full Basel III buffer framework (capital conservation buffer plus D-SIB and countercyclical buffers), and headroom above each bank's minimum remains ample, so differentiation across the cohort is structural rather than capital driven

# Key Takeaways

## Saudi banks enter 2026 with resilient fundamentals despite evolving liquidity conditions and regional geopolitical uncertainty

- 1 Sector profitability remained resilient through Q1 2026, supported by healthy loan growth and disciplined risk management; however, earnings momentum moderated as asset yield compression offset the benefits of improving liquidity conditions and easing funding costs
- 2 Share-price performance diverged across the sector, reflecting differences in funding franchises, deposit mix, liquidity positioning, and banks' ability to sustain earnings momentum amid evolving interest-rate conditions
- 3 Investor sentiment remains constructive toward the sector, underpinned by strong capitalization, robust asset quality, and structural growth opportunities linked to Saudi Arabia's economic transformation agenda, despite ongoing regional tensions

## Share Price Evolution Across Saudi Banks



		L3M	Q1	L6M	L1Y	L2Y	L3Y
الألهي	Saudi National Bank	(4%)	10%	5%	14%	12%	5%
بنك الرياض	Al Rajhi Bank	(1%)	9%	4%	7%	29%	36%
بنك الرياض	Riyad Bank	(4%)	7%	3%	(4%)	7%	(20%)
الأول SAB	Saudi Awwal Bank	(3%)	14%	8%	3%	(13%)	(10%)
مصرف الإنماء	Banque Saudi Fransi	(2%)	16%	15%	7%	11%	(3%)
مصرف الإنماء	Alinma Bank	2%	17%	19%	9%	(6%)	9%
بنك الرياض	Arab National Bank	2%	(0%)	(4%)	(2%)	4%	7%
البنك السعودي للاستثمار	Saudi Investment Bank	6%	0%	3%	(7%)	6%	(2%)
بنك البلاد	Bank Albilad	(6%)	9%	(6%)	(6%)	(10%)	(5%)
بنك الجزيرة	Bank Aljazira	(0%)	4%	0%	(11%)	(8%)	1%
<b>Aggregate Sector Performance</b>		<b>(2%)</b>	<b>10%</b>	<b>5%</b>	<b>6%</b>	<b>12%</b>	<b>11%</b>
<b>Simple Average</b>		<b>(1%)</b>	<b>9%</b>	<b>5%</b>	<b>1%</b>	<b>3%</b>	<b>2%</b>

### Implications

Share-price divergence is increasingly tied to fundamentals, with the market rewarding banks that pair strong funding franchises and liquidity with sustainable earnings; broad re-rating likely stays selective until rate and geopolitical uncertainty clears, while Vision-linked growth underpins constructive medium-term sentiment

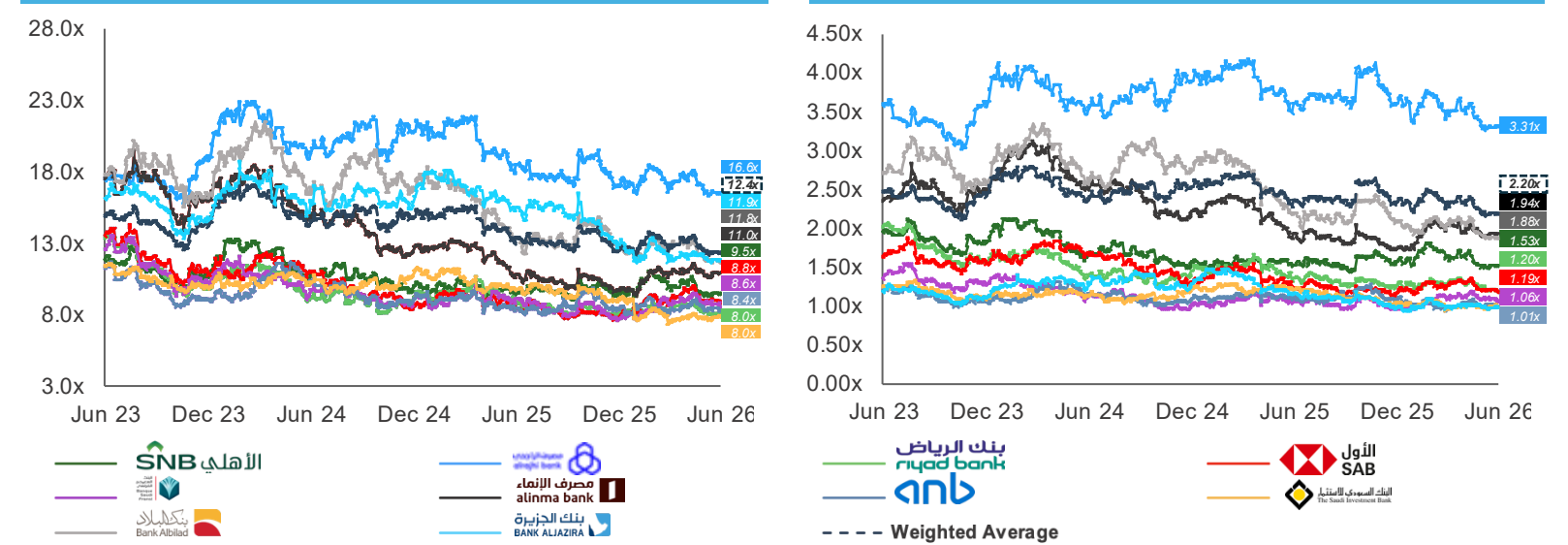
# Key Takeaways

## Despite modest softening, Saudi banks' valuation metrics remain resilient, supported by strong earnings and capital buffers

- As of Q1 2026, Saudi banks trade at a simple average P/E of c.10.8x and P/TBV of c.1.6x, reflecting resilient earnings generation and strong capital positions despite a modest moderation in sector valuations
- Valuation dispersion remains evident across the sector, with investors increasingly differentiating banks based on earnings quality, funding efficiency, liquidity strength, return on equity sustainability, and resilience to elevated regional geopolitical uncertainty
- While near-term multiple expansion may remain selective amid funding-cost pressures and ongoing geopolitical developments, medium-term re-rating potential is supported by robust capital buffers, continued credit growth, and strengthening balance-sheet fundamentals

# Valuation Snapshot

LTM P/E and P/TBV Evolution for Banks in Saudi Arabia



Bank	Q1 – 31st March		3 Months Ago		6 Months Ago		1 Years Ago		2 Years Ago		3 Years Ago	
	P/E	P/TBV	P/E	P/TBV	P/E	P/TBV	P/E	P/TBV	P/E	P/TBV	P/E	P/TBV
الاهلي SNB	10.2x	1.63x	10.1x	1.65x	9.5x	1.57x	9.6x	1.53x	10.8x	1.67x	11.9x	1.96x
بنك الرياض Riyad bank	17.7x	3.53x	17.3x	3.52x	17.0x	3.60x	18.5x	3.61x	19.4x	3.54x	17.6x	3.60x
بنك الراجحي RCB	8.9x	1.33x	8.4x	1.29x	8.1x	1.26x	8.9x	1.36x	9.2x	1.39x	13.3x	2.03x
الأول SAB	9.9x	1.33x	9.0x	1.27x	7.8x	1.16x	8.5x	1.25x	11.0x	1.67x	13.6x	1.64x
بنك فيصل الإسلامي BSI	9.1x	1.13x	8.8x	1.10x	7.7x	0.97x	9.2x	1.08x	9.7x	1.13x	12.7x	1.37x
مصرف الإنماء alinma bank	11.0x	1.94x	11.0x	2.05x	9.8x	1.74x	10.9x	1.93x	14.8x	2.52x	17.5x	2.34x
anb	8.6x	1.03x	8.3x	0.98x	8.4x	1.08x	8.5x	1.12x	10.3x	1.15x	11.3x	1.21x
بنك فيصل للتجارة والتطوير Bank Al-Fayd	7.8x	0.99x	7.6x	0.97x	9.1x	1.04x	9.8x	1.21x	10.3x	1.13x	11.6x	1.26x
بنك البلاد Bank Al-Bilad	13.2x	2.10x	12.8x	2.06x	12.8x	2.10x	13.5x	2.20x	16.4x	2.58x	17.9x	2.73x
بنك الجزيرة BANK ALJAZIRA	12.2x	1.01x	12.1x	1.00x	12.9x	0.98x	15.5x	1.17x	15.7x	1.27x	16.2x	1.20x
<b>Weighted Average</b>	<b>13.2x</b>	<b>2.34x</b>	<b>12.9x</b>	<b>2.33x</b>	<b>12.6x</b>	<b>2.33x</b>	<b>13.5x</b>	<b>2.35x</b>	<b>14.5x</b>	<b>2.38x</b>	<b>15.0x</b>	<b>2.48x</b>
<b>Simple Average</b>	<b>10.8x</b>	<b>1.60x</b>	<b>10.5x</b>	<b>1.59x</b>	<b>10.3x</b>	<b>1.55x</b>	<b>11.3x</b>	<b>1.65x</b>	<b>12.7x</b>	<b>1.80x</b>	<b>14.4x</b>	<b>1.93x</b>

## Implications

Sector valuations remain anchored by resilient earnings and strong capital buffers, but the widening P/E and P/TBV dispersion shows investors increasingly differentiating on funding efficiency, RoE sustainability, and asset quality, leaving selective medium-term re-rating potential for banks best positioned to defend margins

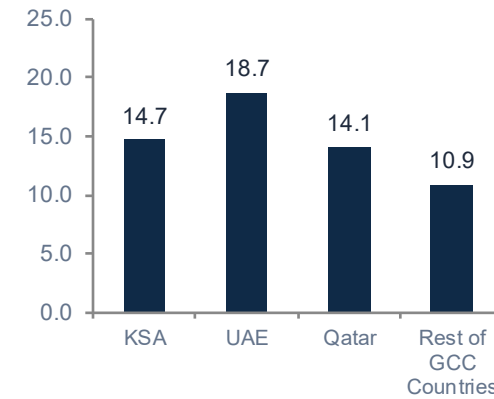
# Key Takeaways

- 1 Profitability & operating efficiency underperformance**  
 KSA banks reporting RoE of 14.7% and a C/I ratio of 30.1%, compared to 18.7% and 27.3%, respectively, for UAE banks
- 2 Margin leadership remained with KSA banks**  
 KSA banks led on margins, reporting a NIM of 2.84% compared to 2.37% for UAE banks
- 3 Stable balance sheet expansion**  
 KSA banks reported stable balance sheet growth with loan book expanding YOY by 7.7% and deposit growth of 8.7%. This was significantly lower than that of UAE banks, which recorded growth of 23.2% and 14.5%, respectively
- 4 Relatively stronger asset quality**  
 Asset quality remained strong across both systems, with KSA banks reporting an NPL ratio of 0.9%, compared to 2.3% for UAE banks

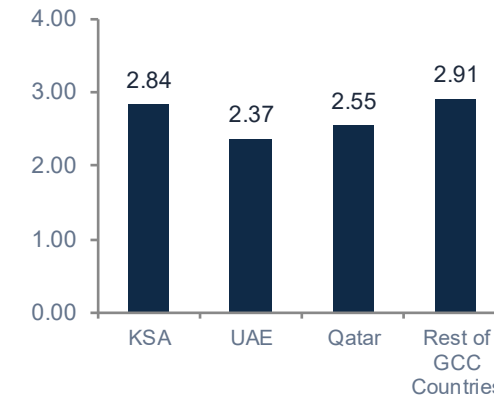
**Implications**  
 KSA banks remain relatively stronger from a balance sheet quality and margin stability perspective, while UAE banks appear better positioned for growth acceleration

## GCC Peer Review

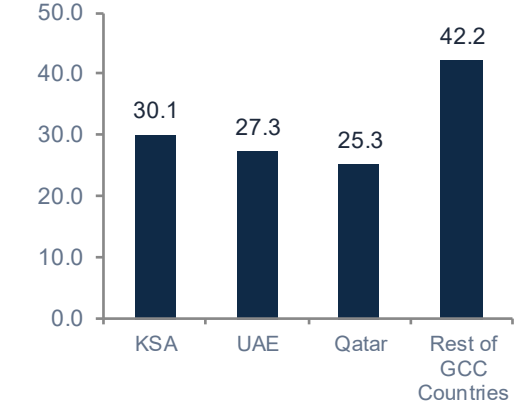
RoE (%)



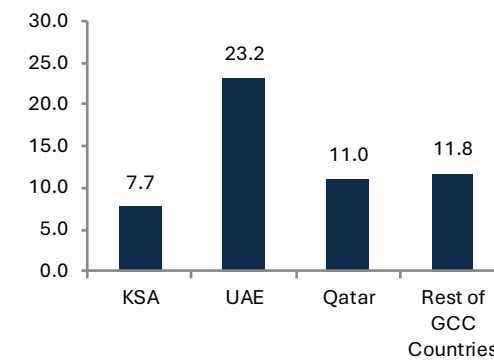
NIM (%)



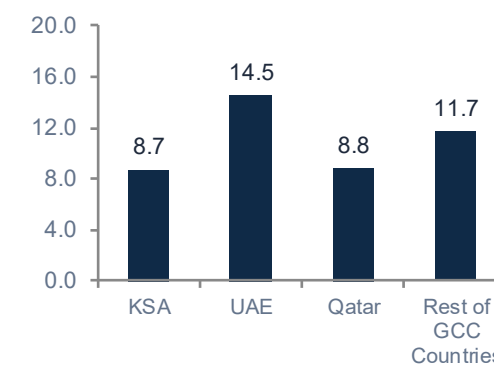
C/I ratio (%)



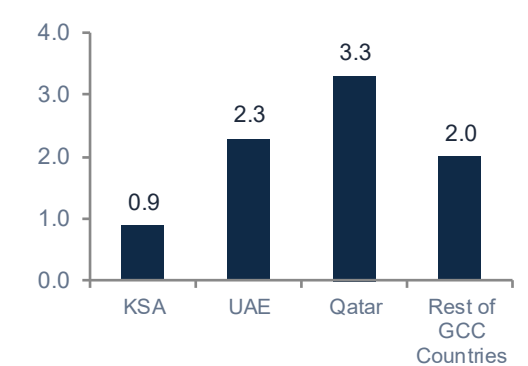
Loan growth (% YoY)



Deposit growth (% YoY)



NPL ratio (%)



Note: "Rest of GCC Countries" category comprises Oman, Bahrain, and Kuwait, with all metrics calculated as asset-weighted averages of the respective countries

# Glossary



# Glossary

	Metric	Abbreviation	Definition
Size	Loans and Advances Growth		QoQ growth in EOP net loans and advances for the top 10
	Deposits Growth		QoQ growth in EOP customer deposits for the top 10
Liquidity	Loan-to-Deposit Ratio	LDR	(Net EOP loans and advances / EOP customer deposits) for the top 10
Income & Operating Efficiency	Operating Income Growth		QoQ growth in aggregate Quarterly operating income generated by the top 10
	Operating Income / Assets		(Annualized quarterly operating income / quarterly average assets) for the top 10
	Non-Interest Income / Operating Income		(Quarterly non-interest income / quarterly operating income) for the top 10
	Net Interest Margin	NIM	(Aggregate annualized quarterly net interest income) / (quarterly average earning assets) for the top 10 Earnings assets are defined as total assets excluding goodwill, intangible assets, and property and equipment
	Yield on Credit	YoC	(Annualized quarterly gross interest income) / (quarterly average loans & advances) for the top 10
	Cost of Funds	CoF	(Annualized quarterly interest expense + annualized quarterly capital notes & tier I sukuk interest) / (quarterly average interest-bearing liabilities + quarterly average tier 1 notes) for the top 10
	Cost-to-Income Ratio	C/I	(Quarterly operating expenses / quarterly operating income) for the top 10
Risk	Coverage Ratio		(Loan loss reserves / non-performing loans) for the top 10
	Cost of Risk	CoR	(Annualized quarterly provision expenses net of recoveries / quarterly average gross loans) for the top 10
	Non-Performing Loans	NPL	(Non-performing loans / total gross loans and advances) for the top 10
Profitability	Return on Equity	RoE	(Annualized quarterly net profit attributable to the equity holders of the banks – annualized quarterly capital notes & tier I sukuk interest) / (quarterly average equity excluding capital notes) for the top 10
	Return on Assets	RoA	(Annualized quarterly net profit / quarterly average assets) for the top 10
	Return on Risk-Weighted Assets	RoRWA	(Annualized quarterly net profit generated / quarterly average risk-weighted assets) for the top 10
Capital	Capital Adequacy Ratio	CAR	(EOP tier I capital + tier II capital) / (EOP risk-weighted assets) for the top 10

Note: EOP stand for End of Period

# Glossary (continued)



Assets (SAR Bn)\*  
**1,228.5**

Abbreviation  
**SNB**



Assets (SAR Bn)\*  
**1,051.3**

Abbreviation  
**ALRAJHI**



Assets (SAR Bn)\*  
**537.1**

Abbreviation  
**RIBL**



Assets (SAR Bn)\*  
**459.7**

Abbreviation  
**SAB**



Assets (SAR Bn)\*  
**324.8**

Abbreviation  
**BSF**



Assets (SAR Bn)\*  
**324.3**

Abbreviation  
**ALINMA**



Assets (SAR Bn)\*  
**284.9**

Abbreviation  
**ANB**



Assets (SAR Bn)\*  
**180.3**

Abbreviation  
**SAIB**



Assets (SAR Bn)\*  
**180.0**

Abbreviation  
**BALB**



Assets (SAR Bn)\*  
**173.1**

Abbreviation  
**BJAZ**


# References / Sources

Reference	Data	Source
IMF	Gross Domestic Product (GDP) data - IMF	<a href="#">Source</a>
GATSTAT	Quarterly Real GDP Growth YoY Data - GATSTAT	<a href="#">Source</a>
US Federal Reserve	US Fed Rate Data	<a href="#">Source</a>
KSA Central Bank (SAMA)	SAMA Repo Rate	<a href="#">Source</a>
	Money Supply	<a href="#">Source</a>
Fitch Rating	Expected Challenges	<a href="#">Source</a>
S&P	Expected Challenges	<a href="#">Source</a>
Finastra - Financial Services State of the Nation Survey 2026	AI Adoption and Implementation Status across Institutions	<a href="#">Source</a>
<b>Other sources:</b>	Financial Statements, Investor Presentations, Earnings Calls Transcripts, Management Discussion and Analysis (MD&A) Reports, Pillar III Disclosures, FactSet, Bloomberg, and A&M Analysis	

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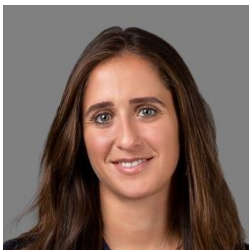
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