SAUDI ECONOMIC CHARTBOOK

Fourth Quarter 2025

الرياض المالية
Riyad Capital

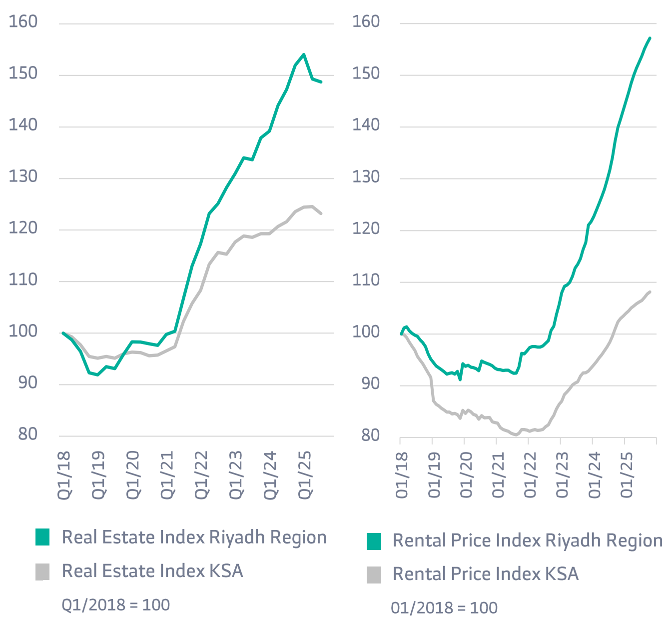
Hans Peter Huber, PhD
Chief Investment Officer
rccioofice@riyadcapital.com

Table of Contents:

Oil Output Expansion Leading to GDP Growth Acceleration

- Flash estimates for Q3 2025 show that the Saudi GDP growth accelerated to 5.0%yoy after 3.9%yoy in Q2. This was mainly due to oil activities reaching 8.2%yoy, while non-oil activities grew at a robust 4.5%yoy.
- Credit demand growth by the private sector slowed to 13.0%yoy in September after having peaked at 15.2%yoy in Spring of this year. Meanwhile, money supply aggregates M2 and M3 expanded by 9.2%yoy resp. 7.9%yoy at the end of Q3.
- CPI inflation stabilized in October at 2.2%yoy. In particular, the Housing sub-index, which had been the main inflation driver so far, notably eased in the recent past, while other categories like Insurance & Financial Services and Personal Care & Miscellaneous distinctly picked up .
- Saudi crude production expanded by about 1mbd since Spring of this year as the previous voluntary output cut of 2023 was unwound in the course of 2025. Similarly, exports of crude and refined products grew in September combined by 11%yoy.
- After four years of strong expansion, Saudi real estate prices started to falter in the course of this year. At the same, real estate trading volumes dropped substantially compared to last year, indicating that price momentum may have peaked (see graphic below).
- For the first time since 2022, 3M SAIBOR rates have dropped below 5.0% as a result of the most recent rate cuts of the US Federal Reserve and SAMA. We expect further monetary easing in the US and Saudi Arabia and forecast 3M SAIBOR to decline to 4.10% until the end of next year.

Property Prices and Rental Prices for Riyadh Region and Country-wide

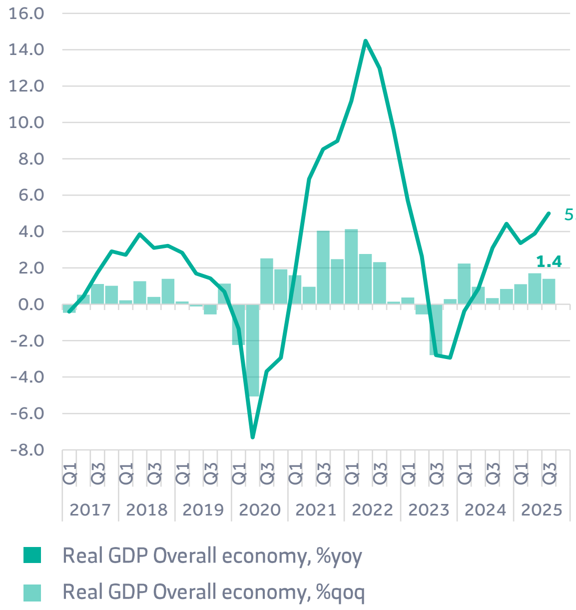


In the last four years, the property market in the Riyadh region has been particularly buoyant in comparison to the country-wide development. This is illustrated by the sharply rising real estate prices and rental prices over this period. However, most recently, property prices have started to roll over and rental inflation has started to soften. This could be an early sign of a certain stabilization of property prices and housing rents; in the case of the latter this is further underpinned by the 5-year rental price freeze recently imposed for the Riyadh region.

source: GASTAT, RC

Gross Domestic Product (GDP) by Main Economic Activities

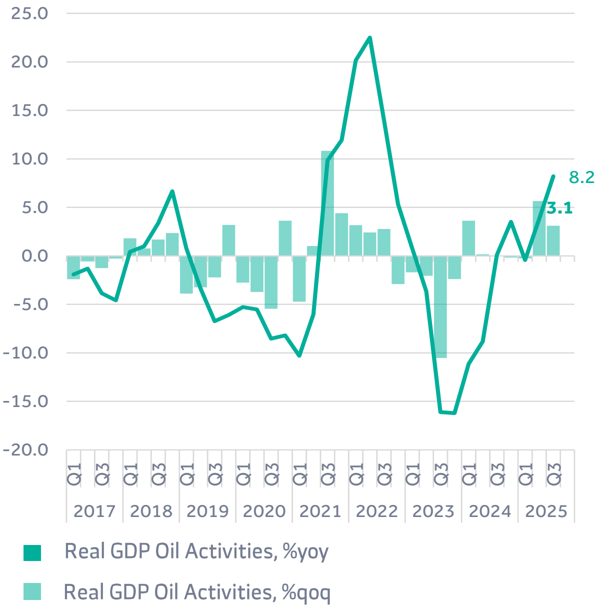
Figure 1:
GDP Overall Economy



(Q3 2025 flash estimate)

source: GASTAT

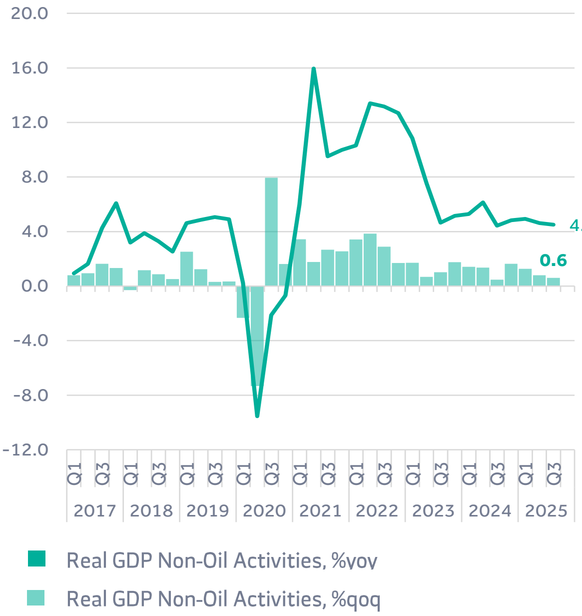
Figure 2:
GDP Oil Activities



(Q3 2025 flash estimate)

source: GASTAT

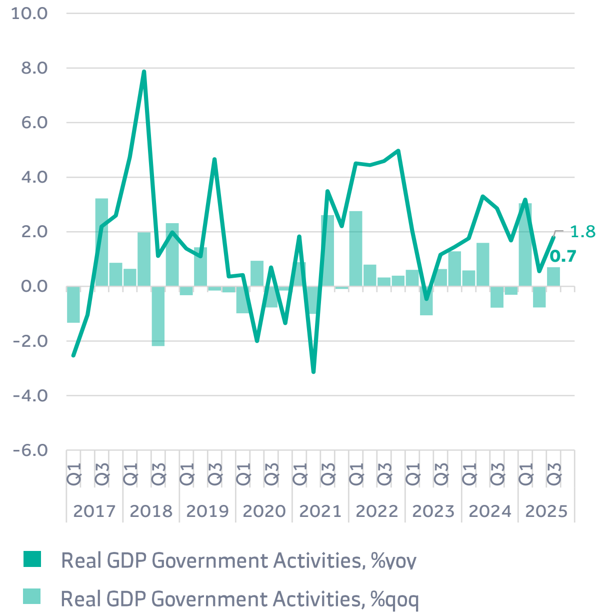
Figure 3:
GDP Non-Oil Activities



(Q3 2025 flash estimate)

source: GASTAT

Figure 4:
GDP Government Activities



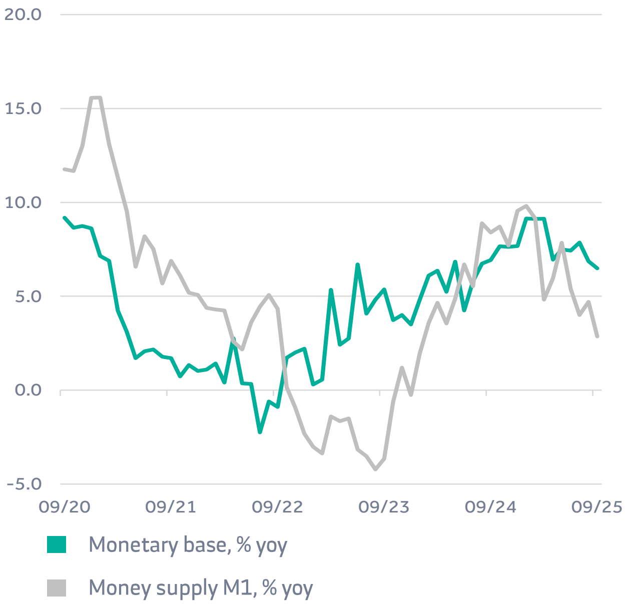
(Q3 2025 flash estimate)

source: GASTAT

Based on flash estimates, Saudi economic growth accelerated to 5.0%yoy in Q3 2025 after 3.9%yoy in the previous quarter. This was mainly the result of increased oil production in the course of 2025, which translated into an oil sector growth rate of 8.2%yoy in Q3 after 3.8%yoy in Q2. Meanwhile, non-oil activities remained on a strong growth trajectory with 4.5%yoy, only marginally lower than the 4.6%yoy growth rate in the previous quarter.

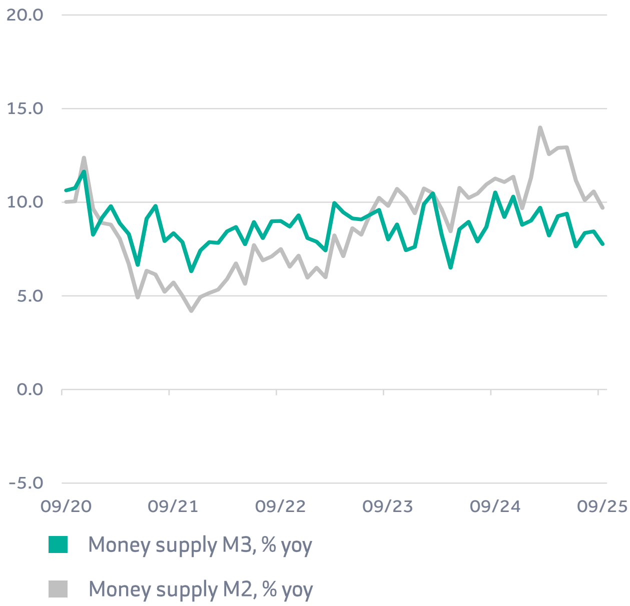
Monetary Aggregates, Credit and Commercial Banks' Deposits

Figure 1:
Growth Rate Monetary Base and Money Supply M1



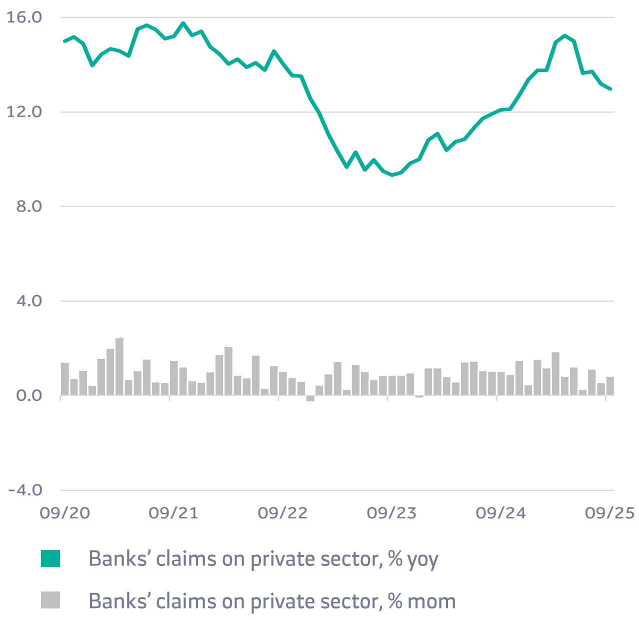
source: SAMA

Figure 2:
Growth Rate Money Supply M2 and M3



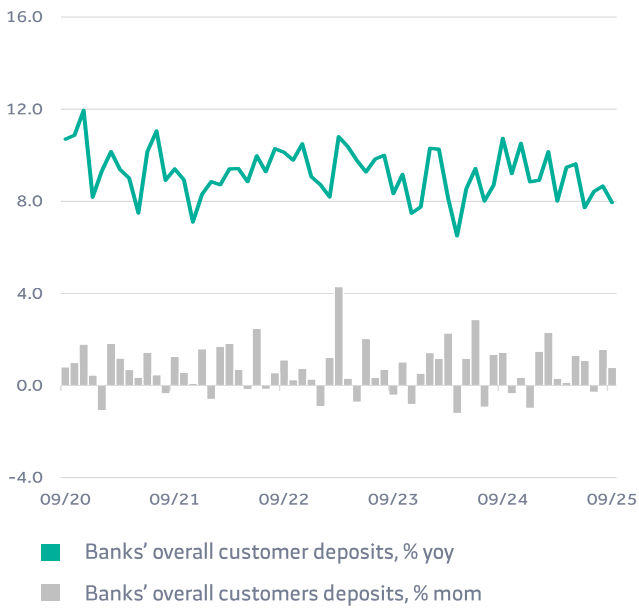
source: SAMA

Figure 3:
Growth of Credit to the Private Sector



source: SAMA

Figure 4:
Growth of Commercial Banks' Deposits

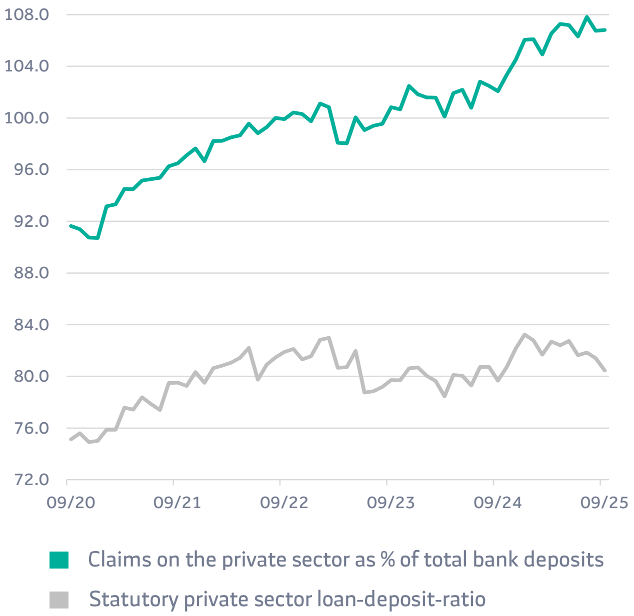


source: SAMA

Growth of money supply M1 declined to 2.9%yoy in September, primarily due to a increased shift, which could recently be observed, from demand deposits towards time&savings deposits which are included in the broader money supply aggregates M2 (9.2%yoy) and M3 (7.8% yoy). Loan demand growth of the private sector has most likely peaked in Spring 2025 at 15.2%yoy and has in the mean time normalized to 13.0%yoy in September.

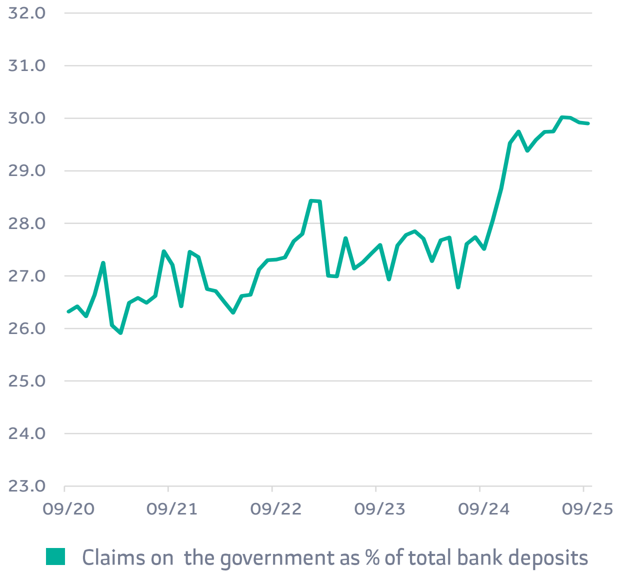
Commercial Banks Key Ratios

Figure 1:
Private Sector Loan-Deposit-Ratio



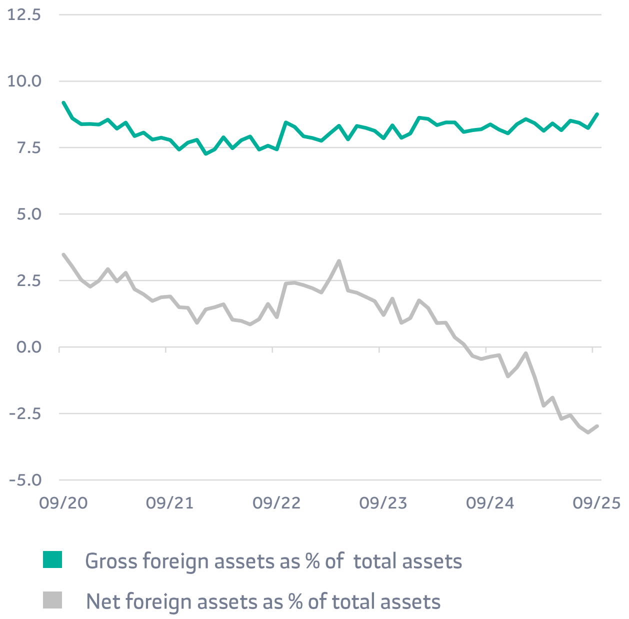
source: SAMA

Figure 2:
Government Sector Loan-Deposit-Ratio



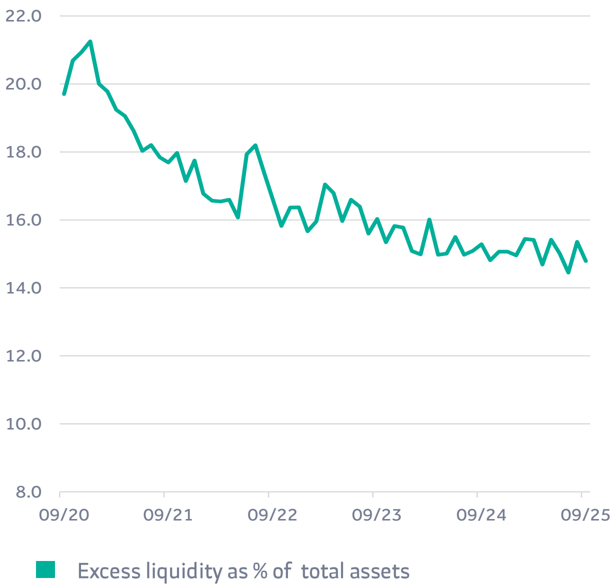
source: SAMA

Figure 3:
Foreign Assets to Total Assets Ratio



source: SAMA

Figure 4:
Excess Liquidity to Total Assets Ratio

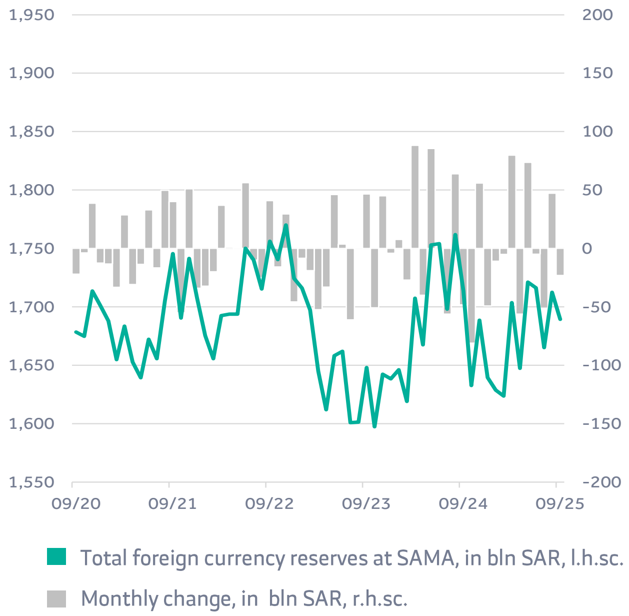


source: SAMA

Private sector Loan-Deposit-Ratio (LDR) has broadly stabilized as loan growth has started to soften since Spring. The statutory LDR has even declined from 82.7 in May to 80.5 in September. A similar observation can be made for the Public sector LDR which has been fluctuating around 30 since the beginning of the year. Meanwhile, Saudi banks' net foreign liabilities amounted to 3.0% of total assets by end of September 2025.

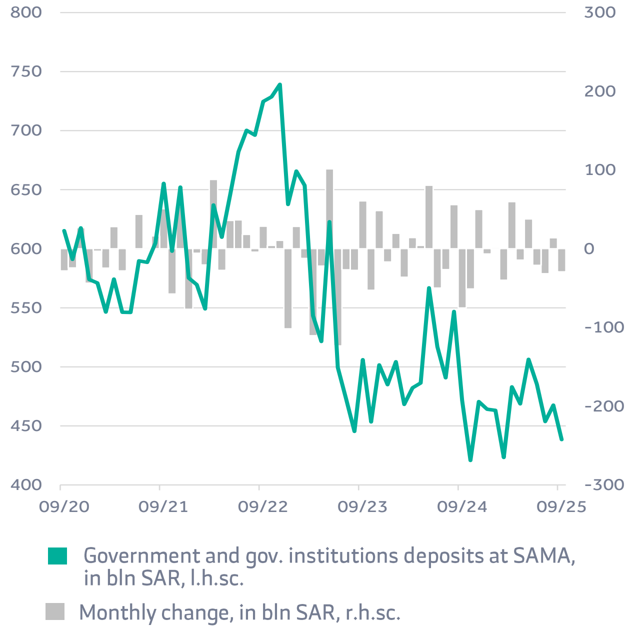
SAMA Balance Sheet and Government Deposits

Figure 1:
Foreign Currency Reserves at SAMA



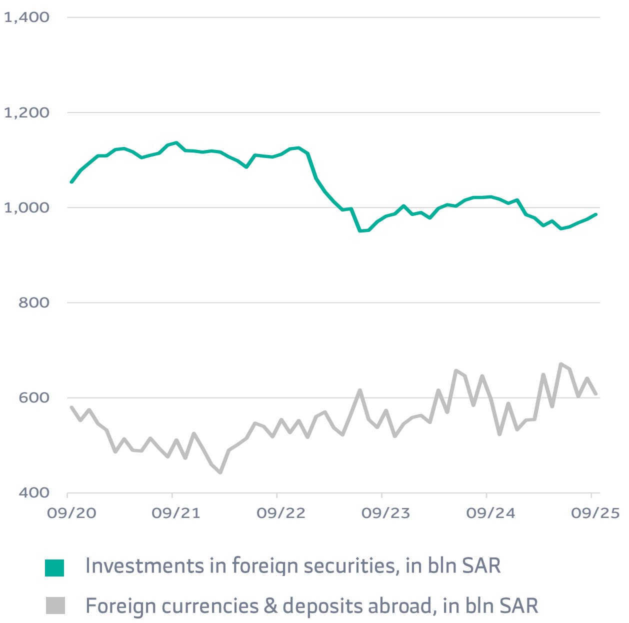
source: SAMA

Figure 2:
Government Deposits at SAMA



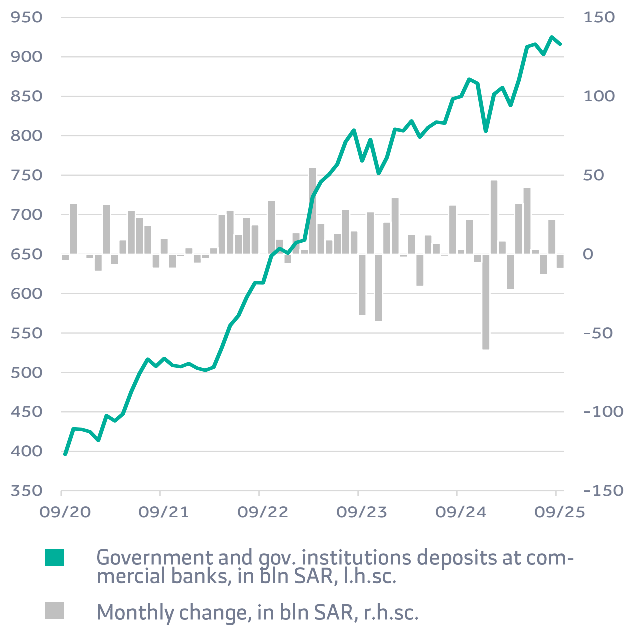
source: SAMA

Figure 3:
Breakdown of Foreign Currency Reserves at SAMA



source: SAMA

Figure 4:
Government Deposits at Commercial Banks

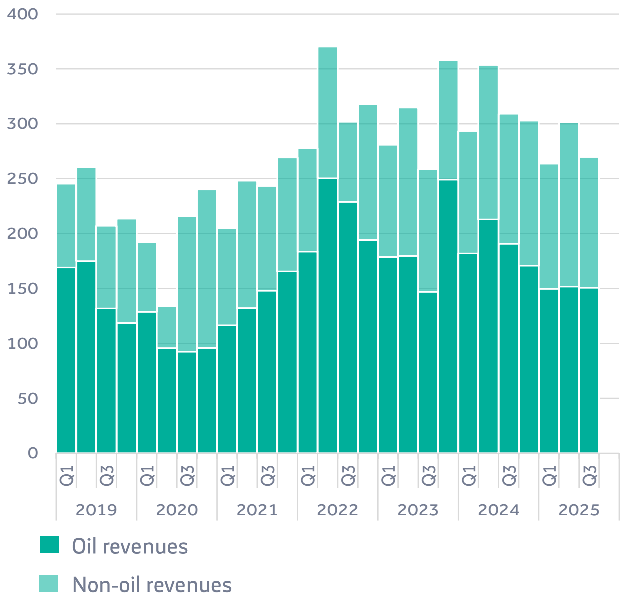


source: SAMA

Since the beginning of 2025, official SAMA reserves rose by 50 bln SAR, while in Q3 they declined by -27 bln SAR to 1689 bln SAR by end of September . Government deposits at SAMA dropped by -26bln SAR since the beginning of 2025, mainly due to withdrawals in Q3 amounting to -47bln SAR. On the other hand, government institutions' deposits with commercial banks increased by 111 bln SAR year to date, while being unchanged in Q3.

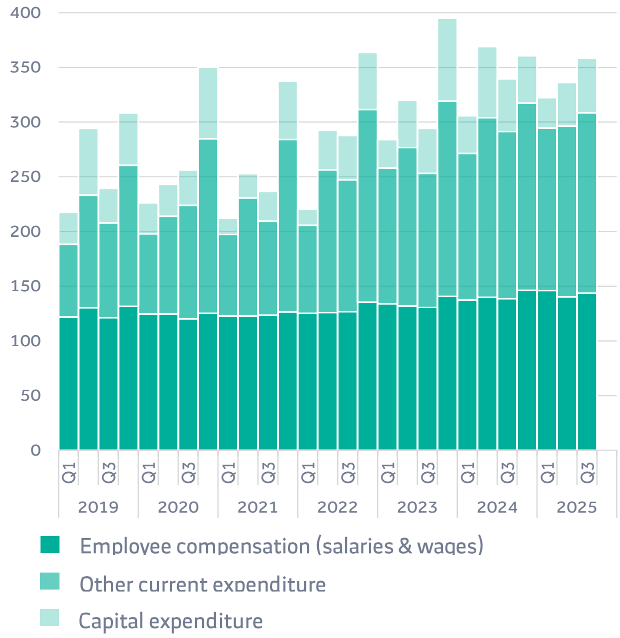
Quarterly Fiscal Balance and Outstanding Government Debt

Figure 1:
Quarterly Fiscal Revenues (in bln SAR)



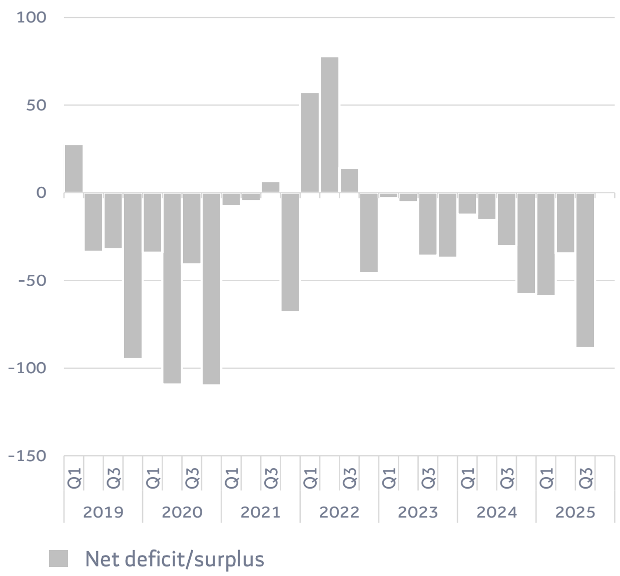
source: MoF

Figure 2:
Quarterly Fiscal Expenditure (in bln SAR)



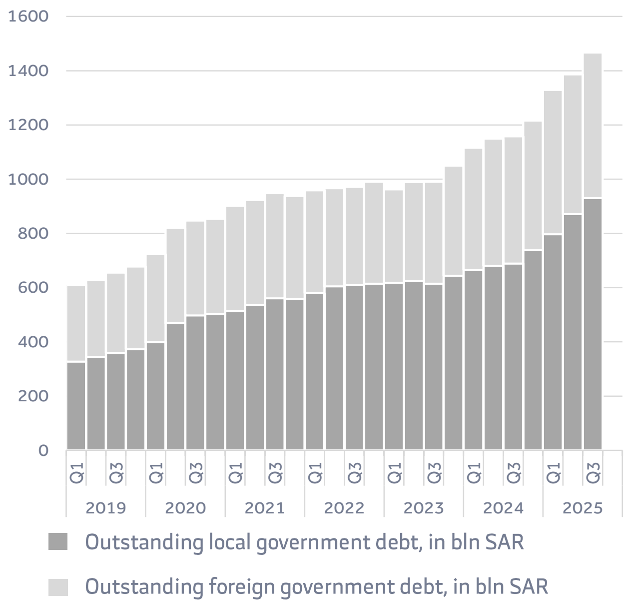
source: MoF

Figure 3:
Quarterly Fiscal Deficit/Surplus (in bln SAR)



source: MoF

Figure 4:
Outstanding Government Debt (End of Quarter)

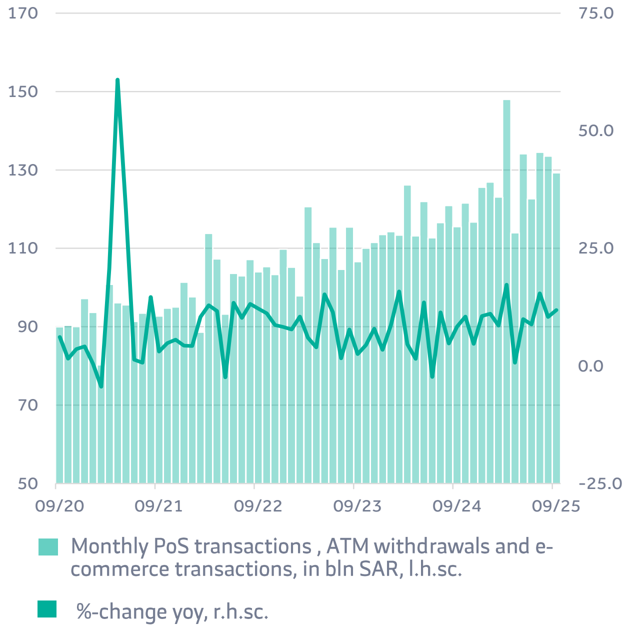


source: MoF

In Q3 2025, fiscal revenues turned out to be 12.7% lower versus Q3 2024 with, in particular, oil revenues declining by 21.0% compared to last year. On the other side, fiscal spending ended up 5.6% higher than Q3 2024. Accordingly, the fiscal deficit for Q3 amounted to 88 bln SAR vs. 30 bln SAR last year. The deficit for the first 3 quarters 2025 added up to 182 bln SAR, while net government debt rose by 251 bln SAR over the same period.

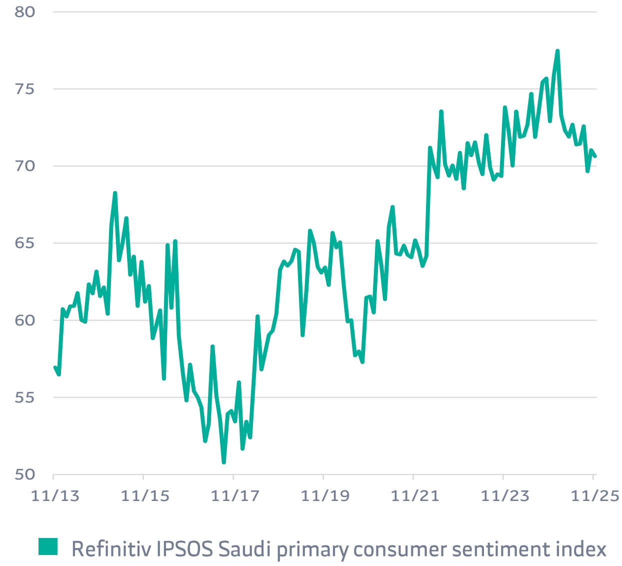
Indicators for Private Spending and Non-Oil Business Climate

Figure 1:
Private Spending Indicator



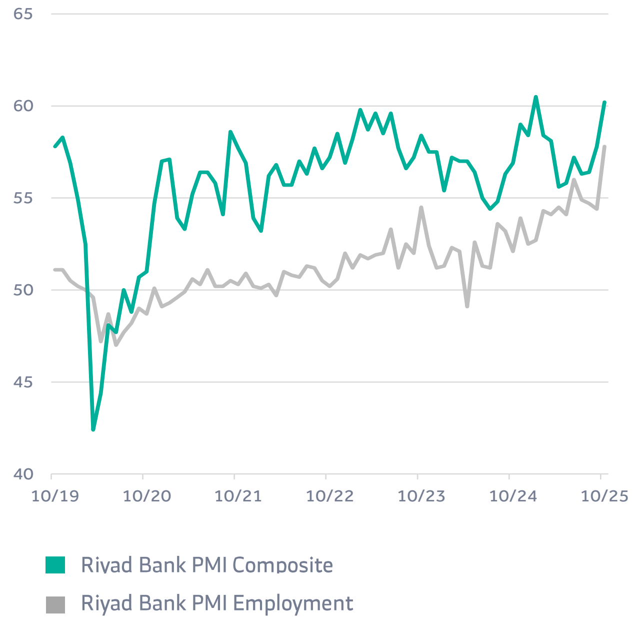
source: SAMA

Figure 2:
Consumer Sentiment Indicator



source: Refinitiv

Figure 3:
PMI Composite and PMI Employment Index



source: S&P Global Market Intelligence

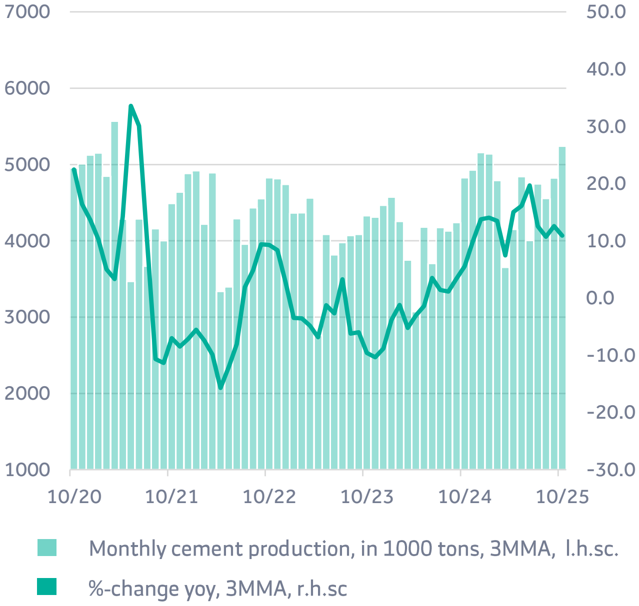
Figure 4:
PMI New Orders and PMI New Export Orders

source: S&P Global Market Intelligence

Consumer spending rose by 11.9%yoy in September. On a quarterly basis, consumption growth accelerated to 12.6%yoy. PMI indicators overall strongly rebounded since mid-year. With a reading of 60.2, the PMI Composite index came close to the 11-year peak of January 2025. A similar rebound could be observed for New Orders and New Export Orders. The PMI Employment index even reached a 16-year peak in September 2025.

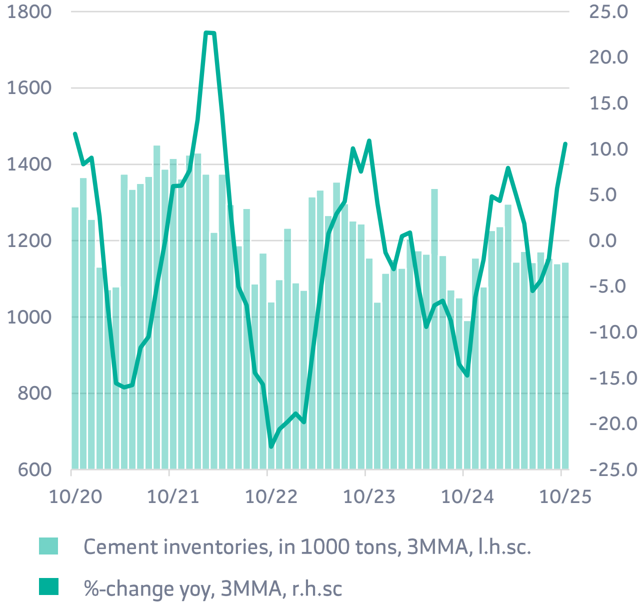
Cement Sector and Non-oil Exports and Imports

Figure 1:
Cement Production



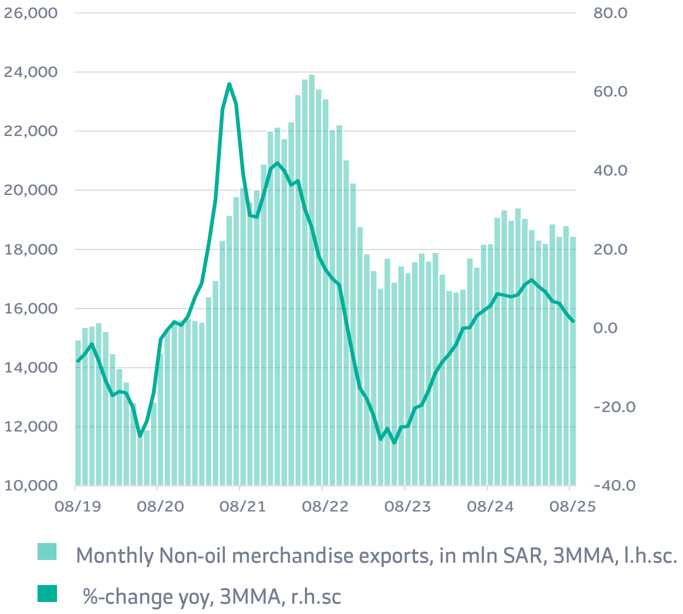
source: Yamama Cement

Figure 2:
Cement Inventories



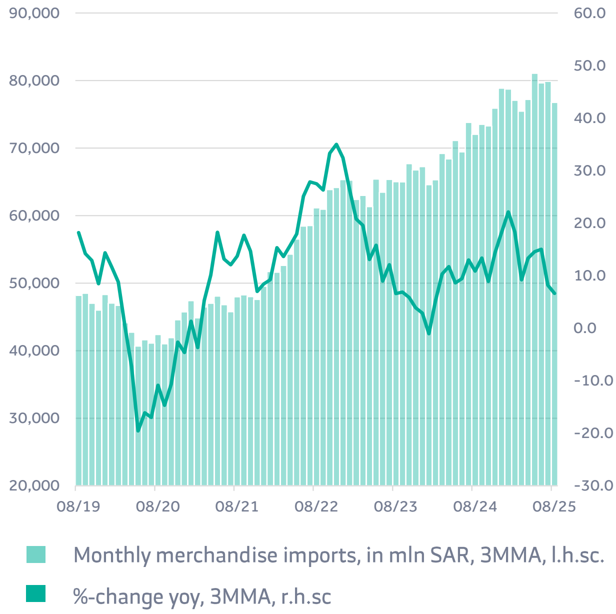
source: Yamama Cement

Figure 3:
Non-Oil Merchandise Exports



source: GASTAT

Figure 4:
Merchandise Imports

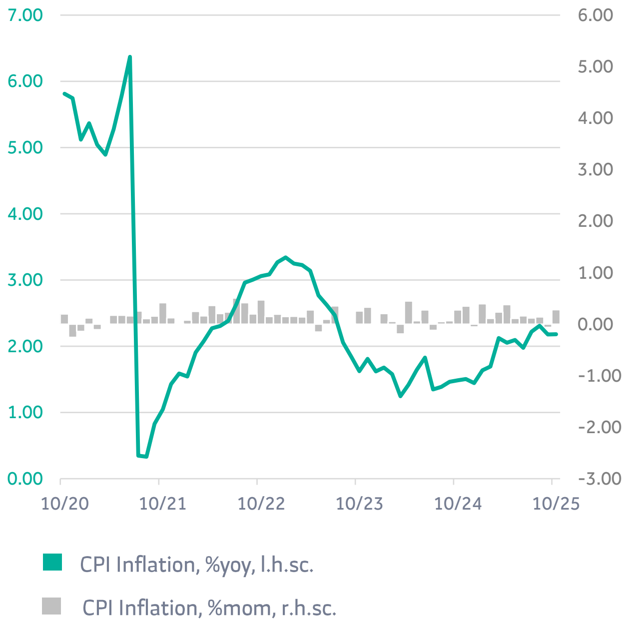


source: GASTAT

Cement production still showed robust growth in October with 10.9%yoy on a 3MMA basis, albeit gradually lower than the peak growth level by mid-year. Non-oil export growth momentum has faltered most recently as exports broadly consolidated in the last 12 months. Meanwhile, after strong growth during last year, merchandise import growth softened to single-digit figures with the most recent reading in August at 6.6%yoy (3MMA).

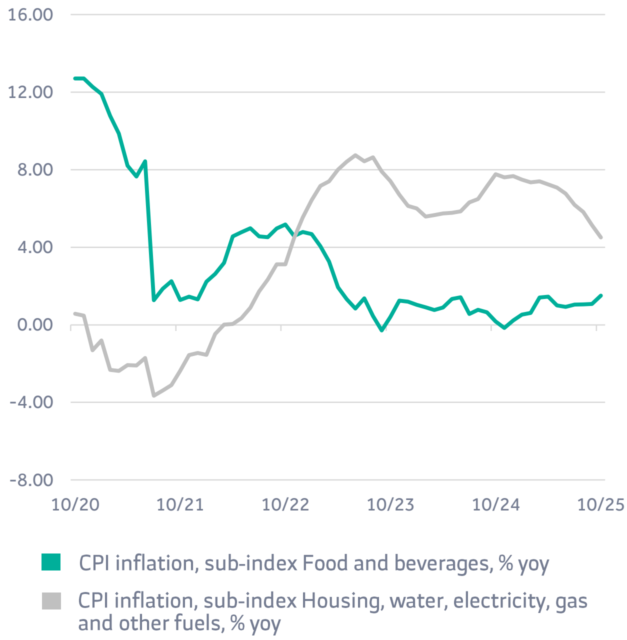
Consumer Price Inflation

Figure 1:
Consumer Price Inflation All Items



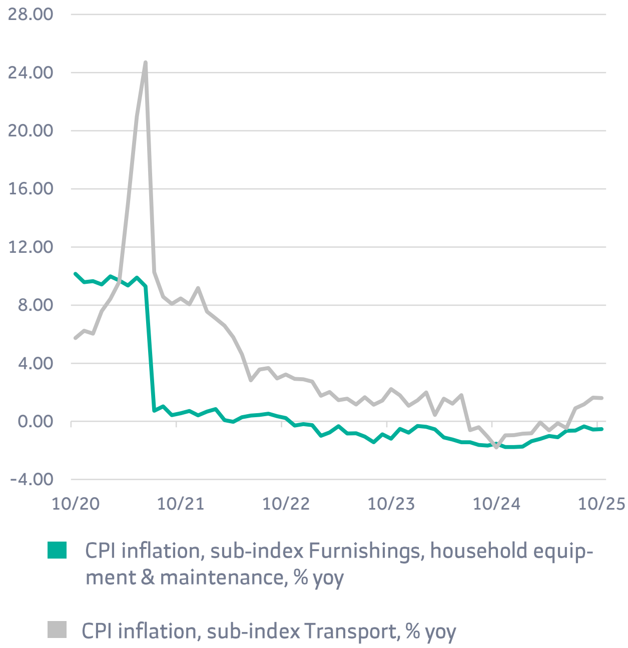
source: GASTAT

Figure 2:
CPI Inflation Food & Housing



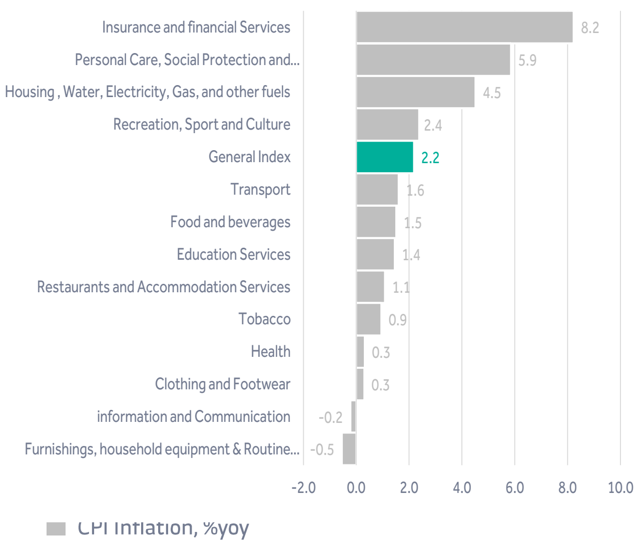
source: GASTAT

Figure 3:
CPI Inflation Furnishings & Transportation



source: GASTAT

Figure 4:
CPI Inflation by Main Categories October 2025

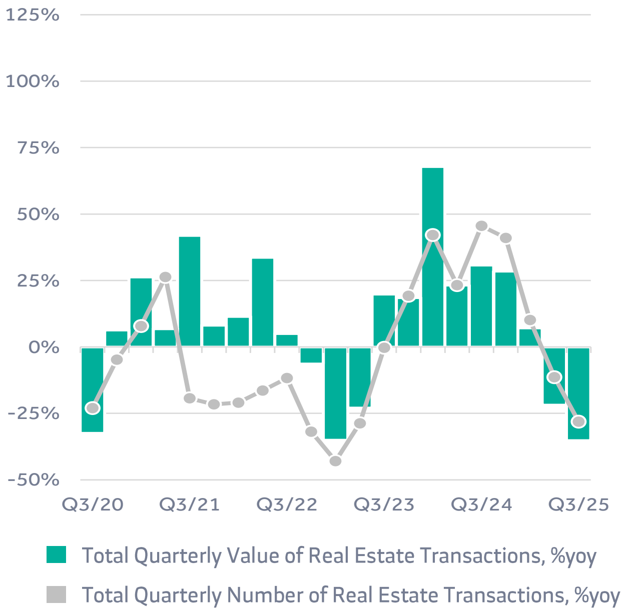


source: GASTAT

CPI inflation has stabilized in October at 2.2%. While the Housing sub-index as the main inflation driver so far has eased to 4.5%yoy, Insurance & Financial Services as well the category Personal Care, Social Protection and Miscellaneous have picked up to 8.2%yoy resp. 5.9%yoy. However, the impact of the latter two sub-indices on overall inflation is clearly lower given their basket weight of 3% resp. 6% compared to the 20% of the Housing sub-index.

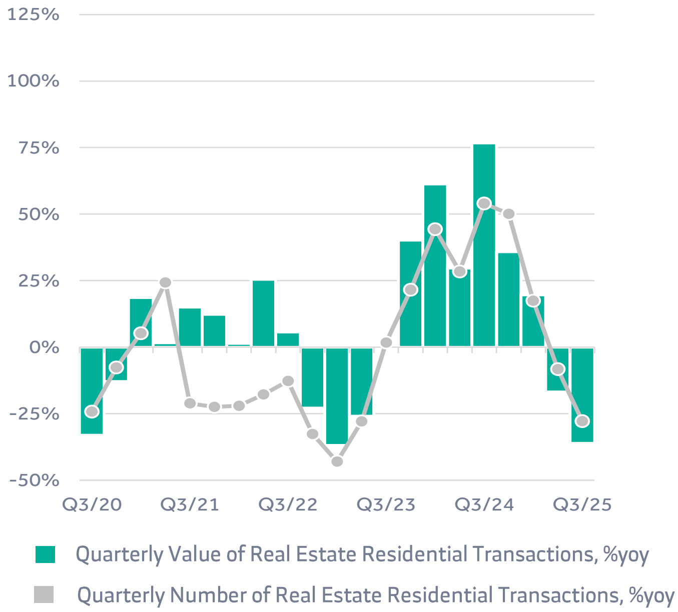
Real Estate Market: Transaction Activity

Figure 1:
Real Estate Transactions Total %yoy



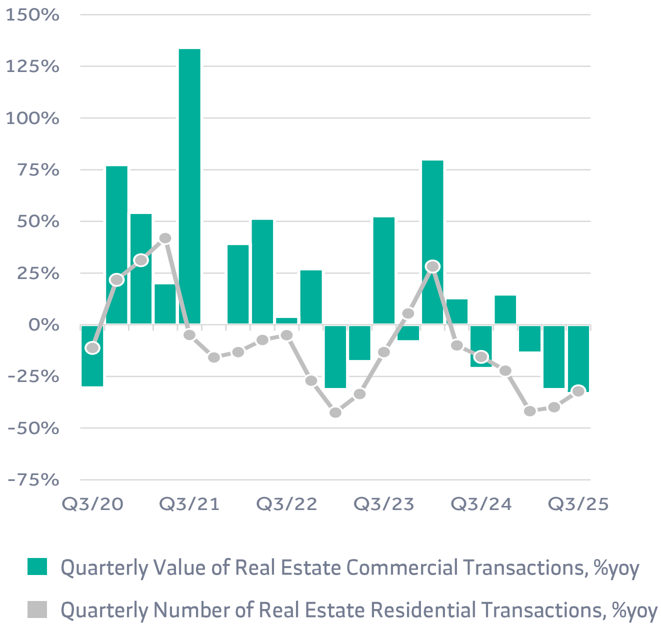
source: MOJ, RC

Figure 2:
Real Estate Transactions Residential %yoy



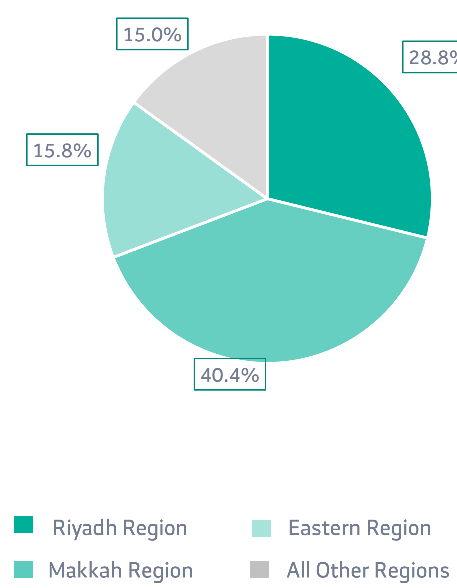
source: MOJ, RC

Figure 3:
Real Estate Transactions Commercial %yoy



source: MOJ, RC

Figure 4:
Breakdown of Transaction Value by Regions (Q3 2025)

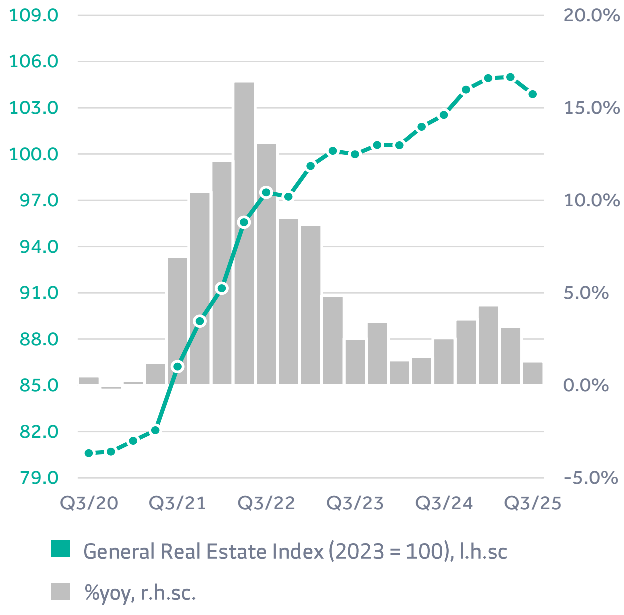


source: MOJ, RC

Real estate activities have notably slowed down so far in 2025. In Q3, the overall transaction value dropped versus last year by -35%yoy, with residential transactions contracting by -36%yoy, while commercial trade value declined by -33%yoy. This deceleration of real estate activity could particularly be observed in the Riyadh region which recorded a drop in its share of countrywide transactions from 53% in 2024 to 29% in Q3 2025.

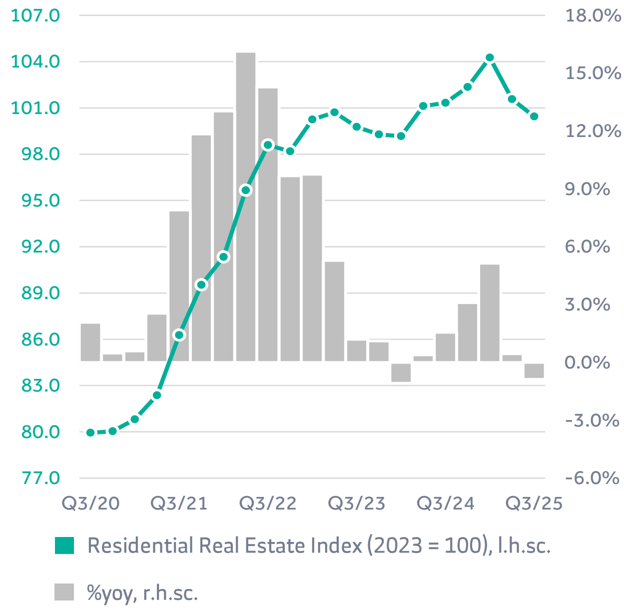
Real Estate Market: Price Indices

Figure 1:
General Real Estate Index



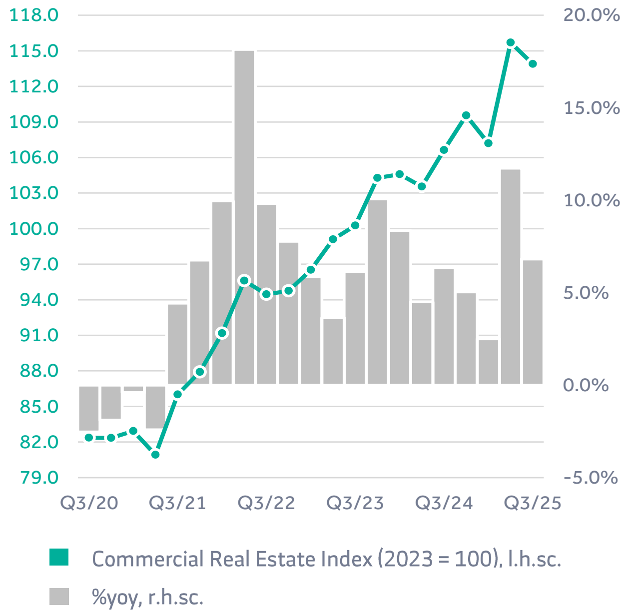
source: GASTAT

Figure 2:
Residential Real Estate Index



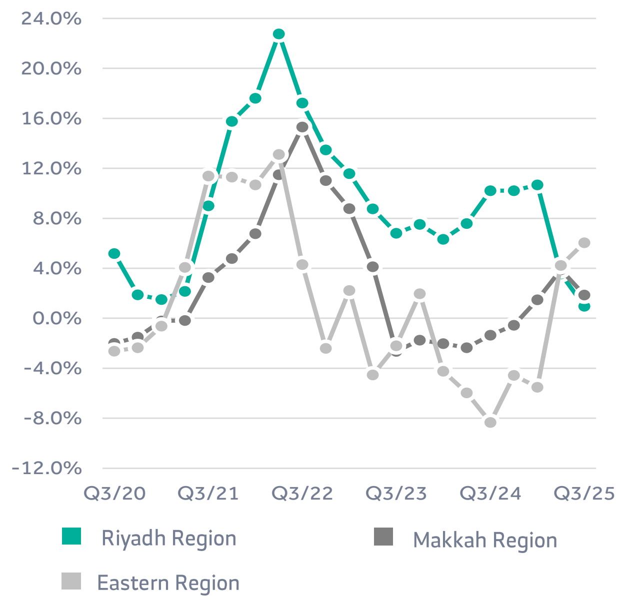
source: GASTAT

Figure 3:
Commercial Real Estate Index



source: GASTAT

Figure 4:
Real Estate Price Indices Main Regions (%yoy)

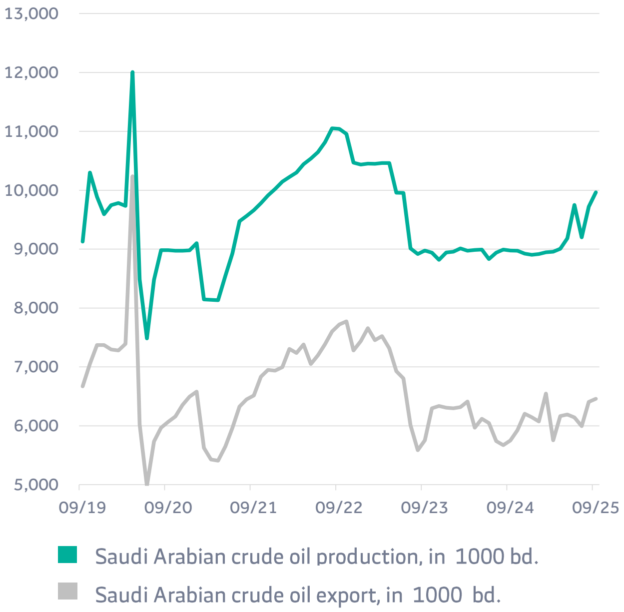


source: GASTAT

Real estate prices declined in Q3 2025 vs. Q2 2025 by –1.0%qoq, on a yearly basis they marginally grew by 1.3% yoy. This price decline was more pronounced in case of residential property prices, which contracted by -3.7% since Q1 2025 and on a yearly basis by –0.9%yoy. This softening of property prices could primarily be observed in the Riyadh region where house price inflation dropped from 10.7%yoy in Q1 to 1.0%yoy in Q3 2025.

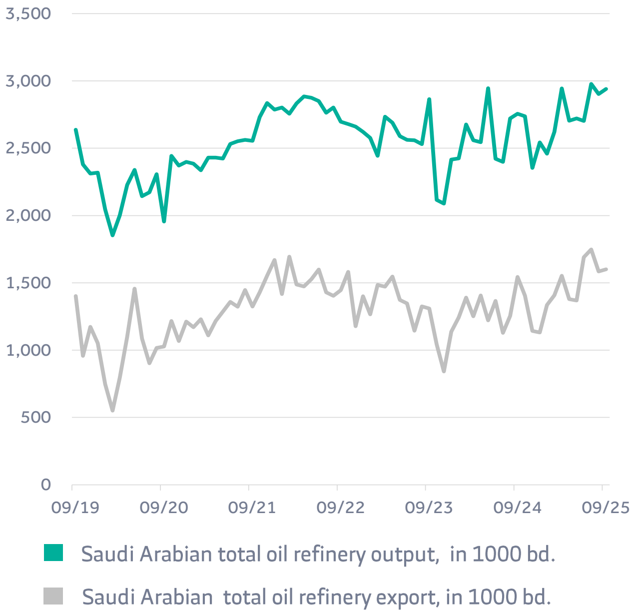
Oil Market Statistics: Production, Exports, Refinery and Prices

Figure 1:
Saudi Crude Oil Production and Exports



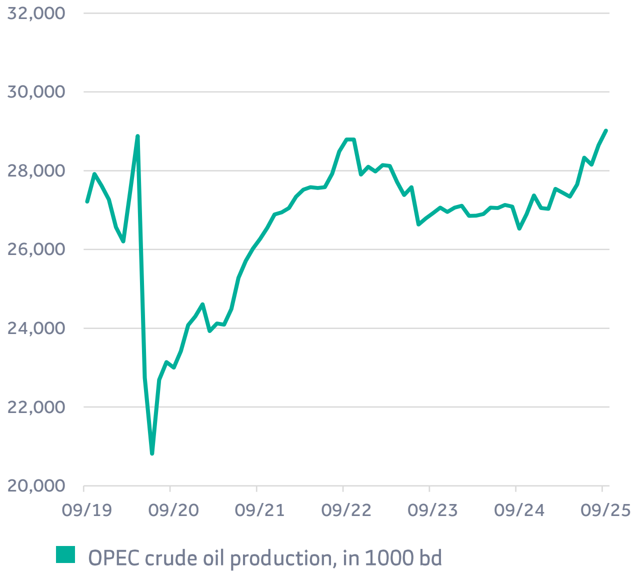
source: JODI, Bloomberg

Figure 2:
Saudi Crude Refinery Output and Exports



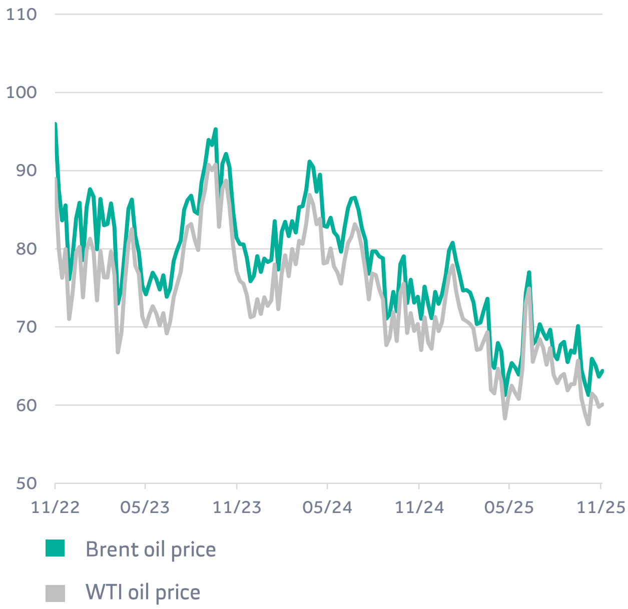
source: JODI

Figure 3:
OPEC Crude Output



source: JODI, Bloomberg

Figure 4:
Oil Prices



source: Bloomberg

Saudi crude production has expanded by about 1.0 mbd since the beginning of the year as a result of the unwinding of a previous voluntary output cut in 2023. Accordingly, crude and refined oil product exports grew combined by 11%yoy in September. The unwinding of voluntary output cuts of OPEC member countries has overall translated into an output expansion of OPEC from 27.4mbd in January to 29.0mbd in September 2025.

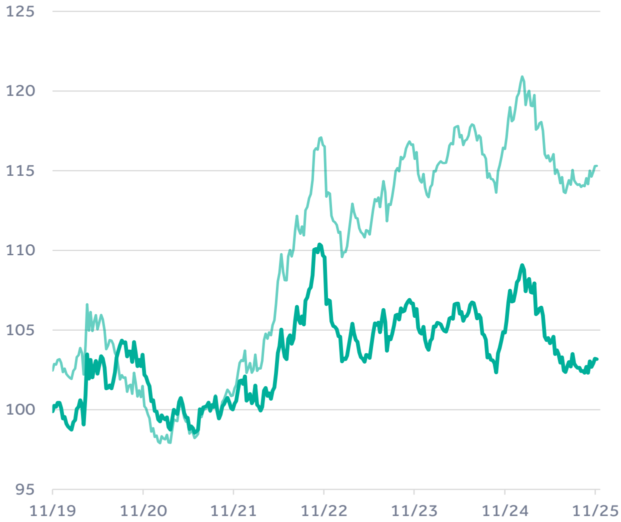
Foreign Exchange and KSA Credit Spread

Figure 1:
12-Months Forward Exchange Rate USD/SAR

12-month forward exchange rate USD/SAR

source: Bloomberg

Figure 2:
SAR Nominal and Real Effective Exchange Rate

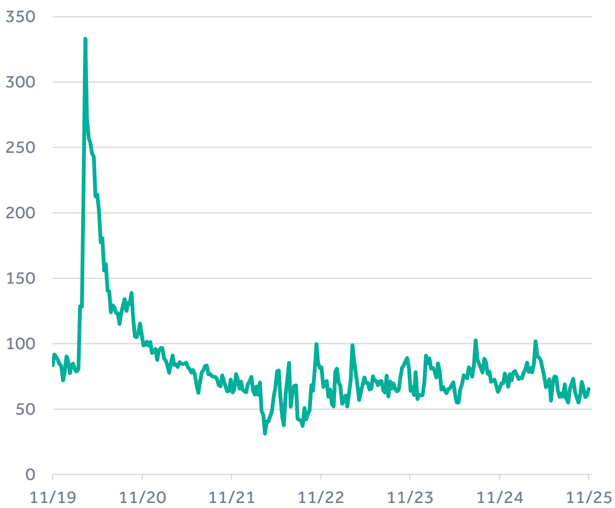


SAR Real (CPI-adjusted) trade-weighted exchange rate index

SAR Nominal trade-weighted exchange rate index

source: Bloomberg, JP Morgan

Figure 3:
KSA USD Bond Yield Spread to US Treasuries



5Y KSA USD bond yield spread to US Treasuries, in bp

source: Bloomberg

Figure 4:
KSA CDS Spread

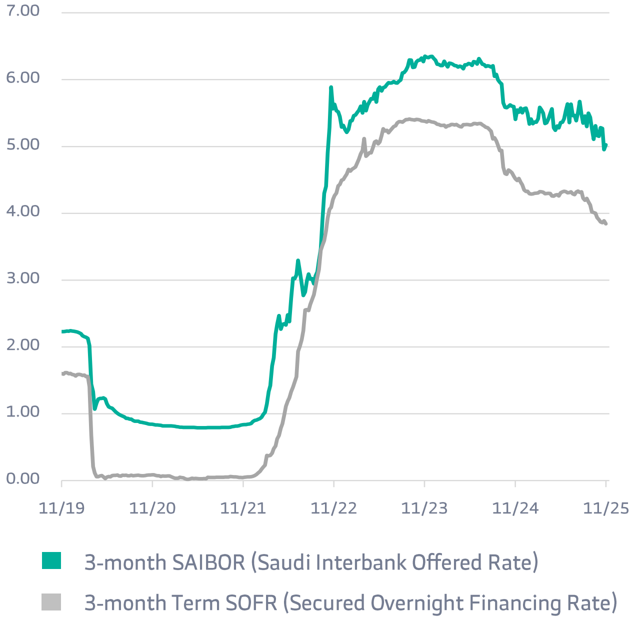
5Y KSA USD Credit Default Swap spread, in bp

source: Bloomberg

The 12-months FX-forward premium widened to levels last time seen in 2022. This can partly been explained by an interest rate spread widening in the 1-year area. The nominal and real SAR exchange rate index experienced some weakness since the beginning of the year, primarily due to a softer USD. Sovereign risk premia remained at subdued levels which applies for KSA-USD bond yield spread as well as for the KSA credit default swap spread.

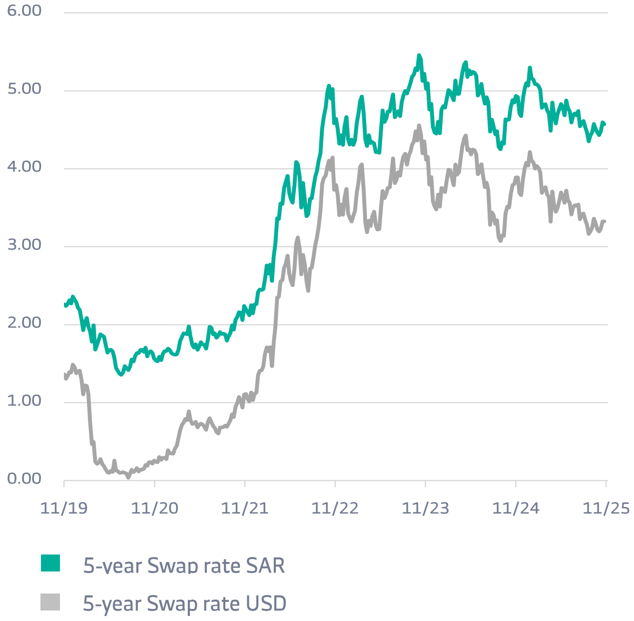
Short-term, Long-term and Official Interest Rates

Figure 1:
3-Months SAIBOR vs. USD 3M Term SOFR



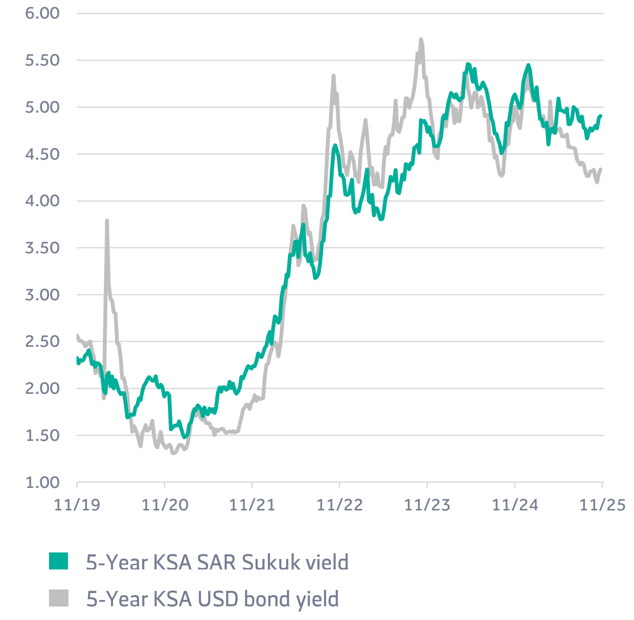
source: Bloomberg

Figure 2:
5-Year Swap Rate SAR vs. USD



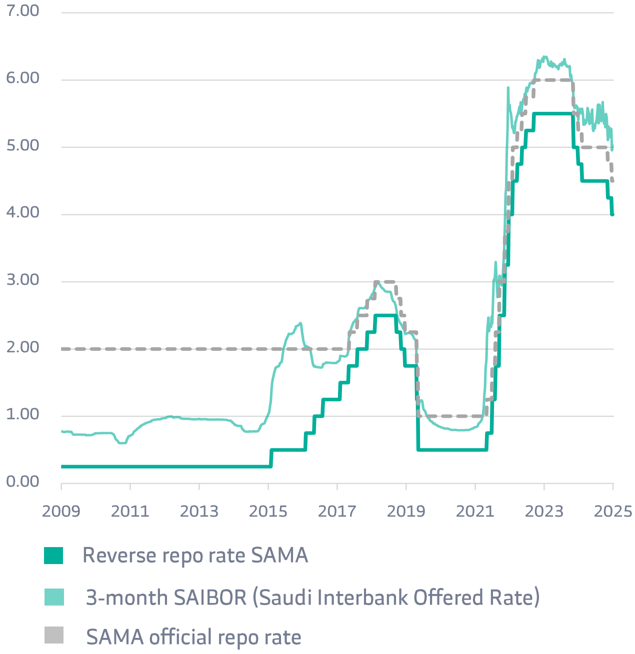
source: Bloomberg

Figure 3:
5-Year KSA SAR Sukuk vs. USD Bond Yield



source: Bloomberg

Figure 4:
Central Bank Rate and 3-Months SAIBOR

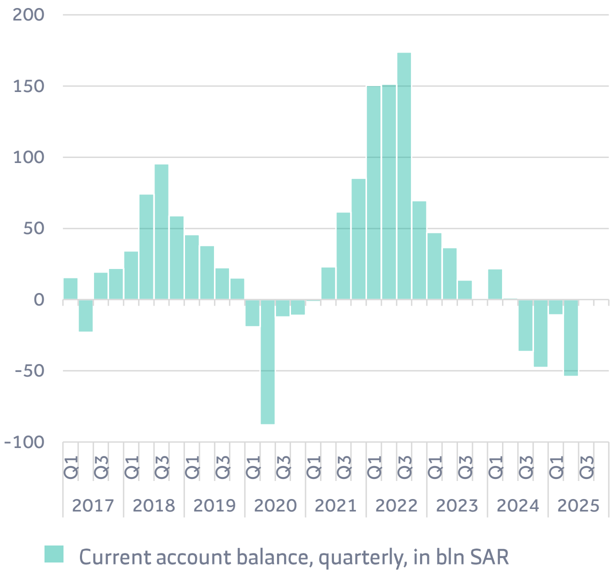


source: Bloomberg

The US FED and SAMA cut interest rates twice since September. As a consequence, 3M SAIBOR dropped for the first time sine October 2022 below 5.0% again. The spread to 3M term SOFR stabilized around 100bp. 5-year SAR Swap rates declined from 5.30% in January to 4.60% in November. The spread to USD Swap rates gradually widened to 125bp. A spread widening could also be observed in the case of 5-year KSA SAR vs USD Sukuk.

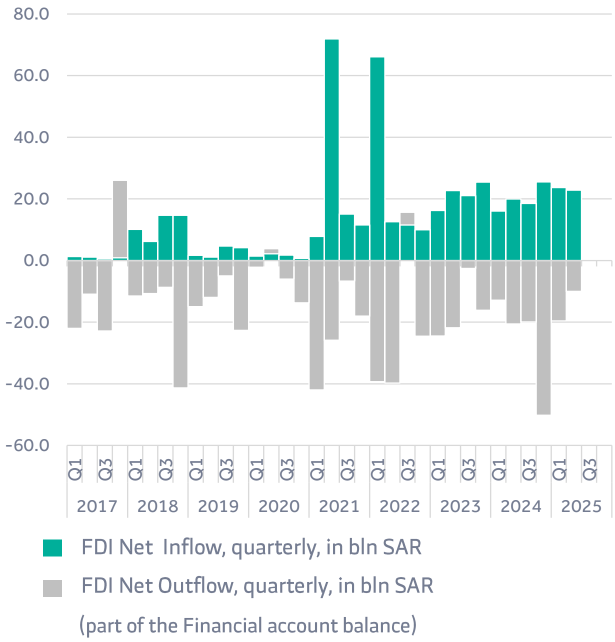
Saudi Balance of Payments

Figure 1:
Current Account Balance



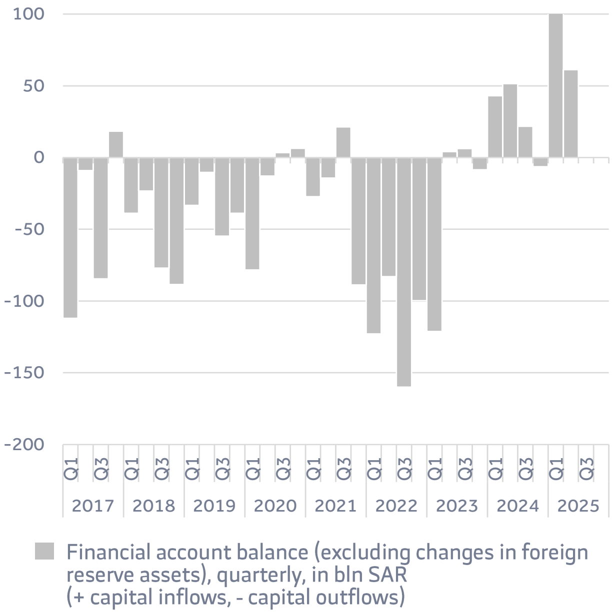
source: SAMA

Figure 2:
Foreign Direct Investments



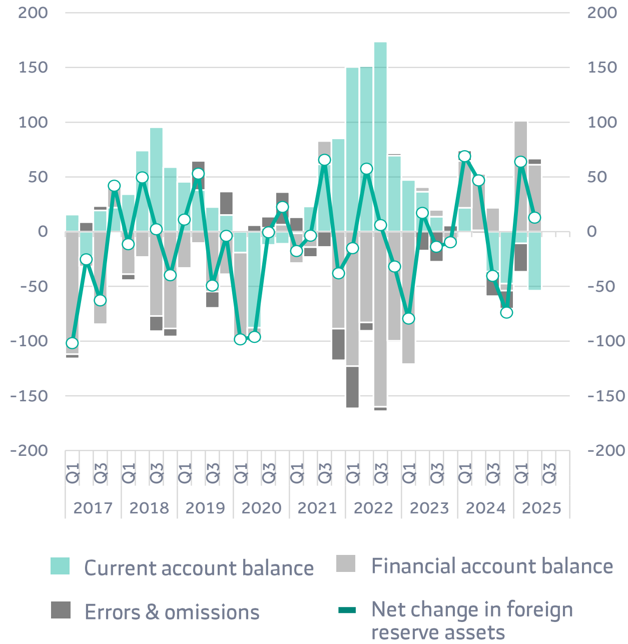
source: SAMA

Figure 3:
Financial Account Balance



source: SAMA

Figure 4:
Contribution to Balance of Payments



source: SAMA

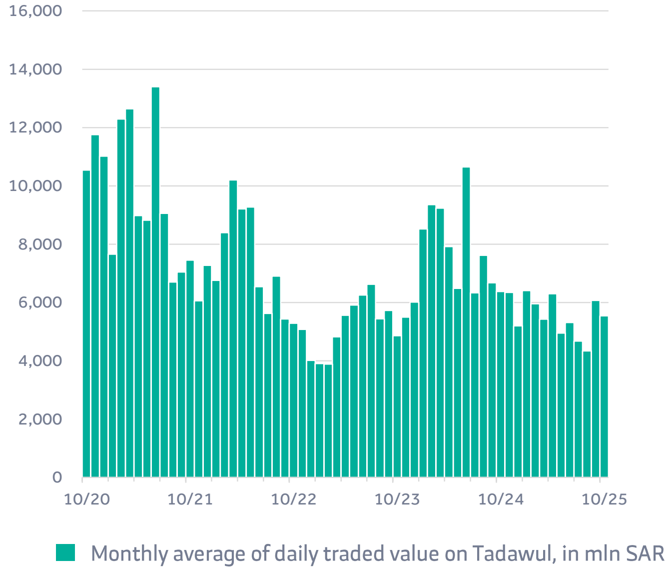
The current account deficit expanded to 54bln SAR in Q2 2025. This was compensated by a surplus of 61bln SAR in the financial account balance, partly also due to borrowing activity abroad. Foreign direct investment inflow established in 2025 above 20bln SAR on a quarterly basis which implies a quota around 2% of GDP. The overall balance of payments generated a surplus of 13bln SAR in SAMA's foreign currency reserves in Q2 2025.

Tadawul: Saudi Equity Market Statistics

Figure 1:
Tadawul All-Share Index

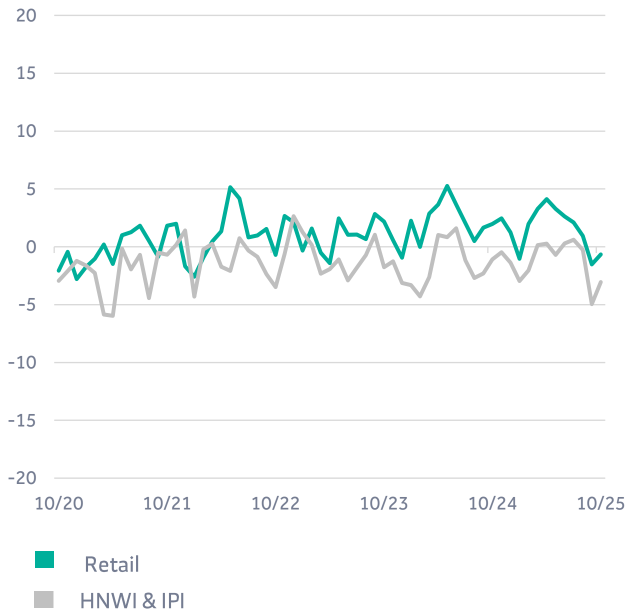
source: Bloomberg

Figure 2:
Tadawul Average Daily Traded Value



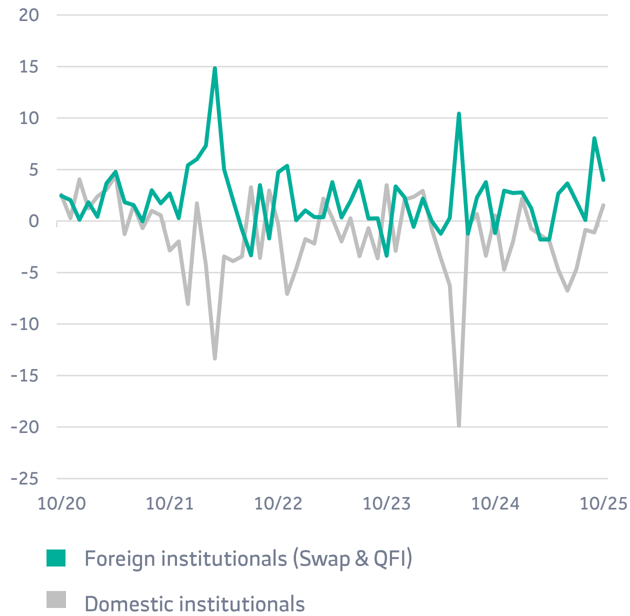
source: Tadawul

Figure 3:
Monthly Net Purchase by Ownership (in bln SAR)



source: Tadawul

Figure 4:
Monthly Net Purchase by Ownership (in bln SAR)

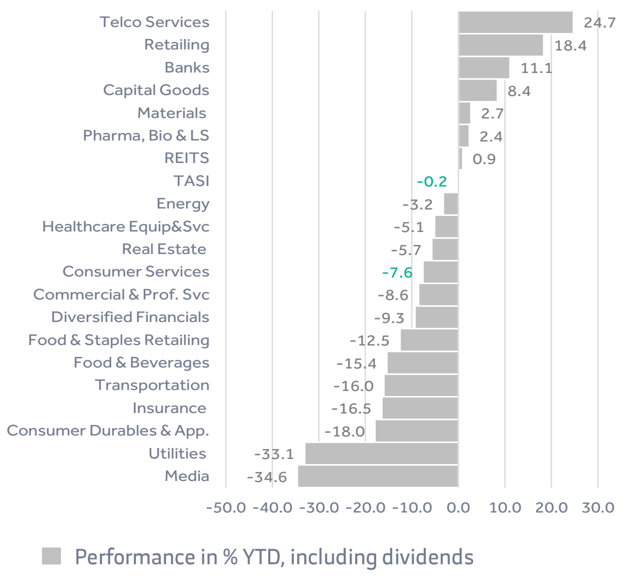


source: Tadawul

After a protracted correction since February 2025, the Saudi equity market rebounded in September on news that foreign ownership limits may be lifted by CMA. TASI temporarily surpassed the mark of 11'500, before consolidating at gradually lower levels. This news also caused foreign institutional investors to buy into the market, while domestic private investors were net sellers. Average traded value also recovered in autumn.

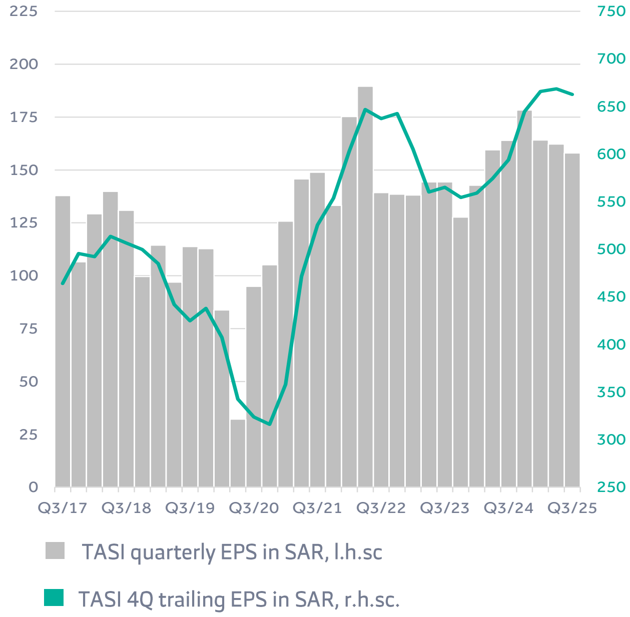
Tadawul: Saudi Equity Market Statistics

Figure 1:
Performance TASI Sectors Oct 2025YTD



source: Bloomberg

Figure 2:
Quarterly Earnings TASI



source: Bloomberg

Figure 3:
Valuation TASI: PE-Ratio Trailing

source: Bloomberg

Figure 4:
Valuation TASI: PE-Ratio Forward

source: Bloomberg

Until end of October 2025, TASI recorded a marginally negative total return of -0.2%ytd. Over this period, the telecom services sector showed the best performance with 24.7%ytd, while media turned out to be the worst sector with a negative total return of -34.6%ytd. TASI 4Q trailing EPS consolidated around 660 SAR in Q3 2025, while TASI valuation eased below long-term average on a trailing as well as on a forward earnings basis.

Saudi Economic Outlook

Saudi economic growth is expected to accelerate in 2025 and 2026. While non-oil activities will continue to stay on a robust growth trajectory, oil activities are expected to rebound.

We project continued solid growth for non-oil activities. After 5.2% in 2024, we forecast non-oil activities to expand by 4.6% in 2025 and 4.3% in 2026. This would ultimately constitute a period of six consecutive years of growth above 4%.

Within the oil sector, the unwinding of the previous output cut in 2023 has resulted in an increase of oil production by about 1mbd in the course of 2025. Against the backdrop of a potentially oversupplied market in H1 2026, OPEC+ decided to abstain from any further output increase in Q1 2026 and we expect this to hold also for Q2 2026, before a further expansion can be envisaged for H2 2026. Based on these assumptions, we expect oil sector activities to expand by 5.3% in 2025 and 6.4% in 2026.

As a consequence, we forecast overall economic growth to climb to 4.3% in 2025 after 2.0% last year. For 2026, we expect the Saudi economy to stay on this elevated growth path with a projected rate of 4.4%.

After three years of strong fiscal expansion with expenditure increased by an accumulated 32% between 2021 and 2024, the government has initialized some fiscal consolidation with government spending about 3% below last year's level in 2025. This fiscal consolidation stance is expected to be carried over to 2026. As a consequence, we forecast a fiscal deficit of -5.2% of GDP this year and a reduction to -3.5% in 2026.

The current account balance is projected to show a deficit of -3.5% of GDP in 2025 after -0.5% last year, primarily due lower oil exports and continued strong import growth. For next year, we project a gradually lower deficit amounting to -2.9% of GDP, this mainly as a result of higher oil exports and further improving travel and tourism revenues.

We expect inflation to gradually soften in 2026 as rental inflation as the main driver so far is expected to further ease. We, therefore, forecast an average inflation of 1.9% in 2026 after 2.1% in 2025.

Finally, we expect the US Federal Reserve to cut its FED fund rate from currently 4.0% to 3.25% until end of next year. Accordingly, SAMA is projected to cut its official repo rate and reverse repo rate by the same amount.

Based on this baseline scenario, we expect 3M SAIBOR rate to decline to 4.10% by end of 2026, which implies a reduction of about 80-90bp to current levels.

Facts and Forecasts at a Glance

	2023	2024	2025f	2026f
Real GDP Growth				
Overall economy	0.5	2.0	4.3	4.4
Non-oil Activities	7.0	5.2	4.6	4.3
Government Activities	1.1	2.3	1.5	1.6
Oil Activities	-9.0	-4.4	5.3	6.4
Fiscal Balance and Government Debt				
Fiscal Balance in bln SAR	-81	-115	-245	-170
Fiscal Balance in % GDP	-1.8	-2.5	-5.2	-3.5
Government debt in bln SAR	1050	1199	1480	1650
Government debt as % GDP	23.0	25.8	31.4	33.7
Trade and Current Account Balance				
Trade Balance in bln SAR	476	339	206	201
Trade Balance in % GDP	10.4	7.3	4.4	4.1
Current Account in bln SAR	128	-21	-164	-142
Current Account in % GDP	2.8	-0.5	-3.5	-2.9

source: GASTAT, SAMA, RC

	2023	2024	2025f	2026f
Oil Prices and Production (yearly average)				
Brent price (USD pb)	82.2	79.9	69.0	65.0
WTI price (USD pb)	77.6	75.8	66.0	62.0
OPEC Basket price (USD pb)	83.0	79.9	69.0	65.0
KSA oil production (mln bd)	9.6	9.0	9.5	10.2
Inflation and Interest Rates (year end)				
CPI Inflation (yearly average)	2.33	1.70	2.10	1.90
3M SAIBOR SAR	6.23	5.54	4.90	4.10
Reverse Repo Rate	5.50	4.50	4.00	3.25
Official Repo Rate	6.00	5.00	4.50	3.75
Labor Market (yearly average)				
Unemployment rate total in %	4.0	3.5	2.8	2.8
Unemployment rate Saudi in %	8.5	7.4	6.3	6.3
Labor force part. total in %	66.6	66.3	68.2	68.2
Labor force part. Saudi in %	50.8	51.2	51.4	51.4

source: GASTAT, SAMA, Bloomberg, RC

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