

Market Picture

In 2025, Saudi Arabia continued its momentum of diversified growth, with the real GDP expanding by an approximate 3.9% by the second quarter, marking a steady increase from the previous year's performance.



44%

Increase in Net Foreign Direct Investment (FDI) in Q1 2025

﷼22.2B

Net Foreign Direct Investment (FDI)

This sustained growth was predominantly driven by the successful push toward economic diversification under Vision 2030. Non-oil activities, the primary engine of this transformation, demonstrated exceptional resilience and growth, increasing by 4.7% in Q2 2025, and significantly contributing to the overall national economic expansion¹. The Kingdom's attractiveness to global capital strengthened, reflecting confidence in its prudent fiscal policies and strategic investments. Net Foreign Direct Investment (FDI) inflows surged by 44% in Q1 2025 compared to the same period in the previous year, reaching ﷼ 22.2 billion (USD 5.9 billion)¹. This capital was channeled into key sectors like finance, technology, and advanced infrastructure projects, including the continuous development of giga-projects. The overall strategy, as guided by the Financial Sector Development Program (FSDP), is to create an economy that is more resilient, internationally connected, and positioned for long-term, sustainable growth². The data for the first half of 2025 confirms a structural shift in the Saudi economy, with non-oil sectors driving the majority of growth and a substantial increase in FDI inflows, underscoring the success of national economic diversification and reform efforts.

1-General Authority for Statistics (GASTAT)

2-Saudi Vision 2030 - Financial Sector Development Program (FSDP) Overview

Sectoral Contributions and Financial Strength

The non-oil private sector further solidified its position as the largest contributor to the economy in 2025, with specific sectors posting high growth rates. Notably, the Financial, Insurance, and Business Services activities recorded a significant annual growth rate of 7.0% in Q2 2025, highlighting the success of regulatory reforms and investment in the sector¹.

This financial sector growth was supported by the rapid evolution of the FinTech landscape. Furthermore, the total number of licensed FinTech companies reached 261 in 2024 (exceeding initial targets), demonstrating a vibrant environment for innovation in payments, lending, and wealth management³. Other non-oil sectors, such as Wholesale and Retail Trade, Restaurants, and Hotels, also registered strong growth at 6.6% in Q2 2025, benefiting from increased domestic activity and continued growth in the tourism and commerce sectors¹.

The sectoral data reveals that financial services and technology are now primary growth drivers. The robust expansion in FinTech, supported by SAMA's proactive regulatory framework, is fundamentally reshaping the financial market, increasing efficiency, and accelerating financial inclusion.

Focus on Digital Transformation and Open Banking

Digital transformation remains a central pillar of the Kingdom's economic strategy, heavily supported by the Ministry of Communications and Information Technology (MCIT) and the FSDP's FinTech Strategy^{2,4}. Investments continued to flow into advanced technologies like AI, cloud computing, and cybersecurity to build a knowledge-intensive economy. The local Information Technology (IT) market remains among the world's most developed, with a focus on localizing technology and increasing the workforce's digital skills⁴. A key focus for 2025 is the continued implementation of Open Banking initiatives. SAMA is spearheading the development of the necessary regulatory and technical infrastructure to enable seamless and secure data sharing between banks and third-party FinTech providers⁵. This move is expected to unlock a new wave of competition and customized financial product offerings, accelerating the digital customer experience and driving further innovation in the financial sector.

The prioritization of digital infrastructure and Open Banking in 2025 positions Saudi Arabia at the forefront of the regional digital economy. For financial institutions, this represents a crucial opportunity to leverage advanced technologies and new regulatory frameworks to enhance competitiveness and deliver next-generation banking services.

Credit Ratings Outlook

Leading credit agencies affirm Saudi Arabia's strong sovereign credit profile amid ongoing diversification. Moody's maintains an Aa3 rating with stable outlook, projecting real GDP growth of 4.1% in 2025 and 4.5% in 2026, driven by robust non-oil activity from large-scale projects, private consumption, and low unemployment⁶. Fitch upholds A+ with stable outlook, highlighting large sovereign net foreign assets at 35.3% of GDP by 2027 and fiscal reforms enhancing resilience to oil volatility, supporting sustained non-oil growth⁷.

Bank Albilad aligns with this positive trajectory through its stabilized A1 credit rating as of mid-2025, reflecting improved risk management and digital innovations amid sector reforms⁸. These ratings underscore a resilient economic future, positioning the Bank to capitalize on diversification for sustained competitiveness and growth.

Aligning with National Advancements

In line with the rapid and innovative advancements across Saudi Arabia, Bank Albilad continues its role as a key contributor to the realization of Vision 2030. The Bank's commitment to digital leadership, particularly in embracing new regulatory frameworks like Open Banking, aligns directly with the nation's objectives for a technologically advanced and financially inclusive economy. Operating within a thriving market, the Bank remains focused on leveraging advanced technologies, deepening partnerships with FinTechs, and delivering next-generation banking services that create customer value and support the Kingdom's sustainable growth trajectory.

³ Financial Sector Development Program (FSDP) - 2024 Annual Report

⁴ Ministry of Communications and Information Technology (MCIT)

⁵ Saudi Central Bank (SAMA)

⁶ Moody's Credit Opinion Report (December 2025)

⁷ Fitch Ratings Affirmation (November 2025)

⁸ Martini.ai Bank Albilad Credit Analysis (July 2025)

