

# Saudi Banking Sector Third Quarter 2014

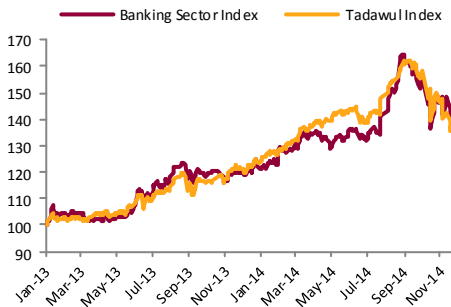
The report reviews all listed Saudi Banks performance in the third quarter of 2014

## Sector Performance Summary

	Closing Price (SAR)	Market Cap. (SAR Million)	EPS (SAR)	PE (x)
RIBL	18.36	55,080	1.44	12.74
BJAZ	28.44	11,376	1.31	21.74
SAIB	27.12	16,272	2.31	11.72
SHB	45.69	21,761	3.58	12.75
BSFR	34.30	41,344	2.44	14.07
SABB	54.50	54,500	4.27	12.76
ARNB	30.22	30,220	2.78	10.86
SAMBA	42.27	50,724	3.99	10.60
Al Rajhi	60.65	98,556	4.22	14.36
AL Bilad	50.08	20,032	2.07	24.17
Alinma	22.09	33,135	0.81	27.34
NCB	61.38	122,760	4.39	13.99
<b>Total</b>		<b>555,760</b>	<b>2.80</b>	<b>13.76</b>

As of closing prices of 27 November 2014.

Source: Tadawul



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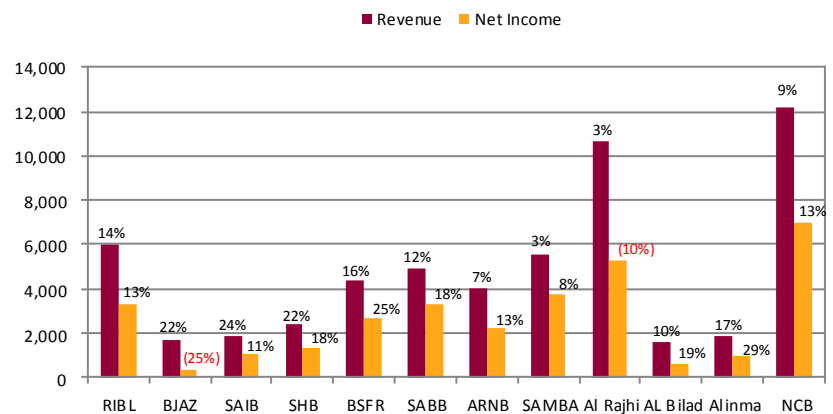
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## An Overview of Saudi Banking Sector Performance

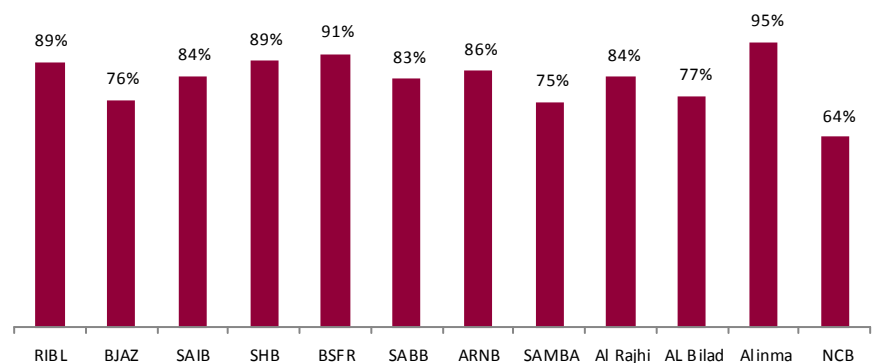
The twelve banks listed in the Saudi Stock Exchange – Tadawul reported a 9% increase in their net profits in 9M 2014 hitting SAR 31.8 billion, while revenues rose 10% YoY reaching SAR 57.2 billion. Loans also grew 12% standing at SAR 1,248 billion, coupled with a 13% increase in deposits reaching SAR 1,595 billion.

Figure 1: Total Revenue and Net income with YoY Growth - 9M 2014 (Million SAR)



Loans to deposits ratio reached 79.9%, down 60bps from the same level a year ago. Saudi Investment Bank (SAIB) and Bank Al Bilad augmented their loans portfolios by 35% and 30% due to their small market shares at the end of September 2014 which stood at 4.6% and 2.2%, respectively. Alinma Bank registered the highest increase in deposits reporting a 42% increase in deposits followed by Bank Al Bilad which elevated its figure by 40%. The two banks' market shares reached 3.3% and 2.3% of total deposits, respectively. No bank booked a drop in its loans or deposits. Meanwhile, Alinma bank's loans to deposits ratio slumped from 112% to 95% due to an increase in deposits at a higher rate than loans. The same ratio for Al Bilad Bank tumbled from 83.9% to 77.2%, while it increased to 88.5%, 75.3% and 85.7% in the cases of Riyadh Bank, Samba and Arab National Bank (ANB), respectively. The L/D ratio is still low at the National Commercial bank (NCB) standing at 63.6% giving it more room to expand its loans.

Figure 2: Loan-to-deposit Ratio by the End of September 2014



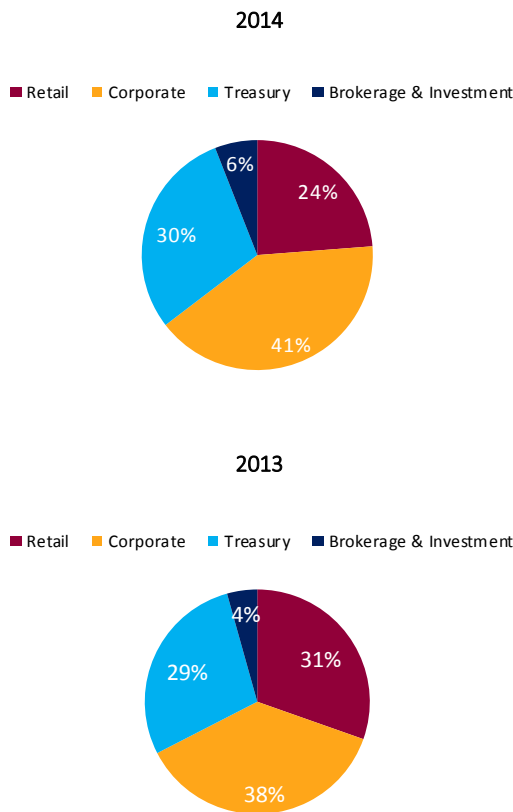
Third Quarter 2014

Special commissions income and net profit growth was lower than the growth in balance sheet with net special commissions income increasing 8% in 9M 2014, while net profits grew 9%. Net special commissions income for six banks outpaced the sector growth especially Saudi Holland bank (SHB) which reported an 20% increase, followed by Al Jazira bank which booked 18.5%. On the other side, 9 banks increased their profits more than the sector growth. At the top of the list, Alinma bank and Saudi French Bank (SFB) increased their bottom line by 29% and 25%, respectively, while the bottom line for Al Jazira bank and Al Rajhi bank tumbled by 25% and 10%, respectively.

The lower growth in income statement versus balance sheet resulted from a drop in spread by 12 bps reaching 2.48%. It is noteworthy that the net spread declined 53 bps to 2.43% for Bank Al Bilad and also retreated 36 bps for Al Rajhi bank, which captures around 16% of banking deposits and loans, to 3.28%. The spread increased 8 bps and 3 bps for SFB and Riyadh bank to 2.13% and 2.41%, respectively.

On a sector basis, Saudi banks reported strong growth in corporate banking, treasury and investment\*. Corporate banking income increased 20% in 9M 2014 to SAR 13.1 billion, representing 41% of total income, while income from retail banking dropped 15%, thus forming 24% of total income down from 31% in the corresponding period last year. Brokerage and investing income grew 49%, however it represents 6% of bottom line. Treasury income escalated by 14% in 9M 2014 and seized 30% of total income.

Figure 5: Aggregate Net Income Breakdown per Segment 9M



\* Includes the bank's stock market subsidiary as well as other investing activities for the bank

Figure 3: Net Special Commissions YoY Growth 9M 2014

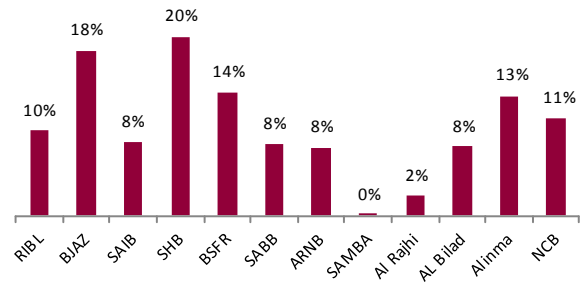
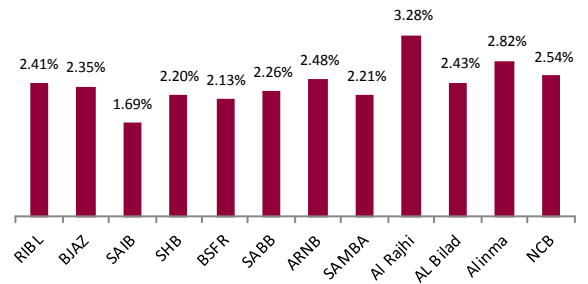


Figure 4: Net Interest Margin by the End of September 2014



## Operating Segments Overview

### Retail Banking

Net earnings of retail banking slipped 15% YoY in 9M 2014 culminating at SAR 7.68 billion, representing 24% of total banking profits during the period versus 12% for each of NCB and Riyadh Bank. Retail banking at Al Rajhi bank constituted 44% of total retail profits and 63% of the bank's bottom line. Five banks manifested positive growth in this line of business, while the seven other banks displayed negative performance.

### Corporate Banking

Income from corporate banking increased by 20%, YoY reaching SAR 13.1 billion in 9M 2014 raising its contribution to 41% of total banking bottom line. NCB and Riyadh bank seized 22% and 15%, respectively of total income from corporate banking.

At SHB, corporate banking yielded 64% of the bank's income. In the case of Al Rajhi bank, the ratio was much lower standing at 13%. Bank Al Bilad reported the highest growth in income from corporate banking increasing the figure by 81%, in spite of its 2% market share. Following suit, NCB and ANB registered increases of 53% and 26%, respectively. All banks except Al Jazira reported positive growth.

### Treasury

Treasury income grew 14% in 9M 2014 coming in at SAR 9.52 billion and represented 30% of total banking income. NCB and Samba captured 26% and 14% of total treasury income in the sector.

At Al Jazira bank, treasury operations contributed 95% of the bank's total income owing to the losses in corporate banking versus 49% and 36% for SAIB and Samba, respectively. SFB booked the highest growth increasing its treasury income by 80%.

### Brokerage & Investment Banking

Total income from this activity reached SAR 1,919 million in 9M 2014, up 49% YoY and contributed 6% of total banking income. Samba captured 24% of total income from brokerage and investment banking, while NCB's share was 18% of the market. All banks showed positive growth. At Al Jazira bank, this activity yielded 49% of the bank's income versus 12% for Samba.

Figure 10: Net Income Breakdown Per Bank by Segment 9M 2014

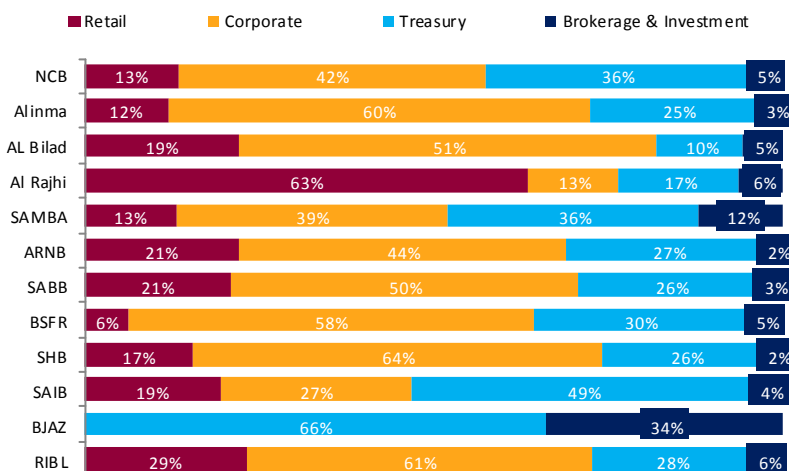


Figure 6: Market Share of Banks in Retail Segment Net Income 9M 2014

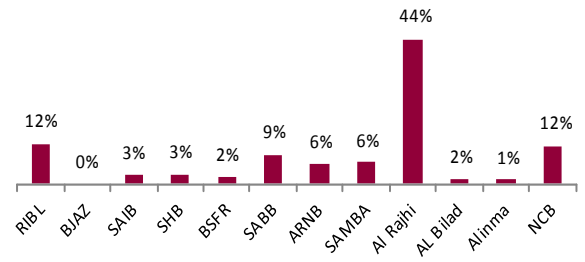


Figure 7: Market Share of Banks in Corporate Segment Net Income 9M 2014

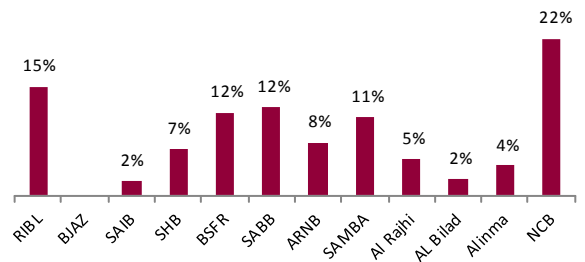


Figure 8: Market Share of Banks in Treasury Segment Net Income 9M 2014

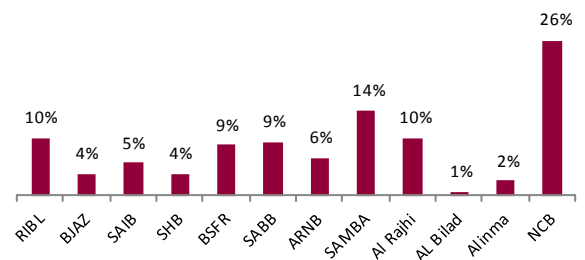
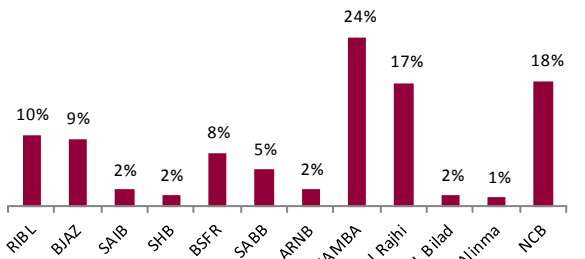


Figure 9: Market Share of Banks in Brokerage and Investment Segment Net Income 9M 2014



## Financial Statements Overview

### Revenues and Operating Expenses

The sector revenues escalated by 10% in 9M 2014 coming in at SAR 57.1 billion of which NCB and Al Rajhi bank contributed 21.3% and 18.6%, respectively. Meanwhile, Riyadh bank captured 10.5% of total revenues while Samba's share reached 9.7%. The highest percentage growth in revenues was booked by SAIB (24%), then SHB and Aljazira by 22% each. All banks have displayed growth in their top line.

Meanwhile, total operating expenses amounted to SAR 28.2 billion, up 13% YoY. The largest increase in operating expenses was registered by Aljazira Bank (51%) and SHB (28%), while Samba cut its operating expenses by 6%.

### Assets

Saudi banks had aggregate total assets of SAR 2,053 billion at the end of September 2014 showing a growth of 13%. As for assets breakdown, NCB came in the first place capturing 21.3% of total assets followed by Al Rajhi Bank with 14.5%, as well as Riyadh bank and Samba with 10.6% and 10.5%, respectively. On the other side, Al Bilad Bank augmented its assets by 31% topping asset growth followed by 28% for each of SAIB and Alinma bank.

### Investment

Total investments of Saudi banks amounted to SAR 501 billion at the end of 9M 2014, up 23% YoY. NCB captured 31.3% of total investments followed by Samba which seized 12.8% of total banking investments. Bank Al Bilad registered the highest growth in its investments portfolio (129%) followed by SAIB (46%). All banks increased their investments

### Loans

Total loans of Saudi banks hit SAR 1,247 billion, up 12% over September 2013. SAIB reported the largest increase in its loans portfolio unveiling a 35% increase, followed by Bank Al Bilad and Alinma bank with 30% and 20%, respectively. NCB captured 17.1% of total banking loans coming in the first place and is followed by Al Rajhi bank whose share reached 16.3% and Riyadh bank with 11.3%.

Corporate loans increased 12% at the end of September 2014 reaching SAR 858 billion representing 68% of total loans, while retail loans totalled SAR 402 billion increasing 14% and constituting 32% of total loans.

In the corporate field, NCB controlled 17% of total corporate loans followed by SFB with 13% as well as Samba and Riyadh bank with 12% for each of them.

Al Rajhi bank granted 38% of total retail loans and the two other major lenders for individuals are NCB with 18% and Riyadh bank with 10% of total retail loans.

The aggregate balance sheet also depicted an improvement in asset quality with the ratio of non-performing loans (NPLs) out of total loans dwindling 23 bps to 1.23% at the end of Q3 2014. The ratio at Al Rajhi bank and Alinma bank increased 10bps and 19bps, while it dropped at other banks.

Figure 16: Net Loans YoY Growth End of September 2014

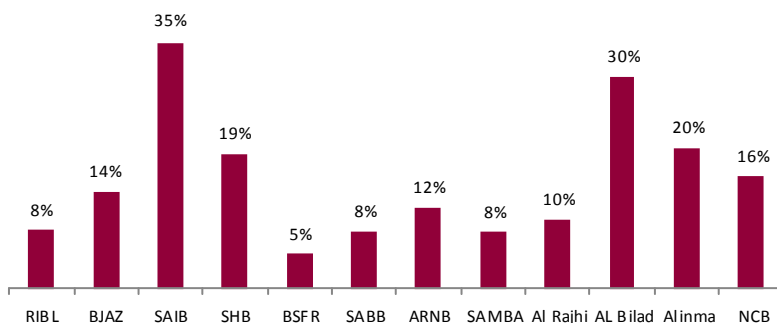


Figure 11: Operating Revenue and Expense with YoY Growth 9M 2014 (Million SAR)

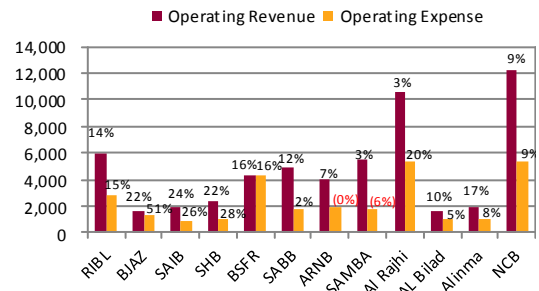


Figure 12: Total Assets YoY Growth End of September 2014

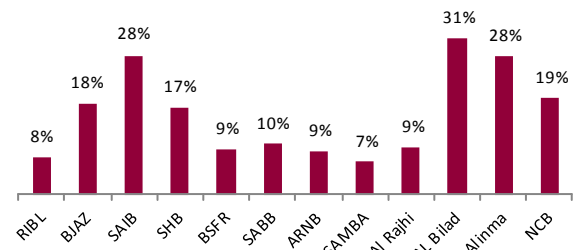


Figure 13: Net Investments YoY Growth End of September 2014

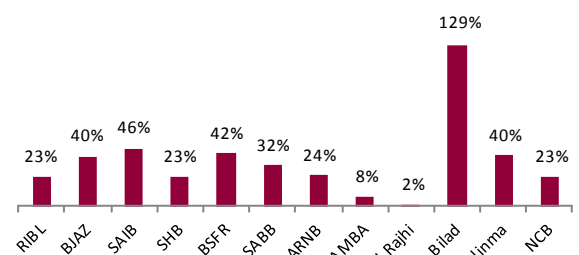


Figure 14: Loans Market Share per Segment End of September 2014

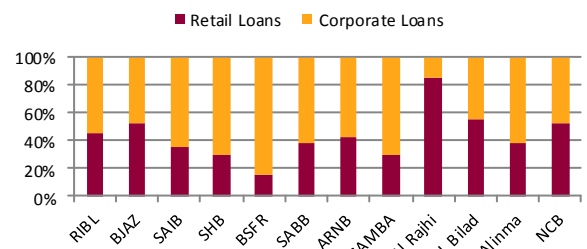
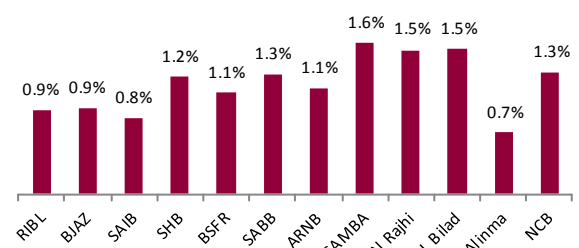


Figure 15: NPL Ratio by the End of September 2014



## Financial Statements Overview

### Provisions

Credit provisions increased 11% to SAR 5.09 billion for the 12 banks motivated by a 48% increase in retail provisions to SAR 3.15 billion, representing 62% of total provisions.

NCB booked retail provisions of SAR 848 million, up 179% YoY and represents 27% of total provisions. Al Rajhi bank also increased its provisions by 38% to SAR 1,219 million, which is equivalent to 39% of total provisions. All banks registered increases in retail provisions except SFB and Alinma bank which posted declines of 19% and 13%, respectively.

Total corporate provisions slipped 25% to SAR 1.7 billion down from SAR 2.3 billion in September 2013.

### Non-performing loans

Saudi banks continued to show improved asset quality with NPLs decreasing 6% leading to a NPLs/loans ratio of 1.23% down from 1.46% in September 2013. Coverage ratio also increased from 159% to 174% at the end of Q3 2014.

### Customers Deposits

Deposits in the banking system increased 13% at the end of September 2014 relative to the same date last year arriving at SAR 1,595 billion. NCB had a 21.6% market share followed by 15.7% for Al Rajhi bank as well as 10.2% and 10.1% for Samba and Riyadh banks, respectively. Alinma bank's 42% growth put the bank at the top of the sector followed by Al Bilad Bank (40%). NCB increased its loans by 17%.

Demand deposits grew 15% hitting SAR 1,022 billion, while time deposits increased 11% posting SAR 505 billion. Saving deposits also increased by 9% reaching SAR 18.8 billion.

Demand deposits represented 64% of total deposits versus 32% for time deposits. SAIB achieved the highest growth in demand deposits revealing an increase of 54% followed by 36% for Al Jazira bank and 34% for Alinma bank owing to the small size of their market shares which stood at 2% for SAIB and Al Jazira, in addition to 3% for Alinma. NCB and Al Rajhi bank seized 25% and 22% of total demand deposits, respectively which grew 13% in the two banks.

Return on equity (ROE) for the sector increased 160bps to 16.6%. It is noteworthy that NCB topped the sector achieving ROE of 19.9% at the end of 9M 2014, up 2% YoY.

Figure 22: Total Aggregate Deposits Breakdown

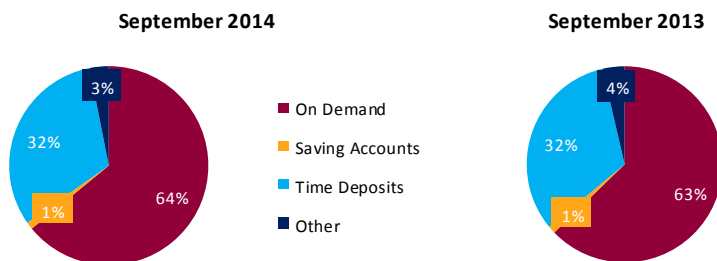


Figure 17: Provisions Annual Change 9M 2014

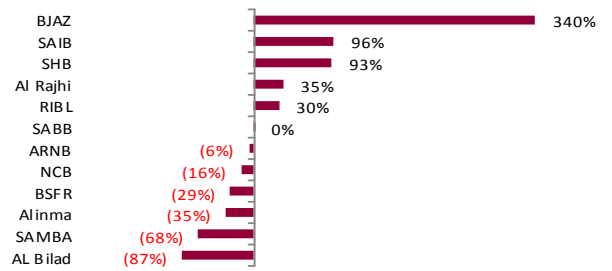


Figure 18: Breakdown of Retail Banking Provisions 9M 2014

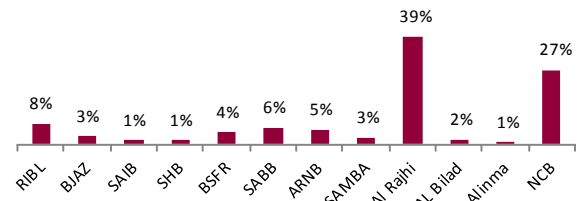


Figure 19: Breakdown of Corporate Banking Provisions 9M 2014

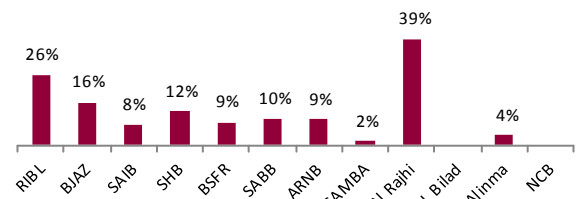


Figure 20: NPLs Annual Change by the End of September 2014

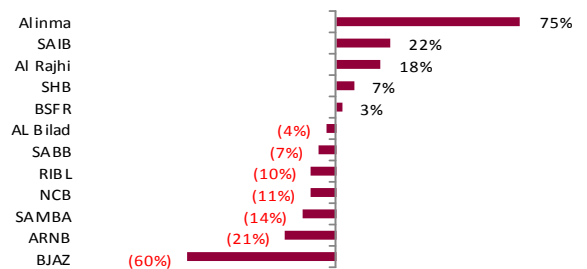
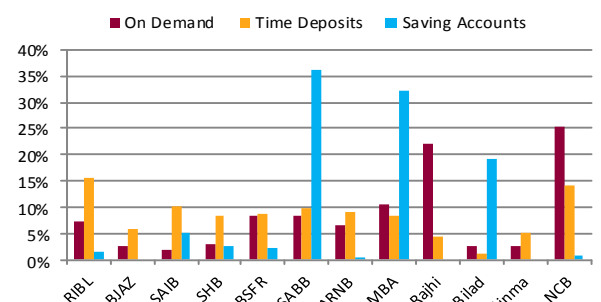


Figure 21: Deposits Market Share Breakdown by the End of September 2014



## Banks Financial Statements Summary by the End of the Third Quarter 2014

Table 1: Net Income Q3

Bank				% of Sector	
	2013	2014	YoY	2013	2014
RIBL	997.93	1,076.29	8%	11%	11%
BJAZ	188.68	47.24	(75%)	2%	0%
SAIB	325.39	371.17	14%	4%	4%
SHB	433.26	461.82	7%	5%	5%
BSFR	685.44	925.61	35%	7%	9%
SABB	845.78	1,058.96	25%	9%	10%
ARNB	589.08	747.93	27%	6%	7%
SAMBA	1,170.53	1,280.90	9%	13%	13%
Al Rajhi	1,717.02	1,661.61	(3%)	19%	16%
AL Bilad	197.08	237.06	20%	2%	2%
Alinma	262.03	331.34	26%	3%	3%
NCB	1,757.00	1,913.37	9%	19%	19%
<b>Total</b>	<b>9,169.22</b>	<b>10,113.29</b>	<b>10%</b>	<b>100%</b>	<b>100%</b>

Table 2: Net Income 9M

Bank				% of Sector	
	2013	2014	YoY	2013	2014
RIBL	2,916.8	3,292.0	13%	10%	10%
BJAZ	500.3	373.3	(25%)	2%	1%
SAIB	960.1	1,061.6	11%	3%	3%
SHB	1,154.3	1,359.0	18%	4%	4%
BSFR	2,131.9	2,665.6	25%	7%	8%
SABB	2,798.3	3,296.7	18%	10%	10%
ARNB	1,985.9	2,246.2	13%	7%	7%
SAMBA	3,504.1	3,778.8	8%	12%	12%
Al Rajhi	5,891.4	5,316.4	(10%)	20%	17%
AL Bilad	515.5	615.1	19%	2%	2%
Alinma	724.9	931.8	29%	2%	3%
NCB	6,162.0	6,947.7	13%	21%	22%
<b>Total</b>	<b>29,245.5</b>	<b>31,884.3</b>	<b>9%</b>	<b>100%</b>	<b>100%</b>

Table 3: Special Commissions Income 3M % of Total Revenue

Bank				% of Total Revenue	
	2013	2014	YoY	2013	2014
RIBL	1,214.55	1,315.71	8%	70%	66%
BJAZ	323.13	377.60	17%	68%	65%
SAIB	346.63	389.06	12%	69%	68%
SHB	432.95	509.12	18%	65%	63%
BSFR	869.60	980.13	13%	68%	66%
SABB	949.92	1,029.46	8%	64%	62%
ARNB	876.81	919.16	5%	69%	67%
SAMBA	1,180.81	1,175.06	(0%)	68%	64%
Al Rajhi	2,425.27	2,397.75	(1%)	71%	69%
AL Bilad	246.85	264.41	7%	51%	48%
Alinma	460.46	529.49	15%	85%	77%
NCB	2,373.59	2,771.82	17%	69%	67%
<b>Total</b>	<b>11,700.56</b>	<b>12,658.74</b>	<b>8%</b>	<b>69%</b>	<b>66%</b>

Table 4: Special Commissions Income 9M % of Total Revenue

Bank				% of Total Revenue	
	2013	2014	YoY	2013	2014
RIBL	3,470.5	3,801.7	10%	66%	63%
BJAZ	890.8	1,055.5	18%	65%	63%
SAIB	1,029.6	1,114.8	8%	67%	59%
SHB	1,196.7	1,436.5	20%	62%	60%
BSFR	2,499.3	2,846.5	14%	66%	65%
SABB	2,774.1	2,998.7	8%	63%	61%
ARNB	2,488.9	2,680.4	8%	66%	66%
SAMBA	3,411.7	3,419.6	0%	63%	61%
Al Rajhi	7,179.6	7,348.3	2%	70%	69%
AL Bilad	696.5	750.4	8%	49%	48%
Alinma	1,360.6	1,543.9	13%	84%	81%
NCB	7,452.7	8,272.0	11%	67%	68%
<b>Total</b>	<b>34,451.1</b>	<b>37,268.5</b>	<b>8%</b>	<b>66%</b>	<b>65%</b>

Table 5: Revenues 9M

Bank				% of Sector	
	2013	2014	YoY	2013	2014
RIBL	5,278.8	6,017.3	14%	10.1%	10.5%
BJAZ	1,363.0	1,669.4	22%	2.6%	2.9%
SAIB	1,525.5	1,884.2	24%	2.9%	3.3%
SHB	1,944.9	2,377.1	22%	3.7%	4.2%
BSFR	3,771.7	4,366.2	16%	7.2%	7.6%
SABB	4,413.2	4,939.3	12%	8.5%	8.6%
ARNB	3,796.5	4,059.4	7%	7.3%	7.1%
SAMBA	5,398.6	5,567.5	3%	10.4%	9.7%
Al Rajhi	10,303.8	10,630.8	3%	19.8%	18.6%
AL Bilad	1,418.1	1,562.0	10%	2.7%	2.7%
Alinma	1,623.3	1,898.5	17%	3.1%	3.3%
NCB	11,189.0	12,193.5	9%	21.5%	21.3%
<b>Total</b>	<b>52,026.3</b>	<b>57,165.1</b>	<b>10%</b>	<b>100.0%</b>	<b>100.0%</b>

Table 6: Operating Expenses 9M

Bank				% of Sector	
	2013	2014	YoY	2013	2014
RIBL	2,406.5	2,760.4	15%	9.6%	9.8%
BJAZ	861.6	1,298.1	51%	3.4%	4.6%
SAIB	680.5	859.3	26%	2.7%	3.0%
SHB	789.8	1,011.6	28%	3.2%	3.6%
BSFR	3,771.7	4,366.2	16%	15.1%	15.5%
SABB	1,699.6	1,741.6	2%	6.8%	6.2%
ARNB	1,835.0	1,834.7	(0%)	7.3%	6.5%
SAMBA	1,894.5	1,788.7	(6%)	7.6%	6.3%
Al Rajhi	4,412.3	5,314.4	20%	17.6%	18.8%
AL Bilad	902.6	946.9	5%	3.6%	3.4%
Alinma	891.5	961.0	8%	3.6%	3.4%
NCB	4,903.3	5,330.7	9%	19.6%	18.9%
<b>Total</b>	<b>25,049.1</b>	<b>28,213.8</b>	<b>13%</b>	<b>100.0%</b>	<b>100.0%</b>

All numbers are in SAR millions unless specified

Sources: Financial statements, Tadawul and Albilad Capital estimates

## Banks Financial Statements Summary by the End of the Third Quarter 2014

Table 7: Retail Banking  
Net Income 9M

Bank				As a % of	
	2013	2014	YoY	Bank Net Income	Sector Net Income
RIBL	884.1	948.3	7%	29%	12%
BJAZ	(54.2)	(33.2)	-	-	-
SAIB	217.7	207.0	(5%)	19%	3%
SHB	145.0	230.8	59%	17%	3%
BSFR	214.3	168.5	(21%)	6%	2%
SABB	542.3	693.5	28%	21%	9%
ARNB	427.2	471.0	10%	21%	6%
SAMBA	751.0	498.1	(34%)	13%	6%
Al Rajhi	4,240.7	3,375.7	(20%)	63%	44%
AL Bilad	188.8	116.1	(38%)	19%	2%
Alinma	35.2	111.2	216%	12%	1%
NCB	1,414.4	897.6	(37%)	13%	12%
<b>Total</b>	<b>9,006.5</b>	<b>7,684.5</b>	<b>(15%)</b>	<b>24%</b>	<b>100%</b>

Table 9: Treasury  
Net Income 9M

Bank				As a % of	
	2013	2014	YoY	Bank Net Income	Sector Net Income
RIBL	825.2	926.2	12%	28%	10%
BJAZ	280.7	354.9	26%	66%	4%
SAIB	472.9	520.9	10%	49%	5%
SHB	261.9	353.5	35%	26%	4%
BSFR	450.8	809.9	80%	30%	9%
SABB	787.3	868.9	10%	26%	9%
ARNB	609.2	613.6	1%	27%	6%
SAMBA	1,119.8	1,356.7	21%	36%	14%
Al Rajhi	872.9	921.9	6%	17%	10%
AL Bilad	64.8	64.6	(0%)	10%	1%
Alinma	222.6	234.7	5%	25%	2%
NCB	2,392.4	2,496.5	4%	36%	26%
<b>Total</b>	<b>8,360.5</b>	<b>9,522.4</b>	<b>14%</b>	<b>30%</b>	<b>100%</b>

Table 11: Retail Loans

Bank				Market Share	
	Sep 2013	Sep 2014	YoY	Sep 2013	Sep 2014
RIBL	33,777.5	39,141.3	16%	10%	10%
BJAZ	12,055.2	13,915.4	15%	3%	3%
SAIB	7,600.6	11,990.7	58%	2%	3%
SHB	7,705.4	10,414.8	35%	2%	3%
BSFR	10,537.8	9,334.0	(11%)	3%	2%
SABB	21,492.4	26,363.9	23%	6%	7%
ARNB	23,265.4	24,821.7	7%	7%	6%
SAMBA	19,066.9	19,766.2	4%	5%	5%
Al Rajhi	137,117.1	151,629.2	11%	39%	38%
AL Bilad	8,924.7	10,297.7	15%	3%	3%
Alinma	8,869.3	11,516.6	30%	3%	3%
NCB	61,993.9	72,539.9	17%	18%	18%
<b>Total</b>	<b>352,406.1</b>	<b>401,731.4</b>	<b>14%</b>	<b>100%</b>	<b>100%</b>

Table 8: Corporate Banking  
Net Income 9M

Bank				As a % of	
	2013	2014	YoY	Bank Net Income	Sector Net Income
RIBL	1,836.2	2,023.0	10%	61%	15%
BJAZ	197.3	(94.7)	(148%)		
SAIB	240.9	289.5	20%	27%	2%
SHB	768.9	864.1	12%	64%	7%
BSFR	1,381.7	1,543.3	12%	58%	12%
SABB	1,383.9	1,635.2	18%	50%	12%
ARNB	789.8	996.8	26%	44%	8%
SAMBA	1,249.4	1,468.2	18%	39%	11%
Al Rajhi	589.2	684.3	16%	13%	5%
AL Bilad	172.2	311.8	81%	51%	2%
Alinma	464.5	562.1	21%	60%	4%
NCB	1,898.2	2,906.5	53%	42%	22%
<b>Total</b>	<b>10,972.1</b>	<b>13,190.1</b>	<b>20%</b>	<b>41%</b>	<b>100%</b>

Table 10: Brokerage & Investment  
Net Income 9M

Bank				As a % of	
	2013	2014	YoY	Bank Net Income	Sector Net Income
RIBL	162.7	193.9	19%	6%	10%
BJAZ	106.6	182.1	71%	34%	9%
SAIB	28.6	44.3	55%	4%	2%
SHB	11.3	30.3	167%	2%	2%
BSFR	85.1	144.0	69%	5%	8%
SABB	84.7	99.0	17%	3%	5%
ARNB	32.3	45.4	41%	2%	2%
SAMBA	384.0	455.9	19%	12%	24%
Al Rajhi	188.6	334.5	77%	6%	17%
AL Bilad	28.0	29.8	7%	5%	2%
Alinma	2.6	23.8	807%	3%	1%
NCB	170.0	336.3	98%	5%	18%
<b>Total</b>	<b>1,284.6</b>	<b>1,919.2</b>	<b>49%</b>	<b>6%</b>	<b>100%</b>

Table 12: Corporate Loans

Bank				Market Share	
	Sep 2013	Sep 2014	YoY	Sep 2013	Sep 2014
RIBL	96,795.7	102,635.6	6%	13%	12%
BJAZ	23,692.1	26,577.8	12%	3%	3%
SAIB	35,523.1	45,920.1	29%	5%	5%
SHB	45,984.9	53,436.4	16%	6%	6%
BSFR	102,524.1	109,937.3	7%	13%	13%
SABB	86,987.7	91,169.9	5%	11%	11%
ARNB	64,354.5	72,332.5	12%	8%	8%
SAMBA	93,112.7	101,397.1	9%	12%	12%
Al Rajhi	49,405.1	54,254.2	10%	6%	6%
AL Bilad	12,714.8	17,689.2	39%	2%	2%
Alinma	33,244.5	38,975.1	17%	4%	5%
NCB	124,371.1	143,333.0	15%	16%	17%
<b>Total</b>	<b>768,710.4</b>	<b>857,658.2</b>	<b>12%</b>	<b>100%</b>	<b>100%</b>

All numbers are in SAR millions unless specified

Sources: Financial statements, Tadawul and Albilad Capital estimates



## Banks Financial Statements Summary by the End of the Third Quarter 2014

Bank				Market Share	
	Sep 2013	Sep 2014	YoY	Sep 2013	Sep 2014
RIBL	201,799	217,069	8%	11.1%	10.6%
BJAZ	55,530	65,633	18%	3.1%	3.2%
SAIB	70,814	90,548	28%	3.9%	4.4%
SHB	77,968	91,594	17%	4.3%	4.5%
BSFR	168,043	183,241	9%	9.3%	8.9%
SABB	166,279	182,958	10%	9.2%	8.9%
ARNB	137,887	149,938	9%	7.6%	7.3%
SAMBA	203,071	216,370	7%	11.2%	10.5%
Al Rajhi	272,983	298,714	9%	15.0%	14.5%
AL Bilad	33,584	44,062	31%	1.9%	2.1%
Alinma	59,145	75,458	28%	3.3%	3.7%
NCB	367,088	437,911	19%	20.2%	21.3%
<b>Total</b>	<b>1,814,193</b>	<b>2,053,495</b>	<b>13%</b>	<b>100.0%</b>	<b>100.0%</b>

Bank				Market Share	
	Sep 2013	Sep 2014	YoY	Sep 2013	Sep 2014
RIBL	38,025	46,855	23%	9.3%	9.3%
BJAZ	8,698	12,159	40%	2.1%	2.4%
SAIB	15,886	23,238	46%	3.9%	4.6%
SHB	15,775	19,414	23%	3.9%	3.9%
BSFR	33,207	47,078	42%	8.1%	9.4%
SABB	31,008	40,929	32%	7.6%	8.2%
ARNB	28,350	35,278	24%	7.0%	7.0%
SAMBA	59,469	64,206	8%	14.6%	12.8%
Al Rajhi	42,090	42,809	2%	10.3%	8.5%
AL Bilad	1,773	4,056	129%	0.4%	0.8%
Alinma	5,990	8,390	40%	1.5%	1.7%
NCB	127,183	156,782	23%	31.2%	31.3%
<b>Total</b>	<b>407,453</b>	<b>501,194</b>	<b>23%</b>	<b>100.0%</b>	<b>100.0%</b>

Bank				Market Share	
	Sep 2013	Sep 2014	YoY	Sep 2013	Sep 2014
RIBL	129,903	140,701	8%	11.7%	11.3%
BJAZ	35,394	40,253	14%	3.2%	3.2%
SAIB	42,725	57,565	35%	3.8%	4.6%
SHB	53,230	63,369	19%	4.8%	5.1%
BSFR	112,573	118,224	5%	10.1%	9.5%
SABB	107,835	116,668	8%	9.7%	9.3%
ARNB	86,114	96,045	12%	7.7%	7.7%
SAMBA	111,253	120,177	8%	10.0%	9.6%
Al Rajhi	185,447	203,648	10%	16.7%	16.3%
AL Bilad	21,214	27,521	30%	1.9%	2.2%
Alinma	41,915	50,219	20%	3.8%	4.0%
NCB	184,401	213,529	16%	16.6%	17.1%
<b>Total</b>	<b>1,112,004</b>	<b>1,247,919</b>	<b>12%</b>	<b>100.0%</b>	<b>100.0%</b>

Bank				Market Share	
	Sep 2013	Sep 2014	YoY	Sep 2013	Sep 2014
RIBL	1,420.2	1,277.4	(10%)	9%	8%
BJAZ	930.0	369.9	(60%)	6%	2%
SAIB	384.3	468.8	22%	2%	3%
SHB	741.4	796.3	7%	5%	5%
BSFR	1,251.7	1,285.4	3%	8%	8%
SABB	1,612.1	1,500.7	(7%)	10%	10%
ARNB	1,388.4	1,100.6	(21%)	8%	7%
SAMBA	2,255.7	1,942.7	(14%)	14%	13%
Al Rajhi	2,670.8	3,157.5	18%	16%	20%
AL Bilad	448.6	431.3	(4%)	3%	3%
Alinma	190.9	333.1	75%	1%	2%
NCB	3,116.0	2,787.7	(11%)	19%	18%
<b>Total</b>	<b>16,410.0</b>	<b>15,451.7</b>	<b>(6%)</b>	<b>100%</b>	<b>100%</b>

Bank				Market Share	
	Sep 2013	Sep 2014	YoY	Sep 2013	Sep 2014
RIBL	154,194	161,641	5%	10.9%	10.1%
BJAZ	45,553	53,707	18%	3.2%	3.4%
SAIB	51,849	69,683	34%	3.7%	4.4%
SHB	61,398	72,691	18%	4.3%	4.6%
BSFR	124,959	131,942	6%	8.8%	8.3%
SABB	129,915	143,687	11%	9.2%	9.0%
ARNB	105,206	114,693	9%	7.4%	7.2%
SAMBA	155,157	163,507	5%	11.0%	10.2%
Al Rajhi	225,518	250,029	11%	16.0%	15.7%
AL Bilad	26,331	36,803	40%	1.9%	2.3%
Alinma	37,623	53,388	42%	2.7%	3.3%
NCB	294,775	343,944	17%	20.9%	21.6%
<b>Total</b>	<b>1,412,477</b>	<b>1,595,714</b>	<b>13%</b>	<b>100.0%</b>	<b>100.0%</b>

Bank			
	Sep 2013	Sep 2014	YoY
RIBL	85.6%	88.5%	2.9%
BJAZ	80.5%	76.1%	(4.4%)
SAIB	83.9%	83.8%	(0.1%)
SHB	88.7%	88.9%	0.3%
BSFR	91.5%	91.4%	(0.1%)
SABB	84.7%	82.8%	(1.9%)
ARNB	84.6%	85.7%	1.1%
SAMBA	73.8%	75.3%	1.5%
Al Rajhi	83.9%	83.6%	(0.3%)
AL Bilad	83.9%	77.2%	(6.7%)
Alinma	112.4%	95.2%	(17.2%)
NCB	64.3%	63.6%	(0.7%)
<b>Total</b>	<b>80.5%</b>	<b>79.9%</b>	<b>(0.6%)</b>

All numbers are in SAR millions unless specified

Sources: Financial statements, Tadawul and Albilad Capital estimates



## Banks Financial Statements Summary by the End of the Third Quarter 2014

Table 19: Provisions 9M

Bank				Market Share	
	2013	2014	YoY	2013	2014
RIBL	528.0	684.1	30%	11%	13%
BJAZ	83.6	367.7	340%	2%	7%
SAIB	90.0	176.0	96%	2%	3%
SHB	133.8	258.5	93%	3%	5%
BSFR	404.4	286.5	(29%)	9%	6%
SABB	357.3	357.7	0%	8%	7%
ARNB	354.3	334.5	(6%)	8%	7%
SAMBA	338.0	109.5	(68%)	7%	2%
Al Rajhi	1,400.9	1,889.1	35%	30%	37%
AL Bilad	154.1	19.9	(87%)	3%	0%
Alinma	139.8	91.3	(35%)	3%	2%
NCB	615.5	514.7	(16%)	13%	10%
<b>Total</b>	<b>4,599.8</b>	<b>5,089.7</b>	<b>11%</b>	<b>100%</b>	<b>100%</b>

Table 20: NPLs Coverage Ratio (x)

Bank			
	Sep 2013	Sep 2014	YoY
RIBL	1.47	1.84	0.37
BJAZ	1.38	1.65	0.27
SAIB	2.04	1.74	(0.30)
SHB	1.62	1.61	(0.01)
BSFR	1.39	1.81	0.42
SABB	1.40	1.58	0.18
ARNB	2.08	2.01	(0.08)
SAMBA	1.41	1.51	0.10
Al Rajhi	1.40	1.71	0.31
AL Bilad	1.95	2.08	0.13
Alinma	2.04	1.82	(0.22)
NCB	1.63	1.84	0.21
<b>Total</b>	<b>1.56</b>	<b>1.74</b>	<b>0.19</b>

Table 21: Retail NPL Provisions 9M

Bank				Market Share	
	2013	2014	YoY	2013	2014
RIBL	196.5	241.7	23%	9%	8%
BJAZ	56.4	92.1	63%	3%	3%
SAIB	24.6	43.1	76%	1%	1%
SHB	30.1	43.7	45%	1%	1%
BSFR	168.2	136.8	(19%)	8%	4%
SABB	160.8	187.2	16%	8%	6%
ARNB	154.5	170.5	10%	7%	5%
SAMBA	65.1	81.6	25%	3%	3%
Al Rajhi	886.5	1,219.2	38%	42%	39%
AL Bilad	51.9	59.0	14%	2%	2%
Alinma	30.7	26.7	(13%)	1%	1%
NCB	303.7	848.4	179%	14%	27%
<b>Total</b>	<b>2,129.0</b>	<b>3,150.1</b>	<b>48%</b>	<b>100%</b>	<b>100%</b>

Table 22: Corporate NPL Provisions 9M

Bank				Market Share	
	2013	2014	YoY	2013	2014
RIBL	331.4	442.5	34%	14%	26%
BJAZ	27.2	275.7	914%	1%	16%
SAIB	65.4	132.9	103%	3%	8%
SHB	103.7	214.8	107%	5%	12%
BSFR	236.3	149.7	(37%)	10%	9%
SABB	257.8	170.5	(34%)	11%	10%
ARNB	199.8	164.0	(18%)	9%	9%
SAMBA	272.9	27.9	(90%)	12%	2%
Al Rajhi	514.4	669.9	30%	22%	39%
AL Bilad	102.1	(39.1)	(138%)	4%	-
Alinma	109.2	64.5	(41%)	5%	4%
NCB	71.8	(543.9)	(858%)	3%	-
<b>Total</b>	<b>2,292.0</b>	<b>1,729.5</b>	<b>(25%)</b>	<b>100%</b>	<b>100%</b>

Table 23: Customer Deposits Breakdown

Bank	On Demand				Saving Accounts				Time Deposits			
				Market Share				Market Share				Market Share
	Sep 2013	Sep 2014	YoY	2014	Sep 2013	Sep 2014	YoY	Share 2014	Sep 2013	Sep 2014	YoY	2014
RIBL	63,930	73,803	15%	7%	297	288	(3%)	2%	77,099	78,261	2%	15%
BJAZ	17,937	24,329	36%	2%	-	-	-	-	26,055	28,480	9%	6%
SAIB	11,277	17,313	54%	2%	1,285	953	(26%)	5%	38,354	50,532	32%	10%
SHB	24,412	28,610	17%	3%	422	452	7%	2%	35,591	42,425	19%	8%
BSFR	77,101	85,065	10%	8%	429	428	(0%)	2%	43,813	42,981	(2%)	9%
SABB	73,414	83,775	14%	8%	6,234	6,803	9%	36%	46,552	50,102	8%	10%
ARNB	55,718	65,786	18%	6%	103	101	(2%)	1%	46,648	45,894	(2%)	9%
SAMBA	95,296	107,650	13%	11%	5,345	6,071	14%	32%	46,836	42,218	(10%)	8%
Al Rajhi	198,542	224,460	13%	22%	-	-	-	-	22,802	21,520	(6%)	4%
AL Bilad	20,624	26,642	29%	3%	3,035	3,613	19%	19%	2,042	5,773	183%	1%
Alinma	20,374	27,353	34%	3%	-	-	-	-	17,044	25,277	48%	5%
NCB	227,935	257,424	13%	25%	150	155	3%	1%	54,225	71,850	33%	14%
<b>Total</b>	<b>886,562</b>	<b>1,022,209</b>	<b>15%</b>	<b>100%</b>	<b>17,300</b>	<b>18,863</b>	<b>9%</b>	<b>100%</b>	<b>457,060</b>	<b>505,311</b>	<b>11%</b>	<b>100%</b>

All numbers are in SAR millions unless specified

Sources: Financial statements, Tadawul and Albilad Capital estimates

## Banks Financial Statements Summary by the End of the Third Quarter 2014

Table 24: Shareholders Equity

Bank				Contribution	
	Sep 2013	Sep 2014	YoY	Sep 2013	Sep 2014
RIBL	32,552	34,866	7%	12.7%	12.3%
BJAZ	5,548	6,032	9%	2.2%	2.1%
SAIB	9,891	11,970	21%	3.9%	4.2%
SHB	9,044	10,335	14%	3.5%	3.7%
BSFR	23,275	25,241	8%	9.1%	8.9%
SABB	21,907	25,400	16%	8.6%	9.0%
ARNB	19,058	20,853	9%	7.4%	7.4%
SAMBA	33,626	37,990	13%	13.1%	13.4%
Al Rajhi	36,973	40,440	9%	14.4%	14.3%
AL Bilad	4,885	5,692	17%	1.9%	2.0%
Alinma	17,423	17,810	2%	6.8%	6.3%
NCB	41,918	46,269	10%	16.4%	16.4%
<b>Total</b>	<b>256,102</b>	<b>282,897</b>	<b>10%</b>	<b>100.0%</b>	<b>100.0%</b>

Table 25: Return on Equity Ratio

Bank	Sep 2013	Sep 2014	YoY
RIBL	11.7%	12.8%	1.1%
BJAZ	11.4%	9.0%	(2.4%)
SAIB	12.7%	12.7%	(0.0%)
SHB	17.2%	17.6%	0.4%
BSFR	12.9%	12.1%	(0.8%)
SABB	17.6%	18.1%	0.5%
ARNB	13.1%	13.9%	0.9%
SAMBA	13.6%	13.4%	(0.2%)
Al Rajhi	21.8%	17.7%	(4.1%)
AL Bilad	14.8%	15.7%	0.9%
Alinma	5.5%	6.9%	1.4%
NCB	17.9%	19.9%	2.0%
<b>Total</b>	<b>15.0%</b>	<b>16.6%</b>	<b>1.6%</b>

Table 26: Provisions to Loans Ratio

Bank	Sep 2013	Sep 2014	YoY
RIBL	1.6%	1.6%	0.1%
BJAZ	3.5%	1.5%	(2.0%)
SAIB	1.8%	1.4%	(0.4%)
SHB	2.2%	2.0%	(0.2%)
BSFR	1.5%	1.9%	0.4%
SABB	2.1%	2.0%	(0.1%)
ARNB	3.3%	2.2%	(1.0%)
SAMBA	2.8%	2.4%	(0.4%)
Al Rajhi	2.0%	2.6%	0.6%
AL Bilad	4.0%	3.2%	(0.8%)
Alinma	0.9%	1.2%	0.3%
NCB	2.7%	2.3%	(0.3%)
<b>Total</b>	<b>2.2%</b>	<b>2.1%</b>	<b>(0.1%)</b>

Table 27: Net Interest Margin

Bank	Sep 2013	Sep 2014	YoY
RIBL	2.38%	2.41%	0.03%
BJAZ	2.36%	2.35%	(0.00%)
SAIB	1.95%	1.69%	(0.27%)
SHB	2.21%	2.20%	(0.01%)
BSFR	2.05%	2.13%	0.08%
SABB	2.30%	2.26%	(0.04%)
ARNB	2.57%	2.48%	(0.09%)
SAMBA	2.36%	2.21%	(0.15%)
Al Rajhi	3.64%	3.28%	(0.36%)
AL Bilad	2.97%	2.43%	(0.53%)
Alinma	3.10%	2.82%	(0.28%)
NCB	2.60%	2.54%	(0.06%)
<b>Total</b>	<b>2.59%</b>	<b>2.48%</b>	<b>(0.12%)</b>

Table 28: Financial Indicators

Bank	Closing Price <sup>(1)</sup>	Market Cap. <sup>(1)</sup>	Issued Shares	Floating Shares	EPS <sup>(2)</sup>	PE <sup>(1)</sup>	BV	P/BV <sup>(1)</sup>	Capital Adequacy	
									Tier 1	Tier 1+2
RIBL	18.36	55,080	3,000	47%	1.44	12.74	11.62	1.57	16.0%	16.5%
BJAZ	28.44	11,376	400	90%	1.31	21.74	15.08	1.88	11.9%	14.2%
SAIB	27.12	16,272	600	54%	2.31	11.72	19.94	1.35	14.4%	17.5%
SHB	45.69	21,761	476	28%	3.58	12.75	21.69	2.10	11.8%	17.5%
BSFR	34.30	41,344	1,205	54%	2.44	14.07	20.94	1.63	14.3%	17.0%
SABB	54.50	54,500	1,000	32%	4.27	12.76	25.39	2.14	15.3%	17.2%
ARNB	30.22	30,220	1,000	49%	2.78	10.86	20.81	1.45	15.3%	16.2%
SAMBA	42.27	50,724	1,200	50%	3.99	10.60	31.55	1.33	18.7%	19.4%
Al Rajhi	60.65	98,556	1,625	70%	4.22	14.36	24.88	2.43	17.9%	19.0%
AL Bilad	50.08	20,032	400	70%	2.07	24.17	14.22	3.51	15.6%	16.7%
Alinma	22.09	33,135	1,500	69%	0.81	27.34	11.87	1.86	27.0%	27.0%
NCB	61.38	122,760	2,000	36%	4.39	13.99	22.30	2.75	14.9%	17.4%
<b>Total</b>		<b>555,760</b>	<b>14,407</b>	<b>52%</b>	<b>2.80</b>	<b>13.76</b>	<b>19.51</b>	<b>1.98</b>		

(1) As of 27 Nov 2014

(2) Last 12 Months Ending Q3 2014

All numbers are in SAR millions unless specified

Sources: Financial statements, Tadawul and Albilad Capital estimates

## Definitions

### Net Interest Margin

The net interest margin is used in tracking the profitability of a bank's investing and lending activities over a specific course of time. It measures the difference between the yield on earning assets and the cost of interest bearing liabilities.

### Coverage Ratio

A ratio measures a bank's ability to absorb potential losses from its non-performing loans. This ratio is calculated by dividing the credit loss provisions over total non-performing loans.

### Non-performing Loans Ratio (NPL Ratio)

The NPL ratio measures the percentage of the non-performing loans of a bank to its total loans. Shows the bank's management of default risk and its future cash flows.

### Capital Adequacy Ratio

A measure of a bank's capital. It is expressed as a percentage of a bank's risk weighted credit exposures. Two types of capital are measured: tier one capital, which can absorb losses without a bank being required to cease trading, and tier two capital, which can absorb losses in the event of a winding-up and so provides a lesser degree of protection to depositors.

### Earnings Per Share

It is an indicator of the company's profit in Saudi Riyals per each outstanding share. It is calculated by dividing the company's net income of by the number of outstanding shares.

### Price-to-earnings (P/E) Ratio

It is the price paid by the company's shareholders for the earnings of one of its shares. It is used to compare company on relative basis. If the P/E is higher than the sector's average, it indicates either the share is overpriced or the market pays a premium for higher future earnings. It is calculated by dividing the price of a share by the share's earnings in Saudi Riyals.

### Book value per share

The company's book value represents total shareholders' equity value. Dividing the book value by the company's number of issued shares represents the book value per share.

### Price-to-book (P/B) ratio

It represents the market price per share vis-à-vis its book value. It is used to compare between companies within the same sector and comparing them to the sector's average. If the number is higher than the average, it means that the company's price is traded higher than its book value. This means that either the share is overpriced or that the company is in a growth state; and vice versa. The number is calculated by dividing the share's market price by its book value.

### RoE (Return on Equity)

A percentage representing how efficient is the company in making profit out of its shareholders investment. Calculated by dividing the net income over the outstanding shares. The higher the ratio, the more efficient the company is, and vice versa.

## Albilad Capital

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