

31 March 2014

## Overview

### Summary

The report reviews the performance of all Saudi banks in 2013 including non-listed NCB.

Source of data: Tadawul, Albilad Capital estimates.

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### Loans increase 12% and deposits by 10% in 2013

Saudi banks showed growth in profitability and improvement in both efficiency and asset quality during 2013. Gross loans advanced by 12% reaching SAR 1,129 billion while deposits increased by 10% reaching SAR 1,459 billion by the end of the year. Faster loan growth led to a higher loan to deposits ratio from 76% to 77%. Saudi Investment Bank and Bank Al Bilad showed 40% and 28% loan growth, respectively. Saudi Investment Bank also recorded the highest growth in deposits of 41% and Al Inma Bank's deposits showed 33% growth. The three banks mentioned above showed impressive loans and deposits growth due to their small market share and ability to attract deposits. None of the Saudi banks showed Y-on-Y declines in loans or deposits except Arab National Bank, which recorded a slight decrease in deposits by 1%. Al Inma Bank showed the sharpest drop in the loan to deposits ratio from 115% to 105% due to its low capitalization ratio. Riyadh Bank and Saudi Hollandi Bank showed the highest loan to deposits ratios of 86% and 87%, respectively, which may hinder their ability to grow unless they exhibit strong growth in deposits going forward.

The aggregate banking income statement showed weaker growth than the sector's balance sheet. Special commission income and net income for Saudi banks increased by 8% and 7%, respectively. Bank Al Jazira and Al Inma Bank recorded 29% and 21% increases in special commission income. In addition, Saudi Investment Bank and Al Inma Bank showed an impressive double digit growth in earnings of 41% and 37% to reach SAR 1,286 million and SAR 1,004 million, respectively. On the contrary, Bank Al Bilad and Bank Saudi Fransi recorded earnings' slumps of 23% and 20%, respectively, due to their shrinking spreads. The decreasing banking spread for the aggregate sector started to decelerate and lost only 2 basis points to reach 2.49% over the last year compared to 2012. NCB widened its spread by 83 basis points while Saudi Investment Bank and Bank Al Bilad recorded a decrease of 67 basis points and 56 basis points, respectively.

The return on equity (ROE) was maintained at the 14% level in 2013. Saudi Investment Bank showed the highest increase in ROE, reaching 13% on the back of higher earnings, but Bank Al Bilad showed a significant drop in ROE from 22% in 2012 to 14% in 2013, due to lower earnings. The sector's return on assets dropped slightly to 2.05% compared to 2.1% in 2012.

The banks' credit quality improved as the ratio of non-performing loans (NPL) to total loans sharply dropped from 1.9% in 2012 to 1.3% in 2013. Additionally, the bank's NPL coverage increased to 1.57 from 1.45 in 2012. Bank Aljazira's NPL to total loans ratio dropped substantially from 3.3% to 1.2% by the end of 2013 while Bank Saudi Fransi showed an increase in this measure from 1% to 1.3%. Bank Al Bilad showed the best improvement in coverage ratio, gaining from 1.45 in 2012 to 1.94 for 2013.

31 March 2014

## Banking Sector Q3 2013

### Net Income

In the year 2013, the sector's bottom line grew by 7%, compared to the same period last year, to SR 37.8 billion.

NCB's net income increased by 19%, compared to the last year, representing 21% of the aggregate sector income. Al Rajhi contributed by 20%, while Samba grew by 4% and representing 12% of the aggregate profits. SAIB and Alinma achieved the highest Y-on-Y growth of 41% and 37%.

The sector's net special commission income increased by 8%, compared y-o-y reaching SR 46 billion or represented 66% of the sector's total revenues of SR 69.7 billion.

BJAZ and Alinma achieved the highest growth rate in net special commission income of 29% and 21% respectively. Net special commission income represented 83% of Alinma's revenues, 72% of SAIB's revenues.

### Net Interest Margin

The net interest margin declined to 2.49% from 2.52% in the third quarter YoY. SAIB made the highest decline by 0.67%. While NCB and SABB made a growth by 0.83% and 0.10% YoY respectively

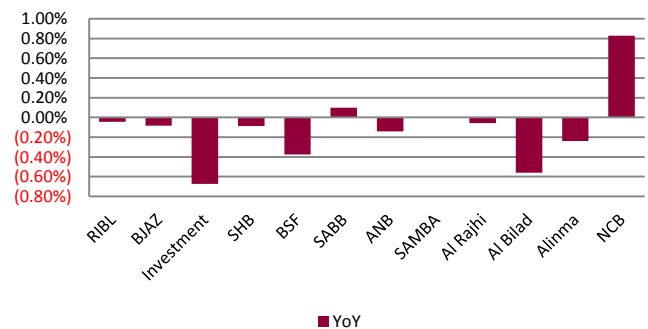
Bank	Net Income (million SR)			% of Total	
	2012	2013	Growth	2012	2013
RIBL	3,466.0	3,947.1	14%	9.8%	10.5%
BJAZ	500.5	650.6	30%	1.4%	1.7%
Investment	912.0	1,286.8	41%	2.6%	3.4%
SHB	1,253.0	1,501.6	20%	3.6%	4.0%
BSF	3,015.1	2,405.6	(20%)	8.6%	6.4%
SABB	3,240.3	3,773.8	16%	9.2%	10.0%
ANB	2,371.2	2,522.5	6%	6.7%	6.7%
SAMBA	4,332.1	4,510.2	4%	12.3%	11.9%
Al Rajhi	7,884.7	7,438.0	(6%)	22.4%	19.7%
Al Bilad*	941.8	729.2	(23%)	2.7%	1.9%
Alinma	733.2	1,004.8	37%	2.1%	2.7%
NCB	6,613.3	7,989.0	21%	18.8%	21.2%
<b>Total</b>	<b>35,263.3</b>	<b>37,759.1</b>	<b>7%</b>	<b>100.0%</b>	<b>100.0%</b>

\* Including non-operating income of SR 373 million.

Bank	Net Special Commission (million SR)			% of Total	
	2012	2013	Growth	2012	2013
RIBL	4,381.5	4,697.0	7%	65%	66%
BJAZ	950.9	1,222.9	29%	60%	66%
Investment	1,241.9	1,365.0	10%	72%	68%
SHB	1,372.3	1,623.7	18%	62%	62%
BSF	3,305.8	3,363.3	2%	66%	67%
SABB	3,264.1	3,719.3	14%	63%	64%
ANB	3,260.4	3,374.9	4%	69%	66%
SAMBA	4,273.4	4,528.3	6%	64%	65%
Al Rajhi	9,340.9	9,649.1	3%	67%	68%
Al Bilad	839.5	946.6	13%	48%	49%
Alinma	1,517.1	1,834.8	21%	83%	81%
NCB	8,959.6	10,012.3	12%	66%	67%
<b>Total</b>	<b>42,707.4</b>	<b>46,337.3</b>	<b>8%</b>	<b>66%</b>	<b>66%</b>

Bank	Net Interest Margin		
	2012	2013	Change
RIBL	2.43%	2.39%	(0.04%)
BJAZ	2.41%	2.33%	(0.08%)
Investment	2.83%	2.16%	(0.67%)
SHB	2.14%	2.06%	(0.09%)
BSF	2.18%	1.81%	(0.37%)
SABB	2.25%	2.35%	0.10%
ANB	2.60%	2.46%	(0.14%)
SAMBA	2.30%	2.29%	(0.00%)
Al Rajhi	3.39%	3.34%	(0.06%)
Al Bilad	4.55%	3.99%	(0.56%)
Alinma	3.72%	3.48%	(0.24%)
NCB	1.37%	2.20%	0.83%
<b>Total</b>	<b>2.52%</b>	<b>2.49%</b>	<b>(0.02%)</b>

Net Interest Margin Change



## Operating Segments

### Retail Banking

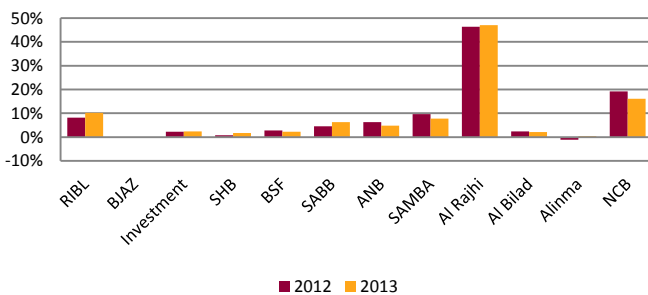
In the year 2013, the retail banking segment's net income increased by 3% to SR 11.4 billion compared to SR 11.2 billion for the year 2012. The Retail Banking net income contributed to 30% of the total banking sector's net income.

The Retail division net income represented 73% of Al Rajhi's net income and 34% of AlBilad's bottom line. In fact, Al Rajhi accounted to 47% of the aggregate retail Banking segment's net income. AlJazira recorded net loss from the same segment.

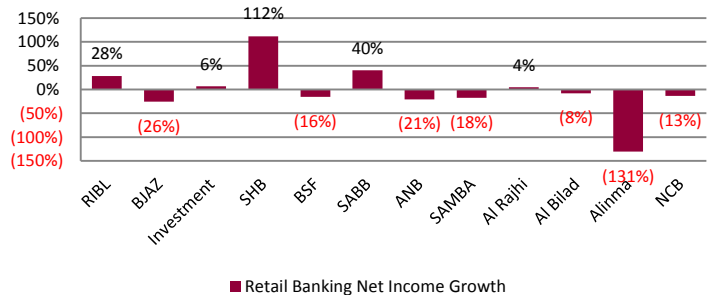
SHB achieved the highest growth rate in Retail Banking net income of 112%, followed by SAAB with 40% surge.

Retail Banking					
Bank	Net Income (million SR)		Growth	% of Total Net Income 2013	% of Total Sector 2013
	2012	2013			
RIBL	912.89	1,169.08	28%	30%	10%
BJAZ	(135.48)	(100.36)	26%		
Investment	252.47	268.54	6%	21%	2%
SHB	89.70	190.18	112%	13%	2%
BSF	303.98	256.75	(16%)	11%	2%
SABB	509.73	714.46	40%	19%	6%
ANB	692.36	549.47	(21%)	22%	5%
SAMBA	1,081.77	891.12	(18%)	20%	8%
Al Rajhi	5,174.84	5,402.97	4%	73%	47%
Al Bilad	267.92	245.57	(8%)	34%	2%
Alinma	(120.50)	36.97	-	4%	0%
NCB	2,138.18	1,854.11	(13%)	23%	16%
<b>Total</b>	<b>11,167.85</b>	<b>11,478.83</b>	<b>3%</b>	<b>30%</b>	<b>100%</b>

Retail Banking Net Income



Retail Banking Net Income Growth



### Corporate Banking

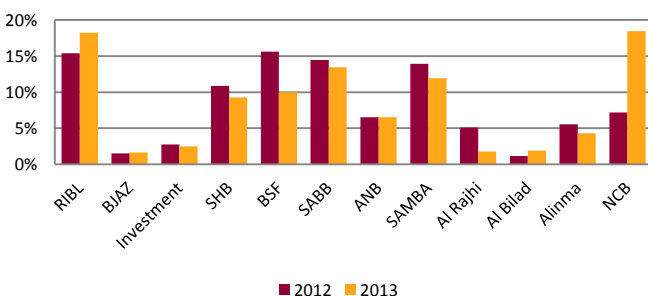
Corporate Banking segment's net income increased by 24% to SR 14 billion compared to SR 11.3 billion for the same period last year. Corporate Banking contributed to 37% of the total banking sector's net income.

The Corporate Banking represented 87% of SHB's net income, 65% of RIBL's net income, and only 3% of Al Rajhi's net income. Riyadh bank and NCB acquired 18% of the segment's net income each.

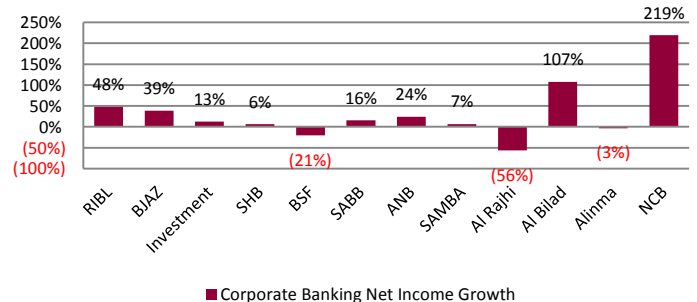
NCB realized 219% growth rate in the Corporate Banking net income, followed by Albilad with 107%.

Corporate Banking					
Bank	Net Income (million SR)		Growth	% of Total Net Income 2013	% of Total Sector 2013
	2012	2013			
RIBL	1,740.45	2,568.48	48%	65%	18%
BJAZ	169.33	234.89	39%	36%	2%
Investment	310.32	349.99	13%	27%	2%
SHB	1,228.02	1,305.79	6%	87%	9%
BSF	1,768.53	1,403.63	(21%)	58%	10%
SABB	1,635.83	1,891.61	16%	50%	13%
ANB	736.53	916.60	24%	36%	7%
SAMBA	1,575.20	1,681.02	7%	37%	12%
Al Rajhi	577.22	252.19	(56%)	3%	2%
Al Bilad	129.41	268.22	107%	37%	2%
Alinma	629.35	607.83	(3%)	60%	4%
NCB	812.97	2,594.60	219%	32%	18%
<b>Total</b>	<b>11,313.15</b>	<b>14,074.84</b>	<b>24%</b>	<b>37%</b>	<b>100%</b>

Corporate Banking Net Income



Corporate Banking Net Income Growth



## Operating Segments

### Treasury

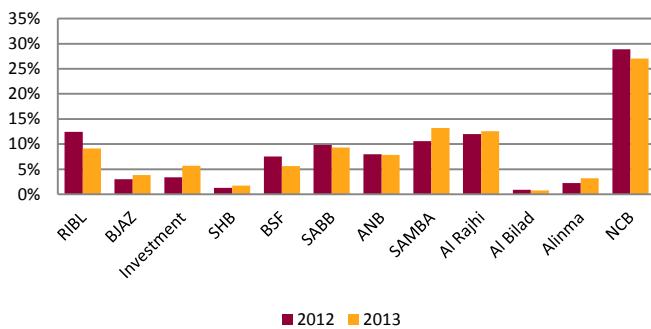
The treasury segment's net income increased by 12% to SR 11.2 billion in 2013 versus SR 10 billion in 2012. The treasury's net income contributed to 30% of the total banking sector's net income.

The treasury net income represented 66% of Aljazira's net income, 49% of SAIB's net income, and 38% of NCB's net income. NCB attained 27% the Treasury segment's net income while SAMBA and Al Rajhi were the second largest contributors with 13% market share each.

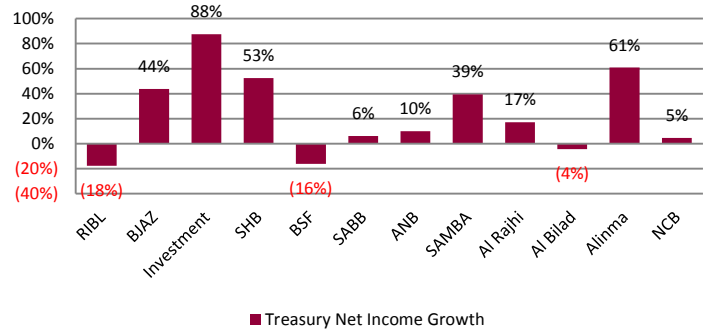
SAIB realized the highest growth rate in the segment of 88% YoY, followed by Alinma with 61%.

Treasury					
Bank	Net Income (million SR)			% of Total Net Income 2013	% of Total Sector 2013
	2012	2013	Growth		
RIBL	1,245.77	1,024.54	(18%)	26%	9%
BJAZ	301.15	432.63	44%	66%	4%
Investment	338.71	635.15	88%	49%	6%
SHB	127.92	195.14	53%	13%	2%
BSF	754.85	633.43	(16%)	26%	6%
SABB	983.53	1,044.58	6%	28%	9%
ANB	801.70	882.56	10%	35%	8%
SAMBA	1,063.16	1,482.47	39%	33%	13%
Al Rajhi	1,201.09	1,408.37	17%	19%	13%
Al Bilad	92.91	88.87	(4%)	12%	1%
Alinma	221.41	355.99	61%	35%	3%
NCB	2,897.75	3,033.18	5%	38%	27%
<b>Total</b>	<b>10,029.93</b>	<b>11,216.90</b>	<b>12%</b>	<b>30%</b>	<b>100%</b>

Treasury Net Income



Treasury Net Income Growth



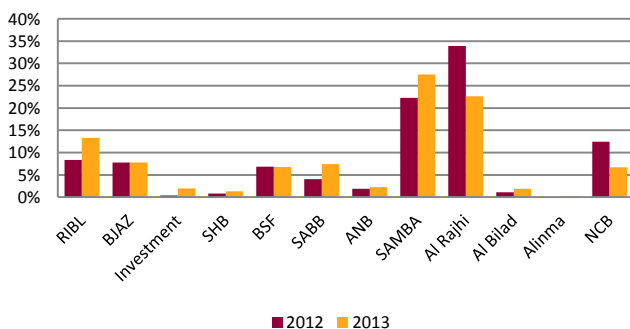
### Brokerage & Investment Banking

The brokerage & investment Banking segment's net income decreased 40% to reach SR 1.7 billion in 2013 versus SR 2.7 billion in 2012. The segment's net income contributed to 4% of the total banking sector's net income.

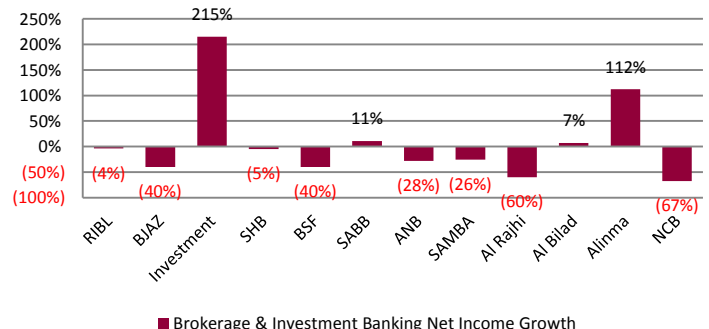
The segment's net income represented 20% of BIAZ net income and 10% Samba's net income. SAMBA accounted for 28% of the segment's net income, followed by Al Rajhi with 15% share.

Brokerage & Investment Services					
Bank	Net Income (million SR)			% of Total Net Income 2013	% of Total Sector 2013
	2012	2013	Growth		
RIBL	229.47	220.46	(4%)	6%	13%
BJAZ	214.06	128.91	(40%)	20%	8%
Investment	10.54	33.16	215%	3%	2%
SHB	22.71	21.64	(5%)	1%	1%
BSF	187.78	112.78	(40%)	5%	7%
SABB	111.23	123.17	11%	3%	7%
ANB	52.22	37.51	(28%)	1%	2%
SAMBA	611.97	455.55	(26%)	10%	28%
Al Rajhi	931.55	374.47	(60%)	5%	23%
Al Bilad	29.82	31.97	7%	4%	2%
Alinma	2.90	3.97	37%	0%	0%
NCB	340.94	111.48	(67%)	1%	7%
<b>Total</b>	<b>2,745.19</b>	<b>1,655.06</b>	<b>(40%)</b>	<b>4%</b>	<b>100%</b>

Brokerage & Investment Banking Net Income

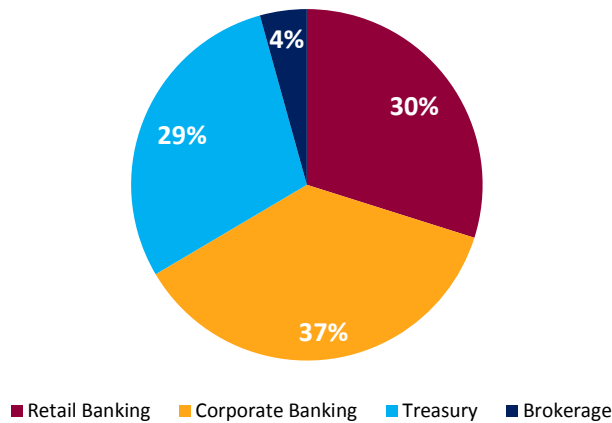


Brokerage & Investment Banking Net Income Growth

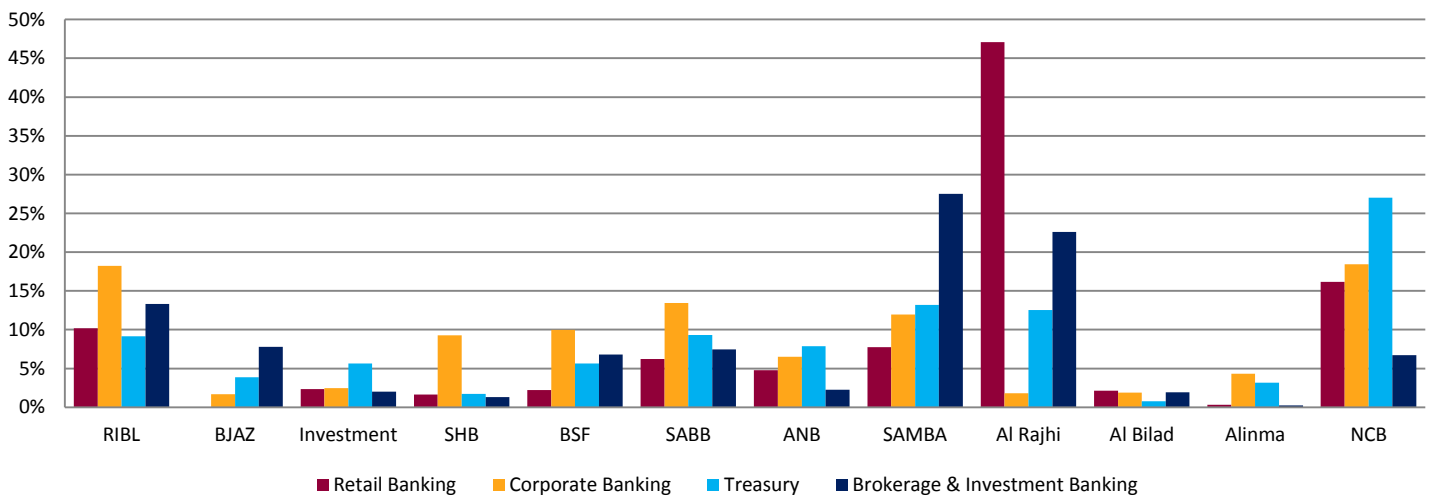


## Operating Segments

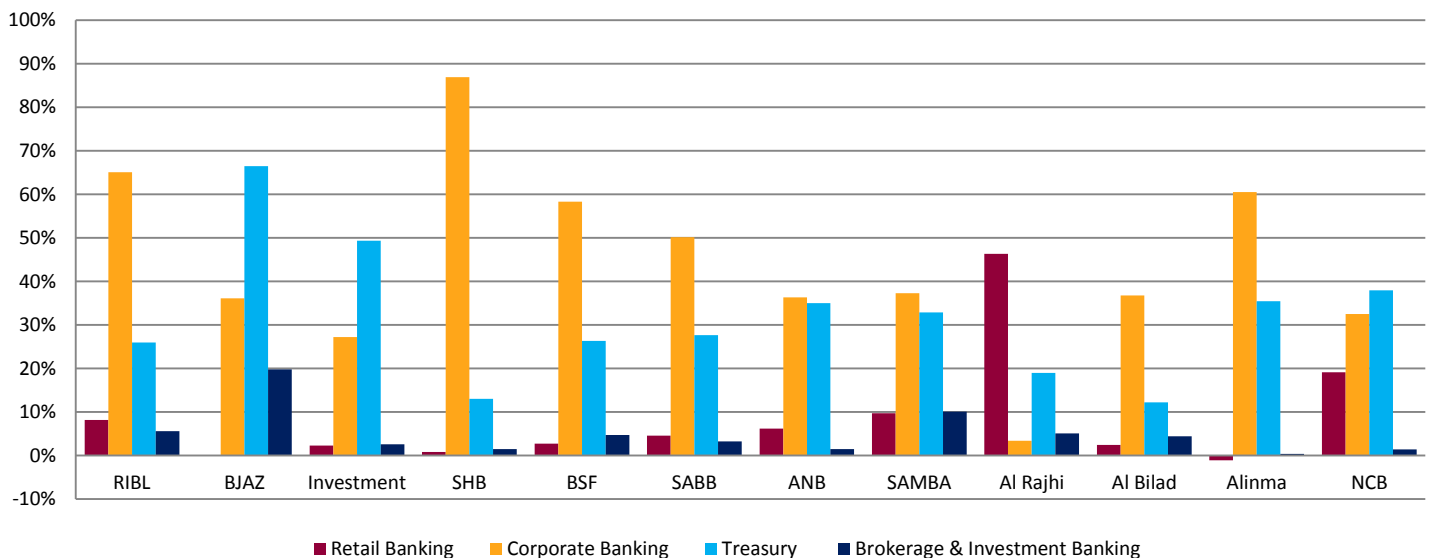
Segments Contribution to Total Aggregate Net Income 2013



Operating Segments Contribution to Total Net Income 2013



Operating Segments Contribution to Each Bank's Net Income 2013



31 March 2014

## Revenues and Operating Expenses

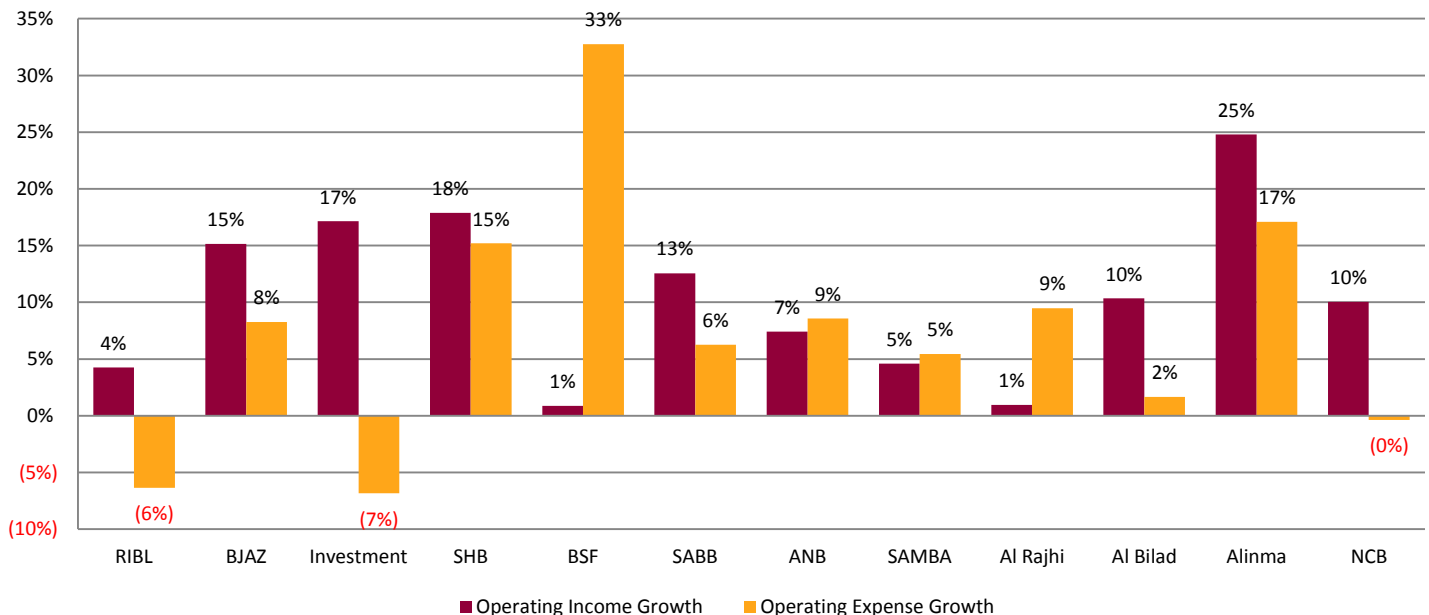
In 2013, the banking sector's revenues grew to SR 69.7 billion, recording a growth rate of 7% compared to 2012. NCB and Al Rajhi ended the period with market share of 21% and 20%, respectively. Samba and Riyadh accounted for 10% each of the sector's revenues, while 38% of the segment's revenues were split among the remaining eight banks.

Alinma realized strong growth rate in revenues of 25%, followed by SHB and SAIB with 18% and 17% respectively. BJAZ recorded 15% growth rate and Bank Albilad recorded 10%. The remaining banks recorded a moderate growth rate of less than 10%.

Total operating expenses amounted to SR 32 billion, in 2013, increasing by 6%. BSF incurred the highest increase in operating expenses of 33%, followed by Alinma with 17% Y-on-Y increase in operating expenses. SAIB and Riyadh Bank showed a decline of operating expenses by 7% and 6% respectively.

Bank	Revenues & Operating Expense										
	Revenues (million SR)			% of Total Sector		Operating Expense (million SR)			% of Total Sector		
	2012	2013	Growth	2012	2013	2012	2013	Growth	2012	2013	
RIBL	6,786.27	7,074.02	4%	10%	10%	3,399.63	3,183.70	(6%)	11%	10%	
BJAZ	1,597.58	1,839.31	15%	2%	3%	1,097.10	1,187.66	8%	4%	4%	
Investment	1,721.60	2,016.67	17%	3%	3%	956.08	890.66	(7%)	3%	3%	
SHB	2,219.35	2,616.00	18%	3%	4%	966.66	1,113.57	15%	3%	3%	
BSF	5,009.55	5,052.54	1%	8%	7%	1,996.22	2,650.28	33%	7%	8%	
SABB	5,166.48	5,815.38	13%	8%	8%	2,037.40	2,164.74	6%	7%	7%	
ANB	4,756.82	5,109.55	7%	7%	7%	2,413.93	2,620.89	9%	8%	8%	
SAMBA	6,694.09	7,000.53	5%	10%	10%	2,362.00	2,490.36	5%	8%	8%	
Al Rajhi	13,983.02	14,114.69	1%	22%	20%	6,098.31	6,676.71	9%	20%	21%	
Al Bilad	1,737.38	1,917.23	10%	3%	3%	1,168.74	1,188.06	2%	4%	4%	
Alinma	1,826.05	2,279.08	25%	3%	3%	1,079.38	1,263.88	17%	4%	4%	
NCB	13,508.91	14,862.94	10%	21%	21%	6,661.42	6,637.34	(0%)	22%	21%	
<b>Total</b>	<b>65,007.10</b>	<b>69,697.92</b>	<b>7%</b>	<b>100%</b>	<b>100%</b>	<b>30,236.87</b>	<b>32,067.85</b>	<b>6%</b>	<b>100%</b>	<b>100%</b>	

### Operating Income and Expense Growth



## Net Loans

### Loan Portfolio

Net loans stood at SR 1,130 billion, reflecting an increase of 12% over the loan balance as of 31 December 2012.

SAIB recorded the highest increase in the loan balance with 40% growth rate, followed by Albilad with 28%.

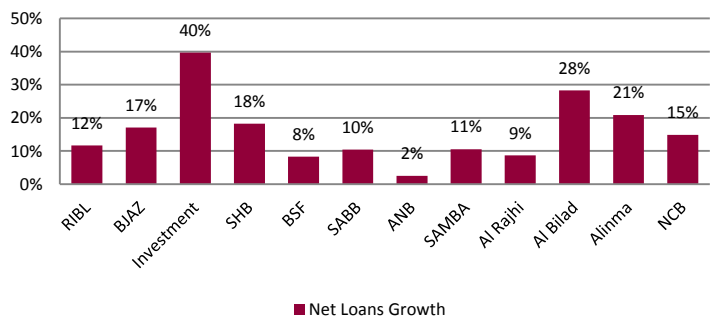
Al Rajhi, NCB, and Riyadh constituted 17%, 17%, and 12% of the loan portfolio, respectively, while Riyadh represents 12%.

### Retail and Corporate Loans

The difference in the growth rates between the retail and corporate loans is due to the size of the retail market, which is relatively smaller compared to the size of the corporate market. The banks are also motivated in increasing their retail portfolio due to its high margins versus the corporate portfolio.

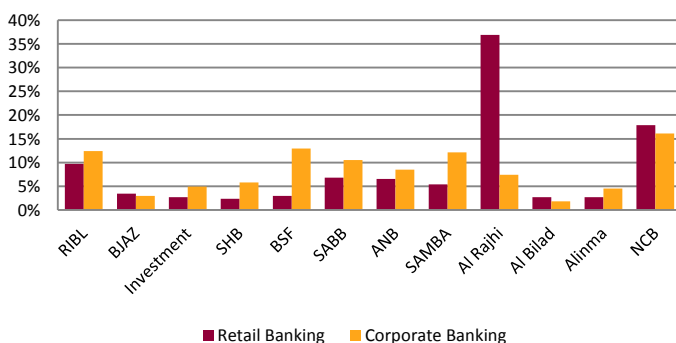
Bank	Net Loans (million SR)			% of Total Sector	
	2012	2013	Growth	2012	2013
RIBL	117,470.65	131,190.56	12%	12%	12%
BJAZ	29,896.78	34,994.76	17%	3%	3%
Investment	34,050.69	47,566.87	40%	3%	4%
SHB	45,376.20	53,652.33	18%	5%	5%
BSF	102,785.37	111,306.90	8%	10%	10%
SABB	96,098.31	106,114.93	10%	10%	9%
ANB	86,328.61	88,456.11	2%	9%	8%
SAMBA	102,631.06	113,455.37	11%	10%	10%
Al Rajhi	171,941.48	186,813.23	9%	17%	17%
Al Bilad	18,255.68	23,415.42	28%	2%	2%
Alinma	37,186.50	44,923.62	21%	4%	4%
NCB	163,461.19	187,687.04	15%	16%	17%
<b>Total</b>	<b>1,005,482.52</b>	<b>1,129,577.13</b>	<b>12%</b>	<b>100%</b>	<b>100%</b>

Net Loans Growth

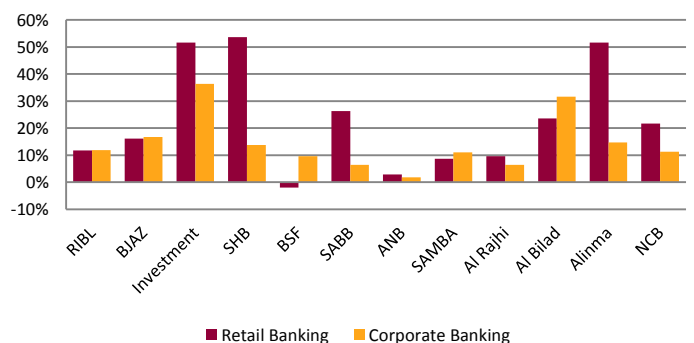


Bank	Net Loans per Segment (million SR)									
	Retail Banking			% of Total Sector		Corporate Banking			% of Total Sector	
	2012	2013	Growth	2012	2013	2012	2013	Growth	2012	2013
RIBL	30,611.85	34,188.10	12%	10%	10%	87,363.36	97,669.63	12%	12%	12%
BJAZ	10,498.09	12,184.05	16%	3%	3%	19,736.24	23,042.76	17%	3%	3%
Investment	6,178.17	9,368.08	52%	2%	3%	28,238.66	38,507.85	36%	4%	5%
SHB	5,411.81	8,315.88	54%	2%	2%	40,245.83	45,790.39	14%	6%	6%
BSF	10,606.47	10,399.20	(2%)	3%	3%	92,686.51	101,608.64	10%	13%	13%
SABB	18,900.55	23,873.78	26%	6%	7%	78,012.59	82,974.56	6%	11%	11%
ANB	22,232.79	22,875.68	3%	7%	7%	65,479.76	66,630.89	2%	9%	8%
SAMBA	17,454.33	18,969.31	9%	6%	5%	85,954.56	95,400.97	11%	12%	12%
Al Rajhi	118,534.02	129,903.30	10%	39%	37%	54,709.87	58,221.09	6%	8%	7%
Al Bilad	7,680.95	9,486.89	24%	3%	3%	10,916.44	14,362.98	32%	2%	2%
Alinma	6,191.39	9,386.55	52%	2%	3%	31,154.53	35,748.81	15%	4%	5%
NCB	51,563.32	62,765.78	22%	17%	18%	114,020.30	126,844.00	11%	16%	16%
<b>Total</b>	<b>305,863.73</b>	<b>351,716.59</b>	<b>15%</b>	<b>100%</b>	<b>100%</b>	<b>708,518.65</b>	<b>786,802.56</b>	<b>11%</b>	<b>100%</b>	<b>100%</b>

Loans Share per Segment



Loans Growth per Segment



## Impairments of Credit Losses

### Impairments of Credit Losses

Impairments of credit losses decreased 5% to SR 7.3 billion, compared to last year.

Al Rajhi, BSF, and NCB constituted 36%, 13%, and 11% of the total impairments, respectively.

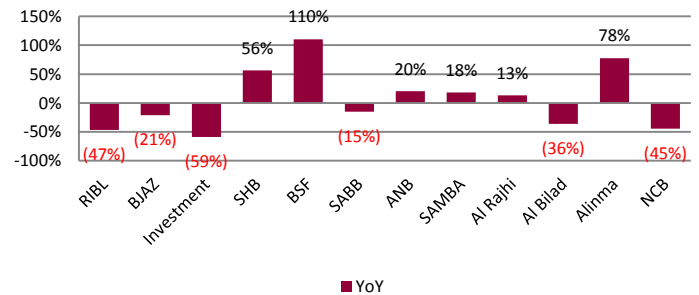
Compared to ending balances on 31 December 2012, six banks recorded an increase in the impairments of credit losses' balance while the remaining six banks showed a decline in their ending balance.

### Impairments of Credit Losses per Segment

The retail impairments of credit losses grew by 13%, supported by the increase in provisions by Samba and SABB. The corporate impairments of credit losses' balance was mainly impacted by NCB, SAIB, Riyadh Bank, and Albilad showing a 10% decline.

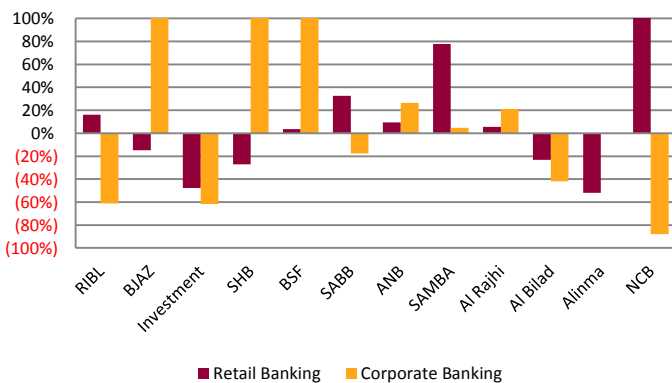
Bank	Impairments of Credit Losses (million SR)			% of Total Sector 9M	
	2012	2013	Growth	2012	2013
RIBL	1,179.66	627.42	(47%)	15.4%	8.6%
BJAZ	172.48	136.34	(21%)	2.3%	1.9%
Investment	255.00	105.00	(59%)	3.3%	1.4%
SHB	139.90	218.50	56%	1.8%	3.0%
BSF	455.18	957.42	110%	6.0%	13.2%
SABB	440.54	374.18	(15%)	5.8%	5.2%
ANB	521.80	626.99	20%	6.8%	8.6%
SAMBA	298.65	353.36	18%	3.9%	4.9%
Al Rajhi	2,319.17	2,619.34	13%	30.3%	36.1%
Al Bilad	275.22	175.29	(36%)	3.6%	2.4%
Alinma	154.37	274.22	78%	2.0%	3.8%
NCB	1,436.01	795.35	(45%)	18.8%	11.0%
<b>Total</b>	<b>7,647.98</b>	<b>7,263.40</b>	<b>-5.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Impairments of Credit Losses Growth



Bank	Retail Banking			% of Total Sector		Corporate Banking			% of Total Sector	
	2012	2013	Growth	2012	2013	2012	2013	Growth	2012	2013
RIBL	218.43	253.88	16%	8.2%	8.5%	961.23	373.536	(61%)	21.1%	9.1%
BJAZ	74.03	62.96	(15%)	2.8%	2.1%	6.53	73.382	1024%	0.1%	1.8%
Investment	54.46	28.39	(48%)	2.1%	0.9%	200.54	76.608	(62%)	4.4%	1.9%
SHB	62.09	45.32	(27%)	2.3%	1.5%	77.81	173.174	123%	1.7%	4.2%
BSF	226.85	234.88	4%	8.6%	7.9%	228.33	722.537	216%	5.0%	17.6%
SABB	151.83	201.20	33%	5.7%	6.7%	288.72	237.716	(18%)	6.3%	5.8%
ANB	194.76	213.30	10%	7.3%	7.1%	327.04	413.685	26%	7.2%	10.1%
SAMBA	55.60	98.74	78%	2.1%	3.3%	243.06	254.618	5%	5.3%	6.2%
Al Rajhi	1,217.19	1,284.59	6%	45.9%	43.0%	1,101.98	1334.752	21%	24.2%	32.5%
Al Bilad	82.75	63.46	(23%)	3.1%	2.1%	192.47	111.83	(42%)	4.2%	2.7%
Alinma	108.43	52.17	(52%)	4.1%	1.7%	45.95	222.051	383%	1.0%	5.4%
NCB	203.93	451.02	121%	7.7%	15.1%	885.58	107.067	(88%)	19.4%	2.6%
<b>Total</b>	<b>2,650.34</b>	<b>2,989.92</b>	<b>13%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4,559.22</b>	<b>4,100.96</b>	<b>-10%</b>	<b>100.0%</b>	<b>100.0%</b>

Impairments of Credit Loss Growth per Segment 9M 2013



Impairments of Credit Loss Share per Segment 2013





31 March 2014

## Impairments of Credit Losses to Net Loans Ratio & Coverage Ratio

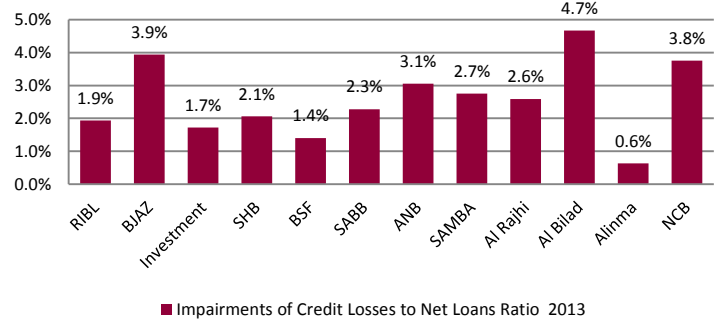
### Impairments of Credit Losses to Net Loans Ratio

Impairments of credit losses to net loans was 2.6% versus 2.4% on 31 December 2012.

Albilad showed the highest impairments to net loans ratio of 4.7% decreasing from 4.9% in 31 December 2012. BJAZ recorded significant increase in credit loss provisions to net loans ratio from 2.2% in December 2012 to 3.9% in December 2013.

Bank	Impairments of Credit Losses to Net Loans Ratio	
	2012	2013
RIBL	1.6%	1.9%
BJAZ	2.2%	3.9%
Investment	2.1%	1.7%
SHB	2.6%	2.1%
BSF	2.2%	1.4%
SABB	2.4%	2.3%
ANB	2.4%	3.1%
SAMBA	2.9%	2.7%
Al Rajhi	2.5%	2.6%
Al Bilad	4.9%	4.7%
Alinma	1.4%	0.6%
NCB	3.0%	3.8%
<b>Total</b>	<b>2.4%</b>	<b>2.6%</b>

Impairments of Credit Losses to Net Loans Ratio 2013

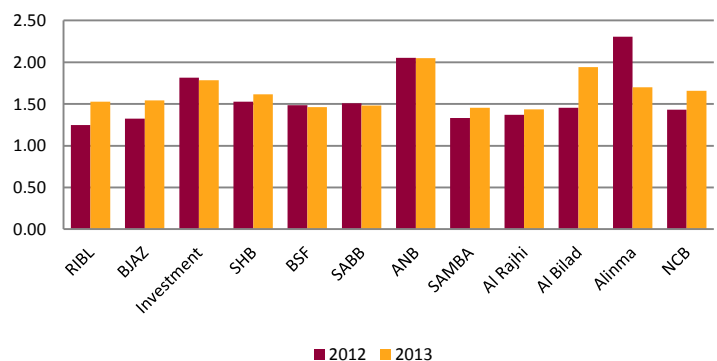


### Coverage Ratio

During the first quarter of 2013, the coverage ratio increased to 1.57 compared to 1.45 in 2012. ANB and SAIB had the highest coverage ratio of 2.05 and 1.78 respectively.

Bank	Coverage Ratio	
	2012	2013
RIBL	1.25	1.53
BJAZ	1.32	1.54
Investment	1.81	1.78
SHB	1.53	1.61
BSF	1.49	1.46
SABB	1.51	1.48
ANB	2.05	2.05
SAMBA	1.33	1.45
Al Rajhi	1.37	1.44
Al Bilad	1.45	1.94
Alinma	2.31	1.70
NCB	1.43	1.66
<b>Total</b>	<b>1.45</b>	<b>1.57</b>

Coverage Ratio



31 March 2014

## Customer Deposits

### Customer Deposits

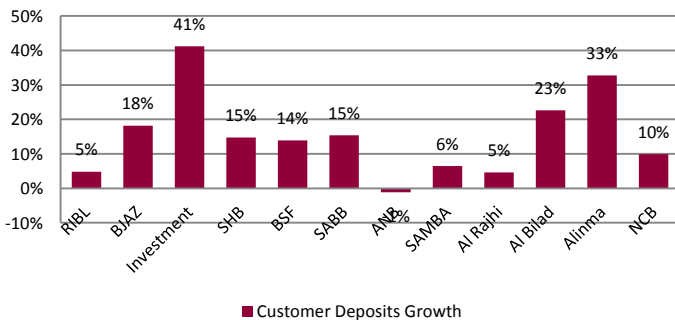
Customer deposits totaled SR 1,460 billion versus SR 1,324 billion in December 2012, with an annual increase of 10%.

NCB represented 21% of the total deposits, followed by Al Rajhi with 16% share in total deposits and Samba and Riyadh with 11% and 10% respectively.

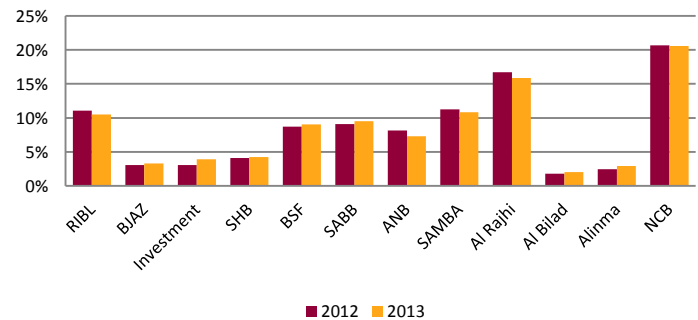
SAIB showed the highest increase in the amount of customer deposits of 41%, followed by Alinma with 33% growth rate. The remaining banks had an increase of less than 20% in their customer deposits' ending balance.

Bank	Customer Deposits (million SR)			% of Total Sector	
	2012	2013	Growth	2012	2013
RIBL	146,214.57	153,199.88	5%	11%	10%
BJAZ	40,675.29	48,082.53	18%	3%	3%
Investment	40,413.57	57,043.85	41%	3%	4%
SHB	53,913.67	61,875.45	15%	4%	4%
BSF	115,571.77	131,601.19	14%	9%	9%
SABB	120,433.72	138,961.47	15%	9%	10%
ANB	107,560.44	106,372.73	-1%	8%	7%
SAMBA	148,736.37	158,336.72	6%	11%	11%
Al Rajhi	221,394.64	231,589.11	5%	17%	16%
Al Bilad	23,741.62	29,107.72	23%	2%	2%
Alinma	32,213.61	42,762.62	33%	2%	3%
NCB	273,530.09	300,601.68	10%	21%	21%
<b>Total</b>	<b>1,324,399.36</b>	<b>1,459,534.94</b>	<b>10%</b>	<b>100%</b>	<b>100%</b>

Customer Deposits Growth



Customer Deposits Share of Total Sector



### Loan-to-Deposit Ratio

The Loan-to-Deposit ratio reached 77% compared to 76% on 31 December 2012.

Alinma, and SHB recorded Loan-to-Deposit ratio above 85% of 105%, 87% respectively. NCB's Loan-to-Deposit ratio stood at a lower percentage of 62% in December 2013.

Bank	Loan-to-Deposit Ratio		
	2012	2013	Change
RIBL	80%	86%	5%
BJAZ	74%	73%	(1%)
Investment	84%	83%	(1%)
SHB	84%	87%	3%
BSF	89%	85%	(4%)
SABB	80%	76%	(3%)
ANB	80%	83%	3%
SAMBA	69%	72%	3%
Al Rajhi	78%	81%	3%
Al Bilad	77%	80%	4%
Alinma	115%	105%	(10%)
NCB	60%	62%	3%
<b>Total</b>	<b>76%</b>	<b>77%</b>	<b>1%</b>

Bank	Demand Deposits			Contribution 2013	Savings			Contribution 2013	Time Deposits			Contribution 2013
	2012	2013	Growth		2012	2013	Growth		2012	2013	Growth	
RIBL	67,525.14	67,555.27	0%	7%	301.76	281.76	(7%)	2%	71,035.98	75,175.64	6%	16%
BJAZ	16,697.07	19,158.00	15%	2%	-	-	-	-	23,135.13	27,432.54	19%	6%
Investment	9,517.59	13,332.03	40%	1%	558.13	641.35	15%	4%	29,868.40	42,111.73	41%	9%
SHB	22,698.62	24,951.83	10%	3%	411.42	434.88	6%	2%	30,129.11	35,575.57	18%	8%
BSF	61,805.38	82,924.58	34%	9%	448.80	449.12	0%	3%	50,236.49	45,059.60	(10%)	10%
SABB	63,417.45	74,717.69	18%	8%	6,096.87	6,686.18	10%	38%	49,526.95	54,315.99	10%	12%
ANB	52,349.49	57,388.75	10%	6%	103.60	104.61	1%	1%	51,248.57	42,843.20	(16%)	9%
SAMBA	88,740.23	102,097.59	15%	11%	4,830.96	5,739.26	19%	33%	49,250.23	43,944.86	(11%)	9%
Al Rajhi	189,817.67	206,275.54	9%	22%	-	-	-	-	27,945.24	20,723.08	(26%)	4%
Al Bilad	18,472.48	22,640.80	23%	2%	3,121.57	3,069.36	(2%)	17%	1,670.24	2,755.64	65%	1%
Alinma	19,511.45	21,999.09	13%	2%	-	-	-	-	9,972.54	20,488.21	105%	4%
NCB	190,156.46	234,988.52	24%	25%	146.00	148.02	1%	1%	70,533.59	53,095.36	(25%)	11%
<b>Total</b>	<b>800,709.03</b>	<b>928,029.68</b>	<b>16%</b>	<b>100%</b>	<b>16,019.10</b>	<b>17,554.53</b>	<b>10%</b>	<b>100%</b>	<b>464,552.47</b>	<b>463,521.42</b>	<b>0%</b>	<b>100%</b>

## Total Assets & Net Investments

### Total Assets

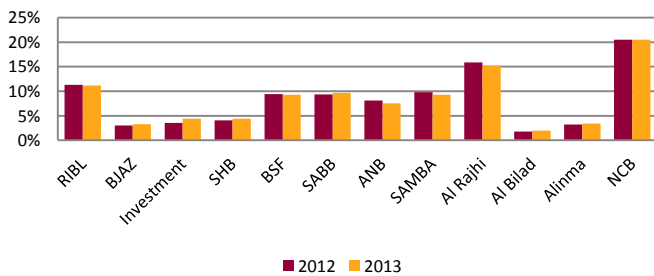
Total assets reached SR 1,838 billion compared to SR 1,713 billion in December 2012, with an annual increase of 9%.

NCB constituted 20% of the sector's total assets while Al Rajhi constituted 15%, followed by Riyad with 11%.

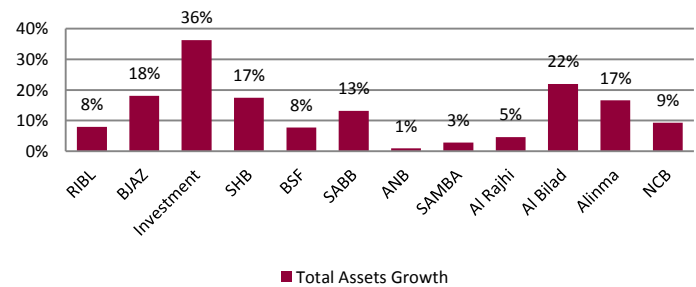
SAIB booked the highest increase in total assets of 36% followed by Al Bilad with 22%. The remaining banks recorded a growth rate of less than 20%.

Bank	Total Assets (million SR)			% of Total Sector	
	2012	2013	Growth	2012	2013
RIBL	190,180.84	205,246.48	8%	11%	11%
BJAZ	50,781.40	59,976.41	18%	3%	3%
Investment	59,066.65	80,495.41	36%	3%	4%
SHB	68,505.51	80,468.26	17%	4%	4%
BSF	157,777.30	170,056.67	8%	9%	9%
SABB	156,652.34	177,302.20	13%	9%	9%
ANB	136,639.28	137,935.42	1%	8%	7%
SAMBA	197,069.16	205,036.63	4%	12%	11%
Al Rajhi	267,382.56	279,870.69	5%	16%	15%
Al Bilad	29,777.50	36,323.31	22%	2%	2%
Alinma	54,014.45	63,001.23	17%	3%	3%
NCB	345,259.70	377,280.33	9%	20%	20%
<b>Total</b>	<b>1,713,106.69</b>	<b>1,872,993.05</b>	<b>9%</b>	<b>100%</b>	<b>100%</b>

Total Assets per Bank to Sector's Total



Total Assets Growth



### Net Investments

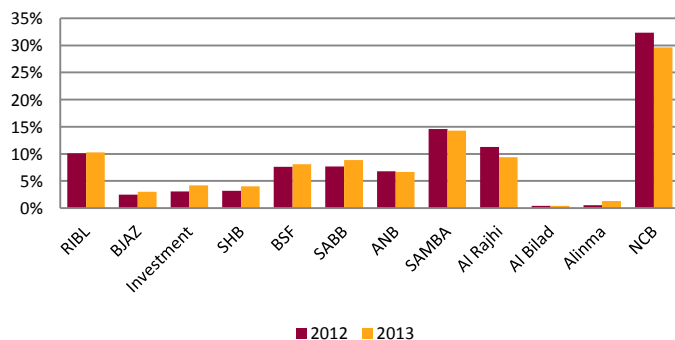
Net investment balance reached SR 423 billion compared to SR 360 billion in December 2012, with an annual increase of 17%.

NCB constituted 30% of the sector's investment portfolio followed by Samba with 14% share.

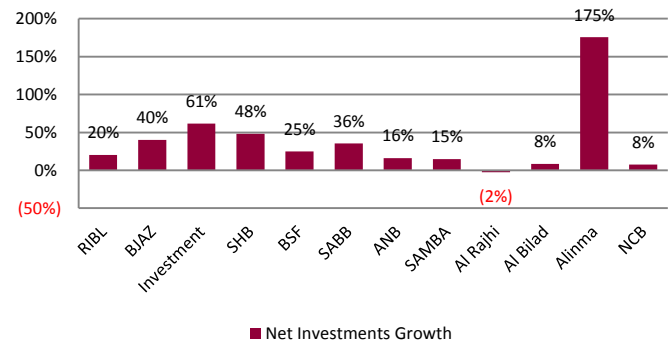
Alinma booked the highest increase in net investments of 175%, followed by SAIB with 61% growth rate.

Bank	Net Investments (million SR)			% of Total Sector	
	2012	2013	Growth	2012	2013
RIBL	36,253.85	43,538.09	20%	10%	10%
BJAZ	8,994.39	12,597.13	40%	2%	3%
Investment	10,961.96	17,696.50	61%	3%	4%
SHB	11,378.58	16,849.16	48%	3%	4%
BSF	27,498.00	34,298.87	25%	8%	8%
SABB	27,587.19	37,399.56	36%	8%	9%
ANB	24,323.05	28,248.37	16%	7%	7%
SAMBA	52,575.97	60,430.75	15%	15%	14%
Al Rajhi	40,542.53	39,573.06	(2%)	11%	9%
Al Bilad	1,537.26	1,667.07	8%	0%	0%
Alinma	1,960.24	5,399.47	175%	1%	1%
NCB	116,427.79	125,294.01	8%	32%	30%
<b>Total</b>	<b>360,040.81</b>	<b>422,992.03</b>	<b>17%</b>	<b>100%</b>	<b>100%</b>

Net Investments per Bank to Sector's Total



Net Investments Growth



## Shareholders' Equity

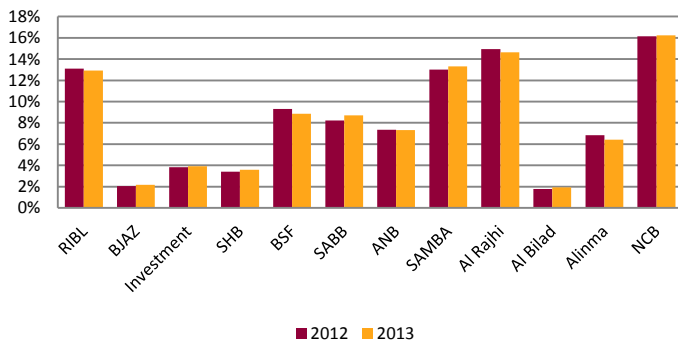
### Shareholders' Equity

As of December 2013, the sector's shareholders' equity totaled SR 262 billion versus 244 billion in December 2012, with a growth rate of 8%.

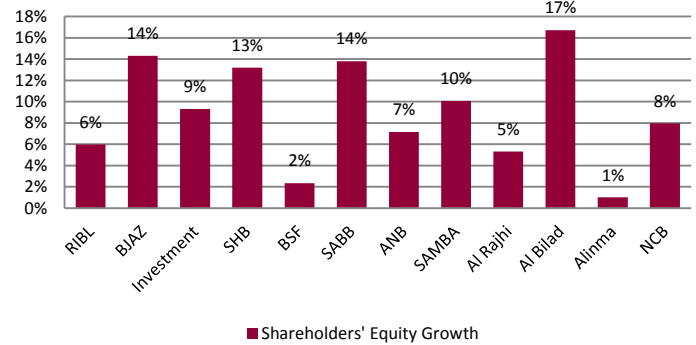
AlBilad booked the highest increase in shareholders' equity of 17%, followed by SABB with 14% growth rate.

Bank	Shareholders' Equity (million SR)		Growth	% of Total Sector	
	2012	2013		2012	2013
RIBL	31,963.51	33,870.32	6%	13%	13%
BJAZ	5,011.85	5,728.55	14%	2%	2%
Investment	9,378.83	10,252.78	9%	4%	4%
SHB	8,305.98	9,401.43	13%	3%	4%
BSF	22,686.82	23,216.63	2%	9%	9%
SABB	20,065.51	22,832.80	14%	8%	9%
ANB	17,909.59	19,188.41	7%	7%	7%
SAMBA	31,738.79	34,930.58	10%	13%	13%
Al Rajhi	36,468.74	38,404.59	5%	15%	15%
Al Bilad	4,370.82	5,100.89	17%	2%	2%
Alinma	16,664.20	16,831.93	1%	7%	6%
NCB	39,404.15	42,536.18	8%	16%	16%
<b>Total</b>	<b>243,968.76</b>	<b>262,295.09</b>	<b>8%</b>	<b>100%</b>	<b>100%</b>

Shareholders' Equity per Bank to Sector's Total



Shareholders' Equity Growth



31 March 2014

## Financial Ratios

The banking sector financial ratios during 2013:

- Average RoE reached 14.4%
- Sectors EPS was SR 3.19 per share with P/E multiple of 14.14x and P/BV multiple of 1.92x.
- Average Liquidity ratio stood at 9%

Bank	Closing Price <sup>(1)</sup>	Market Cap	Issued Shares	Floating Shares	EPS	PE <sup>(1)</sup>	BV	P/BV <sup>(1)</sup>	RoE	Liquidity Ratio	Capital Adequacy (Basel II)	
											Tier 1	Tier 1+2
RIBL	35.10	52,650	1,500	712	2.63	13.34	22.58	1.55	11.7%	10%	14%	10%
BJAZ	41.20	12,360	300	270	2.17	19.00	19.09	2.15	11.4%	12%	14%	12%
Investment	29.90	16,445	550	295	2.34	12.78	18.64	1.60	12.6%	8%	12%	8%
SHB	39.90	19,004	476	131	3.15	12.66	19.73	2.02	16.0%	8%	14%	8%
BSF	39.70	35,889	904	486	2.66	14.92	25.68	1.54	10.4%	11%	10%	11%
SABB	46.40	46,400	1,000	325	3.77	12.30	22.83	2.03	16.5%	15%	13%	15%
ANB	29.60	29,600	1,000	486	2.52	11.73	19.08	1.55	13.1%	11%	15%	11%
SAMBA	43.00	51,600	1,200	603	3.76	11.44	29.00	1.48	12.9%	10%	19%	12%
Al Rajhi	74.50	111,750	1,500	1,022	4.96	15.02	25.60	2.90	19.4%	11%	12%	11%
Al Bilad	43.20	17,280	400	281	1.82	23.70	12.75	3.38	14.3%	12%	10%	12%
Alinma	18.60	27,900	1,500	1,036	0.67	27.77	11.22	1.65	6.0%	8%	5%	8%
NCB <sup>(2)</sup>	-	-	1,500	-	5.33	-	-	-	18.8%	10%	12%	10%
<b>Total</b>	-	<b>420,878</b>	<b>11,830</b>	<b>5,648</b>	<b>3.19</b>	<b>14.14</b>	<b>21.25</b>	<b>1.92</b>	<b>14.4%</b>	<b>11%</b>		

(1) As of 27<sup>th</sup> of March 2014.

(2) Not Listed.

## 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.
- **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.

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