



Overview

Summary

The report reviews the Saudi banks' (including the non-listed NCB) detailed results of the first quarter of 2013 compared to the same period of last year (YoY). It also shows the most important financial indicators per bank as well as for the whole sector.

Source of data: Tadawul, Albilad Investment estimates.

During the first quarter of 2013, the banking sector's revenues grew modestly by 7% compared to the first quarter of 2012 and reached SR 17.6 billion. The growth in revenues was triggered by Alinma, which recorded growth rate of 33% on year on year basis (Y-on-Y). Net income increased by 4% only to exceed SR 10 billion during the first quarter of the current year. The increase in the banking sector's net income is mainly attributed to National Commercial Bank (NCB), which booked a net income of SR 2,383 million, representing 19% growth rate on a Y-on-Y.

The weak growth rate in net income is derived by three factors. First, the continuous shrinking in interest spreads; whereby, banks are unable to generate high returns due to the steadily declining interest rates towards its minimum levels since 2008 financial crisis. In fact, the interest spread was 2.73% in the current quarter versus 2.98% in 2012 first quarter, reflecting material decline of 25 basis points. Both Albilad and SAIB have incurred the highest reduction in spreads. Moreover, low interest rate levels indirectly hinder the banks' ability to attract deposits, which in return affects the banks' profitability and growth potential. Finally, the sluggish growth rate in net income is also attributed to the significant reduction in brokerage commission due to lower trading volumes in the Saudi equity market. Brokerage commission declined by 36%, reaching SR 635 million, by the end of first quarter of 2013.

The growth varied across banks within each division's net profit. Saudi Hollandi Bank (SHB) and SABB accomplished the highest net income growth rate in retail banking segment of 51% and 41%, respectively. NCB recorded 119% increase the corporate banking segment and SAIB treasury and brokerage paced the most by 66% and 80%, respectively.

In the first quarter of 2013, Alinma Bank's deposits and loans increased by 61% and 43%, respectively. SAIB and Bank AlJazira BJAZ also showed high momentum in loan growth of 32% and 29%, respectively. In the Last four quarters, non-performing loans coverage ratio improved to 148% compared to 134%, ensuring the sector's high quality assets, defying the European sovereign debt crisis.

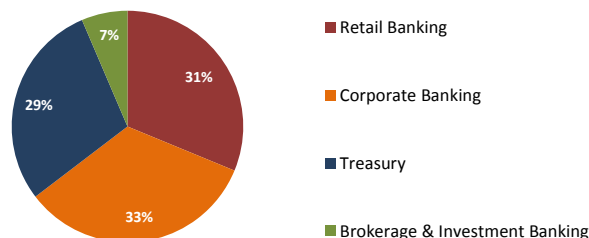
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Segments Share of Total Net Income Q1 2013





Banking Sector Q1 2013

Net Income

In the first quarter of 2013, the sector's bottom line grew by 4%, compared to the same period last year, to SR 10.02 billion.

NCB's net income increased by 19%, compared to the first quarter of last year, representing 23.8% of the aggregate sector income. Al Rajhi contributed by 20.5%, while Samba grew by 1% and representing 11.6% of the aggregate profits. SAIB and Alinma achieved the highest Y-on-Y growth of 48% and 47% in the last two quarters.

The sector's net special commission income increased by 7%, compared y-o-y reachin SR 11.2 billion or represented 63.48% of the sector's total revenues of SR 17.65 billion.

Alinma achieved the highest growth rate in net special commission income of 34%, followed by BIAZ with 22% growth rate. Net special commission income represented 85% of Alinma's revenues, 68% of Al Rajhi's revenues, 67% of SAIB's revenues, 66% of BSF's revenues, and 49% of Albilad's revenues.

Net Interest Margin

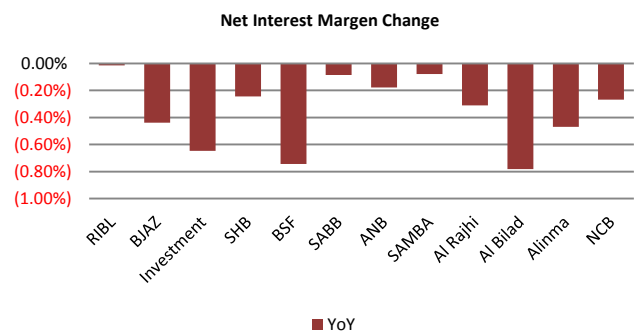
The net interest margin declined to 2.34% from 2.64% in the first quarter YoY. Al Bilad and BSF made the highest decline by 0.78% and 0.74% YoY respectively.

Bank	Net Income Q1 (million SR)			% of Total Q1	
	2012	2013	Growth	2012	2013
RIBL	901.47	950.98	5.5%	9.3%	9.5%
BJAZ	143.04	144.24	0.8%	1.5%	1.4%
Investment	212.24	314.27	48.1%	2.2%	3.1%
SHB	290.07	346.25	19.4%	3.0%	3.5%
BSF	788.90	683.86	(13.3%)	8.2%	6.8%
SABB	854.19	947.86	11.0%	8.8%	9.5%
ANB	655.83	678.70	3.5%	6.8%	6.8%
SAMBA	1,144.62	1,158.48	1.2%	11.8%	11.6%
Al Rajhi	2,011.33	2,051.69	2.0%	20.8%	20.5%
Al Bilad	511.51*	142.50	(72.1%)	5.3%	1.4%
Alinma	150.48	221.41	47.1%	1.6%	2.2%
NCB	2,000.62	2,383.28	19.1%	20.7%	23.8%
Total	9,664.29	10,023.53	3.7%	100.0%	100.0%

* Including non-operating income of SR 373 million.

Bank	Net Special Commission Q1 (million SR)			% of Total Q1	
	2012	2013	Growth	2012	2013
RIBL	1,068	1,090	2.0%	65%	63%
BJAZ	219	266	21.5%	51%	60%
Investment	291	340	16.8%	63%	67%
SHB	322	352	9.3%	60%	60%
BSF	802	799	(0.3%)	66%	66%
SABB	775	885	14.2%	63%	62%
ANB	773	775	0.3%	65%	61%
SAMBA	1,055	1,082	2.6%	59%	57%
Al Rajhi	2,328	2,409	3.5%	68%	68%
Al Bilad	194	222	14.5%	46%	49%
Alinma	330	443	34.2%	84%	85%
NCB	2,304	2,543	10.4%	62%	62%
Total	10,460	11,207	7.1%	64%	63%

Bank	Net Interest Margin Q1		
	2012	2013	Change
RIBL	2.32%	2.30%	(0.01%)
BJAZ	2.58%	2.14%	(0.44%)
Investment	3.02%	2.37%	(0.65%)
SHB	2.04%	1.80%	(0.24%)
BSF	2.33%	1.58%	(0.74%)
SABB	2.34%	2.25%	(0.08%)
ANB	2.37%	2.19%	(0.18%)
SAMBA	2.21%	2.13%	(0.08%)
Al Rajhi	3.29%	2.98%	(0.31%)
Al Bilad	4.80%	4.02%	(0.78%)
Alinma	3.85%	3.38%	(0.47%)
NCB	2.07%	1.80%	(0.27%)
Total	2.64%	2.34%	(0.31%)



Operating Segments

Retail Banking

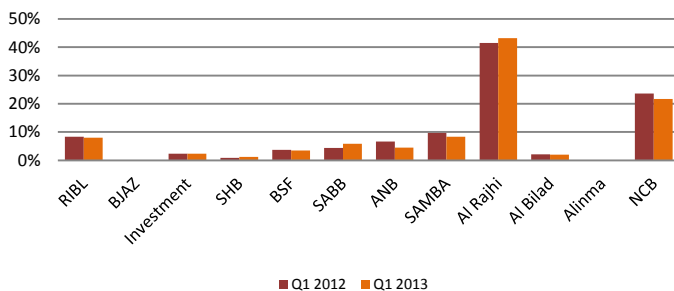
In the first quarter, the retail banking segment's net income increased 7% to SR 3.08 billion compared to SR 2.89 billion for the same period of 2012. The Retail Banking net income contributed to 31% of the total banking sector's net income.

The Retail division net income represented 65% of Al Rajhi's net income and 42% of Al Bilad's bottom line. In fact, Al Rajhi accounted to 43% of the aggregate retail Banking segment's net income. Both Alinma and Aljazira recorded net loss from the same segment.

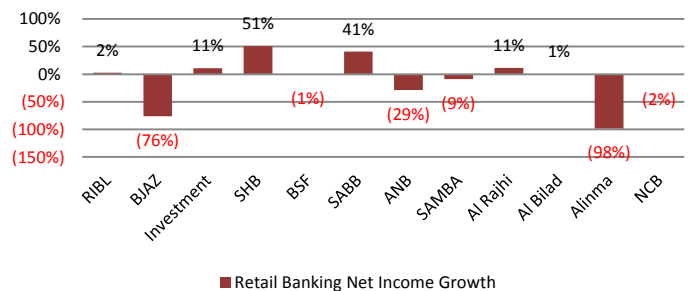
SHB achieved the highest growth rate in Retail Banking net income of 51%, followed by SABB with 41% surge.

Retail Banking					
Bank	Net Income Q1 (million SR)			% of Total Net Income Q1 2013	% of Total Sector Q1 2013
	2012	2013	Growth		
RIBL	242.18	247.88	2%	26%	8%
BJAZ	(57.01)	(13.72)	(76%)	NM	NM
Investment	65.55	72.74	11%	23%	2%
SHB	25.12	37.91	51%	11%	1%
BSF	106.34	105.77	(1%)	15%	3%
SABB	127.71	179.66	41%	19%	6%
ANB	192.11	136.96	(29%)	20%	4%
SAMBA	281.33	256.27	(9%)	22%	8%
Al Rajhi	1,200.69	1,334.40	11%	65%	43%
Al Bilad	59.62	59.95	1%	42%	2%
Alinma	(31.98)	(0.63)	(98%)	NM	NM
NCB	681.42	670.84	(2%)	28%	22%
Total	2,893	3,088	7%	31%	100%

Retail Banking Net Income



Retail Banking Net Income Growth



Corporate Banking

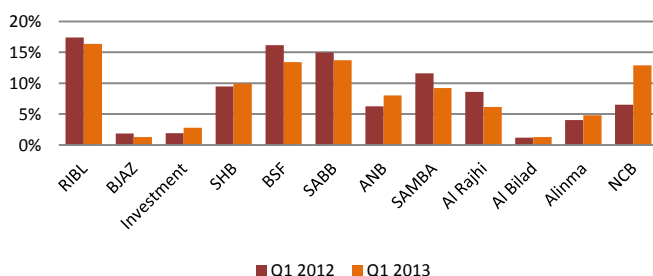
Corporate Banking segment's net income increased 11% to SR 3.3 billion compared to SR 2.98 billion compared to the same period last year. Corporate Banking contributed to 33% of the total banking sector's net income.

The Corporate Banking represented 95% of SHB's net income, 72% of Alinma's net income, and only 10% of Al Rajhi's net income. Riyadh bank and SAIB acquired 16% and 14% of the segment's net income, respectively.

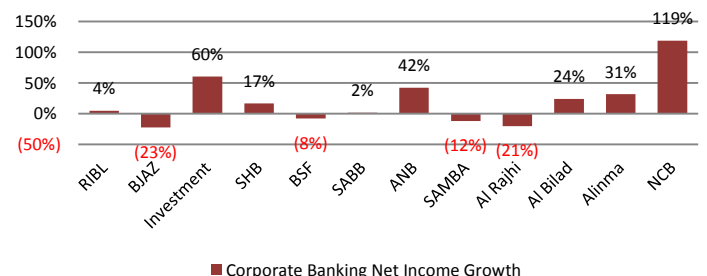
NCB realized 119% growth rate in the Corporate Banking net income, followed by SAIB and Arab National Bank (ANB) with 60% and 42%, respectively.

Corporate Banking					
Bank	Net Income Q1 (million SR)			% of Total Net Income Q1 2013	% of Total Sector Q1 2013
	2012	2013	Growth		
RIBL	519.30	541.31	4%	57%	16%
BJAZ	55.01	42.56	(23%)	30%	1%
Investment	57.82	92.77	60%	30%	3%
SHB	282.37	329.24	17%	95%	10%
BSF	481.34	443.40	(8%)	65%	13%
SABB	446.94	454.17	2%	48%	14%
ANB	186.66	265.44	42%	39%	8%
SAMBA	346.04	303.90	(12%)	26%	9%
Al Rajhi	256.00	203.00	(21%)	10%	6%
Al Bilad	35.02	43.37	24%	30%	1%
Alinma	120.75	158.60	31%	72%	5%
NCB	194.95	426.68	119%	18%	13%
Total	2,982	3,304	11%	33%	100%

Corporate Banking Net Income



Corporate Banking Net Income Growth



Operating Segments

Treasury

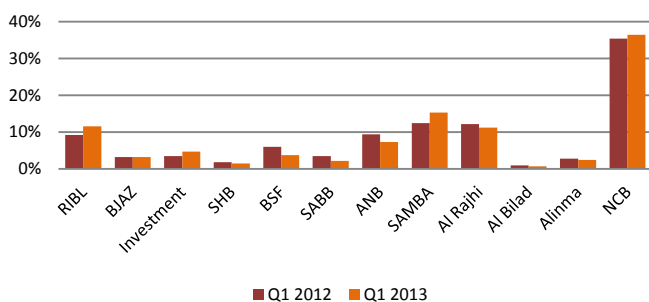
The treasury segment's net income increased by 23% to SR 2.86 billion in the first quarter of 2013 versus SR 2.34 billion in the first quarter of last year. The treasury's net income contributed to 29% of the total banking sector's net income.

The Treasury net income represented 63% of AlJazira's net income, 44% of NCB's net income, and 43% SAIB's net income. NCB attained 36% the Treasury segment's net income while SAMBA was the second largest contributor with 15% market share.

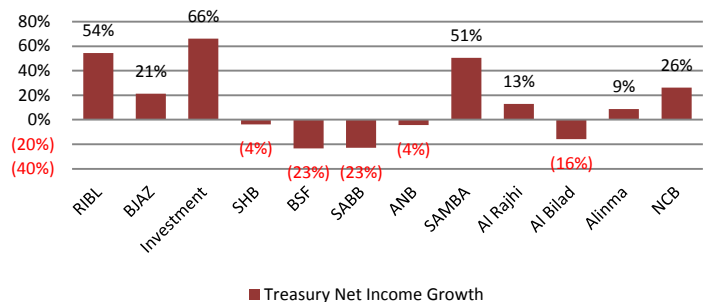
SAIB realized the highest growth rate in the segment of 66% YoY, followed by Riyadh and SAMBA with 54% and 51%, respectively.

Treasury					
Net Income Q1 (million SR)				% of Total Net Income Q1 2013	% of Total Sector Q1 2013
Bank	2012	2013	Growth		
RIBL	214.01	330.34	54%	35%	12%
BJAZ	75.55	91.57	21%	63%	3%
Investment	80.44	133.59	66%	43%	5%
SHB	42.47	40.84	(4%)	12%	1%
BSF	138.84	106.48	(23%)	16%	4%
SABB	80.32	61.92	(23%)	7%	2%
ANB	218.04	208.45	(4%)	31%	7%
SAMBA	289.93	436.44	51%	38%	15%
Al Rajhi	284.00	321.00	13%	16%	11%
Al Bilad	21.84	18.39	(16%)	13%	1%
Alinma	64.35	69.93	9%	32%	2%
NCB	826.45	1,043.03	26%	44%	36%
Total	2,336	2,862	23%	29%	100%

Treasury Net Income



Treasury Net Income Growth



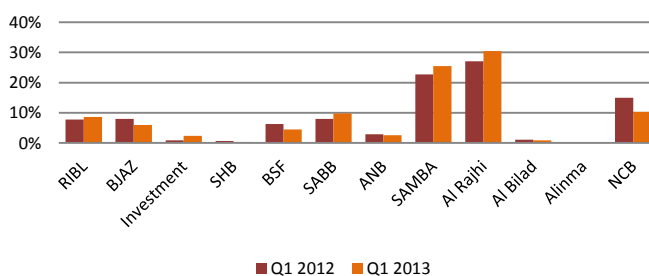
Brokerage & Investment Banking

The brokerage & investment Banking segment's net income decreased 36% to reach SR 636 million in the first quarter of 2013 versus SR 1.001 billion in the first quarter of 2012. The segment's net income contributed to 6% of the total banking sector's net income.

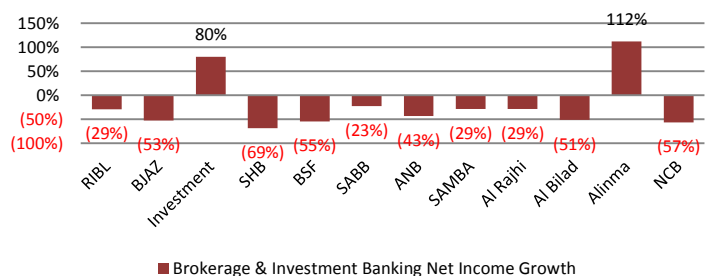
The segment's net income represented 26% of BIAZ net income and 14% Samba's net income. Al Rajhi accounted for 30% of the segment's net income, followed by Samba with 25% share.

Brokerage & Investment Services					
Net Income Q1 (million SR)				% of Total Net Income Q1 2013	% of Total Sector Q1 2013
Bank	2012	2013	Growth		
RIBL	77.66	54.86	(29%)	6%	9%
BJAZ	79.92	37.65	(53%)	26%	6%
Investment	8.43	15.18	80%	5%	2%
SHB	6.44	1.99	(69%)	1%	0%
BSF	62.38	28.20	(55%)	4%	4%
SABB	80.32	61.92	(23%)	7%	10%
ANB	28.78	16.35	(43%)	2%	3%
SAMBA	227.32	161.88	(29%)	14%	25%
Al Rajhi	270.64	193.29	(29%)	9%	30%
Al Bilad	11.41	5.54	(51%)	4%	1%
Alinma	(2.63)	(6.49)	112%	NM	NM
NCB	150.39	65.42	(57%)	3%	10%
Total	1,001	636	(36%)	6%	100%

Brokerage & Investment Banking Net Income



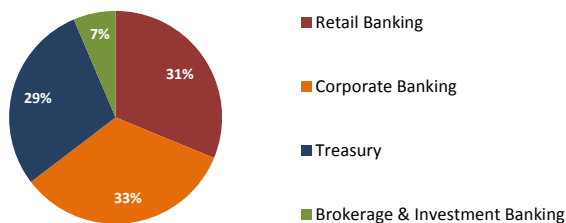
Brokerage & Investment Banking Net Income Growth



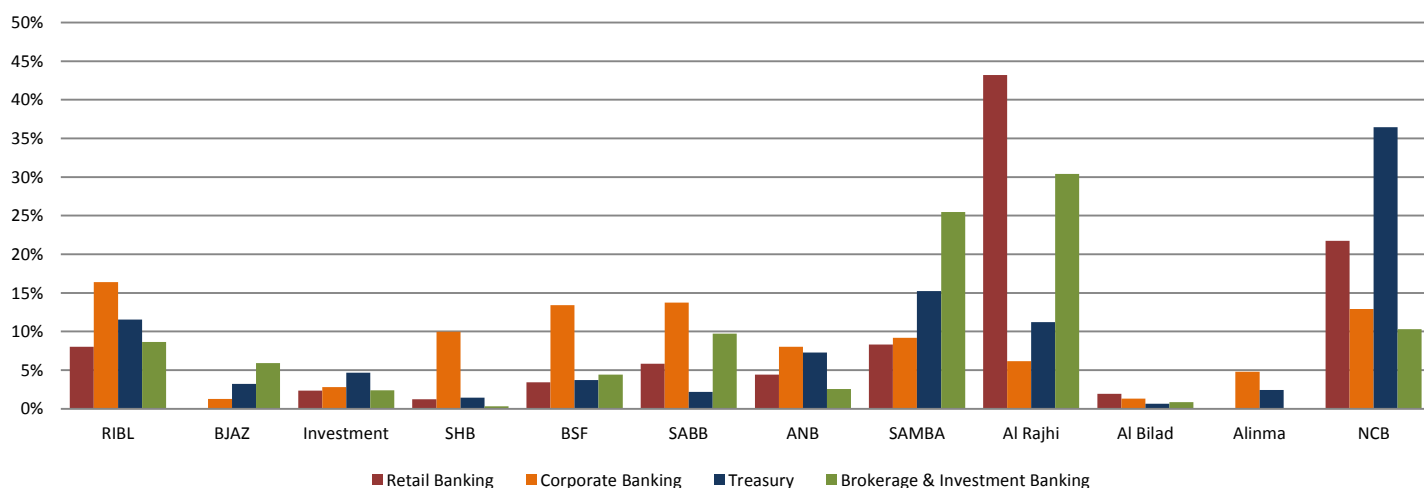


Operating Segments

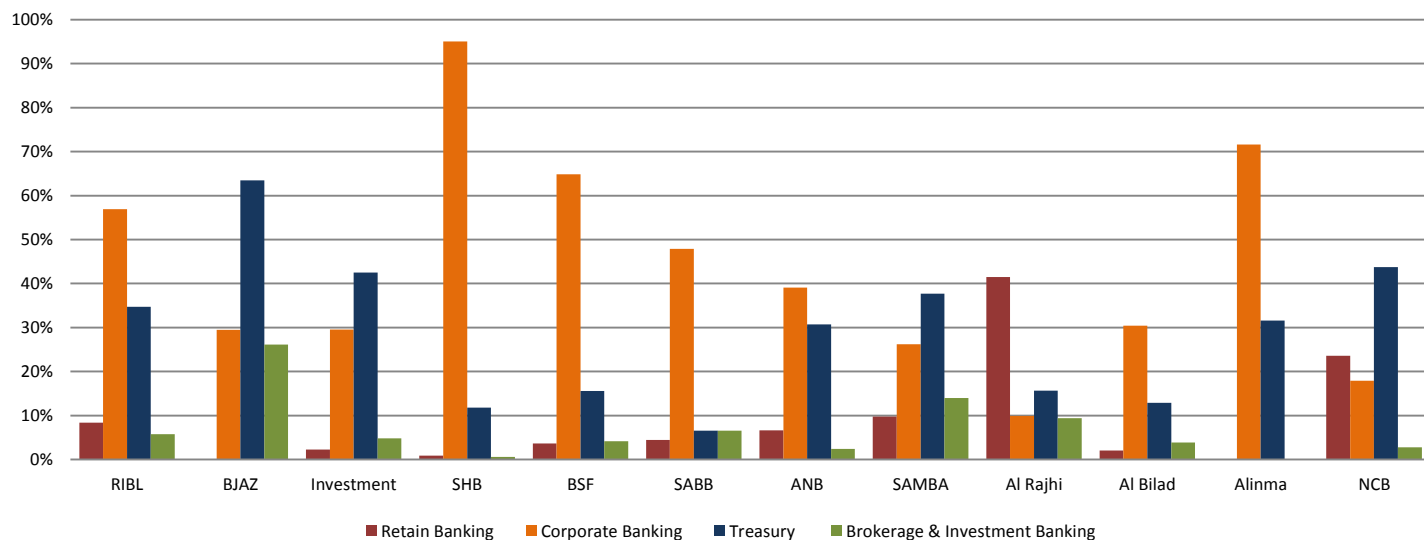
Segments Share of Total Net Income Q1 2013



Operating Segments Market Share of Total Net Income Q1 2013



Operating Segments Share of Each Bank's Net Income Q1 2013





Revenues and Operating Expenses

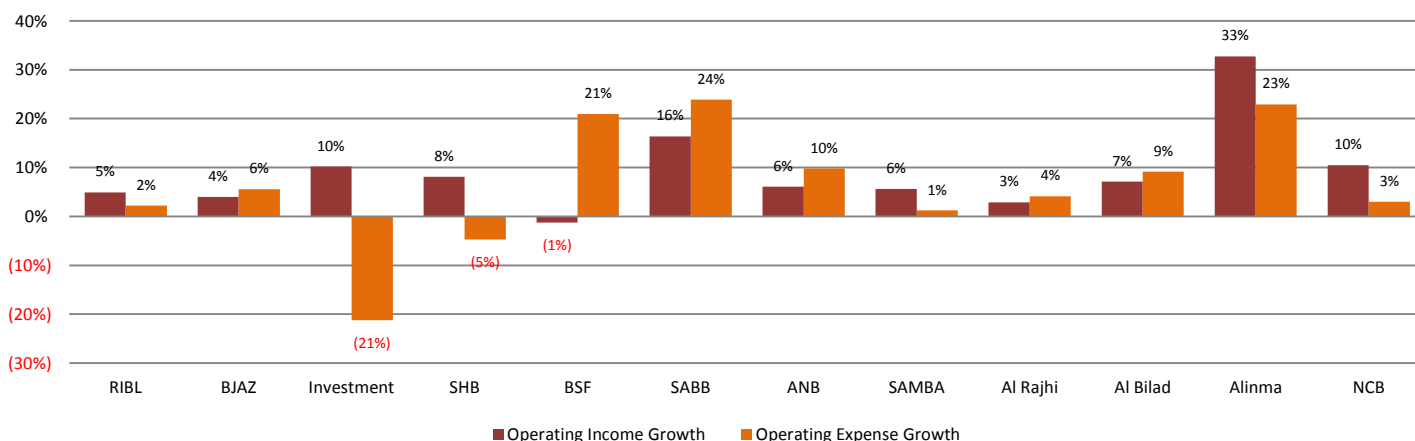
In 2013, the banking sector's revenues grew to SR 17.65 billion, recording growth rate of 7% compared to the same period of 2012. NCB and Al Rajhi ended the period with market share of 23% and 20%, respectively. Samba and Riyadh accounted for 11% and 10% of the sector's revenues, respectively, while 35% of the segment's revenues were split among the remaining eight banks.

Alinma and SABB realized strong growth rate in revenues of 33% to 16%, respectively, followed by NCB and SAIB with 10% each. With the exception of BSH, which suffered decline in revenues by 1% compared to 2012 first quarter, the remaining banks recorded a moderate growth rate of less than 10%.

Total operating expenses amounted to SR 7.58 billion, in 2013, increasing by 4%. SABB incurred the highest increase in operating expenses of 24%, followed by Alinma, BSF, and ANB with 23%, 21%, and 10% Y-on-Y increase in operating expenses. SAIB, SAMBA and SHB showed decline of operating expenses by 21%, 12% and 5% respectively.

Bank	Revenues & Operating Expense									
	Revenues Q1 (million SR)			% of Total Sector Q1		Operating Expense Q1 (million SR)			% of Total Sector Q1	
	2012	2013	Growth	2012	2013	2012	2013	Growth	2012	2013
RIBL	1,643.88	1,724.64	5%	10%	10%	769.61	786.69	2%	11%	10%
BJAZ	425.74	442.62	4%	3%	3%	282.70	298.38	6%	4%	4%
Investment	458.62	505.38	10%	3%	3%	290.21	228.56	(21%)	4%	3%
SHB	539.95	583.93	8%	3%	3%	249.87	238.01	(5%)	3%	3%
BSF	1,220.21	1,205.05	(1%)	7%	7%	431.41	521.85	21%	6%	7%
SABB	1,235.04	1,437.55	16%	8%	8%	421.44	522.08	24%	6%	7%
ANB	1,195.69	1,268.29	6%	7%	7%	544.19	597.51	10%	7%	8%
SAMBA	1,796.16	1,896.97	6%	11%	11%	738.49	651.53	(12%)	10%	9%
Al Rajhi	3,427.44	3,526.24	3%	21%	20%	1,416.11	1,474.55	4%	19%	19%
Al Bilad	419.81	449.81	7%	3%	3%	281.46	307.30	9%	4%	4%
Alinma	393.08	521.71	33%	2%	3%	242.60	298.16	23%	3%	4%
NCB	3,703.85	4,092.48	10%	23%	23%	1,604.41	1,652.27	3%	22%	22%
Total	16,459.44	17,654.65	7%	100%	100%	7,272.49	7,576.87	4%	100%	100%

Operating Income and Expense Growth



Net Loans

Loan Portfolio

Net loans stood at SR 1,047 billion, reflecting an increase of 16% over the loan balance as at 31 March 2012.

Alnma recorded the highest increase in the loan balance with 43% growth rate, followed by SAIB and BIAZ with 32% and 29%, respectively.

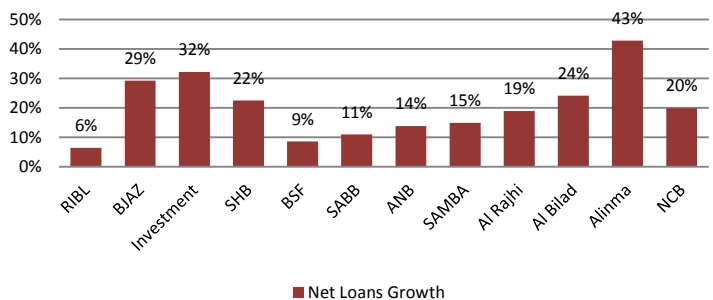
Al Rajhi, NCB, and Riyad constituted 17%, 16%, and 12% of the loan portfolio, respectively, while Samba, BSF, and SABB represented 10% each.

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.

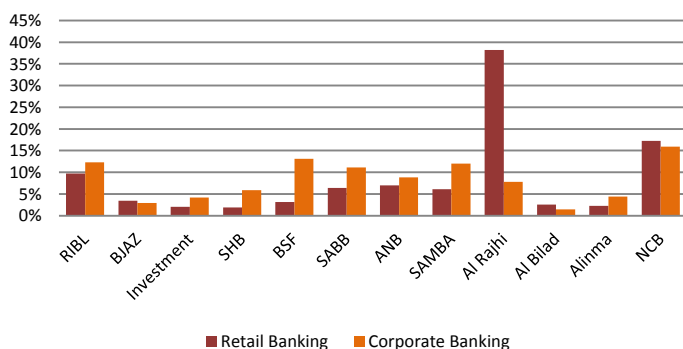
Bank	Net Loans Q1 (million SR)		Growth	% of Total Sector Q1	
	2012	2013		2012	2013
RIBL	113,694.92	120,921.54	6%	13%	12%
BJAZ	25,069.90	32,408.43	29%	3%	3%
Investment	27,980.78	36,989.66	32%	3%	4%
SHB	39,743.57	48,683.96	22%	4%	5%
BSF	97,477.02	105,814.74	9%	11%	10%
SABB	91,190.37	101,182.86	11%	10%	10%
ANB	75,570.16	85,968.39	14%	8%	8%
SAMBA	92,782.87	106,550.07	15%	10%	10%
Al Rajhi	151,841.93	180,489.03	19%	17%	17%
Al Bilad	15,062.04	18,688.39	24%	2%	2%
Alinma	27,608.37	39,415.82	43%	3%	4%
NCB	142,336.25	170,651.70	20%	16%	16%
Total	900,358.17	1,047,764.59	16%	100%	100%

Net Loans Growth

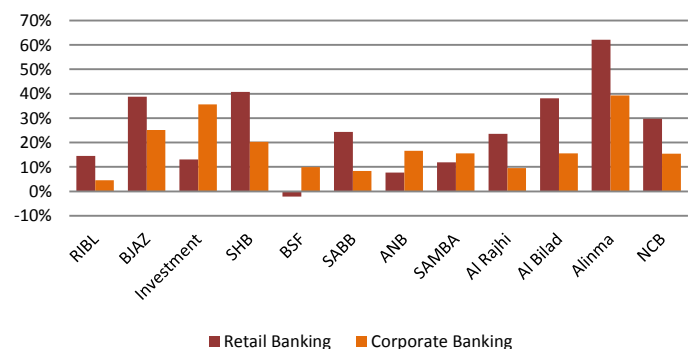


Bank	Retail Banking			% of Total Sector			Corporate Banking			% of Total Sector		
	2012	2013	G	2012	2013	G	2012	2013	G	2012	2013	G
RIBL	27,706.51	31,718.12	14%	10%	10%		85,955.37	89,799.44	4%	13%	12%	
BJAZ	8,228.59	11,418.69	39%	3%	3%		17,064.78	21,352.87	25%	3%	3%	
Investment	5,926.61	6,697.13	13%	2%	2%		22,605.12	30,670.04	36%	4%	4%	
SHB	4,385.75	6,173.63	41%	2%	2%		35,680.92	42,921.74	20%	6%	6%	
BSF	10,608.94	10,386.37	(2%)	4%	3%		87,217.22	95,853.96	10%	14%	13%	
SABB	16,941.97	21,074.11	24%	6%	6%		74,675.02	80,931.06	8%	12%	11%	
ANB	21,190.35	22,818.15	8%	8%	7%		55,364.60	64,521.00	17%	9%	9%	
SAMBA	17,902.32	20,030.50	12%	7%	6%		75,626.57	87,378.75	16%	12%	12%	
Al Rajhi	101,213.92	125,032.43	24%	38%	38%		51,860.38	56,796.61	10%	8%	8%	
Al Bilad	6,021.70	8,316.32	38%	2%	3%		9,303.57	10,744.42	15%	1%	1%	
Alinma	4,538.56	7,356.63	62%	2%	2%		23,146.35	32,254.40	39%	4%	4%	
NCB	43,511.66	56,420.82	30%	16%	17%		100,814.52	116,346.28	15%	16%	16%	
Total	268,176.86	327,442.88	22%	100%	100%		639,314.43	729,570.56	14%	100%	100%	

Loans Share per Segment



Loans Growth per Segment



Credit Loss Provisions

Credit Loss Provisions

Credit loss provisions increased 1.4% to SR 1.6 billion, compared to the same period last year.

Al Rajhi, NCB, and Samba constituted 29%, 16%, and 13% of the total provisions, respectively.

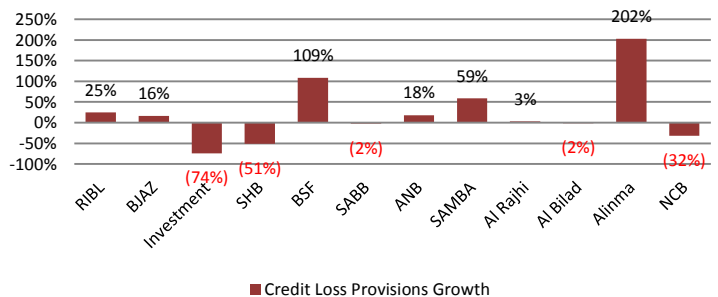
Compared to ending balances on 31 March 2012, seven banks recorded an increase in the credit loss provisions' balance while the remaining five banks showed a decline in their ending balance.

Credit Loss Provisions per Segment

The retail credit loss provisions grew by 6%, supported by the increase in provisions by Samba and Aljazira. The corporate credit loss provisions' balance was mainly impacted by BSF and SABB, showing a 10% growth rate.

Bank	Credit Loss Provisions Q1 (million SR)			% of Total Sector	
	2012	2013	Growth	2012	2013
RIBL	152.87	191.13	25%	9.4%	11.6%
BJAZ	47.73	55.48	16%	2.9%	3.4%
Investment	115.00	30.00	(74%)	7.1%	1.8%
SHB	44.23	21.80	(51%)	2.7%	1.3%
BSF	61.27	127.84	109%	3.8%	7.7%
SABB	36.62	35.92	(2%)	2.2%	2.2%
ANB	89.92	106.27	18%	5.5%	6.4%
SAMBA	137.54	218.20	59%	8.4%	13.2%
Al Rajhi	466.75	481.84	3%	28.6%	29.1%
Al Bilad	65.74	64.65	(2%)	4.0%	3.9%
Alinma	16.88	51.03	202%	1.0%	3.1%
NCB	395.58	269.38	(32%)	24.3%	16.3%
Total	1,630.13	1,653.54	1.4%	100.0%	100.0%

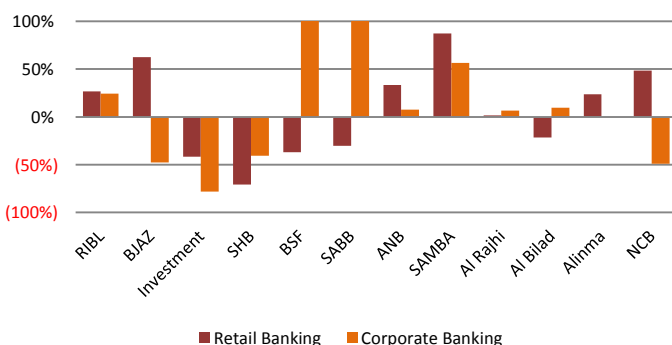
Credit Loss Provisions Growth



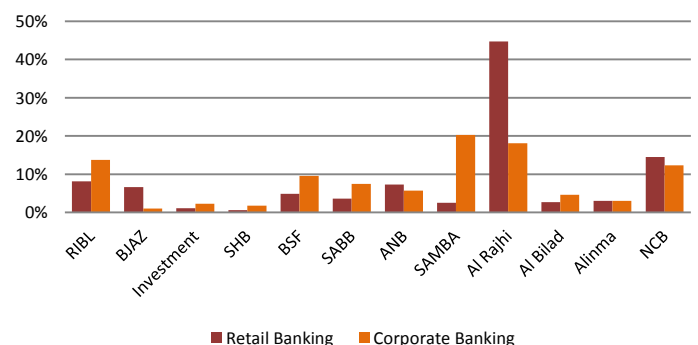
Credit Loss Provisions per Segment Q1 (million SR)

Bank	Retail Banking			% of Total Sector		Corporate Banking			% of Total Sector	
	2012	2013	G	2012	2013	2012	2013	G	2012	2013
RIBL	43.72	55.31	27%	6.8%	8.2%	109.15	135.82	24%	12.1%	13.7%
BJAZ	27.73	45.05	62%	4.3%	6.6%	20.00	10.44	(48%)	2.2%	1.1%
Investment	13.12	7.64	(42%)	2.1%	1.1%	101.88	22.36	(78%)	11.3%	2.3%
SHB	14.72	4.29	(71%)	2.3%	0.6%	29.51	17.52	(41%)	3.3%	1.8%
BSF	52.66	33.17	(37%)	8.2%	4.9%	8.60	94.68	1001%	1.0%	9.6%
SABB	35.62	24.80	(30%)	5.6%	3.7%	1.01	74.24	7280%	0.1%	7.5%
ANB	37.27	49.69	33%	5.8%	7.3%	52.65	56.58	7%	5.8%	5.7%
SAMBA	9.30	17.40	87%	1.5%	2.6%	128.24	200.80	57%	14.2%	20.3%
Al Rajhi	298.75	302.84	1%	46.7%	44.7%	168.00	179.00	7%	18.7%	18.1%
Al Bilad	23.55	18.46	(22%)	3.7%	2.7%	42.19	46.19	9%	4.7%	4.7%
Alinma	16.88	20.84	23%	2.6%	3.1%	-	30.19	NM	0.0%	3.1%
NCB	65.98	97.97	48%	10.3%	14.5%	239.20	121.97	(49%)	26.6%	12.3%
Total	639.28	677.45	6%	100.0%	100.0%	900.43	989.79	10%	100.0%	100.0%

Credit Loss Provisions Growth per Segment



Credit Loss Provisions Share per Segment



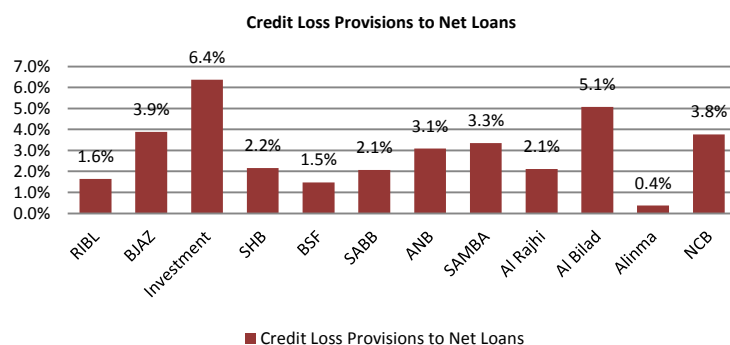
Credit Loss Provisions & Coverage Ratio

Credit Loss Provisions to Net Loans

Credit loss provision to net loans was 2.7% versus 3.2% on 31 March 2012.

SAIB showed the highest credit loss to net loans ratio of 6.4% increasing from 3% in March 2012. AlBilad recorded significant decline in credit loss provisions to net loans ratio from 7.7% in March 2012 to 5.1% in March 2013.

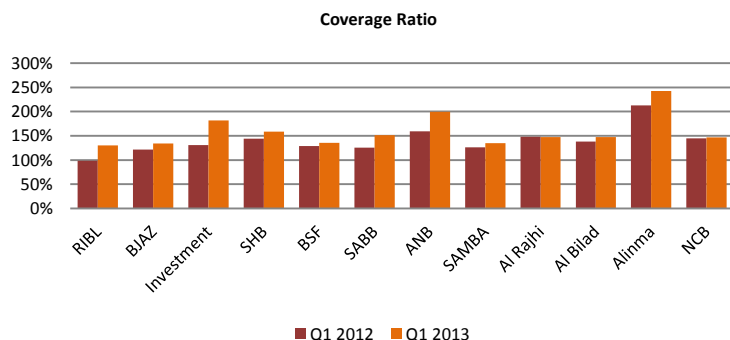
Bank	Credit Loss Provisions to Net Loans Q1	
	2012	2013
RIBL	2.3%	1.6%
BJAZ	5.7%	3.9%
Investment	3.0%	6.4%
SHB	2.8%	2.2%
BSF	1.7%	1.5%
SABB	2.7%	2.1%
ANB	3.6%	3.1%
SAMBA	3.6%	3.3%
Al Rajhi	2.8%	2.1%
Al Bilad	7.7%	5.1%
Alinma	1.2%	0.4%
NCB	4.7%	3.8%
Total	3.2%	2.7%



Coverage Ratio

During the first quarter of 2013, the coverage increased to 148% compared to 134% in the first quarter on 2012. Alinma had the highest coverage ratio of 242% followed by ANB with 200%.

Bank	Coverage Ratio Q1	
	2012	2013
RIBL	98%	130%
BJAZ	122%	134%
Investment	131%	182%
SHB	144%	158%
BSF	129%	136%
SABB	126%	151%
ANB	159%	200%
SAMBA	126%	135%
Al Rajhi	148%	147%
Al Bilad	138%	147%
Alinma	212%	242%
NCB	145%	147%
Total	134%	148%



Customer Deposits

Customer Deposits

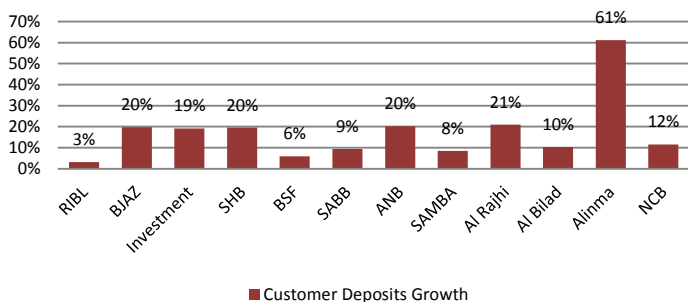
Customer deposits totaled SR 1,356 billion versus SR 1,197 billion in March 2012, with an annual increase of 13%.

NCB represented 20% of the total deposits, followed by Al Rajhi with 17% share in total deposits and Samba and Riyadh with 11% each.

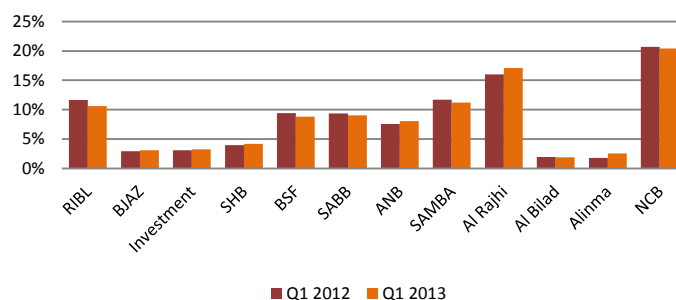
Alinma showed the highest increase in the amount of customer deposits of 61%, followed by Al Rajhi with 21% growth rate and ANB, SHB, and Aljazira which recorded an increase of 20% each. The remaining banks had an increase of less than 20% in their customer deposits 'ending balance.

Bank	Customer Deposits Q1 (million SR)		Growth	% of Total Sector	
	2012	2013		2012	2013
RIBL	139,535.54	143,963.72	3%	12%	11%
BJAZ	34,602.09	41,421.56	20%	3%	3%
Investment	36,944.84	44,039.35	19%	3%	3%
SHB	47,316.21	56,604.23	20%	4%	4%
BSF	112,601.26	119,260.90	6%	9%	9%
SABB	111,617.20	122,074.43	9%	9%	9%
ANB	90,692.63	109,088.93	20%	8%	8%
SAMBA	139,903.01	151,686.31	8%	12%	11%
Al Rajhi	191,668.63	231,732.13	21%	16%	17%
Al Bilad	22,909.37	25,280.64	10%	2%	2%
Alinma	21,329.31	34,357.81	61%	2%	3%
NCB	247,921.12	276,683.64	12%	21%	20%
Total	1,197,041.21	1,356,193.63	13%	100%	100%

Customer Deposits Growth



Customer Deposits Share of Total Sector



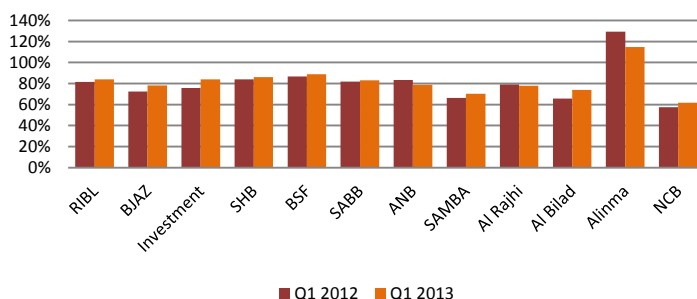
Loan-to-Deposit Ratio

The Loan-to-Deposit ratio reached 77% compared to 75% on 31 March 2012.

Alinma, BSF, and SHB recorded Loan-to-Deposit ratio above 85% of 115%, 89%, and 86%, respectively. NCB's Loan-to-Deposit ratio stood at a lower percentage of 62% in March 2013.

Bank	Net Loans to Customer Deposits Ratio Q1		Change
	2012	2013	
RIBL	81%	84%	3%
BJAZ	72%	78%	6%
Investment	76%	84%	8%
SHB	84%	86%	2%
BSF	87%	89%	2%
SABB	82%	83%	1%
ANB	83%	79%	(5%)
SAMBA	66%	70%	4%
Al Rajhi	79%	78%	(1%)
Al Bilad	66%	74%	8%
Alinma	129%	115%	(15%)
NCB	57%	62%	4%
Total	75%	77%	2%

Loans to Deposits Ratio



Total Assets & Net Investments

Total Assets

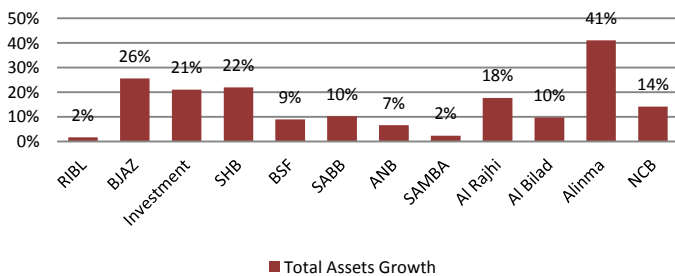
Total assets reached SR 1,754 billion compared to SR 1,570 billion in March 2012, with an annual increase of 12%.

NCB constituted 20% of the sector's total assets while Al Rajhi constituted 16%, followed by Samba and Riyadh with 11% each.

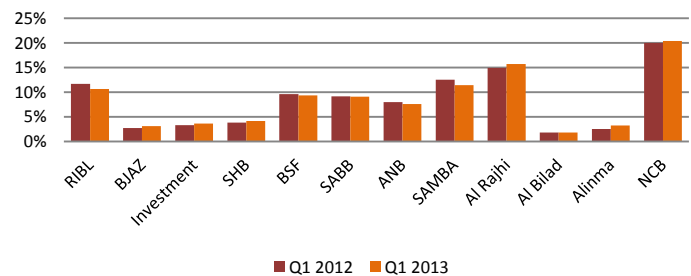
Alinma booked the highest increase in total assets of 41%, followed by Aljazira, SHB, and SAIB, with 26%, 22%, and 21% growth rate, respectively. The remaining banks recorded a growth rate of less than 20%.

Bank	Total Assets		Growth	% of Total Sector	
	2012	2013		2012	2013
RIBL	183,392.51	186,449.87	2%	12%	11%
BJAZ	43,099.20	54,135.58	26%	3%	3%
Investment	52,189.11	63,129.38	21%	3%	4%
SHB	59,601.27	72,653.12	22%	4%	4%
BSF	150,478.52	163,990.49	9%	10%	9%
SABB	144,047.60	158,789.19	10%	9%	9%
ANB	125,416.15	133,671.26	7%	8%	8%
SAMBA	196,165.85	200,794.31	2%	12%	11%
Al Rajhi	234,165.35	275,614.57	18%	15%	16%
Al Bilad	28,539.69	31,327.54	10%	2%	2%
Alinma	39,872.15	56,236.53	41%	3%	3%
NCB	313,641.24	358,079.05	14%	20%	20%
Total	1,570,608.63	1,754,870.88	12%	100%	100%

Total Assets Growth



Total Assets per Bank to Sector's Total



Net Investments

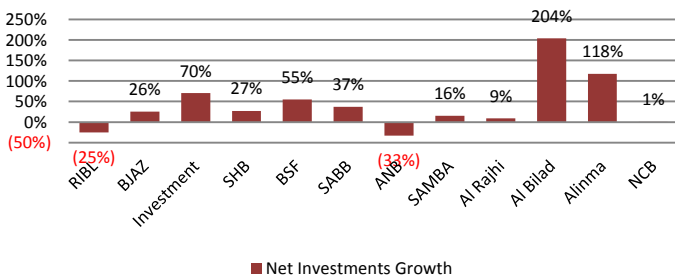
Net investment balance reached SR 397 billion compared to SR 370 billion in March 2012, with an annual increase of 7%.

NCB constituted 32% of the sector's investment portfolio followed by Samba with 16% share.

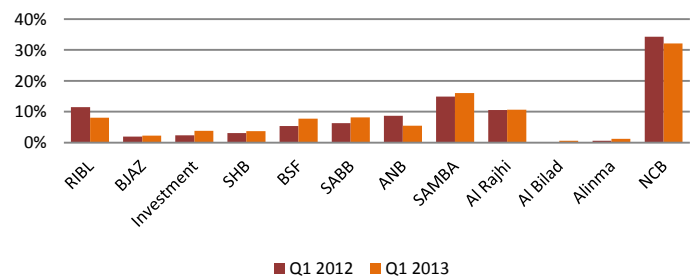
Albilad booked the highest increase in net investments of 204%, followed by Alinma with 118% growth rate. Unlike, Riyadh and ANB which recognized a decline in net investments by 25% and 33%, respectively; the remaining banks recorded a positive growth rate.

Bank	Net Investments Q1 (million SR)		Growth	% of Total Sector	
	2012	2013		2012	2013
RIBL	42,696.39	31,989.02	(25%)	12%	8%
BJAZ	7,287.24	9,165.39	26%	2%	2%
Investment	9,001.37	15,328.15	70%	2%	4%
SHB	11,565.04	14,709.87	27%	3%	4%
BSF	19,917.42	30,928.55	55%	5%	8%
SABB	23,597.04	32,421.61	37%	6%	8%
ANB	32,403.71	21,745.41	(33%)	9%	5%
SAMBA	55,145.03	63,749.22	16%	15%	16%
Al Rajhi	39,010.98	42,508.94	9%	11%	11%
Al Bilad	802.95	2,438.94	204%	0%	1%
Alinma	2,323.50	5,055.19	118%	1%	1%
NCB	126,940.37	128,025.45	1%	34%	32%
Total	370,691.02	398,065.74	7%	100%	100%

Net Investments Growth



Net Investments per Bank to Sector's Total



Shareholders' Equity

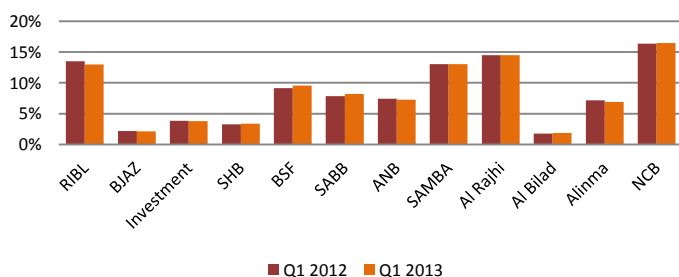
Shareholders' Equity

As at March 2013, the sector's shareholders' equity totaled SR 244 billion versus 224 billion in March 2012, with a growth rate of 9%.

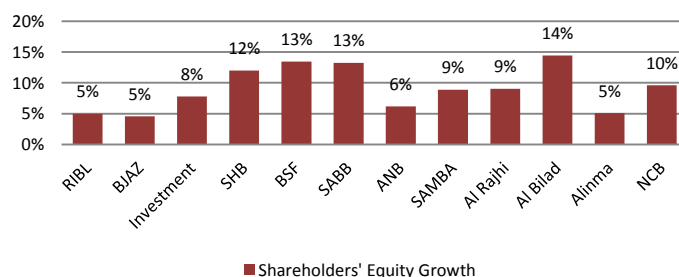
AlBilad booked the highest increase in shareholders' equity of 14%, followed by SAIB and BSF with 13% growth rate each and NCB with 10% increase in shareholders' equity. The remaining banks recorded a positive growth rate of less 10%.

Bank	Shareholders' Equity Q1 (million SR)		Growth	% of Total Sector	
	2012	2013		2012	2013
RIBL	30,328.02	31,831.43	5%	13%	13%
BJAZ	4,938.18	5,162.88	5%	2%	2%
Investment	8,648.75	9,322.45	8%	4%	4%
SHB	7,331.47	8,209.63	12%	3%	3%
BSF	20,587.44	23,359.43	13%	9%	10%
SABB	17,682.79	20,022.81	13%	8%	8%
ANB	16,727.41	17,758.21	6%	7%	7%
SAMBA	29,350.42	31,962.52	9%	13%	13%
Al Rajhi	32,583.64	35,522.37	9%	14%	15%
Al Bilad	3,952.32	4,522.68	14%	2%	2%
Alinma	16,079.92	16,893.86	5%	7%	7%
NCB	36,782.12	40,313.01	10%	16%	16%
Total	224,992.47	244,881.26	9%	100%	100%

Shareholders' Equity per Bank to Sector's Total



Shareholders' Equity Growth





Financial Ratios

The banking sector financial ratios during the first quarter of 2013:

- Average RoE reached 4.5%
- Average EPS was SR 0.89 per share with P/E multiple of 11.5x and P/BV multiple of 1.6x
- Average Liquidity ratio stood at 10%

Bank	Closing Price (1)	Market Cap	Issued Shares	Floating Shares	EPS	PE(1)	BV	P/BV (1)	RoE (3)	Liquidity Ratio	Div. (SR)	Div. Yield	Capital Adequacy (Basel II)	
													Tier 1	Tier 1+2
RIBL	24.05	36,075	1,500	712	2.34	10.26	21.22	1.13	3.1%	11%	1.30	5.49%	16.8%	17.4%
BJAZ	27	8,100	300	270	1.67	16.15	17.21	1.57	2.9%	13%			11.5%	14.1%
Investment	20.6	11,330	550	295	1.84	11.17	16.95	1.22	3.6%	6%	0.70	3.41%	16.2%	17.3%
SHB	30.4	12,066	397	112	3.30	9.22	20.68	1.47	4.7%	8%	1.00	3.32%	13.5%	14.7%
BSF	30	27,121	904	493	3.22	9.32	25.84	1.16	3.3%	9%	0.80	2.67%	12.0%	16.9%
SABB	36.9	36,900	1,000	328	3.33	11.07	20.02	1.84	5.4%	10%	0.92	2.56%	14.6%	16.3%
ANB	28.1	23,885	850	416	2.82	9.98	20.77	1.35	4.1%	16%	0.10	0.36%	13.9%	15.0%
SAMBA	46.7	42,030	900	455	4.83	9.67	35.40	1.32	3.9%	9%	1.65	3.60%	17.0%	18.0%
Al Rajhi	67.5	101,250	1,500	1,024	5.28	12.78	23.68	2.85	6.3%	11%	3.25	4.83%	17.6%	18.3%
Al Bilad	24.35	9,740	400	309	1.43	17.00	11.31	2.15	3.6%	10%	-	-	18.1%	19.2%
Alinma	13.7	20,550	1,500	1,039	0.54	25.57	11.26	1.22	1.4%	6%	-	-	32.0%	33.0%
NCB (2)	-	-	1,500	-	1.59		24.52	-	6.5%	10%	-	-	16.0%	17.0%
Total		329,046	11,301	5,453	0.89	11.50	19.91	1.61	4.5%	10%	-	-	-	-

(1) As of 28th of May 2013.

(2) Not Listed.

(3) Return on Equity at the beginning of the period.



Glossary

- **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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