

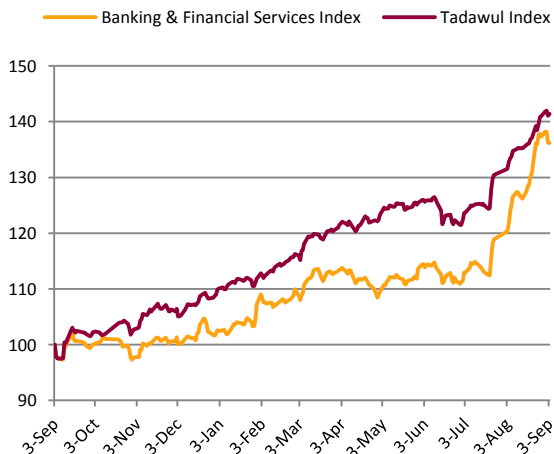
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Overview

Summary

The report reviews the performance of all Saudi banks in the second quarter of 2014 including non-listed NCB.

Bank	Loans to Deposits Ratio	Coverage Ratio	Total Assets million SAR	Net Income million SAR	PE	P/BV
RIBL	89.3%	1.70	213,992	2,216	16.18	2.03
BJAZ	76.8%	1.04	65,801	326	22.25	2.47
SAIB	82.1%	1.95	88,062	690	13.94	1.70
SHB	81.8%	1.60	89,489	897	14.55	2.48
BSF	89.1%	1.71	184,313	1,740	17.86	1.91
SABB	83.2%	1.51	175,468	2,238	15.47	2.59
ANB	86.0%	2.08	142,669	1,498	13.68	1.77
SAMBA	76.5%	1.48	214,254	2,498	12.83	1.67
Al Rajhi	84.0%	1.60	295,155	3,655	18.03	3.06
Al Bilad	82.9%	2.08	40,978	378	25.54	3.68
Alinma	101.2%	1.81	70,600	600	32.14	2.10
NCB	61.2%	1.79	435,530	4,961	-	-
Total	79.3%	1.66	2,016,311	21,697	16.70	2.24



Source of data: Tadawul, Albilad Capital estimates, Saudi banks filings

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Corporate Banking Leads the Way

In H1 2014, Saudi banks showed a 9% growth in profitability and achieved improvements in efficiency and asset quality. In the first half of 2014, net loans advanced by 12% reaching SAR 1,218 billion while deposits increased by 13%, compared to 10% recorded in FY 2013, to reach SAR 1,569 billion by the end of June. The loan to deposit ratio declined by 48 basis points to reach 79.3% for the six month ending June 2014. Further to this, Saudi Investment Bank (Saib) and Bank Al Bilad (Al Bilad) showed 36% and 32% loan growth, respectively, over the period. In particular, Saib recorded the highest deposit growth of 39% and Al Inma Bank showed 34% growth of deposits which shed their market share of deposits to 4.3% for Saib and 3.1% for Al Inma. None of the Saudi banks realized Y-on-Y decline in loans or deposits. Al Inma Bank showed the sharpest drop in its loan to deposit ratio from 114% to 101% which was due to a low capitalization ratio. Samba and Al Bilad showed an increase in loan to deposit ratio to 76.5% and 82.9%, however, NCB continue to have the lowest ranking in this ratio which stands at 61.1%, signaling a room for loan growth.

The aggregate banking income statement showed weaker growth than the sector balance sheet. Special commission income and net income increased by 8% and 9%, respectively, compared to the first half of 2013. Saudi Hollandi Bank (SHB) and Bank Al Jazira (BJAZ) recorded an above average growth of 21% and 19% in special commission income, respectively. Meanwhile, Al Inma Bank and Bank Saudi Fransi (BSF) showed impressive double digit growth in earnings of 30% and 24%, respectively. Al Rajhi Bank, on the other hand, recorded an earnings slump of 12%, due to 83% surge in loan loss provisions.

The aggregate banking income statement continued to show slower growth than the balance sheet due to lower banking spreads. The spread for the aggregate sector shed 12 basis points, Y-on-Y, to reach 2.77%. The decline of spread was on the back of the 26 basis points decline of NCB spread to 2.91% which constitutes 22% and 16.9% of the sector deposits and loans, respectively. Al Rajhi also showed a decline in spread by 5 basis points to reach 3.88% maintaining the highest spread figure.

Return on equity (ROE) declined to 14.8%, 114 basis lower than H1 2013 ROE. NCB showed the highest ROE of 21.4%, 63 basis points higher than H1 2013 ROE. Alrajhi recorded a decline in its ROE by 532 basis points reaching 17%.

Corporate banking continued to show an impressive 27% growth in net income to reach SAR 9.24 billion, constituting 43% of the aggregate banking profits.

The banks credit quality improved as the ratio of non-performing loans (NPL) to total loans dropped by 15 basis points to 1.31% in Q2 2014. However, Al Inma, Al Rajhi and BSF showed an increase of 44 basis points, 28 basis points and 8 basis points in NPL to gross loans. Moreover, the banks NPL coverage also increased Y-on-Y to 166% from 157% recorded in H1 2013.

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Banking Sector Q3 2013

Net Income

Saudi banks aggregate net income reached SR 21.6 billion in H1 2014 from SR 20 billion in the same period of last year making 9% y-o-y growth.

Alinma made the highest growth by 30% followed by SHB which made 24% growth y-o-y.

NCB made the highest contribution by 23% of the aggregate sector's net income and made a y-o-y growth by 15%

Al Rajhi made a negative growth rate by 12% reducing its contribution to 17% from 21% in the same period of last year.

Bank	Net Income H1 (million SR)		Growth	% of Total	
	2013	2014		2013	2014
RIBL	1,918.9	2,215.7	15%	10%	10%
BJAZ	311.6	326.0	5%	2%	2%
Investment	634.7	690.4	9%	3%	3%
SHB	721.0	897.2	24%	4%	4%
BSF	1,446.5	1,740.0	20%	7%	8%
SABB	1,952.5	2,237.8	15%	10%	10%
ANB	1,396.7	1,498.3	7%	7%	7%
SAMBA	2,333.6	2,497.9	7%	12%	12%
Al Rajhi	4,174.4	3,654.8	(12%)	21%	17%
Al Bilad	318.4	378.0	19%	2%	2%
Alinma	462.9	600.5	30%	2%	3%
NCB	4,324.1	4,960.7	15%	22%	23%
Total	19,995.3	21,697.4	9%	100%	100%

Net Special Commission Income

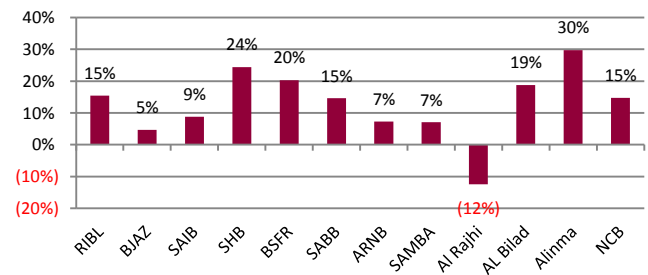
The aggregate net special commission income reached SR 25 billion in Q1 2014 from SR 23.1 billion in the same period of last year making 8% y-o-y growth rate.

SHB made the highest growth of 21% followed by BIAZ which made 19% growth.

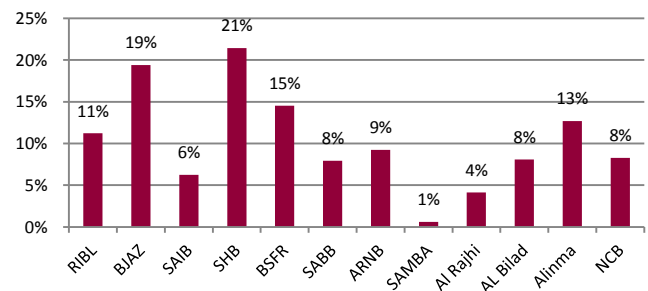
Net special commission made 66% of aggregate operating income. The net special commission of Alinma made 84% of its total operating income where for Albilad it makes only 48%.

Bank	Net Special Commission H1 (million SR)		Growth	% of Total	
	2013	2014		2013	2014
RIBL	2,644.8	2,941.6	11%	75%	73%
BJAZ	567.7	677.9	19%	64%	62%
Investment	683.0	725.7	6%	67%	55%
SHB	763.7	927.4	21%	60%	59%
BSF	1,629.7	1,866.4	15%	66%	65%
SABB	1,824.2	1,969.2	8%	62%	60%
ANB	1,612.1	1,761.3	9%	64%	65%
SAMBA	2,230.9	2,244.6	1%	61%	60%
Al Rajhi	4,754.4	4,950.6	4%	69%	69%
Al Bilad	449.7	486.0	8%	48%	48%
Alinma	900.2	1,014.4	13%	83%	84%
NCB	5,079.1	5,500.2	8%	65%	68%
Total	23,139.5	25,065.3	8%	66%	66%

Net Income Growth



Net Special Commission Income Growth



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Operating Segments

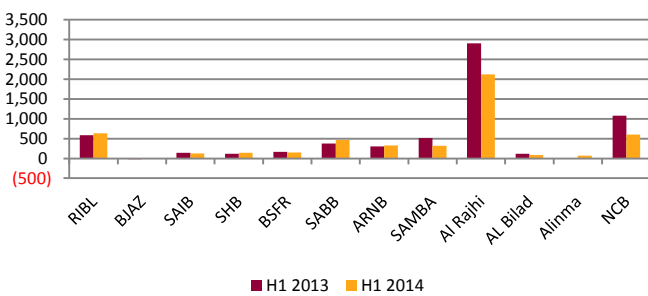
Retail Banking

In the first half, the sector's income from retail banking decreased by 20% to reach SAR 5 billion compared to the same period of 2013. Retail banking constituted 23% of the aggregate sector's net income for the quarter.

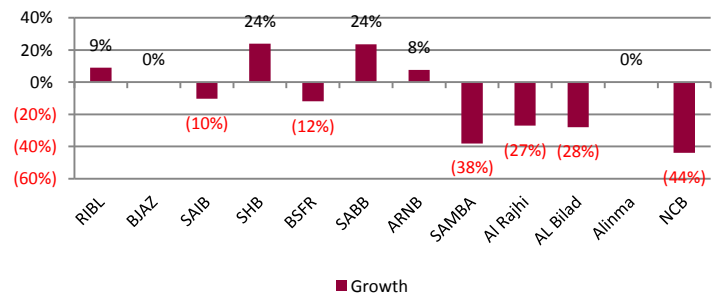
Income from retail banking represented 58% of Al Rajhi's net income and 23% of Al Bilad's bottom line. BIAZ recorded net losses from the same segment. SHB and SABB achieved the highest growth rate of 24% each.

Bank	Net Income (million SAR)		Growth	% of Total Net Income 2014	% of Total Sector 2014
	2013	2014			
RIBL	583.5	635.9	9%	29%	13%
BIAZ	(23.1)	(9.7)	-	-	-
Investment	138.7	124.3	(10%)	18%	2%
SHB	117.4	145.5	24%	16%	3%
BSF	169.0	148.7	(12%)	9%	3%
SABB	374.6	463.0	24%	21%	9%
ANB	300.9	323.9	8%	22%	6%
SAMBA	513.3	317.6	(38%)	13%	6%
Al Rajhi	2,905.9	2,118.4	(27%)	58%	42%
Al Bilad	118.9	85.5	(28%)	23%	2%
Alinma	(1.4)	72.5	-	12%	1%
NCB	1,078.3	603.6	(44%)	12%	12%
Total	6,276.2	5,029.0	(20%)	23%	100%

Retail Banking Net Income - Million SAR



Retail Banking Net Income Growth

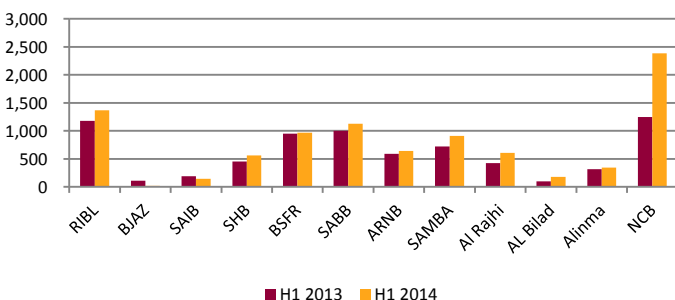


Corporate Banking

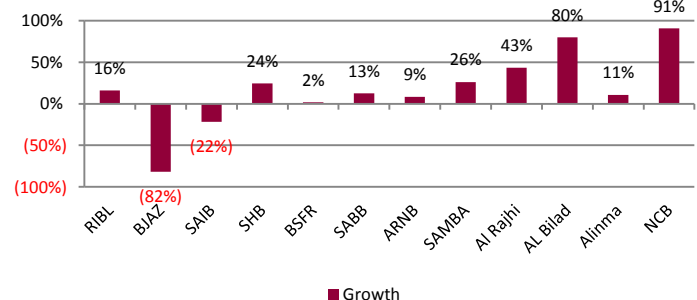
Income from corporate banking increased by 27%, Y-on-Y, to reach SAR 4.25 billion. Corporate banking contributed to 43% of the sector's bottom line. NCB and Riyad Bank showed the highest corporate banking market share of 26% and 15%, respectively. Income from corporate banking represented 62% of SHB and Riyad bank's net income, and only 6% of BIAZ net income. NCB and Albilad bank realized 91% and 80% growth rate, respectively.

Bank	Net Income (million SAR)		Growth	% of Total Net Income 2014	% of Total Sector 2014
	2013	2014			
RIBL	1,178.6	1,367.6	16%	62%	15%
BIAZ	108.3	19.7	(82%)	6%	0%
Investment	186.6	146.1	(22%)	21%	2%
SHB	450.6	560.5	24%	62%	6%
BSF	946.3	964.2	2%	55%	10%
SABB	999.5	1,127.0	13%	50%	12%
ANB	588.6	638.6	9%	43%	7%
SAMBA	722.0	911.1	26%	36%	10%
Al Rajhi	424.4	608.8	43%	17%	7%
Al Bilad	97.9	176.3	80%	47%	2%
Alinma	312.3	345.2	11%	57%	4%
NCB	1,248.7	2,381.4	91%	48%	26%
Total	7,263.9	9,246.7	27%	43%	100%

Corporate Banking Net Income - Million SAR



Corporate Banking Net Income Growth



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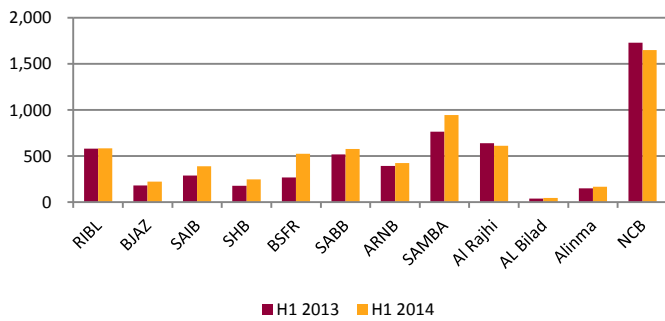
Operating Segments

Treasury

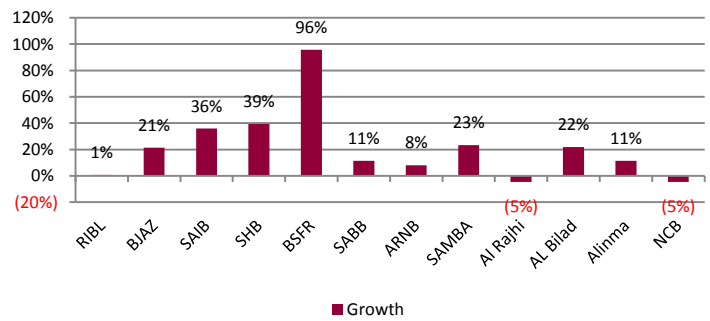
Income from treasury increased by 12%, Y-on-Y, to reach SAR 6.4 billion. Income from treasury contributed 29% to the sector's net income. It represented 68% of BIAZ's net income, 56% of Saib's net income, and 38% of Samba's net income. BSF realized the highest growth rate within the segment of 96% Y-on-Y.

Treasury H1						
	Net Income (million SR)				% of Total Net Income 2014	% of Total Sector 2014
Bank	2013	2014	Growth			
RIBL	579.5	584.2	1%		26%	9%
BJAZ	182.0	220.9	21%		68%	3%
Investment	286.6	389.5	36%		56%	6%
SHB	177.6	247.4	39%		28%	4%
BSF	268.2	525.3	96%		30%	8%
SABB	517.5	576.5	11%		26%	9%
ANB	391.5	423.4	8%		28%	7%
SAMBA	764.7	943.1	23%		38%	15%
Al Rajhi	639.3	610.1	(5%)		17%	10%
Al Bilad	36.5	44.5	22%		12%	1%
Alinma	150.5	167.5	11%		28%	3%
NCB	1,727.8	1,649.9	(5%)		33%	26%
Total	5,721.7	6,382.2	12%		29%	100%

Treasury Net Income - Million SAR



Treasury Net Income Growth

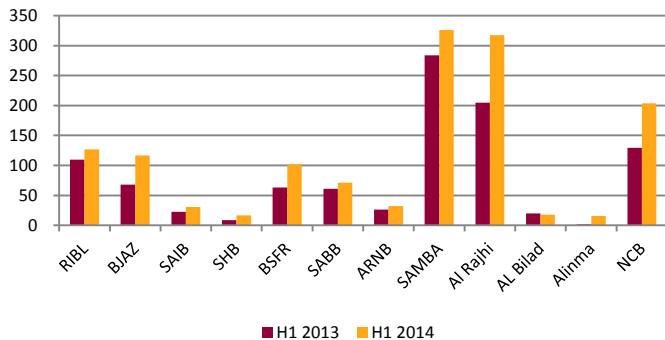


Brokerage & Investment Banking

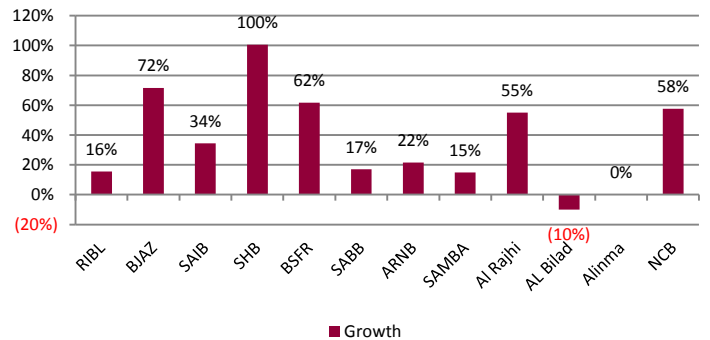
Income from the brokerage & investment banking segment increased by 38% to reach SAR 1.4 billion in the first half of 2014. It contributed 6% to the total banking sector's net income and all banks recorded positive growth in brokerage fees except for Albilad. The segment's net income represented 36% of BIAZ net income and 13% of Samba's net income. SAMBA accounted for 24% of aggregate banking income from brokerage and investment banking.

Brokerage & Investment Services H1						
	Net Income (million SR)				% of Total Net Income 2014	% of Total Sector 2014
Bank	2013	2014	Growth			
RIBL	109.8	126.8	16%		6%	9%
BJAZ	68.0	116.7	72%		36%	8%
Investment	22.7	30.5	34%		4%	2%
SHB	8.3	16.7	100%		2%	1%
BSF	63.0	101.8	62%		6%	7%
SABB	60.9	71.3	17%		3%	5%
ANB	26.5	32.2	22%		2%	2%
SAMBA	283.6	326.1	15%		13%	24%
Al Rajhi	204.9	317.4	55%		9%	23%
Al Bilad	19.6	17.6	(10%)		5%	1%
Alinma	1.5	15.3	-		3%	1%
NCB	129.3	203.7	58%		4%	15%
Total	998.1	1,376.2	38%		6%	100%

Investment Segment Net Income - Million SAR



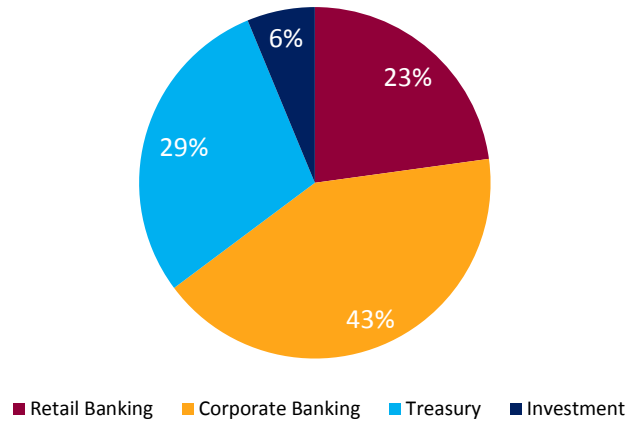
Investment Segment Net Income Growth



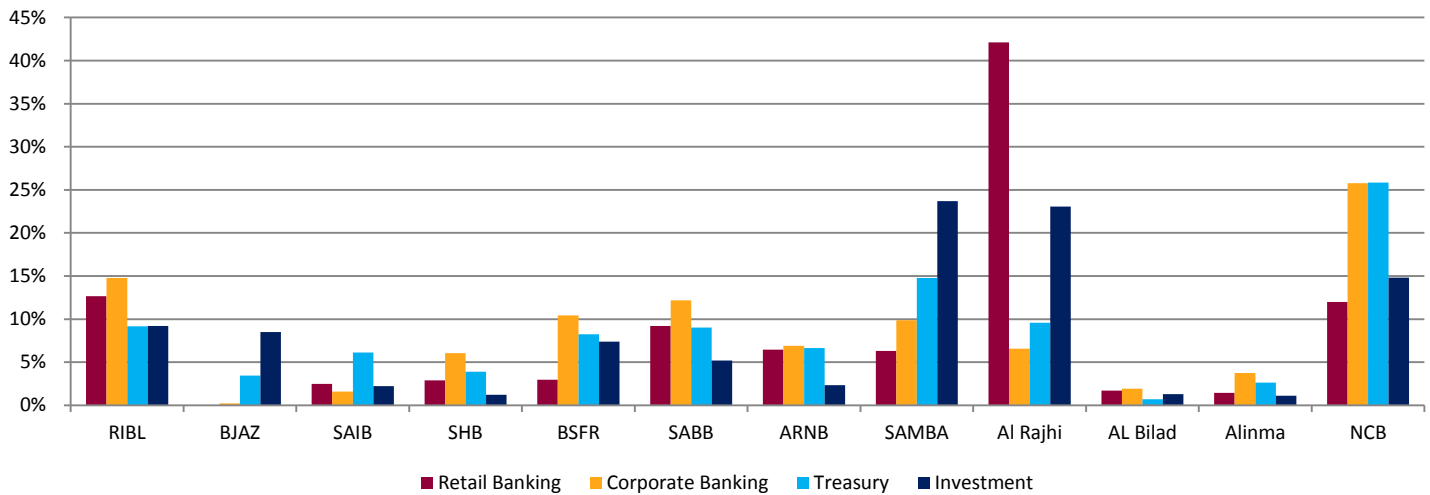
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Operating Segments

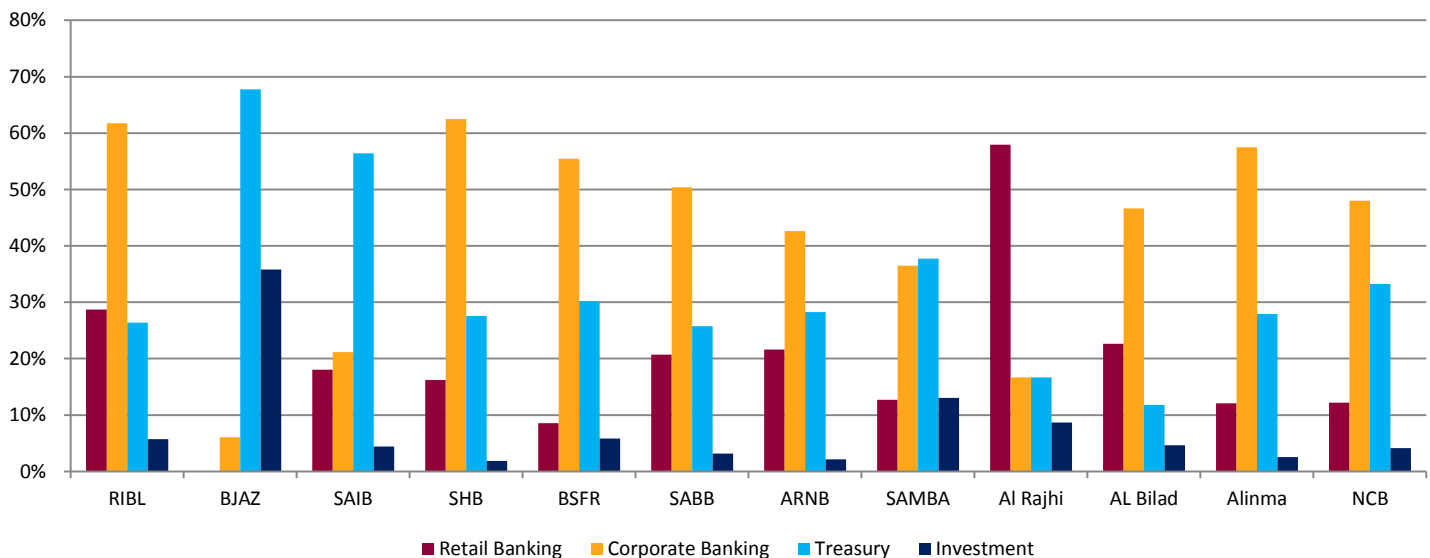
Segments Net Income Contribution to Total Aggregate Net Income - H1 2014



Segments Net Income Contribution to Total Aggregate Net Income H1 2014



Segments Net Income Contribution to Each Bank's Net Income H1 2014



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Revenues and Operating Expenses

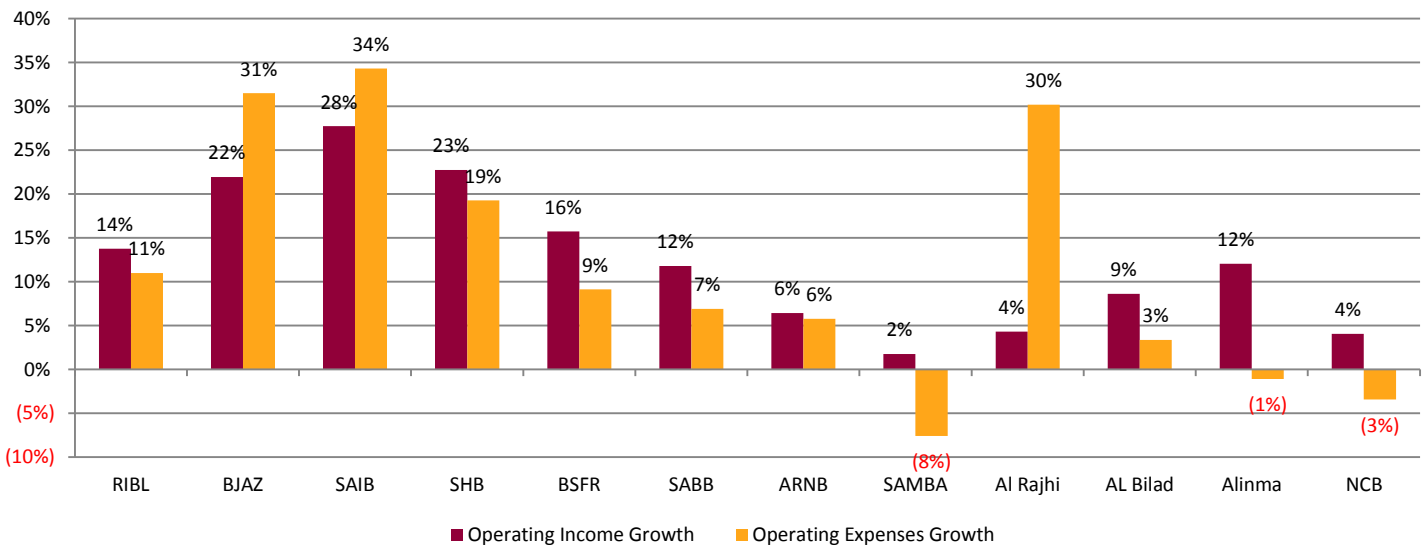
In H1 2014, the banking sector's revenue grew to SAR 38 billion, recording a growth rate of 9% compared to the same period of 2013. NCB and Al Rajhi ended the period with market shares of 21% and 18%, respectively. Samba and Riyadh accounted for 10% and 11% of the sector's revenues, respectively, while 40% of the segment's revenues were split among the remaining eight banks.

Saib and SHB realized strong growth rates in revenues of 28% and 23%, respectively, followed by BIAZ and BSF with 22% and 16%, respectively.

Total operating expenses amounted to SAR 16.5 billion, in H1 2014, increasing by 10% Y-on-Y. SAIB incurred the highest increase in operating expenses of 34%, followed by BIAZ with a 31% increase. On the other hand, Samba and NCB showed operating expenses decreases of 8% and 3%, respectively.

Bank	Revenues & Operating Expense H1									
	Revenues (million SR)			% of Total Sector		Operating Expense (million SR)			% of Total Sector	
	2013	2014	Growth	2013	2014	2013	2014	Growth	2013	2014
RIBL	3,540.1	4,027.0	14%	10.1%	10.6%	1,646.5	1,827.4	11%	11.0%	11.1%
BJAZ	891.1	1,086.6	22%	2.5%	2.9%	579.5	762.0	31%	3.9%	4.6%
Investment	1,024.1	1,308.1	28%	2.9%	3.4%	461.2	619.5	34%	3.1%	3.8%
SHB	1,277.6	1,568.4	23%	3.7%	4.1%	556.9	664.3	19%	3.7%	4.0%
BSF	2,487.7	2,879.5	16%	7.1%	7.6%	1,042.7	1,137.7	9%	6.9%	6.9%
SABB	2,937.7	3,284.7	12%	8.4%	8.6%	1,046.1	1,118.2	7%	7.0%	6.8%
ANB	2,531.7	2,694.3	6%	7.2%	7.1%	1,149.9	1,216.3	6%	7.7%	7.4%
SAMBA	3,653.2	3,717.4	2%	10.4%	9.8%	1,319.6	1,219.5	(8%)	8.8%	7.4%
Al Rajhi	6,876.1	7,171.8	4%	19.6%	18.9%	2,701.7	3,517.1	30%	18.0%	21.3%
Al Bilad	931.3	1,011.5	9%	2.7%	2.7%	612.9	633.5	3%	4.1%	3.8%
Alinma	1,080.8	1,211.2	12%	3.1%	3.2%	613.8	607.1	(1%)	4.1%	3.7%
NCB	7,765.7	8,079.4	4%	22.2%	21.2%	3,299.6	3,186.5	(3%)	22.0%	19.3%
Total	34,997.0	38,039.8	9%	100.0%	100.0%	15,030.4	16,509.1	10%	100.0%	100.0%

Operating Income and Operating Expense Growth



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Total Assets & Net Investments

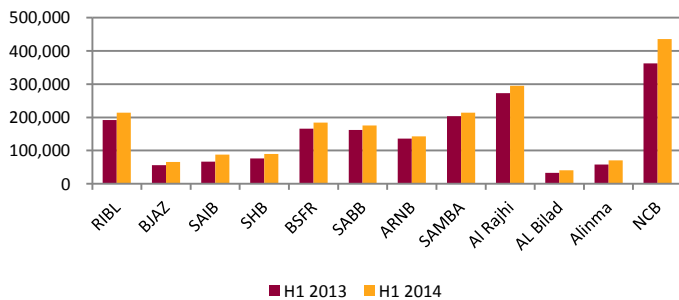
Total Assets

Total assets reached SAR 2,016 billion with an annual increase of 13%. NCB constituted 22% of the sector's total assets while Al Rajhi constituted 15%, followed by Riyad and Samba with 10.7% and 10.6%, respectively.

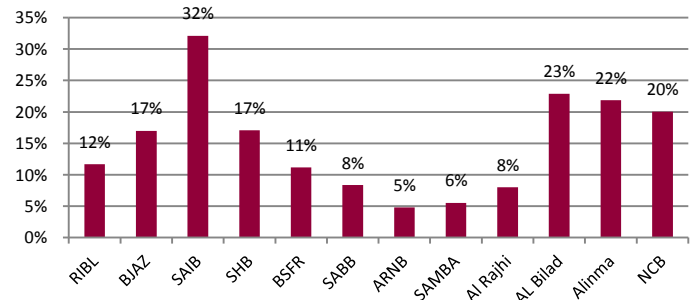
Saib booked the highest increase in total assets of 32%, followed by Bank Al Bilad with 23%.

Bank	Total Assets Q2 (million SR)			% of Total Sector	
	2013	2014	Growth	2013	2014
RIBL	191,627	213,992	12%	10.7%	10.6%
BJAZ	56,251	65,801	17%	3.2%	3.3%
Investment	66,659	88,062	32%	3.7%	4.4%
SHB	76,435	89,489	17%	4.3%	4.4%
BSF	165,783	184,313	11%	9.3%	9.1%
SABB	161,935	175,468	8%	9.1%	8.7%
ANB	136,124	142,669	5%	7.6%	7.1%
SAMBA	203,031	214,254	6%	11.4%	10.6%
Al Rajhi	273,276	295,155	8%	15.3%	14.6%
Al Bilad	33,348	40,978	23%	1.9%	2.0%
Alinma	57,942	70,600	22%	3.2%	3.5%
NCB	362,796	435,530	20%	20.3%	21.6%
Total	1,785,206	2,016,311	13%	100.0%	100.0%

Total Assets - Million SAR



Total Assets Growth

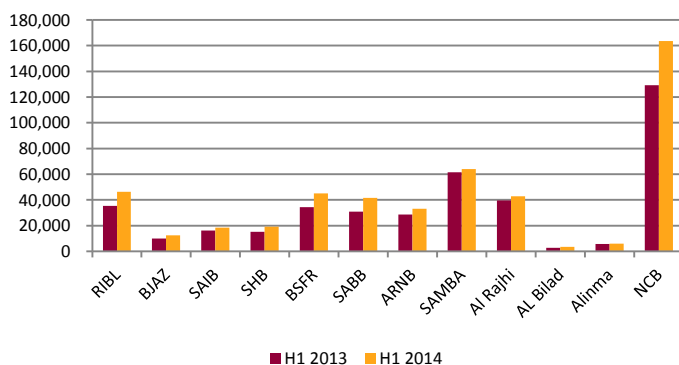


Net Investments

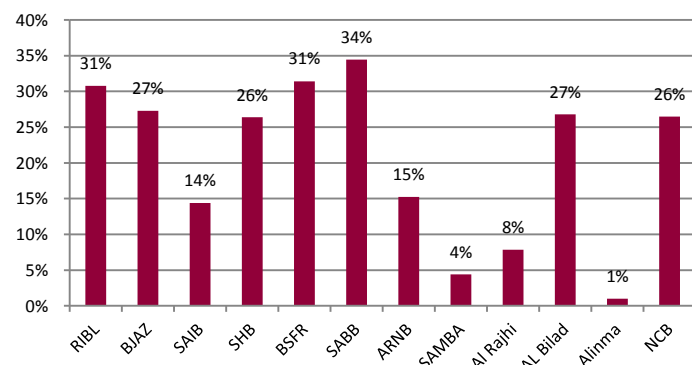
The net investments balance reached SAR 496 billion with an annual increase of 21%. NCB constituted 33% of the sector's investment portfolio followed by Samba with a 13% share. SABB booked the highest increase in net investments at 34%, followed by BSF and Riyad with 31% growth each.

Bank	Net Investments H1 (million SR)			% of Total Sector	
	2013	2014	Growth	2013	2014
RIBL	35,408	46,310	31%	8.7%	9.3%
BJAZ	9,863	12,554	27%	2.4%	2.5%
Investment	16,100	18,415	14%	3.9%	3.7%
SHB	15,084	19,065	26%	3.7%	3.8%
BSF	34,336	45,128	31%	8.4%	9.1%
SABB	30,843	41,475	34%	7.5%	8.4%
ANB	28,721	33,095	15%	7.0%	6.7%
SAMBA	61,410	64,111	4%	15.0%	12.9%
Al Rajhi	39,632	42,755	8%	9.7%	8.6%
Al Bilad	2,744	3,480	27%	0.7%	0.7%
Alinma	5,797	5,854	1%	1.4%	1.2%
NCB	129,358	163,635	26%	31.6%	33.0%
Total	409,297	495,878	21%	100.0%	100.0%

Net Investments - Million SAR



Net Investments Growth



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Loan Portfolio

Loan Portfolio

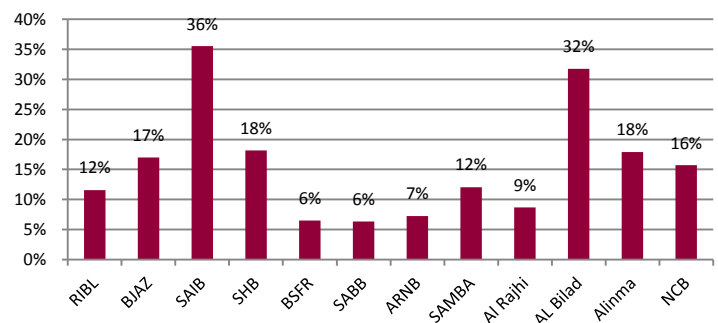
Net loans stood at SAR 1,218 billion by the end of the current half, reflecting an increase of 12%. Saib recorded the highest increase in the loan balance with a 36% growth rate, followed by Al Bilad with 32%. NCB, Al Rajhi and Riyadh constituted 16.9%, 16.5%, and 11.6% of the banking loan portfolio.

The personal loan portfolio grew by 13% Y-on-Y to reach SAR 393 billion. Saib showed the highest growth of 61% followed by 45% for SHB. Al Rajhi bank maintains the lion's share of the market of personal loans with 38% followed by NCB's share of 18%.

The corporate loan portfolio recorded 12% growth Y-on-Y to reach SAR 836 billion. Albilad showed the highest growth in this area at 40% followed by SAIB with 30%. NCB possesses 16% of the market.

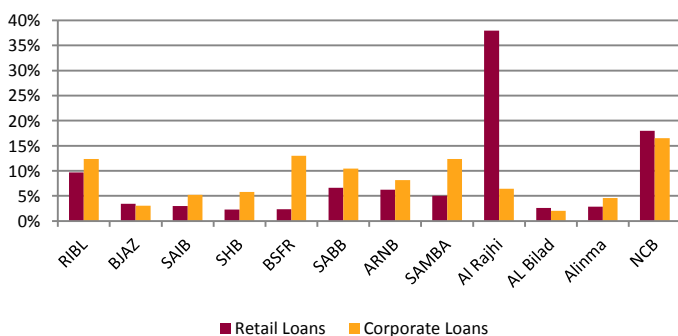
Bank	Net Loans H1 (million SR)		Growth	% of Total Sector	
	2013	2014		2013	2014
RIBL	126,189.9	140,773.6	12%	11.6%	11.6%
BJAZ	33,312.0	38,970.5	17%	3.1%	3.2%
Investment	40,414.3	54,765.8	36%	3.7%	4.5%
SHB	48,241.0	57,008.5	18%	4.5%	4.7%
BSF	110,235.4	117,389.8	6%	10.2%	9.6%
SABB	105,999.8	112,709.6	6%	9.8%	9.3%
ANB	85,536.1	91,737.0	7%	7.9%	7.5%
SAMBA	109,027.5	122,163.2	12%	10.1%	10.0%
Al Rajhi	184,889.3	200,925.7	9%	17.1%	16.5%
Al Bilad	20,311.4	26,755.3	32%	1.9%	2.2%
Alinma	41,569.4	49,009.5	18%	3.8%	4.0%
NCB	178,207.8	206,194.7	16%	16.4%	16.9%
Total	1,083,934.02	1,218,403.10	12%	100.0%	100.0%

Net Loans Growth

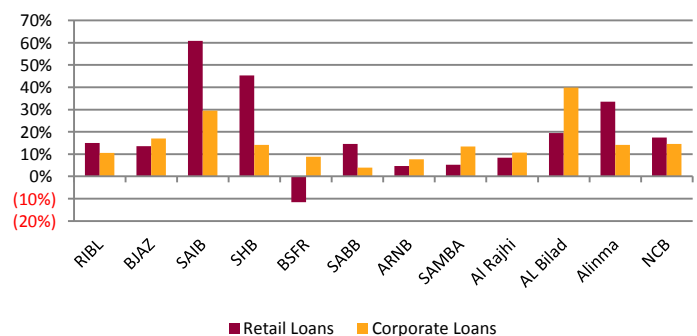


Net Loans per Segment (million SR) H1										
Bank	Retail Banking			% of Total Sector		Corporate Banking			% of Total Sector	
	2013	2014	Growth	2013	2014	2013	2014	Growth	2013	2014
RIBL	33,108.4	38,070.6	15%	10%	10%	93,686.3	103,630.3	11%	13%	12%
BJAZ	11,868.5	13,477.0	14%	3%	3%	21,825.3	25,524.3	17%	3%	3%
Investment	7,298.1	11,734.3	61%	2%	3%	33,524.1	43,437.6	30%	4%	5%
SHB	6,173.6	8,972.8	45%	2%	2%	42,478.8	48,480.9	14%	6%	6%
BSF	10,538.6	9,323.9	(12%)	3%	2%	100,191.9	109,028.7	9%	13%	13%
SABB	22,719.4	26,022.4	15%	7%	7%	84,139.2	87,469.5	4%	11%	10%
ANB	23,310.5	24,398.1	5%	7%	6%	63,604.6	68,451.9	8%	9%	8%
SAMBA	18,736.7	19,711.1	5%	5%	5%	91,220.2	103,410.6	13%	12%	12%
Al Rajhi	137,515.4	149,063.2	8%	39%	38%	48,617.1	53,798.3	11%	7%	6%
Al Bilad	8,539.9	10,205.3	20%	2%	3%	12,176.4	17,021.6	40%	2%	2%
Alinma	8,325.3	11,111.9	33%	2%	3%	33,426.6	38,145.4	14%	4%	5%
NCB	60,080.2	70,559.2	17%	17%	18%	120,313.3	137,899.2	15%	16%	16%
Total	348,214.6	392,649.7	13%	100%	100%	745,203.8	836,298.3	12%	100%	100%

Loans Contribution Per Segment



Loans Growth Per Segment



3 September 2014

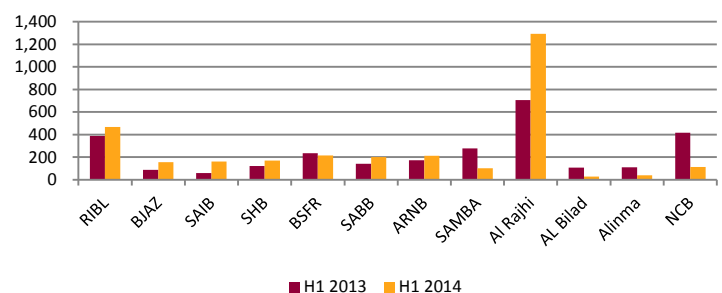
Impairments of Credit Losses

Impairments of Credit Losses

Credit loss provisions increased by 12% to reach SAR 3.16 billion, compared to the same period last year. Al Rajhi and Riyad constituted 41% and 15% of the total provisions, respectively. Compared to ending balances on 30 June 2013, seven banks recorded an increase in the credit loss provisions.

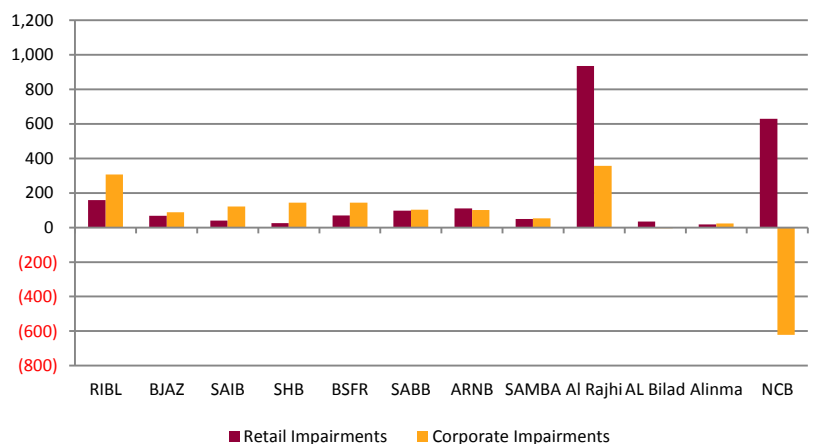
Bank	Impairments of Credit Losses H1 (million SR)			% of Total Sector H1	
	2013	2014	Growth	2013	2014
RIBL	388.3	466.7	20%	13.8%	14.8%
BJAZ	86.5	156.6	81%	3.1%	5.0%
Investment	60.0	162.0	170%	2.1%	5.1%
SHB	121.8	168.9	39%	4.3%	5.3%
BSF	235.4	213.9	(9%)	8.3%	6.8%
SABB	141.2	199.9	42%	5.0%	6.3%
ANB	171.8	212.6	24%	6.1%	6.7%
SAMBA	277.6	102.2	(63%)	9.8%	3.2%
Al Rajhi	705.1	1,292.0	83%	25.0%	40.9%
Al Bilad	108.7	29.1	(73%)	3.8%	0.9%
Alinma	111.5	40.6	(64%)	3.9%	1.3%
NCB	415.9	113.9	(73%)	14.7%	3.6%
Total	2,823.9	3,158.5	12%	100.0%	100.0%

Impairments of Credit Losses - Million SAR



Impairments of Credit Losses H1 (million SR)										
Bank	Retail Banking			% of Total Sector		Corporate Banking			% of Total Sector	
	2013	2014	Growth	2013	2014	2013	2014	Growth	2013	2014
RIBL	121.2	159.0	31%	9.8%	7.1%	267.1	307.8	15%	17.9%	37.7%
BJAZ	55.1	67.6	23%	4.4%	3.0%	31.4	89.0	183%	2.1%	10.9%
Investment	16.9	39.7	135%	1.4%	1.8%	43.1	122.3	184%	2.9%	15.0%
SHB	5.7	25.4	345%	0.5%	1.1%	116.1	143.5	24%	7.8%	17.6%
BSF	101.2	70.1	(31%)	8.2%	3.1%	134.3	143.8	7%	9.0%	17.6%
SABB	95.9	97.7	2%	7.7%	4.4%	108.0	102.2	(5%)	7.3%	12.5%
ANB	97.9	111.0	13%	7.9%	5.0%	74.0	101.6	37%	5.0%	12.4%
SAMBA	35.7	48.6	36%	2.9%	2.2%	241.9	53.6	(78%)	16.2%	6.6%
Al Rajhi	463.9	935.7	102%	37.4%	41.8%	241.2	356.4	48%	16.2%	43.6%
Al Bilad	39.0	33.8	(13%)	3.1%	1.5%	69.6	(4.7)	(107%)	4.7%	-
Alinma	38.8	17.7	(54%)	3.1%	0.8%	72.8	22.9	(68%)	4.9%	2.8%
NCB	169.4	630.1	272%	13.7%	28.2%	90.3	(621.3)	(788%)	6.1%	-
Total	1,240.7	2,236.4	80%	100.0%	100.0%	1,489.8	817.0	(45%)	100.0%	100.0%

Impairments of Credit Losses Per Segment - Million SAR



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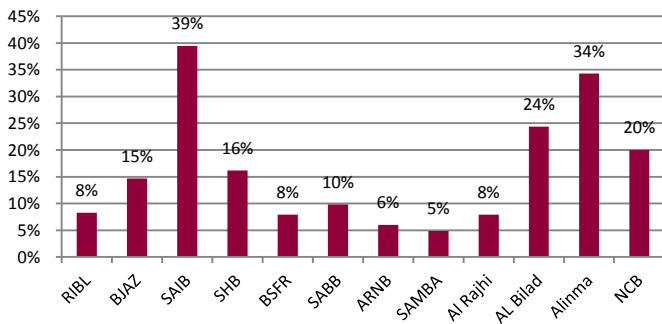
Customer Deposits

Customer Deposits

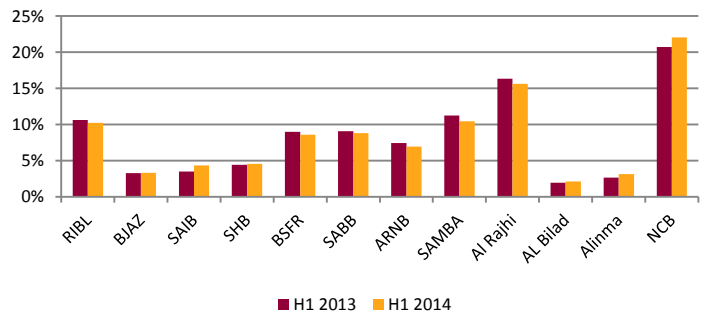
Customer deposits totaled SAR 1,570 billion in June 2014, with an annual increase of 13%. NCB represented 22% of the total deposits, followed by Al Rajhi with 16% and Samba with 10%. Saib showed the highest increase in the amount of customer deposits of 39%, followed by Al Inma with a 34% growth rate.

Bank	Customer Deposits H1 (million SR)		Growth	% of Total Sector	
	2013	2014		2013	2014
RIBL	147,879	160,100	8%	10.6%	10.2%
BJAZ	45,198	51,835	15%	3.2%	3.3%
Investment	48,560	67,725	39%	3.5%	4.3%
SHB	61,256	71,157	16%	4.4%	4.5%
BSF	124,575	134,408	8%	9.0%	8.6%
SABB	125,888	138,295	10%	9.0%	8.8%
ANB	103,018	109,188	6%	7.4%	7.0%
SAMBA	156,061	163,644	5%	11.2%	10.4%
Al Rajhi	227,419	245,416	8%	16.3%	15.6%
Al Bilad	26,825	33,354	24%	1.9%	2.1%
Alinma	36,466	48,976	34%	2.6%	3.1%
NCB	288,045	345,597	20%	20.7%	22.0%
Total	1,391,189	1,569,697	13%	100.0%	100.0%

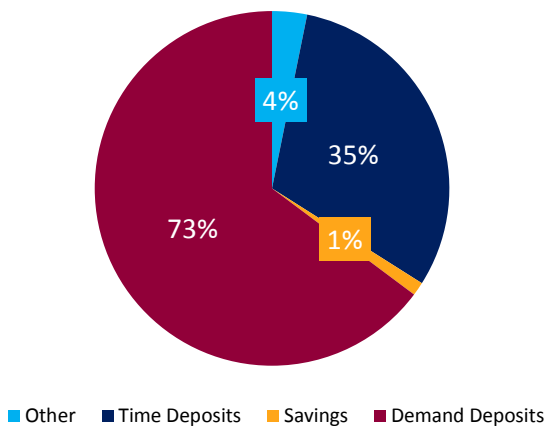
Customer Deposits Growth



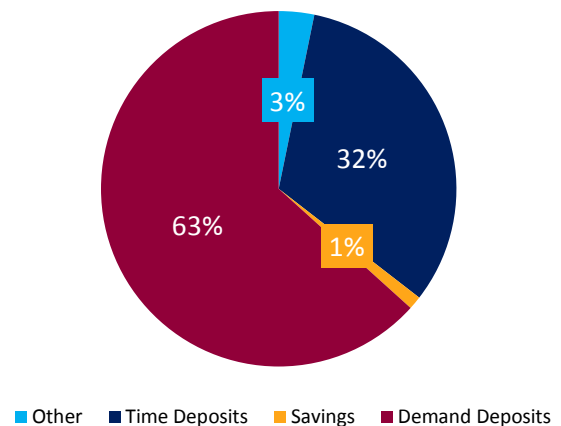
Customer Deposits Contribution



Customer Deposits Breakdown H1 2014



Customer Deposits Breakdown H1 2014



3 September 2014

Customer Deposits

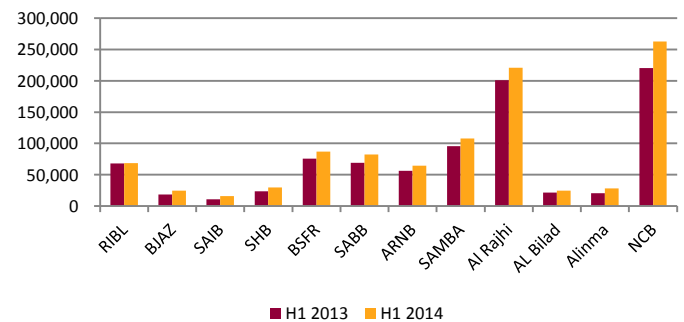
Bank	Demand Deposits H1			Contribution 2014	Savings H1			Contribution 2014	Time Deposits H1			Contribution 2014
	2013	2014	Growth		2013	2014	Growth		2013	2014	Growth	
RIBL	67,883	68,398	1%	7%	307	283	(8%)	1%	71,011	82,281	16%	17%
BJAZ	18,335	24,380	33%	2%	-	-	-	-	25,841	26,661	3%	6%
Investment	11,037	15,995	45%	2%	562	1,890	236%	10%	36,063	48,337	34%	10%
SHB	23,725	29,927	26%	3%	428	473	11%	2%	36,317	39,665	9%	8%
BSF	75,563	87,213	15%	9%	438	431	(2%)	2%	44,822	43,435	(3%)	9%
SABB	69,052	82,430	19%	8%	6,267	7,051	13%	36%	47,810	46,721	(2%)	10%
ANB	56,323	64,308	14%	6%	106	102	(4%)	1%	43,161	41,905	(3%)	9%
SAMBA	95,576	108,062	13%	11%	5,226	5,989	15%	31%	49,700	42,424	(15%)	9%
Al Rajhi	200,859	220,844	10%	22%	-	-	-	-	22,991	20,717	(10%)	4%
Al Bilad	21,395	24,609	15%	2%	3,299	3,014	(9%)	16%	1,538	4,960	222%	1%
Alinma	20,400	27,997	37%	3%	-	-	-	-	15,885	19,974	26%	4%
NCB	220,575	262,807	19%	26%	147	156	6%	1%	53,772	66,321	23%	14%
Total	880,723	1,016,969	15%	100%	16,779	19,389	16%	100%	448,911	483,401	8%	100%

Deposits Breakdown

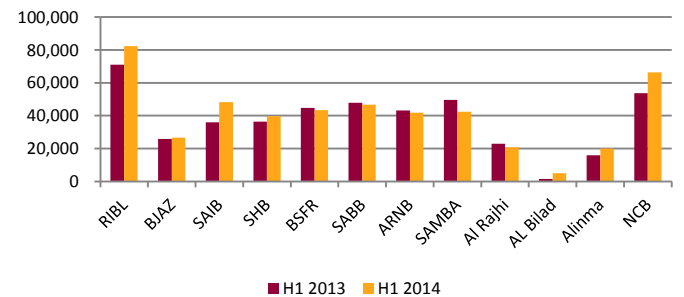
Demand deposits increased by 15% while time deposits showed growth of 8% only. Demand deposits continued to constitute the dominant share of aggregate deposits, reaching 73% compared to 63% in Q1 2013. All the banks showed an increase in demand deposits. SAIB showed the highest growth of 45% followed by BIAZ and SHB which recorded growth rates of 33% and 26%, respectively. NCB and Al Rajhi continued to possess the highest market share in demand deposits of 26% and 22%, respectively.

The aggregate sector's saving accounts showed a growth rate of 16% Y-on-Y. Saib's saving accounts skyrocketed by 236%, while SABB and Samba continued to dominate the savings segment with market share of 36% and 31%, respectively. Time deposits increased by 8% with Bank Al Bilad and SAIB showing 222% and 34% growth, respectively. The sector's time deposits segment is quite fragmented whereby Riyadh Bank represents 17% of the total market while six other banks hold market shares between 9% to 11% each.

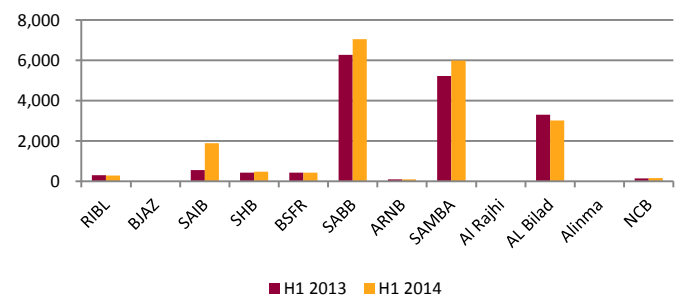
Demand Deposits - Million SAR



Time Deposits - Million SAR



Saving Accounts - Million SAR



3 September 2014

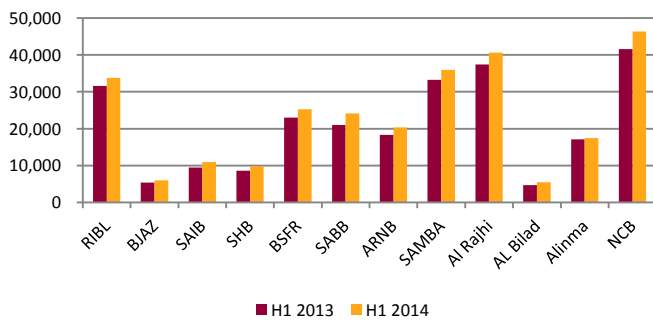
Shareholders' Equity

Shareholders' Equity

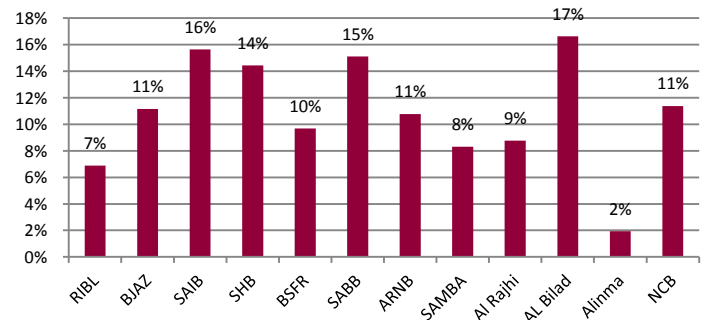
As of June 2014, the sector's shareholders equity totaled SAR 276 billion, with a growth rate of 10%. Saib achieved the highest increase in shareholders' equity at 16%, followed by Al Bilad and SABB with growth rates of 17% and 15%, respectively.

Bank	Shareholders' Equity H1 (million SR)		Growth	% of Total Sector	
	2013	2014		2013	2014
RIBL	31,626	33,804	7%	12.6%	12.2%
BJAZ	5,378	5,978	11%	2.1%	2.2%
Investment	9,467	10,947	16%	3.8%	4.0%
SHB	8,589	9,829	14%	3.4%	3.6%
BSF	22,994	25,220	10%	9.1%	9.1%
SABB	20,979	24,150	15%	8.3%	8.7%
ANB	18,336	20,311	11%	7.3%	7.4%
SAMBA	33,221	35,983	8%	13.2%	13.0%
Al Rajhi	37,387	40,665	9%	14.9%	14.7%
Al Bilad	4,690	5,470	17%	1.9%	2.0%
Alinma	17,127	17,458	2%	6.8%	6.3%
NCB	41,622	46,354	11%	16.6%	16.8%
Total	251,415	276,170	10%	100.0%	100.0%

Shareholders' Equity - Million SAR



Shareholders' Equity Growth



3 September 2014

Financial Ratios

Net Interest Margin

The net interest Margin declined to 2.89% from 2.77%. Alinma made the highest decline by 0.35% while ANB, BSF and BIAZ made a growth by 0.14%, 0.12% and 0.11% respectively.

Provisions to loans ratio

The ratio of credit loss provision to net loans was 2.1% versus 2.4% on June 2013. Bank Al Bilad showed the highest provisions to net loans ratio of 3.3% decreasing from 3.9% in H1 2013.

Total Loans to Total Deposits Ratio

The loan to deposit ratio reached 79.3% for the most recent quarter compared to 79.8% on June 2013. Al Inma, Riyadh, and BSF recorded loan to deposit ratios above 86% of 101.2%, 89.3%, and 89.1%, respectively. NCB's loan to deposit ratio stood at 61.2% as of June 2014.

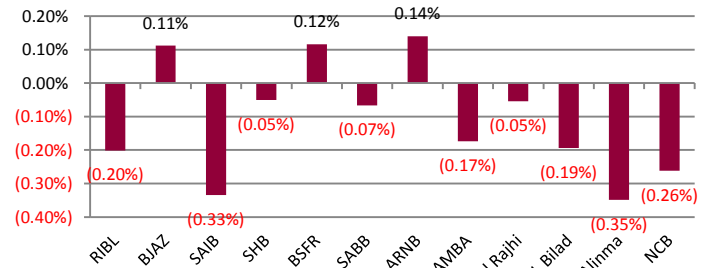
Non-performing Loans to Total Loans Ratio (NPL Ratio)

NPL ratio reached 1.31% by the first half of 2014 from 1.53%. BIAZ recorded the highest NPL ratio of 2.02% while Alinma recorded the lowest NPL ratio of 0.62%.

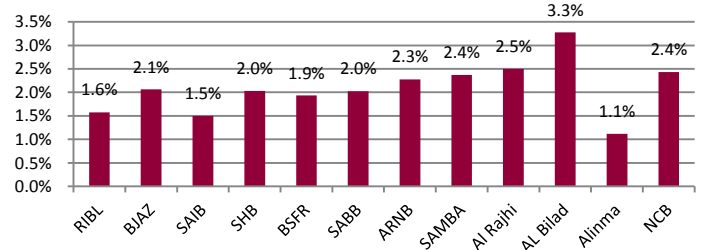
Coverage Ratio

Coverage ratio reached 1.66x in H1 2014 from 1.57x in the same period of last year. Albilad made the highest ratio of 2.08x while BIAZ made the lowest ratio by 1.04x

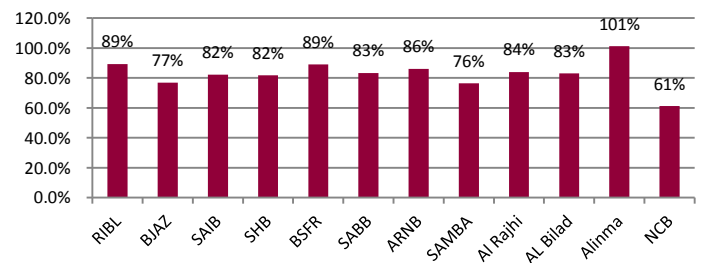
Net Interest Margin Change



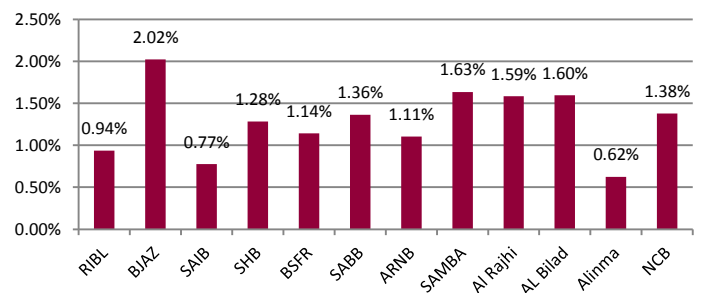
Provisions to Total Loans Ratio H1 2014



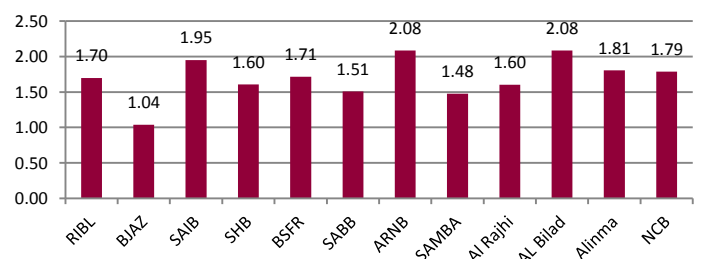
Total Loans to Total Deposits Ratio H1 2014



NPLs to Total Loans H1 2014



Coverage Ratio



3 September 2014

Financial Ratios

	Net Interest Margin			Loans to Deposits Ratio			Coverage Ratio			NPL Ratio		
	H1 2013	H1 2014	Change	H1 2013	H1 2014	Change	H1 2013	H1 2014	Change	H1 2013	H1 2014	Change
RIBL	2.79%	2.58%	(0.20%)	86.8%	89.3%	2.5%	1.37	1.70	0.32	1.28%	0.94%	(27%)
BJAZ	2.46%	2.58%	0.11%	76.9%	76.8%	(0.2%)	1.36	1.04	(0.32)	3.19%	2.02%	(36%)
Investment	2.31%	1.97%	(0.33%)	84.8%	82.1%	(2.7%)	2.15	1.95	(0.20)	0.87%	0.77%	(11%)
SHB	2.54%	2.49%	(0.05%)	80.6%	81.8%	1.2%	1.58	1.60	0.02	1.45%	1.28%	(12%)
BSF	2.14%	2.26%	0.12%	89.8%	89.1%	(0.8%)	1.42	1.71	0.29	1.06%	1.14%	8%
SABB	2.63%	2.56%	(0.07%)	86.2%	83.2%	(3.0%)	1.53	1.51	(0.02)	1.52%	1.36%	(10%)
ANB	2.22%	2.36%	0.14%	85.7%	86.0%	0.3%	2.00	2.08	0.09	1.59%	1.11%	(30%)
SAMBA	2.57%	2.40%	(0.17%)	71.9%	76.5%	4.5%	1.40	1.48	0.08	2.11%	1.63%	(22%)
Al Rajhi	3.94%	3.88%	(0.05%)	82.9%	84.0%	1.1%	1.54	1.60	0.06	1.24%	1.59%	28%
Al Bilad	3.11%	2.92%	(0.19%)	78.8%	82.9%	4.1%	1.95	2.08	0.13	2.05%	1.60%	(22%)
Alinma	3.52%	3.17%	(0.35%)	115.0%	101.2%	(13.8%)	2.01	1.81	(0.20)	0.43%	0.62%	44%
NCB	3.17%	2.91%	(0.26%)	63.9%	61.2%	(2.7%)	1.61	1.79	0.18	1.99%	1.38%	(31%)
Total	2.89%	2.77%	(0.12%)	79.8%	79.3%	(0.5%)	1.57	1.66	0.09	1.53%	1.31%	(15%)

Bank	Closing Price ⁽¹⁾	Market Cap.	Issued Shares	Floating Shares	12MT EPS	12MT PE ⁽¹⁾	BV	P/BV ⁽¹⁾	RoE	Capital Adequacy (Basel II)	
										Tier 1	Tier 1+2
RIBL	22.89	68,670	3,000	1,423	1.42	16.18	11.26	2.03	12.6%	15.5%	16.0%
BJAZ	37.00	14,800	400	360	1.66	22.25	14.94	2.47	11.1%	11.9%	14.2%
Investment	31.20	18,720	600	322	2.24	13.94	18.24	1.70	12.3%	13.9%	17.2%
SHB	51.25	24,409	476	131	3.52	14.55	20.63	2.48	17.1%	11.8%	17.7%
BSF	40.00	48,214	1,205	648	2.24	17.86	20.92	1.91	10.7%	14.3%	17.0%
SABB	62.78	62,780	1,000	325	4.06	15.47	24.14	2.59	16.8%	15.0%	16.9%
ANB	35.89	35,890	1,000	486	2.62	13.68	20.27	1.77	12.9%	15.5%	16.4%
SAMBA	49.99	59,988	1,200	603	3.90	12.83	29.87	1.67	13.0%	17.9%	18.7%
Al Rajhi	76.78	124,768	1,625	1,121	4.26	18.03	25.02	3.06	17.0%	18.2%	19.3%
Al Bilad	50.36	20,144	400	281	1.97	25.54	13.67	3.68	14.4%	15.8%	16.9%
Alinma	24.48	36,720	1,500	1,036	0.76	32.14	11.63	2.10	6.5%	27.0%	27.0%
NCB ⁽²⁾	-	-	1,500	-	6.61	-	-	-	21.4%	15.5%	18.1%
Total	-	515,103	13,907	6,738	2.93	16.71	18.51	2.24	14.8%		

(1) As of 3 September 2014.

(2) Not Listed.

3 September 2014

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.

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