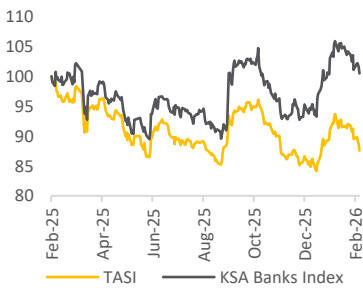


KSA Banks

Key takeaways from 2025/4Q25 earnings & 2026 Guidance

- Healthy loan expansion:** Saudi banks continued to record a double-digit loan growth of 11.8% y/y in 2025, fueled by healthy growth in the non-oil economy, coupled with declining interest rates in late 2025. The growth is mainly driven by corporate lending, particularly in non-oil sectors (up 17.0% y/y per SAMA), while retail lending advanced at a slower pace, growing by 5.2% y/y in 2025 (source: SAMA). Within retail, mortgage lending remained healthy, increasing by 7.2% y/y as of 2025, while other retail loans (excluding mortgages) comparatively rose at a slower pace of 3.2% y/y. The overall loan growth suggests healthy momentum in the economy, supported by Vision 2030 initiatives and lower interest rates.
- Slower deposit growth elevates LDR and intensifies funding pressures:** Deposits rose at a slower pace of 8.8% y/y in 2025 compared to loans in the Saudi banking sector, which rose 11.8% y/y. With credit demand—particularly from corporates—continuing to outpace the inflow of customer deposits, the sector’s loan-to-deposit ratio rose to 102.7%, up from 100.5% in 2024, signaling increased reliance on non-deposit funding amid a tighter liquidity condition. Accordingly, Saudi banks have increasingly turned to capital market funding, including sukuk issuances and medium-term notes (Figure 4), to sustain credit momentum and manage balance-sheet pressures.
- Asset yields contracted:** KSA banks’ asset yields declined in 2025, averaging 5.9%, a decrease of 19bps compared to 2024. This was primarily driven by the US Federal Reserve’s cumulative 75bps rate cuts in 2H25, along with shifts in loan mix and repricing across bank portfolios. ANB and Albilad witnessed the most asset yield contractions of 52bps and 41bps, respectively, in 2025. Meanwhile, only Al Rajhi (+61bps) and BSF (+1bps) witnessed an expansion in asset yield.
- Cost of funds stayed largely flat:** Despite ~70bps y/y decline in average SAIBOR3M in 2025, the average cost of funds for the sector remained largely flat at 4.2% in 2025, compared to the previous year, likely due to a change in funding mix amid tighter liquidity conditions. A significant increase in the cost of funds of Riyadh (+53bps) and Al Rajhi (+51bps) offset the decline in funding cost of the remaining eight banks (4-23bps) in the Saudi banking system.
- Sector NIMs normalized marginally:** Saudi Banks’ average NIMs contracted 14bps y/y to 2.9% in 2025. Seven out of 10 banks witnessed NIM compression in 2025, with Riyadh (-41bps), ANB (-39bps), and SAIB (-31bps) witnessing the largest compression, while NIM expansion was seen across Al Rajhi (+36bps), BSF (+9bps), and BJAZ (+3bps).
- Net income growth driven by a surge in non-interest income:** Saudi Banks’ net income rose 16.2% y/y in 2025, mainly attributed to an 11.3% y/y increase in operating income (+21.1% non-interest income & +8.5% net interest income) while provisions stood flat. Al Rajhi (+25.7% y/y), SAIB (+24.3% y/y), and BJAZ (+22.3% y/y) witnessed the highest growth, while ANB (+3.0% y/y), SAB (+4.7% y/y), and Albilad (+8.7% y/y) experienced lesser growth.
- SNB & Al Rajhi maintained their leadership positions:** SNB again reported the highest net income of SAR25.0bn in 2025 (27% share), while Al Rajhi maintained the top position in both loan market share (24%) and deposit share (23%), closely followed by SNB (23% loan; 22% deposit market shares).

Prices indexed to 100



Source: Bloomberg

Valuation Metrics of Saudi Banks

Bank	P/E*	P/B	Div. Yield*
Al Rajhi	14.4x	3.4x	3.7%
SNB	9.3x	1.3x	5.8%
Riyad	7.8x	1.3x	6.0%
Alinma	10.5x	1.9x	3.9%
BJAZ	8.7x	1.0x	1.0%
Al Bilad	11.7x	2.0x	3.2%
BSF	9.1x	1.1x	6.0%
Arab	7.7x	1.0x	6.7%
SAIB	7.8x	0.9x	6.6%
SAB	8.0x	1.0x	6.3%

Source: Bloomberg, *based on Bbg cons. (12m fwd) as on 2nd Mar 2026

Kunal Doshi

+966-11-834 8372

Kunal.doshi@gibcapital.com

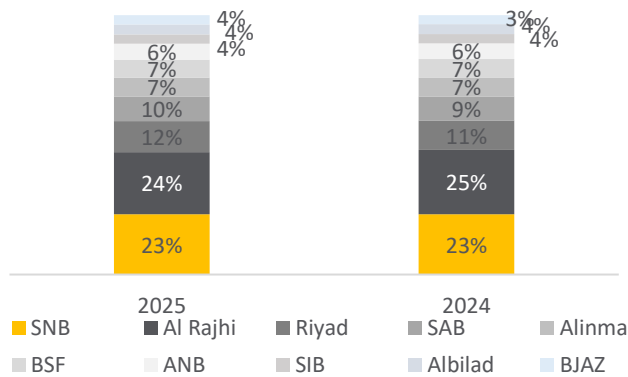
8. **Guidance:** As of the report date, banks that have released 2026 guidance present healthy loan growth expectations following the rate cut. However, all banks anticipate slower loan growth in 2026 compared to 2025, as the focus stays on having a value-driven portfolio instead of volumes. Further, NIM guidance remains mixed, with only one bank expecting expansion while others anticipate compression or flattish NIMs in 2026. Meanwhile, in 2026, the cost of risk is expected to remain in a similar range to 2025 or slightly higher.

Figure 1: 2026 Guidance

Banks	Loan Growth	NIM		Cost to Income		Cost of Risk		Tier 1 ratio		ROE		
		2026e	2025a	2026e	2025a	2026e	2025a	2026e	2025a	2026e	2025a	
SNB	High single digit	11.0%	NA	2.87%	below 25.0% ¹	23.1% ¹	0.15-0.25%	0.15%	19-20%	19.8%	16-17%*	17.2%*
AlRajhi	Low to mid single digit	8.6%	3.41-3.51%	3.16%	below 23.0%	23.4%	0.30-0.40%	0.32%	>20%	20.5%	>23.5%	23.4%
Riyad	High single digit	17.0%	NA	2.88%	below 30.0%	29.6%	0.30-0.40%	0.39%	>15%	16.0%	>16%	16.9%
Alinma	Low teens	14.0%	3.37-3.42%	3.47%	below 30.5%	31.2%	0.35-0.45%	0.47%	~19% ³	19.9% ³	>19%	18.7%
BSFR	High single digit	5.3%	~3.00%	3.04%	below 33.0%	33.8%	0.45-0.55%	0.45%	>15%	16.2%	12-13%	11.9%
SAIB	Mid to high single digit	13.0%	2.10-2.25%	2.26%	below 40.5%	40.5% ²	0.25-0.35%	0.33%	>18%	18.8%	>12.75%	14.8%
BJAZ	High single digit	14.0%	2.05-2.10%	2.06%	below 52.0%	52.4%	0.35-0.40%	0.36%	>17%	17.8%	>7.75%	7.7%
SAB	>10%	15.0%	2.5-2.6%	2.66%	below 29.5%	30.3%	0.25-0.35%	0.24%	>14% ⁴	14.8% ⁴	14.0-15.0%*	14.5%*
ANB	Mid to high single digit	15.2%	>3.0%	3.44%	below 33.0%	33.8%	0.40-0.50%	0.37%	>19% ³	20.0% ³	>12%	11.6%

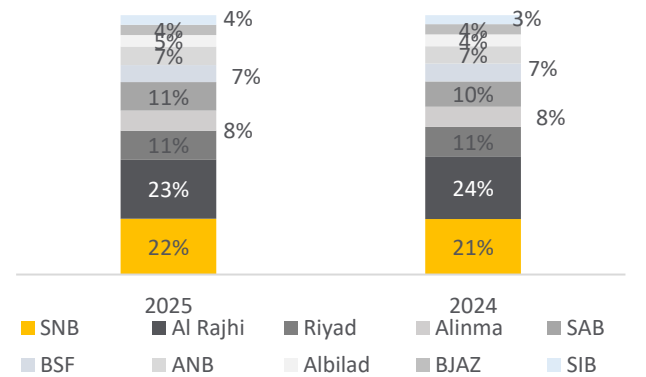
Source: Company earnings presentations, GIB Capital. *ROTE, ¹excl. amortization of intangibles, ²CIR excludes one-off land sale gain, ³CAR Pillar 1, ⁴CET1

Figure 2: Loans market share (%)



Source: Company data, GIB Capital

Figure 3: Deposits market share (%)



Source: Company data, GIB Capital

Figure 4: KSA Banks sukuk issuances in 2025

Bank	Date	Instrument	Value (bn)	Currency	Coupon	Rate	Maturity (years)	Tranche
SNB	18-Jun-25	Tier 2 Notes	1.25	USD	6.00%	Fixed	10	NA
SNB	4-Jun-25	Additional Tier 1 Sukuk	1.73	SAR	6.00%	Fixed	Perpetual	NA
Al Rajhi	10-Sep-25	Tier 2 Trust Certificate	1.00	USD	5.65%	Fixed	10.5	NA
Al Rajhi	15-Jan-25	Additional Tier 1 Sukuk	1.50	USD	6.25%	Fixed	Perpetual	NA
Alinma	5-Nov-25	Tier 2 Trust Certificates	0.50	USD	5.79%	Fixed	10	NA
Alinma	28-Aug-25	Additional Tier 1 Sukuk	0.50	USD	6.25%	Fixed	Perpetual	NA
Alinma	9-Jul-25	Trust Certificates	0.50	USD	4.94%	Fixed	5	NA
Alinma	21-May-25	Additional Tier 1 Sukuk	0.50	USD	6.50%	Fixed	Perpetual	NA
RIBL	8-Jul-25	Tier 2 Trust Certificates	1.25	USD	6.21%	Fixed	10	NA
RIBL	23-Jan-25	Additional Tier 1 Sukuk	2.00	SAR	6.00%	Fixed	Perpetual	NA
BSF	11-Nov-25	Additional Tier 1 Sukuk	2.50	SAR	6.40%	Fixed	Perpetual	NA
BSF	27-Aug-25	Tier 2 Notes	1.00	USD	5.76%	Fixed	10	NA
BSF	1-May	Additional Tier 1 Sukuk	0.65	USD	6.38%	Fixed	Perpetual	NA
BSF	15-Jan-25	Trust Certificates	0.75	USD	5.38%	Fixed	5	NA
Albilad	18-May-25	Additional Tier 1 Sukuk	0.65	USD	6.50%	Fixed	Perpetual	NA
BJAZ	16-Sep-25	Additional Tier 1 Sukuk	0.50	USD	6.50%	Fixed	Perpetual	NA
BJAZ	15-Jan-25	Additional Tier 1 Sukuk	1.00	SAR	6.30%	Fixed	Perpetual	NA
ARNB	3-Sep-25	Additional Tier 1 Sukuk	0.75	USD	6.40%	Fixed	Perpetual	NA
ARNB	4-Feb-25	Additional Tier 1 Sukuk	3.35	SAR	6.20%	Fixed	Perpetual	NA
SAB	28-Aug-25	Tier 2 Notes	1.25	USD	5.95%	Fixed	10	NA
SAB	24-Jul-25	Additional Tier 1 Sukuk	2.00	SAR	6.30%	Fixed	Perpetual	NA
SAB	15-May-25	Additional Tier 1 Sukuk	0.65	USD	6.50%	Fixed	Perpetual	NA

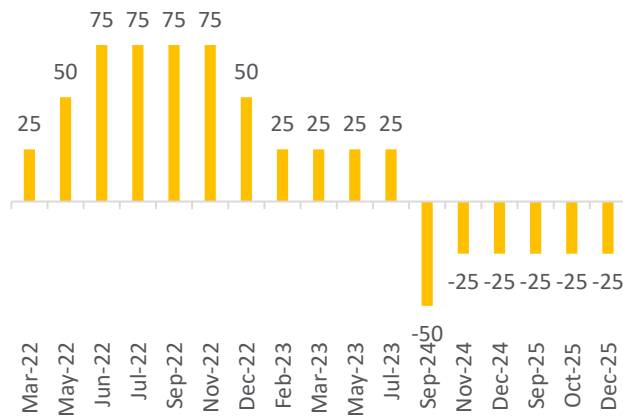
Source: Company data, GIB Capital

A cautiously dovish strategy to foster economic growth:

The US Federal Reserve carried out three rate cuts, cumulatively reducing the interest rate by 75 bps in 2025, with all the cuts coming in the second half of the year, lowering the target range to 3.50–3.75%. During the December 2025 rate cut, Fed Chair Jerome Powell said the U.S. economy was growing moderately, while job gains slowed amid a modest rise in unemployment, and inflation stood slightly higher but manageable. December 2025 FOMC projections indicate a data-driven approach to rate cuts in 2026, forecasting only a 0.2% reduction (unchanged compared to September 2025), followed by 0.3% in 2027 (unchanged) and then stable in 2028 (unchanged).

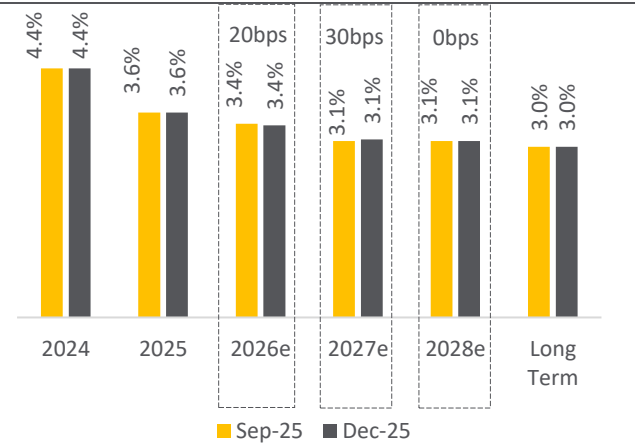
Further, at the January 2026 FOMC meeting, the Fed held rates at 3.50%–3.75%, citing solid economic growth with job gains staying low. As inflation remained above target, the Fed awaits a clear picture of sustained disinflation before cutting rates, continuing its data-dependent approach with restrictive policy likely to continue in the near term. Market expectations remain cautious, anticipating ~2 rate cuts in 2026, both expected to take place in 2H26 (Bloomberg World Interest Rate Probabilities).

Figure 5: US Fed fund rate change (bps)



Source: Bloomberg, GIB Capital

Figure 6: US Fed Dot Plot



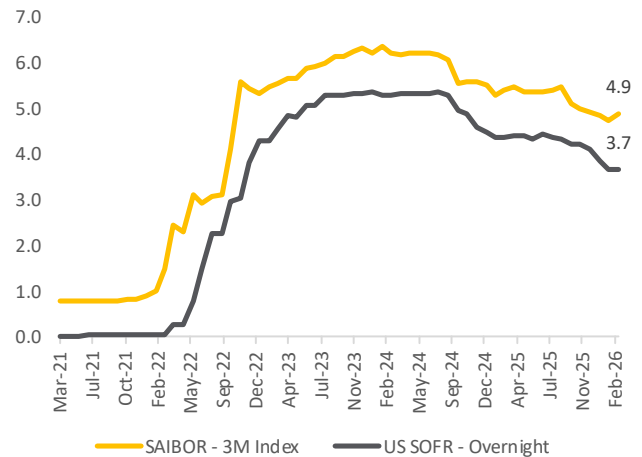
Source: Bloomberg, GIB Capital

Figure 7: US Fed funds rate market prediction (%)*



Source: Bloomberg, GIB Capital*as of 2nd March 2026

Figure 8: Key benchmark rates (%)



Source: Bloomberg, GIB Capital

2025 and 4Q25 earnings Summary

Figure 9: Interest Income

Interest Inc. (SARmn)	2025	2024	y/y	4Q25	4Q24	y/y
SNB	60,962	57,835	5.4%	15,662	14,881	5.2%
Al Rajhi	55,850	47,018	18.8%	14,752	12,828	15.0%
Riyad	27,083	24,182	12.0%	7,121	6,508	9.4%
SAB	22,363	20,609	8.5%	5,813	5,356	8.5%
BJAZ	8,597	7,979	7.8%	2,237	2,160	3.6%
ANB	15,205	14,406	5.5%	3,830	3,590	6.7%
Albilad	9,143	8,559	6.8%	2,381	2,190	8.7%
Alinma	17,370	16,155	7.5%	4,500	4,207	7.0%
BSF	17,559	16,372	7.3%	4,521	4,160	8.7%
SAIB	9,692	8,864	9.3%	2,487	2,318	7.3%
Total	243,824	221,979	9.8%	63,303	58,197	8.8%

Source: Company Data, GIB Capital

Figure 10: Interest Costs

Interest Costs (SARmn)	2025	2024	y/y	4Q25	4Q24	y/y
SNB	31,807	30,112	5.6%	8,156	7,963	2.4%
Al Rajhi	26,004	22,175	17.3%	6,602	5,886	12.2%
Riyad	14,011	11,309	23.9%	3,716	3,075	20.8%
SAB	10,736	9,478	13.3%	2,728	2,428	12.4%
BJAZ	5,598	5,344	4.7%	1,464	1,424	2.8%
ANB	7,108	6,479	9.7%	1,883	1,607	17.2%
Albilad	4,392	4,126	6.5%	1,163	1,046	11.3%
Alinma	7,993	7,506	6.5%	2,042	1,941	5.2%
BSF	8,867	8,489	4.5%	2,305	2,121	8.7%
SAIB	6,164	5,327	15.7%	1,613	1,422	13.4%
Total	122,680	110,345	11.2%	31,672	28,913	9.5%

Source: Company Data, GIB Capital

Figure 11: Net Interest Income

NII (SARmn)	2025	2024	y/y	4Q25	4Q24	y/y
SNB	29,155	27,723	5.2%	7,506	6,918	8.5%
Al Rajhi	29,846	24,843	20.1%	8,150	6,942	17.4%
Riyad	13,072	12,873	1.5%	3,405	3,432	-0.8%
SAB	11,627	11,131	4.5%	3,085	2,928	5.4%
BJAZ	3,000	2,634	13.9%	773	735	5.1%
ANB	8,097	7,927	2.1%	1,947	1,983	-1.8%
Albilad	4,752	4,434	7.2%	1,218	1,144	6.4%
Alinma	9,377	8,649	8.4%	2,457	2,266	8.5%
BSF	8,692	7,883	10.3%	2,216	2,039	8.7%
SAIB	3,528	3,537	-0.3%	874	896	-2.4%
Total	121,144	111,634	8.5%	31,632	29,284	8.0%

Source: Company Data, GIB Capital

Figure 12: Asset yields

Asset Yields (%)	2025	2024	y/y	4Q25*	4Q24*	y/y
SNB	5.8%	6.1%	-30bps	6.0%	6.3%	-32bps
Al Rajhi	6.0%	5.4%	61bps	6.4%	5.9%	46bps
Riyad	6.0%	6.2%	-22bps	6.3%	6.7%	-38bps
SAB	5.5%	5.7%	-24bps	5.7%	6.0%	-25bps
BJAZ	5.7%	6.0%	-25bps	6.0%	6.5%	-51bps
ANB	6.0%	6.5%	-52bps	6.0%	6.5%	-46bps
Albilad	6.0%	6.4%	-41bps	6.2%	6.5%	-31bps
Alinma	6.1%	6.4%	-37bps	6.3%	6.7%	-42bps
BSF	6.2%	6.2%	1bps	6.4%	6.3%	10bps
SAIB	6.1%	6.3%	-23bps	6.2%	6.6%	-36bps
Average	5.9%	6.1%	-19bps	6.1%	6.4%	-24bps

Source: Company Data, GIB Capital *Annualized

Figure 13: Cost of Funds

Cost of Funds (%)	2025	2024	y/y	4Q25*	4Q24*	y/y
SNB	5.0%	5.2%	-19bps	5.1%	5.5%	-37bps
Al Rajhi	3.9%	3.4%	51bps	4.0%	3.6%	36bps
Riyad	4.2%	3.7%	53bps	4.5%	4.0%	47bps
SAB	3.3%	3.5%	-23bps	3.4%	3.6%	-26bps
BJAZ	4.9%	4.9%	-9bps	5.1%	5.3%	-19bps
ANB	3.4%	3.6%	-16bps	3.6%	3.5%	7bps
Albilad	3.3%	3.4%	-8bps	3.5%	3.4%	7bps
Alinma	3.5%	3.6%	-5bps	3.6%	3.7%	-9bps
BSF	4.5%	4.6%	-4bps	4.7%	4.6%	14bps
SAIB	5.6%	5.7%	-4bps	5.9%	6.1%	-17bps
Average	4.2%	4.2%	2bps	4.3%	4.3%	0bps

Source: Company Data, GIB Capital *Annualized

Figure 14: Net Interest Margins

NIMs (%)	2025	2024	y/y	4Q25*	4Q24*	y/y
SNB	2.8%	2.9%	-15bps	2.9%	2.9%	-6bps
Al Rajhi	3.2%	2.9%	36bps	3.5%	3.2%	32bps
Riyad	2.9%	3.3%	-41bps	3.0%	3.5%	-51bps
SAB	2.9%	3.1%	-24bps	3.0%	3.3%	-23bps
BJAZ	2.0%	2.0%	3bps	2.1%	2.2%	-14bps
ANB	3.2%	3.6%	-39bps	3.1%	3.6%	-52bps
Albilad	3.1%	3.3%	-20bps	3.2%	3.4%	-23bps
Alinma	3.3%	3.4%	-17bps	3.4%	3.6%	-18bps
BSF	3.1%	3.0%	9bps	3.1%	3.1%	5bps
SAIB	2.2%	2.5%	-31bps	2.2%	2.6%	-36bps
Average	2.9%	3.0%	-14bps	2.9%	3.1%	-19bps

Source: Company Data, GIB Capital *Annualized

Figure 15: Operating Income

Op. inc. (SARmn)	2025	2024	y/y	4Q25	4Q24	y/y
SNB	39,195	36,033	8.8%	9,928	8,986	10.5%
Al Rajhi	39,094	32,055	22.0%	10,409	8,750	19.0%
Riyad	18,381	17,285	6.3%	4,664	4,655	0.2%
SAB	14,724	14,018	5.0%	3,734	3,551	5.2%
BJAZ	4,464	3,779	18.1%	1,185	967	22.5%
ANB	9,883	9,425	4.9%	2,367	2,371	-0.2%
Albilad	6,192	5,672	9.2%	1,653	1,477	11.9%
Alinma	11,905	10,940	8.8%	3,180	2,815	13.0%
BSF	10,537	9,658	9.1%	2,621	2,572	1.9%
SAIB	4,794	4,178	14.7%	1,628	1,083	50.4%
Total	159,170	143,043	11.3%	41,369	37,226	11.1%

Source: Company Data, GIB Capital

Figure 16: Cost to income ratio

Cost to income ratio (%)	2025	2024	y/y	4Q25	4Q24	y/y
SNB	25.2%	30.6%	-540bps	19.0%	30.5%	-1150bps
Al Rajhi	23.3%	24.9%	-152bps	25.7%	23.4%	231bps
Riyad	29.6%	30.6%	-102bps	29.2%	30.2%	-107bps
SAB	30.3%	30.6%	-31bps	31.9%	30.7%	117bps
BJAZ	52.4%	56.0%	-365bps	51.5%	57.9%	-634bps
ANB	33.8%	32.5%	122bps	37.2%	34.2%	297bps
Albilad	42.2%	42.6%	-38bps	42.1%	44.3%	-219bps
Alinma	31.2%	30.9%	27bps	30.2%	30.7%	-49bps
BSF	33.8%	35.3%	-152bps	36.8%	37.7%	-90bps
SAIB	35.9%	41.5%	-557bps	26.6%	40.4%	-1381bps
Average	33.8%	35.5%	-179bps	33.0%	36.0%	-298bps

Source: Company Data, GIB Capital

Figure 17: Provisions

Provisions (SARmn)	2025	2024	y/y	4Q25	4Q24	y/y
SNB	1,034	1,019	1.5%	941	20	NM
Al Rajhi	2,320	2,117	9.6%	625	553	13.0%
Riyad	1,374	1,632	-15.8%	367	735	-50.0%
SAB	704	566	24.4%	264	64	312.5%
BJAZ	354	275	28.7%	100	92	8.8%
ANB	593	764	-22.4%	152	271	-43.9%
Albilad	181	130	39.9%	47	(58)	NM
Alinma	1,060	1,049	1.0%	296	250	18.7%
BSF	989	1,180	-16.2%	237	356	-33.4%
SAIB	355	290	22.4%	169	80	110.3%
Total	8,964	9,022	-0.6%	3,198	2,363	35.3%

Source: Company Data, GIB Capital

Figure 18: Net Income

Net Income (SARmn)	2025	2024	y/y	4Q25	4Q24	y/y
SNB	25,013	21,193	18.0%	6,385	5,557	14.9%
Al Rajhi	24,792	19,722	25.7%	6,375	5,516	15.6%
Riyad	10,411	9,322	11.7%	2,641	2,257	17.0%
SAB	8,452	8,070	4.7%	2,047	2,126	-3.7%
BJAZ	1,506	1,231	22.3%	362	280	29.3%
ANB	5,116	4,966	3.0%	1,146	1,256	-8.8%
Albilad	3,049	2,807	8.7%	817	790	3.4%
Alinma	6,397	5,832	9.7%	1,724	1,529	12.7%
BSF	5,353	4,544	17.8%	1,259	1,117	12.7%
SAIB	2,432	1,957	24.3%	897	510	75.9%
Total	92,520	79,643	16.2%	23,653	20,938	13.0%

Source: Company Data, GIB Capital

Figure 19: Loans and Deposits

Banks	Loans (SARmn)			Deposits (SARmn)			Headline LDR (%)		
	2025	2024	y/y	2025	2024	y/y	2025	2024	y/y
SNB	729,311	654,252	11.5%	636,094	579,762	9.7%	114.7%	112.8%	2ppts
Al Rajhi	752,760	693,410	8.6%	667,288	654,989	1.9%	112.8%	105.9%	7ppts
Riyad	373,305	320,089	16.6%	331,721	306,423	8.3%	112.5%	104.5%	8ppts
SAB	298,627	259,346	15.1%	323,274	267,011	21.1%	92.4%	97.1%	-5ppts
BJAZ	110,862	96,912	14.4%	115,395	108,187	6.7%	96.1%	89.6%	6ppts
ANB	195,299	169,495	15.2%	209,287	182,224	14.9%	93.3%	93.0%	0ppts
Albilad	122,189	109,304	11.8%	132,879	121,776	9.1%	92.0%	89.8%	2ppts
Alinma	229,747	202,308	13.6%	227,374	210,545	8.0%	101.0%	96.1%	5ppts
BSF	214,891	204,168	5.3%	195,219	185,118	5.5%	110.1%	110.3%	0ppts
SAIB	112,070	99,466	12.7%	109,619	94,013	16.6%	102.2%	105.8%	-4ppts
Total	3,139,060	2,808,751	11.8%	2,948,150	2,710,048	8.8%	102.7%	100.5%	2ppts

Source: Company Data, GIB Capital

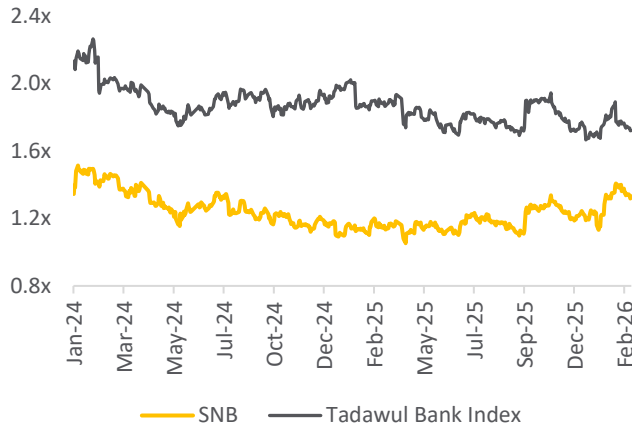
Figure 20: Loan and deposit market share

Banks	Loan market share			Deposit market share		
	2025	2024	y/y	2025	2024	y/y
SNB	23%	23%	-6bps	22%	21%	18bps
Al Rajhi	24%	25%	-71bps	23%	24%	-153bps
Riyad	12%	11%	50bps	11%	11%	-6bps
SAB	10%	9%	28bps	11%	10%	111bps
BJAZ	4%	3%	8bps	4%	4%	-8bps
ANB	6%	6%	19bps	7%	7%	37bps
Albilad	4%	4%	0bps	5%	4%	1bps
Alinma	7%	7%	12bps	8%	8%	-6bps
BSF	7%	7%	-42bps	7%	7%	-21bps
SAIB	4%	4%	3bps	4%	3%	25bps

Source: Company Data, GIB Capital

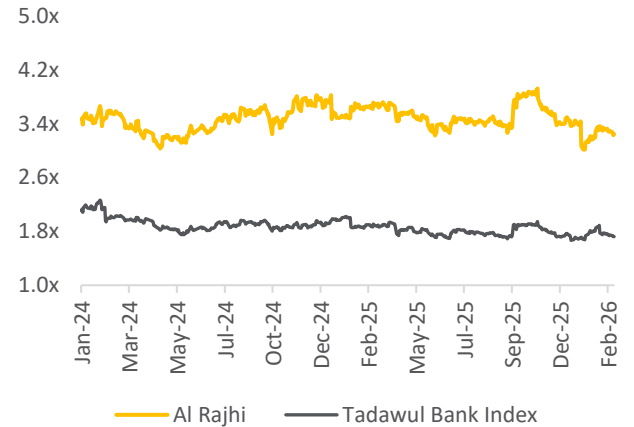
Valuation multiples

Figure 21: SNB valuation trend (Blended 12m forward P/BV)



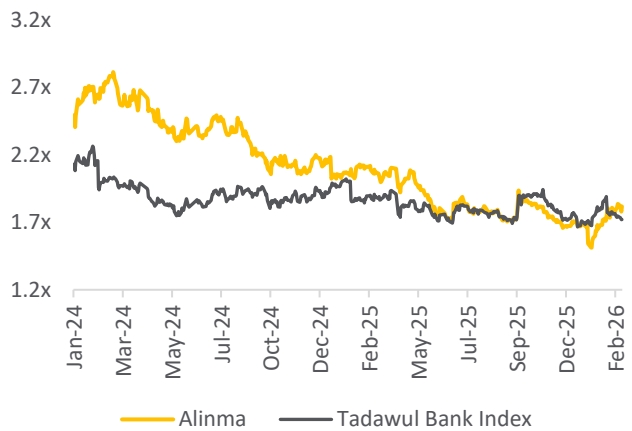
Source: Bloomberg, GIB Capital

Figure 22: AlRajhi valuation trend (Blended 12m forward P/BV)



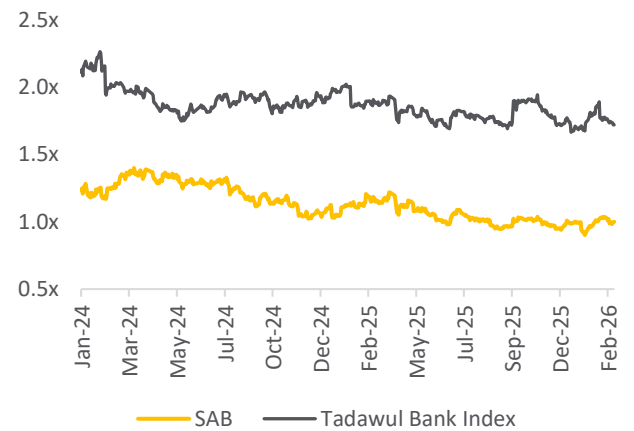
Source: Bloomberg, GIB Capital

Figure 23: Alinma valuation trend (Blended 12m forward P/BV)



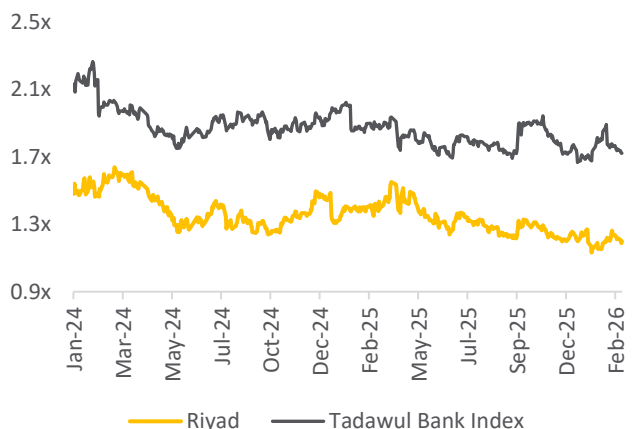
Source: Bloomberg, GIB Capital

Figure 24: SAB valuation trend (Blended 12m forward P/BV)



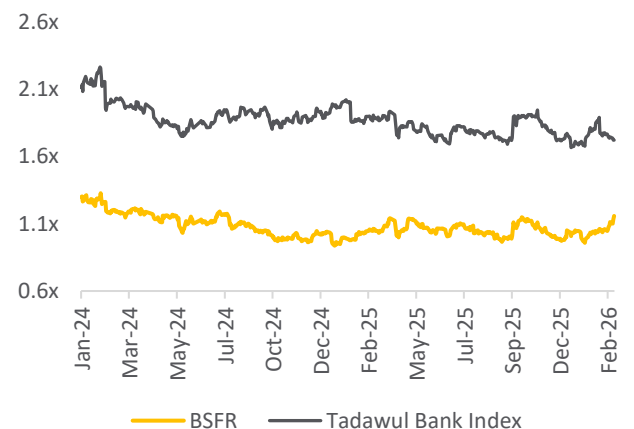
Source: Bloomberg, GIB Capital

Figure 25: Riyad valuation trend (Blended 12m forward P/BV)



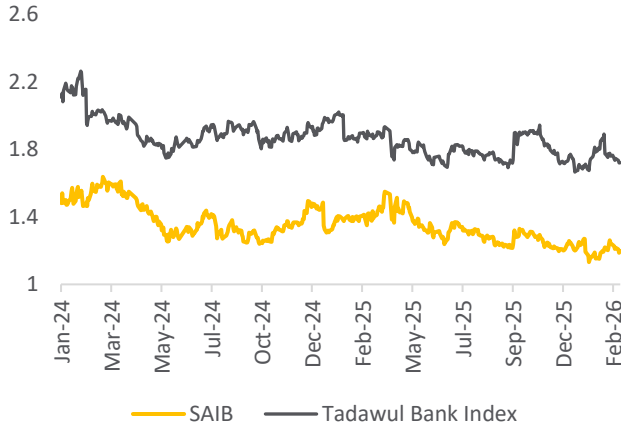
Source: Bloomberg, GIB Capital

Figure 26: BSF valuation trend (Blended 12m forward P/BV)



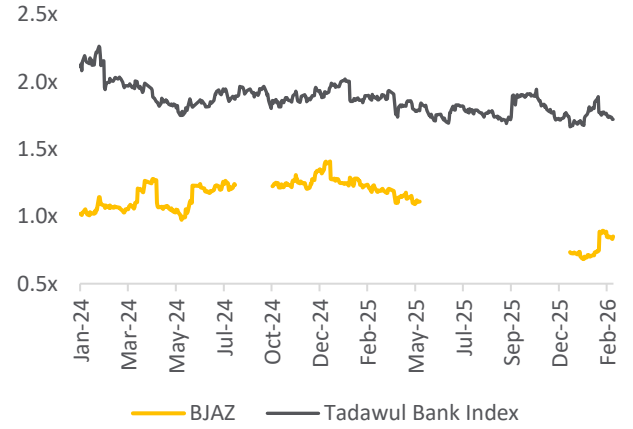
Source: Bloomberg, GIB Capital

Figure 27: SAIB valuation trend (Blended 12m forward P/BV)



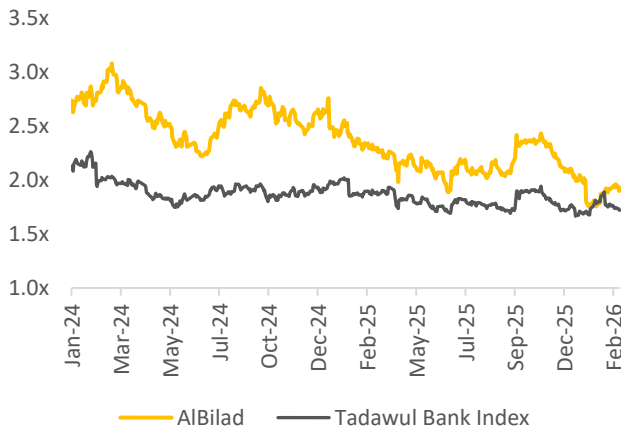
Source: Bloomberg, GIB Capital

Figure 28: BIAZ valuation trend (Blended 12m forward P/BV)



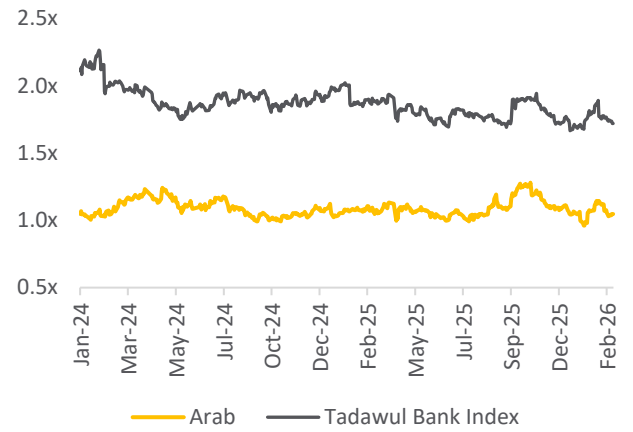
Source: Bloomberg, GIB Capital

Figure 29: AlBilad valuation trend (Blended 12m forward P/BV)



Source: Bloomberg, GIB Capital

Figure 30: Arab valuation trend (Blended 12m forward P/BV)



Source: Bloomberg, GIB Capital

Appendix

Annualized cost of funds: We calculate annualized cost of funds by multiplying quarterly interest expense by four and divide it by the total deposits outstanding at the end of the quarter. Cost of Fund (COF) = (quarterly interest expense * 4)/Total Deposits

Annualized asset yield: We calculate annualized yield by multiplying quarterly interest income by four and divide it by the sum of total loans and investments outstanding at the end of the quarter. Asset Yield = (quarterly interest income * 4)/ (Total Loans + Total Investments)

Annualized Net Interest Margin (NIM): We calculate NIM by multiplying quarterly net interest income (interest income *less* interest expense) by four and divide it by the sum of total deposits and investments outstanding at the end of the quarter. Net Interest Margin (NIM) = (quarterly net interest income * 4)/ (Total Loans + Total Investments)

Cost to income ratio: Opex before provisions for credit losses and other losses divided by total operating income

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Contact us for queries:

Sell Side Research Department,
GIB Capital,
B1, Granada Business & Residential Park,
Eastern Ring Road, PO Box 89589, Riyadh 11692
www.gibcapital.com