Contents

First: Monetary Developments 3
  1.1 Money Supply 3
  1.2 Monetary Base 4
  1.3 SAMA’s Balance Sheet 4
  1.4 Reserve Assets 6
Second: Monetary Policy 7
Third: Banking Developments 8
  3.1 Bank Deposits 8
  3.2 Commercial Banks’ Assets and Liabilities 9
  3.3 Commercial Banks’ Foreign Assets and Liabilities 9
  3.4 Commercial Banks’ Claims on the Private and Public Sectors 10
  3.5 Commercial Banks’ Reserves, Capital, Profits and Branches 12
  3.6 Commercial Banks’ Purchases and Sales of Foreign Exchange 12
  3.7 Private Sector Imports Financed by Commercial Banks 14
  3.8 Private Sector Exports Financed by Commercial Banks 15
Fourth: Banking Technology Developments 16
Fifth: Domestic Share Market Developments 17
Sixth: Investment Funds 18
Seventh: Specialized Credit Institutions 19
Eighth: Supervisory and Legislative Banking Developments during the Second Quarter of 2014 20
Ninth: Prominent Regulatory Developments in the Saudi Economy during the Second Quarter of 2014 21
First: Monetary Developments

1.1. Money Supply

Broad money supply (M3) increased by 1.6 percent (SAR 26.3 billion) to SAR 1,647.0 billion during the second quarter of 2014, compared to an increase of 4.9 percent (SAR 75.5 billion) during the preceding quarter. It also recorded an annual growth rate of 12.3 percent (SAR 180.6 billion) at the end of the second quarter of 2014 (Chart 1).

A breakdown of the components of M3 during the second quarter of 2014 indicates that M1 rose by 2.7 percent (SAR 28.7 billion) to SAR 1,090.6 billion or 66.2 percent of M3, compared to a rise of 6.1 percent (SAR 61.4 billion) during the preceding quarter. M1 also registered an annual rise of 13.4 percent (SAR 128.6 billion) at the end of the second quarter of 2014. Also, M2 went up by 3.0 percent (SAR 40.9 billion) to SAR 1,450.8 billion or 88.1 percent of M3 during the second quarter of 2014 against an increase of 4.8 percent (SAR 64.4 billion) in the preceding quarter. It registered an annual increase of 13.2 percent (SAR 169.4 billion) at the end of the second quarter of 2014.
1.2. Monetary Base

Monetary base dropped by 7.2 percent (SAR 25.0 billion) to SAR 324.0 billion during the second quarter of 2014, compared to an increase of 1.6 percent (SAR 5.5 billion) during the preceding quarter. It also registered an annual rise of 9.2 percent (SAR 27.4 billion) at the end of the second quarter of 2014.

A breakdown of the components of the monetary base indicates that currency in circulation went up by 3.3 percent (SAR 4.8 billion) to SAR 151.5 billion during the second quarter of 2014, compared to an increase of 2.5 percent (SAR 3.5 billion) during the preceding quarter, registering an annual increase of 9.1 percent (SAR 12.6 billion) at the end of the second quarter of 2014.

Banks’ deposits with SAMA decreased by 18.0 percent (SAR 32.0 billion) to SAR 145.5 billion during the second quarter of 2014, compared to a rise of 0.2 percent (SAR 0.31 billion) during the previous quarter. They registered an annual rise of 7.6 percent (SAR 10.2 billion) at the end of the second quarter of 2014. Cash in vaults recorded an increase of 8.8 percent (SAR 2.2 billion) to SAR 27.0 billion, compared to a rise of 7.0 percent (SAR 1.6 billion) during the preceding quarter. It also registered an annual increase of 20.1 percent (SAR 4.5 billion) at the end of the second quarter of 2014.

1.3. SAMA’s Balance Sheet

Preliminary data of SAMA’s balance sheet indicate that total foreign assets rose by 0.8 percent (SAR 20.4 billion) to SAR 2,751.9 billion during the second quarter of 2014, compared to an increase of 1.2 percent (SAR 31.0 billion) during the previous quarter. They also registered an annual rise of 8.1 percent (SAR 205.7 billion) at the end of the second quarter of 2014. Net foreign assets went up by 0.7 percent (SAR 19.2 billion) to SAR 2,737 billion.
against a rise of 1.1 percent (SAR 29.6 billion) in the preceding quarter. It also registered an annual rise of 7.9 percent (SAR 201.1 billion) at the end of the second quarter of 2014 (Chart 2).

Total deposits in domestic currency for foreign entities registered an increase of 8.5 percent (SAR 0.6 billion) to SAR 7.7 billion during the second quarter of 2014, compared to a rise of 10.9 percent (SAR 0.7 billion) during the preceding quarter, witnessing an annual rise of 43.8 percent (SAR 2.3 billion) at the end of the second quarter of 2014.

### 1.4. Reserve Assets

SAMA’s total reserve assets registered an increase of 1.0 percent (SAR 19.3 billion) to SAR 2,770.6 billion during the second quarter of 2014 against a rise of 1.1 percent (SAR 30.0 billion) during the preceding quarter, recording an annual increase of 6.9 percent (SAR 179.8 billion) at the end of the second quarter of 2014 (Chart 3).
A breakdown of the components of total reserve assets during the second quarter of 2014 indicates that the reserve position with the IMF stood at SAR 18.6 billion, decreasing by 1.6 percent (SAR 0.3 billion) from the previous quarter. Deposits abroad also went down by 4.0 percent (SAR 27.0 billion) from the previous quarter to SAR 649.5 billion. Investments in securities abroad, however, increased by 2.3 percent (SAR 46.6 billion) over the preceding quarter to SAR 2,064.5 billion. Special drawing rights balance also rose by 0.03 percent (SAR 0.01 billion) over the preceding quarter to SAR 36.3 billion. Gold reserve stood at SAR 1,624 million.

Second: Monetary Policy

During the second quarter of 2014, SAMA continued to pursue monetary policy aimed at achieving financial and price stability, supporting the various economic sectors in line with domestic and international economic developments and supporting domestic banks to perform their financing role in the domestic economy. During the second quarter of 2014, SAMA adopted the same measures taken earlier in the preceding quarter, i.e. maintaining the Repo
agreements rate unchanged at 2.0 percent and the reverse repo agreements rate at 0.25 percent. SAMA's daily average repo agreements stood at SAR 127 million during the second quarter of 2014 against SAR 119 million in the preceding quarter.

Daily average reverse repo agreements totaled SAR 79.3 million at the same period compared to SAR 93.7 million in the previous quarter. In addition, SAMA maintained the cash reserve ratio of demand deposits at 7.0 percent and time and savings deposits at 4.0 percent.

To encourage domestic banks to increase lending, SAMA continued to maintain the price of treasury bills at 80.0 percent of the Saudi inter-bank bid rate (SIBID) and the limit of weekly subscription in treasury bills for domestic banks at SAR 9 billion.

The three-month Saudi interbank offered rate (SIBOR) stabilized at 0.95 percent at the end of the second quarter of 2014. The three-month interest differential between the riyal and the dollar was in favor of the riyal, standing at 73 basis points at the end of the second quarter of 2014, compared to 72 basis points at the end of the preceding quarter.

Third: Banking Developments

3.1. Bank Deposits

Total bank deposits recorded a rise of 1.5 percent (SAR 21.5 billion) to SAR 1,495.5 billion during the second quarter of 2014 compared to a rise of 5.1 percent (SAR 72.0 billion) during the preceding quarter, recording an annual rise of 12.7 percent (SAR 168.0 billion) at the end of the second quarter of 2014. The ratio of total bank deposits to M3 stood at 90.8 percent (Chart 4).
A review of the components of deposits by type during the second quarter of 2014 indicates that demand deposits rose by 2.6 percent (SAR 23.9 billion) to SAR 939.1 billion compared to a rise of 6.8 percent (SAR 57.9 billion) during the preceding quarter, recording an annual rise of 14.1 percent (SAR 115.9 billion). Time and savings deposits picked up by 3.5 percent (SAR 12.2 billion) to SAR 360.2 billion against an increase of 0.9 percent (SAR 3.0 billion) during the preceding quarter, recording an annual rise of 12.8 percent (SAR 40.8 billion). On the other hand, other quasi-monetary deposits went down by 6.9 percent (SAR 14.6 billion) to SAR 196.2 billion compared to a rise of 5.6 percent (SAR 11.2 billion) during the preceding quarter, recording an annual rise of 6.1 percent (SAR 11.2 billion).

3.2. Commercial Banks' Assets and Liabilities

Total assets and liabilities of commercial banks stood at SAR 2,031.7 billion at the end of the second quarter of 2014, increasing by 2.1 percent (SAR 41.1 billion) compared to a rise of 5.1 percent (SAR 97.4 billion) in the preceding quarter. They recorded an annual rise of 12.4 percent (SAR 224.1 billion) at the end of the second quarter of 2014.
3.3. Commercial Banks' Foreign Assets and Liabilities

During the second quarter of 2014, total foreign assets of commercial banks declined by 1.5 percent (SAR 3.5 billion) to SAR 225.0 billion compared to a rise of 8.4 percent (SAR 17.8 billion) during the preceding quarter. They registered an annual rise of 5.2 percent (SAR 11.0 billion), constituting 11.1 percent of total commercial banks' assets compared to 11.5 percent at the end of the preceding quarter (Chart 5).

![Chart 5: Banks' Assets, Liabilities and Net Foreign Assets](#)

Commercial banks' total foreign liabilities went down by 5.6 percent (SAR 4.4 billion) to SAR 75.0 billion during the second quarter of 2014 against an increase of 6.4 percent (SAR 4.7 billion) in the preceding quarter, recording an annual decrease of 0.9 percent (SAR 0.7 billion) and constituting 3.7 percent of commercial banks' total liabilities against 4.0 percent at the end of the preceding quarter. Commercial banks’ net foreign assets went up by 0.6 percent (SAR 0.9 billion) to SAR 150.2 billion at the end of the second quarter of 2014 compared to a rise of 9.6 percent (SAR 13.0 billion) during the preceding quarter.
3.4. Commercial Banks’ Claims on the Private and Public Sectors

Commercial banks’ claims on the private and public sector went up by 4.2 percent (SAR 52.4 billion) to SAR 1,314.6 billion in the second quarter of 2014, compared to a rise of 4.0 percent (SAR 44.7 billion) in the preceding quarter, recording an annual rise of 12.4 percent (SAR 144.8 billion) at the end of the second quarter of 2014. They represented 88.0 percent of total bank deposits compared to 86.0 percent at the end of the preceding quarter.

3.4.1. Commercial Banks’ Claims on the Private Sector

Banks’ claims on the private sector increased by 4.2 percent (SAR 48.5 billion) to SAR 1,215.2 billion during the second quarter of 2014, compared to a rise of 3.8 percent (SAR 43.0 percent) in the preceding quarter. Banks’ claims on the private sector showed an annual increase of 12.3 percent (SAR 133.2 billion) at the end of the second quarter of 2014. The ratio of these claims to total bank deposits stood at 81.3 percent at the end of the second quarter of 2014, compared to 79.1 percent at the end of preceding quarter (Chart 6).

3.4.2. Commercial Banks’ Claims on the Public Sector

Banks’ claims on the public sector went up by 4.1 percent (SAR 3.9 billion) to SAR 99.4 billion during the second quarter of 2014 compared to a rise of 2.0 percent (SAR 1.7 billion) during the preceding quarter. They recorded an annual rise of 13.3 percent (SAR 11.6 billion). The ratio of banks’ claims on the public and quasi-public sector to total bank deposits stood at 6.6 percent at the end of the second quarter of 2014 compared to 6.5 percent at the end of the preceding quarter (Chart 6).
An analysis of bank credit by maturity during the second quarter of 2014 indicates that short-term credit increased by 6.2 percent (SAR 37.4 billion) to SAR 640.8 billion, compared to a rise of 0.01 percent (SAR 0.03 billion) in the preceding quarter. Medium-term credit went up by 5.4 percent (SAR 11.6 billion) to SAR 225.5 billion, compared to a rise of 0.9 percent (SAR 1.9 billion) in the preceding quarter. Also, long-term credit rose slightly by 0.05 percent (SAR 0.2 billion) to SAR 344.5 billion compared to a rise of 12.8 percent (SAR 39.1 billion) in the preceding quarter.

### 3.4.3. Commercial Banks’ Claims by Economic Activity

Total bank credit by economic activity increased by 4.2 percent (SAR 49.2 billion) to SAR 1,210.8 billion during the second quarter of 2014 compared to a rise of 3.7 percent (SAR 41.1 billion) in the preceding quarter, recording an annual rise of 11.8 percent (SAR 128.2 billion) at the end of second quarter of 2014. A review of bank credit extended to economic activities during the second quarter of 2014 shows increases in the mining and quarrying by 27.1 percent (SAR 4.3 billion); water, electricity, gas and health services by 15.0 percent (SAR 5.2 billion); agriculture and fishing by 9.2 percent (SAR 1.1 billion); services by 7.6 percent (SAR 4.8 billion); commerce by 5.4 percent (SAR 12.4 billion); public and quasi-public sector by 5.3 percent (SAR 2.4 billion); other sectors by 4.0 percent (SAR 18.1 billion);
manufacturing and production by 1.6 percent (SAR 2.3 billion); and building and construction by 0.2 percent (SAR 0.1 billion). However, bank credit extended to the finance sector declined by 3.9 percent (SAR 1.2 billion), and to transport and telecommunication by 0.5 percent (SAR 0.2 billion).

3.5. Commercial Banks' Reserves, Capital, Profits and Branches

Capital and reserves of commercial banks declined by 1.6 percent (SAR 4.0 billion) to SAR 254.3 billion during the second quarter of 2014, compared to an increase of 14.4 percent (SAR 32.4 billion) in the preceding quarter. Their ratio to total bank deposits stood at 17.0 percent at the end of the second quarter of 2014 compared to 17.5 percent at the end of the preceding year. The annual growth rate of capital and reserves of banks went up by 9.7 percent (SAR 22.5 billion) in the second quarter of 2014. Banks' profits stood at SAR 10.7 billion at the end of the second quarter of 2014 compared to SAR 10.3 billion in the preceding quarter, recording a rise of 4.2 percent (SAR 0.4 billion). They registered an annual rise of 10.11 percent (SAR 1.0 billion).

The number of commercial banks’ branches operating in the Kingdom during the second quarter of 2014 stood at 1,860, increasing by 26 over the preceding quarter.

3.6. Commercial Banks' Purchases and Sales of Foreign Exchange

3.6.1 Commercial Banks' Purchases of Foreign Exchange

Commercial banks' total purchases of foreign exchange went down by 2.3 percent (SAR 22.6 billion) to SAR 957.1 billion during the second quarter of 2014, compared to a rise of 15.0 percent (SAR 127.5 billion) during the preceding quarter, recording an annual rise of 16.3 percent (SAR 134.0 billion). Comparing total purchases of foreign exchange during the second quarter of 2014 with those in the previous quarter shows that purchases from customers went up by 34.1 percent (SAR 28.2 billion) and those from SAMA by 6.2 percent (SAR 9.5 billion). On the other hand, purchases from other sources dropped by 39.8 percent (SAR 28.9 billion), from foreign banks by 6.9
percent (SAR 31.1 billion) and from domestic banks by 0.2 percent (SAR 0.4 billion) (Chart 7).

3.6.2. Commercial Banks' Sales of Foreign Exchange

Commercial banks' sales of foreign exchange rose by 3.5 percent (SAR 30.2 billion) to SAR 891.3 billion during the second quarter of 2014, compared to a rise of 9.4 percent (SAR 74.3 billion) during the preceding quarter. They recorded an annual increase of 16.1 percent (SAR 123.8 billion) during the second quarter of 2014. Comparing banks’ total sales of foreign exchange during the second quarter of 2014 with those during the preceding quarter indicates that sales to other customers inside the Kingdom picked up by 19.4 percent (SAR 23.6 billion), to government agencies by 5.4 percent (SAR 0.2 billion), and to banks abroad by 2.2 percent (SAR 9.2 billion). In contrast, sales of foreign exchange to SAMA went down by 44.8 percent (SAR 0.9 billion), to money changers by 5.7 percent (SAR 0.1 billion) and to banks within the Kingdom by 1.5 percent (SAR 3.1 billion) (Chart 7).
3.7. Private Sector Imports Financed by Commercial Banks

Imports of the private sector financed through commercial banks by settled letters of credit and bills for collection recorded an increase of 12.3 percent (SAR 6.8 billion) to SAR 62.2 billion during the second quarter of 2014, compared to a decline of 7.4 percent (SAR 4.4 billion) in the preceding quarter, recording an annual decrease of 1.9 percent (SAR 1.2 billion). Finance given to textile and clothing imports increased by 46.7 percent (SAR 0.3 billion), to construction materials imports by 42.9 percent (SAR 2.2 billion), to imports of appliance by 18.6 percent (SAR 0.3 billion), to vehicle imports by 18.4 percent (SAR 1.9 billion), to machinery imports by 10.0 percent (SAR 0.5 billion), to foodstuffs imports by 6.0 percent (SAR 0.4 billion) and to other goods imports by 4.4 percent (SAR 1.1 billion).

Private sector's imports financed through commercial banks by new opened letters of credit recorded a rise of 4.3 percent (SAR 2.2 billion) to SAR 52.9 billion during the second quarter of 2014, compared to a decline of 2.9 percent (SAR 1.5 billion) in the preceding quarter, recording an annual increase of 8.6 percent (SAR 4.2 billion). Credit to textiles and clothing imports increased by 35.7 percent (SAR 0.3 billion), to construction materials imports by 23.3 percent (SAR 1.4 billion) and to imports of other goods by 10.4 percent (SAR 2.1 billion). In contrast, credit to foodstuffs imports declined by 15.0 percent (SAR 0.7 billion), to appliances imports by 10.8 percent (SAR 0.2 billion), to vehicles imports by 4.6 percent (SAR 0.5 billion) and to machinery imports by 1.4 percent (SAR 0.1 billion) (Chart 8).
3.8. Private Sector Exports Financed by Commercial Banks

The private sector's exports financed through commercial banks by open letters of credit decreased by 0.2 percent (SAR 0.07 billion) to 33.0 billion during the second quarter of 2014, compared to a decline of 17.3 percent (SAR 6.9 billion) in the preceding quarter, recording an annual decrease of 13.2 percent (SAR 5.0 billion). The second quarter’s findings showed that financing exports of agriculture and livestock production went up by 650.8 percent (SAR 0.3 billion) and financing exports of chemicals and plastics materials fell by 67.4 percent (SAR 1.1 billion), while financing exports of other industrial products fell by 4.7 percent (SAR 1.5 billion) (Chart 9).

A review of the geographical distribution of opened letters of credit during the second quarter of 2014 indicates a rise in the financing of exports to North America countries by 110.0 percent (SAR 0.04 billion), to Arab countries by 26.8 percent (SAR 0.7 billion) and to other countries by 0.5 percent (SAR 0.1 billion). However, the financing of exports to Western European countries decreased by 48.1 percent (SAR 0.2 billion), to other European countries by 21.8 percent (SAR 0.4 billion), to Latin America by 13.8 percent (SAR 0.1 billion) and to the GCC countries by 1.7 percent (SAR 0.2 billion).
Fourth: Banking Technology Developments

4.1. Saudi Riyal Inter-bank Express System (SARIE)

Statistics of the Saudi Riyal Inter-bank Express System (SARIE) show that total value of transactions in the second quarter of 2014 declined by 8.6 percent (SAR 1.3 billion) to SAR 14.2 billion (nearly $3.8 billion). The value of single payment transactions totaled SAR 13.7 billion, whereas the total value of gross payment transactions stood at SAR 0.5 billion. Total customers’ payments stood at SAR 1.4 billion, increasing by 14.1 percent over the preceding quarter. The total value of inter-bank payments transactions stood at SAR 12.8 billion, declining by 10.5 percent from the preceding year.

4.2. Saudi Payments Network (SPAN)

As for SPAN developments, the total number of transactions executed via ATMs during the second quarter of 2014 was about 389 million, with cash withdrawals totaling SAR 185.0 billion, including transactions through banks’ network and SPAN. Total transactions executed through POS terminals stood at 91.8 million with total sales of SAR 45.0 billion during the second quarter of 2014. The number of ATMs totaled 14.7 thousand and the number of cards issued by domestic banks stood at about 19.6 million at the end of the second quarter of 2014. The number of POS terminals stood at 121.6 thousand at the end of the quarter under review.
4.3. Clearing

The number of bank checks (outgoing and incoming) cleared at the clearing houses in the second quarter of 2014 totaled 1.8 million with a total value of SAR 242.3 billion. The number of individual and corporate checks totaled 1.6 million with a total value of SAR 169.0 billion, and the number of certified checks totaled 215.6 thousand with a total value of SAR 73.3 billion.

Fifth: Domestic Share Market Developments

The general share price index went up at the end of the second quarter of 2014 by 0.4 percent to 9,513.02 compared to a rise of 11.0 percent in the preceding quarter, recording an annual increase of 26.9 percent. The number of traded shares increased by 21.3 percent to 20.9 billion compared to a rise of 56.8 percent in the preceding quarter, registering an annual rise of 34.3 percent. Total value of traded shares rose by 39.8 percent to SAR 654.9 billion in the second quarter of 2014 compared to an increase of 59.0 percent in the preceding quarter, recording an annual rise of 66.9 percent.

At the end of the second quarter of 2014, the market capitalization of issued shares went up by 1.0 percent to SAR 1,945 billion against an increase of 9.8 percent in the preceding quarter, recording an annual rise of 30.0 percent. Total number of transactions executed in the second quarter of 2014 rose by 37.8 percent to 10.7 million compared to an increase of 49.5 percent in the preceding quarter, recording an annual rise of 26.4 percent (Chart 10).
Sixth: Investment Funds

Total assets of investment funds managed by investment companies went up by 6.9 percent (SAR 7.5 billion) to SAR 115.9 billion in the second quarter of 2014 compared to an increase of 5.1 percent (SAR 5.2 billion) in the previous quarter, recording an annual growth rate of 15.7 percent (SAR 15.7 billion).

An analysis of the total assets of investment funds indicates that their domestic assets increased by 5.5 percent (SAR 4.9 billion) to SAR 93.8 billion in the second quarter of 2014, compared to a rise of 8.6 percent (SAR 7.1 billion) in the preceding quarter. Domestic assets registered an annual increase of 20.4 percent (SAR 15.9 billion). Foreign assets went up by 13.3 percent (SAR 2.6 billion) to SAR 22.1 billion during the second quarter of 2014 against a drop of 8.6 percent (SAR 1.8 billion) in the preceding quarter, recording a slight annual decrease of 0.8 percent (SAR 0.2 billion).

The number of subscribers to investment funds fell by 0.9 percent (2.3 thousand subscribers) to 254.1 thousand subscribers in the second quarter of 2014, compared to a decline of 0.7 percent (1,670 subscribers) in the preceding quarter. The number of subscribers recorded an annual decrease of 4.3 percent (11,358 subscribers). The number of operating funds rose by 3.7 percent (9
funds) to 249 funds during the second quarter of 2014 compared to 240 funds in the previous quarter.

**Seventh: Specialized Credit Institutions**

The specialized credit institutions’ total outstanding loans went up during the fourth quarter of 2013 by 1.1 percent (SAR 3.0 billion) to SAR 271.6 billion, compared to an increase of 1.0 percent (SAR 2.8 billion) in the preceding quarter, recording an annual rise of 8.9 percent (SAR 22.3 billion) at the end of the fourth quarter of 2013.

Total actual disbursements rose by 42.1 percent (SAR 3.9 billion) in the fourth quarter of 2013 compared to a decrease of 20.0 percent (SAR 2.4 billion) in the preceding quarter, recording an annual increase of 31.1 percent. Total repayments to the specialized credit institutions went up by 34.6 percent (SAR 2.6 billion) in the fourth quarter of 2013 compared to a rise of 90.0 percent (SAR 3.6 billion) in the preceding quarter, registering an annual increase of 118.6 percent.

The specialized credit institutions’ net credit went up by 74.8 percent (SAR 1.3 billion) in the fourth quarter of 2013, compared to a decline of 77.3 percent (SAR 6.0 billion) in the preceding quarter, recording an annual decline of 44.1 percent.

A breakdown of the loans extended by the specialized credit institutions shows that the disbursements by the Saudi Industrial Development Fund went up by 200.9 percent (SAR 1.6 billion) in the fourth quarter of 2013 compared to a rise of 133.1 percent (SAR 0.5 billion) in the preceding quarter. Disbursements by the Public Investment Fund also increased by 94.0 percent (SAR 2.5 billion) compared to a decrease of 29.4 percent (SAR 1.1 billion) in the preceding quarter. Disbursements by the Agriculture Development Fund rose by 69.2 percent (SAR 0.14 billion) compared to an increase of 4.4 percent (SAR 0.01 billion) in the preceding quarter. Disbursements by the Saudi and Savings Bank also increased by 5.7 percent (SAR 0.1 billion) compared to a
decrease of 11.3 percent (SAR 0.2 billion) in the preceding quarter. On the other hand, disbursements by the Real Estate Development Fund declined by 7.8 percent (SAR 0.3 billion) compared to a decrease of 26.4 percent (SAR 1.5 billion) in the preceding quarter. As for credit repayments during the fourth quarter of 2013, the repayment amounts to the Saudi Credit and Savings Bank rose by 163.7 percent to (SAR 2.1 billion) against 55.9 percent (SAR 0.5 billion) in the preceding quarter. Repayments to the Industrial Development Fund went up by 9.9 percent (SAR 0.1 billion) compared to a decline of 19.6 percent (SAR 0.3 billion) in the preceding quarter, to the Agriculture Development Fund by 101.6 percent (SAR 0.1 billion) against a fall of 53.1 percent (SAR 0.1 billion) in the preceding quarter, to the Public Investment Fund by 12.8 percent (SAR 0.5 billion) as compared to a rise of 245.8 percent (SAR 2.7 billion) in the preceding quarter. In contrast, repayments to the Real Estate Development Fund decreased by 14.7 percent (SAR 0.2 billion) against a rise of 157.3 percent (SAR 0.8 billion) in the preceding quarter.

Eighth: Supervisory and Legislative Banking Developments

SAMA issued a number of circulars to the banking sector during the second quarter of 2014, the most prominent of which were as follows:

- Circular No. 351000095018 dated 22/07/1435H regarding the BCBS's consultative document on Capital Requirements for Bank Exposures to Central Counterparties, April 2014.

- Circular No. 351000095021 dated 22/07/1435H concerning the BCBS's consultative document related to the Standardized Approach for Measuring Counterparty Credit Risk Exposures, March 2014.
Ninth: Prominent Regulatory Developments in the Saudi Economy during the Second Quarter of 2014

The Council of Ministers issued the following Resolutions during the second quarter of 2014:

- The resolution dated 14/06/1435H (14/04/2014) approving the establishment of the Saudi Center for Commercial Arbitration under the umbrella of the Council of Saudi Chambers of Commerce and Industry to supervise the arbitration proceedings in relevant commercial and civil disputes in accordance with applicable regulations and established commercial and civil judicial principles.

- The resolution dated 14/06/1435H (14/04/2014) approving the Law for Electronic Transfer of Information of Persons Dealing with Private Institutions to the National Information Center at the Ministry of Interior (Shomoos Security System).

- The resolution dated 28/06/1435H (28/04/2014) approving an administrative organization for the Bureau of the Ministry of Labor and an organizational structure for the Ministry’s branches in regions and labor offices in governorates.

- The resolution dated 06/07/1435H (05/05/2014) approving that amounts of collected fines or value of goods or transport means that are held by the Saudi Customs and adjudicated by the court, specialized in looking into crimes of weapons and ammunition smuggling, may be dealt with in accordance with the provisions of Common Customs Law of the GCC states.

- The resolution dated 20/07/1435H (19/05/2014) approving the public transport project in Dammam and Qatif and authorizing the Eastern Region’s Municipal to establish a company for the project.
• The resolution dated 20/07/1435H (19/05/2014) approving the GCC Trademark Law.

• The resolution dated 20/07/1435H (19/05/2014) approving a five-year plan for supporting the public education development project with SAR 80 billion.

• The resolution dated 27/07/1435H (26/05/2014) approving the statutes of the Tourist Accommodation Facilities Association, the Tourist Guides Association, and the Travel and Tourism Association.

• The resolution dated 18/08/1435H (16/06/2014) approving the public transportation project in Makkah and exempting it from public tender condition, provided that the Makkah Public Transportation Trains Company will manage the implementation of the project.

• The resolution dated 25/08/1435H (23/06/2014) approving Antiquities, Museums and Architectural Heritage Law.