



Comprehensive Financial Services and Banking in Saudi Arabia- Empirical Study

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Abstract

The study aims to reveal the reality of applying the concept of comprehensive banks in enhancing the dimensions of financial performance of banks operating in the Kingdom of Saudi Arabia, through a comparative analytical study. Questionnaire used and distributed to a random sample of branch managers of banks to identify the perceptions of bank officials of the dimensions of strategic financial performance in these banks, and their ability to absorb the motives of transformation from specialized banking to comprehensive banking, mechanisms, and requirements of transformation and its impact on enhancing financial performance. The researcher followed the descriptive study methodology based on data analysis, and the comparative study methodology, where the a pilot test was conducted and theoretical and field studies and research were reviewed in the field of the concept of comprehensive banks and strategic financial performance, in order to crystallize the foundations on which the theoretical framework is based, but at the level of analytical field research, an exploratory survey was conducted for a sample of members of the study community and then analyzed the data collected through questionnaires using the statistical package software for social sciences (SPSS) and test the hypotheses of the study. The results showed that Saudi banks enjoy an average level of strategic financial performance, and the study also found a significant impact of the level of application of the functions of comprehensive banks on the dimensions of the strategic financial performance of Saudi banks, as the higher the level of the bank's application of the functions of comprehensive banks, the greater the appreciation of the dimensions of strategic financial performance in the bank, and therefore through good attention to the application of the functions of comprehensive banks and enhancing their benefits, so can enhance the indicators of the strategic financial performance of Saudi banks.

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Keywords: Comprehensive Banks, Strategic Financial Performance, Saudi Banks

Introduction

General framework of the study

The nature of contemporary economies is constantly changing, which creates challenges that need to be adapted to in the form of reforms. The Saudi banking system is not isolated, as the Saudi economy is undergoing a shift from an economic logic based on planning to a new, more open and liberal logic.

The global banking arena has witnessed a number of profound transformations at the end of the twentieth century due to the economic and social developments resulting from globalization, which increased the interdependence between various economies, and the growth of financial globalization, which led to the spread of the phenomenon of infection and the rapid spread of crises, and perhaps the most prominent of these transformations is the phenomenon of comprehensive banks as one of

the global banking changes reflected by globalization on the performance and work of banks, where entities emerged. A new banking is a clear shift in the world of banking, after a long period of managing banks through the principle of specialization, the basic differences between each bank and another are the specialization of each of them in the management of certain types of financial assets that are more suitable with specific types of resources, in addition to the presence of government laws that were deepening the functional specialization of banks. Thus, the traditional divisions known in the field of bank management appeared, namely commercial banks, specialized banks, investment and business banks, but the increasing trend towards globalization showed the concept of inclusive banks, which is one of the banking developments aimed at making banks perform simultaneously their traditional functions and non-traditional functions such as investment-related. Which means that it performs the functions of commercial banks and banks Investment and business. Where it carries out brokerage work and finding credit. And play the role of organizer in the establishment and management of projects. Thus, it is not bound by limited specialization, so it expands its activity to all fields, regions and regions, obtaining funds from various sources and directing it to various activities (Abdelazim, 1999).

The banking environment in the Kingdom of Saudi Arabia is not immune to these developments, as it is witnessing a state of intense competition and openness to the global banking environment, which pushes it to think seriously about adopting global strategies aimed at enhancing banking performance, increasing the market position, and developing the quality and method of its work, such as adopting the concept of comprehensive banks.

On the other hand, in conjunction with these global transformations and keeping pace with development, taking market conditions and achieving the required change, especially regulatory ones, many banks have resorted to the quality management method as a starting point for change and considering it a business philosophy and a slogan for improvement and development, which allows them to continue and enhance their competitiveness in the banking environment, and new performance measures and measurement tools for financial performance have emerged, such as the balanced scorecard that supports the quality of banking performance.

This study sheds light on the reality of applying the concept of comprehensive banks in the Saudi banking sector and what is the impact of this on strategic financial performance as one of the indicators of banking performance through a comparative analytical study between banks operating in the Kingdom of Saudi Arabia.

Problem of the study

Due to the competitive environment experienced by banks in the Kingdom of Saudi Arabia and their continuous endeavor to improve banking performance and keep pace with global developments in this field, this calls for research and study in the reality of keeping pace with the Saudi banking sector to global banking developments that leave positive effects on banking performance, and among these developments is the shift towards financial inclusion in banks, so the problem of the study can be formulated with the following questions:

- Do Saudi banks differ among themselves in the degree of application of the concept of comprehensive banks?

- Do Saudi banks have a vision of the dimensions of strategic financial performance and its basic components?
- Is it possible to verify the impact of Saudi banks' application of the concept of comprehensive banks in enhancing the dimensions of strategic financial performance?

Importance of the study

- The role played by banks in financing the national economy by providing loans and various credit facilities, which reflects the importance of researching all initiatives that affect their performance.
- It focuses on one of the modern banking topics, which is the concept of (comprehensive banks), and the role of this concept in enhancing financial performance.
- The importance of this study also stems from the importance of assessing the availability of financial performance components, one of the main pillars that help banks improve their profits and improve their services. This importance is also evident from the results and recommendations that may benefit those responsible for the banking sector in the process of policymaking and decision-making.

Objectives of the study

The main objectives that the study seeks to achieve are as follows:

- The study aims to provide a theoretical framework on the concept of comprehensive banks and the motives of specialized banks to transform into comprehensive banks, and the mechanisms and requirements of this transformation process, in addition to talking about the concept of financial performance and the impact of transformation into a comprehensive bank in enhancing financial performance.
- Comparing Saudi banks in applying this concept for the purposes of knowing the factors that govern its application in the Saudi banking environment.
- Revealing the reality of the Saudi banking sector's adoption of the concept of comprehensive banks according to the evaluation of branch managers in the bank.
- Disclosure of the perceptions of branch managers in Saudi banks in the study sample on the extent to which the dimensions of strategic financial performance in the bank are formed.
- Discovering the extent to which there is a statistically significant impact on the extent to which the bank adopts the concept of comprehensive banks and its impact on the dimensions of strategic financial performance in the bank from the point of view of branch managers in Saudi banks operating in the Western Region.

Hypothesis

- The first main hypothesis: There is no significant difference between the average estimate of branch managers in the Saudi banks of the study sample on the extent to which the concept of comprehensive banks is applied in the banks in which they work and the hypothetical average (3).
- The second main hypothesis: There is no statistically significant effect at the level of ($\alpha \leq 0.05$) to the degree of

the bank's application of the concept of comprehensive banks in enhancing the components of strategic financial performance available from the point of view of branch managers in the bank.

- The third main hypothesis: There are no statistically significant differences at the level of ($\alpha \leq 0.05$) in the estimates of the sample members for the level of application of the concept of comprehensive banks in Saudi banks due to the following intermediate variables: type of bank (conventional or Islamic), bank association (local, foreign).

Methodology:

To achieve the objectives of the study, the descriptive study methodology based on data analysis and the comparative study methodology were adopted, where the desk survey was conducted and theoretical and field studies and research were reviewed in the field of the concept of comprehensive banks and the concept of strategic financial performance, in order to crystallize the foundations and premises on which the theoretical framework is based, and the concept of comprehensive banks, their development, standards and the most important functions they perform have been clarified, in addition to the motives behind the spread of comprehensive banks and the transformation of specialized banks into Comprehensive banks, On the other hand, the dimensions of strategic financial performance and how to measure them will be discussed, so that the basic premises of the study model will be developed. The most important previous studies will also be addressed, which constitute a vital tributary in the study and the knowledge axes it contains. At the level of analytical field research, a survey will be conducted for a sample of members of the study population and asked them to answer the paragraphs of the questionnaire designed for this study. The data collected through questionnaires will then be analyzed using the Statistical Package for Social Sciences (SPSS) software and test the hypotheses of the study.

This study is carried out through the following procedures

- Reviewing intellectual production in the field of the concept of comprehensive banks to identify the most important indicators of application (jobs) in international banks and prepare a list of them.
- Review the intellectual production in the field of strategic financial performance to identify its most important dimensions and measurement criteria to determine the criteria on which the study is based.
- Conducting a survey of branch managers in Saudi banks to reveal their assessment of the extent to which the concept of a comprehensive bank is applied to the bank in which they work, in addition to their assessment of the availability of the components of the bank's strategic financial performance based on a number of indicators addressed by the latest previous studies in this field.
- Conducting the necessary analysis to detect the differences between Saudi banks in the application of the comprehensive concept and knowing the factors governing that difference.
- Conducting the necessary analysis to reveal the impact relationship to apply the concept of the comprehensive bank to enhance the components of the strategic financial

performance of the branches of Saudi banks.

Theoretical framework and previous studies Origin and development of universal banks

The idea of the comprehensive bank originated in Germany in the nineteenth century and has continued until now, and its spread was helped by several factors, including: the tendency to remove barriers between banking activities, the decline of what is known as functional and sectoral specialization, the spread of the wave of liberalization in all financial and economic activities, and the intensification of global competition between banks. Al Shamil Bank relies on a policy of diversification in activities, regions, geography and economic sectors in order to reduce potential risk rates. Banks have played and continue to play an important role in Economic and social development, as this role crystallized and developed in turn influenced by this development. There are many books that explain and explain the role of banks in economic development, especially from the perspective of bank financing. There are also many varied experiences of countries in this field, and whatever the case, it can be said that the role of banks is the result of:

- The economic and social development witnessed by the different economies and the nature and depth of the development stage they are going through.
- The evolution of national and international policies, legislation and regulations that affect the role of banks.
- Economic developments and policies taking place in the global economy at some point.
- The extent to which the importance of the functions carried out by banks in any economy is realized.

Theories explaining the performance of banks.

- Commercial Loan Theory:** This theory is based on the Anglo-Saxon tradition and the thought of Adam Smith and concludes that a commercial bank should only provide short-term loans, which are those that do not exceed a year. It should also maintain liquidity and deal in commercial papers in the field of commercial activities, which are by their nature frequent and short-term.
- Substitution Theory:** This theory argues that a commercial bank's position is stable if it can maintain liquidity through what is known as transferring or exchanging its securities or rediscounting commercial papers. Therefore, it believes that a commercial bank should not invest its assets by expanding lending as well as investments in the open market and supporting and diversifying its portfolio.
- Expected Income Theory:** This theory holds that the bank's activities should focus on the expected income from it, and therefore the bank's loans should go to areas with high expected income and expected success of its projects. Hence, the theory holds that banks can enter into long-term loans. And to grant them to investment projects, businessmen, real estate loans and those allocated to meet consumption.
- Theory of Liability Management:** This theory concludes that a commercial bank relies on its assets in terms of size and structure, as well as on the size and structure of its liabilities. This is in order to provide liquidity to meet the needs of depositors for money and liquidity, as well as to meet the needs of borrowers,

whose loans represent the main source of profits obtained by banks.

Motives for switching to universal banks

Banks are witnessing profound transformations in their functions in the last twenty years in general and since the mid-nineties in particular. These shifts are in the direction of a shift towards inclusive banks and the multiplicity, diversity and intensity. Among the most important of these motives are self-motivation, development and transformations in local economies, awareness among the public of customers, competition from non-banking financial institutions, and scientific and technological development in the means of communication and information.

The concept of universal banks

A comprehensive bank can be defined as "a bank that provides various services to all customers from different sectors" (Al-Taher, 2007) ^[16].

Comprehensive banks are also defined as "banks that no longer adhere to the limited specialization that restricted banking work in many countries, but rather extend their activities to all fields, regions and regions, and obtain funds from multiple sources and direct them to various activities." (Abdelkhaleq, 2002).

Advantages of comprehensive banks

A study (Saunders and Walter, 2012) ^[26] examined the advantages of comprehensive banks, perhaps the most important of which is helping to reduce the degree of risk due to the diversification of the bank's lending and investment portfolio on the one hand, and the diversity of sources of funds on the other hand. It enables the bank to provide an integrated package of financial and banking services to meet all the growing and evolving needs of its customers, and helps achieve a balance between different economic sectors, by providing various financing and banking services to all sectors.

Functions exercised by umbrella banks

The importance of inclusive banks is due to the functions they can perform and on which their contribution to achieving and advancing the process of development transformation and development witnessed by economies depends. These functions cover many activities, including the traditional banking activities that commercial banks used to carry out, and the functions of investment banks and business banks.

Requirements to be met when adopting comprehensive banking

In order to implement the concept of inclusive banks, there must be basic requirements that must be considered: (Miguel and Pedro, 2012)

- The different forms of risk to which banks are exposed for entering into new activities that have not previously been dealt with before, and this results in exposing depositors' funds to risks.
- The need to pay attention to the administrative and organizational aspect with the development of human cadres, and the development of systems and methods used to suit the advanced functions provided in the presence of distinguished and effective management.
- The existence of independent centers for all operations

that should be added to the activities of the bank. With the need for an effective control system.

Success factors in comprehensive banks

- Achieving the required success of comprehensive banks requires the following:
- The bank has a complete package of conventional and non-traditional banking services.
- The Bank's entry into modern financial activities and the intrusion of new activities and services.
- The need to move towards multiple investments in short-term activities and productive projects.

Comprehensive activities of banks to diversify sources of financing

- Issuance of negotiable certificates of deposit.
- Long-term borrowing from outside the banking system.
- Taking comprehensive banks in the form of banking holding companies.
- 4. Issuance of negotiable securities.

Evolution of the performance of the Saudi banking sector

At the Arab level, Saudi banks rank fourth in terms of the rate of use of financial services, as account ownership as a percentage of adults increased from 46.4% in 2011 to 69.4% in 2014, reaching 71.7% in 2017, according to data from the International Bank. At the gender level, 80.5% of males have a bank account compared to 58.2% of females, according to the latest International Bank data. It should be noted that the ownership of accounts among women increased significantly from 15.2% in 2011 to 58.2% in 2017. The rate of use of financial services in Saudi Arabia is a result of continuous efforts by the Saudi Arabian Monetary Agency and Saudi banks, to facilitate and improve access to formal financial services.

The Saudi banking sector also made a major technological shift in consumer services during 2018 in line with financial technology innovations. Digital payments to facilitate payment and purchase were launched in August 2018, by activating the mobile digital wallet service. This is within the framework of developing the e-commerce sector and enabling it digitally and enhancing financial inclusion in the Kingdom. Within this framework, 61.2% of adults in Saudi Arabia made payments or received money online in 2017, and 35.7% of adults with a bank account in Saudi Arabia used their mobile phones or the Internet to access their bank accounts, the second highest percentage in the Arab world after the UAE (2.9%).

Consolidated assets by the end of 2018 amounted to about \$ 616.5 billion, an increase of 0.3% from the end of 2017, while the total deposits reached about \$ 430.5 billion by the end of 2018, recording a slight decline of about 0.3% from the end of 2017, as a result of the decline in government deposits by more than 10% from the end of 2017, to reach \$ 83.6 billion in June 2018. On the other hand, private sector deposits increased by about 3% to reach about \$ 340 billion during the period. Same. As for the total loans, it amounted to about \$ 468.2 billion by the end of 2018, an increase of 3.6% from the end of 2017, and the capital account in banks operating in Saudi Arabia amounted to about \$ 95.2 billion in 2018, down by about 1.2% from the end of 2017.

By the end of 2018, assets constituted about 18.2% of the total assets of the Arab banking sector, deposits constituted

20% and loans constituted 25% of the Arab total. The capital represents about 24% of the total capital of the Arab banking sector.

As for the distribution of loans provided to economic sectors by Saudi banks, the trade sector receives the largest percentage of credit granted to the basic sectors of the economy at the end of 2018 at 20.1%, followed by the industrial and production sector at 12.0%, the construction sector 7.0%, and the services sector at 5.1%. Table (1) shows the evolution of the consolidated balance sheet of Saudi commercial banks for the years 2016-2018.

The financial statements of the top 10 Saudi banks are shown and ranked by the size of the assets. The combined assets of the top 10 Saudi banks amounted to about \$ 558.2 billion in 2018. Deposits amounted to about \$414.8 billion. As for loans, they amounted to about \$ 349.3 billion. Property rights amounted to about \$89.6 billion. While the profits of the top 10 Saudi banks amounted to about \$ 6.5 billion by the end of 2018. The banking sector in Saudi Arabia is characterized by a concentration of the top 10 Saudi banks managed about 91% of the sector's consolidated assets by the end of 2018. The top 5 Saudi banks control about 69% of the sector's combined assets. The market share of the three largest Saudi banks reached about 45% of the total assets.

Table (2) Data of the 10 largest Saudi banks during the period 2017-2018 As for the number of banks that entered the list of the 1000 largest banks in the world according to the first tranche of capital for 2017, Saudi banks rank second in the Arab world, with the entry of 12 Saudi banks in the following order: «National Commercial Bank», «Al Rajhi Bank», «Samba Financial Group», «Riyad Bank», «Saudi British Bank», «Banque Saudi Fransi», «Arab National Bank», «Alinma Bank», «Saudi Investment Bank», «Alawwal Bank», «Bank of the Island», and Bank of the country». The total the core capital of these 12 banks is about \$ 95.1 billion and 12 Saudi banks entered the list of the top 500 banking brands in the world for 2018, which is the largest number of Arab banks that entered the aforementioned list. The banks by brand value are Al Rajhi Bank, National Commercial Bank, Samba Financial Group, Saudi British Bank, Riyad Bank, Saudi Fransi Bank, Arab National Bank, Alinma Bank, Alawwal Bank, Saudi Investment Bank, Bank Albilad, and Bank Island. The total value of trademarks in these banks was about \$9.9 billion. Al Rajhi Bank ranked fourth in the Arab world and 93rd globally with a brand value of \$2.6 billion at the end of 2017.

The Saudi banking sector is witnessing strong positive developments reflected in the improvement of financial soundness indicators during 2018, where the capital adequacy ratio reached 20.9% in 2018 (compared to 19.5% in 2016), a high percentage that reflects the strength of the Saudi banking sector.

The ratio of non-performing or non-performing loans to total loans in the Saudi banking sector was 1.8% at the end of 2018, which is a low ratio. With limited external exposure, domestic credit risks are well managed due to high-quality assets and adequate provisions for loans, with a non-performing loan coverage ratio exceeding 190%. The profitability of Saudi banks also improved, as the Saudi banking sector recorded a rate of return on assets of 2.1% by the end of 2018, compared to 1.8% in 2016, and a rate of return on equity of 13.8%, compared to 12.6% in 2016. The interest margin to total income increased from 70.1% in 2016 to 74.4% at the end of 2018, due to the prudential policies of

the Saudi Arabian Monetary Agency, and Table (3) shows the development of the financial indicators of the Saudi banking sector during the period 2016-2018.

Previous studies

- **A study (Dergham and Abu Fadda, 2009) [13] entitled:** The Impact of the Application of the Balanced Performance Model (BSC) on Enhancing the Strategic Financial Performance of the Palestinian National Banks Operating in Gaza: A Field Study. This study aimed to find out the impact of the application of the balanced performance model identified within its four aspects: financial, customer, internal, growth and learning, enhancing Strategic financial performance of Palestinian national banks operating in the Gaza Strip. Among the most important results of the study: The Palestinian national banks operating in the Gaza Strip are well aware that their success requires working hard and seriously to enhance strategic financial performance. Banks also have a clear perception of the dimensions of the basic strategic financial performance, which enables them to achieve outstanding strategic financial performance. The four balanced performance models can also be used together separately to enhance banks' strategic financial performance.
- **A study (Al-Moataz Billah and Fath Al-Rahman, 2013) entitled:** The Impact of Applying the Concept of Comprehensive Banks in Enhancing the Strategic Financial Performance of Saudi Banks: A Comparative Study, The study aimed to reveal the reality of applying the concept of comprehensive banks and its impact on enhancing the dimensions of strategic financial performance among Saudi banks operating in the Western Region, through a comparative and analytical study of the opinions of a random sample of branch managers for those banks. The study showed that the level of application of the comprehensive bank functions addressed in the study was medium and the study showed The study recommended the development of a strategic plan for the applications of comprehensive banks and their multiple functions, and the development of a mechanism that ensures continuous evaluation of the extent of harmony and compatibility between the functions of comprehensive banks, and the current study will differ from this study in the large sample size, whether from bank managers or academics specialized in banking financial institutions and others, in addition to that. The current study analyzed the performance of the Saudi banking sector and its position at the Arab, international and local levels.
- **A study (Abdallah, 2009) entitled:** The problem of introducing the comprehensive banking system in the Algerian banking system. The study dealt with the comprehensive banking concept, fields and activities with a review of the obstacles to their application and the future challenges of the Algerian banking system in the light of financial globalization, and the study ended by providing a number of recommendations so that the Algerian banking system keeps pace with various transformations internally and externally, the most important of which are: Thinking about introducing deep reforms to the banking system aimed at giving it the administrative and material tools to work as an

institution Commercial. Today, more than ever, the banking system in Algeria needs to increase the volume of investment in modern technology and the adoption of modern information systems and programs and the generalization of their use, which will have a significant impact on reaching rapid and continuous estimates of the monetary value of financial savings, despite their complexities. Also, the use of modern technology increases the speed of settlements, increases transparency and control, and this increases investors' confidence in banks.

- **A study (Mohamed, 2006) ^[20] entitled:** Requirements of banking in light of merger activities and comprehensive banking - a case study of Algeria. This study tried to highlight the new environmental variables that have become the real framework in which the global banking system operates and the consequences of merger and engagement in this system, then determine the location of the Algerian banking system within this framework and try to find ways and mechanisms to ensure To develop the capabilities and functions of Algerian banks in order to support their financial centers and competitiveness in order to achieve the desired development. The study concluded by saying that the new framework in which the banking system operates, which is characterized by the diversity of its variables and the acceleration of the pace of its events, has imposed a development in the economics of banking operation and made the local banking markets too narrow to accommodate all the considerations of the rapid growth of the capabilities and functions of international banks, and the most important recommendations were: Activating partnership between foreign banks, especially in the technical aspect, in order to qualify public banks and adopt the philosophy of banking marketing at the level of banks to face competition, and finally the need Activating the diversification of banking services and applying the concept of comprehensive banks.
- **A study (Abu Fadda, 2006), entitled:** Towards the development of a balanced system for measuring strategic performance in Islamic banking institutions. This study aimed to develop an effective balanced system to measure the strategic performance in Islamic banking institutions, by reinstalling that system with its four traditional perspectives (financial, customer, internal operations, growth and learning). Adding perspectives that embody the theoretical dimension or background and the intellectual and doctrinal base. The study reached several results, the most important of which are: There is an urgent need to build measurement models for the general performance of the modern organization in general, and for strategic performance in particular, which can track financial performance, and at the same time follow up on capacity building and non-financial assets, and that the traditional balanced system for measuring strategic performance in its four dimensions and what it contains of many performance measures.
- **A study (Al-Hamdouni, 2001) ^[12] entitled:** Inclusive Banking and the Prospects of Using it as a Strategic Option in Light of Globalization. In it, he presented the concepts of comprehensive banking and its link with the

globalization of financial activity, and the readiness of banks to apply them. The researcher started from a basic premise: The comprehensive banking strategy, tools and mechanisms have a positive impact on the country's economy if the conditions and requirements are met. The researcher concluded that comprehensive banking is an urgent necessity associated with various economic changes from the globalization of financial and banking business and the emergence of the World Trade Organization and compliance ISO 9000 for quality management systems, developments in the field of technology, information and communication systems and the evolution of enterprise financing methods, as well as the decisions issued by the Basel Committee on capital adequacy. However, these developments and changes may be accompanied by some negative effects from the incompatible competition with foreign banks, and the monopoly of international banks on many facilities and services that local, specialized or emerging banks cannot provide.

Foreign Studies

- **Gagliardi Stefano M. (2011) Zurich, Turkey) study:** Existence of Synergies in Inclusive Banking: The existence of compatibility between different banking activities is a subject of research, dispute, dispute or controversy during the financial industry. By analyzing a sample of 230 banks, we found a strong negative impact from diversification of income sources on value creation in the banking sector. Moreover, we have demonstrated that inclusive banks suffer from continuing strong and meaningful agglomeration that implies that value creation through inclusive banks is less if different banking activities are conducted separately. Based on this we concluded that the potential high synergy through the aggregation of various banking activities and irreplaceable for the costs of the machine-agency associated with comprehensive banking. It is recommended that high synergy through the aggregation of different banking activities does not compensate for agency costs associated with comprehensive banking, so after developing existing models, our scientific hypotheses cannot clearly be rejected.
- **A study (Al-Jarhi, 2005) ^[24] entitled:** The State of Inclusive Banking as a Component of Islamic Banking: This research paper aimed to move forward towards universal banking as part of Islamic banking, as many studies noted that the above comes from banking theory, microeconomics, monetary theory in addition to applied studies on banking operations. The study concluded that inclusive banking itself can be a practical voice that offers special advantages to developing countries. This conclusion is very important because many Muslim countries that believe in Islamic banking are assessed as developing countries. Therefore, we recommend that Islamic banks should pay more attention to integrating inclusive banking into their business practices. Without a doubt the monetary authorities must accept the important link between universal banking and Islamic banking. Also, regulations and supervisory authorities must comply to allow the publication of the Islamic Banking Law such as comprehensive banks.
- **A study (Elsas R and Krahnen J, 2003) ^[28] entitled:**

Inclusive Banks and their Relationship to Organizations:

The study was concerned with the German financial system and the intensive interaction between banks and organizations, which includes various forms, including direct shareholding, representative council or voting agents, this study reviewed the special role of these banks in corporate governance in German organizations, where it distinguished between organizations with large trading and those Medium and small sized organizations. The study argues that inclusive banks can play an important role in investing and improving the efficiency of organizations as large investors and investors as knowledgeable about investment as shareholders. With regard to small organizations, the study suggested the existence of a so-called local bank, which may benefit those organizations by being able to bear the burden of financing even if the quality of borrowers deteriorates.

Field Study

Study population and sample

The study population consists of all branches of local and foreign Saudi banks, the study sample numbered 12 local banks and 10 branches of foreign banks, while the study sample was distributed questionnaires to a random sample of branches of banks operating in Saudi Arabia, where the inspection unit is represented in the managers of these branches, as it was found that they cover (8) different banks. The number of questionnaires distributed reached 140 questionnaires, of which 136 questionnaires were retrieved, all of which were valid for statistical analysis, Table (1) shows the distribution of the study sample by the banks included in the study sample according to the tariff variables of the bank.

Table 1: Distribution of Study Sample by Saudi Banks Included in the Sample and Some Tariff Variables

Ratio	Number of sample items	Has foreign branches			Foreign/Local	Bank Type		Bank Name	M
28%	38	No			Local	Islamic		National Commercial Bank	1
30%	42	Yes			Local	Islamic		Al Rajhi Bank	2
9%	20	Yes			Non-Arabic	traditional		Samba International Group	3
15%	12	No			Local	Islamic		Bank Albilad	4
7%	10	Yes			Local	traditional		Saudi British Bank	5
7%	10	Yes			Local	traditional		Saudi Hollandi Bank	6
2%	2	Yes			Non-Arabic	traditional		National Bank of Bahrain	7
2%	2	Yes			Non-Arabic	traditional		Pakistan National Link	8
100%	136	No	Yes	Non-Arabic	Local	Islamic	traditional	Total	
		2	6	3	5	3	5		
100%		25%	75%	37%	63%	37%	63%	Ratio	

The results in Table (1) indicate that 63% of the banks surveyed are conventional banks and 37% are Islamic banks, and 63% of the sample are local banks, 75% of the sample have foreign branches, and 37% of the sample are branches linked to foreign banks abroad. The results also showed that the majority of the samples were distributed between Al Rajhi Bank by 30% and Ahli Bank by 28%.

Study Tool

The study tool is the statistical questionnaire that is designed to collect data that measures the variables of the study, this questionnaire has been divided into three parts as follows:

- **Part I:** It includes a set of paragraphs about the identification data about the bank, such as the type of bank (conventional, Islamic), whether the bank is foreign or local.
- **Part II:** It included a set of paragraphs with the aim of measuring the extent to which the bank (represented by the branch under investigation) applied the concept of a comprehensive bank by investigating the level of its performance of a set of functions stipulated in the modern literature, namely: diversification in funding sources, diversification in the field of investment, diversification by entering non-banking fields, and providing innovative financing activities.
- **Part III:** It included a set of paragraphs in order to measure the availability of the bank's strategic financial performance dimensions, and previous literature in this field was used to determine these dimensions, namely: increasing the operating profit margin, continuity and sustainability of improvement, optimal use of assets, enhancing and sustaining effectiveness and efficiency,

change in debt policy and structure policy. Capital, increasing and sustaining free future cash flow, balancing future returns and risk, achieving and sustaining competitive advantage. The weights and paragraphs of the questionnaire were determined within the Likert multi-choice scale, which calculates the weights of these paragraphs in a five-point manner as follows: option (always applicable) represents (5) degrees, option (applies often) represents (4) degrees, option (applies sometimes) represents (3) degrees, option (applies rarely) represents (2) degrees and option (does not apply at all) and represents (1) degree.

Verification of the truthfulness and consistency of the resolution

Arbitral honesty of the questionnaire (virtual honesty) was conducted to ensure that the paragraphs of the questionnaire actually measure the variables of the study, where the questionnaire was presented to a number of arbitrators professors to express their opinion on it, in addition to distributing the questionnaire to an initial sample of bank branch managers with a size of (30) individuals, in order to identify the clarity and ease of the words used and the extent of their understanding of the paragraphs contained in this questionnaire, and then the necessary adjustments were made according to the opinions of the arbitrators and the results of the exploratory sample.

The internal consistency coefficient Cronbach Alpha was also used to ensure the consistency of the measurement tool, and the results were computerized as they are in Table (5), where the results indicate that the stability coefficient for all dimensions is not less than (0.60), and that the stability

coefficient for all paragraphs of the resolution reached (0.88), and this means that the study tool is stable and valid for statistical analysis and scientific research.

Table 2: Cronbach-Alpha Results of Study Variables

Alpha value	Number of paragraphs	Variable	M
0.72	9	Diversification of funding sources	1
0.80	5	Investment Diversification	2
0.62	8	Diversification into non-banking fields	3
0.83	5	Providing innovative financing activities	4
0.90	2	Increase operating profit margin	5
0.89	3	Continuity and sustainability of improvement	6
0.88	3	Optimal use of assets	7
0.75	2	Promote and sustain effectiveness and efficiency	8
0.74	2	Change in debt policy and capital structure policy	9
0.79	2	Increase and sustain free future cash flow	10
0.82	2	Balancing future return and risk	11
0.82	2	Achieving and sustaining competitive advantage	12
0.88	45	The resolution as a whole	

Study variables and procedural definitions: The study included the following variables:

The Independent Variable: Application of the Concept of Universal Banks This means that the bank performs the traditional functions of commercial banks of accepting deposits and providing loans, in addition to the non-traditional functions performed by investment banks such as trading in foreign currencies, trading in financial instruments and their derivatives, maintaining new debt and equity issuances, carrying out various financial intermediaries, managing investments, marketing industrial products and carrying out insurance operations. This variable will be measured by the extent to which The bank has a number of banking services at the level of a number of its branches characterized by diversity and comprehensiveness, i.e. diversity in banking services and their comprehensiveness to all sectors and their extension to all regions of the Kingdom of Saudi Arabia so that the extent to which the bank adopts the concept of comprehensive banks, as this variable was measured by the extent to which the bank implements the following functions: Diversification in funding sources Diversification in the field of investment, diversification by entering non-banking fields, Providing innovative financing activities.

Dependent variable: Enhancing the components of strategic financial performance: This variable consists of the following eight paragraphs, which are the basic dimensions of strategic financial performance: (Palepu, *et al.*, 2000)

- **Increasing the operating profit margin:** It is the profits achieved in excess of the normal level, and identifying sources of improvement and development of the margin, which is the operating profit for a certain period divided by the revenues of that period, and the operating profit margin refers to the effectiveness of the entity in controlling the costs and expenses associated with its normal operating operations, and the operating margin is

a ratio used to measure its operational efficiency and pricing strategy.

- **Continuity and sustainability of improvement:** It is the act that is done to change the organization's operations so that it meets the needs of the organization's work and achieves its work goals more effectively (Buglione and Alain, 2000) ^[27], and it is worth remembering, that the performance measurement systems used should be building tools, not punishment tools, and focused on process and product improvements.. It has been proven as a result of many studies and research that when examining successful enterprises in the long term, it can be seen that these companies are constantly working towards making improvements in many different sectors, including: reducing costs and raising the value of the company, i.e. increasing the market value of its shares. Sullivan and Needy, 2000.
- **Optimal use of assets:** In order to optimize asset utilization, managers are trying to reduce the levels of working capital required to support the supposed mix of work and volume, and they are struggling to get the greatest use of their fixed asset base by directing new work towards using existing assets that are not fully utilized , using scarce resources more effectively, while removing assets that offer insufficient returns according to their value, all of which Actions enable the unit of activity to increase the returns achieved on its financial and physical assets, and there are other measures of asset utilization that may focus on improving capital investment procedures to improve productivity from capital investment projects and speed up the capital investment process, so the cash returns from these investments are realized early.
- **Enhancing and sustaining effectiveness/efficiency:** Effectiveness is a measure of the level of value that can be generated from the available level of resources, and the evaluation of effectiveness is important related to how the organization meets the selected needs of its products and services to the selected needs of the selected customers and the competencies that motivate that effectiveness.
- **Change in debt policy (Capital structure policy):** An optimal capital structure is that structure that maximizes the share price of an entity so that the debt ratio is lower than that which maximizes the expected revenue per share.
- **Increase and sustain free future cash flow:** Free cash flows attributable to debt and ownership are equal to net operating profit after tax minus the increase in operating capital minus capital Increase in net long-term assets, while free cash flow attributable to ownership, is net income minus the increase in capital Operating factor minus the increase in net long-term assets plus the increase in net debt.
- **Balancing between future financial return and risk:** Risk is the possibility of occurrence or undesirable results, but risk has other definitions within other different contexts, but what interests us is the effects of risk on the valuation of assets or securities, and in this context, risk is due to the possibilities that the returns as well as the values of a particular asset or security, may have alternative results, and the probability of alternative

results are mainly related to relative frequencies .

- **Achieving and sustaining competitive advantage:** The added value has been recognized as an important factor in maintaining the competitiveness of the organization by achieving harmony between internal processes and activities with business objectives, and the fact of the emergence of new information technologies and the opening of global markets has changed many of the basic assumptions of the modern project, as enterprises will no longer be able to gain a permanent competitive advantage only by deploying tangible assets, and therefore the information age environment requires each From production and service organizations to new capabilities to competitive success, an enterprise's ability to mobilize and invest its intangible assets is becoming critical in generating and sustaining competitive advantage.

Field Study

The field study includes the results of analyzing the data collected by the questionnaire from the study sample and then testing the hypotheses of the study.

1. Results of statistical analysis of questionnaire data

The following is a presentation of the results of the descriptive statistical analysis of the data collected by the questionnaire, which are the value of the arithmetic averages, standard deviations, the estimation level for all study variables, and the paragraphs that make up each variable. For the purposes of evaluation, the values of the arithmetic averages reached by the study will be dealt with to interpret the data as follows: 3.5 and above represents a high level, 2.5-3.49 represents an average level, less than 2.5 represents a low level. The results of the analysis were as follows:

- Applying the concept of comprehensive banks in Saudi banks in general:

Table 3: Arithmetic Averages and Standard Deviations for Sample Members' Estimation of the Level of Application of Comprehensive Banking Functions

Grade Level	Standard deviation	Arithmetic mean	Paragraphs/Functions
High	0.83	3.51	Managing current accounts in local and foreign currency
High	0.81	3.7	Internal and external bank transfers
Medium	0.68	3.38	Issuing traveler's cheques.
Medium	1.24	2.98	Issuance of savings certificates in local and foreign currency.
Medium	0.88	2.86	Granting credit facilities and financing foreign trade
Medium	0.72	2.6	Issuance of negotiable certificates of deposit, which can
			The bearer may buy and sell them in the money markets without referring to the bank that issued them.
Low	0.68	2.47	Long-term borrowing from outside the banking system in the form of issuing bonds in capital markets, or by borrowing from insurance companies and financial institutions.
Medium	0.85	2.65	Taking the form of banking holding companies that include industrial, commercial and financial companies in order to diversify sources of financing and increase financial resources.
High	0.79	3.98	Providing securitization financing services
Medium	0.64	3.13	Diversification of funding sources
Medium	0.72	3.33	Diversify a portfolio of securities with different maturity dates and companies with diversified activities Their degree of correlation is weak, ensuring a low risk score.
High	0.66	3.86	Diversify loans granted from short, medium and long-term loans, and diversify their maturity dates and the companies to which loans are applied.
Medium	0.69	3.40	Entering into new investment areas through attribution, which means buying newly issued shares from the issuing company for the purpose of promoting and selling them to others while bearing the potential burdens as a result of the decrease in price during the period of its possession and before the completion of its marketing, and in return the bank obtains all commissions and other expenses when paying the value of the share to the issuing companies
Medium	0.70	3.22	Entering into new investment areas through marketing, which includes the bank marketing securities for the issuing company, using its capabilities of experts, specialized units and extensive contacts with other financial intermediaries.
Medium	0.82	3.44	Entering into new investment areas by providing advice on the issuance of securities of companies in terms of their returns and risks in light of the reality and conditions experienced by the companies that issued these securities.
Medium	0.62	3.45	Investment Diversification
High	0.76	3.88	Carrying out financial leasing activity, by participating in the establishment of financial leasing companies
Medium	0.68	3.66	Currency trading in the spot market to complete transactions International trade for enterprises, with the aim of generating returns
Medium	0.70	3.30	Issuance of securities of shares and bonds on behalf of Other businesses, in return for a commission.
Medium	1.12	3.10	Supporting the financial activity of clients, by providing financial investments and businesses that will facilitate clients' business of investing their money in the market and maintaining their balance for Mali.
Medium	1.08	3.48	Establishment of investment funds.
Medium	1.09	2.45	Establishment of venture capital companies
Medium	1.20	2.60	Debt deduction operations
High	0.88	3.51	Revitalization of the financial market and privatization programs
Medium	0.69	3.25	Diversification into non-banking fields
Medium	0.55	2.77	Retail banking, which includes many financing services that are witnessing a significant expansion in many banks

High	0.00	5.00	Electronic cards, which allow instant payment as an accepted payment method.
High	0.72	4.55	Providing personal loans such as consumer loans that serve many categories of individuals working in the public or private sector for consumer purposes such as the purchase of cars, furniture... , in exchange for easy and simple terms
High	0.75	4.66	Mortgage financing.
Medium	0.66	3.41	Insurance activity through an organizational form of a sister company included in a holding company
High	0.79	4.08	Providing innovative financing activities
Medium	0.61	3.48	Functions of the comprehensive bank as a whole

Table (3) shows the arithmetic mean, standard deviation, level of estimation, for the estimation of the sample members of the extent of the application of the functions of comprehensive banks in their institutions, it was found that the general average of the estimate of the sample members for the application of the functions of the comprehensive bank in Saudi banks was average, where the arithmetic mean of the estimate of the sample members (3.48), most of the respondents' answers about the paragraphs related to these jobs were within the approval, as it was found that more The

functions are the provision of innovative financing activities with an arithmetic mean (4.08), while the function of diversification in funding sources was the least applied of these functions, as the arithmetic mean of the estimation of the respondents reached (3.13). This means that Saudi banks adopt the concept of a comprehensive bank at an acceptable level, and that they perform new and contemporary functions that keep pace with global banking developments to some extent.

2. Comparison between Islamic banks and conventional banks in the application of the concept of comprehensive bank:

Table 4: Arithmetic Averages and Standard Deviations for the Application of Comprehensive Banking Functions in Islamic and Conventional Banks

Conventional banks			Islamic Banks			Posts
Grade Level	Standard deviation	Arithmetic mean	Grade Level	Standard deviation	Arithmetic mean	
Medium	0.77	2.7	High	0.55	3.6	Diversification of funding sources
Medium	0.69	3.1	High	0.52	3.8	Investment Diversification
Medium	0.64	3.1	medium	0.60	3.4	Diversification into non-banking fields
High	0.63	4.01	High	0.62	4.16	Providing innovative financing activities
Medium	0.59	3.22	High	0.51	3.74	Applying the concept of a comprehensive bank as a whole

It is clear from the results in Table (4) that the arithmetic average of the application of comprehensive banking functions in Islamic banks is higher than in conventional banks, as the arithmetic mean in each of them respectively was (3.74) (3.22) and the most applied functions in both are (providing innovative financing activities), while The least

applied jobs in Islamic banks are (diversification by entering non-banking fields) while the least applied jobs in conventional banks are (diversification in financing sources). This means that Islamic banks adopt the concept of a comprehensive bank more than conventional banks.

3. Comparison between local and foreign banks in the application of the concept of comprehensive banking:

Table 5: Arithmetic Averages and Standard Deviations for the Application of Comprehensive Banking Functions in Both Local and Foreign Banks

Foreign Banks			Local Banks			Posts
Grade Level	Standard deviation	Arithmetic mean	Grade Level	Standard deviation	Arithmetic mean	
Medium	0.69	3.11	Medium	0.58	3.15	Diversification of funding sources
Medium	0.68	3.33	High	0.60	3.57	Investment Diversification
Medium	0.61	3.2	Medium	0.57	3.3	Diversification into non-banking fields
High	0.59	4.03	High	0.68	4.13	Providing innovative financing activities
Medium	0.67	3.42	High	0.64	3.54	Applying the concept of a comprehensive bank as a whole

It is clear from the results in Table (5) that the arithmetic average of the application of comprehensive banking functions in local banks is higher than in foreign banks, as the arithmetic mean in each of them respectively was (3.54) (3.42) and the most applied jobs in both are (providing

innovative financing activities), while the least applied jobs in both It is (diversification in funding sources). This means that local banks adopt the concept of a universal bank more than foreign banks.

4. Estimates of the respondents of the dimensions of strategic financial performance in Saudi banks:

Table 6: Arithmetic Averages and Standard Deviations for Respondents' Estimation of Strategic Financial Performance Dimensions

Grade Level	Standard deviation	Arithmetic mean	Paragraphs/Dimensions
medium	0.90	3.13	Available resources and possibilities are exploited with mechanisms that enable profits beyond the ordinary.
medium	0.89	3.26	Tools are used that enable the identification and development of operating profit margin optimization factors.
medium	0.67	3.20	After increasing the operating profit margin
medium	0.75	3.35	The Bank's operations are designed to have sufficient flexibility to achieve the desired objectives.
medium	0.66	3.47	The Bank's permanent improvement processes include business mechanisms and the banking product.
High	0.77	3.80	Comprehensive optimizations aim to achieve real cost reduction and increase value generation.
High	0.68	3.54	After the continuity and sustainability of improvement
medium	0.83	3.33	Working capital reductions target improved asset utilization mechanisms
High	0.88	3.56	New businesses are being created to use scarce resources more effectively to exploit existing assets to their full potential.
medium	0.70	3.22	Capital investment procedures are being improved to increase productivity and speed up investment processes.
medium	0.79	3.37	After optimal use of assets
High	0.92	3.50	Take reactive actions to maximize the value generated from the available level of resources.
medium	1.05	3.40	The highest level of customer needs is met by producing appropriate products
medium	0.77	3.45	After enhancing and sustaining effectiveness/efficiency
High	0.81	3.66	Deliberate and continuous changes are made in debt policy to reach the lowest cost of debt paid
medium	0.89	3.32	The two sides of the capital structure are balanced to achieve the highest value added in the share price.
medium	0.76	3.49	After the change in the politics of religion
medium	0.88	3.45	Take action to increase and sustain free future cash flow by increasing net operating profit.
High	0.85	3.53	Effective mechanisms are used to increase and sustain free future cash flow by increasing net income.
medium	0.82	3.49	After increasing and sustaining free future cash flow
High	1.02	3.51	Efforts are made to balance the desired future financial return against the potential for undesirable outcomes.
medium	0.85	3.47	Good work is done to gain accurate knowledge of the effects of risk on the asset valuation mechanism.
medium	0.82	3.49	After balancing future return and risk
medium	0.81	3.43	There is full recognition of the importance of adding value as a key factor to maintain effective competitiveness.
medium	0.78	3.25	Take interactive actions to harmonize internal processes with overall objectives to achieve and sustain competitive advantage.
medium	0.77	3.34	After achieving and sustaining competitive advantage
medium	0.71	3.42	Strategic financial performance in banks as a whole

It is clear from the results contained in Table (6) that the arithmetic average of individuals' estimate of the level of strategic financial performance in Saudi banks was average, as the arithmetic mean of the estimate of the sample members was (3.42), most of the respondents' answers about the paragraphs related to the dimensions of this variable were within the approval, and it was found that the most estimated dimensions is the dimension of "continuity and sustainability of improvement" with an arithmetic mean (3.54), while it was After increasing the operating profit margin, the least of these dimensions was estimated, as the arithmetic mean of the sample members' estimate of this dimension reached (3.20). This means that the strategic financial performance of Saudi banks is within the acceptable level from the point of view of

the branch managers surveyed.

Testing Hypothesis

The first main hypothesis: There is no significant difference between the average estimate of branch managers in Saudi banks operating in the Western Region of the extent to which the concept of comprehensive banks is applied in the banks in which they work and the hypothetical average (3). To test this hypothesis, we will use the results in Table (1), which indicated that the general average of the sample members' estimate of the extent to which the concept of comprehensive banks is applied in Saudi banks was Average (in terms of the arithmetic mean) and therefore the hypothesis is rejected in principle, as the average estimate of the sample members of the level of application of the concept of comprehensive banks is greater than the hypothetical level (3). To test the significance of the difference between the real average of the variable of applying the concept of comprehensive banks and the hypothetical average (3), the (T) test will be used for one sample and Table (4) shows the results:

Table 7: Arithmetic Averages, Standard Deviations and Test Results (T) per Sample T Test for Internal Risk Variable

Resolution	Degrees of freedom	Significance level	T value	Standard deviation	Arithmetic mean	Variable	M
Refuse	67	.000	-20.604	0.58	3.15	Diversification of funding sources	1
Refuse	67	.000	-18.688	0.60	3.57	Investment Diversification	2
Refuse	67	.000	-9.422	0.57	3.3	Diversification into non-banking fields	3
Refuse	67	.000	-9.480	0.68	4.13	Providing innovative financing activities	4
Refuse	67	.000	-25.443	0.64	3.54	Applying the concept of a comprehensive bank	5

We note from the results in Table (7) that there is a significant difference between the real average of the variable of the application of the concept of the comprehensive bank and its component dimensions and the hypothetical average (3), as the value of the significance level is less than (0.05) for all dimensions and for the variable as a whole and therefore the hypothesis is rejected and the alternative hypothesis is accepted, which considers the existence of a significant difference between the hypothetical average (3) and the real averages to estimate the dimensions that make up the variable, and this means the significance of the individuals' estimate of each A function of the comprehensive bank and the overall application of the concept of a comprehensive bank.

The second main hypothesis: There is no statistically significant effect at the level of ($\alpha \leq 0.05$) to the degree of the bank's application of the concept of comprehensive banks in enhancing the components of strategic financial performance available from the point of view of branch managers in the bank. To test this hypothesis we will use multiple regression analysis and the results are as follows:

Table 8: Multiple regression of the impact of independent variables on the level of strategic financial performance of Saudi banks

Mr	T	B	Independent variables
*.000	2.738	.113	Diversification of funding sources
*.000	3.854	.181	Investment Diversification
*.000	6.045	.258	Diversification into non-banking fields
.003.*	3.045	.115	Providing innovative financing activities
Adj R ² = 0.419 R ² = 0.428 F = 49.695 Sig = 0.000			

* Statistically significant at α level ≤ 0.05

- **The explanatory power of the model:** The value of the interpretation coefficient (R^2) (0.428) and the adjusted interpretation coefficient (Adjust R²) (0.419), which means that the independent variables are collectively responsible for (42.8%) of the change in the dependent variable (level of strategic financial performance) and the rest is due to other factors, including random error.
- **The total significance of the model:** The results in Table (8) indicated that the independent factors in the model significantly affect the level of strategic financial performance, as the P-Value of the statistician (F) was (0.000), which indicates that there is a statistically significant effect of the independent variables (as a whole) in the dependent variable and that the model is valid for testing, and this means that at least one of the regression coefficients is different from zero.
- **Partial significance of the model:** To identify the significant regression coefficients, we will use the P-Value of the statistician (T), where the data in the above table indicate that the model variables (diversification in funding sources, diversification in the field of investment, diversification by entering non-banking

fields, providing innovative financing activities) significantly affect the dependent variable (level of strategic financial performance) based on the value of (T) and its level of significance, which was Below the approved moral level (0.05), and their degree of influence was respectively (0.113, 0.181, 0.258, 0.115).

Decision

From the above, the nihilistic hypothesis of the model is rejected and the alternative hypothesis that assumes that the model is moral, i.e. the existence of a significant impact of the independent variables in the model (diversification in funding sources, diversification in the field of investment, diversification by entering non-banking fields, providing innovative financing activities) in the dependent variable The level of strategic financial performance in Saudi banks.

The third main hypothesis: There were no statistically significant differences at the level of ($\alpha \leq 0.05$) in the estimates of the sample members of the level of application of the concept of comprehensive banks in Saudi banks operating in the Western Region due to the following intermediate variables: type of bank (conventional or Islamic), bank association (local, foreign). Table (12) shows the results of the analysis of multiple variances of the perception of branch managers of Saudi banks towards the application of the concept of comprehensive bank according to variables (type of bank, bank linkage).

Table 9: Results of Multiple Variance Analysis of Saudi Bank Branch Managers' Perception of Applying the Comprehensive Bank Concept According to Variables (Bank Type, Bank Linkage)

Significance level	Value (q) Corresponding	Value Hotelling's Trace	Variable
0.000	5.739	0.061	Bank Type
0.658	1.598	0.013	Bank Engagement

* $\alpha \leq 0.05$

To answer this hypothesis, the Multiple Variance Analysis (MANOVA) was used as the functions of the comprehensive bank from the respondents' point of view (diversification in funding sources, diversification in the field of investment, diversification by entering non-banking fields, providing innovative financing activities) dependent variables and organizational variables (bank type, bank association) are independent variables, and the following is a presentation of these results:

First: Differences in the perception of branch managers in Saudi banks towards the application of the functions of the comprehensive bank according to the variable "type of bank": When conducting a variance analysis of the multiple variable of the differences between the type of bank (conventional, Islamic) on (diversification in funding sources, diversification in the field of investment, diversification by entering non-banking fields, providing innovative financing

activities) combined the value of the statistician Hotellings (Hotellings)) (0.061), and the corresponding value of (P) (5.739), which is statistically significant at the level of (0.05 = α). This requires the rejection of the hypothesis with respect to this variable.

A single (F) test (Univariate F- test) was also conducted for the differences between the banks of the study sample according to the type of bank in each of (diversification in financing sources, diversification in the field of investment,

diversification by entering non-banking fields, providing innovative financing activities) each separately and Table No. (10).) shows the results of these tests, which indicated that there are statistically significant differences between Islamic banks and conventional banks in the application of comprehensive banking functions, with the exception of the function of providing innovative financing activities where the estimate was not significant

Table 10: Results of Single Variance Analysis of Branch Managers' Perception in Saudi Banks Towards Applying Comprehensive Bank Functions According to the Variable "Bank Type"

Significance level	P value	Average squares	Degrees of freedom	Sum of squares	Dependent variable
0.011	5.152*	4.746	1	4.746	Diversification of funding sources
0.000	8.123*	9.917	1	9.917	Investment Diversification
0.000	13.344*	11.722	1	11.722	Diversification into non-banking fields
0.132	5.597	3.469	1	3.469	Providing innovative financing activities

Second: Differences in the perception of branch managers in Saudi banks towards the application of the functions of the comprehensive bank according to the variable "bank link": When conducting a multiple variance analysis of the differences between foreign banks and local banks on the application of comprehensive banking functions (diversification in funding sources, diversification in the field of investment, diversification by entering non-banking fields, providing innovative financing activities) combined the value of the statistician Hotellings (Hotellings) (0.013), and the corresponding value (P) (1.598) is not statistically significant at the level of (0.05 = α). This indicates that there are no differences in the perception of branch managers in Saudi banks towards the application of the functions of the comprehensive bank according to the variable "bank linkage". This requires acceptance of the hypothesis with respect to this variable.

Conclusions and recommendations

Results

- The study showed that the level of application of the comprehensive banking functions addressed by the study in the Saudi banks included in the study was average, as all banks tended to benefit from the advantages of comprehensive banks and their impact on the final results of the bank's business.
- The study showed that the most applied comprehensive banking functions in the banks of the study sample was to provide innovative financing activities, and one of the most frequent of these activities was (electronic cards, which allow immediate payment as an acceptable means of payment.) This reflects banks' endeavor to provide distinguished services that help win new customers and achieve competitive excellence for the bank, as well as help achieve the bank's strategic objectives, foremost of which is survival and growth.
- The study showed that Islamic banks outperformed conventional banks in achieving the concept of a comprehensive bank, as they outperformed them from the point of view of the sample members in the level of application of the functions of comprehensive banks, and the estimate was moral.
- The study showed that local banks outperformed foreign banks in achieving the concept of a comprehensive bank, as they outperformed them from the point of view of the sample members in the level of application of the

functions of comprehensive banks, but this difference between local banks and foreign banks is statistically significant.

- The study showed that the banks of the study sample enjoy an average level of strategic financial performance from the point of view of the sample members, and it was found that the most appreciated dimension is the dimension of "continuity and sustainability of improvement", and this means that the departments of Saudi banks realize that their success in the competitive market, and their ability to survive, withstand and continue in the market, requires them to work diligently and seriously to enhance strategic financial performance, which gives them the ability to achieve Its strategic visions are to reach a financially and technically efficient and effective and highly competitive sector.
- The study found that there is a significant impact of the level of application of the functions of comprehensive banks in the dimensions of the strategic financial performance of the banks of the study sample, as the higher the level of the bank's application of the functions of comprehensive banks, the greater the assessment of the dimensions of strategic financial performance in the bank, and therefore through good attention to the application of the functions of comprehensive banks and enhancing their benefits, we can enhance the indicators of strategic financial performance.

Recommendations

Based on the above, the study makes the following recommendations

- Develop a strategic plan for the applications of comprehensive banks and their multiple functions in Saudi banks, including follow-up and employment of developments in this concept and benefit from its multiple benefits.
- Develop a mechanism that ensures continuous evaluation of the extent of harmony and compatibility between the functions of comprehensive banks and new ideas that would enhance banking performance and the performance of Saudi banks and their business that would affect the competitive advantage of the bank.
- Enhancing the factors positively affecting the strategic financial performance indicators in Saudi banks in light of the findings of the study.

- Conducting more studies to uncover other factors that help enhance the strategic financial performance of banks, as well as conducting studies that will reveal the benefits of the applications of the concept of comprehensive banks and their various functions.
- Re-testing the hypotheses of the study in other studies applied in different environments to verify the effectiveness of the approach used by the study in enhancing the dimensions of the strategic financial performance of banks in light of the concept of comprehensive banks and their various functions.

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