

Saudi Investment Bank

Soft non-interest income weighs on earnings

October 22, 2026

Last Price: SAR 11.4 | YoY Performance: -1.6%

KEY TAKEAWAYS

- Saudi Investment Bank (SAIB) reported net profit of SAR 506.9 mn in 3Q26 (-2.2% YoY and -4.6% QoQ), broadly in line with our estimate, down 4.1%. The variance was mainly driven by non interest income of SAR 147.8 mn, which came in 22.9% below our estimate of SAR 191.6 mn.
- Net interest income rose 5.1% YoY to SAR 901.4 mn during the quarter, but was flat QoQ (+0.3%). The growth was supported by a 2.3% YoY decline in gross interest expense, while gross interest income rose marginally by 0.2% YoY. NIM declined 5 bps YoY and 3 bps QoQ to 2.1%.
- Non-interest income for 3Q26 fell 21.7% YoY and 28.7% QoQ to SAR 147.8 mn, 22.9% below our estimate. Its share of total income dropped to 14.1% from 18.7% in 2Q26 and 18.0% in 3Q25. Total operating income declined 5.1% QoQ to SAR 1,049.2 mn, and was flat YoY.
- Operating expenses rose 4.1% YoY to SAR 438.3 mn and eased 0.9% QoQ in 3Q26. With operating income flat YoY, the bank posted negative jaws, resulting in a 152 bps YoY increase in the cost to income ratio to 41.8% (+179 bps QoQ).
- Impairments fell 10.9% YoY and 23.4% QoQ to SAR 53.9 mn in 3Q26, 24.4% below our estimate. Cost of risk declined to 18 bps, from 22 bps in 3Q25 and 24 bps in 2Q26.
- As of 3Q26, the loan book increased 7.6% YoY to SAR 119.0 bn (+1.5% QoQ). Deposits growth outpaced at 14.8% YoY to SAR 120.8 bn, though deposits declined 0.7% sequentially. This resulted in a headline LDR of 98.6%, down 659 bps YoY but up 206 bps QoQ.
- Based on our last update, we maintain an 'Overweight' stance on the stock, with a target price of SAR 13/share (based on new number of shares). The stock is currently trading at a 2027f P/E and P/B of 9.6x and 0.9x, respectively.

Analyst Contact:

Muhammad Adnan Afzal

Head of Sell-Side Research

muhammad.afzal@anbcapital.com.sa

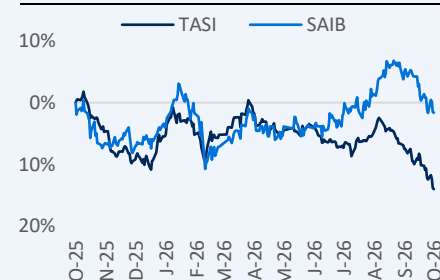
+966 11 4062500 Ext. 4364

Issuer Information

Bloomberg Code	SIBC AB
Last Price (SAR)	11.4
No of Shares (mn)	1,500
Market Cap bn (SAR/USD)	17.1 / 4.6
52-week High / Low (SAR)	12.5 / 10.2
12-month ADTV (mn) (SAR/USD)	7.1 / 1.9
Free Float (%)	69.8
Foreign Holdings (%)	11.3

Last price as of Oct 21st, 2026

Relative Price Performance



Source: Bloomberg, anbc research

Financials (SAR mn)	3Q26A	3Q26E*	Var (%)	3Q25A	YoY (%)	2Q26A	QoQ (%)
Net Interest Income	901	912	-1.2	857	5.1	899	0.3
Non-Interest Income	148	192	-22.9	189	-21.7	207	-28.7
Total Income	1,049	1,104	-4.9	1,046	0.3	1,106	-5.1
Operating expenses	-438	-444	-1.2	-421	4.1	-442	-0.9
Impairment provisions	-54	-71	-24.4	-60	-10.9	-70	-23.4
Net Income	507	529	-4.1	518	-2.2	531	-4.6
Adj. EPS	0.32	0.33		0.33		0.25	
Assets	189,928	188,414	0.8	175,047	8.5	184,021	3.2
Investments	46,765	48,144	-2.9	46,377	0.8	47,333	-1.2
Loans & Advances	119,036	119,601	-0.5	110,581	7.6	117,320	1.5
Deposits	120,761	121,647	-0.7	105,152	14.8	121,559	-0.7
Shareholders' Equity	17,418	17,720	-1.7	16,432	6.0	17,672	-1.4
NIM (%) - annualized	2.1	2.1	-1 bps	2.2	-5 bps	2.2	-3 bps
Operating cost to income (%)	41.8	40.2	157 bps	40.3	152 bps	40.0	179 bps
Provision/Loans (bps)	18.2	24.1	-6 bps	22.1	-4 bps	24.2	-6 bps
Headline LDR (%)	98.6	98.3	25 bps	105.2	-659 bps	96.5	206 bps
Assets to Equity (x)	10.9	10.6	2.6	10.7	2.4	10.4	4.7

*anbc estimates

Source: Company Financials, anbc research

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Contact

ANB Capital Head Office

3581 Al Mouyyad Al Jadid, Al Murabba, Riyadh 11311,

PO Box 22009, Kingdom of Saudi Arabia

Tel: +966 11 406 2500, 800 124 0055

Email: research@anbcapital.com.sa

Web: www.anbcapital.com.sa