Global
بيت الاستثمار العالمي
Global Investment House

Result Flash

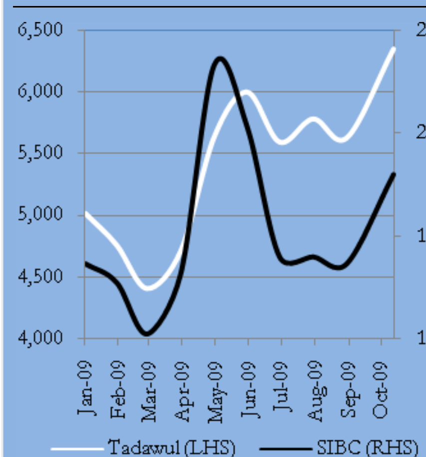
Saudi Investment Bank– 9M/2009 Review

Market Data

Bloomberg Code:	SIBC AB
Reuters:	1030.SE
CMP (14 Oct 2009):	SR19.8
O/S (mn):	450.0
Market Cap (SRmn):	8,910.0
Market Cap (US$mn):	2,376.0
Price/EPS 2009e (x):	16.5
Price/BVPS 2009e (x):	1.2

Price Performance	1-Yr
High (SR):	23.7
Low (SR):	14.6
Average Volume:	291,133

Share Price Performance



Source: Zawya

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- **Saudi Investment Bank (SIBC)** recorded significant quarterly growth showing net income increase of 207.6% (from SR66mn in 3Q08 to SR203mn in 3Q09), which led to an annual profitability rise of 4.4% (from SR604mn in 9M08 to SR631mn in 9M09). Overall, the bank's core banking performance was subdued, while the support arrived from better control over operating expenses (which include impairments for credit & investment portfolios).

- As we await the detailed financial results for more elaborate analysis, we have not yet revised our current estimates and expect the bank to post net income growth of about 5.0% in FY09.

(all figs. in SR mn, unless stated)	**3Q08**	**3Q09**	***YoY***	**9M08**	**9M09**	***YoY***
Net special comm. income	222	240	*8.1%*	827	744	*-10.0%*
Operating income	415	370	*-10.8%*	1,511	1,049	*-30.6%*
Net income	66	203	*207.6%*	604	631	*4.4%*
EPS (SR)	0.15	0.45	*207.6%*	1.34	1.40	*4.4%*
Loans (SR bn)	30	31	*2.2%*	30	31	*2.2%*
Deposits (SR bn)	43	38	*-10.8%*	43	38	*-10.8%*
Assets (SR bn)	55	51	*-7.2%*	55	51	*-7.2%*

Source: Tadawul & Company reports

- Although the bank's net special commission income showed quarterly increase of 8.1% (from SR222mn in 3Q08 to SR240mn in 3Q09), the nine-month results recorded a decline of 10.0% posting net special commission income of SR744mn in 9M09.

- SIBC's lower top-line performance seems to be aggravated by non-interest income, as the total operating income on quarterly basis showed a decrease of 10.8%, and nine-monthly decline of 30.6% (from SR1,511mn in 9M08 to SR1,049mn in 9M09). The operating expenses category offered support for the bottom-line results.

- The bank's customer deposit base (YoY) reduced by of 10.8% (from SR43bn in 9M08 to SR38bn in 9M09), while on YTD basis showed drop of 6.6%. However, the loan book (YoY) showed an increase of 2.2% (from SR30bn in 9M08 to SR31bn in 9M09).

- Overall the bank's total assets posted declining trend. The assets showed (YoY) decline of 7.2% (from SR55bn in 9M08 to SR51bn in 9M09) and YTD decrease of 4.8%.

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