

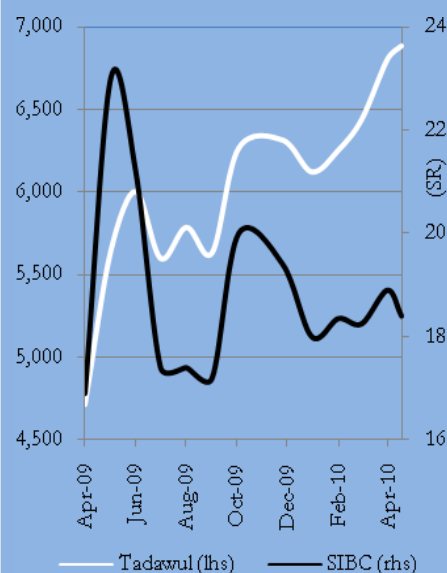
Market Data

Bloomberg Code:	SIBC AB
Reuters:	1030.SE
CMP (17 th April 2010):	SR18.4
O/S (mn):	450.0
Market Cap (SRmn):	8,280.0
Market Cap (US\$mn):	2,208.0
Price/EPS 2010e (x):	13.4
Price/BVPS 2010e (x):	0.9

Price Performance 1-Yr

High (SR):	23.7
Low (SR):	16.7
Average Volume:	234,781

Share Price Performance



Source: Tadawul & Zanya

Mohammad Ali Shah

Financial Analyst

mashah@globalinv.com.sa

Phone No: +966-1-2199966 ext. 951

Saudi Investment Bank – 1Q2010 Review

- Saudi Investment Bank (SIBC)** recorded subdued net income posting a decline of 91.3% (from SR241mn in 1Q09 to SR21mn in 1Q10). Although the bank's net special commission posted an increase of 29.5%, it were inflated operating expenses (with possibly higher impairment charges for credit losses & investment) that dampened the 1Q10 profitability results.
- As we await the detailed financial results for more elaborate analysis, we expect the bank to post net income growth of about 17.8% in FY10 (largely due to low base effect of FY09).

Financial highlights

(all figs. in SR mn, unless stated)	1Q09	1Q10	YoY	4Q09	1Q10	QoQ
Net special comm. income	241	312	29.5%	271	312	15.1%
Operating income	318	451	42.0%	468	451	-3.6%
Net income	241	21	-91.3%	-109	21	-
EPS (SR)	0.53	0.05	-91.3%	-0.24	0.05	-
Loans (SR bn)	30	31	2.0%	30	31	2.7%
Deposits (SR bn)	38	37	-3.9%	38	37	-4.5%
Assets (SR bn)	50	49	-1.6%	50	49	-1.2%

Source: Tadawul & Company reports

- The bank's core banking performance showing an annual increase of 29.5% (from SR241mn in 1Q09 to SR312mn in 1Q10) was well supported by increase in non-commission income as operating income recorded (YoY) rise of 42.0% (from SR318mn in 1Q09 to SR451mn in 1Q10). However, on quarterly basis the operating income posted a decline of 3.6% in comparison to 4Q09 results.
- SIBC's improved top-line performance was significantly dampened by the rise in operating expenses. Besides other factors, the possible increase in impairment charges for credit losses & investments could be one of the leading factors in lower 1Q10 profitability results.
- The loan book recorded (YoY) increase of 2.0% (from SR30bn in 1Q09 to SR31bn in 1Q10), and quarterly rise of 2.7% relative to 4Q09 results. The bank's customer deposits shrunk annually by 3.9% (from SR38bn in 1Q09 to SR37bn in 1Q10), and dropped by 4.5% on quarterly basis.
- Overall the bank's total assets recorded declining trend on both annual and quarterly basis. The assets on annual basis declined by 1.6% (from SR50bn in 1Q09 to SR49bn in 1Q10) and showed quarterly decrease of 1.2% as compared to 4Q09.

Brokerage

Yousef S. Fahed Alebrahim

(965) 2295-1702

yalebrahim@global.com.kw

Research

Faisal Hasan, CFA

(965) 2295-1270

fhasean@global.com.kw

Index

Rasha Al-Huneidi

(965) 2295-1285

huneidi@global.com.kw

Wealth Management -International

Fahad Al-Ibrahim

(965) 2295-1400

fahad@global.com.kw

Wealth Management - Kuwait

Rasha Al-Qenaci

(965) 2295-1380

alqenaci@global.com.kw

Global Kuwait

Tel: (965) 2 295 1000

Fax: (965) 2 295 1005

P.O.Box 28807 Safat, 13149 Kuwait

Global Abu Dhabi

Tel: (971) 2 6744446

Fax: (971) 2 6725263/4

P.O.Box 127373 Abu Dhabi, UAE

Global Egypt

Tel: 20 (2) 37609526

Fax: 20 (2) 37609506

P.O.Box 7 Abdel Hadi Saleh St., El-Nasr Tower, Giza

Global Bahrain

Tel: (973) 17 210011

Fax: (973) 17 210222

P.O.Box 855 Manama, Bahrain

Global Saudi Arabia

Tel: (966) 1 2199966

Fax: (966) 1 2178481

P.O. Box 66930 Riyadh 11586,
Kingdom of Saudi Arabia

Global Jordan

Tel: (962) 6 5005060

Fax: (962) 6 5005066

P.O.Box 3268 Amman 11180, Jordan

Global Dubai

Tel: (971) 4 257977

Fax: (971) 4 257960/1/2

P.O.Box 121227 Dubai, UAE

Global Qatar

Tel: (974) 4967305

Fax: (974) 4967307

P.O.Box 18126 Doha, Qatar

Disclaimer

This material was produced by Global Investment House - Saudia, a firm regulated by the Capital Market Authority of KSA. This document is not to be used or considered as an offer to sell or a solicitation of an offer to buy any securities. Information and opinions contained herein have been compiled or arrived by Global -Saudia from sources believed to be reliable, but Global- Saudia has not independently verified the contents of this document. Accordingly, no representation or warranty, express or implied, is made as to and no reliance should be placed on the fairness, accuracy, completeness or correctness of the information and opinions contained in this document.

Global - Saudia accepts no liability for any loss arising from the use of this document or its contents or otherwise arising in connection therewith. Global shall have no responsibility or liability whatsoever in respect of any inaccuracy in or omission from this or any other document prepared by Global- Saudia for, or sent by Global- Saudia to any person and any such person shall be responsible for conducting his own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this or other such document. Global investment house- Saudia is authorized and regulated by the Capital Market Authority (CMA) in the Kingdom of Saudi Arabia. License Number 07067-37.