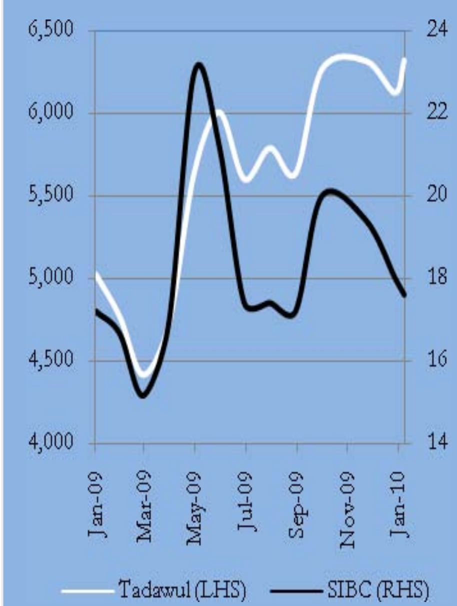
Result Flash

Market Data

Bloomberg Code:	SIBC AB
Reuters:	1030.SE
CMP (12 Jan 2010):	SR17.6
O/S (mn):	450.0
Market Cap (SRmn):	7,920.0
Market Cap (US$mn):	2,112.0
Price/EPS 2010e (x):	13.5
Price/BVPS 2010e (x):	1.0

Price Performance	1-Yr
High (SR):	23.7
Low (SR):	14.6
Average Volume:	239,185

Share Price Performance



Source: Tadawul & Zawya

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Saudi Investment Bank– FY2009 Review

- **Saudi Investment Bank (SIBC)** recorded annual net income rise of 1.8% (SR513mn in FY08 to SR522mn in FY09) despite the deepening of losses (QoQ) by 19.8% in 4Q09. It is mainly believed to be the higher operating expenses (which include impairments for credit & investment portfolios) that added pressure in 4Q09 results.

- As we await the detailed financial results for more elaborate analysis, we expect the bank to post net income growth of about 13.3% in FY10.

(all figs. in SR mn, unless stated)	4Q08	4Q09	*YoY*	FY08	FY09	*YoY*
Net special comm. Income	200	271	*35.5%*	1,026	1,014	*-1.2%*
Operating income	427	468	*9.6%*	1,938	1,517	*-21.7%*
Net income	-91	-109	*19.8%*	513	522	*1.8%*
EPS (SR)	-0.2	-0.2	*19.8%*	1.1	1.2	*1.8%*
Loans (SR bn)	30	30	*1.0%*	30	30	*1.0%*
Deposits (SR bn)	41	38	*-6.1%*	41	38	*-6.1%*
Assets (SR bn)	54	50	*-6.5%*	54	50	*-6.5%*

Source: Tadawul & Company reports

- Although the bank's core banking performance showed quarterly increase of 35.5% (from SR200mn in 4Q08 to SR271mn in 4Q09), on annual basis net special income recorded a decline of 1.2% at SR1,014mn in FY09.

- SIBC's annual lower top-line performance was further subdued by the non-interest income that posted a decline of 21.7% (from SR1,938mn in FY08 to SR1,517mn in FY09), while on quarterly basis non-interest income showed a rise of 9.6%.

- Overall the bank's improved results till 9M09 that recorded an increase of 4.5% were somewhat able to bear the dismal 4Q09 performance, resulting in annual profit growth for 2009.

- The bank's customer deposits (YoY) dropped by of 6.1% (from SR41bn in FY08 to SR38bn in FY09), while on QoQ basis the deposits were maintained at similar levels. The loan book (YoY) showed a marginal increase of 1.0% (at SR30bn in FY09) but posted QoQ decline 2.4% in 4Q9.

- Overall the bank's total assets recorded declining trend. The assets on annual basis showed (YoY) decline of 6.5% (from SR54bn in FY08 to SR50bn in FY09) and quarterly drop of 1.1% as compared to 3Q09.

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