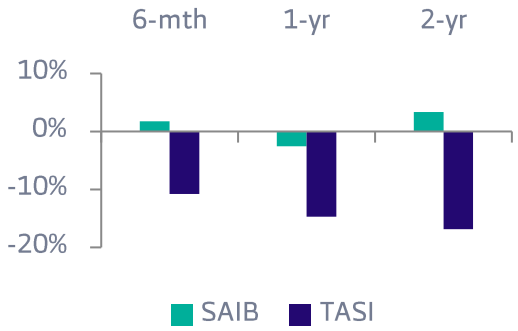
# Saudi Investment Bank (SAIB) 3Q2026 First Look

## Weaker Non-Funded Income

**October 29, 2026**

| | | | |
|---|---|---|---|
| Upside to Target Price | 14.3% | Rating | Buy |
| Expected Dividend Yield | 6.5% | Last Price | SAR 11.37 |
| Expected Total Return | 20.8% | 12-mth target | SAR 13.00 |

| Market Data | |
|---|---|
| 52-week high/low | SAR 12.49/10.22 |
| Market Cap | SAR 17,005 mln |
| Shares Outstanding | 1,500 mln |
| Free-float | 69.77% |
| 12-month ADTV | 544,639 |
| Bloomberg Code | SIBC AB |




| SAIB | 3Q2026 | 3Q2025 | Y/Y | 2Q2026 | Q/Q | RC Estimate |
|---|---|---|---|---|---|---|
| Net Commission Income | 901 | 857 | 5% | 899 | 0% | 936 |
| Total Operating Income | 1,049 | 1,046 | 0% | 1,106 | (5%) | 1,130 |
| Net Income | 507 | 518 | (2%) | 531 | (5%) | 532 |
| Net Financing | 119,036 | 110,581 | 8% | 117,320 | 1% | 119,666 |
| Deposits | 120,761 | 105,152 | 15% | 121,559 | (1%) | 122,775 |

(All figures are in SAR mln)

- The bank's loan book expanded to SAR 119 bln (+8% Y/Y, +1% Q/Q), in line with our forecast of SAR 119.7 bln. Deposits declined modestly by 1% Q/Q, reaching SAR 121 bln (+15% Y/Y), broadly in line with our estimate of SAR 123 bln. Consequently, loan-to-deposit ratio (LDR) increased to 99%, compared to 97% in 2Q26. NSCI stood at SAR 901 mln (+5% Y/Y, flat Q/Q), below our forecast of SAR 936 mln. The softer performance was driven by higher special commission expense, which more than offset the increase in special commission income.
- Operating Income reached SAR 1.0 bln (flat Y/Y, -5% Q/Q), below our forecast of SAR 1.13 bln. The sequential decline was mainly driven by weaker non-funded income, which fell to SAR 148 mln (-22% Y/Y, -29% Q/Q), below our estimate of SAR 194 mln. This was primarily due to lower unrealized gain on FVTPL investments, lower gains on the disposal of FVOCI debt securities and lower in exchange income, partially offset by higher net fee income from banking services.
- Operating expenses decline by 1% Q/Q to SAR 438 mln (+4% Y/Y), slightly below our forecast of SAR 448 mln. The cost-to-income ratio increased to 41.8% in 3Q26 (vs.40.0% in 2Q26) compared with our estimate of 39.6%. Impairment charges decreased to SAR 54 mln in 3Q26 (-11% Y/Y, -23% Q/Q), lower than our estimate of 88 mln.
- SAIB reported 3Q net income of SAR 507 mln (-2% Y/Y, -5% Q/Q), 5% below our estimate of SAR 532 mln. The sequential decline was primarily driven by weaker non-funded income, partly offset by lower impairment charges.
- Saudi Investment Bank currently trades at an FY26 P/BV of 0.9x, representing a 27% discount to the peer average. Following a modest downward revision to our earnings and book value forecasts, we lower our target price to SAR 13.00 (from SAR 13.33), while maintaining our Buy rating.

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# Disclaimer

## Stock Rating

| Buy | Neutral | Sell | Not Rated |
|---|---|---|---|
| Expected Total Return Greater than +15% | Expected Total Return between -15% and +15% | Expected Total Return less than -15% | Under Review/ Restricted |

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors

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