Saudi Investment Bank (SAIB)

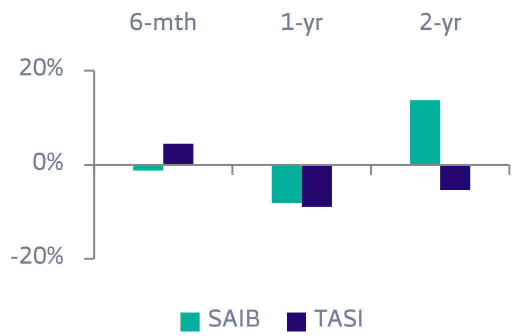
4Q2025 First Look

Earnings Shaped by One-Off

February 04, 2026

Upside to Target Price	13.3%	Rating	Buy
Expected Dividend Yield	5.9%	Last Price	SAR 14.12
Expected Total Return	19.3%	12-mth target	SAR 16.00

Market Data	
52-week high/low	SAR 15.50/12.72
Market Cap	SAR 17,650 mln
Shares Outstanding	1,250 mln
Free-float	69.77%
12-month ADTV	566,347
Bloomberg Code	SIBC AB



SAIB	4Q2025	4Q2024	Y/Y	3Q2025	Q/Q	RC Estimate
Net Commission Income	874	896	(2%)	857	2%	880
Total Operating Income	1,628	1,083	50%	1,046	56%	1,066
Net Income	897	510	76%	518	73%	525
Net Financing	112,070	99,466	13%	110,581	1%	114,419
Deposits	109,619	94,013	17%	105,152	4%	108,307

(All figures are in SAR mln)

- The bank's loan book expanded +13% Y/Y and +1% Q/Q to reach SAR 112 bln, broadly in line with our forecast of SAR 114 bln. Deposits grew at a healthy pace of +17% Y/Y and +4% Q/Q to SAR 110 bln, also in line with our forecast. As a result, loan-to-deposit ratio (LDR) declined to 102%, compared to 105% in 3Q2025. NSCI declined by -2% Y/Y but improved by +2% Q/Q to SAR 874 mln, supported by easing funding costs that more than offset the pressure from lower asset yields. Consequently, NIMs stood at 2.13%, down 34 bps Y/Y, while remaining broadly stable on sequential basis with 1 bps marginal Q/Q improvement.
- Operating expenses declined by -1% Y/Y but increase +3% Q/Q to SAR 433 mln, in line with our estimate of SAR 431 mln. Accordingly, the cost-efficiency ratio improved to 39.6% in 4Q25, compared to 40.3% in 3Q25. Meanwhile, impairment charges rose sharply to SAR 169 mln in 4Q, significantly higher than 61 mln in 3Q, and above our estimates of SAR 63 mln, largely reflecting higher provisioning on loans and advances.
- SAIB has reported a 4Q bottom-line of SAR 897 mln, however after adjusting for one-off land sale gain of SAR 535 mln, normalized net income stood at SAR 363 mln representing a decline of -29% Y/Y and -30% Q/Q, below both our estimate and market consensus, driven by elevated impairment charges.
- Banks continue to grow their loan books; however, the pace of expansion has moderated amid tight system liquidity and ahead of upcoming regulatory changes that are set to raise capital requirements by mid-2026. This environment is driving more selective lending practices and a greater focus on higher-quality client relationships. At the same time, asset yields are repricing downward faster than funding costs in the early stages of the rate-cutting cycle, keeping net interest margins under pressure. The sector is transitioning away from volume-driven growth toward a phase where margin discipline and deposit franchise strength are increasingly critical profitability.
- We maintain our Buy recommendation, while lowering our target price to SAR 16 (from SAR 18), to reflect a more conservative medium-term outlook.

Reem M. Alkhulayfi
reem.alkhulayfi@riyadcapital.com
+966-11-486-5680

الرياض المالية
Riyad Capital

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

For any feedback on our reports, please contact research@riyadcapital.com

Riyad Capital is a Saudi closed joint stock company with paid-up capital of SAR 500 million. Licensed by the Saudi Arabian Capital Market Authority (No. 07070-37). Commercial Registration No. 1010239234. Head Office: 3128 Financial Boulevard, 6671 Al Aqeeq Dist., Riyadh 13519, Kingdom of Saudi Arabia

The information in this report was compiled in good faith from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts stated in this report are accurate and that the forecasts, opinions and expectations contained herein are fair and reasonable. Riyad Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Riyad Capital does not represent that the information in this report is complete or free from any error. This report is not, and is not to be construed as, an offer to sell or solicitation of an offer to buy any financial securities. Accordingly, no reliance should be placed on the accuracy, fairness or completeness of the information contained in this report. Riyad Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents, and neither Riyad Capital nor any of its respective directors, officers or employees, shall be in any way responsible for the contents hereof. Riyad Capital or its employees or any of its affiliates or clients may have a financial interest in securities or other assets referred to in this report. Opinions, forecasts or projections contained in this report represent Riyad Capital's current opinions or judgment as at the date of this report only and are therefore subject to change without notice. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or projections which represent only one possible outcome. Further, such opinions, forecasts or projections are subject to certain risks, uncertainties and assumptions that have not been verified and future actual results or events could differ materially. The value of, or income from, any investments referred to in this report may fluctuate and/or be affected by changes. Past performance is not necessarily an indicative of future performance. Accordingly, investors may receive back less than originally invested amount. This report provides information of a general nature and does not address the circumstances, objectives, and risk tolerance of any particular investor. Therefore, it is not intended to provide personal investment advice and does not take into account the reader's financial situation or any specific investment objectives or particular needs which the reader may have. Before making an investment decision the reader should seek advice from an independent financial, legal, tax and/or other required advisers due to the investment in such kind of securities

Reem M. Alkhulayfi
reem.alkhulayfi@riyadcapital.com
+966-11-486-5680