

Market Data	
52-week high/low	SAR 15.58/12.04
Market Cap	SAR 17,825 mln
Shares Outstanding	1,250 mln
Free-float	69.63%
12-month ADTV	755,972
Bloomberg Code	SIBC AB



■ Margins Compress, Growth Sustains

July 24, 2025

Upside to Target Price 26.2%
 Expected Dividend Yield 5.6%
 Expected Total Return 31.8%

Rating Buy
 Last Price SAR 14.26
 12-mth target SAR 18.00

SAIB	2Q2025	2Q2024	Y/Y	1Q2025	Q/Q	RC Estimate
Net Commission Income	905	879	3%	891	2%	877
Total Operating Income	1,070	1,023	5%	1,050	2%	1,032
Net Income	512	486	5%	503	2%	489
Net Financing	108,423	90,644	20%	104,135	4%	108,799
Deposits	100,236	95,363	5%	101,666	(1%)	106,749

(All figures are in SAR mln)

- SAIB continued to deliver strong momentum in its loan book, growing +20% Y/Y and +4% Q/Q to reach SAR 108 bln, matching our forecast. Deposits grew +5% Y/Y; however, it declined -1% Q/Q to SAR 100 bln, lower than our estimates of SAR 107 bln. Consequently, loan-to-deposit ratio (LDR) increased to 108% from 102% in 1Q2025. NSCI rose by +3% Y/Y and +2% Q/Q to SAR 905 mln. NIMs contracted to 2.35%, down 44 bps Y/Y and 10 bps Q/Q, mainly due to lower asset yield.
- Operating income rose +5% Y/Y and +2% Q/Q, settling at SAR 1.1 bln. This sequential growth is attributable to the increase in NSCI, fee income from banking services and fair value gains through statement of income, despite partial decrease in gains on disposals of FVOCI debt securities and exchange income. Operating expenses increased by +1% Q/Q, mainly due to a rise in provisions for credit and other losses by +4% Q/Q, and higher general and administrative expenses, partially offset by decline in depreciation& amortization, and rent and premises related expenses. Accordingly, the cost-efficiency ratio improved to 40.8% in 2Q25, compared to 41.3% in 2Q2024.
- SAIB has reported a 2Q bottom-line of SAR 512 mln +5% Y/Y and +2% Q/Q, in-line with our estimate. The growth was driven by an increase in total operating income along with top line expansion.
- Despite strong fundamentals, the stock's performance has been lackluster, reflecting cautious market sentiment. Nevertheless, SAIB's strong and sustainable growth outlook reinforces our confidence in its long-term prospects. We maintain our Buy rating with a target price of SAR 18.00 per share.

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■ 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

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