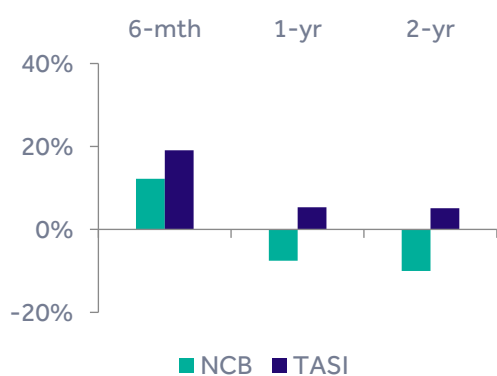


Market Data	
52-week high/low	SAR 50.70/30.50
Market Cap	SAR 121,200 mln
Shares Outstanding	3,000 mln
Free-float	45.2%
12-month ADTV	2,210,240
Bloomberg Code	NCB AB



Impressive Profits

October 29, 2020

Upside to Target Price	1.5%	Rating	Neutral
Expected Dividend Yield	2.5%	Last Price	SAR 40.40
Expected Total Return	4.0%	12-mth target	SAR 41.00

NCB	3Q2020	3Q2019	Y/Y	2Q2020	Q/Q	RC Estimate
Net Commission Income	4,102	3,873	6%	3,882	6%	3,872
Total Operating Income	5,638	4,997	13%	4,766	18%	4,839
Net Income	3,158	2,551	24%	2,088	51%	2,174
Loans & Advances	336,860	279,074	21%	316,299	7%	331,576
Deposits	408,474	340,383	20%	380,398	7%	396,545

(All figures are in SAR mln)

- Both loans portfolio and deposits soared significantly by SAR 20.1 bln and SAR 28.1 bln Q/Q respectively. Given the larger increase in deposits, LDR fell from 83% last quarter to 82%.
- NSCI rose by +6% Y/Y and Q/Q to reach SAR 4.1 bln. Non-core income enhanced to SAR 1.5 bln, up by +37% Y/Y and +74% Q/Q, due to an increase in investment related income which was partially offset by lower fees from banking services and foreign exchange income.
- Provisions fell to SAR 379 mln compared to SAR 663 mln in 3Q19 and SAR 828 mln in 2Q20.
- Operating expenses dropped -14% Q/Q to reach SAR 2.1 bln, primarily due to lower provisions, which were partially offset by an increase in salaries, rent, depreciation and others.
- Net income came in at SAR 3.2 bln (+24% Y/Y, +51% Q/Q), beating our forecast of SAR 2.2 bln and market consensus of SAR 2.1 bln. We maintain our target price but downgrade to Neutral.

Rawabi A. Al Mutaywia
 rawabi.al.mutaywia@riyadcapital.com
 +966-11-203-6805

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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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