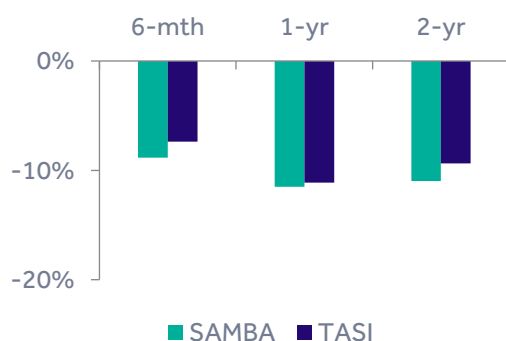


Market Data	
52-week high/low	SAR 34.95/18.30
Market Cap	SAR 50,800 mln
Shares Outstanding	2,000 mln
Free-float	81.4%
12-month ADTV	1,948,847
Bloomberg Code	SAMBA AB



Lower NSCI Impacts Earnings

August 06, 2020

Upside to Target Price	(1.6%)	Rating	Neutral
Expected Dividend Yield	4.9%	Last Price	SAR 25.40
Expected Total Return	3.3%	12-mth target	SAR 25.00

SAMBA	2Q2020	2Q2019	Y/Y	1Q2020	Q/Q	RC Estimate
Net Commission Income	1,391	1,608	(13%)	1,562	(11%)	1,505
Total Operating Income	2,359	2,171	9%	2,431	(3%)	2,136
Net Income	955	935	2%	1,274	(25%)	869
Loans & Advances	148,088	115,062	29%	147,822	0%	152,539
Deposits	187,259	168,306	11%	177,710	5%	175,374

(All figures are in SAR mln)

- SAMBA grew its loans portfolio at a slower pace compared to the previous quarter, adding SAR 0.3 bln, while deposits increased again after one quarter of decline by SAR 9.5 bln. Consequently, LDR fell from 83% last quarter to 79%.
- Financing and investment income declined by -16% Q/Q and -13% Y/Y to SAR 1.8 bln, net financing and investment income followed a similar trend to reach SAR 1.4 bln. Non-core income climbed +72% Y/Y and +11% Q/Q to SAR 968 mln.
- Operating expense rose +23% Q/Q and +6% Y/Y to reach a new record level of SAR 1.2 bln on the back of an increase in rent and premises related expense and credit impairment provisions.
- Net income came in at SAR 955 mln (+2% Y/Y, -25% Q/Q), beating our forecast of SAR 869 mln and market consensus of SAR 885 mln. We maintain our target price and Neutral stance.

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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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