



Earnings Flash Note
Ahli Bank
3Q 2023 / 9M 2023



Ahli Bank (ABQK)

- > **Net profit increased 8.2% YoY to QR 255.6mn (+64.7% QoQ) in 3Q23.** The sequential jump in net income was driven by a significant reduction in provisions & impairments. The net profit was up by 8.5% YoY to QR 615.3mn in 9M23.
- > **Net interest income remained largely flat (+0.8%) on YoY basis at QR363.4mn (+15.8% QoQ) in 3Q23** as growth in interest income was overshadowed by higher interest costs. Net interest margin (NIM) decreased by 30bps YoY (+24bps sequentially) to 2.87% in 3Q23 while NIM improved by 9bps YoY to 2.73% in 9M23.
- > **Operating income declined -4.6% YoY (+11.5% QoQ) to QR 408.5mn** largely on account of lower non-interest income (-33.4% YoY, -14.1% QoQ) in 3Q23. Operating income grew 4.1% YoY in 9M23.
- > **As of 3Q23-end, Loans & advances were QR 34.6bn (+1.6% YoY, -1.4% QoQ)** while Customer deposits grew 6.9% YoY to QR29.4bn (-3.7% QoQ).
- > **As of 3Q23-end, the book value per share stood at QR 2.7 (9M22: QR 2.6).**

- > **The stock is currently trading at a TTM P/B multiple of 1.4x, lower** than its 3Y historical average of 1.5x. For now, we maintain our PT of QR 3.28/share and our reduce rating.

3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q2023	QoQ
Net Interest Income	363	361	0.8%	314	15.8%
Net Interest Margin %	2.87%	3.17%		2.63%	
Non-interest income	45	68	-33.4%	53	-14.1%
Operating Income	408.5	428	-4.6%	366	11.5%
Cost/income ratio %	24.4%	20.2%		23.2%	
Net profit	256	236	8.2%	155	64.7%
Book value per ordinary share (QR)	2.7	2.6	3.7%	2.6	3.5%
Loans & advances	34,600	34,068	1.6%	35,076	-1.4%
Customer Deposits	29,390	27,485	6.9%	30,524	-3.7%

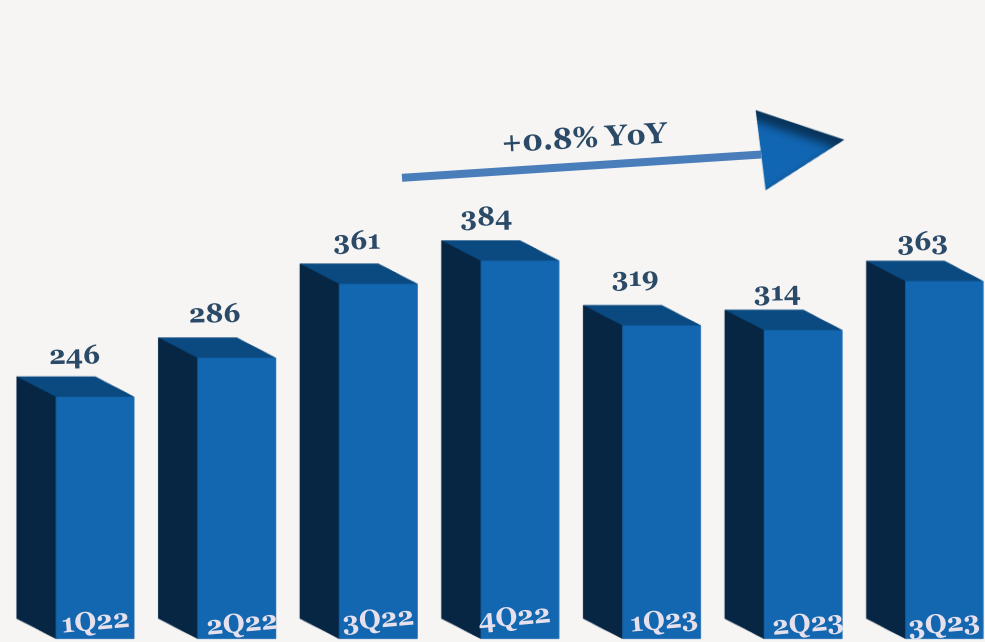
Note: Values are expressed in QR'mn unless explicitly stated

9M 2023 Earnings Performance

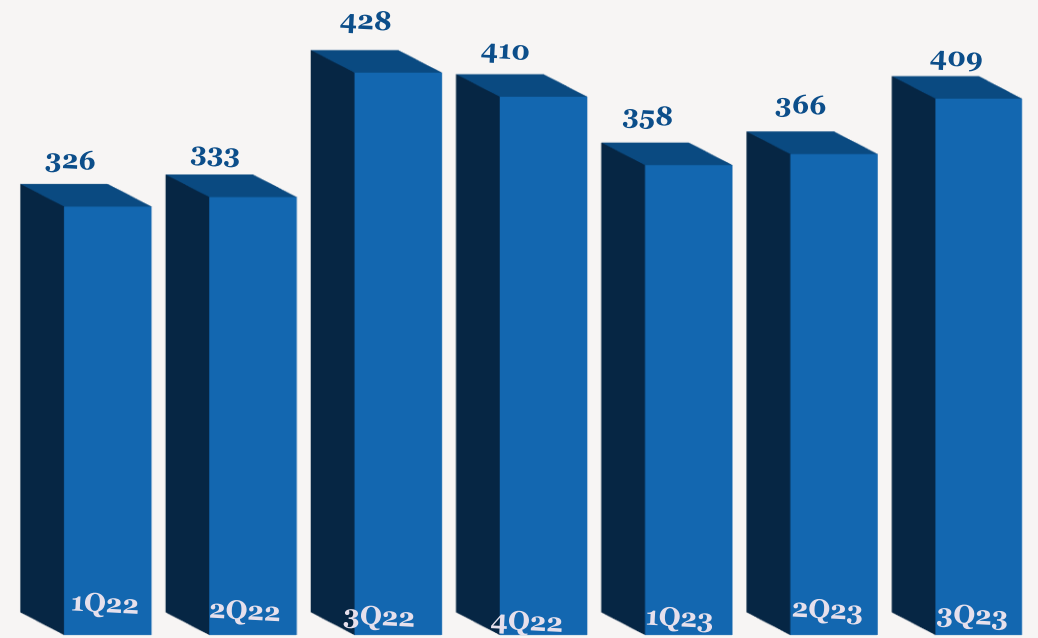
	9M2023	9M2022	YoY
Net Interest Income	2,327	1,399	66.3%
Net Interest Margin %	2.73%	2.64%	
Non-interest income	137	196	-30.0%
Operating Income	1,133	1,088	4.1%
Cost to income ratio %	24.0%	23.3%	
Net profit	615	567	8.5%
Book value per ordinary share (QR)	2.7	2.6	3.7%
Loans & advances	34,600	34,068	1.6%
Customer Deposits	29,390	27,485	6.9%

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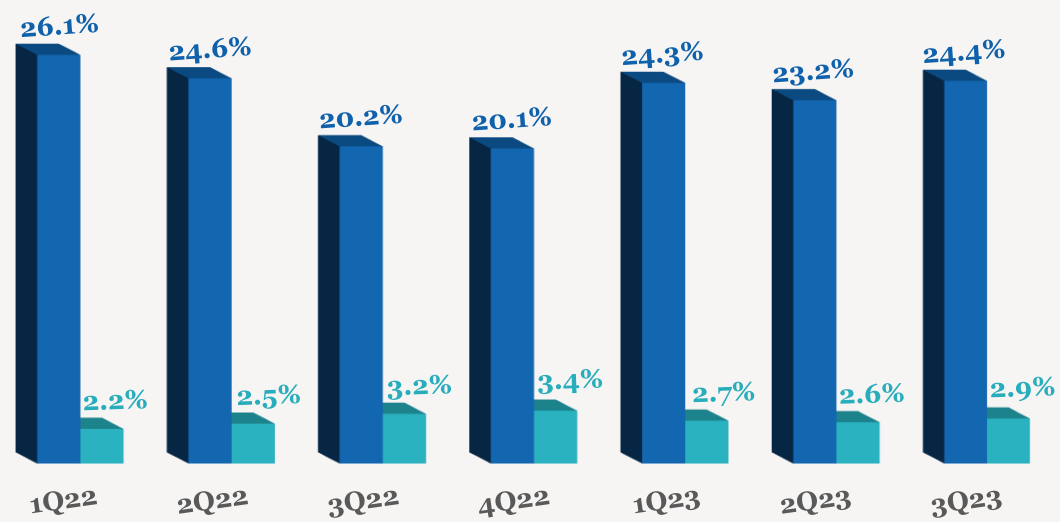
Quarterly Net Interest Income Trend (QRmn)



Quarterly Operating Income Trend (QRmn)

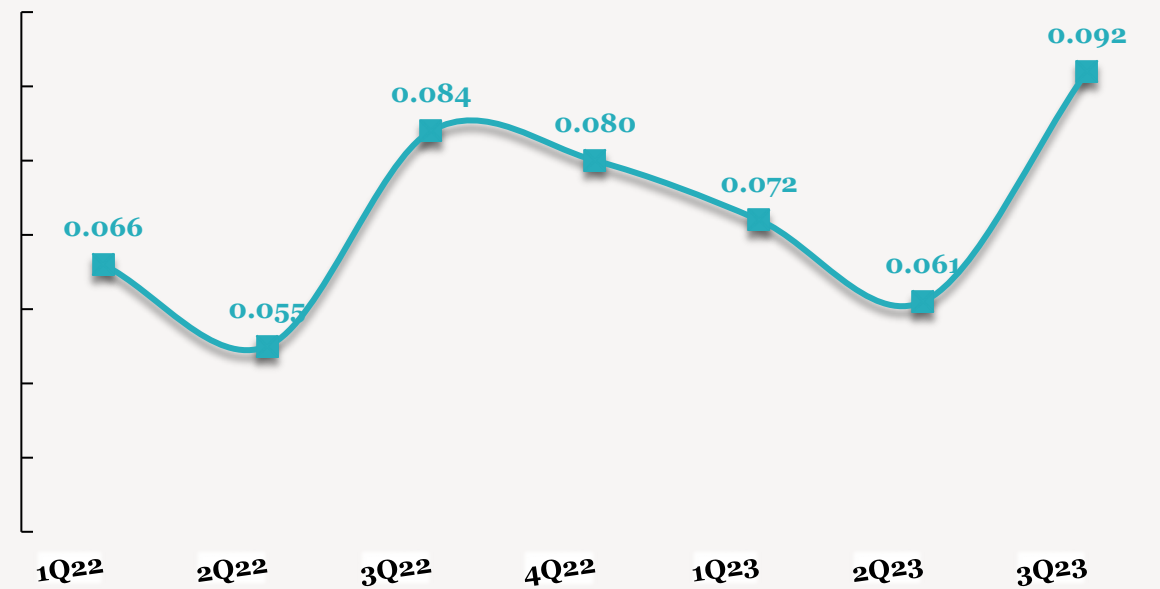


Quarterly Ratio Trend



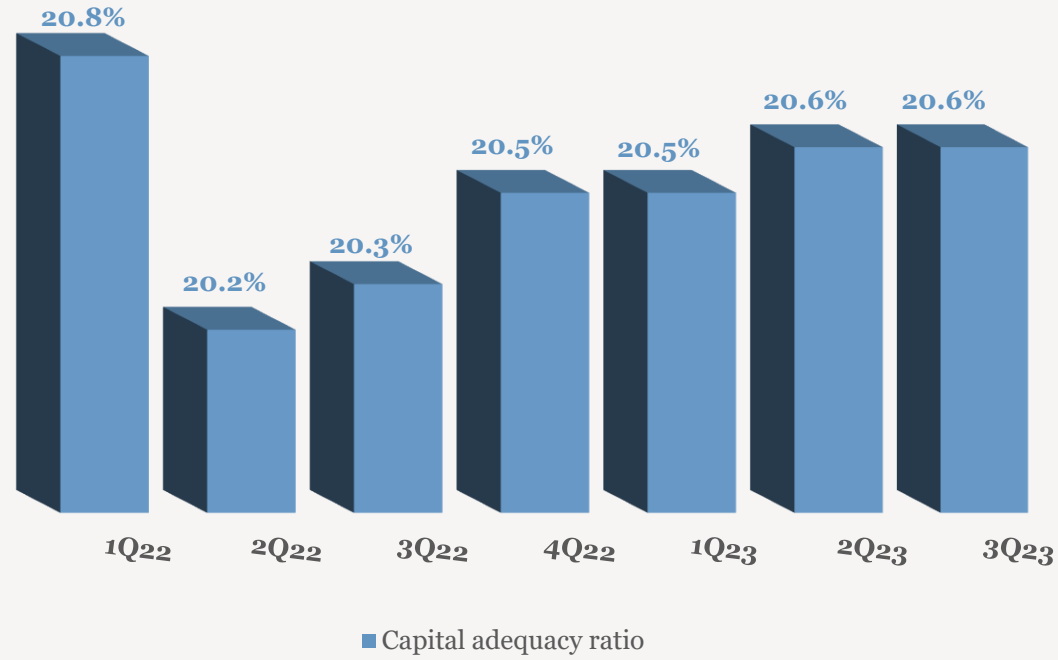
■ Cost to Income Ratio (%) ■ Net Interest Margin (%)

EPS (QR) Trend

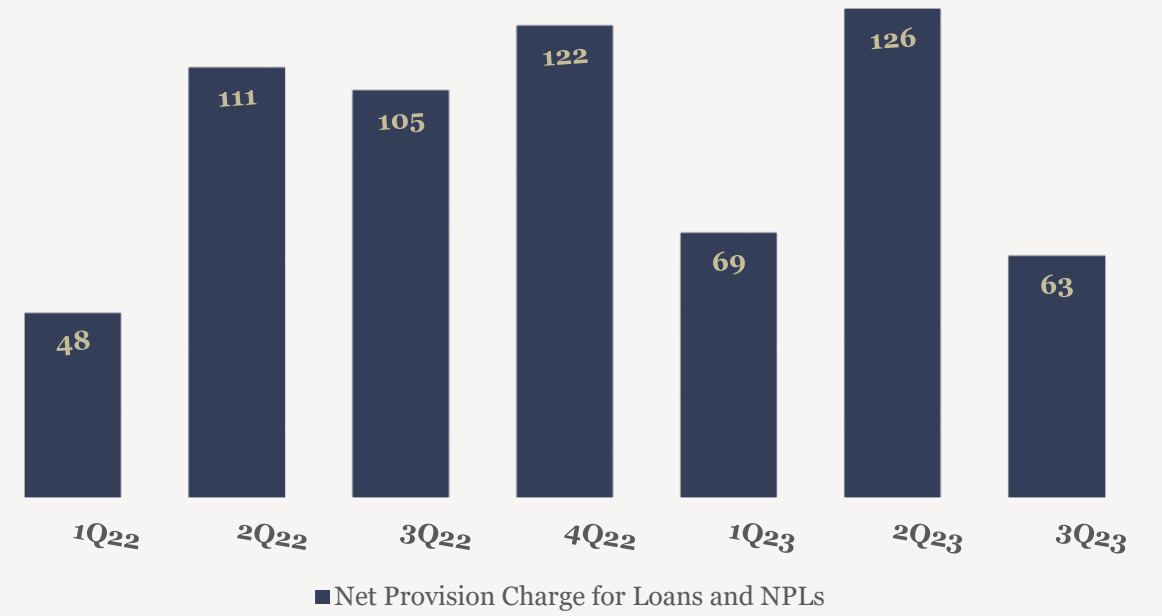


■ EPS

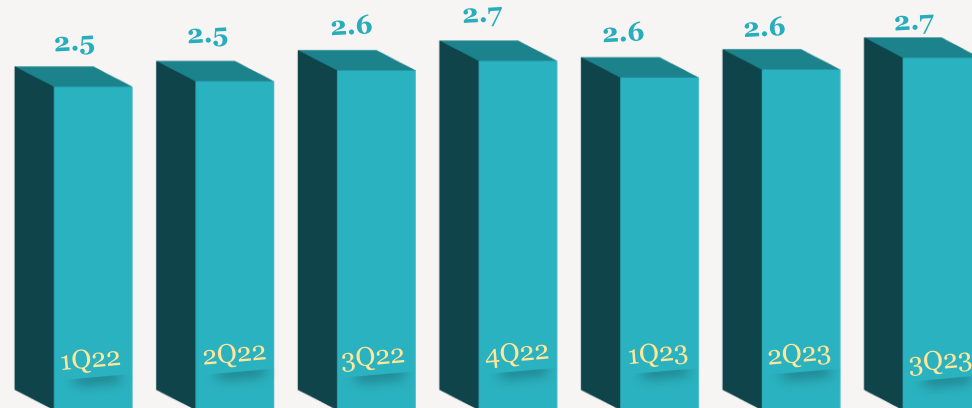
Capital Adequacy Ratio (%)



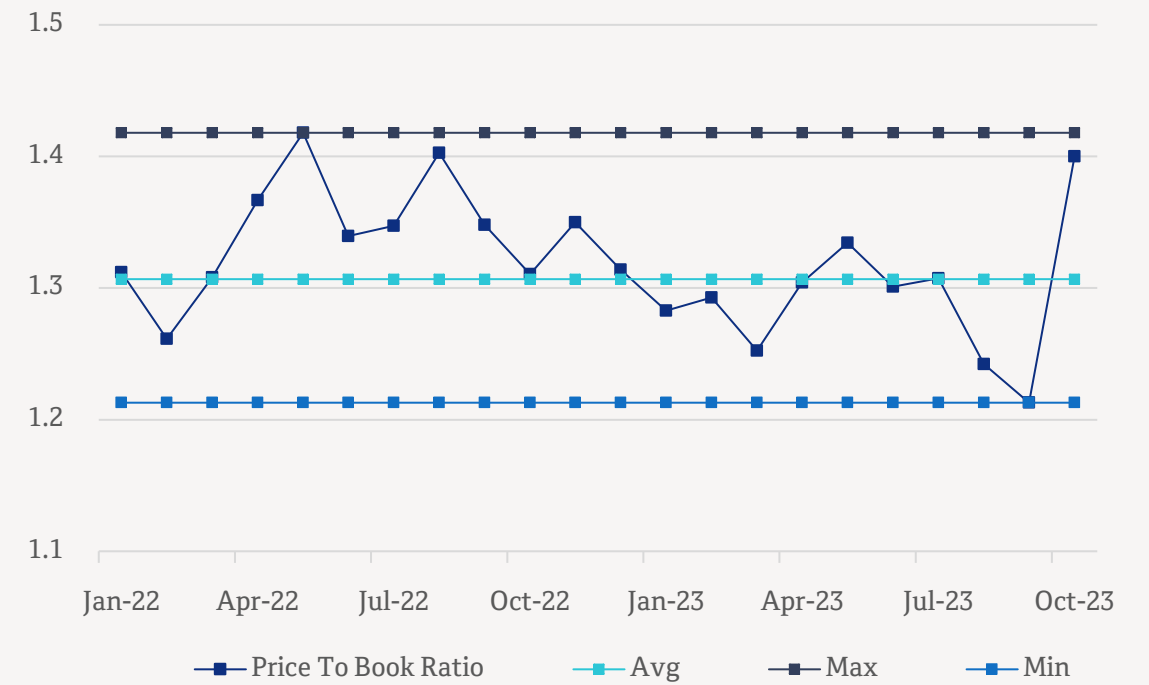
Net Provision for Loan Loss (QRmn)



Book Value Per Share



P/B Multiple Band (x)



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