

Ahli Bank (ABOB) - 1Q24 Result Review

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Recommendation

Hold

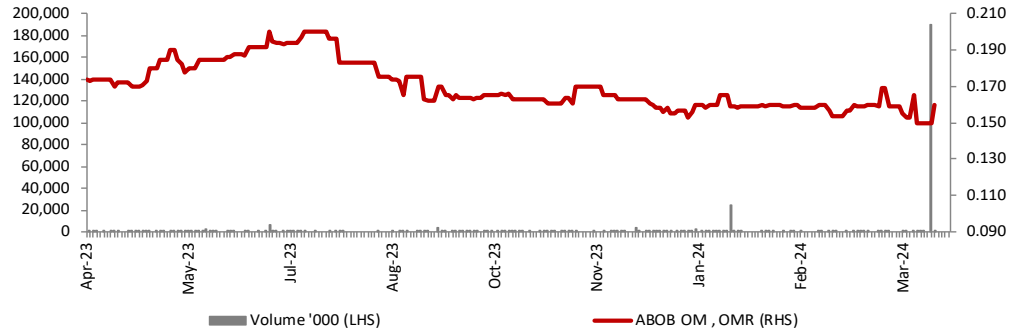
Target Price (TP), OMR: **0.184**

Reco Date: 25-Jul-23 (Rating issued)

Upside / (Downside): **15.0%**

Date: 15-Apr-24

Bloomberg Ticker	ABOB OM
Closing Price (OMR)	0.160
52wk High / Low (OMR)	0.2/0.15
12m Average Vol. (000)	1,047.3
Mkt. Cap. (USD/OMR mn)	976 / 376
Shares Outstanding (mn)	2,349.7
Free Float (%)	64%
3m Avg Daily Turnover	74.0
6m Avg Daily Turnover	53.0
P/E'24e (x)	10.1
P/B'24e (x)	1.1
Dividend Yield '24e (%)	5.2%
Price Perf. (1m/3m) (%)	0 / -3



Net profit for 1Q24 up 3% YoY, exactly in line without estimates

ABOB 1Q24 Net Profit is up 3% YoY and 20% QoQ. ABOB has posted net profit for 1Q24 at OMR 8.6mn, exactly in line with our estimate at OMR 8.7mn.

Operating income and expenses for 1Q24 also in line with our estimates

ABOB posted a 4% YoY growth and 2% QoQ decline in its operating income for 1Q24 while posting a 9%YoY increased and a 15% QoQ decline in its operating expenses. Operating profit increased 1% YoY and 12% sequentially QoQ, landing in-line with our estimate. Cost-to-income ratio moderated to 45.3% in 1Q24 compared to 52.3% reported in 4Q23, however it is above the 43.5% reported in 1Q23.

Net loan & Islamic financing and customer deposits are in line with our estimates

The bank's net loans & Islamic financing portfolio expanded by 9%YoY (+4% QoQ), in line with U Capital estimates. Customer deposits grew by 7%YoY and flat QoQ, also in line with U Capital estimates. Loan to deposit ratio increased sequentially to 112.3% vs 108.8% in 4Q23 and 109.9% recorded a year ago in 1Q23.

U Capital view

Ahli bank is currently trading at a P/B of 1.1x on our 2024 estimates. We maintain 'Hold' rating and our target price on Ahli Bank post 1Q24 results.

Income Statement

(OMR mn)	1Q23	2Q23	3Q23	4Q23	1Q24	1Q24e	YoY (%)	Q (%)	Var (%)	1Q23	1Q24	YoY (%)
Operating Income	23.3	25.7	24.6	24.9	24.4	24.3	4%	-2%	0%	23.3	24.4	4%
Operating Expenses	(10.2)	(9.4)	(10.5)	(13.0)	(11.0)	(10.7)	9%	-15%	3%	(10.2)	(11.0)	9%
Operating Profit	13.2	16.3	14.1	11.9	13.3	13.6	1%	12%	-2%	13.2	13.3	1%
Net ECL charge	(3.3)	(3.4)	(3.0)	(3.3)	(3.1)	(3.4)	-7%	-7%	-9%	(3.3)	(3.1)	-7%
PBT	9.8	13.0	11.0	8.5	10.2	10.2	4%	20%	0%	9.8	10.2	4%
Taxes	(1.5)	(1.4)	(1.7)	(1.3)	(1.6)	(1.5)	7%	18%	3%	(1.5)	(1.6)	7%
Net Profit	8.4	11.6	9.4	7.2	8.6	8.7	3%	20%	-1%	8.4	8.6	3%

Balance Sheet

(OMR mn)	1Q23	2Q23	3Q23	4Q23	1Q24	1Q24e	YoY (%)	Q (%)	Var (%)
Assets	3,070	3,234	3,154	3,318	3,372	3,353	10%	2%	1%
Shareholders' Equity	300	360	367	372	368	376	23%	-1%	-2%
Net Loans & Islamic Financing	2,572	2,663	2,667	2,694	2,802	2,746	9%	4%	2%
Customers' Deposits & Islami	2,340	2,411	2,371	2,476	2,496	2,484	7%	1%	1%

Key Ratios

	1Q23	2Q23	3Q23	4Q23	1Q24	1Q24e
Cost to Income	43.5%	36.6%	42.8%	52.3%	45.3%	43.9%
Loans to Customer Deposits	109.9%	110.4%	112.5%	108.8%	112.3%	110.6%
ROaE	10.9%	14.0%	10.3%	7.8%	8.5%	9.5%
Annualized EPS (OMR)	0.017	0.019	0.015	0.012	0.004	0.014
BVPS (OMR)	0.154	0.147	0.150	0.152	0.156	0.153
TTM P/E (x)					8.5	
P/BV (x)					1.0	

Source: Financials, MSX Disclosure, Bloomberg, U Capital Research


For our last report, click [here](#).

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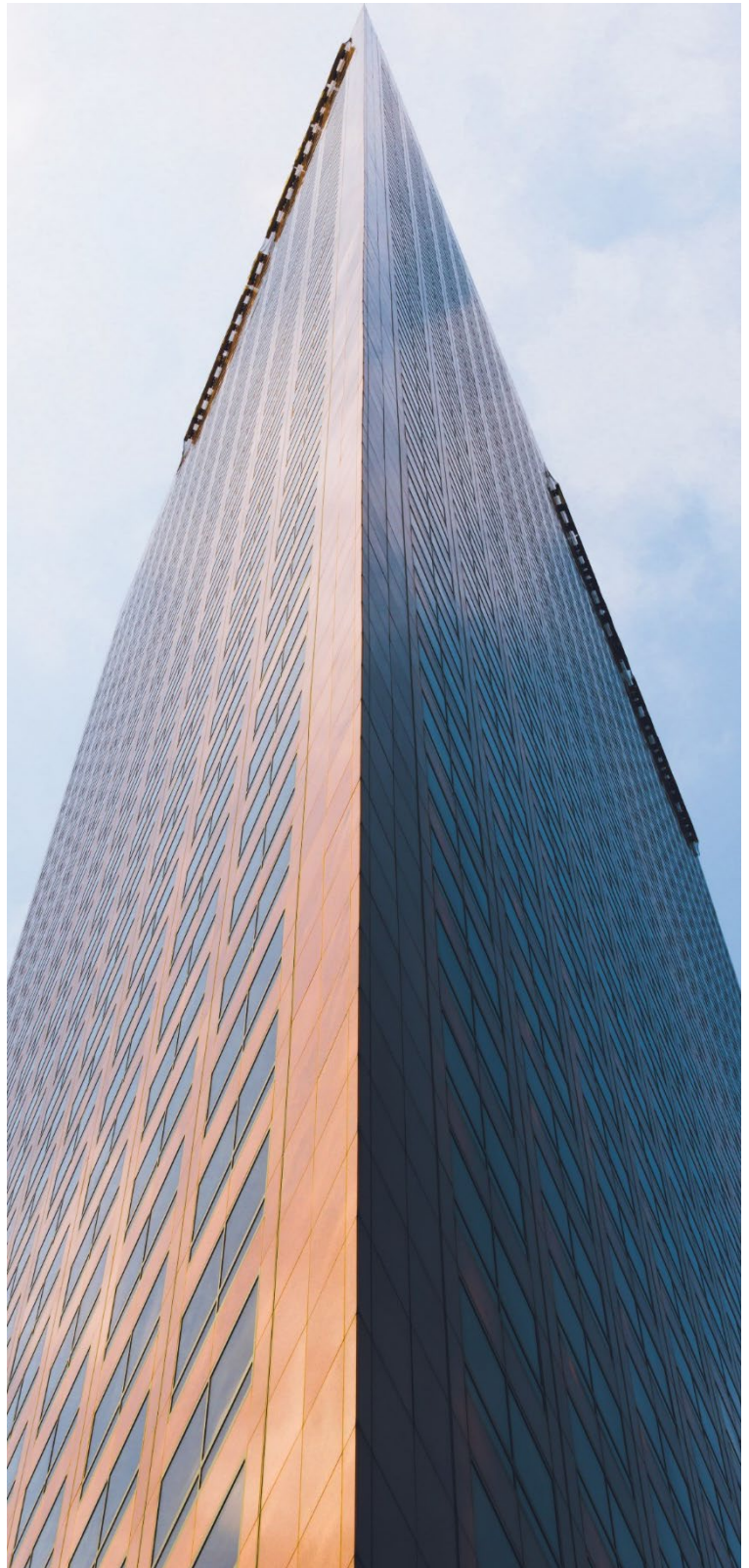
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Disclaimer

Recommendation

BUY	Greater than 20%
ACCUMULATE	Between +10% and +20%
HOLD	Between +10% and -10%
REDUCE	Between -10% and -20%
SELL	Lower than -20%

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