



Earnings Flash Note

Lesha Bank

3Q2023 / 9M2023

Lesha Bank (QFBQ)

- > **Net profit increased by 2.5% YoY to QR22.0mn (-2.5% QoQ) in 3Q2023** as the impact of a surge in total income was overshadowed by the lower impairment reversals (QR1mn in 3Q2023 vs. QR 23mn in 3Q2022). For 9M2023, net income was up by 5.1% YoY to QR66.8mn.
- > **Total income jumped by 74.0% YoY to QR38.3mn (-5.7% QoQ) in 3Q2023** driven by a significant rise in income from financing assets and profit from sukuk investments.
- > **Income from financing assets grew to QR25.0mn (+186.1% YoY, +25.1% QoQ)** led by higher Income from placements with financial institutions to QR40.6mn (+512% YoY, +57% QoQ). However, an increase in costs related to financial liabilities to QR18mn (+1390% YoY, +156% QoQ) limited the gains.
- > **As of 3Q2023-end, the book value per share stood at QR 1.06 (9M2023: QR 1.15).**

- > **As of 19th Oct 2023, the stock has increased 15.3% YTD**, outperforming the QSE index, which was down by 8.2% YTD.
- > **The stock is currently trading at a TTM P/B multiple of 1.2x, lower** than its 3Y historical average of 1.9x.

3Q 2023 Earnings Performance

	3Q2023	3Q2022	YoY	2Q2023	QoQ
Income from financing assets	25.0	8.7	186.1%	20.0	25.1%
Fee & Dividend Income	15.7	14.6	7.1%	13.7	13.9%
Profit on Sukuk Investments	19.2	8.7	121.7%	17.2	11.5%
Total income	38.3	22.0	74.0%	40.7	-5.7%
Net Profit to Equity	22.0	21.5	2.5%	22.6	-2.5%
EPS (QR)	0.020	0.022	-11.2%	0.020	-2.5%
Book value per ordinary share (QR)	1.06	1.15	-7.7%	1.05	1.2%
Return on avg. assets	1.57%	2.04%		1.80%	
Return on avg. equity	7.45%	8.21%		7.76%	

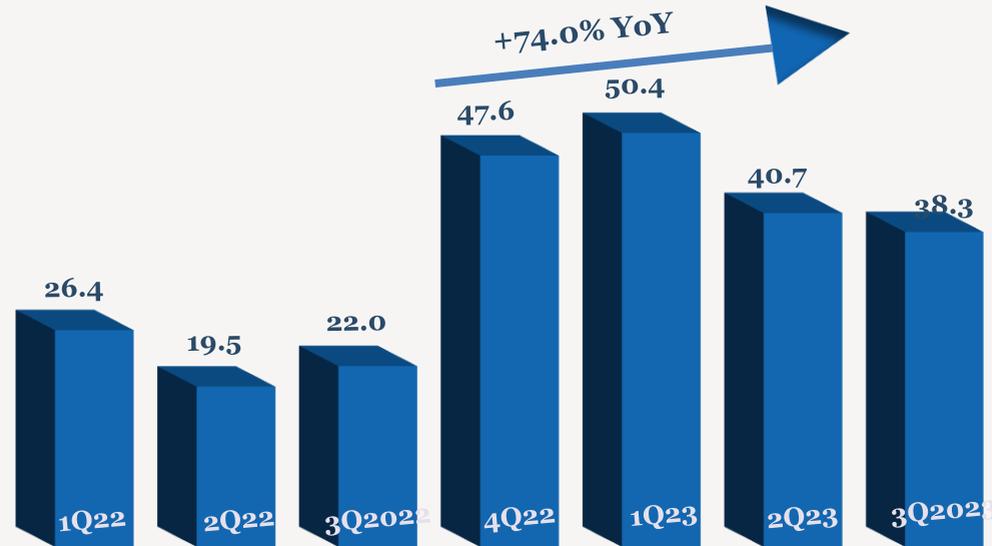
Note: Values are expressed in QR'mn unless explicitly stated

9M 2023 Earnings Performance

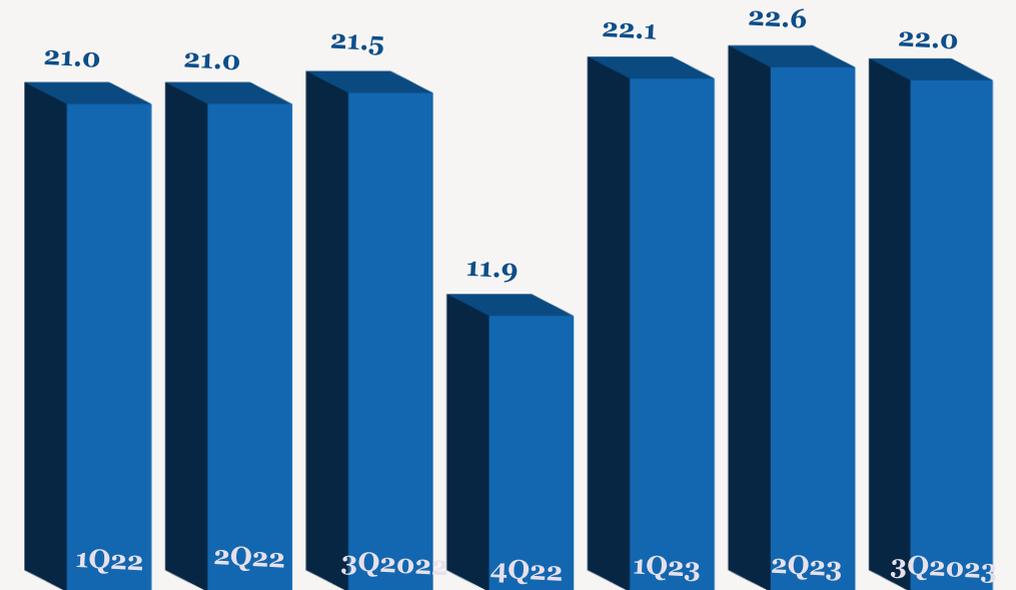
	9M2023	9M2022	YoY
Income from financing assets	68.1	13.4	408.7%
Fee & Dividend Income	53.0	59.2	-10.6%
Profit on Sukuk Investments	50.3	18.9	165.9%
Total income	129.4	68.0	90.3%
Net Profit to Equity	66.8	63.6	5.1%
EPS (QR)	0.060	0.066	-9.0%
Book value per ordinary share (QR)	1.06	1.15	-7.7%
Return on avg. assets	1.56%	2.37%	
Return on avg. equity	7.66%	10.03%	

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

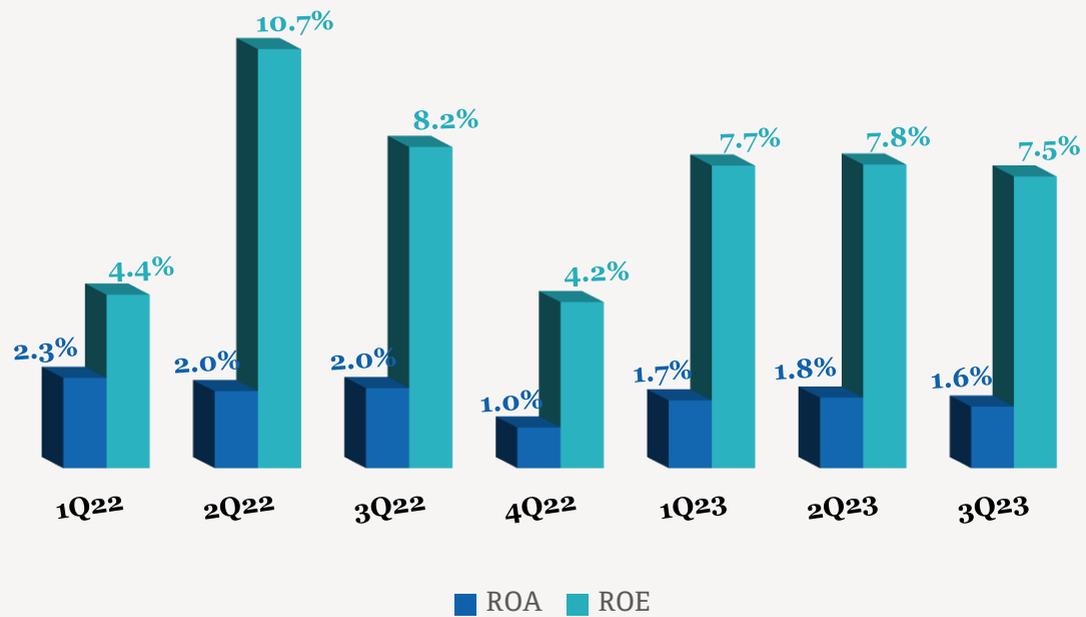
Quarterly Total Income Trend (QRmn)



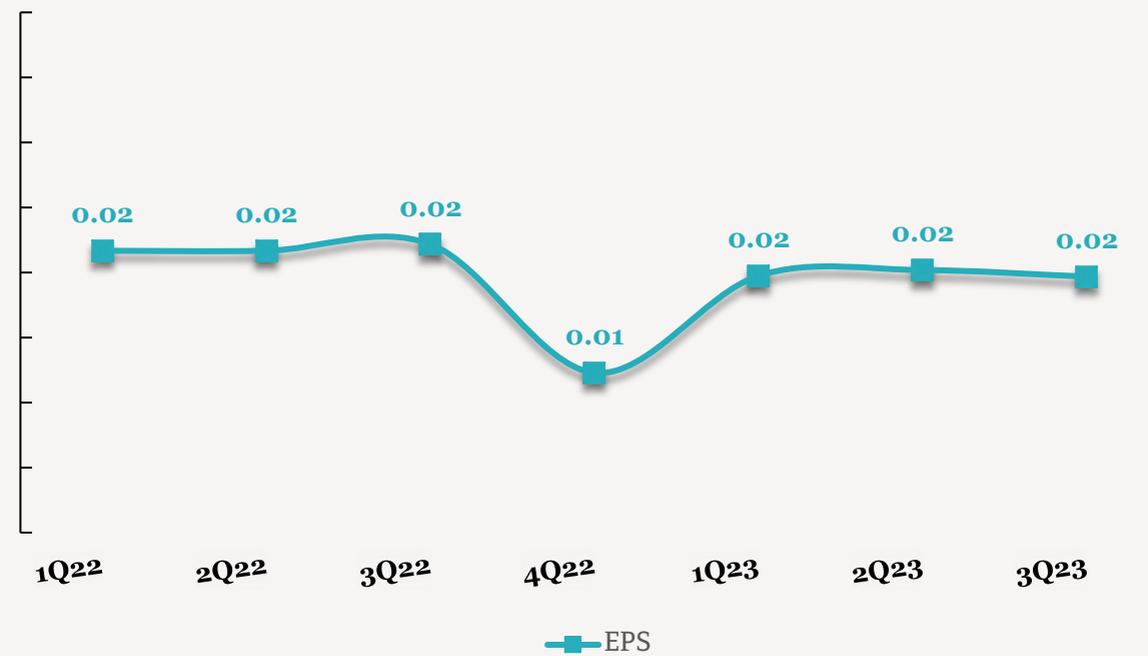
Quarterly Earnings Trend (QRmn)



Quarterly Ratio trend



EPS (QR) trend



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