



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



Dukhan Bank (DUBK)

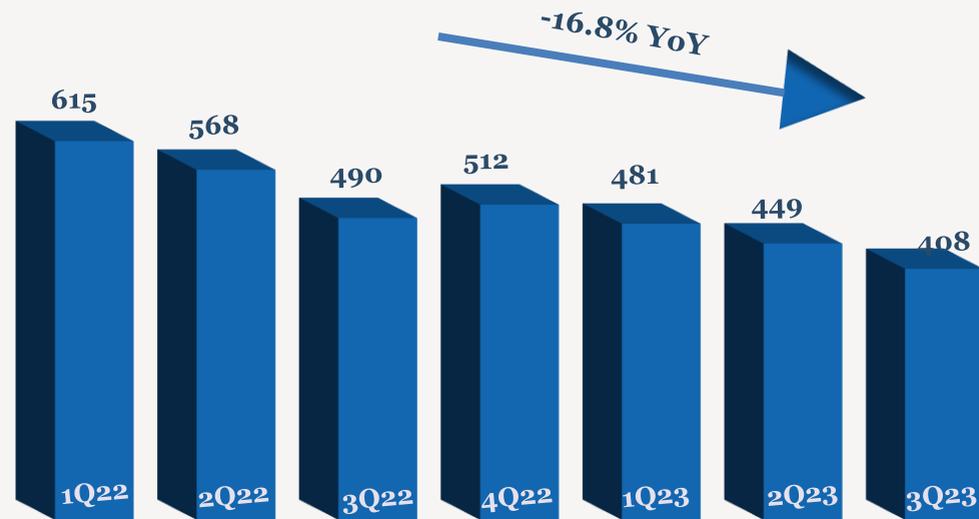
- > **Net profit increased by 3.4% YoY to QR347mn (+0.1% QoQ) in 3Q2023** driven by provision reversals and higher net fee & commission income. However, a decline in net interest & investment income limited the gains. For 9M2023, net profit was up by 2.5% YoY to QR1,107mn.
- > **Net interest & investment income fell by 16.8% YoY to QR408mn (-9.2% QoQ)** largely due to higher finance cost and return to unrestricted investment account holders in 3Q2023 while for 9M2023, it fell by 20.1% YoY to QR1,337mn.
- > **Cost to income ratio increased by 1.9ppts YoY and 5.0ppts QoQ to 36.2% in 3Q2023.** For 9M2023, cost to income ratio came at 32.2% compared to 27.8% in 9M2022.
- > **As of 3Q2023-end, the book value per share stood at QR2.45 (9M22: QR2.38).**
- > **For 3Q2023, EPS came at QR0.063 vs. QR0.061 in 3Q2022 while for 9M2023, EPS was 0.203 vs 0.198 in 9M2022.**
- > **As of 3Q2023-end, loans & advances were QR75.8bn (+1.0% YoY, +0.9% QoQ)** while customer deposits increased by 1.1% YoY to QR77.0bn (+7.3% QoQ).
- > **As of 29th Oct 2023, the stock has decreased 11.2% YTD, outperforming the QSE index, which was down by 12.7% YTD.**
- > **The stock is currently trading at a TTM P/B multiple of 1.45x. For now, we maintain our PT of QR 3.81/share and market perform rating.**

3Q/9M 2023 Earnings Performance

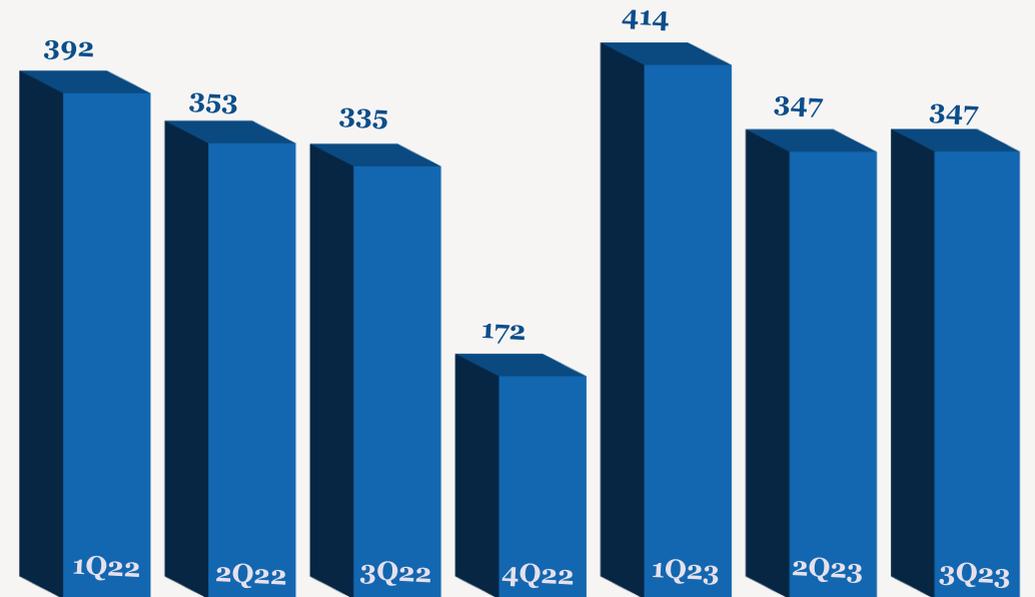
	3Q2023	3Q2022	YoY	2Q2023	QoQ	9M2023	9M2022	YoY
Net Interest & Investment Income	408	490	-16.8%	449	-9.2%	1,337	1,673	-20.1%
Net Interest Margin %	1.61%	2.03%		1.86%		1.80%	2.27%	
Net Fee and Commission Income	89	45	97.9%	76.9	15.4%	225	159	41.8%
Total Income	1,497	1,078	38.8%	1,446	3.5%	4,366	3,152	38.5%
Cost/Income Ratio %	36.2%	34.3%		31.2%		32.2%	27.8%	
Net Profit	347	335	3.4%	347	0.1%	1,107	1,081	2.5%
Book Value Per Ordinary Share (QR)	2.45	2.38	3.2%	2.39	2.5%	2.45	2.38	3.2%
EPS (QR)	0.063	0.061	3.6%	0.063	0.1%	0.203	0.198	2.6%
Loans & Advances	75,820	75,056	1.0%	75,124	0.9%	75,820	75,056	1.0%
Customer Deposits	76,996	76,164	1.1%	71,725	7.3%	76,996	76,164	1.1%

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

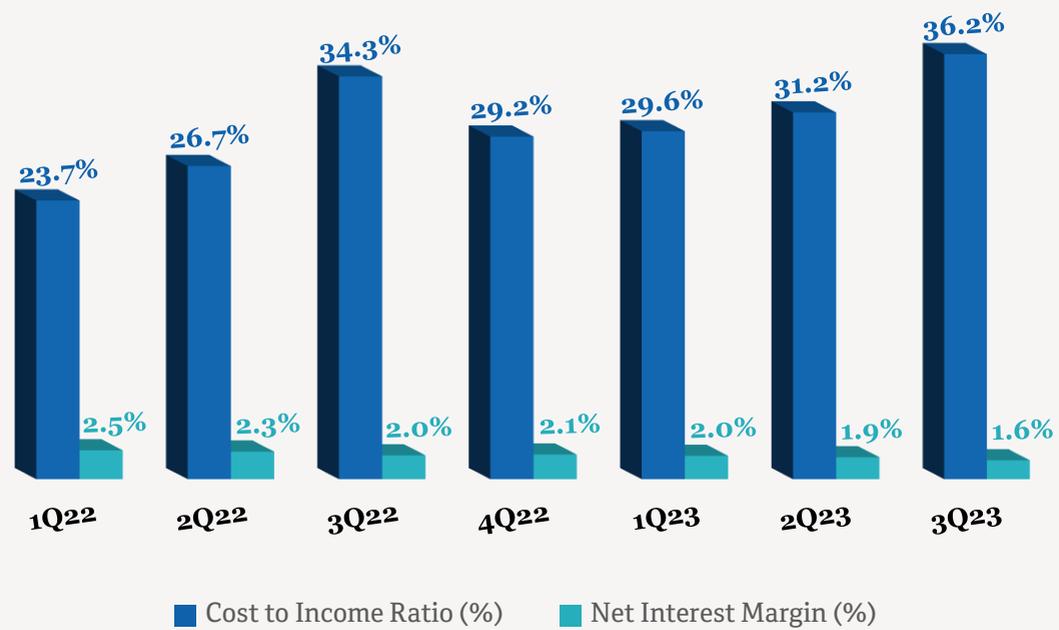
Quarterly Net Interest & Investment Income Trend (QRmn)



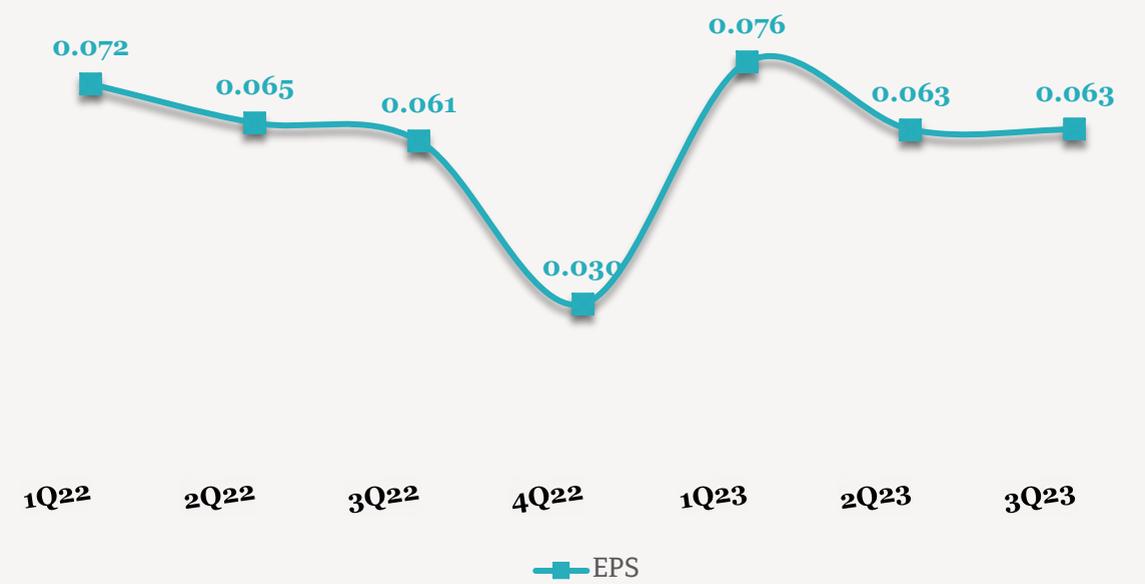
Quarterly Earnings Trend (QRmn)



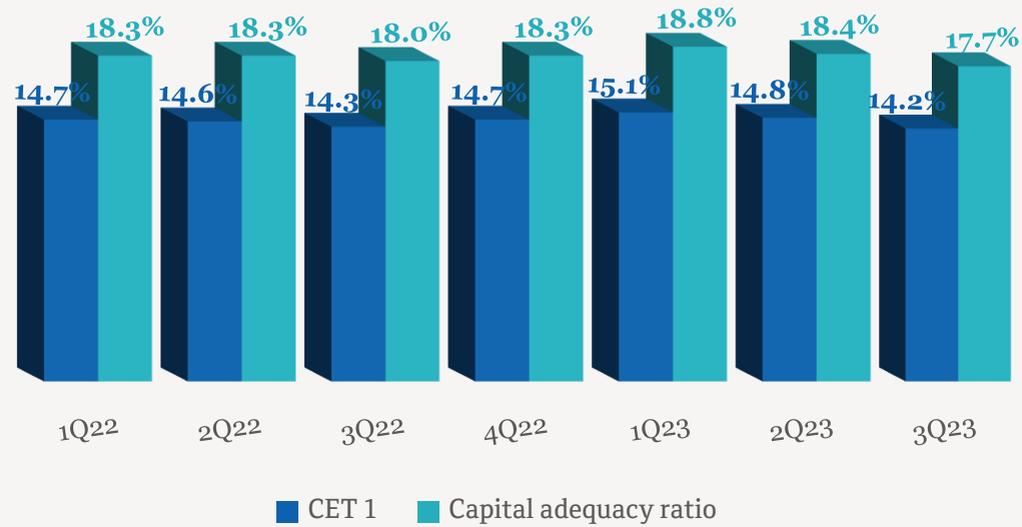
Quarterly Ratio Trend



EPS (QR) Trend



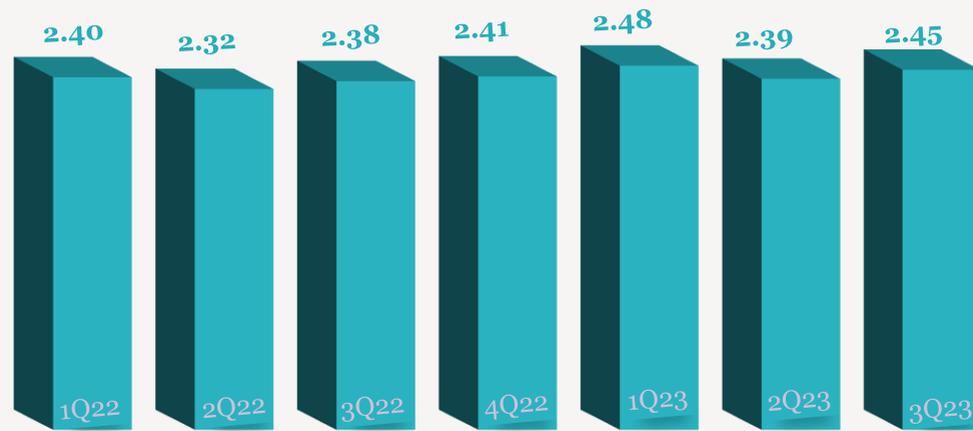
Capital Adequacy Ratios (%)



Net Provision for Loan Loss (QR mn)



Book Value Per Share (QR)



P/B Multiple Band (x)



Contacts

QNB Financial Services Co. W.L.L.
Contact Center: (+974)4476 6666
info@qnbfs.com.qa
Doha, Qatar

Saugata Sarkar, CFA, CAIA Head
of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian Senior
Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

Roy Thomas
Senior Research Analyst
roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi
Research Analyst
dana.alsowaidi@qnbfs.com.qa

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNBFS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNBFS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNBFS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNBFS.