QNB FINANCIAL SERVICES

Earnings Flash Note

Dukhan Bank

4Q2025 / FY2025

Dukhan Bank (DUBK)

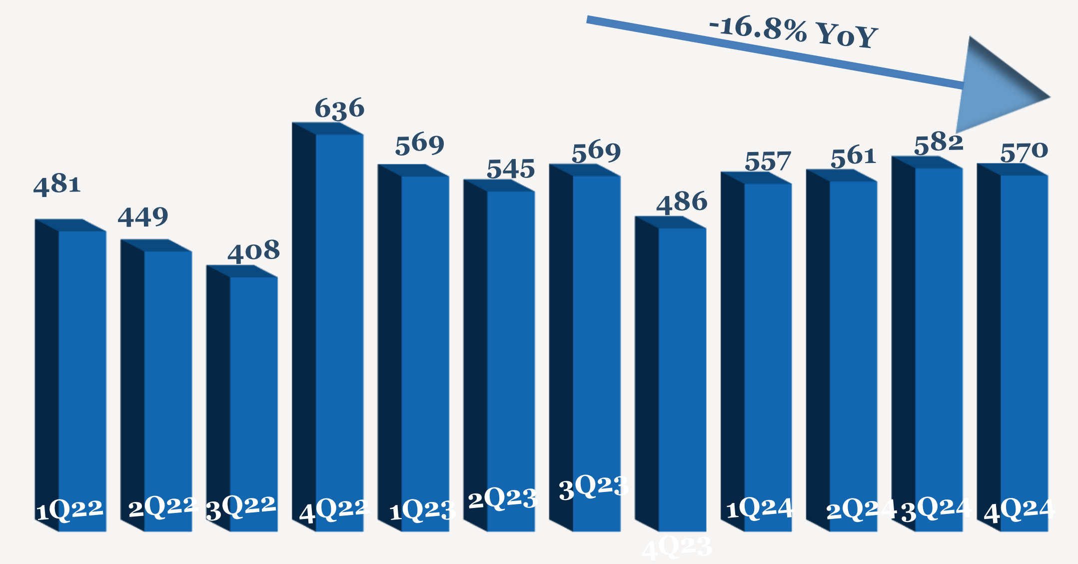
- **Net profit increased by 9.3% YoY to QR220mn (-42.2% QoQ) in 4Q2025 driven by** a sharp drop in provisions and impairments as revenue and net operating income declined due to weak non-funded income and growth in Opex. For FY2025, net profit was up by 5.1% YoY to QR1,411mn.
- **Net interest & investment income rose by 17.4% YoY to QR570mn (-2.0%** QoQ) while for FY2025, it was up by 4.7% YoY to QR2,269mn.
- **The bank's C/I ratio increased both YoY and sequentially.** DUBK's C/I ratio increased from 34.8% in 4Q2024 to 37.9% in 4Q2025 (3Q2025: 30.0%). On an annual basis, C/I was flat at 33%For 4Q2025
- **EPS came at QR0.042 vs. QR0.038 in 4Q2024 while for** FY2025, EPS was QR0.26 vs QR0.24 in FY2024.
- **As of 4Q2025-end, the book value per share stood at QR2.6 (4Q2024: QR2.5).**
- **As of 4Q2025-end, loans & advances were QR90.0bn (+4.4% YoY, +5.1% QoQ)** while customer deposits increased by 5.3% YoY to QR87.8bn (+1.7% QoQ).
- **As of 13th January 2025, the stock has increased 2.2% YTD, Underperforming the** QSE index, which was up by 4.3% YTD.
- **The stock is currently trading at a TTM P/B multiple of 1.4x. For now, we** maintain our PT of QR 3.73/share and Market Perform rating.
- **Proposed Dividends Distribution:** Cash Dividends H1 (%) 8. Cash Dividends H2 (%) 8. Total Annual Cash Dividends (%) 16.

4Q/FY 2025 Earnings Performance

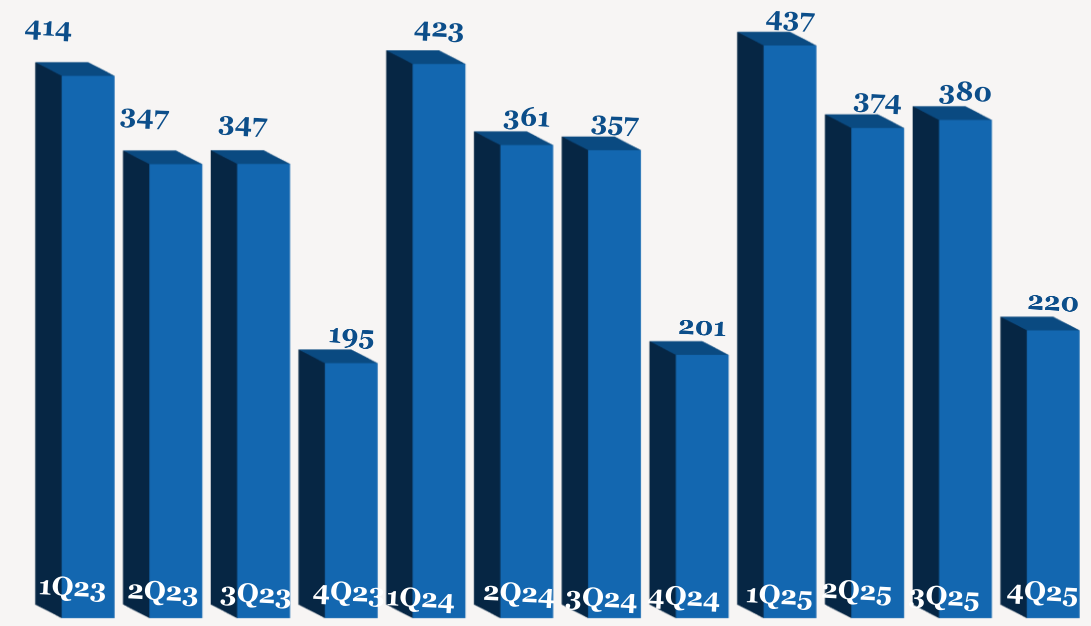
	4Q2025	4Q2024	YoY	3Q2025	QoQ	FY2025	FY2024	YoY
Net Interest & Investment Income	570	486	17.4%	582	-2.0%	2,269	2,168	4.7%
Net Interest Margin %	2.2%	1.9%		2.1%		2.2%	2.0%	
Net Fee and Commission Income	75	82	-8.7%	92	-17.9%	325	256	27.4%
Total Income	1,343	1,492	-10.0%	1,398	-3.9%	5,420	5,793	-6.4%
Cost/Income Ratio %	37.9%	34.8%		30.0%		32.9%	33.3%	
Net Profit to Equity	220	201	9.3%	380	-42.2%	1,411	1,343	5.1%
Book Value Per Ordinary Share (QR)	2.6	2.5	4.4%	2.6	1.6%	2.6	2.5	4.4%
EPS (QR)	0.042	0.038	9.3%	0.066	-36.1%	0.26	0.24	5.4%
Loans & Advances	90,013	86,212	4.4%	85,684	5.1%	90,013	86,212	4.4%
Customer Deposits	87,793	83,351	5.3%	86,327	1.7%	87,793	83,351	5.3%

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

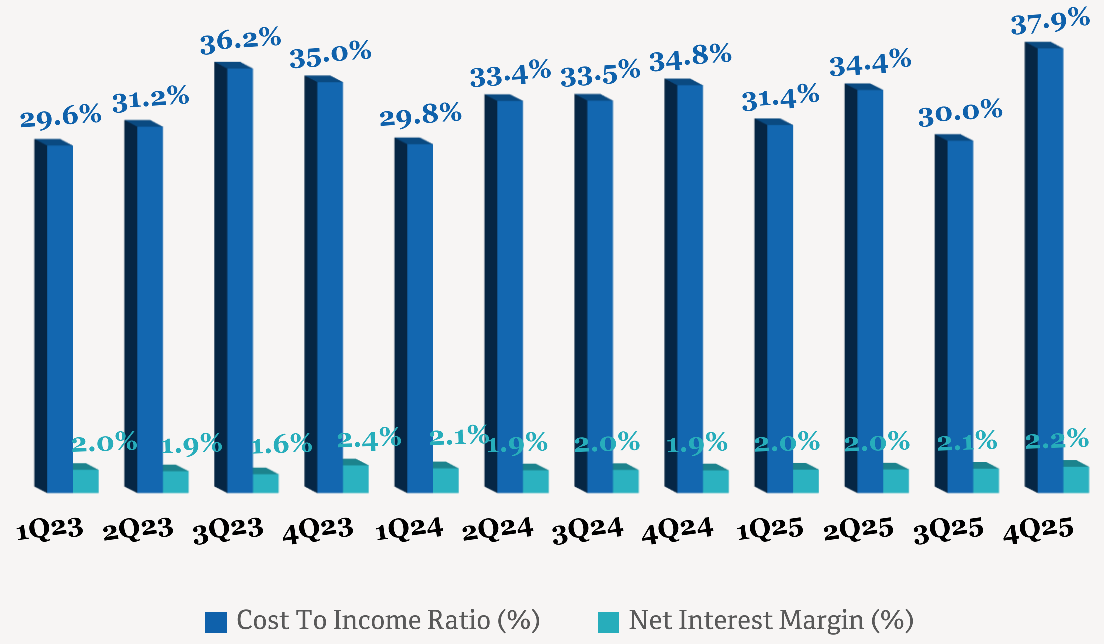
Quarterly Net Interest & Investment Income Trend (QRmn)



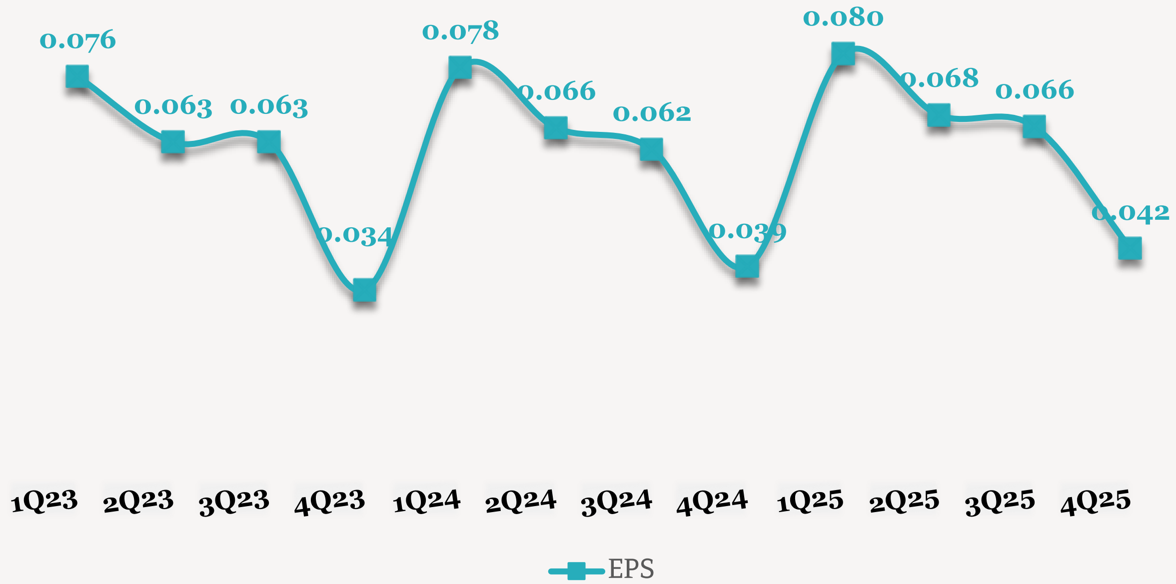
Quarterly Earnings Trend (QRmn)



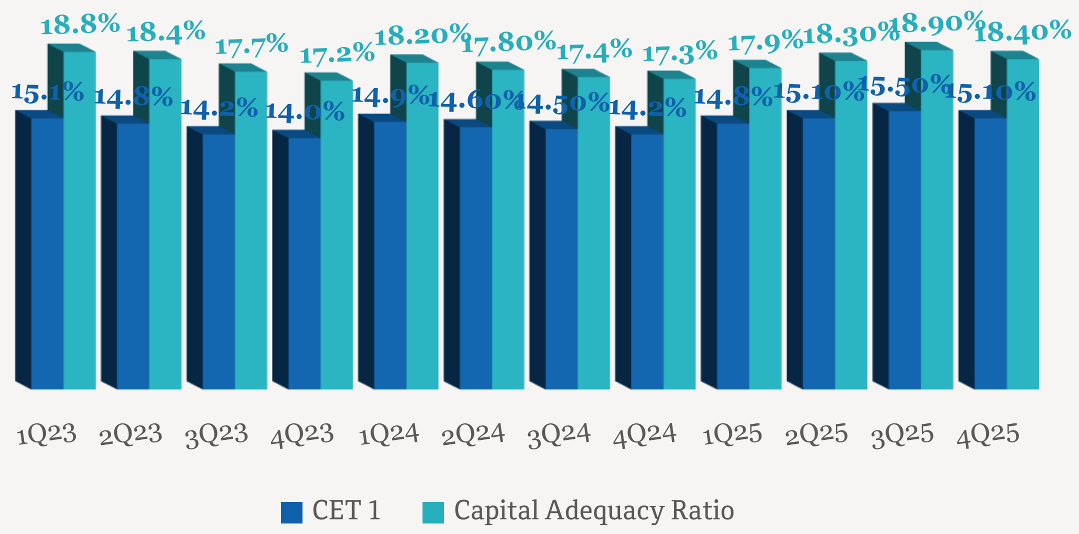
Quarterly Ratio Trend



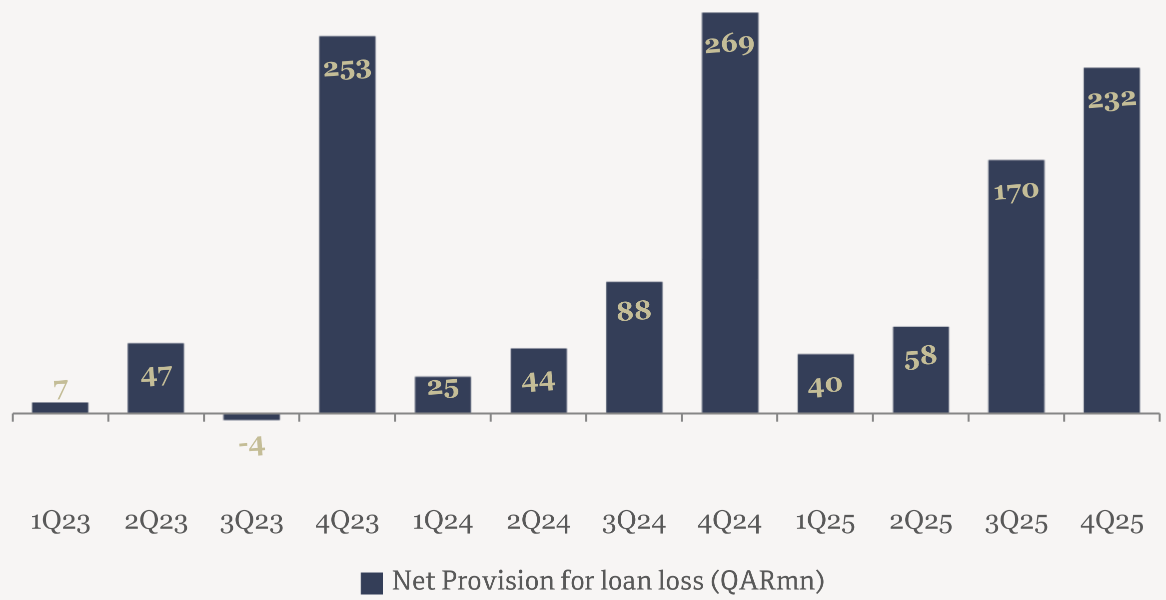
EPS (QR) Trend



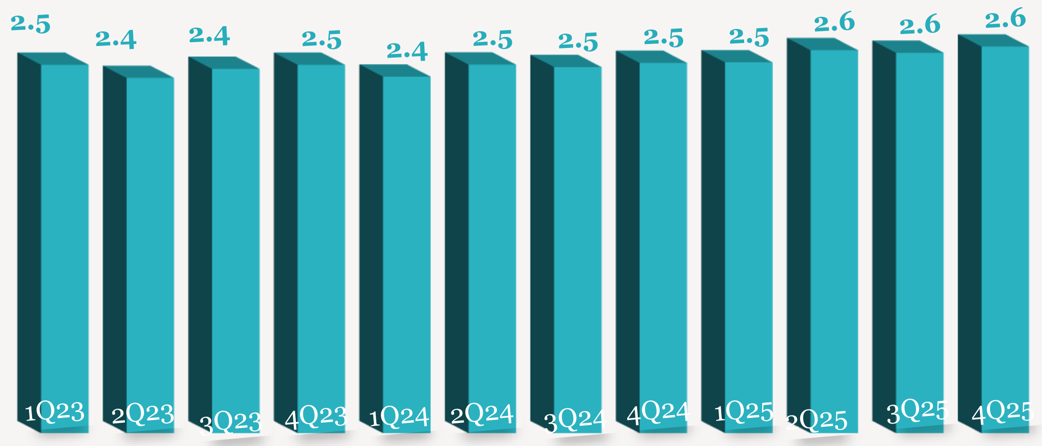
Capital Adequacy Ratios (%)



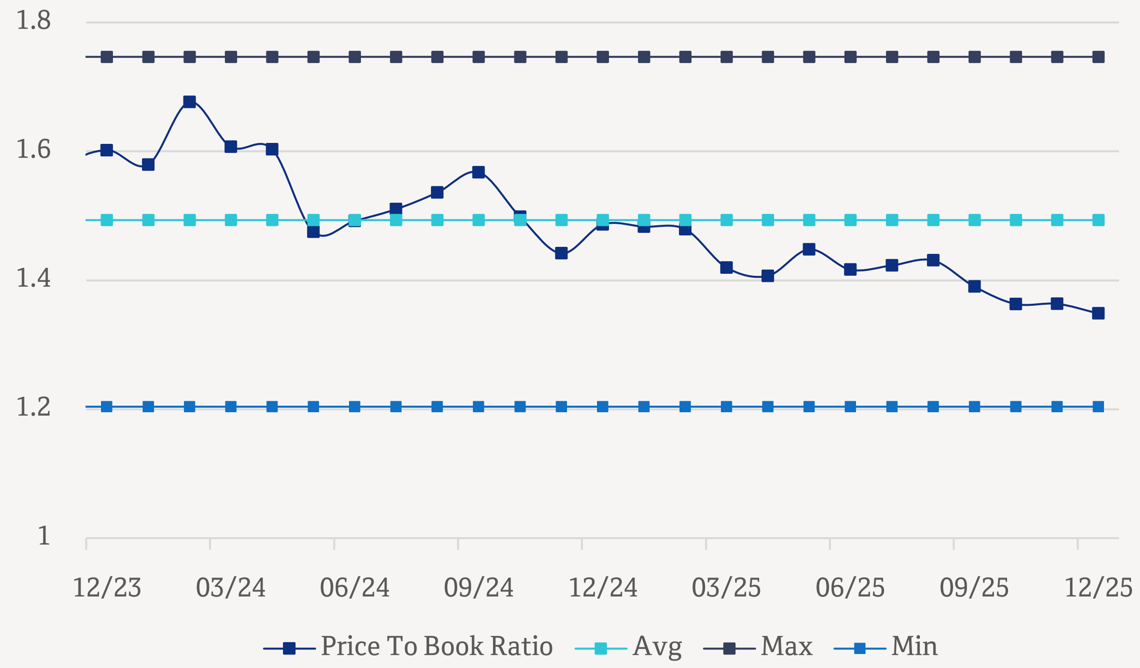
Net Provision for Loan Loss (QR mn)



Book Value Per Share (QR)



P/B Multiple Band (x)



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