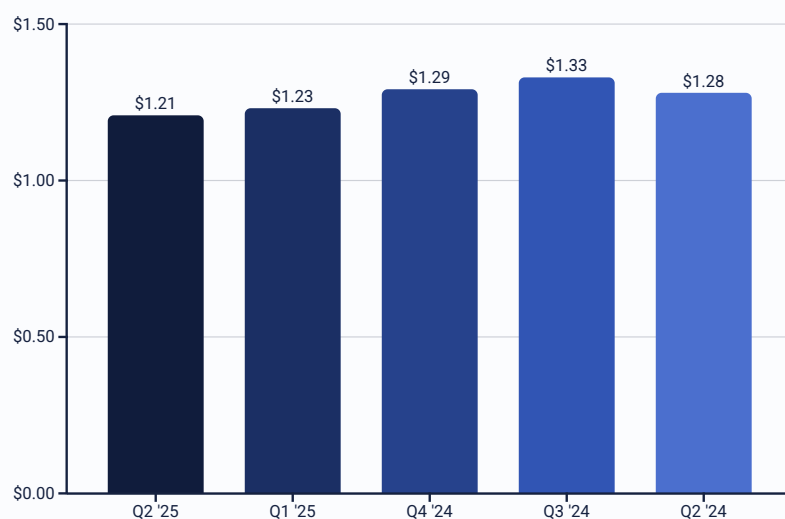


# Dukhan Bank

## Executive Summary

- The bank's profits for H1 2025 were approximately 811.3 million riyals, up from 784.1 million riyals last year, reflecting a 3.5% growth. Earnings per share rose to 0.149 riyals from 0.144 riyals the previous year.
- Profits for the second quarter totaled 374.2 million riyals, an increase from 361.1 million riyals during the same period in 2024. It is also worth mentioning that profits for the first quarter were 437.1 million riyals.
- A cash dividend of 0.08 riyals is recommended for the first half of the year, matching last year's amount. Total annual dividends are expected to reach 0.16 riyals.
- Total revenues for the first half decreased by approximately 4.9%, or QAR 127 million, due to lower financing and investment activity revenues from reduced interest margins.
- The bank needs extra liquidity to sustain its operations and achieve its growth goals. Consequently, we have noticed that the net interest margin has remained below 2% for the last two quarters, putting strain on both profitability and the growth rates achieved.
- The net loan-to-deposit ratio is still elevated at around 108%, prompting the bank to seek alternative funding sources.
- NPL ratio decreased slightly to 4.5% in June 2025 compared to 4.6% in December 2024.
- The coverage of provisions increased from 73.1% in December 2024 to 74.3% in June 2025.

## Net Interest Income in billions QAR



# Fact Sheet

## Stock Info

- Weight in QSE index: 4.77%
- Current Market Price 3.643
- Shares Outstanding (Mn) 5,234
- Market Cap (Mn) 19,068
- 52-Wk High (1 Oct) 3.90
- 52 Wk Low (6 Apr) 3.21
- Average Trading Price YTD 3.60

## Per Share Data

- EPS Trailing 12M 0.245
- EPS Annualized: 0.320
- EPS expected 0.250
- Book Value Per Share 2.46
- Dividends Per Share 0.16

## Valuation Ratios

- P/E using TTM EPS :14.90
- P/E using Ann EPS : 11.41
- P/E using expected EPS: 14.60
- Average PE during 2025: 14.69
- P/BV 1.48
- Dividends Yield 4.38%

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## Operating & Profit

- Total Income H1 '25: 2680 Mn
- Total Income H1 '24: 2,817 Mn
- Net Profit H1 '25: 811 Mn
- Net Profit H1 '24: 784 Mn

## Capital Structure

- Total Equity H1 '25: 15,224 Mn
- Total Equity Q4 '24: 14,779 Mn
- Total Assets H1 '25: 118,264 Mn
- Total Assets Q4 '24: 117,940 Mn

## Banking Activities

- Net Loans H1 '25: 85,815 Mn
- Net Loans Q4 '24: 86,212 Mn
- Total Deposits H1 '25: 36,011 Mn
- Total Deposits Q4 '24: 86,189 Mn

# Highlights

## Performance

- Profitability increased by 3.5%, attributed to a reduction in interest expenses paid to investment account holders amounting to around QAR 216 million.
- Revenue from financing assets, the main income source, fell about 5.2% by June 2025 compared to June 2024, mainly due to lower interest rates and a QAR 400 million drop in net loans.
- Customer deposits fell by about QAR 530 million compared to the end of 2024.
- The government and its institutions' deposits account for about 46% of the bank's overall deposits.
- Loans granted to the government and its institutions represent around 21% of the total loan portfolio.

## Profitability Ratios

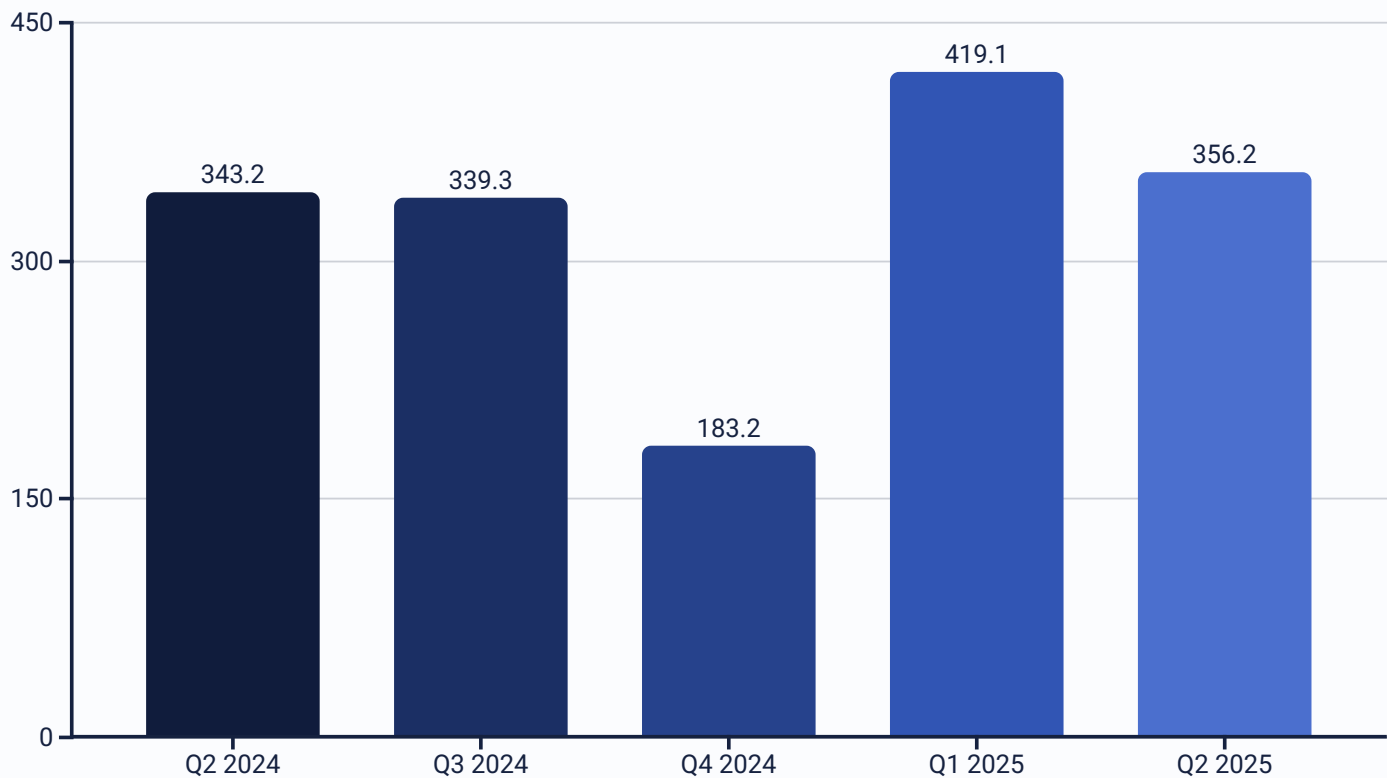
	Q3 2024	Q4 2024	Q1 2025	Q2 2025
ROE	9.89	9.83	10.09	9.87
NIM	2.05	1.96	1.97	1.99
EPS	0.065	0.035	0.08	0.068

## Asset Quality

	Q3 2024	Q4 2024	Q1 2025	Q2 2025
NPL's (million)	4,103.7	4,114.9	4,104.8	4,056.6
NPL's %	4.65	4.58	4.55	4.53
Reserve for NPL's	3,308.4	3,583.9	3,624.2	3,641.1
Coverage Ratio (collateral)	81%	87%	88%	90%

# Financial Analysis

## Quarterly net income (million)



## Stock Performance

Current month	+0.14%	1 week	3.61		3.68
1 month	-0.19%	1 month	3.44		3.75
3 months	+7.46%	Current year	3.21		3.83
6 months	-0.74%	1 year	3.21		3.9
Current year	-1.41%	3 years	2.7		4.35
1 year	-3.34%	5 years	2.7		4.35
		10 years	2.7		4.35

Stock movement range

# Valuation

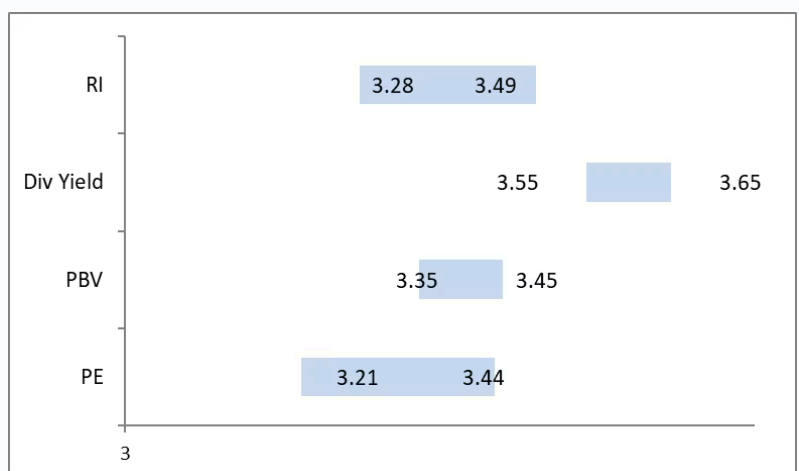
## We recommend holding

We use a residual income model and comparable valuation.

Our analysis indicates the fair value of the stock ranges between **QAR 3.35 and 3.45**.

Residual Income Model Assumptions:

- Growth rate: We expect the bank to grow in earnings between 3% and 5%.
- Cost of equity ranging between 8.5% and 9.5%.
- Terminal Value: The growth rate in perpetuity is 3.0%.
- Return on equity between 10.5% and 11.5%.



# Disclaimer

Qatar Securities Company has prepared this report to provide an unbiased analysis of the business's performance. It's important to note that the assessment is based on assumptions that may vary in interpretation and may not be entirely accurate. This document focuses on evaluating the company's financial status, not as a solicitation to buy or sell. There may be a conflict of interest since this stock is part of investment portfolios managed by Qatar Securities Company.

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