Qatar Securities Company · P.Q.S.C

Dukhan Bank (DUBK)

H1 2026 Financial Review

July 2026

QSC Advisory Department

QAR 2,715.0M

H1 2026 Total Income

▲ +1.3% vs H1 2025

QAR 812.8M

H1 2026 Net Profit

≈ Flat · EPS QAR 0.149

QAR 129.2B

Total Assets - Jun 2026

▲ +4.4% vs Dec 2025

QAR 94.7B

Net Financing Assets - Jun 2026

▲ +5.2% vs Dec 2025

Dukhan Bank - H1 2026 Key Metrics at a Glance

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QAR millions unless stated · H1 2026 vs H1 2025 · Balance sheet at 30 June 2026 vs 31 December 2025

Total Income - H1 2026 اجمالي الدخل **QAR 2,715M** ▲ +1.3% vs H1 2025	Net Fin. & Inv. Income - H1 2026 صافي دخل التمويل و الاستثمار **QAR 2,424.7M** ▼ −0.6% vs H1 2025	Net Profit - H1 2026 صافي الارباح **QAR 812.8M** ≈ +0.2% · Effectively flat	EPS - H1 2026 ربحية السهم **QAR 0.149** Unchanged vs H1 2025
Total Assets - Jun 2026 اجمالي الاصول **QAR 129.2B** ▲ +4.4% vs Dec 2025	Net Financing Assets - Jun 2026 اجمالي اصول التمويل **QAR 94.7B** ▲ +5.2% vs Dec 2025	Customer Funding - Jun 2026 العملاء **QAR 94.0B** ▲ +7.0% vs Dec 2025	Total Equity - Jun 2026 حقوق الملكية **QAR 15.6B** ▲ +2.5% vs Dec 2025

H1 2026 OVERVIEW: Net profit was essentially flat year-on-year. Stronger fee income (+26.2%) and higher investment income (+16.6%) offset a decline in core financing income (−9.3%), supported by lower finance cost (−25.7%). The main pressure was a sharp rise in financing impairment losses (+110.6%). NPL ratio improved to 3.86% and capital ratios strengthened. Cost-to-income remained very low at 16.6%.

ملخص النصف الأول 2026 : صافي الربح مستقراً على أساس سنوي .
عوَّض نمو دخل الرسوم 26.2% وارتفاع دخل الاستثمار 16.6% تراجعَ دخل التمويل الأساسي 9.3% ، مدعوماً بانخفاض تكلفة التمويل 25.7%.
أبرز الضغوط :ارتفاع حاد في خسائر انخفاض قيمة التمويل 110.6%. تحسَّن معدل التمويل المتعثر إلى 3.86%
وارتفعت نسب رأس المال. نسبة التكلفة إلى الدخل استقرت عند مستوى منخفض 16.6%.

Dukhan Bank - Key KPIs · H1 2026 vs H1 2025

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Derived from reviewed interim financial statements · Balance sheet ratios at June 2026 vs December 2025

Cost-to-Income - H1 2026 الكلفة على الدخل	16.6%	vs 16.6% H1 2025 - stable
Net Profit Margin - H1 2026 هامش صافي الربح	29.9%	vs 30.3% H1 2025 – 40bps
Fee Income Share - H1 2026 دخل العمولات (نسبة)	7.4%	vs 5.9% H1 2025 +140bps improving
Annualised ROAE - H1 2026 العائد على المساهمين	12.0%	
NPL Ratio - Jun 2026 القروض المتعثرة	3.86%	vs 4.22% Dec 2025 - improved
Stage 3 Coverage - Jun 2026 تغطية المرحلة الثالثة	76.2%	vs 75.7% Dec 2025 - improved
Financing / Customer Funding القروض للودائع	105.1%	vs 107.0% Dec 2025 - improving
CET1 Ratio - Jun 2026	15.3%	vs 14.9% Dec 2025 · above QCB min

CTI of 16.6% is exceptionally low, reflecting Dukhan Bank's lean cost structure. Fee income share rising to 7.4% shows improving revenue diversification. The sharp rise in impairment charges is the key risk item. Capital ratios remain comfortably above the QCB minimum of 14.63%.

نسبة التكلفة إلى الدخل عند 16.6% منخفضة استثنائياً، مما يعكس الكفاءة التشغيلية لبنك دخان. ارتفاع حصة دخل الرسوم إلى 7.4% يُشير إلى تحسن ملحوظ في تنويع مصادر الإيرادات. الارتفاع الحاد في خسائر انخفاض القيمة يمثل المخاطرة الرئيسية. نسب رأس المال تتجاوز الحد الأدنى المقرر من مصرف قطر المركزي 14.63%.

Income Statement - Six Months Ended 30 June 2026

QAR millions · H1 2026 vs H1 2025 ·

H1 2026 vs H1 2025

Line Item	H1 2026 (QAR M)	H1 2025 (QAR M)	YoY
Net income from financing activities	2,208.9	2,436.1	−9.3%
Net income from investing activities	587.6	504.0	+16.6%
Finance cost	(371.8)	(500.4)	−25.7% ▲
NET FINANCING & INVESTING INCOME	**2,424.7**	**2,439.7**	**−0.6%**
Net fee & commission income	199.9	158.4	+26.2%
Net FX gain	74.0	69.2	+6.9%
Other income	16.5	12.7	+29.9%
TOTAL INCOME	**2,715.0**	**2,679.8**	**+1.3%**
Total operating expenses	(451.8)	(446.1)	+1.3%
Cost-to-income ratio	16.6%	16.6%	stable
PRE-IMPAIRMENT PROFIT	**2,263.2**	**2,233.7**	**+1.3%**
Net financing impairment losses	(192.5)	(100.1)	+92.4% ▼
Profit before tax & return to PIA	**2,070.7**	**2,133.6**	**−2.9%**
Return to participatory inv. accounts	(1,257.4)	(1,322.2)	−4.9% ▲
Profit before tax	**813.3**	**811.4**	**+0.2%**
NET PROFIT	**812.8**	**811.3**	**+0.2%**
EPS (QAR per share)	0.149	0.149	-

Note: Financing impairment is the primary negative change. Lower finance cost and higher fee/investment income largely offset weaker core financing income.

What Drove H1 2026 Income - Key Drivers vs H1 2025

QAR millions · Positive and negative contributions to total income change

H1 2026 income change breakdown

▲ Fee Income +26.2%

Net fee income rose to QAR 199.9M from QAR 158.4M. Fee income share improved to 7.4% from 5.9% of total income. The fastest-growing income line.

▲ Investment Income +16.6%

Net income from investing activities rose to QAR 587.6M from QAR 504.0M. Treasury Investment Group delivered strong results, up +17.9% in pre-impairment profit.

▲ Finance Cost −25.7%

Finance cost fell to QAR 371.8M from QAR 500.4M. Lower return paid on wholesale and term funding reduced the drag on net income.

▼ Financing Income −9.3%

Net income from financing activities fell to QAR 2,208.9M from QAR 2,436.1M. Wholesale Banking drove the decline (finance income −18.0%). Likely a repricing impact.

▼ Impairment +92.4%

Net impairment losses rose to QAR 192.5M from QAR 100.1M. Financing impairment alone jumped +110.6%. Stage 2 allowance also rose materially. Main earnings pressure.

= Net Profit: +0.2%

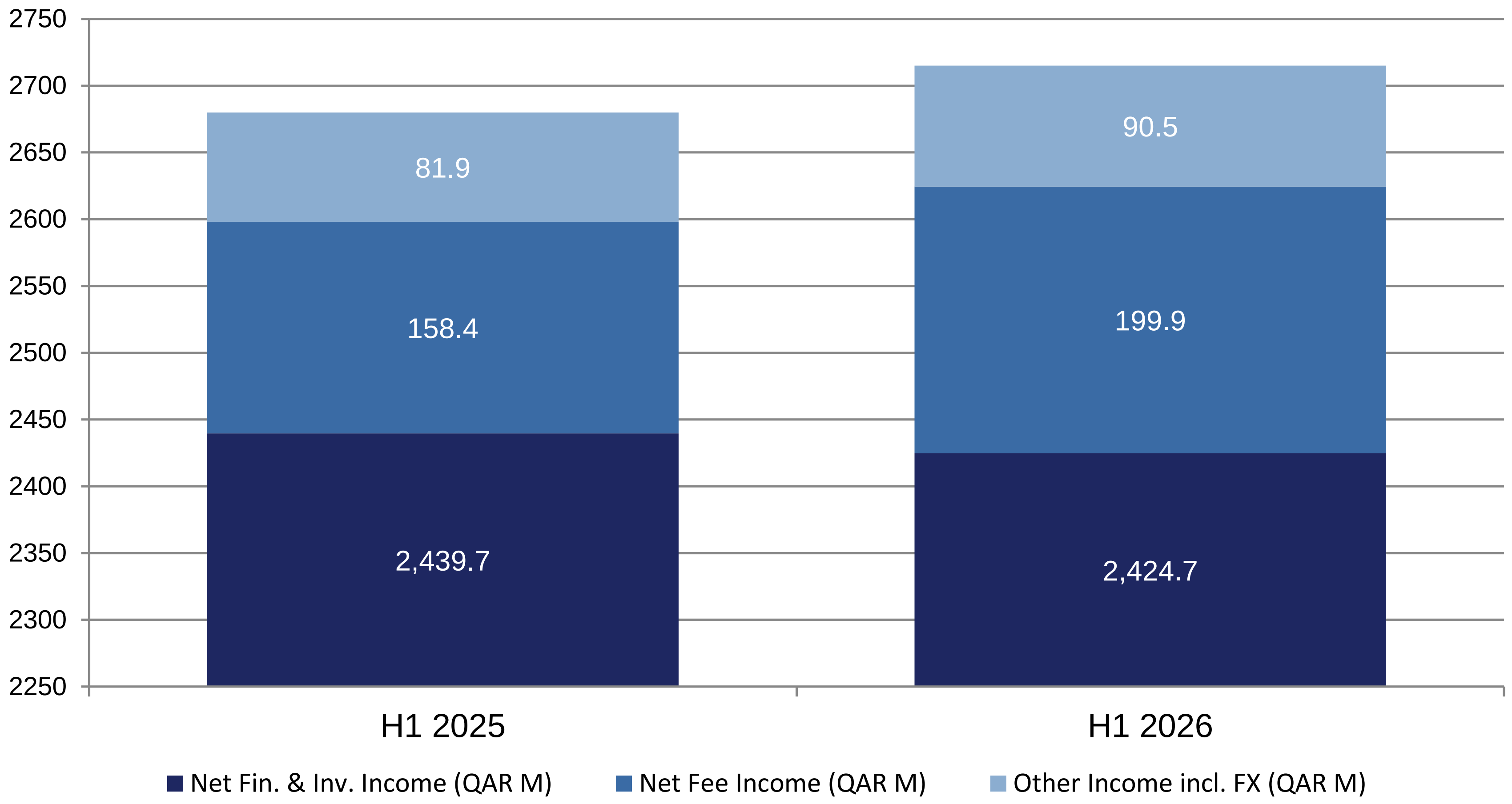
The positive and negative forces largely cancelled out. Net profit reached QAR 812.8M vs QAR 811.3M - essentially unchanged. EPS held at QAR 0.149.

The key story: core financing income is under pressure, but Dukhan Bank offset this through better fee income and lower cost of funds. The unresolved risk is whether impairment charges will remain elevated or normalise in H2 2026.

Income Components - H1 2025 vs H1 2026

QAR millions · Net financing & investing income · Fee income · Year-on-year comparison

Core income lines · H1 2025 vs H1 2026



Income Mix Shift

Total income: QAR 2,715M (+1.3%). Modest overall growth despite core financing income declining.

Core financing income fell QAR 227M or 9.3%. Repricing pressure in Wholesale Banking (−18.0%) is the primary driver.

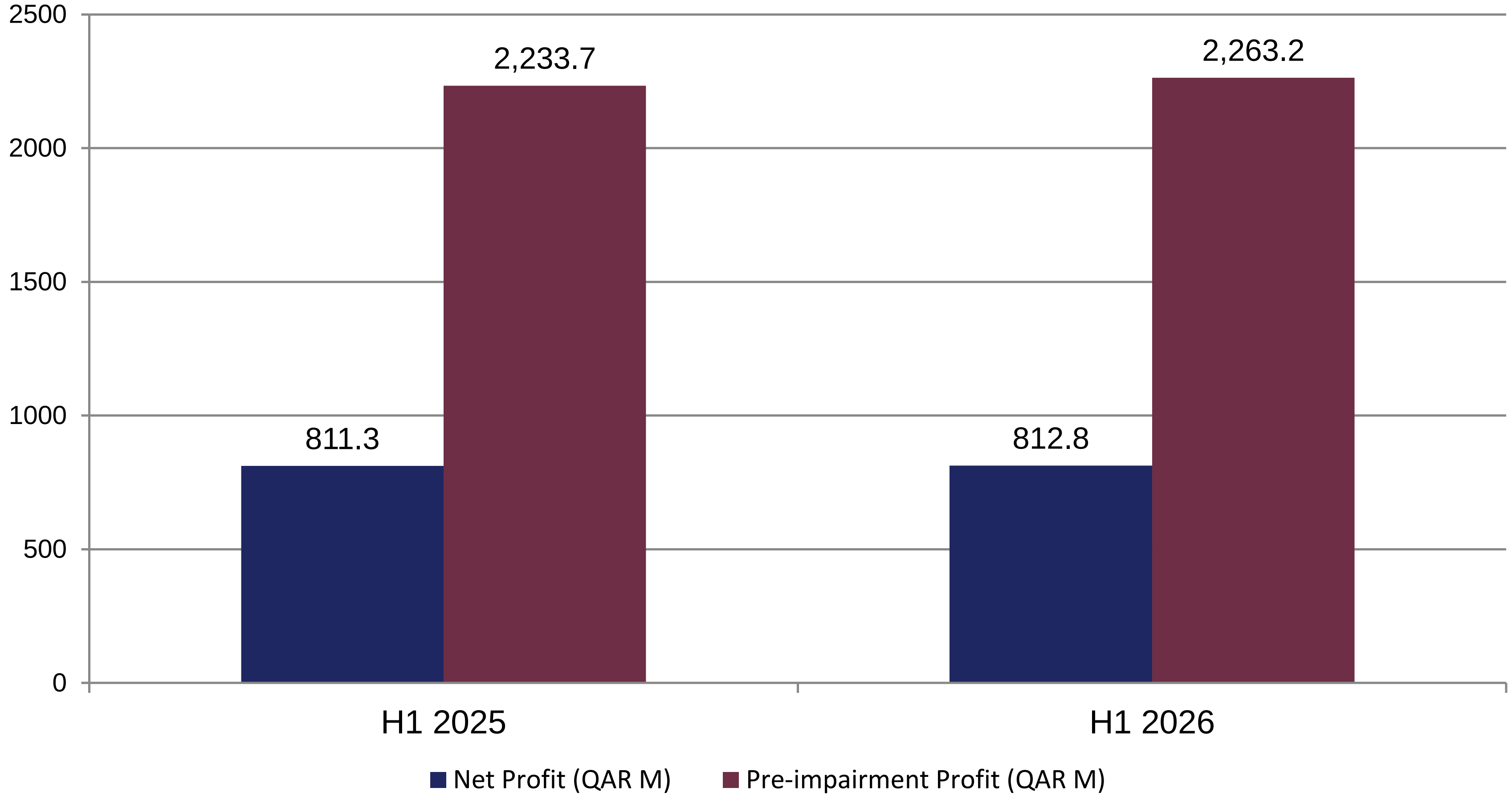
Fee income reached QAR 199.9M (+26.2%). Share rose to 7.4% of total income from 5.9% - clear diversification trend.

Lower finance cost saved QAR 128.6M, effectively cushioning the financing income decline.

Net Profit - H1 2025 vs H1 2026

QAR millions · Total profit for the period · Six-month period comparison

Net profit and key below-the-line items · H1 2025 vs H1 2026



Profit Analysis

Net profit QAR 812.8M vs QAR 811.3M: essentially flat (+0.2%). EPS held at QAR 0.149 per share.

Pre-impairment profit improved to QAR 2,263.2M (+1.3%). Core earning power is growing.

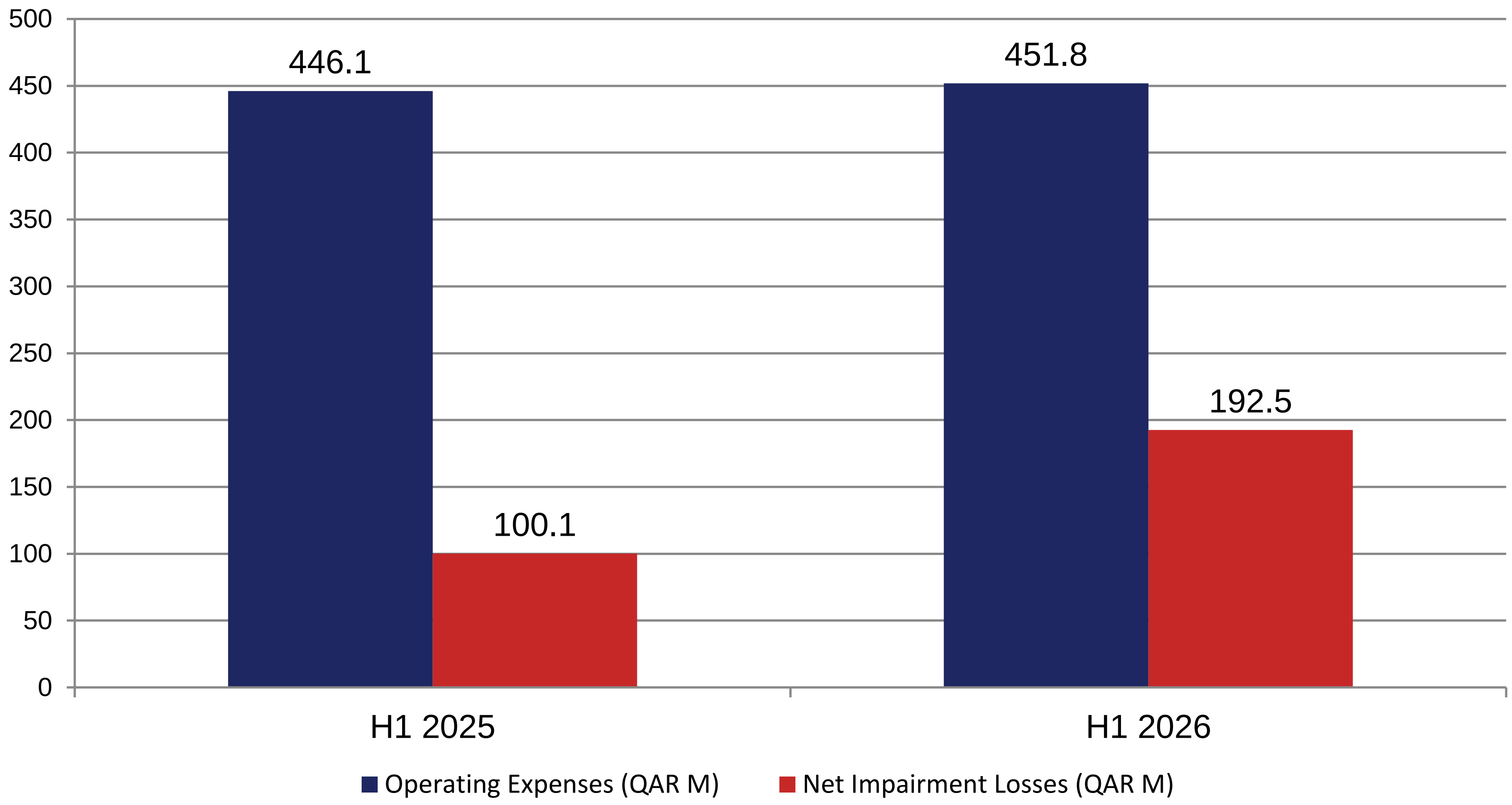
Gap between pre-impairment profit and net profit widened. Impairment QAR 192.5M (up QAR 92.4M) is the key explanatory factor.

Return to PIA holders declined QAR 64.7M: lower return rates on participatory accounts reduced the charge to shareholders.

Operating Expenses & Impairment Losses - H1 2025 vs H1 2026

QAR millions · Cost control and credit quality trends

Operating expenses vs net impairment losses · H1 2025 vs H1 2026



Cost & Credit Quality

Operating expenses rose only QAR 5.7M (+1.3%), in line with income growth. CTI held at 16.6% - excellent cost discipline.

Net impairment losses rose QAR 92.5M (+92.4%). Financing asset impairment alone jumped +110.6% to QAR 206.6M.

Stage 2 allowance rose QAR 181.2M - a leading indicator worth monitoring closely in H2 2026.

Impairment / pre-impairment profit ratio: 19.1% (H1 2026) vs 11.0% (H1 2025). Significant deterioration in credit cost metric.

Business Segments - H1 2026 vs H1 2025

QAR millions · Finance & investment income · Pre-impairment profit · Assets at 30 June 2026

Four reportable segments · H1 2026 performance

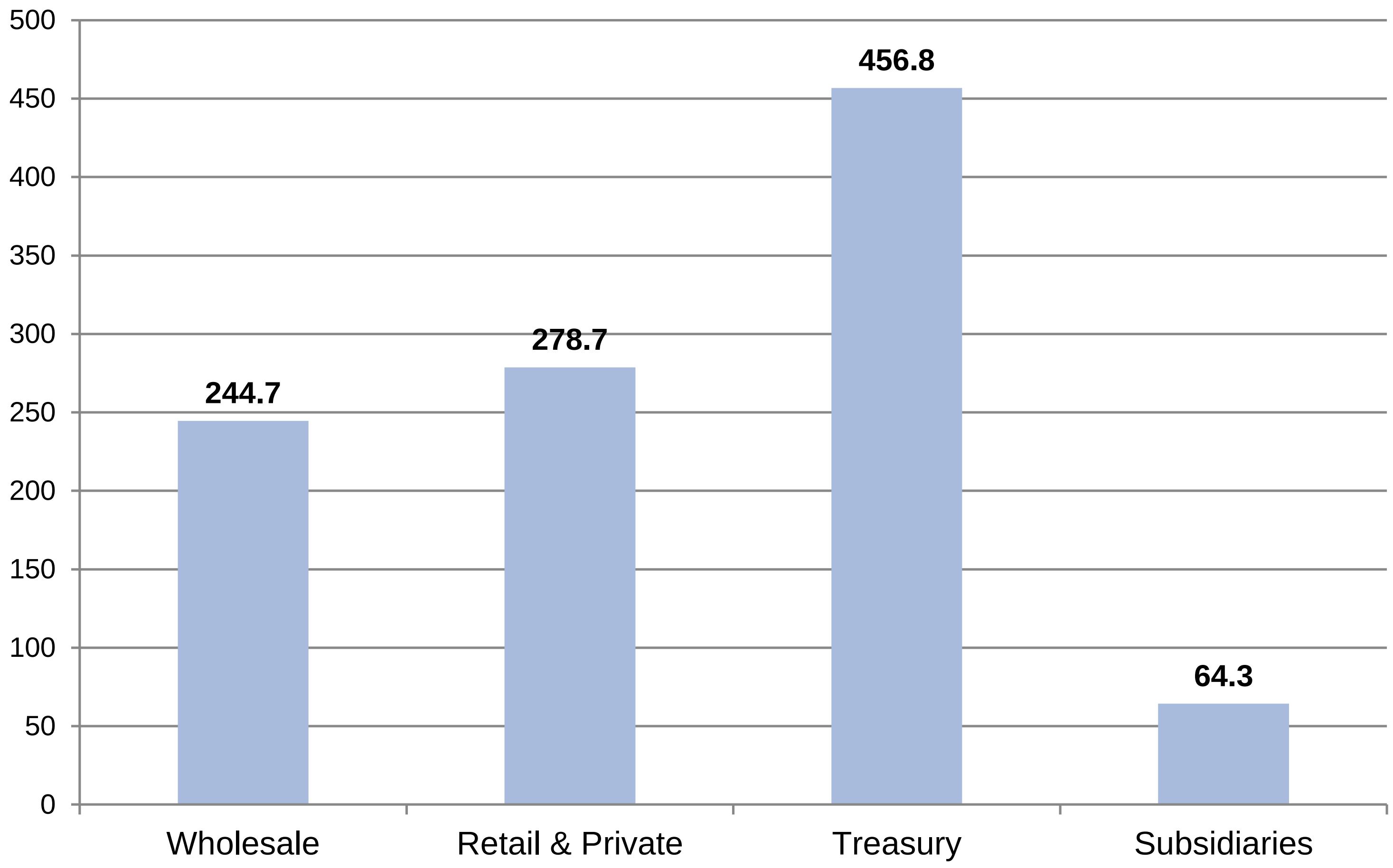
Segment	Fin. & Inv. Inc. (M)	YoY	Pre-imp. Profit (M)	YoY	Asset Share
Wholesale Banking	954.7	−18.0%	244.7	−10.1%	Assets: QAR 48.0B
Retail & Private Banking	1,180.0	−1.2%	278.7	+23.8%	Assets: QAR 46.3B
Treasury Investment Group	582.8	+16.8%	456.8	+17.9%	Assets: QAR 30.4B
Subsidiaries	78.9	−3.1%	64.3	−2.2%	Assets: QAR 2.1B
H1 2026 TOTAL	**2,796.5**	**-**	**1,005.3**	**+10.3%**	**Total assets: QAR 129.2B**

KEY TAKEAWAYS: Retail & Private Banking showed the strongest pre-impairment profit growth (+23.8%), while Treasury delivered consistent returns (+17.9%). Wholesale Banking is the concern - income fell 18.0% and profit fell 10.1%. It remains the largest single asset segment (QAR 48.0B). Total pre-impairment profit grew +10.3%, but this was partially absorbed by group-level impairment charges of QAR 192.5M.

Pre-Impairment Profit by Segment - H1 2025 vs H1 2026

QAR millions · Profit before group-level impairment allocation · Best measure of segment contribution

H1 2026 · Segment pre-impairment profit



H1 2026 Segment Summary

Wholesale
QAR 244.7M −10.1%

Retail & Private
QAR 278.7M +23.8%

Treasury
QAR 456.8M +17.9%

Subsidiaries
QAR 64.3M −2.2%

Statement of Financial Position - 30 June 2026

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QAR billions · 30 Jun 2026 vs 31 Dec 2025 · Note: Participatory Investment Accounts shown under statutory quasi-equity

Key balance sheet items · Jun 2026 vs Dec 2025

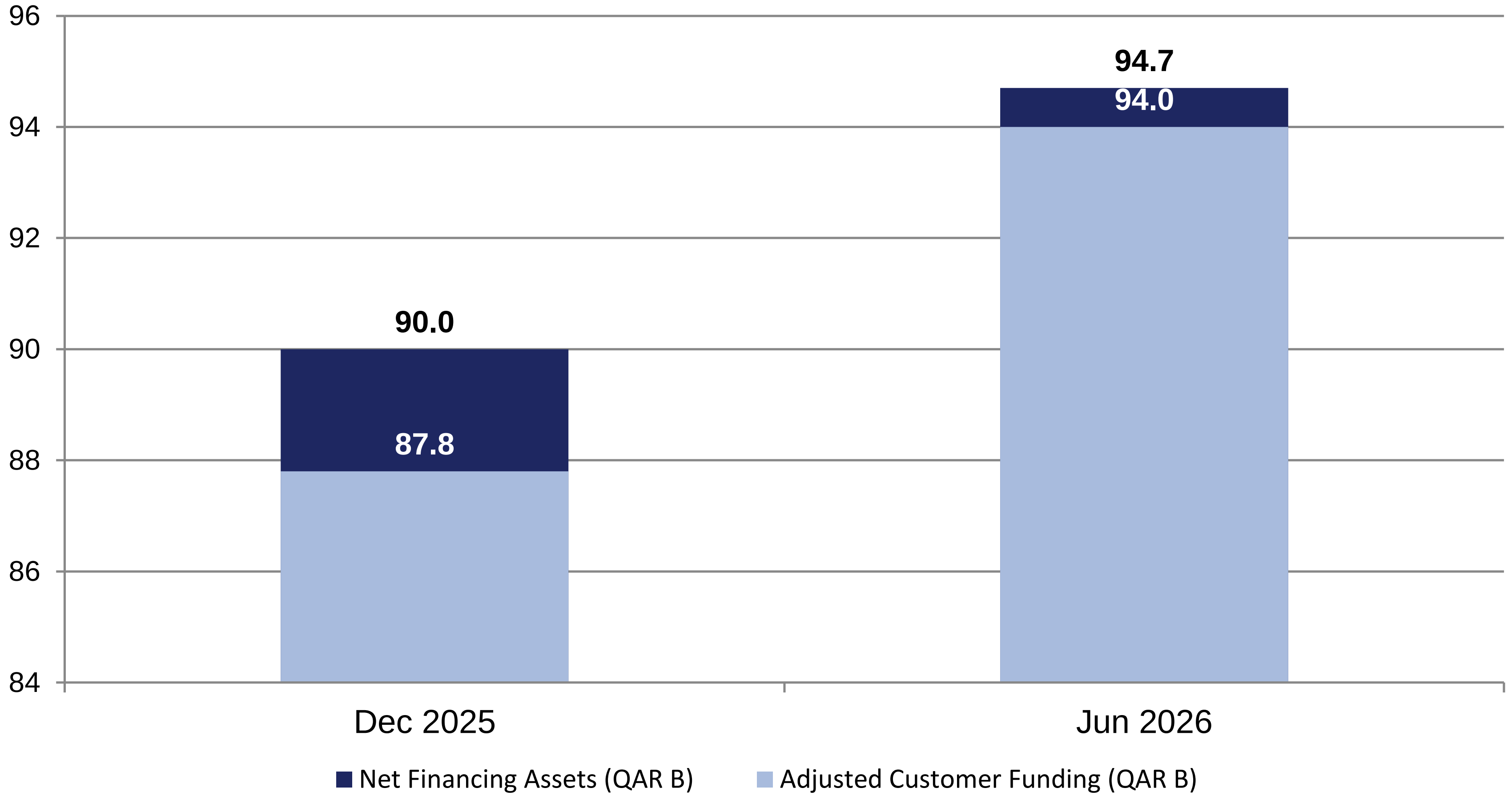
Line Item	Jun 2026 (B)	Dec 2025 (B)	Change	Comment
ASSETS (QAR Billions)	-	-	-	-
Cash & balances with QCB	3.5	5.1	−32.0% YTD	decline
Due from banks	1.7	1.1	+58.6% YTD	Increased
Net financing assets	94.7	90.0	+5.2% YTD	Core growth driver
Investment securities	26.0	25.0	+3.8% YTD	Steady growth
Other assets	3.2	2.5	+6.8% YTD	Includes fixed assets
TOTAL ASSETS	**129.2**	**123.8**	**+4.4% YTD**	**Balance sheet expanding**
LIABILITIES & FUNDING (QAR Billions)	-	-	-	-
Due to banks	6.1	11.2	−45.4% YTD	Wholesale reduced
Customer current accounts	20.5	18.7	+9.7% YTD	Growing steadily
Sukuk financing	3.7	2.9	+24.8% YTD	New issuance
Other liabilities	9.9	6.6	+48.7% YTD	Material rise
PARTICIPATORY INV. ACCOUNTS	**73.5**	**69.1**	**+6.3% YTD**	**Main funding source**
TOTAL EQUITY	**15.6**	**15.2**	**+2.5% YTD**	**Strengthening**

Note: Participatory Investment Accounts (PIAs) are classified as quasi-equity under the statutory presentation but included in analytical customer funding for bank-ratio analysis.

Financing Assets vs Customer Funding - Dec 2025 and Jun 2026

QAR billions · Net financing assets vs adjusted customer funding · Balance sheet snapshots

Net financing assets vs adjusted customer funding · Growth and ratio



Funding Analysis

Financing assets grew QAR 4.7B (+5.2% YTD) to QAR 94.7B. Customer funding grew faster at QAR 6.2B (+7.0%) to QAR 94.0B.

Financing / customer funding ratio improved from 105.0% to 107.% - positive trend showing funding keeping pace with lending.

Participatory Investment Accounts (PIAs) are the dominant funding source: QAR 73.5B (78.2% of customer funding). PIA inflow of QAR 4.4B funded most of the financing growth.

Due to banks fell QAR 5.1B (−45.4%), reducing reliance on wholesale interbank funding.

Asset Quality - ECL Staging and Coverage · 30 June 2026

QAR (Millions) · Source: Reviewed interim statements · Stage 1 and 2 comparatives at Dec 2025 not separately disclosed

ECL staging breakdown · Allowance movement

Stage	Gross Exposure (QAR M)	Allowance (QAR M)	Coverage	Comment
Stage 1 - Performing	87,006.1	173.3	0.2%	88.1% of portfolio
Stage 2 - Watch	7,941.6	974.0	12.3%	8.0% of portfolio - allowance rising
Stage 3 - NPL	3,816.2	2,908.6	76.2%	3.9% of portfolio - coverage strong
TOTAL	**98,763.8**	**4,055.9**	**4.1%**	**Coverage ratio total**

Allowance movement · H1 2026

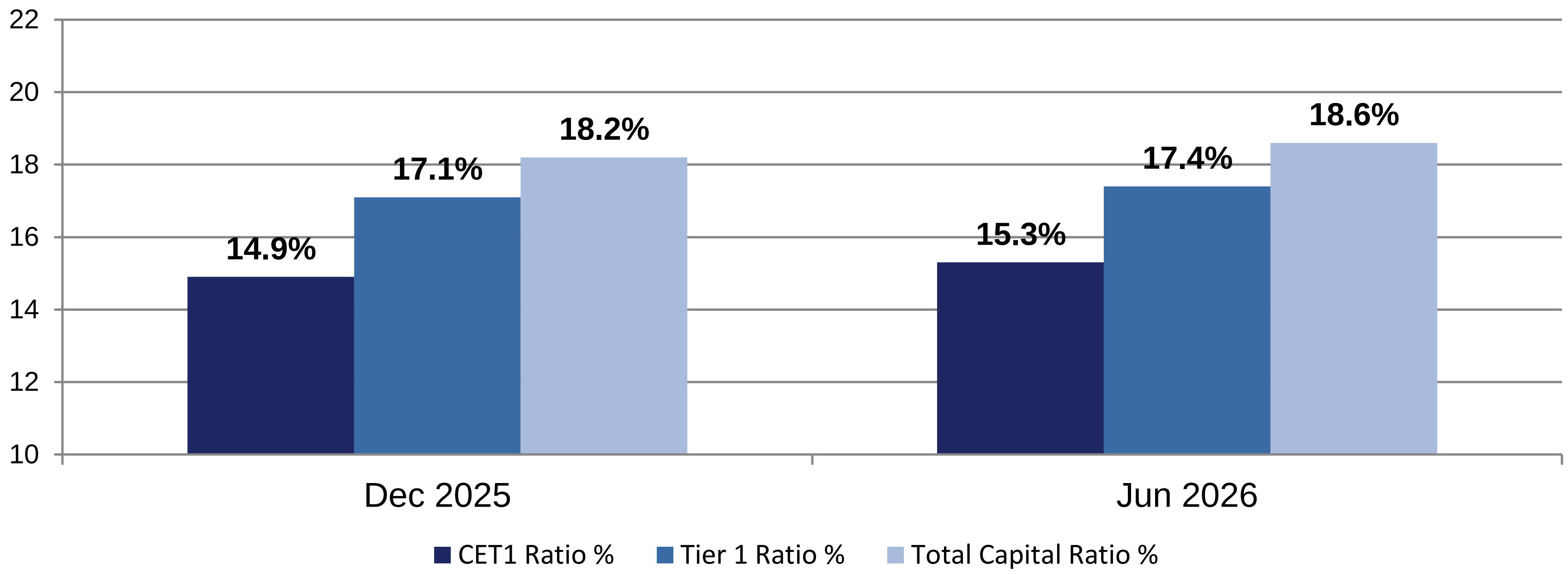
Allowance Movement (QAR M)	Stage 1	Stage 2	Stage 3	Total
Opening allowance (Dec 2025)	131.98	792.77	3,001.07	3,925.82
New charge / provision	43.0	183.0	17.8	243.8
Recoveries / write-offs	-	-	(110.3)	(110.3)
Stage transfers & other	(1.6)	(1.8)	3.5	-
Closing allowance (Jun 2026)	**173.3**	**974.0**	**2,908**	**4,055**

Stage 2 allowance rose QAR 181M (+22.8%) - a key early-warning indicator. Stage 3 coverage improved slightly to 76.2% from 75.7%. NPL ratio fell from 4.22% to 3.86%, a positive sign.

Capital Adequacy - Jun 2026 vs Dec 2025

Regulatory capital ratios · QCB Basel III framework · QCB minimum requirement: 14.63%

Capital ratios and buffer above QCB minimum



Capital Metric	Jun 2026	Dec 2025	Change	Comment
CET1 Ratio	15.3%	14.9%	+40bps	Above QCB min
Tier 1 Ratio	17.4%	17.1%	+30bps	Includes AT1 sukuk
Total Capital Ratio	18.6%	18.2%	+40bps	vs QCB min 14.63%
Capital Buffer vs QCB min	3.97%	3.57%	+40bps	Adequate cushion
Owner’s quity / Total Assets	10.7%	10.8%	−10bps	Slight leverage increase

All capital ratios improved vs December 2025 and remain comfortably above the QCB minimum. AT1 sukuk of QAR 1.82B contributes to Tier 1 capital.

H1 2026 - Key Strengths and Areas of Concern

Evidence-based · All items sourced from reviewed interim condensed consolidated financial statements

✓ STRENGTHS

Exceptional cost discipline (CTI 16.6%)

Operating expenses grew only +1.3%, matching income growth. CTI held at 16.6% - one of the lowest in Qatar banking. Pre-impairment profit grew +1.3%.

Strong fee income growth +26.2%

Net fee income reached QAR 199.9M. Fee income share rose to 7.4% from 5.9%. Revenue diversification improving steadily.

NPL ratio improved (3.86% vs 4.22%)

Stage 3 exposure declined in absolute terms. Stage 3 coverage strengthened to 76.2%. Underlying credit quality of the performing book is stable.

Capital ratios improved and well-capitalised

CET1 at 15.3%, Total capital at 18.6%. Both improved vs December 2025. Buffer over QCB minimum widened to 3.97%.

Finance cost sharply lower –25.7%

Lower cost of funds saved QAR 128.6M, partially offsetting the decline in financing income. Funding mix shift from interbank to PIAs supports this.

PIA funding growing strongly +6.3%

Participatory investment accounts rose to QAR 73.5B - major inflow of QAR 4.4B in H1. Stable, lower-cost funding base expanding.

✕ CONCERNS

Financing impairment surged +110.6%

Net financing asset impairment nearly doubled to QAR 206.6M. Total impairment QAR 192.5M (+92.4%). The root cause is not disclosed in the reviewed statements.

Wholesale Banking income fell –18.0%

Finance income from the largest segment dropped QAR 210M. Pre-impairment profit fell −10.1%. Repricing or specific exposures likely at play.

Stage 2 allowance up +22.8%

Stage 2 allowance rose QAR 181.2M. Stage 2 represents 8.0% of the portfolio. This is a forward-looking risk signal that warrants close monitoring.

Core financing income declining –9.3%

Net financing income fell QAR 227M despite balance sheet growth. Yield compression or repricing headwinds are affecting core banking returns.

Other liabilities rose sharply +48.7%

Other liabilities increased QAR 3.2B to QAR 9.9B. The composition is not fully disclosed. Requires monitoring in H2.

Operating cash flow turned negative

Net operating cash flow was negative QAR 4.1B in H1 2026 vs positive QAR 4.6B in H1 2025. Driven by financing growth and interbank repayment, offset by PIA inflows.

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