



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



Dukhan Bank (DUBK)

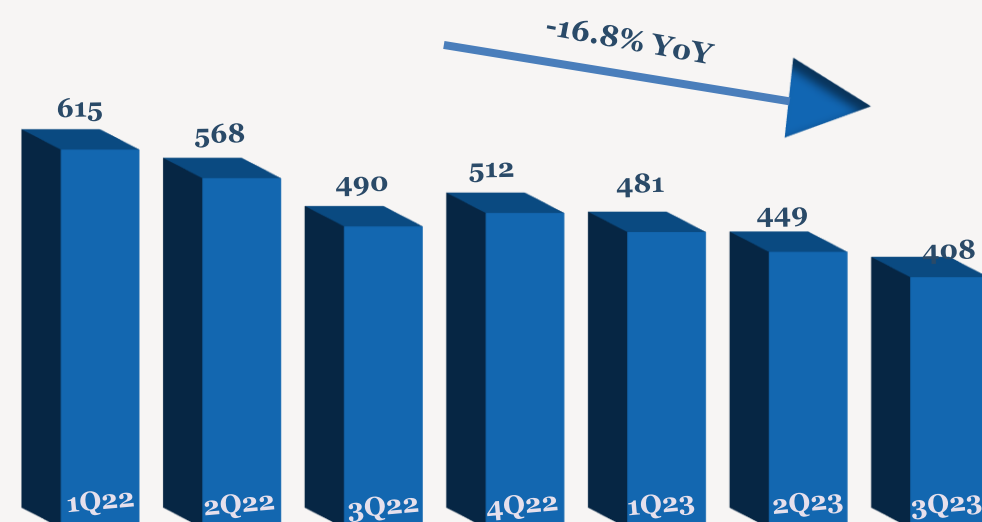
- > **Net profit increased by 3.4% YoY to QR347mn (+0.1% QoQ) in 3Q2023** driven by provision reversals and higher net fee & commission income. However, a decline in net interest & investment income limited the gains. For 9M2023, net profit was up by 2.5% YoY to QR1,107mn.
- > **Net interest & investment 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

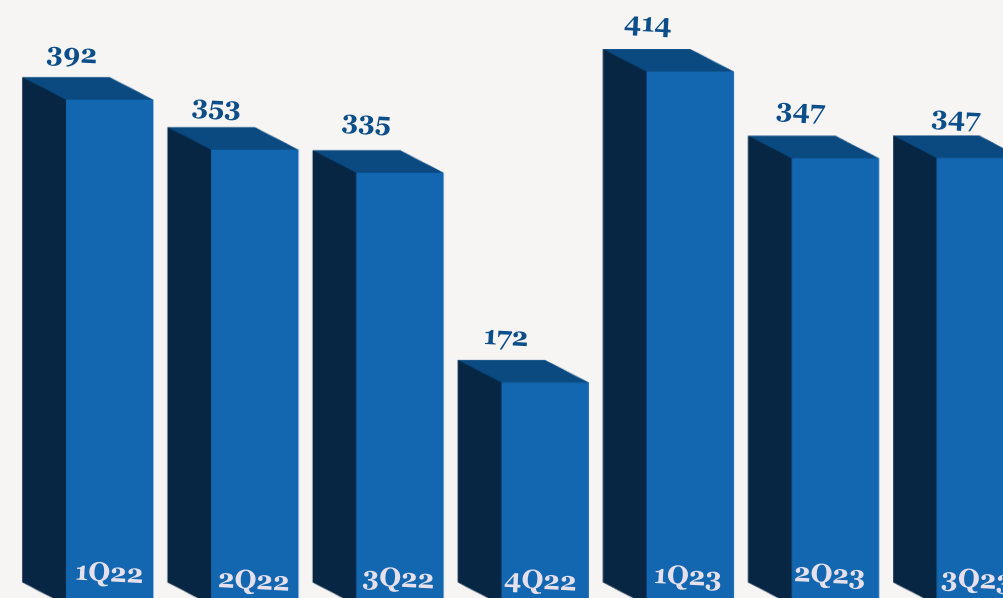
	3Q2023	3Q2022	YoY	2Q2023	QoQ	9M2023	9M2022	YoY
Net Interest & Investment Income	408	490	-16.8%	449	-9.2%	1,337	1,673	-20.1%
Net Interest Margin %	1.61%	2.03%		1.86%		1.80%	2.27%	
Net Fee and Commission Income	89	45	97.9%	76.9	15.4%	225	159	41.8%
Total Income	1,497	1,078	38.8%	1,446	3.5%	4,366	3,152	38.5%
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

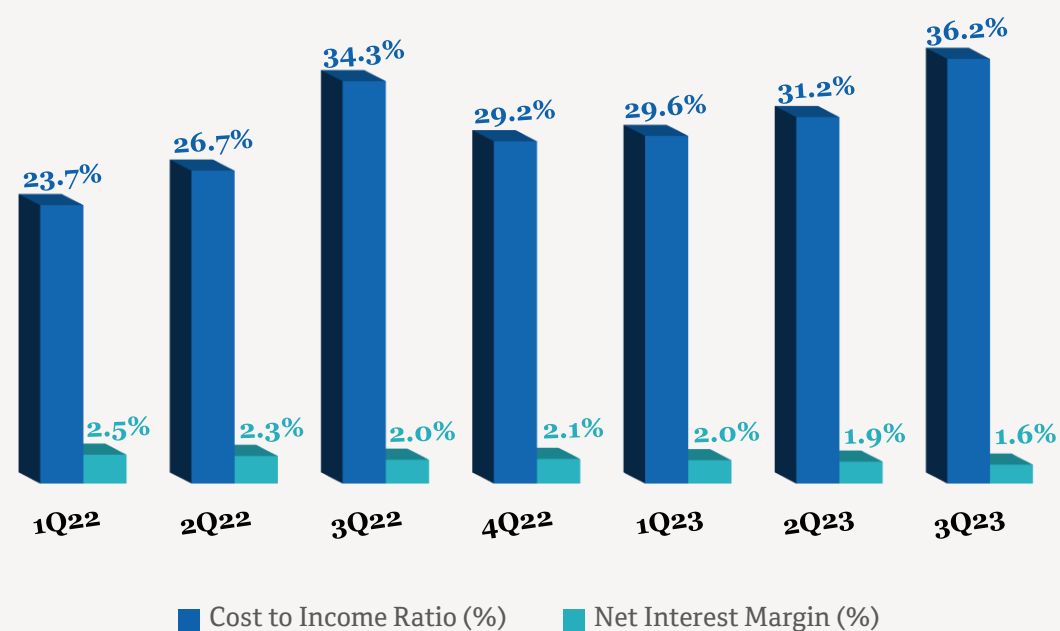
Quarterly Net Interest & Investment Income Trend (QRmn)



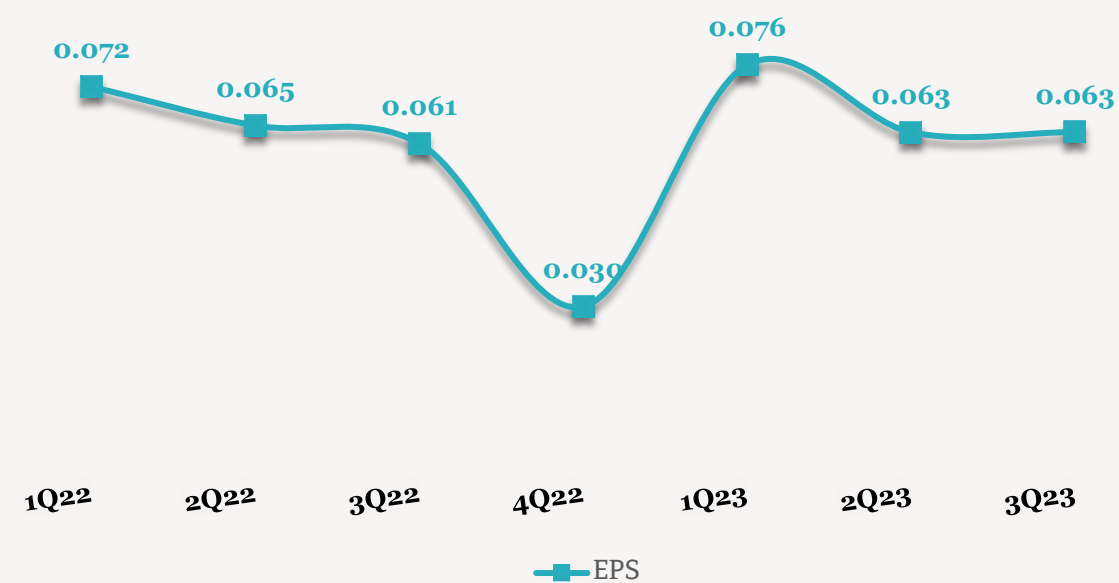
Quarterly Earnings Trend (QRmn)



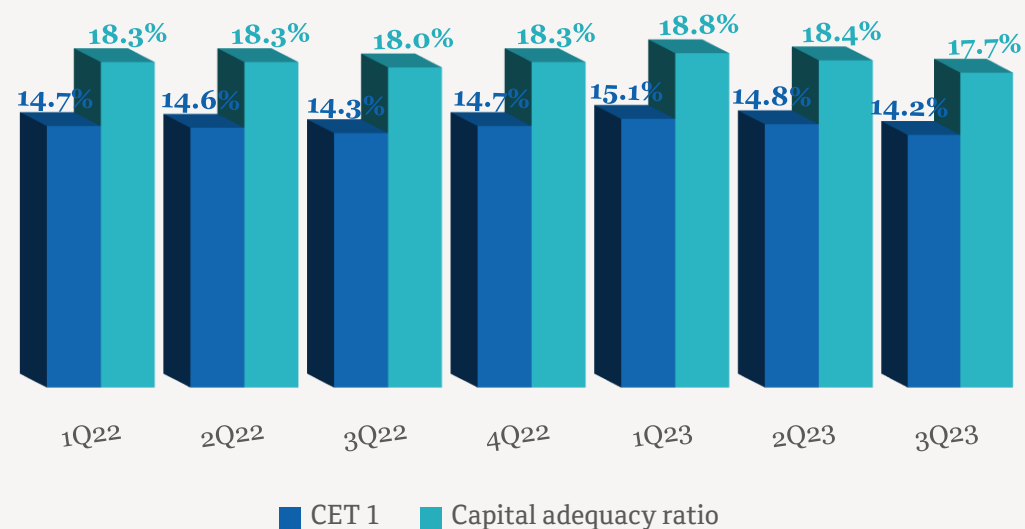
Quarterly Ratio Trend



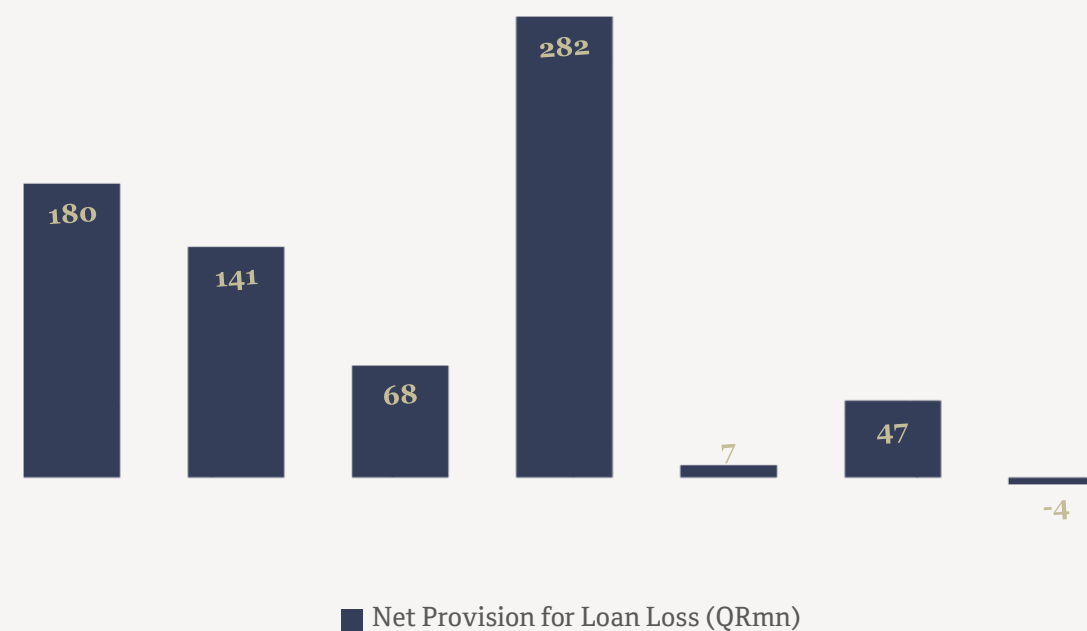
EPS (QR) Trend



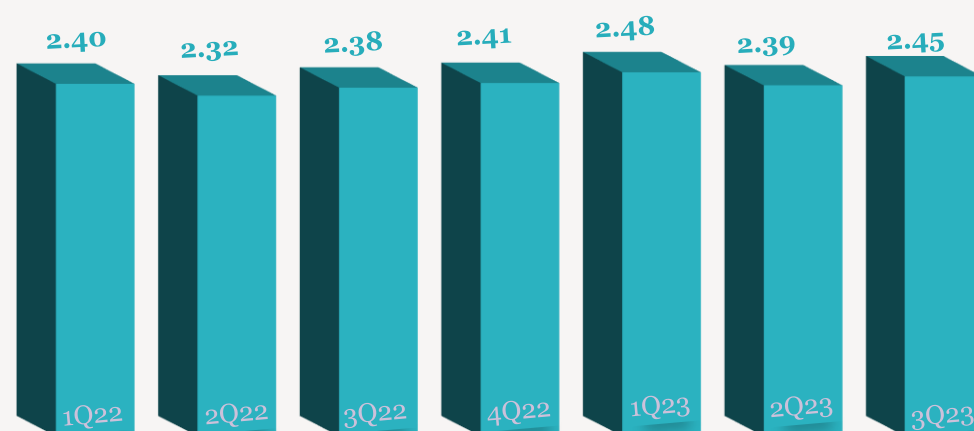
Capital Adequacy Ratios (%)



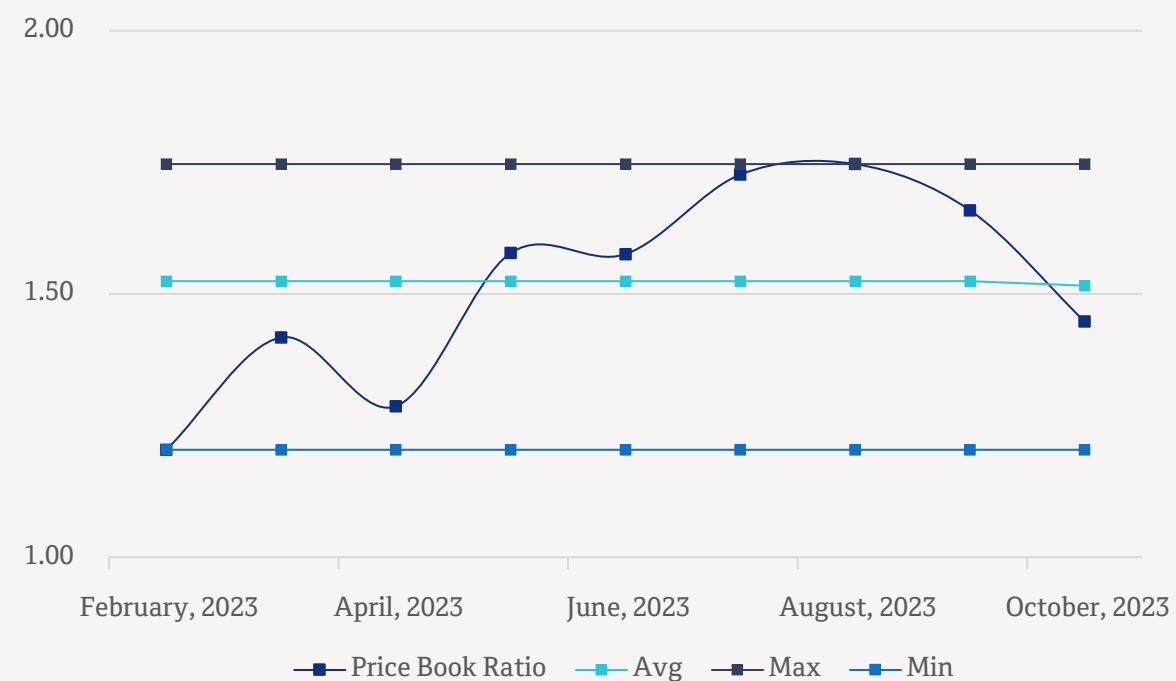
Net Provision for Loan Loss (QR mn)



Book Value Per Share (QR)



P/B Multiple Band (x)



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