

CBQK Alert – Adjusting Price Target to Reflect 10-for-1 Stock Split; No Impact on Capital or Market Cap

- **CBQK's 10-for-1 stock split went into effect yesterday.** Commercial Bank of Qatar's (CBQK) 10-for-1 stock split has resulted in 4,047,254,750 shares vs. 404,725,475 previously.
- **Our Price Target is adjusted following the stock split.** Our Price Target on CBQK is adjusted to QR4.30 from QR43.00.
- **No Impact on capital.** The bank's capital will remain the same at QR15.9bn as of 1Q2019.
- **No impact on market cap.** Market cap remains the same at QR19.4bn/\$5.3bn.
- **No Impact on ownership structure.** Ownership structure remains the same.
- **Recommendation & valuation:** CBQK trades at 2019 P/E and P/TB of 11.9x and 1.2x based on our estimates, respectively. We maintain our Market Perform rating.

Recommendations

Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price

OUTPERFORM Greater than +20%

ACCUMULATE Between +10% to +20%

MARKET PERFORM Between -10% to +10%

REDUCE Between -10% to -20%

UNDERPERFORM Lower than -20%

Risk Ratings

Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals

R-1 Significantly lower than average

R-2 Lower than average

R-3 Medium / In-line with the average

R-4 Above average

R-5 Significantly above average

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