

QNBFS Alert – CBQK Results Will be Positively Impacted From UAB

- **UAB returns to profitability in 1Q2016 after 2 quarters of losses; positive read-through for CBQK's 1Q2016 results.** CBQK's 40%-owned UAE associate reported profit after 2 consecutive quarters of losses. As a result, we are raising CBQK's 1Q2016 net income estimates. We also await on clarity from CBQK's management before changing our FY2016 estimates.
- **CBQK 1Q2016 to be positively impacted by UAB's 1Q2016 profit.** Commercial Bank of Qatar's UAE-based associate United Arab Bank (UAB) reported a net income of AED45.1mn for 1Q2016. This will positively impact CBQK's 1Q2016 bottom-line. Moreover, CBQK's 35% associate National Bank of Oman (NBO) reported a net profit of OMR13.9mn for 1Q2016, increasing by 10% YoY.
- **We now estimate CBQK's 1Q2016 at QR389.8mn, taking into account UAB's and NBO's 1Q2016 results.** Our previous estimate for 1Q2016 was QR381.4mn. We now expect 1Q2016 bottom-line to increase by 212.4% QoQ and decline by 13.8% YoY. *Note that our modified 1Q2016 estimate factors only results from associates and no other variables.*

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

Saugata Sarkar
Head of Research
+974 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
+974 4476 6509
Shahan.keushgerian@qnbfs.com.qa

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