Analyst Comment

February 14, 2010

QATAR NATIONAL BANK (QNBK.QA)

12-Month Fair Value: QAR 125.80

Last Close (11 February, 2010): QAR 122.10

Recommendation: Hold - Risk Level: 2

- The shareholders of Qatar National Bank (QNB) approved the distribution of a cash dividend of QAR 4 per share (40% of the par value, 29% dividend payout for 2009) last week, translating into a dividend yield of 2.59%. The shareholders also approved the stock dividend of 30% of the existing shares, which increased the number of outstanding shares from the current 301.12 million to 391.46 million. Accordingly, we adjust QNB's fair value per share from QAR 163.50 to QAR 125.80.

- The new fair value (QAR 125.80) is 3% above the bank's latest closing price (QAR 122.10), hence, our recommendation on the stock is a "Hold".

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Related Research

- Qatar National Bank Initiation of Coverage - 22 July 2009

RISK AND RECOMMENDATION: GUIDE

RECOMMENDATION	UPSIDE (DOWNSIDE) POTENTIAL
BUY	MORE THAN 20%
ACCUMULATE	BETWEEN 5% AND 20%
HOLD	BETWEEN -10% AND 5%
REDUCE	BETWEEN -25% AND -10%
SELL	LESS THAN -25%

RISK LEVEL				
LOW RISK				HIGH RISK
1	2	3	4	5

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