

March 14, 2012

THE SAUDI BRITISH BANK (1060.SE)

12-Month Fair Value: SAR 36.80

Recommendation: Accumulate – Risk Level: 2

Last Close (14 March 2012): SAR 34.20

- The Saudi British Bank's (SABB) Extraordinary Annual General meeting was held on March 13, 2012 and approved the distribution of SAR 0.65 per share net cash dividend (translating into a dividend payout of 19% and a dividend yield of 1.6%) and 33% bonus share for the year 2011. Hence, the number of outstanding shares increased from 750 million to 1 billion. Therefore, we are adjusting our fair value for SABB from SAR 49.00 per share to SAR 36.80 per share. The new fair value (SAR 36.80) is 8% above SABB's last closing price; hence, our recommendation on the stock is "Accumulate."

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Related Research

- Analyst Comment - 16 January 2012
- Analyst Comment - 13 October 2011
- Banking Strategy Note - 02 October 2011

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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