المجموعة المالية - هيرميس
EFG HERMES

EMIRATES NBD (ENBD)

Adjusting LTFV for Bonus Shares

07 APRIL 2009

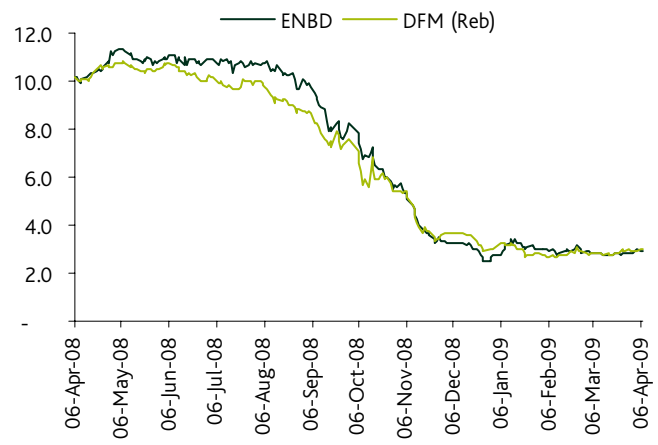
UAE | BANKING

Short-Term Rec.: Buy	Current Price*: AED 2.88
Long-Term Rec. : Buy	LT Fair Value : AED 7.17

• **Adjusting LTFV for Bonus Shares Issue**: We adjust our LT Fair Value for ENBD to AED7.17 from AED7.89 to account for the 10% bonus shares issued and approved by shareholders at the company's AGM held on 25 March. ENBD's total outstanding shares are now 5,557 million, up from 5,052 million before bonus shares distribution. The stock traded ex-dividend on 02 April 2009 for both the bonus issue and cash dividend of AED0.2 per share.

• **Recommendations Unchanged:** We reiterate our ST Buy/LT Buy recommendations on the stock. Our LT Fair Value offers 149% upside potential to the current share price. Investment losses of one kind or another are likely to negatively impact our forecasts in 1Q2009, and our valuation numbers. However, the low valuation seems to more than discount this.

FLASH NOTE



	2008a	2009e	2010e
EPS (adj)	0.66	0.75	0.63
P/E* (x)	4.4	3.8	4.6
DPS	0.18	0.13	0.13
Div. Yield*	6.3%	4.4%	4.4%
BVPS	4.44	5.52	6.02
P/BV* (x)	0.6	0.5	0.5

Figures in AED unless otherwise stated
Forecasts have not been revised

Stock Data	
Last Ex-Div Date	0.20 on 03 Apr 09
Mkt. Cap/Shares (mn)	16,005 / 5,557
Av. Mthly Liqdty (mn)	AED 40.0
52-Week High / Low	11.36/2.52
Bloomberg / Reuters	ENBD UH / ENBD.DU
Est. Free Float	44%

** Price as at 06 April 2009*

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Neutral	(10%) to 10%
Reduce	(10%) to (25%)
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