

March 22, 2010

BANK MUSCAT (BMAO.OM)

12-Month Fair Value: RO 0.928

Last Close (21 March, 2010): RO 0.817

Recommendation: Accumulate - Risk Level: 3

- The shareholders of Bank Muscat approved the distribution of a cash dividend of RO 0.02 per share (20% of the par value, 29% dividend payout for 2009) on March 21, 2010, translating into a dividend yield of 2%. The shareholders also approved the stock dividend of 25% of the existing shares, which increased the number of outstanding shares from 1.077 billion to 1.346 billion. Accordingly, we adjust Bank Muscat's fair value per share from RO 1.160 to RO 0.928.
- The new fair value (RO 0.928) is 14% above the bank's latest closing price (RO 0.817), hence, our recommendation on the stock is "Accumulate".

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Related Research

- Bank Muscat Update - 11 March 2010

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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