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**Banque Saudi Fransi (1050.SE)**

**February 02, 2009**

- The board of directors of Banque Saudi Fransi (BSF) recommended the payment of a total of SAR 776 million in cash dividends for 2008, resulting in a dividend payout ratio of around 28% for that year. BSF's board also recommended the distribution of two-for-seven bonus shares. If the extraordinary general assembly approves the recommendation, the number of outstanding shares will increase from the current 562.5 million to 723.2 million, an increase of 28.6%.
- The distribution of bonus shares was expected as BSF has already announced its intention to reach a stage where the bank's paid up capital stands at SAR 9 billion, compared to the current SAR 5.625 billion. The bonus shares will drive up the bank's paid up capital to SAR 7.232 billion.
- Upon distribution of the bonus shares, and, hence, the increase in the number of outstanding shares from 562.5 million to 723.2 million, our fair value for BSF will drop from the current SAR 67.00 per share to SAR 52.10 per share. The date of the extraordinary general assembly meeting has not been announced yet.

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**Related Research**

- Banque Saudi Fransi Initiation - 28 Jan. 2009