11August 2014

FNB Namibia Holdings

Trading Statement

Target Price (c)	2700
Current Price (c)	2401

Year End 30 June	2012A	2013A	F2014	F2015	F2016
Net interest income (N$m)	890	985	1,089	1,285	1,417
Non-interest income (N$m)	787	917	1,079	1,166	1,247
Profit (N$m)	539	610	748	868	933
HEPS (c)	203.1	231.2	285.0	330.5	355.5
P/E (x)	11.8	10.4	8.4	7.3	6.8
DPS (c)	82	100	110	122	145
DY (%)	3.4	4.2	4.6	5.1	6.0
P/B (x)	2.7	2.8	2.3	2.0	1.7

Recommendation	BUY
NSX Code	FNB
Market Cap (N$m)	6 425
Shares in Issue (m)	267.6
Free float (%)	40
52 week high (c)	2401
52 week low (c)	1931
Expected Total Return (%)	17.3

Source: BWH, IJG

Trading Statement

FNB Namibia today released a trading statement in which the company gave guidance as to what we can expect from the FY14 financial year. Results are expected to be release on SENS on 4 September 2014 and in the press on 5 September 2014. Guidance is as follows:

	FNB Guidance	IJG Forecast
Profit after tax	+25% to 30%	22.6%
Basic and Headline EPS	+25% to 30%	23.3%

Our forecast for HEPS is 1.7ppt below the lower end of the guidance range, thus implying a slight beat and a positive surprise by FNB. The 25% to 30% range suggests HEPS of between 289cps and 300cps relative to IJG's projected HEPS of 285cps. The range is also a positive surprise when compared to Bloomberg Consensus forecast that is projecting HEPS of 278cps.

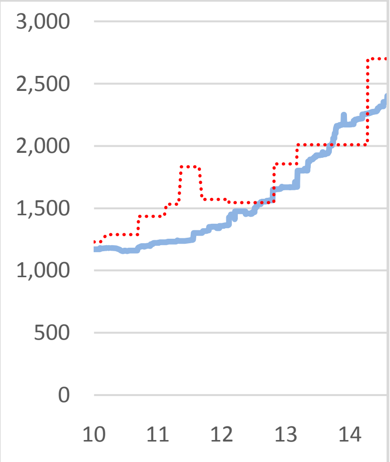
Earnings forecast and outlook

No change.

Target price and recommendation

At first glance we are optimistic about the guidance and continue to recommend a **BUY** on the stock.

FNBclosing pricevs target price



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