

Equity Snapshot

STDINSURE

17-Nov-08

BUY

Business summary: Life and Non-Life Insurance Businesses.
Sector: Insurance
Year End: 31st December

Intrinsic Value:		NGN 2.01		12-Month Target Price:		NGN 2.41	
Technical							
Current Price	1.83						
Price as at selected date	1.83						
52-week high	4.90	on	8-May-08				
52-week low	1.75	on	14-Nov-08				
Beta β (Volatility Index)	0.96						
Current RSI (14)	24.33		Oversold				

Quarterly Updates				2008Q3		Prev Yr		Growth	
Gross Premium (Nb)	3.15	1.77	78%						
PBT (Nb)	1.07	0.26	316%						
Tax (Nb)	0.00	0.00	-						
PAT (Nb)	1.07	0.26	316%						
									Ind. Avg
Pre-Tax Margin	33.93%		34.61%						
Net Margin	33.93%		28.27%						
Earnings Yield	12.05%		5.99%						

Analyst's Comment and Recommendation

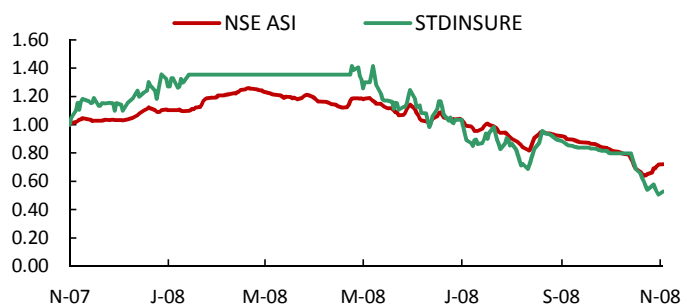
Current market valuation of Stdinsure presents modest **upside of potential of 32%** to our 12-month **target price of N2.41K** derived from FYE forecast EPS of 30K, BVPS of 52K and Premium per share of 87K applied to benchmark market multiples of 13.18x earnings, 2.95x book value, and 2.09x sales. From a technical standpoint, with an RSI of 24.33, the stock is fast crossing the oversold threshold to regain its market wide outperforming momentum maintain from 2007 through to the third quarter of this year.

Returns Profile		STDINSURE		NSE ASI	
1-Week Returns	-6.63%		8.89%		
1-Month Returns	-33.70%		-11.35%		
6-Month Returns	-59.96%		-39.07%		
52 Week Returns	-47.11%		-27.83%		
Sharpe Ratio	-17.11		-0.39		
Stand. Dev. of Returns	3.38%		1.05%		

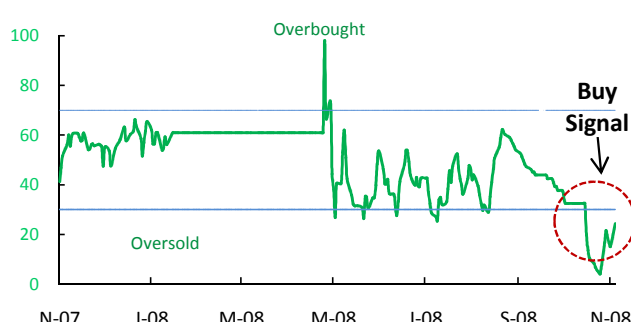
Valuation Metrics		STDINSURE		Ind. Avg.	
Shares Outstanding (bn)	4.83		6.34		
Market Cap (Nbn)	8.84		13.85		
Trailing GPPS	1.03		0.65		
Trailing EPS (N)	0.22		0.15		
BVPS (N)	0.34		1.04		
P/E ratio (x)	8.30		28.78		
PBV ratio (x)	5.39		6.86		
PGP (x)	1.77		8.00		

DuPont Analysis (Prev FYE)		STDINSURE		Ind. Avg.	
Asset Turnover (x)	1.10		0.42		
Equity Multiplier	1.99		1.46		
Profit Margin	7.03%		31.19%		
ROE	15.42%		19.50%		
ROA	7.74%		12.31%		

52-Week Relative Price Performance Chart



Relative Strength Index (RSI)



Disclosures

Meristem Research equity analysis and its attendant recommendations are prepared based on publicly available information and are meant for general informative purposes. Meristem Securities can neither guarantee the accuracy nor completeness of the information as they are expressions of our analysts' views and opinions