Ukraine / Banking

Raiffeisen Bank Aval

A Whole New Ballgame

BUY

19 Oct 2006	USD 0.09
12m Target	USD 0.12

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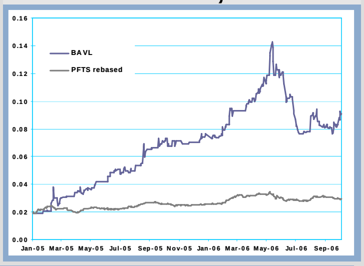
BAVL Bid-Price, USD



Market Information

PFTS	**BAVL**
Bloomberg	**BAVL UZ**
No of Shares, mln	20,099
Market price, USD	0.09
MCap, USD mln	1,809
Free Float, %	6.5

Stock Ownership

Raiffeisen International	93.5%
Ukrtelecom	0.7%
Bank Austria Creditanstalt	0.5%
Other	5.3%

Ratios 2005

Net Interest Margin	7.1%
Net Income Margin	4.5%
ROE	6.5%
Cost/Income	67.0%

The benefits of new ownership are materializing: a one-time write-off of bad loans last year cleared up financials, and the elimination of tax minimization schemes that distorted financial results brought NAS reporting in line with IFRS. Aval's deposit outflow problem was solved without cutting out lending, which has poised the bank for further growth. We see a 30% upside to the current price and therefore upgrade our recommendation from HOLD to BUY.

Cleaning Up The Loans. Right after the acquisition deal was completed, Raiffeisen set about cleaning up Aval's loans. The revision of loan portfolio quality and introduction of a more conservative approach to lending resulted in a drastic increase in loan loss provisions in 2005, up 231% yoy, or 72% of operating income. The immediate effect was a drop in net margin to 4.5% and ROE to 6.5% as net income fell 57% yoy. The recognizing of bad debts has been painful, but it is a one-time event. In 1H06, the Provision/Operating ratio improved to its 4-year average level of 45%.

Improved Transparency. Raiffeisen put an end to tax-optimization schemes and murky reporting practices, which previously heavily understated the bank's profitability (net margin and ROE) under National accounting standards (NAS) compared to those reported according to IFRS. Reporting real figures caused 1H06 net income to grow 27 times yoy to USD 37 mln. We expect no significant discrepancies between IFRS and NAS in 2006.

Lending Growth, Despite Deposit Departure. The high level of uncertainty surrounding the announced and then cancelled merger of Aval with Raiffeisen's previous Ukrainian subsidiary, which was eventually sold to Hungary's OTP, had a negative effect on Aval's operational activity and customers' perception of the bank. During 1Q06 the bank lost USD 190 mln of corporate deposits, which resulted in a 6.2% drop of its total deposit base over 1H06. However, the deposit base remained high enough, and thanks to re-direction of funds from its securities portfolio and increased interbank borrowings, Aval was able to maintain sound lending growth at 33.4% ytd, above the industry average of 27%.

Responding To The Liquidity Risk. Aval's liquidity risk increased during the period, as its Loan/Deposit ratio deteriorated to 1.17 over 1H06 (from 0.84 in 2005) due to the drop in its deposit base and the financing of 1H06 lending growth with short-term interbank borrowings. However, the bank will be able to strengthen its liquidity position and finance further lending growth with funds raised from a 40% share capital increase, subordinated debt from Raiffeisen International and other foreign borrowings.

KEY FINANCIAL DATA, USD mln

	Assets	Net Loans	Total Revenue	Net Income
2005	3706	2354	317	14
2006E	5148	3776	440	76
2007E	7319	5709	650	131
Spot Exch Rate	5.05			

KEY RATIOS

	P/E	P/BV	P/Loans	P/Deposits
2005	127.8	6.7	0.8	0.6
2006E	23.7	4.0	0.5	0.5
2007E	13.8	2.8	0.3	0.4

Cleaning House

Loan Portfolio Clean Up

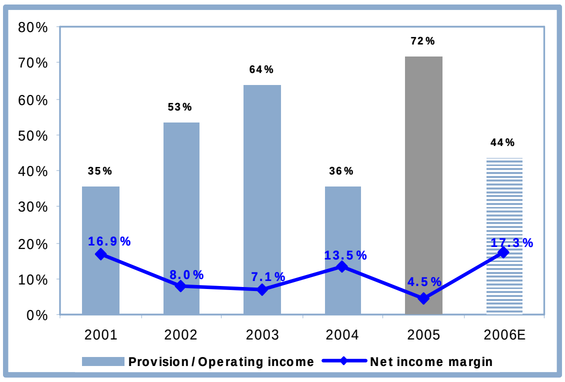
Right after the completion of the acquisition deal in October 2005, Raiffeisen set out cleaning up Aval's loan portfolio. The more conservative approach to lending, applied by the bank's new owner, resulted in a major restructuring of the credit process, revision of loan portfolio quality and conservative loan loss provisioning policy. As a result, the bank drastically increased its loan loss provisions (LLPs) in 4Q05, up 231% yoy, to USD 72 mln.

This exerted significant pressure on the bank's net margin, as the provisioning rate (against operating income) surged to 72%, up from 36% in 2004. Aval's net income dropped 58% yoy to USD 14 mln, implying a 4.5% margin, down from 13.5% in 2004. The bank's ROE in 2005 deteriorated to 6.5% from 22.7% in 2004. Had the provisions stayed at the 4-year average level (45% of operating income) NI in 2005 would have been USD 39 mln.

We believe the cleaning up of Aval's loans confirms the new owner's commitment to building further business on a sound, reliable and transparent basis. Its negative impact on margins is a short-term, one-time event.

During 1H06, the Provisions/Operating income ratio improved to its usual historical level of 46%, considerably easing the pressure on the bank's margins. Aval's 1H06 net margin improved to 19%, implying annualized 2006 ROE of 22%.

Provisioning Rate & Net Margin



Source: NBU, Concorde Capital calculations

While valuing the bank, we followed the assumption that within the next ten years Aval's provisioning rate will improve to 20% of operating income – a bit conservative, given the current average ratio for CEE banks at 12-14%.

Converging NAS and IFRS reporting

Aval's 1H06 net income was 27 times greater than its 1H05 result, reaching USD 37 mln. This impressive progress was reported by the bank based on National Accounting Standards (NAS), pushing Aval to the top in terms of profitability ratings, after many years of mediocre ratings. At the same time, while Aval's net income, based on NAS, never exceeded USD 4.0 mln. However, reports prepared according to IFRS have recently indicated figures in this range.

After the ownership change, local accounting began to reflect the bank's true profits, previously hidden behind a number of tax optimization schemes. The most significant was an inclusion of payments (insurance and management bonuses) to affiliated parties in operating expenses, which were then reinvested through share capital increases. This heavily understated the bank's profitability (net margin and ROE) under NAS. Contrary to Ukrainian accounting, IFRS does not recognize such payments as expenses and treats them as capital distribution, which resulted in higher net income and lower equity compared to NAS figures. Given the abolishment of these murky reporting practices, we expect a small discrepancy between IFRS and NAS in 2006.

Lending Growth / Deposit Erosion

Corporate Clients Gone: Test Passed

Soon after acquiring a 93.5% stake in Aval, Raiffeisen International (RI) announced its plans to merge the bank with Raiffeisen's other Ukrainian subsidiary – Raiffeisen Bank-Ukraine (RBU), which has been on Ukraine's market since 1997 focusing mainly on corporate banking. The merging of two banks would have created Ukraine's largest financial institution in terms of assets. However, the merger plan turned out to be more complicated and expensive than initially expected and Raiffeisen got bogged in the process.

The high level of uncertainty surrounding the merger plan and how Raiffeisen would divide its efforts between the retail and corporate segments had a negative effect on Aval's operational activity and on customers' perception of the bank. During 1Q06 the bank lost USD 190 mln of its corporate deposits (a fall of 16.5% ytd), and, given, the minor inflow of retail deposits (+0.4%) this resulted in a 6.2% reduction of its total deposit base.

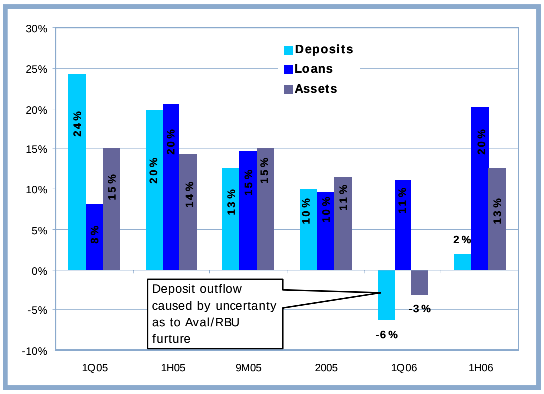
Despite the shrinking deposit base, Aval maintained sound lending growth at 11%, above the industry average of 10%. The following factors helped supported further loan portfolio increases:

1. Aval's deposit base was stilll arge enough. The bank's Loans/Deposits ratio was 0.84 by end-2005, and even after the 1Q06 withdrawals, the deposit base was enough to finance lending growth in 1Q06. Over the quarter, the bank exhausted its deposit surplus (Loans/Deposits reached 1.0) and had to turn to other sources.

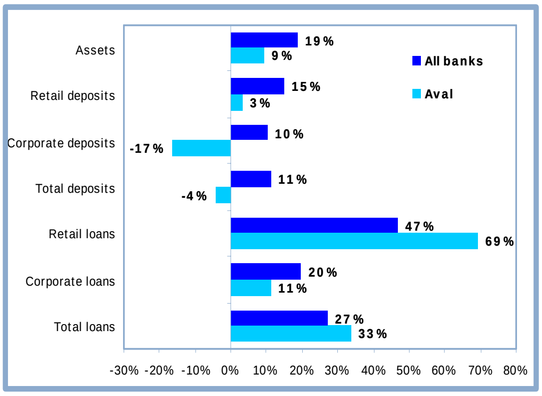
2. Over 1H06 Aval reduced its securities portfolio by USD 115 mln, re-directing the funds for lending expansion;

3. Aval doubled its interbank borrowings over 1H06 to USD 147 mln

Assets, Loans & Deposits Growth, % qoq



Aval vs. Sector 1H06 Growth, cum. %



Source: NBU

Growth Accelerates in 2Q06

In 2Q06 the merger plan was called off – Raiffeisen instead sold RBU to Hungary's OTP. This confirmed RI's commitment to Aval and cleared up RI's long-term strategy, as the sale of the corporate-oriented RBU entailed a shift in focus towards the retail segment. This had a positive effect on Aval's performance.

During 2Q the bank's asset growth accelerated to 12.7% qoq, after a fall of 3% in 1Q, bringing its 1H06 assets increase to 9.2%. More impressive growth was observed in lending. Aval's retail loans surged by 40% qoq and posted a 70% ytd increase, above the industry average of 47%. Combined with sound growth in corporate lending, which sped up to 8.4% qoq (+11.3% ytd in 1H06), the bank's total loan portfolio increased by 33.4% ytd.

More important, the withdrawals of corporate deposits almost ended: the bank reported a moderate quarterly reduction of 0.2% qoq in 2Q06. Retail deposit growth accelerated in 2Q06 to 3% qoq.

Responding to liquidity risks

Aval's liquidity risk increased in 1H06. Its Loan/Deposit ratio deteriorated to 1.17 over 1H06 from 0.84 at the end of 2005, as the result of the decrease of its deposit base and its financing of 1H06 lending growth with short-term interbank borrowings.

During 2H06 we expect Aval to improve its liquidity position due to:

1. **A share capital increase.** Aval's EGM on August 14 approved the results of a 40% (USD 119 mln) share capital increase bringing the bank's capital to USD 416 mln;

2. **Subordinated funding.** We expect a USD 200 mln subordinated loan to be provided to Aval by Raiffeisen International. Together with the share capital increase, this will allow the bank not only to improve its funding base but to strengthen its capital adequacy position;

3. **Other foreign borrowings.** In July Aval attracted a five-year USD 50 mln loan facility from the EBRD. We expect another borrowing, up to USD 200 mln to be made by the end of the year.

VALUATION

Dividend Discount Model

Key Assumptions, UAH ths

	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
Net Loans	5,709,381	8,208,846	11,128,518	13,988,691	17,087,604	20,607,615	24,495,340	28,711,536	33,393,522
Corporate loans	*2,499,825*	*2,999,790*	*3,509,754*	*4,036,217*	*4,601,288*	*5,199,455*	*5,823,390*	*6,463,963*	*7,110,359*
Retail loans	*3,606,465*	*5,770,344*	*8,366,999*	*10,877,099*	*13,596,373*	*16,723,539*	*20,235,483*	*24,080,224*	*28,414,665*
Customer deposits	4,599,727	6,547,612	9,050,546	11,497,397	14,081,521	16,878,678	19,681,029	22,446,220	25,607,492
Corporate deposits	*1,466,574*	*1,847,884*	*2,235,939*	*2,638,408*	*3,007,786*	*3,368,720*	*3,739,279*	*4,113,207*	*4,524,528*
Retail deposits	*3,133,152*	*4,699,729*	*6,814,607*	*8,858,989*	*11,073,736*	*13,509,958*	*15,941,750*	*18,333,013*	*21,082,965*
Net income	131,293	185,642	248,897	316,385	398,386	481,868	575,637	672,524	782,304
Net interest margin	7.9%	7.5%	6.9%	6.5%	6.2%	6.1%	6.1%	6.0%	6.1%
ROE	24.2%	24.8%	25.0%	24.6%	24.5%	23.8%	23.3%	22.5%	21.9%

We use the Dividend Discount Model to gauge the intrinsic value of Bank Aval. We applied capital adequacy requirements (CAR) to determine residual earnings available for distribution to shareholders. We set the CAR at 12%, above the 10% required by the National Bank, and assume Aval will maintain its 12% CAR level during the forecast period.

In parallel, we made calculations benchmarking a certain percentage of the dividend payout. As the tables below demonstrate, the earnings available for distribution to shareholders after satisfying CAR is equivalent to a 34% dividend payout through the 9-year forecast period.

We apply a 13% cost of equity (CoE) for 2006. Through the 9-year forecast period we force CoE to 10%.

Approach #1

Cash Flow To Shareholders: Total CAR of 12%, UAH ths

	2006E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
Target Total Capital	2,490,301	3,746,085	5,340,560	7,235,249	9,118,511	11,137,491	13,417,768	15,921,049	18,623,472	21,606,740
CAR	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
Cash flow	658,442	182,473	528,586	(34,009)	(315,072)	58,403	436,039	699,739	1,197,366	1,569,564
Discount rate	13%	12%	11%	11%	11%	11%	10%	10%	10%	10%
Discounted CF	640,609	177,886	460,088	(26,661)	(222,517)	37,159	249,939	364,534	567,070	675,766
Valuation date	17-Oct-06	17-Oct-07								
Terminal Value	**8,878,048**	**9,943,414**						Discount Rate to Perpetuity		10.0%
Equity Value	**11,557,286**	**12,226,678**						Perpetuity Growth Rate		3.0%
per Share	**USD 0.11**	**USD 0.12**						Imlied Exit P/E Multiple		x5.7

Approach #2

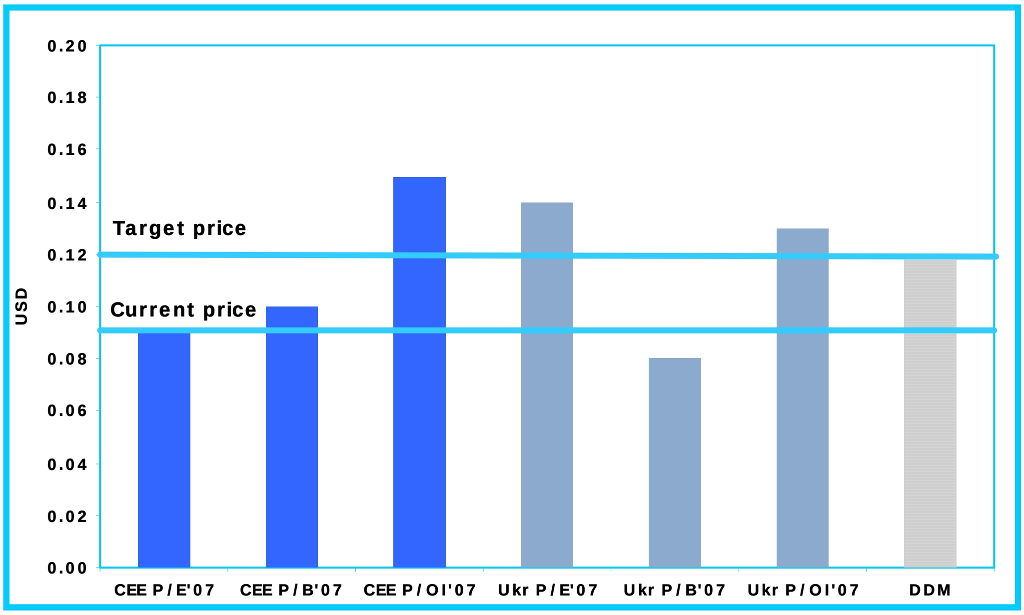
Cash Flow To Shareholders: Dividend Payout Ratio of 34%, UAH ths

	2006E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
Net income	384,689	669,592	946,773	1,269,373	1,613,566	2,031,767	2,457,529	2,935,750	3,429,874	3,989,750
Payout ratio	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%
Cash flow	128,871	224,313	317,169	425,240	540,545	680,642	823,272	983,476	1,149,008	1,336,566
Discount rate	13%	12%	11%	11%	11%	11%	10%	10%	10%	10%
Discounted CF	125,381	218,674	276,068	333,358	381,756	433,062	471,902	512,350	544,168	575,450
Valuation date	17-Oct-06	17-Oct-07								
Terminal Value	7,560,124	8,467,339						Discount Rate to Perpetuity		10.0%
Equity Value	**11,030,852**	**12,214,128**						Perpetuity Growth Rate		3.0%
per Share	**USD 0.11**	**USD 0.12**						Imlied Exit P/E Multiple		x5.0

Peer Comparison

	Country	MCap, USD mln	P/E		P/B		P/Operating income	
			2006E	2007E	2006E	2007E	2006E	2007E
Bank Aval	***Ukraine***	**1,809**	***23.7***	***13.8***	***4.0***	***2.8***	***10.7***	***6.8***
CEE Peers								
PKO BP	Poland	11,975	18.8	17.6	3.8	3.6	14.8	13.7
Pekao SA	Poland	11,201	20.8	19.8	3.9	3.7	14.9	14.0
Bank BPH	Poland	7,868	20.8	19.4	3.6	3.5	14.0	13.0
OTP	Hugary	9,211	11.2	9.9	2.9	2.4	9.3	8.2
Komercni Banka	Czech Rep	5,683	14.3	13.5	2.3	2.1	10.8	10.2
Finansbank	Turkey	4,881	12.5	9.6	3.4	2.7	12.0	9.9
Sberbank	Russia	45,325	28.0	20.4	5.7	4.5	21.3	15.5
CEE peers' average			**18.1**	**15.7**	**3.7**	**3.2**	**13.9**	**12.1**
CEE peers' median			**18.8**	**17.6**	**3.6**	**3.5**	**14.0**	**13.0**
Premium/ (Discount)			31%	-2%	4%	-11%	-23%	-39%
Implied Price, USD			**0.07**	**0.09**	**0.09**	**0.10**	**0.12**	**0.15**
Upside (Downside)			-23%	2%	-3%	13%	30%	64%
Ukrainian Peers								
Ukrsotsbank	Ukraine	1,238	29.9	18.4	4.1	2.9	17.1	10.9
Forum	Ukraine	372	40.8	23.3	2.3	1.9	14.3	8.9
Ukrainian peers' average			**35.4**	**20.9**	**3.2**	**2.4**	**15.7**	**9.9**
Ukrainian peers' median			**35.4**	**20.9**	**3.2**	**2.4**	**15.7**	**9.9**
Premium/ (Discount)			-33%	-34%	26%	20%	-32%	-31%
Implied Price, USD			**0.13**	**0.14**	**0.07**	**0.08**	**0.13**	**0.13**
Upside (Downside)			49%	51%	-20%	-16%	46%	46%

Valuation Summary



Appendix. Industry Statistic

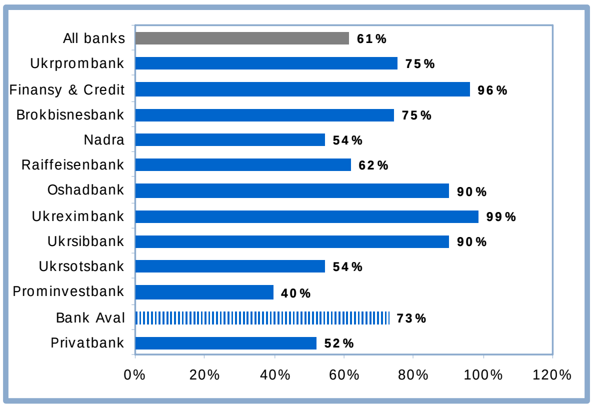
Top-10 Ukrainian Banks*

	Total Assets		Loan Portfolio				Customer deposits			
		share % of all Ukr	**Corporate**	*share % of all Ukr*	**Retail**	*share % of all Ukr*	**Corporate**	*share % of all Ukr*	**Retail**	*share % of all Ukr*
Privatbank	4368	10%	1711	8%	1117	18%	1295	9%	2067	14%
Bank Aval	**3706**	**9%**	**1660**	**8%**	**868**	**14%**	**1003**	**7%**	**1824**	**13%**
Prominvestbank	2889	7%	2013	10%	102	2%	1491	10%	1068	7%
Ukrsotsbank	2131	5%	823	4%	573	9%	951	7%	702	5%
Ukrsibbank	2113	5%	887	4%	601	10%	566	4%	529	4%
Ukreximbank	2055	5%	1373	7%	18	0%	678	5%	343	2%
Oshadbank	1884	4%	111	1%	209	3%	449	3%	1192	8%
Raiffeisenbank	1396	3%	811	4%	317	5%	454	3%	229	2%
Nadra	1173	3%	495	2%	317	5%	180	1%	496	3%
Brokbisnesbank	944	2%	401	2%	143	2%	393	3%	280	2%

Source: NBU, Concorde Capital calculations
** As of Dec. 31, 2005*

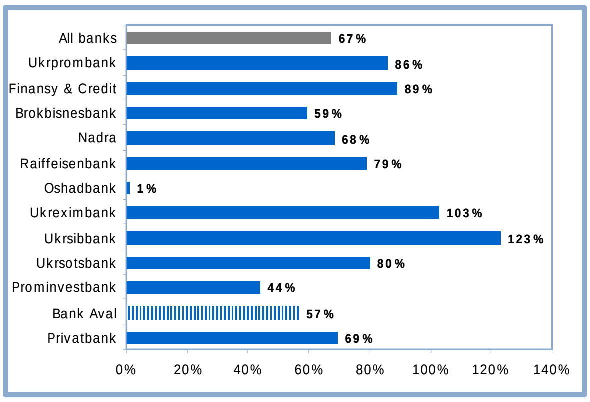
Based on 2005 IFRS results, Bank Aval reported strong growth in assets, up 73% yoy to USD 3.7 bln, which was above the industry average of 63%.

Asset Growth In 2005



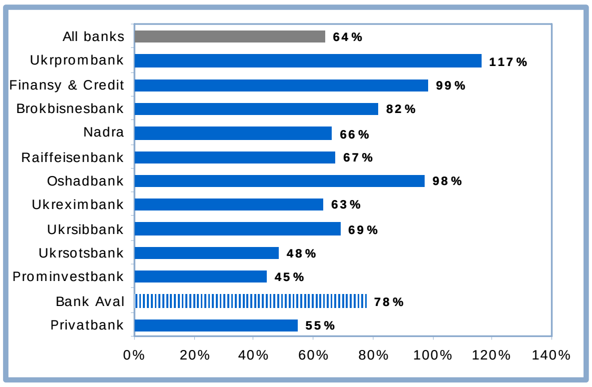
The bank's total loan portfolio increased 57% yoy to reach USD 2.3 bln by year end. With USD 868 mln in retail loans as of Dec. 31, 2005, Bank Aval retained its position as the second-largest retail lender in Ukraine. Overall retail lending surged by a remarkable 140% yoy, in line with the market growth rate of 138%. The bank also benefited from a sound increase in corporate lending (+32% yoy to USD 1.7 bln).

Loan Portfolio Growth In 2005



At the same time, robust lending growth was amply funded by customer deposits inflow (+77% yoy to USD 2.8 bln), as corporate deposits rose by 61% yoy to USD 1.0 bln and retail grew by 89% to USD 1.8 bln. The higher growth of the deposit base growth compared to lending led to an improvement in the Loans/Deposits Ratio to 0.83 against 0.94 in 2004.

Customer Deposit Growth In 2005



Financial Statements*

Balance Sheet Summary, USD ths

	2005	2006E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
ASSETS											
Cash	201,885	166,075	229,986	294,643	407,275	459,896	563,261	675,147	590,431	673,387	768,225
Balances with the National Bank of Ukraine	430,815	398,579	459,973	589,285	724,044	804,818	844,891	1,012,721	1,180,862	1,346,773	1,536,450
Due from other banks	337,499	360,367	365,959	410,703	553,656	689,755	836,196	1,005,876	1,182,446	1,379,750	1,597,723
Loans and advances to customers	2,354,123	3,776,246	5,709,381	8,208,846	11,128,518	13,988,691	17,087,604	20,607,615	24,495,340	28,711,536	33,393,522
Securities portfolio	175,126	208,889	258,720	383,560	544,948	696,675	844,818	991,182	1,134,640	1,291,049	1,455,197
Property and equipment	192,585	194,513	231,845	290,541	360,734	450,349	540,533	628,423	709,420	777,580	827,655
Other assets	14,005	43,425	63,315	89,994	122,220	153,682	187,600	225,942	268,011	313,676	364,292
TOTAL ASSETS	**3,706,038**	**5,148,094**	**7,319,180**	**10,267,571**	**13,841,394**	**17,243,865**	**20,904,903**	**25,146,906**	**29,561,150**	**34,493,751**	**39,943,063**
LIABILITIES											
Due to the National Bank of Ukraine	13,214	12,057	13,014	14,120	15,250	16,393	17,541	18,681	19,802	20,891	21,935
Due to the other banks	496,096	1,064,532	1,760,064	2,318,949	3,000,198	3,654,892	4,472,651	5,564,675	6,856,913	8,539,837	10,169,098
Total customer's deposits	2,827,357	3,321,493	4,599,727	6,547,612	9,050,546	11,497,397	14,081,521	16,878,678	19,681,029	22,446,220	25,607,492
Subordinated debt	69,908	268,897	266,261	462,339	560,378	525,287	392,157	294,118	98,039	0	0
Other liabilities	28,975	30,398	44,321	62,996	85,554	107,577	131,320	158,160	187,608	219,573	255,004
TOTAL LIABILITIES	**3,435,550**	**4,697,377**	**6,683,386**	**9,406,017**	**12,711,925**	**15,801,546**	**19,095,190**	**22,914,311**	**26,843,390**	**31,226,521**	**36,053,530**
TOTAL EQUITY	**270,488**	**450,717**	**635,794**	**861,554**	**1,129,469**	**1,442,319**	**1,809,713**	**2,232,595**	**2,717,759**	**3,267,230**	**3,889,533**
TOTAL LIABILITIES & EQUITY	**3,706,038**	**5,148,094**	**7,319,180**	**10,267,571**	**13,841,394**	**17,243,865**	**20,904,903**	**25,146,906**	**29,561,150**	**34,493,751**	**39,943,063**

Source: Company data, Concorde Capital forecasts

Income Statement Summary, USD ths

	2005	2006E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
Interest income	336,927	513,467	760,265	1,021,661	1,308,959	1,595,946	1,861,945	2,195,992	2,576,638	2,980,979	3,440,746
Interest expense	(172,096)	(253,832)	(341,369)	(445,529)	(576,208)	(700,698)	(803,285)	(935,917)	(1,078,605)	(1,223,624)	(1,372,882)
Net interest income	**164,831**	**259,636**	**418,897**	**576,132**	**732,752**	**895,248**	**1,058,660**	**1,260,075**	**1,498,033**	**1,757,356**	**2,067,864**
Net fee & commision income	120,645	148,246	193,592	262,226	350,357	450,181	564,829	691,177	831,365	964,949	1,100,042
Net trading income	30,455	32,112	36,885	45,369	56,257	68,634	82,360	97,185	112,735	128,518	145,225
Net other operating income	658	361	462	616	815	1,040	1,297	1,580	1,892	2,191	2,496
Net non interest income	**151,758**	**180,720**	**230,939**	**308,211**	**407,429**	**519,854**	**648,486**	**789,942**	**945,991**	**1,095,658**	**1,247,762**
Total income	**316,589**	**440,355**	**649,836**	**884,343**	**1,140,181**	**1,415,102**	**1,707,147**	**2,050,017**	**2,444,024**	**2,853,014**	**3,315,627**
Operating expenses	**(212,014)**	**(271,297)**	**(382,906)**	**(521,221)**	**(671,462)**	**(838,272)**	**(1,007,383)**	**(1,226,203)**	**(1,485,342)**	**(1,762,303)**	**(2,080,959)**
Operating income	**104,575**	**169,058**	**266,930**	**363,123**	**468,719**	**576,831**	**699,763**	**823,813**	**958,682**	**1,090,711**	**1,234,667**
Provision for loan losses	(71,967)	(70,457)	(97,475)	(123,808)	(148,223)	(169,812)	(187,786)	(205,002)	(219,962)	(228,241)	(232,094)
Other provisions	(2,843)	(3,381)	(5,339)	(7,262)	(9,374)	(11,537)	(13,995)	(16,476)	(19,174)	(21,814)	(24,693)
Profit before income tax	**29,765**	**95,220**	**164,116**	**232,052**	**311,121**	**395,482**	**497,982**	**602,336**	**719,546**	**840,655**	**977,880**
Income tax expenses	(15,614)	(19,044)	(32,823)	(46,410)	(62,224)	(79,096)	(99,596)	(120,467)	(143,909)	(168,131)	(195,576)
Net income	**14,151**	**76,176**	**131,293**	**185,642**	**248,897**	**316,385**	**398,386**	**481,868**	**575,637**	**672,524**	**782,304**

Source: Company data, Concorde Capital forecasts

* *according to IFRS*

Growth Rates & Key Ratios

	2005	2006E	2007E	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E
Profit and Loss											
Net interest income	164,831	259,636	418,897	576,132	732,752	895,248	1,058,660	1,260,075	1,498,033	1,757,356	2,067,864
Net commissions income	120,645	148,246	193,592	262,226	350,357	450,181	564,829	691,177	831,365	964,949	1,100,042
Trading income	30,455	32,112	36,885	45,369	56,257	68,634	82,360	97,185	112,735	128,518	145,225
Total income	316,589	440,355	649,836	884,343	1,140,181	1,415,102	1,707,147	2,050,017	2,444,024	2,853,014	3,315,627
Operating income	104,575	169,058	266,930	363,123	468,719	576,831	699,763	823,813	958,682	1,090,711	1,234,667
Net income	14,151	76,176	131,293	185,642	248,897	316,385	398,386	481,868	575,637	672,524	782,304
Profit and Loss Growth											
Net interest income	62.0%	57.5%	61.3%	37.5%	27.2%	22.2%	18.3%	19.0%	18.9%	17.3%	17.7%
Net commissions income	4.5%	22.9%	30.6%	35.5%	33.6%	28.5%	25.5%	22.4%	20.3%	16.1%	14.0%
Trading income	24.7%	5.4%	14.9%	23.0%	24.0%	22.0%	20.0%	18.0%	16.0%	14.0%	13.0%
Total income	30.3%	39.1%	47.6%	36.1%	28.9%	24.1%	20.6%	20.1%	19.2%	16.7%	16.2%
Operating income	45.0%	61.7%	57.9%	36.0%	29.1%	23.1%	21.3%	17.7%	16.4%	13.8%	13.2%
Net income	-56.8%	438.3%	72.4%	41.4%	34.1%	27.1%	25.9%	21.0%	19.5%	16.8%	16.3%
Balance Sheet											
Net Loans	2,354,123	3,776,246	5,709,381	8,208,846	11,128,518	13,988,691	17,087,604	20,607,615	24,495,340	28,711,536	33,393,522
Corporate loans	*1,660,040*	*2,019,661*	*2,499,825*	*2,999,790*	*3,509,754*	*4,036,217*	*4,601,288*	*5,199,455*	*5,823,390*	*6,463,963*	*7,110,359*
Retail loans	*867,724*	*2,023,429*	*3,606,465*	*5,770,344*	*8,366,999*	*10,877,099*	*13,596,373*	*16,723,539*	*20,235,483*	*24,080,224*	*28,414,665*
Average interest earning assets	2,330,890	3,621,944	5,315,737	7,665,480	10,610,718	13,795,094	17,064,098	20,677,108	24,697,665	29,084,332	33,898,375
Total Assets	3,706,038	5,148,094	7,319,180	10,267,571	13,841,394	17,243,865	20,904,903	25,146,906	29,561,150	34,493,751	39,943,063
Customer deposits	2,827,357	3,321,493	4,599,727	6,547,612	9,050,546	11,497,397	14,081,521	16,878,678	19,681,029	22,446,220	25,607,492
Corporate deposits	*1,003,328*	*1,139,304*	*1,466,574*	*1,847,884*	*2,235,939*	*2,638,408*	*3,007,786*	*3,368,720*	*3,739,279*	*4,113,207*	*4,524,528*
Retail deposits	*1,824,029*	*2,182,189*	*3,133,152*	*4,699,729*	*6,814,607*	*8,858,989*	*11,073,736*	*13,509,958*	*15,941,750*	*18,333,013*	*21,082,965*
Average interest bearing liabilities	2,724,607	4,060,387	5,630,145	7,991,043	10,984,696	14,160,170	17,328,919	20,860,010	24,705,967	28,831,365	33,402,737
Book Value	270,488	450,717	635,794	861,554	1,129,469	1,442,319	1,809,713	2,232,595	2,717,759	3,267,230	3,889,533
Balance Sheet Growth											
Net Loans	57.4%	60.4%	51.2%	43.8%	35.6%	25.7%	22.2%	20.6%	18.9%	17.2%	16.3%
Corporate loans	*32.5%*	*21.7%*	*23.8%*	*20.0%*	*17.0%*	*15.0%*	*14.0%*	*13.0%*	*12.0%*	*11.0%*	*10.0%*
Retail loans	*139.7%*	*133.2%*	*78.2%*	*60.0%*	*45.0%*	*30.0%*	*25.0%*	*23.0%*	*21.0%*	*19.0%*	*18.0%*
Average interest earning assets	43.6%	55.4%	46.8%	44.2%	38.4%	30.0%	23.7%	21.2%	19.4%	17.8%	16.6%
Total Assets	72.9%	38.9%	42.2%	40.3%	34.8%	24.6%	21.2%	20.3%	17.6%	16.7%	15.8%
Customer deposits	78.0%	17.5%	38.5%	42.3%	38.2%	27.0%	22.5%	19.9%	16.6%	14.1%	14.1%
Corporate deposits	*61.4%*	*13.6%*	*28.7%*	*26.0%*	*21.0%*	*18.0%*	*14.0%*	*12.0%*	*11.0%*	*10.0%*	*10.0%*
Retail deposits	*88.6%*	*19.6%*	*43.6%*	*50.0%*	*45.0%*	*30.0%*	*25.0%*	*22.0%*	*18.0%*	*15.0%*	*15.0%*
Average interest bearing liabilities	49.3%	49.0%	38.7%	41.9%	37.5%	28.9%	22.4%	20.4%	18.4%	16.7%	15.9%
Book Value	65.4%	66.6%	41.1%	35.5%	31.1%	27.7%	25.5%	23.4%	21.7%	20.2%	19.0%
Key Ratios											
Non interest income/Total income	41.9%	52.1%	59.0%	64.5%	65.1%	64.3%	63.3%	62.0%	61.5%	61.3%	61.6%
Net interest income/Total income	58.1%	47.9%	41.0%	35.5%	34.9%	35.7%	36.7%	38.0%	38.5%	38.7%	38.4%
Net interest margin	7.1%	7.2%	7.9%	7.5%	6.9%	6.5%	6.2%	6.1%	6.1%	6.0%	6.1%
Net income margin	4.5%	17.3%	20.2%	21.0%	21.8%	22.4%	23.3%	23.5%	23.6%	23.6%	23.6%
Provision/Operating income	71.5%	43.7%	38.5%	36.1%	33.6%	31.4%	28.8%	26.9%	24.9%	22.9%	20.8%
Cost / Income ratio	67.0%	61.6%	58.9%	58.9%	58.9%	59.2%	59.0%	59.8%	60.8%	61.8%	62.8%
ROA	0.5%	1.7%	2.1%	2.1%	2.1%	2.0%	2.1%	2.1%	2.1%	2.1%	2.1%
ROE	6.5%	21.1%	24.2%	24.8%	25.0%	24.6%	24.5%	23.8%	23.3%	22.5%	21.9%

Source: Company data, Concorde Capital estimates

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