

January 5, 2006

# BUY

12M Target      Undiluted      Diluted\*  
USD 13.0      USD 13.0      USD 8.08

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### Market Information

	FORM UZ
Bloomberg	
No of Shares, mln	62.0
Market price, USD	10.7
Market price, diluted, USD	6.8*
<b>MCap, USD mln</b>	<b>663</b>
Free float	10%
FF MCap, USD mln	66.3

\* An additional share issue was approved at the bank's EGM on Dec 22, 2006. The bank will issue 50 mln new shares at par USD 1.98, which would increase its charter fund by 80% to USD 222 mln. The subscription period is 8 Feb- 4 Mar, 2007. The Ex-rights date is 8 Feb, 2007

### Stock Ownership

Provita Insurance	65.0%
LLC Elmak	14.8%
Portfolio investors	9.5%
Kontinental-Ukraine LLC	6.6%
Other	4.1%

### Ratios, 2006E

Net Interest Margin	4.5%
Net Margin	11.8%
ROE	5.6%
Cost/Income	67%

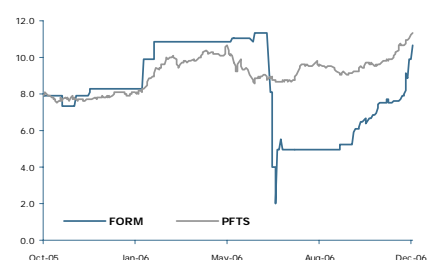
**Based on eleven-month results, the bank's roll-out of its retail network and balance sheet growth exceeded our forecasts. After gaining 103% since September, the stock still remains unjustifiably discounted to its local peers based on P/B ratio. We see the bank's announced capital increase and upcoming strategic acquisition as catalysts for the stock. We reiterate our BUY recommendation, with a new 12-month target of USD 13.0.**

**Strong 11M06 Results.** Bank Forum reported its 11M06 results, revealing growth substantially above our forecasts for the bank's basic financials. Over 11M06, Forum's balance sheet grew by 90% yoy - about double the growth of the banking sector. The bank enjoyed strong expansion in its gross loan portfolio by 96% ytd to USD 955 mln, as its retail lending jumped by 160% ytd to USD 163 mln and corporate loans by 98% ytd to USD 792 mln.

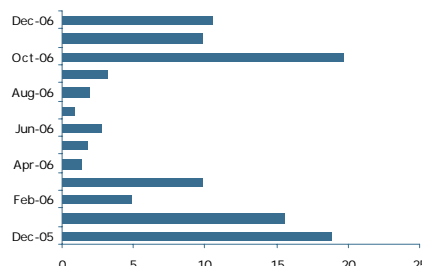
**Strategic Acquisition Is In the Works.** According to Forum's management, the bank is preparing for a strategic sale in 2007 and is currently studying proposals from several large European banks on selling a majority stake. We think the process is currently in high gear and has a good chance to be completed as early as 1Q07. Judging from the recent M&A deals in Ukraine's banking sector and, given Forum's market position (#14 in terms of assets) and strong growth dynamics, we estimate the P/B ratio at the acquisition to reach 4.5. If we use the bank's end-2006E book value of USD 155 mln, this would imply MCap at USD 698 mln. The subsequent charter fund increase by USD 100 mln, or 80%, will bring P/B to 3.2 and price per share to USD 7.3 on fully diluted basis.

**Catalysts.** The market began to account for the banks superior growth in 2006 on the back of takeover rumors, having gained more than 80% since September. Still, under the current market price of USD 10.7, FORM remains the cheapest banking stock traded in Ukraine in terms of P/B'07 (x4.0 vs. x4.7 the sector average). After the subscription to the new share issue, expected in February-March, FORM's P/B will fall to x3.4. In our opinion, a 28% discount to its local peers is not justified, especially in view of the upcoming take-over, which is expected to become a strong catalyst.

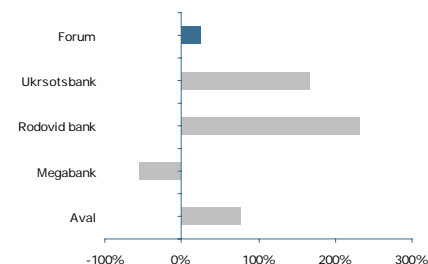
FORM's Bid-Price, USD



FORM's Trading Volumes, ths shares



Sector Performance, YTD



### Key Financials, USD mln

	Assets	Loans	Deposits	Equity
2006E	1,359	951	832	159
2007E	2,219	1,650	1,402	262
2008E	3,292	2,590	2,179	371

### Price Ratios

	P/E	P/BV	P/Assets	P/Loans	P/Deposits
	95.1	4.3	0.5	0.7	0.8
	73.6	4.0	0.3	0.4	0.4
	36.7	3.3	0.2	0.4	0.4

## Strategic acquisition – a strong catalyst

Forum is actively preparing for a strategic sale in 2007. The bank's management told us in mid-December, that they were studying several proposals from large European banks on selling a majority stake. However, despite what the management told us, we think the process is currently in high gear and has a good chance of being completed as early as 1Q07. Among the probable buyers we see National Bank of Greece, Greek Alpha Bank, the US's Citibank and France's Societe Generale.

The management told us they would most likely put a 51% stake up for sale. We consider this a feasible decision. As it was in Ukrsibbank's case (French BNP Paribas bought a 51% in Dec, 2005), with a previous owner keeping his interest in the bank, this allows the bank to continue to utilize old management's experience and knowledge of the local market and, benefit from capital inflow, advanced banking technology, "know-how" and improved corporate governance provided by a new owner. Within 1-3 year period, the old owner sells the remaining portion of shares to the majority shareholder at higher price.

We think the upcoming 80% share capital increase is designed as part of the strategic deal structure. The future buyer will purchase 51% of the bank's existing shares and then subscribe to additional shares at par (USD 1.98) on a pro rata basis. This confirms the new owner's commitment to the bank and allows it to draw funds to finance further growth.

The acquisition P/B records during 2005-06 (x3.1 P/B for #2 Ukrainian bank, Aval to x 5.9 for Raiffeisenbank-Ukraine, #7 in asset terms), confirm the high demand for banking assets in Ukraine.

### Comparable M&A Deals In Ukraine's Banking Sector

Date	Buyer	Target	Acquired stake	P/B
May-06	OTP Bank (Hungary)	Raiffeisenbank-Ukraine	USD 833 mln for 100%	5.9
Mar-06	Credit Agricole (France)	Index Bank	USD 257 mln for 98%	5.5
Feb-06	Banca Intesa (Italy)	Ukrsotsbank	USD 1.16 bln for 88%	5.0
Dec-05	BNP Paribas (France)	Ukrsibbank	~USD 350 mln for 51%	3.6
Aug-05	Raiffeisen International	Aval Bank	USD 1.028 bln for 93.5%	3.1

Source: Concorde Capital

Judged from the recent M&A deals in the sector and, given Forum's market position (#14 in terms of assets) and strong growth dynamics achieved, we estimate P/B ratio at the acquisition to reach 4.5, calculated on end-2006E book value of USD 155 mln, implying MCap at USD 698 mln. The subsequent charter fund increase by USD 100 mln, or 80%, will bring P/B to 3.2 and price per share at USD 7.3, on fully diluted basis.

### Forum's Strategic Sale

# shares outstanding, mln	62				
Current Mkt price, USD	10.7				
BV end-2006E, USD mln	155				
<b>Targeted P/B at acquisition</b>	<b>3.0</b>	<b>3.5</b>	<b>4.0</b>	<b>4.5</b>	<b>5.0</b>
<b>Implied Mcap at acquisition, USD mln</b>	<b>465</b>	<b>543</b>	<b>620</b>	<b>698</b>	<b>775</b>
Price per share at acquisition, USD	7.5	8.8	10.0	11.3	12.5
Premium/(Discount), to current Mkt price	-30%	-18%	-7%	5%	17%
<b>Share capital increase, USD mln</b>	<b>100</b>				
new # of shares, mln	112				
new BV, USD mln	255				
Current Mkt price, diluted, USD	6.8				
<b>post-money P/B</b>	<b>2.3</b>	<b>2.6</b>	<b>2.9</b>	<b>3.2</b>	<b>3.5</b>
Price per share at acquisition, fully diluted, USD	5.1	5.9	6.6	7.3	8.0
Premium/(Discount), to current Mkt price	-24%	-14%	-3%	7%	17%

Source: Concorde Capital

## Financial Projections Upgraded On Strong 11M06

11M06 results reported by Bank Forum reveal growth substantially above our forecasts for the bank's basic financials. The bank's gross loan portfolio expanded by hefty 96% ytd to USD 955 mln, as its retail lending jumped by 160% ytd to USD 163 mln and corporate loans by 98% ytd to USD 792 mln. Lending expansion was amply funded by an increase in customer deposits by 92% ytd to USD 776 mln in 11M06. Forum's net assets reached USD 1.3 bln, as of Nov 30, 2006, up 76% ytd.

The better than expected performance over 11M06 led us to adjust the bank's key financial projections upward for 2006 and over the mid-term.

### Bank Forum's Financial Results & Revised Forecasts, USD mln

	2005	1H2006	9M2006	11M06	2006E (old)	2006E (new)	2007E (new)
Assets	740	994	1,137	1,303	1,024	1,359	2,219
Net loans	448	688	794	819	703	951	1,650
Customer deposits	407	511	659	776	569	832	1,402
Equity	73	96	115	150	104	159	262
Net income	5.4	3.4	4.3	5.3	8.6	6.6	10.2

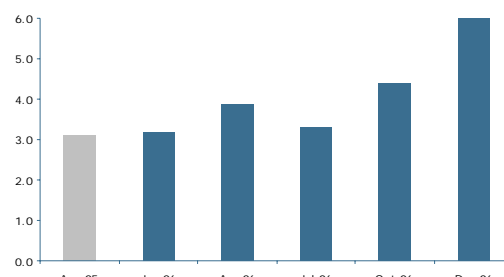
Source: Company's data, Concorde Capital estimates

## Valuation

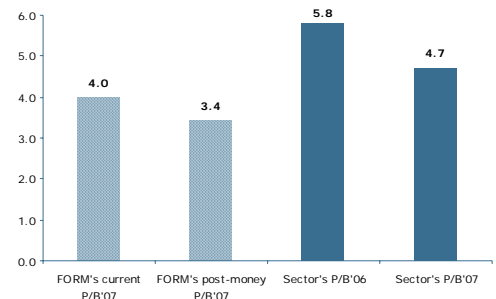
Under the current market price of USD 10.7, FORM still remains the cheapest banking stock traded in Ukraine in terms of P/B'07 (x4.0 vs. x4.7 the sector average). After the subscription to new share issue, expected in February-March, FORM's P/B will fall to x3.4. In our opinion, a 28% discount to local peers is not justified, especially in view of the upcoming take-over.

Bank Aval (BAVL) is a good example of how the market appreciates the stock in post-acquisition period. BAVL has gained 94% since Raiffeisen's takeover in August, 2005.

### Bank Aval's P/B History



### P/B: FORM vs. Sector's Average

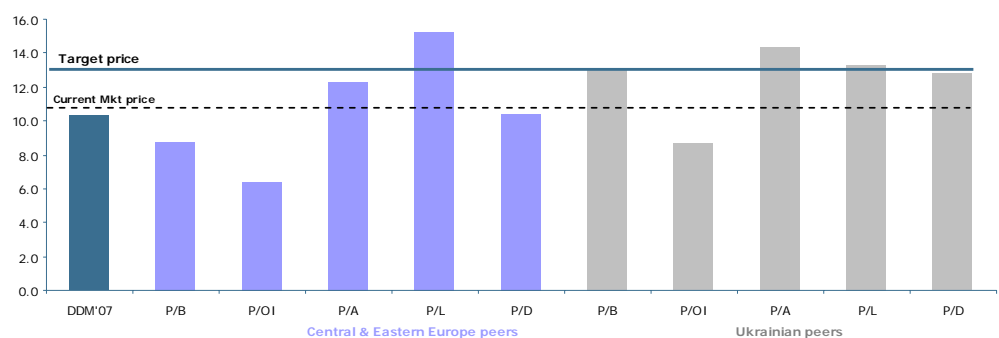


Source: PFTS, Concorde Capital.

Note: book value as of the most recent reported quarter

## Valuation summary

Our DDM assumptions do not account for benefits from strategic takeover, such as cheaper funding base and improved operational efficiency, which will positively effect the bank's spreads and margins. We rely more on peer comparisons at this point in time.



## Valuation

### Peer Comparison

	Country	MCap, USD mln	P/E			P/B			P/Operating profit		
			2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E
<b>Bank Forum</b>	<b>Ukraine</b>	<b>663</b>	<b>100.8</b>	<b>77.9</b>	<b>38.9</b>	<b>4.3</b>	<b>4.0</b>	<b>3.3</b>	<b>36.2</b>	<b>23.0</b>	<b>14.3</b>
<b>CEE PEERS</b>											
PKO BP	Poland	16,456	27.2	25.4	23.0	4.1	3.7	3.5	21.4	19.8	18.0
Pekao SA	Poland	12,960	25.3	24.0	23.1	4.1	3.7	3.4	18.1	19.0	16.0
Bank BPH	Poland	8,253	23.0	21.4	19.5	3.8	3.8	3.1	15.4	14.3	13.0
OTP	Hugary	9,648	11.6	10.2	9.2	3.2	2.6	2.2	9.6	8.5	7.6
Komercni Banka	Czech Rep	5,803	16.0	15.1	14.1	2.6	2.4	2.2	12.1	11.4	10.7
Yapi Kredi Bank	Turkey	5,859	20.1	11.2	9.2	3.6	2.9	2.4	17.5	9.5	7.7
Sberbank	Russia	41,990	26.0	18.9	15.6	5.3	4.2	3.3	19.7	14.4	11.8
<b>CEE peers' average</b>			<b>21.3</b>	<b>18.0</b>	<b>16.2</b>	<b>3.8</b>	<b>3.3</b>	<b>2.9</b>	<b>16.3</b>	<b>13.8</b>	<b>12.1</b>
Premium/(Discount)			373%	332%	139%	12%	21%	15%	123%	66%	18%
<b>Implied Price, USD</b>			<b>2.26</b>	<b>2.48</b>	<b>4.47</b>	<b>9.6</b>	<b>8.8</b>	<b>9.3</b>	<b>4.8</b>	<b>6.4</b>	<b>9.1</b>
Upside/(Downside)			-79%	-77%	-58%	-11%	-17%	-13%	-55%	-40%	-15%
<b>UKRAINIAN PEERS</b>											
Ukrstsbank	Ukraine	1,628	32.2	21.5	15.5	5.1	4.2	3.0	19.7	13.2	9.4
Raiffeisen Bank Aval	Ukraine	2,660	35.6	20.6	10.7	6.0	4.2	3.0	15.7	9.7	7.3
Megabank	Ukraine	148	67.3	41.1	27.4	4.0	4.2	2.8	37.3	25.0	18.2
Rodovid Bank	Ukraine	281	82.6	60.0	43.3	7.0	6.2	5.0	41.2	27.4	19.5
<b>Ukrainian peers' average</b>			<b>54.4</b>	<b>35.8</b>	<b>24.2</b>	<b>5.5</b>	<b>4.7</b>	<b>3.5</b>	<b>28.5</b>	<b>18.8</b>	<b>13.6</b>
Premium/(Discount)			85%	118%	61%	-23%	-14%	-4%	27%	22%	5%
<b>Implied Price, USD</b>			<b>5.78</b>	<b>4.91</b>	<b>6.66</b>	<b>13.8</b>	<b>12.5</b>	<b>11.1</b>	<b>8.4</b>	<b>8.7</b>	<b>10.2</b>
Upside/(Downside)			-46%	-54%	-38%	29%	17%	4%	-21%	-18%	-5%
	Country	MCap, USD mln	P/Assets			P/Loans			P/Deposits		
			2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E
<b>Bank Forum</b>	<b>Ukraine</b>	<b>663</b>	<b>0.5</b>	<b>0.3</b>	<b>0.2</b>	<b>0.7</b>	<b>0.4</b>	<b>0.4</b>	<b>0.8</b>	<b>0.5</b>	<b>0.4</b>
<b>CEE PEERS</b>											
PKO BP	Poland	12,437	0.4	0.4	0.4	0.8	0.6	0.5	0.5	0.5	0.5
Pekao SA	Poland	11,114	0.6	0.5	0.5	1.2	1.0	0.7	0.7	0.7	0.5
Bank BPH	Poland	8,253	0.4	0.4	0.7	0.7	0.7	0.5	0.6	0.5	0.5
OTP	Hugary	9,648	0.4	0.3	0.3	0.5	0.5	0.3	0.6	0.5	0.4
Komercni Banka	Czech Rep	5,803	0.3	0.3	0.2	0.7	0.6	0.4	0.3	0.3	0.3
Yapi Kredi Bank	Turkey	5,859	0.2	0.2	0.2	0.3	0.3	0.2	0.3	0.3	0.3
Sberbank	Russia	41,990	0.4	0.3	0.3	0.5	0.4	0.3	0.5	0.4	0.3
<b>CEE peers' average</b>			<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.7</b>	<b>0.6</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>
Premium/(Discount)			26%	-6%	-25%	36%	-1%	14%	76%	25%	23%
<b>Implied Price, USD</b>			<b>8.7</b>	<b>12.3</b>	<b>18.8</b>	<b>10.5</b>	<b>15.3</b>	<b>17.7</b>	<b>6.7</b>	<b>10.4</b>	<b>13.7</b>
Upside/(Downside)			-19%	15%	76%	-2%	43%	65%	-37%	-3%	28%
<b>UKRAINIAN PEERS</b>											
Ukrstsbank	Ukraine	1,276	0.5	0.4	0.3	0.5	0.4	0.3	0.6	0.5	0.4
Raiffeisen Bank Aval	Ukraine	1,918	0.5	0.4	0.3	0.5	0.3	0.2	0.6	0.4	0.3
Megabank	Ukraine	148	0.6	0.4	0.3	0.9	0.7	0.5	0.9	0.7	0.5
Rodovid Bank	Ukraine	281	0.5	0.4	0.3	0.8	0.6	0.5	0.8	0.7	0.5
<b>Ukrainian peers' average</b>			<b>0.5</b>	<b>0.4</b>	<b>0.3</b>	<b>0.7</b>	<b>0.5</b>	<b>0.4</b>	<b>0.7</b>	<b>0.6</b>	<b>0.4</b>
Premium/(Discount)			-7%	-25%	-33%	4%	-20%	-1%	12%	-17%	-7%
<b>Implied Price, USD</b>			<b>11.5</b>	<b>14.3</b>	<b>15.9</b>	<b>10.3</b>	<b>13.3</b>	<b>16.0</b>	<b>9.6</b>	<b>12.8</b>	<b>15.1</b>
Upside/(Downside)			7%	34%	49%	-4%	24%	49%	-11%	20%	41%

Source: Concorde Capital

## Strong Lending Growth

The National Bank's statistics allow us to make cross-sector comparisons for nine months of 2006. Bank Forum posted superior growth rates over its local peers, leading in assets and corporate lending expansion. A more than twofold increase, by 113% ytd, in retail loans was among the highest reported in the sector. More importantly, Forum maintained a strong increase in customer deposits by 92% yoy, avoiding the considerable slowdown experienced by many of its peers.

### 9M06: Bank Forum vs. Domestic Traded Banks

	Mkt share	Assets		Corporate loans		Retail loans		Customer deposits	
		USD mln	YTD, %	USD mln	YTD, %	USD mln	YTD, %	USD mln	YTD, %
<b>Bank Forum</b>	<b>2.0%</b>	<b>1,138</b>	<b>53%</b>	<b>678</b>	<b>67%</b>	<b>140</b>	<b>113%</b>	<b>659</b>	<b>45%</b>
Ukrsotsbank	4.9%	2,815	32%	1,029	22%	1,098	86%	2,041	23%
Raiffeisen Bank Aval	8.8%	4,985	31%	2,169	31%	1,949	125%	2,936	-2%
Ukrgazbank	1.2%	672	31%	246	18%	85	194%	399	31%
Rodovid bank	0.9%	511	41%	217	4%	124	186%	322	24%
Megabank	0.3%	192	19%	111	29%	26	94%	138	11%
Ukrinbank	0.3%	163	16%	105	35%	27	96%	110	-6%

Source: National Bank of Ukraine

### Bank Forum vs. Top-14 and Sector, 9M06

	Mkt share	Assets		Corporate loans		Retail loans		Customer deposits	
		USD mln	YTD, %	USD mln	YTD, %	USD mln	YTD, %	USD mln	YTD, %
Privatbank	10.3%	5,843	34%	2,756	43%	2,030	61%	4,320	28%
Raiffeisen Bank Aval	8.8%	4,985	31%	2,169	31%	1,949	125%	2,936	-2%
UkrSibbank	6.2%	3,532	67%	1,430	54%	1,207	92%	1,680	53%
Prominvestbank	5.9%	3,331	15%	2,614	23%	161	50%	2,880	12%
Ukreximbank	5.6%	3,194	55%	2,418	67%	57	196%	1,425	40%
Ukrsotsbank	4.9%	2,815	32%	1,029	22%	1,098	86%	2,041	23%
Raiffeisenbank Ukraine	3.5%	1,975	41%	894	4%	793	137%	789	15%
Oshadbank	3.2%	1,845	-2%	309	124%	443	72%	1,556	-5%
Nadra	3.1%	1,741	48%	577	11%	640	93%	919	36%
Finance and Credit	2.1%	1,209	38%	725	45%	265	98%	876	40%
<b>Forum</b>	<b>2.0%</b>	<b>1,138</b>	<b>53%</b>	<b>678</b>	<b>67%</b>	<b>140</b>	<b>113%</b>	<b>659</b>	<b>45%</b>
Kreditprombank	2.0%	1,138	98%	551	106%	208	121%	650	88%
Brockbusinessbank	2.0%	1,132	20%	710	73%	88	-40%	758	13%
Ukrprombank	1.8%	1,044	28%	807	19%	100	76%	796	25%
<b>All banks</b>	<b>100%</b>	<b>56,923</b>	<b>34%</b>	<b>29,207</b>	<b>35%</b>	<b>12,239</b>	<b>86.4%</b>	<b>36,256</b>	<b>24%</b>

Source: National Bank of Ukraine

## Higher Margin Loans & Strong Fees Drive Revenues

Forum has delivered strong 11M06 net interest income of USD 30 mln, up 60% yoy, which was boosted by solid lending growth and an improved loan mix. Over 11M06, the share of higher margin retail loans in the total loan portfolio gained another 6% to reach 20%. The bank's below average share of retail loans (the sector average is 30%), combined with rapid growth, promise further improvement in its net interest margin.

Forum's non-interest income was up 65% yoy to USD 13 mln, on the back of 55% growth in net fees and commissions to USD 9 mln, and a doubling in net trade income to USD 4 mln.

### Bank Forum 9M06 Performance vs. Domestic Peers

	Net interest income		Net Fees & Commission		Total Revenues		Total Operating Expenses		Net Income		Net margin
	USD mln	chg. yoy	USD mln	chg. yoy	USD mln	chg. yoy	USD mln	chg. yoy	USD mln	chg. yoy	
<b>Forum</b>	<b>30</b>	<b>59%</b>	<b>7</b>	<b>69%</b>	<b>40</b>	<b>65%</b>	<b>(29.4)</b>	<b>102%</b>	<b>4</b>	<b>8%</b>	<b>11%</b>
Ukrsotsbank	83	72%	56	20%	155	44%	(92.0)	19%	44	222%	29%
Raiffeisen Bank Aval	194	66%	109	22%	326	42%	(192.6)	-2%	63	3064%	19%
Ukrgazbank	16	39%	7	32%	29	34%	(23.4)	55%	4	199%	13%
Rodovid bank	7	93%	7	154%	17	110%	(11.4)	134%	3	112%	18%
Megabank	5	25%	7	13%	13	18%	(9.7)	11%	2	91%	12%
Ukrinbank	7	47%	4	24%	14	30%	(11.3)	21%	1	59%	10%
<b>All banks</b>	<b>1,842</b>	<b>70%</b>	<b>1,036</b>	<b>46%</b>	<b>3,294</b>	<b>54%</b>	<b>(1,903)</b>	<b>37%</b>	<b>593</b>	<b>103%</b>	<b>18%</b>

Source: National Bank of Ukraine

## Margins Remain Weak, As Expansion Is a Priority

During 11M06, the bank's expense line increased considerably, up 102% yoy, to USD 29.4 mln. Forum has been financing its national expansion, as the bank strongly focuses on retail banking and expands its customer base. In 11M06, Forum opened 70 outlets, up 70% ytd, bringing the total number to 170, as of Dec. 1, 2006. The bank planned to add another 25-30 by year end. Other significant cost items were personnel costs (both wage increases and new hires) and marketing and promotions spending. Forum's cost to income ratio deteriorated to 70%, from 56% in 2005. With the bank's further expansion coming to the fore in the next two years as the management plans to enlarge the retail network by 75% in 2007-08, we expect elevated cost levels to continue.

## Strengthening The Funding Base

### 68% Share Capital Done, Another 80% Rise Is In The Pipeline

In August 2006, Forum's EGM approved a 68% charter fund increase, bringing the bank's share capital to USD 123 mln.

To maintain its further lending expansion, Forum's EGM on Dec. 22, 2006 made a decision to hold a 80% (USD 100 mln) charter fund increase. The bank plans to issue 50 mln new shares at par USD 1.98 to bring its share capital to USD 223 mln and the total number of outstanding shares to 112 mln. The share subscription will be conducted from Feb. 8, 2007 to Mar. 04, 2007.

**Additional share issue to be conducted in the form of a closed placement.** This form of share issue placement became available after the law on Securities and Stock Market came into force in February, 2006. Only parties registered as Forum's shareholders as of Feb. 08, 2007 (ex-right date) will have the right to participate in both stages of the subscription for new shares. This will not affect Forum's existing shareholders - they will all have the right to subscribe for the new shares on a pro rata basis.

### Foreign Debt Continues To Rise

To improve its liability structure, Forum increased its efforts to raise foreign debt through:

**Syndicated loans.** In March, 2006 the bank raised a 1-year USD 60 mln syndicated loan, at LIBOR+3.5%;

**Eurobond.** In October, 2006 Forum successfully completed its debut Eurobond placement. The bank issued a USD 100 mln Eurobond for 3 years at a 10% yield. With a 4.65% spread over LIBOR, it was the cheapest debut placement in Ukrainian banking:

### Ukrainian Banking Eurobond Placements

		Amount, USD mln	Tenor, years	Coupon rate, %	Comment	LIBOR	Spread over LIBOR	Fitch rating
<b>2006</b>								
Oct-06	Forum	100	3	10.00%	debut placement	5.35%	4.65%	B-
Sep-06	Ukreximbank	100	5	7.65%		5.40%	2.25%	BB-
Jan-06	Privatbank	150	10	8.75%		4.92%	3.83%	
<b>2005</b>								
Oct-05	Bank Nadra	100	3	9.50%	debut placement	4.68%	4.82%	B-
Sep-05	Ukreximbank	250	7	6.80%		4.27%	2.53%	BB-
Jun-05	Ukrsibbank	125	3	8.95%		3.85%	5.10%	B-
May-05	Ukrsotsbank	100	3	9.00%	debut placement	3.75%	5.25%	B-
Mar-05	Ukreximbank	40	5	7.75%		3.57%	4.18%	BB-
Jan-05	Ukreximbank	100	5	7.75%		3.26%	4.49%	BB-
<b>2004</b>								
Sep-04	Ukreximbank	150	5	7.75%	debut placement	2.35%	5.40%	B+
Mar-04	Ukrsibbank	100	3	10.50%	debut placement	1.30%	9.20%	B-
<b>2003</b>								
Dec-03	Privatbank	100	3	10.88%	debut placement	1.45%	9.43%	

Source: Concorde Capital

**Cooperation with the EBRD.** In November, 2006 Forum drew another USD 50 mln from the EBRD to finance lending programs to small & medium-size enterprises. The bank is currently involved in three EBRD SME lending programs.

## Financial Summary

All financial statements were prepared according to IFRS, USD mln

	2005	2006E	2007E	2008E	2009E	2010E
<b>Profit and Loss</b>						
Net interest income	26	42	81	125	186	242
Net commissions income	6	10	15	23	38	58
Trading income	2	4	4	5	7	8
Total income	35	56	101	154	231	309
Operating income	15	18	30	49	85	128
Net income	5	7	10	19	38	65
<b>Profit and Loss Growth</b>						
Net interest income	47%	59%	94%	54%	49%	30%
Net commissions income	39%	58%	55%	54%	66%	53%
Trading income	32%	91%	15%	23%	25%	27%
Total income	45%	61%	81%	52%	50%	34%
Operating income	9%	20%	66%	62%	72%	51%
Net income	45%	23%	54%	85%	102%	71%
<b>Balance Sheet</b>						
Net Loans	448	951	1,650	2,590	3,603	4,612
Corporate loans*	401	805	1,315	1,972	2,663	3,328
Retail loans*	63	176	384	691	1,036	1,398
Average interest earning assets	459	938	1,603	2,500	3,486	4,466
Total Assets	701	1,359	2,219	3,292	4,354	5,442
Customer deposits	407	832	1,402	2,179	3,111	4,132
Corporate deposits	204	406	643	965	1,351	1,756
Retail deposits	198	426	759	1,214	1,760	2,377
Average interest bearing liabilities	459	908	1,541	2,414	3,376	4,350
Book Value	73	155	265	371	453	552
<b>Balance Sheet Growth</b>						
Net Loans	96%	112%	73%	57%	39%	28%
Corporate loans	79%	101%	63%	50%	35%	25%
Retail loans	263%	180%	118%	80%	50%	35%
Average interest earning assets	90%	104%	71%	56%	39%	28%
Total Assets	106%	94%	63%	48%	32%	25%
Customer deposits	111%	104%	69%	55%	43%	33%
Corporate deposits	89%	99%	58%	50%	40%	30%
Retail deposits	140%	115%	78%	60%	45%	35%
Average interest bearing liabilities	89%	98%	70%	57%	40%	29%
Book Value	61%	111%	71%	40%	22%	22%
<b>Key Ratios</b>						
Non interest income/Total income	75.3%	76.3%	74.9%	80.3%	81.2%	80.4%
Net interest income/Total income	24.7%	23.7%	25.1%	19.7%	18.8%	19.6%
Net interest margin	5.8%	4.5%	5.1%	5.0%	5.3%	5.4%
Net income margin	15.5%	11.8%	10.0%	12.2%	16.4%	21.0%
Provision/Operating income	51.6%	51.9%	55.3%	49.0%	40.3%	32.3%
Cost / Income ratio	56.2%	67.3%	70.0%	68.1%	63.4%	58.7%
ROA	1.0%	0.6%	0.6%	0.7%	1.0%	1.3%
ROE	9.0%	5.8%	4.8%	5.9%	9.2%	12.9%

\* gross value



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