



Ukraine / Banking

Rodovid Bank

177% Share Capital Increase

BUY

May 28, 2007

12M Target

Undiluted
USD 2,135

Diluted
USD 1,718

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Market Information

Bloomberg	RODB UZ
No of Shares, mln	
Current	0.350
After share issue	0.435
Market price, USD	1,881
Market price adjusted for the new # of shares, USD	1,796
MCap, USD mln	658
Free float	19%
FF MCap, USD mln	125

On June 1, 2007 Rodovid Bank began subscription for its additional share issue. The bank will issue 85,000 common shares, bringing the total number of shares to 435,000. The subscription will be held at USD 1,446 per share, which is a 10% discount to the current market price. The issue will increase the bank's share capital by 177% to USD 192 mln. The ex-right date is June 1, 2007.

Rodovid's current market price of USD 1,881 should be adjusted to USD 1,796 to account for the increased number of shares. Our adjusted target of USD 2,000 suggests a 11.4% upside. We remain positive on the stock and maintain our BUY recommendation.

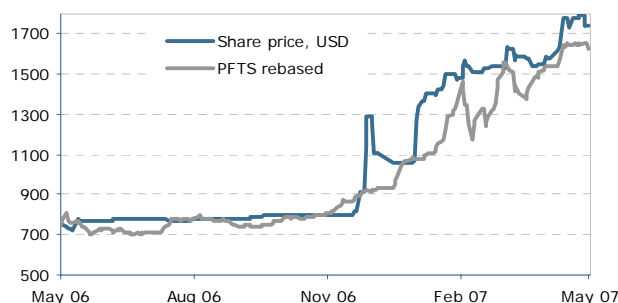
Stock Ownership

RB Capital Group	63.0%
Institutional investors	19.0%
Management	18.0%

Ratios, 2006

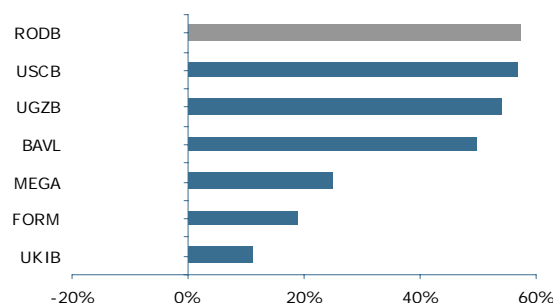
Net Interest Margin	3.2%
Net Margin	22.0%
ROE	10.2%
Cost/Income	60.0%

Trading history, USD



Source: PFTS

Sector Performance, YTD*



* PFTS Mid adjusted for new share issues is used

Key Financials, USD mln

	Loans	Deposits	Equity	Net income
2006	428	410	89	4.5
2007E	734	561	230	11.4
2008E	1,158	753	313	22.7

Spot exchange rate: 5.05

	P/E	P/B	P/Loans	P/Deposits
2006	147.4	7.4	1.5	1.6
2007E	57.8	2.9	0.9	1.2
2008E	29.0	2.2	0.6	0.9

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