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Temirbank

Could it be sold?

- **Temirbank is the seventh-largest bank in Kazakhstan** with 2.8% of the system's assets and 3.0% of loans as of Apr 2008.
- **Predominantly retail oriented:** Temirbank's market share in retail lending stands at around 8%, a clear differentiator in its competitive positioning. Temirbank's share of retail deposits (1.5% only) is trailing its otherwise strong positioning in retail and may present a leveraging opportunity in the mid-term, in our view.
- **Temirbank has the highest loan/deposit ratio in the sector (4.3x)** which makes deposit growth very desirable, even though the bank's funding structure is predominantly long term. So far this year, Temir has shown strong growth in the retail deposit segment (+14% YtD).
- **Near-term future is not so clear:** BTA Bank, the main shareholder in Temir, has put the bank up for sale. We are not convinced a transaction can actually go through during 2008 mostly on the back of pricing expectations.
- **Remains an M&A story in the mid-term, in our view:** The bank should remain a potentially attractive target due to its exclusive focus on retail banking, which we see as the way forward in the Kazakh banking landscape.

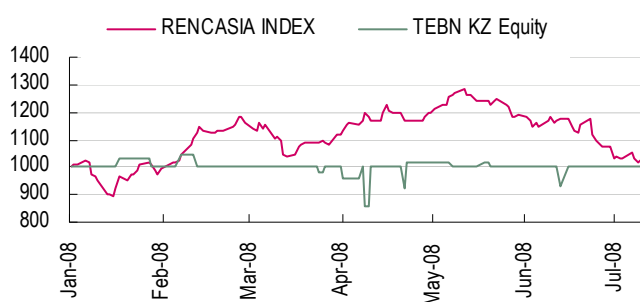
Report date:	21 July 2008
Rating	not rated
Target price (comm), KZT	n/a
Target price (pref), KZT	n/a
Current price (comm), KZT	7,000
Current price (pref), KZT	n/a
MktCap, \$mn	1,216
EV, \$mn	n/a
Reuters	TEBN.KZ
Bloomberg	TEBN KZ
ADRs/GDRs since	n/a
ADRs/GDRs per common share	n/a
Common shares outstanding, mn	19.1
Change from 52 week high:	-22.2%
Date of 52 week high:	8/16/2007
Change from 52 week low:	48.9%
Date of 52 week low:	2/22/2007
Web:	www.temirbank.kz/
Free float in \$mn	<100
Major shareholder with shareholding	BTA JSC 64%
Average daily traded volume in \$mn	n/a
Share price performance over the last	
1 month	0.0%
3 months	16.7%
12 months	-15.3%

Summary valuation and financials

	Assets (\$mn)	Equity (\$mn)	Earnings (\$mn)	EPS (\$)	P/E (x)	Earnings growth (%)	EPS growth (%)	Price/Book (x)	ROE (%)	ROA (%)	Dividend yield (%)
2006	1,601	173	22	1.06	55.0	29.6	(11.7)	6.7	16.3	1.9	0.0
2007	2,767	400	60	2.52	23.2	178.9	113.2	3.5	21.1	2.8	0.0
2008E	2,913	453	50	2.09	27.9	(18.6)	(22.6)	3.1	11.7	1.8	0.0

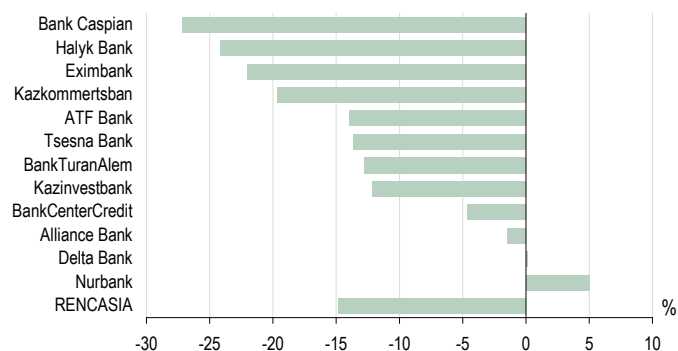
Source: Renaissance Capital estimates

Figure 1: Price performance – 52 weeks



Source: MSCI, Bloomberg

Figure 2: Sector stock performance – 3 months

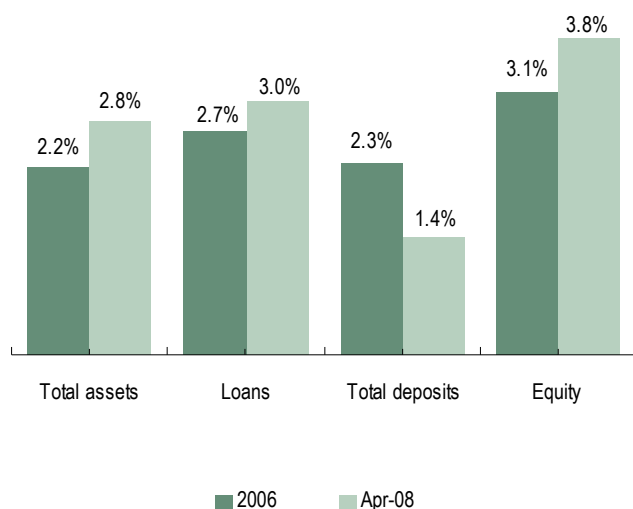


Source: KASE, Bloomberg

Market positioning

- **Temirbank is the seventh-largest bank in Kazakhstan with a clear retail focus on the lending side.** It holds 2.8% of the system's assets and 3.0% of loans as of Apr 2008, while its share of deposits declined significantly during 2007 from 2.3% in June 2007 to the current 1.4%.
- **Temirbank services an estimated 176,700 customers through a branch network of 140** (including main and mini-branches), has increased its ATM network to 252 (2006: 18) and is pursuing the cards business, with 63,280 cards issued (2006: 18,593).
- **Deposit base shrank substantially during 2007**, down 42% since Aug 2007 to the current \$510mn (May 2008), with retail deposits down 10% in that period, and corporate -52%. The decline in deposits can be attributed to depositors' flight to quality since the summer of 2007, which has affected most smaller retail-oriented banks. Deposits are recovering nevertheless, with reported MoM growth rates of 7% overall in May. Whether the trend is sustainable is a question to be answered during 2H08.
- **We believe the bank is a potential M&A play although we see a low chance of this happening in 2008:** BTA is the main shareholder, with 64% direct ownership in Temir's share capital. BTA Bank officially confirmed that it put Temirbank up for sale early this year, and its advisor, Deutsche Bank, is currently in the process of making recommendations on the sale process. A decision on whether to proceed with a sale or consider other strategic options is due any time now. Our reading of the situation is that BTA's expectations in terms of pricing are far from what potential buyers may be willing to pay in the current market environment; hence we see the chances of a transaction going through during 2008 as slim. Strategic alternatives, however, are also potentially problematic, as a merger with BTA Bank may in principle face difficulties getting the regulator's nod – the combined market share of BTA and Temir would be around 26% by assets on a pro-forma basis.

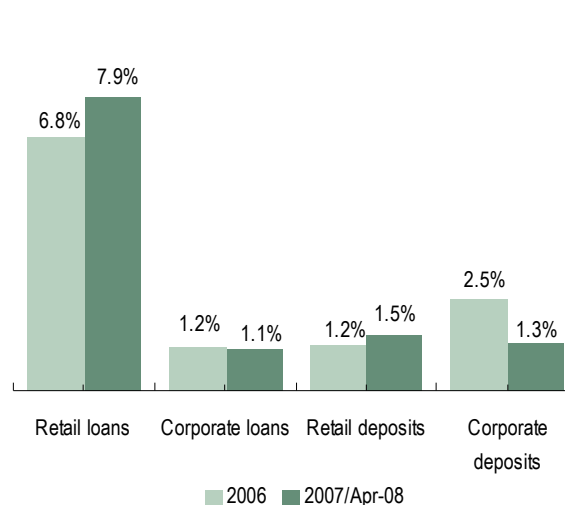
Figure 3: Temirbank: Market shares



Note: Market share by earnings for Apr-08 based on sector earnings number, excluding ATF Bank due to a running loss YTD

Source: AFN, Renaissance Capital estimates

Figure 4: Market share detail – retail and corporate business



Note: Breakdown by market share in loans taken as of YE07; deposits breakdown as of Apr-08
Corporate deposits for April-08 period are ex-eurobond issuance

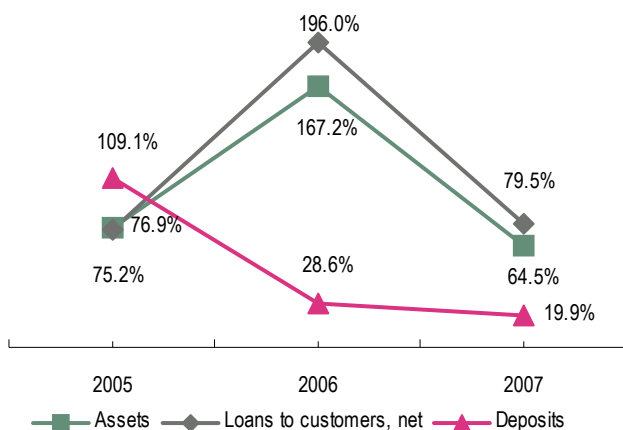
Source: AFN, Renaissance Capital estimates

Financial overview

Growth profile

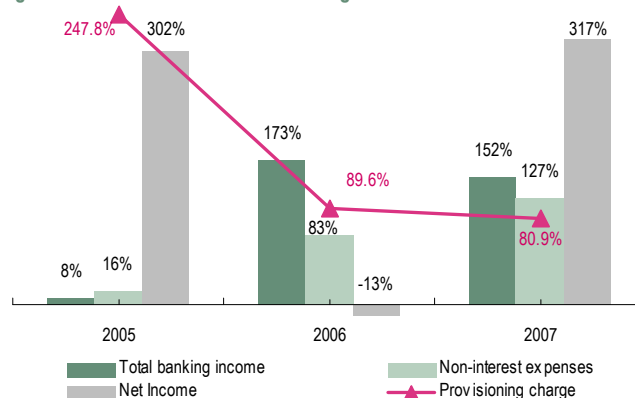
- **Very strong balance sheet growth in 2006 resulted in the loan book almost tripling, and then close to doubling again during 2007.** Such growth, however, was not supported on the deposit side, where expansion was significantly slower, with only 29% growth in 2006 and 20% during 2007. This has clearly led to a major imbalance on the funding side, which is still the highest in the system (loan/deposit ratio of 435% as of May 2008).
- **Growth on the income side has been a mixed basket:** Operating expenses have grown at a slower pace than revenues in both 2006 and 2007 and revenue growth has been a direct function of balance sheet expansion. Net income growth in 2005 is predominantly explained by one-off gains from disposals, hence not indicative of a trend. Risk charges have also grown at roughly half the rate of growth in the loan book, hence difficulties on the asset-quality side going forward would not come as a surprise.
- **Growth going forward and the business case overall are difficult to forecast at this juncture of the bank's development:** Temirbank's dependence on external financing and the weakness on the deposit side do not bode well for its outlook on a standalone basis, in our view.

Figure 5: Temirbank: main balance sheet items growth rates



Source: Company data, Renaissance Capital estimates

Figure 6: Temirbank: main income items growth trends



Source: Company data, Renaissance Capital estimates

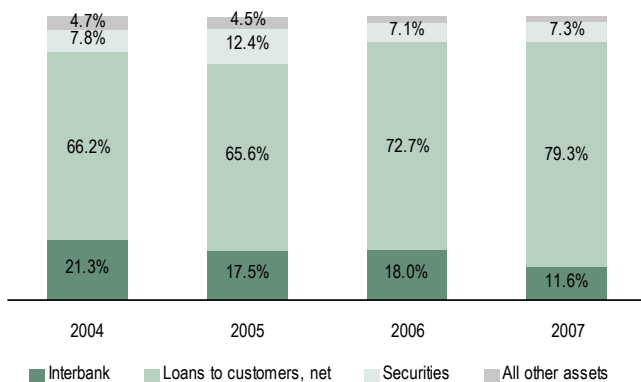
Balance sheet

- **Equity accounted for 14.5% of the balance sheet total at the end of 2007,** which arguably is relatively high by international standards. The bank's K2 ratio stood at 14.2%, comfortably above the regulator's prescribed 12%, yet on the lower end when compared with local peer benchmarks.
- **On the asset side, loans accounted for a high of 79.3% of the balance sheet total,** hence we do not see much room for optimisation in the

interest earning asset mix. Cash, central bank, other interbank balances and securities combined accounted for most of the rest with roughly 19%.

- **On the funding side, deposits were down to a mere 19.2% of the balance sheet total in 2007** (2006: 26.3%), with debt securities at a high of 44% (up from 40.3% in 2006) and interbank balances (including internationals) accounting for another 21.7% of overall funding.
- **\$130mn is due in June 2008, and a eurobond of \$150mn falls due in 2009.** For the rest, the maturity profile of Temirbank's wholesale funding is long term, which is clearly a positive in an otherwise relatively difficult environment.
- **The asset base shrunk 0.7% YtD to May 2008; however, further shrinkage could safely be assumed following the June debt repayment.** Total assets at year-end were KZT333.9bn (\$2.8bn), compared with \$2.7bn at the end of Apr 2008 (based on AFN data).

Figure 7: Temirbank: asset structure



Source: Company data, Renaissance Capital estimates

Figure 8: Temirbank: funding structure



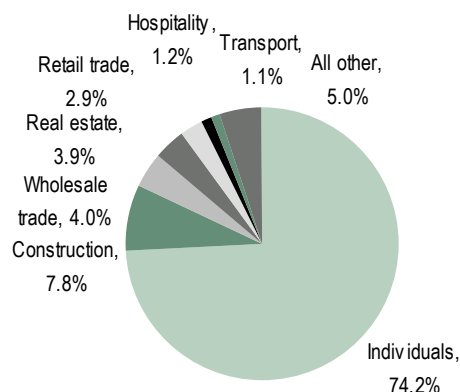
Source: Company data, Renaissance Capital estimates

Loan portfolio

- **A retail play on the lending side:** Individuals accounted for 74% of gross loans at the end of 2007 (2006: 69.0%). Main retail products include mortgages (25% of total lending at YE07) and consumer lending (39.6%). According to the bank, consumer loans are widely (90%+) backed by property collateral, with a first claim on property (ie the bank does not accept collateral, where there already is a first claim on the property).
- **The bank's development in the retail segment has been impressive:** Its loan book has gone through a major metamorphosis in the period from 2004 to date. Retail accounted for 25.8% of total lending in 2004 with corporate taking the lion's share. The share of retail increased to 40.1% in 2005 and 69.0% in 2006, to reach the current level of 74.2%.

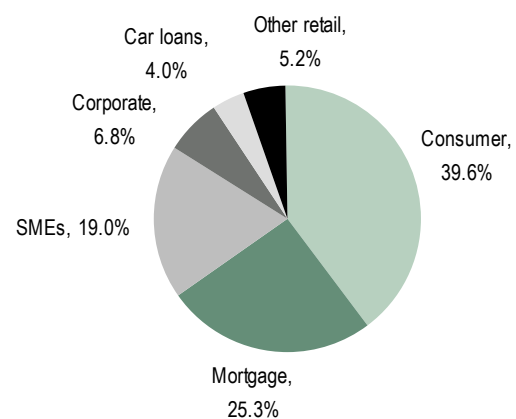
- Corporate lending accounts for a low of 6.8%, with SME accounting for another 19% of gross lending:** In terms of sector exposure, the share of construction and real estate together was 11.7% of the total loan book; hence risk exposure coming from this end of the business should be in control.
- The main risk in the loan portfolio could come from mortgages and consumer lending, in our view:** The mortgage book more than doubled (+128%) during 2007 to reach \$577mn equivalent at year-end. The incremental increase was \$324mn at the peak of the real estate mania in Kazakhstan – prices have since come down by 30-40%, hence some of Temirbank's mortgage book might turn problematic. Management has indicated that for the majority of loans LTV stood at less than 50% at the time of origination, hence even with a price decline, the majority of mortgages should not be in negative equity territory. Management provided an estimate for LTV currently standing at around 60% for mortgages (80% for construction).
- Consumer lending, the other main product group within the retail segment, also doubled** to approximately \$903mn and a total of \$460mn equivalent was lent out in the course of 2007.
- Loan loss reserves have increased to 3.7% at the end of 2007** (2006: 2.9%), with NPLs at 2.6% of gross lending according to information provided by the bank as at YE07. Provisioning charges through the income statement were 2.6% of gross loans in 2007 (2006: 3.0%)

Figure 9: Temirbank: loan book by industry (2007YE)



Source: Company data, Renaissance Capital estimates

Figure 10: Temirbank: loan book split by product (2007YE)

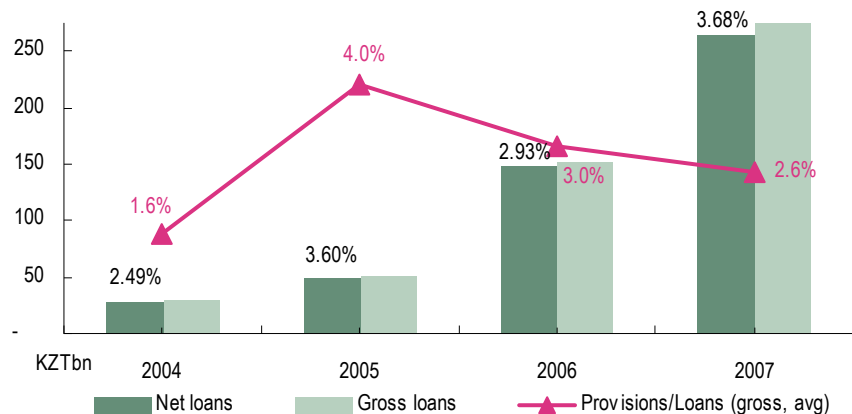


Source: Company data, Renaissance Capital estimates

- The bank's most recent guidance is for NPLs to roughly double which would put them at around 5% by year-end,** a much more realistically sounding scenario, than previous guidance we received of NPLs staying at around the 3% mark. According to management, sources of NPLs would roughly be distributed as follows: 40% from the mortgage book, 20-22% on the consumer lending side, and corporate accounting for 28% of NPLs.

- We forecast a provisioning charge of 3.8% of gross loans for 2008** (against 2.6% in 2007), which translates into a KZT10.8bn (\$90mn) charge through the income statement, a 94% increase on the charge for the prior year.

Figure 11: Temirbank: asset quality



Note: %-age values in black indicate LLR/gross loans ratio

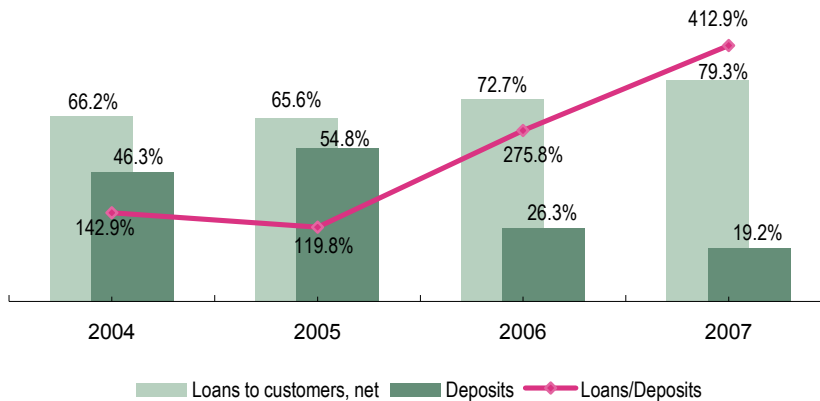
Source: Company data, Renaissance Capital estimates

Deposit and funding structure

- Deposits growth took a major hit mostly during 2H07**, nevertheless closing 20% up for 2007. YtD (May 2008) deposits are up 2.4%, with a 7.1% increase in May alone. Also positively, retail deposits are contributing more YtD, growing by 13.8% (+3.2% in May alone), quite a bit faster than the sector's retail growth of 3.1% YtD.
- Corporate deposits account for 59% of the total**, a disproportionate representation, relative to the otherwise retail-oriented profile of Temirbank. Retail contributed 33.7% with the rest attributed to government sources. We may be missing some of the picture with corporate deposits, considering the possibility of BTA holding deposits directly with Temirbank. **Temirbank's loan/deposit ratio is the highest in the sector at 4.35x** as of May 2008 (sector average 2.04x for the same period). We do not see that changing materially in the mid-term, helped by the fact that most funding is of a long-term nature (2011 and beyond). Our forecast for 2008 is for the loan/deposit ratio to end at around 3.9x. Nevertheless, such leverage is a concern for the longer-term sustainability of Temirbank's business model, and management seems to acknowledge that focus should be on deposit growth going forward.
- Temirbank may be tapping into funding from government sponsored programmes during 2008:** We have been given a rough estimate of \$200mn equivalent in possible financing for the Almaty and Astana programmes in a recent meeting with management. Temirbank has received a first tranche of KZT3.4bn (\$28mn) in January for an Astana financing project.

- **Going forward the bank is counting on deposit growth as the main source of funding for balance sheet growth**, which we believe is a healthy attitude, especially so for Temirbank.

Figure 12: Temirbank: Loan/Deposit evolution



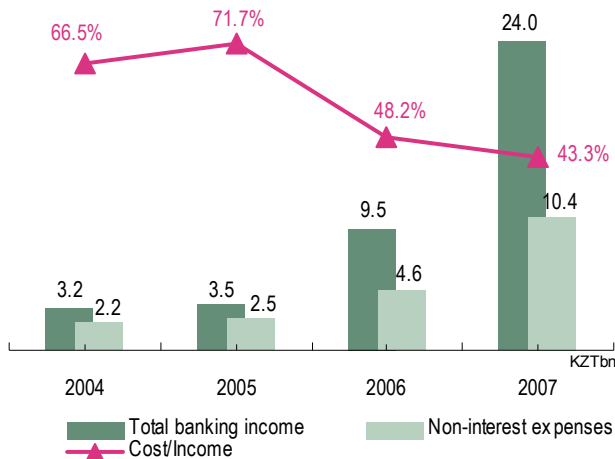
Source: Company data, Renaissance Capital estimates

Income statement

- **Net income close to tripled in 2007**, to KZT7.4bn (\$60mn), on the back of strong balance sheet growth, NIM expansion and slower growth in risk charges. Banking revenues were up 152%, risk charges grew at a slower pace of 81% and operating expenses growth was also slower at 126.8%, leading to a decline in the cost/income ratio to 43.3% (2006: 48.2%).
- **Revenue growth has been driven by a very strong increase in net interest margins**, up at 9.1% in 2007 (2006: 5.7%) in addition to growth in lending (+79.5%). NIM levels are expected to be sustained if not slightly improved, as re-pricing of the loan book occurred already in the latter part of 2007 according to information from the bank.
- **Returns so far have come out nicely**, especially considering overall capitalisation (Equity/Assets at 14.5%) with 2007 ROAE at 21% and ROAA jumping to 2.8% (2006: 1.9%).
- **The cost/income ratio has come a long way from 71.7% in 2005 to 43.3% at the close of 2007** which is an impressive achievement by all means. We see further potential for improvement nevertheless – an investment programme was underway during 2007, with an increase in ATMs from 18 to 142 and network built-out with additional 50 sales points added in the course of the year. Cost optimisation in the mid-term (two-to-three years) could arguably present a good opportunity for further improvement in profitability, if the bank is able to move closer to the sector average of approximately 30%. More than 50% of Temirbank's compensation costs are variable, and the bonus scheme is linked to new lending – no new lending, no bonuses.

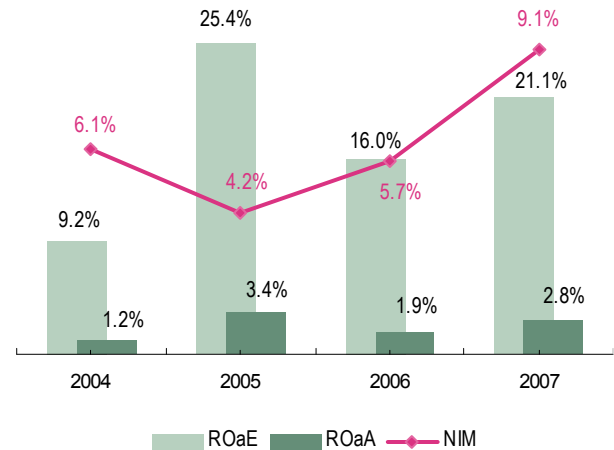
- Provisioning charges were up 81% in 2007 (after 89.6% in 2006) to reach 2.6% of gross lending. We would be looking for a 3.8% provisioning charge on gross loans for 2008.

Figure 13: Temirbank: income-cost structure



Source: Company data, Renaissance Capital estimates

Figure 14: Temirbank: profitability ratios



Source: Company data, Renaissance Capital estimates

Outlook 2008 and beyond

- Our forecasts are for the balance sheet to increase slightly during 2008 (+4.7%) and growth would depend largely on a continued strong showing in the retail deposit base (our estimate is for +25% YoY), and participation in the state financed programmes in Almaty and Astana (we are assuming KZT22bn flow from this end). Funding outflow is the result of the \$130mn repayment in June.
- On the asset side, we expect loan growth of around 7% and loan loss reserves creation at around 6.5% (against 3.7% at the end of 2007).
- The end result of the above balance sheet dynamic is net income of KZT6.0bn (\$50mn), down 18.6% on the prior year. The major reason for the decline in profits is faster growth in provisioning charges that we forecast, booked at the rate of 3.8% of average gross lending, amounting to KZT10.8bn (\$90mn). We forecast revenue growth of 29.1% and slower cost growth (+22.3%).
- Net interest margins forecast at 9.1%, in line with 2007 (9.1%) – while we see a pick up in funding costs (deposits are not cheap in Kazakhstan), we also see a slight expansion in the margin on customer lending business. We see the cost/income slightly improving to 41% (2007: 43.3%), which implies growth in the cost base of 22%. We may be overly conservative on that count.

Information on preference shares

- Temirbank has 4.9mn preference shares, representing 20.5% of the total capital.
- The preference shares have a nominal value of KZT1,000 and carry no voting rights but rank ahead of the ordinary shares in the event of

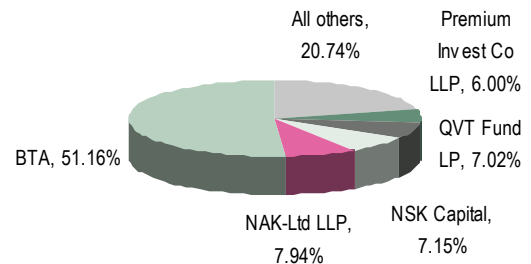
liquidation of the bank. They carry a minimum annual dividend of KZT100 per share. The percentage of dividends is determined at the annual shareholders' meeting and is dependent on the annual financial results, but cannot be less than 10% for preference shares. These shares are not redeemable. If dividends are not declared, the preference shareholders obtain the right to vote as common shareholders until such time that the dividend is paid.

- Most recently the preference shares have traded at a 60% discount to commons.

Temirbank: Financials KZT

Figure 15: Temirbank summary sheet (KZTmn)

Balance sheet (KZTmn)	2004	2005	2006	2007	2008E
Assets					
Interbank	4,186	9,287	4,963	10,480	11,327
Securities	3,329	9,393	14,130	24,290	26,210
Net loans	28,432	49,813	147,440	264,667	274,914
Gross loans	29,157	51,676	151,888	274,790	294,026
Interest earning assets	35,947	68,493	166,533	299,062	312,069
Total assets	42,926	75,945	202,942	333,934	349,522
Liabilities					
Interbank	12,446	15,205	45,532	72,617	78,967
Securities	2,710	3,003	76,739	148,291	145,355
Deposits	19,890	41,587	53,463	64,106	70,215
Interest-bearing liabilities	35,046	59,795	175,734	285,014	294,537
Total liabilities	37,395	65,380	181,044	285,638	295,211
Shareholder equity	5,531	10,565	21,898	48,296	54,311
Income statement (KZTmn)	2004	2005	2006	2007	2008E
Interest income	3,917	6,128	14,977	44,328	59,585
Interest expense	(1,726)	(3,930)	(8,235)	(23,226)	(31,875)
Net interest income	2,191	2,198	6,742	21,102	27,710
Net fee income	747	968	1,599	2,456	2,771
Trading income					
Other income	298	328	1,187	477	554
Total revenues	3,235	3,494	9,528	24,035	31,035
Staff costs	(929)	(1,222)	(2,255)	(4,742)	(5,980)
Other costs	(1,222)	(1,283)	(2,334)	(5,665)	(6,744)
Total costs	(2,151)	(2,505)	(4,589)	(10,408)	(12,724)
Operating profit	1,085	989	4,938	13,627	18,311
Provisioning charge	(466)	(1,620)	(3,071)	(5,555)	(10,792)
Other pre-tax items	-	2,688	871	(20)	-
Pre-tax profit	619	2,057	2,739	8,052	7,519
Tax	(110)	(12)	(88)	(661)	(1,504)
Minorities	-	(71)	73	-	-
Other post-tax gains/losses	-	-	-	-	-
Net profit	509	1,975	2,723	7,391	6,015
Dividend on ordinary shares	-	-	-	-	-
Dividend on preferred shares	-	-	-	-	-
Key YoY growth rates (%)	2004	2005	2006	2007	2008E
Loans		75.2	196.0	79.5	3.9
Interest earning assets		90.5	143.1	79.6	4.3
Deposits		109.1	28.6	19.9	9.5
Interest bearing liabilities		70.6	193.9	62.2	3.3
Assets		76.9	167.2	64.5	4.7
Fee income		29.6	65.2	53.6	12.8
Revenues		8.0	172.7	152.3	29.1
Costs		16.5	83.2	126.8	22.3
Operating profit		(8.8)	399.2	175.9	34.4
Net profit		301.8	29.6	178.9	(18.6)
Per share data (KZT)	2004	2005	2006	2007	2008E
No. of ordinary shares (mn)	3.7	5.6	15.0	19.1	19.1
EPS	37	197	133	308	251
DPS	-	-	-	-	-
BVPS	404	1,020	1,100	2,015	2,266
Balance sheet ratios (%)	2005	2006	2007	2008E	
Loans/Assets	66	73	79	79	
Deposits/Liabilities	55	26	19	20	
Loans/Deposits	120	276	413	392	
Equity/Assets	13.9	10.8	14.5	15.5	
Capital ratios (%)	2005	2006	2007	2008E	
Tier 1	17.0	14.1	18.2	na	
Tier 2	na	na	na	na	
Total	21.0	13.0	17.9	na	
Asset quality	2005	2006	2007	2008E	
NPLs (KZTmn)	961	1,975	7,117	9,409	
NPL reserves (KZTmn)	1,862	4,448	10,123	19,112	
NPLs/Gross loans (%)	1.86	1.30	2.59	3.20	
Reserves/NPLs (%)	193.8	225.3	142.2	203.1	
Credit charge (%)	4.01	3.02	2.60	3.79	
Margins (%)	2005	2006	2007	2008E	
Asset margin	11.73	12.75	19.04	19.50	
Liability margin	8.29	6.99	10.08	11.00	
NIM	4.21	5.74	9.06	9.07	
Spread	3.45	5.75	8.96	8.50	
Costs (%)	2005	2006	2007	2008E	
Cost/Income	71.7	48.2	43.3	41.0	
Cost/Avg assets	4.2	3.3	3.9	3.7	
Effective tax rate	0.6	3.2	8.2	20.0	
Profitability ratios (%)	2005	2006	2007	2008E	
ROAE	25.4	16.3	21.1	11.7	
ROAA	3.4	1.9	2.8	1.8	
Other P&L ratios (%)	2005	2006	2007	2008E	
Int. inc/Revenues	63	71	88	89	
Fees/Revenues	28	17	10	9	
Trading income/Revenues	9	12	2	2	
Fees/Staff costs	80	79	71	52	
Fees/Total costs	259	287	424	459	
Payout ratio (%)					
Numbers of	2005	2006	2007	2008E	
Employees	1,288	2,394	2,873	2,950	
Branches	15	19	21	21	
Mini-/Sub-branches	46	71	119	119	
ATMs	10	18	142	341	



Source: Company data, Renaissance Capital estimates

Temirbank: Financials \$

Figure 16: Temirbank summary sheet (\$mn)

Balance sheet (\$ mn)	2004	2005	2006	2007	2008E
Assets					
Interbank	32	69	39	87	94
Securities	26	70	111	201	218
Net loans	219	372	1,163	2,193	2,291
Gross loans	224	386	1,198	2,277	2,450
Interest earning assets	277	512	1,313	2,478	2,601
Total assets	330	568	1,601	2,767	2,913
Liabilities					
Interbank	96	114	359	602	658
Securities	21	22	605	1,229	1,211
Deposits	153	311	422	531	585
Interest-bearing liabilities	270	447	1,386	2,361	2,454
Total liabilities	288	489	1,428	2,367	2,460
Shareholder equity	43	79	173	400	453

Income statement (\$ mn)	2004	2005	2006	2007	2008E
Interest income	29	46	119	362	497
Interest expense	(13)	(30)	(66)	(190)	(266)
Net interest income	16	17	54	172	231
Net fee income	5	7	13	20	23
Trading income	-	-	-	-	-
Other income	2	2	9	4	5
Total revenues	24	26	76	196	259
Staff costs	(7)	(9)	(18)	(39)	(50)
Other costs	(9)	(10)	(19)	(46)	(56)
Total costs	(16)	(19)	(37)	(85)	(106)
Operating profit	8	7	39	111	153
Provisioning charge	(3)	(12)	(24)	(45)	(90)
Other pre-tax items	-	20	7	(0)	-
Pre-tax profit	5	15	22	66	63
Tax	(1)	(0)	(1)	(5)	(13)
Minorities	-	(1)	1	-	-
Other post-tax gains/losses	-	-	-	-	-
Net profit	4	15	22	60	50
Dividend on ordinary shares	-	-	-	-	-
Dividend on preferred shares	-	-	-	-	-

Key YoY growth rates (%)	2004	2005	2006	2007	2008E
Loans		75.2	196.0	79.5	3.9
Interest earning assets		90.5	143.1	79.6	4.3
Deposits		109.1	28.6	19.9	9.5
Interest bearing liabilities		70.6	193.9	62.2	3.3
Assets		76.9	167.2	64.5	4.7
Fee income		29.6	65.2	53.6	12.8
Revenues		8.0	172.7	152.3	29.1
Costs		16.5	83.2	126.8	22.3
Operating profit		(8.8)	399.2	175.9	34.4
Net profit		301.8	29.6	178.9	(18.6)

Per share data (\$)	2004	2005	2006	2007	2008E
No. of ordinary shares (mn)	4	6	15	19	19
EPS	0.27	1.49	1.06	2.52	2.09
DPS	0.00	0.00	0.00	0.00	0.00
BVPS	2.97	7.68	8.75	16.44	18.88

Balance sheet ratios (%)	2005	2006	2007	2008E
Loans/Assets	66	73	79	79
Deposits/Liabilities	55	26	19	20
Loans/Deposits	120	276	413	392
Equity/Assets	13.9	10.8	14.5	15.5

Capital ratios (%)	2005	2006	2007	2008E
Tier 1	17.0	14.1	18.2	na
Tier 2	na	na	na	na
Total	21.0	13.0	17.9	na

Asset quality	2005	2006	2007	2008E
NPLs (\$ mn)	7	16	59	78
NPL reserves (\$ mn)	14	35	84	159
NPLs/Gross loans (%)	1.86	1.30	2.59	3.20
Reserves/NPLs (%)	194	225	142	203
Credit charge (%)	4.0	3.0	2.6	3.8

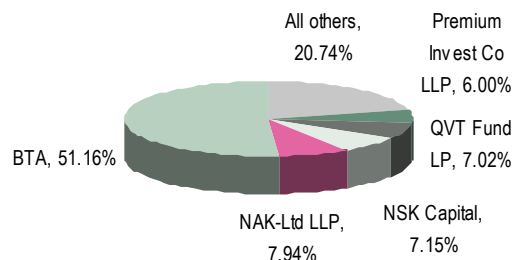
Margins (%)	2005	2006	2007	2008E
Asset margin	11.7	12.7	19.0	19.5
Liability margin	8.3	7.0	10.1	11.0
NIM	4.2	5.7	9.1	9.1
Spread	3.4	5.8	9.0	8.5

Costs (%)	2005	2006	2007	2008E
Cost/Income	71.7	48.2	43.3	41.0
Cost/Avg assets	4.2	3.3	3.9	3.7
Effective tax rate	0.6	3.2	8.2	20.0

Profitability ratios (%)	2005	2006	2007	2008E
ROAE	25.4	16.3	21.1	11.7
ROAA	3.4	1.9	2.8	1.8

Other P&L ratios (%)	2005	2006	2007	2008E
Int. inc/Revenues	63	71	88	89
Fees/Revenues	28	17	10	9
Trading income/Revenues	9	12	2	2
Fees/Staff costs	80	79	71	52
Fees/Total costs	259	287	424	459
Payout ratio (%)				

Numbers of	2005	2006	2007	2008E
Employees	1,288	2,394	2,873	2,950
Branches	15	19	21	21
Mini-/Sub-branches	46	71	119	119
ATMs	10	18	142	341



Source: Company data, Renaissance Capital estimates

Disclosures appendix

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Hold	71	17%
Sell	27	6%
UR	39	9%
NR	143	34%
	422	

Banking

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Hold	6	18%
Sell	0	0%
UR	1	3%
NR	18	55%
	33	

Investment Banking Relationships*

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Sell	0	0%
UR	0	0%
NR	0	0%
	12	

Banking

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Hold	1	100%
Sell	0	0%
UR	0	0%
NR	0	0%
	1	

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