

European Banks' FICC Shrinkage

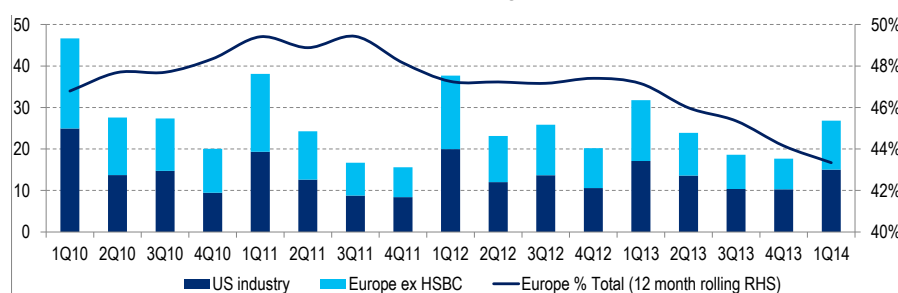
Global Banks Insights

■ **Markets Revenues Decline Driven by FICC** – A common theme across most European wholesale banks' 1Q results has been a steep decline in FICC revenues. While total IB revenues for Barclays in 1Q14 was down c30%yoy, FICC revenue was down c40%yoy ([Click for note](#)). Other European banks reporting recently have also disclosed large declines in underlying FICC revenues, with UBS and SG both down c30% or more yoy. Overall, large European banks' FICC revenues were down 18% yoy. Excluding HSBC, which has a large Asian franchise, leading European banks 1Q14 FICC revenues were down 20% yoy. By contrast, the top US banks reported FICC revenues down a smaller 12% yoy. European banks appear to have suffered from a greater exposure to weaker Macro products (Rates & FX) and also greater ongoing balance sheet de-leveraging pressure: Barclays is the poster child for both trends. Leading European banks' share of FICC revenues has dropped 6ppt from close to half the revenue pool of leading US and European banks combined in 2011 to c43% in 1Q14 (12mth rolling basis). Interestingly, European banks equity market share at 48% of the leading banks group is relatively stable over the past couple of years and only 3ppt down from peak market share levels in 2011.

■ **Barclays Non-Core Creation** – Today, Barclays announced that it will create a 'non-core' unit consisting of £115bn of RWAs, mainly consisting of investment banking assets. The associated leverage exposure is c£400bn. Barclays plans to reduce this 'non-core' unit to £50bn RWAs, £180bn leverage and limit the drag on ROE to be below 3% by end-2016. The remaining 'core' business will account for c£320bn of RWAs, targeting a core ROE of >12% and a £14.5bn core expense. We think the shift in business mix from investment banking towards retail & commercial could potentially lead to a re-rating in Barclays' shares. We reiterate our Buy rating, target price 315p. ([Click for note](#)).

■ **Chart of the Week** – *Chart of the Week* below shows Global Wholesale banks' FICC revenue from 2010-1Q14 and European FICC revenue as a % of global total.

Chart of the Week: European Wholesale Banks Losing FICC Market Share



Source: Citi Research; Revenue is calculated by aggregating investment bank FICC underlying revenues by region

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Our recent "Global Banks Insights" notes:

[Capital Raising in Asia, Stress Testing in Europe](#)

[The Year of Living Less Dangerously](#)

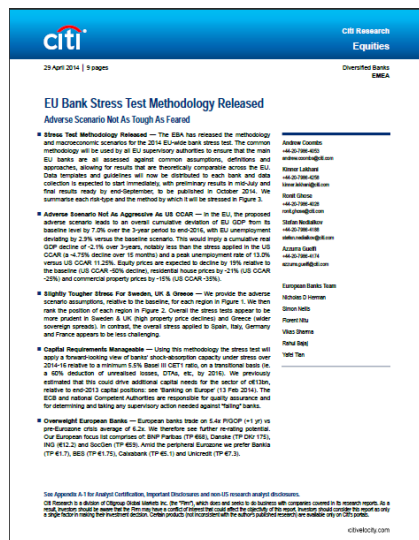
[The Urge to Merge](#)

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

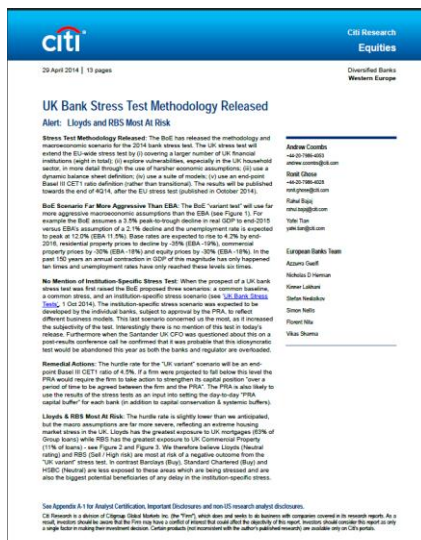
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■ Citi's Most Read Last Week –

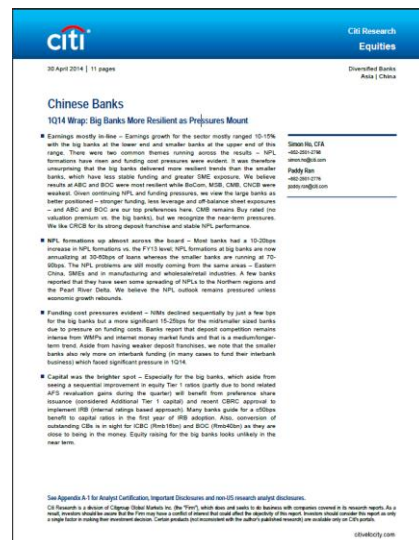
Most Read 1. EU Bank Stress Test Methodology Released — Adverse Scenario Not As Tough As Feared (Click for note)



Most Read 2. UK Bank Stress Test Methodology Released: Lloyds and RBS Most At Risk (Click for note)



Most Read 3. Chinese Banks: 1Q14 Wrap: Big Banks More Resilient as Pressures Mount (Click for note)



Source: Citi Research

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Highlighted Citi Events

- **14-15th May**
European Banks Investor Trip
Paris and Zurich
- **23-25th June**
Beyond the Basics European
Financials Conference
London
- **18-19th November**
Global Financials Conference
Singapore

*For participation and more details,
please contact your Citi sales
representative*

- **Citi Ratings Changes** – Over the past week, we upgraded Abu Dhabi Commercial Bank from Sell to Neutral and National Bank of Abu Dhabi from Neutral to Buy.
- **Stock Performance Summary** – LTM, the best-performing region in absolute terms has been MEA (+44%), the worst performing Japan (-15%). Over the last month, bank share prices increased most in Nigeria (+9%), declined most in Greece (-13%). At the individual bank level, the best-performing bank over the last month was Santander Brasil (+14%); the worst was National Bank of Greece (-28%). (Refer to page 4 for details).

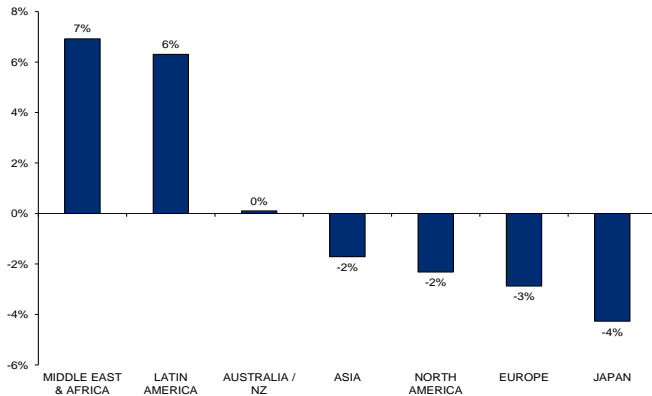
Other Highlighted Research this week:

We highlight the following research from this week:

- The four large **Indonesian** banks delivered strong results, as per expectations. Mid-small banks suffered from NIM compression. Share-price reactions have been muted due to 1) strong YTD performance (15-37%) lifting valuations to mean and 2) potential risk to earnings from tight liquidity and asset quality deterioration. BBKA and BBRI delivered the strongest revenue growth while BDMN and BJBR had flat performance. Asset-quality deterioration was worse in BJBR and BBTN, with some concerns for BBRI's rise in Special Mention Loans. ([Click for note](#))
- **Malaysian** banks' Mar 2014 loans +10.2%yoy and +0.5%mom to RM1,247bn (Feb13: +10.7%yoy, +0.2%mom), on growth in consumer (+11.7%yoy) and business loans (+8.3%yoy). Annualized loan growth at 6.9%. We expect loan growth to moderate in 2014 compared to the 10.6%yoy growth in 2013. Mar 2014 system deposits +6.9%yoy and +1.3%mom to RM1,544.3bn. System NPLs - 0.4%mom, +1%yoy to RM22.8bn. Gross NPL ratio was stable at 1.83% (Feb14: 1.84%, Dec13: 1.86%) while the loan loss coverage was 104.6% (Feb14: 104.5%, Dec13: 99.5%). ([Click for note](#))
- There has been soft demand for corporate credit with business sector credit from **Israeli** banks down 5% y/y in Jan-Feb. This was partially offset by mortgage growth up 9% over the same period (although likely softer in March) ahead of a VAT cut for new homeowners and non-mortgage retail credit up 6% y/y in Jan-Feb, although at slower pace than Nov-Dec. For 1Q14, we expect PPOP for the three banks we cover to fall 12% y/y impacted by low rates and soft demand for credit and also lower AFS bond sales and less share sales. Our net income estimates are -7% y/y. ([Click for note](#))

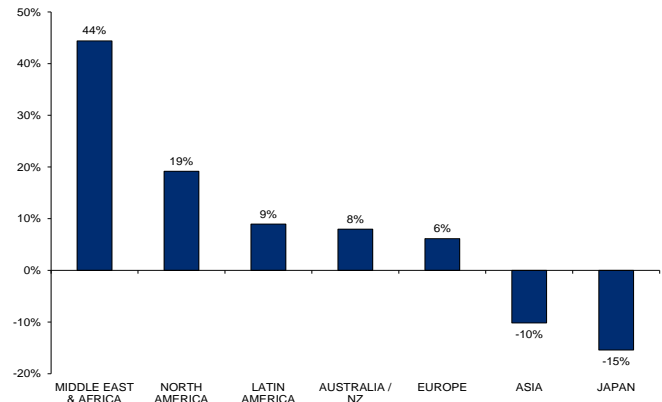
Global Banks Stock Performance

Figure 1. Regional Performance – 1 Month



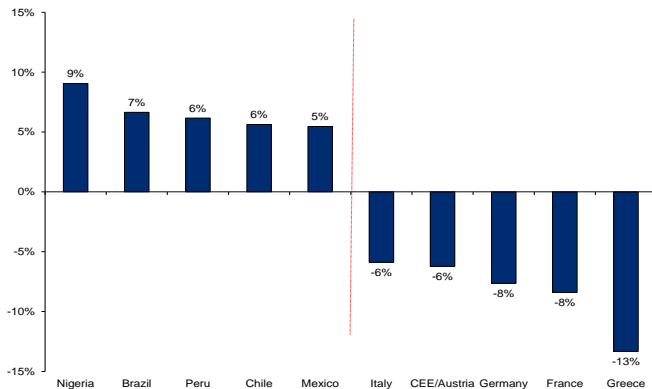
Source: Bloomberg, Citi Research; Note: Performance in local currency terms

Figure 2. Regional Performance – LTM



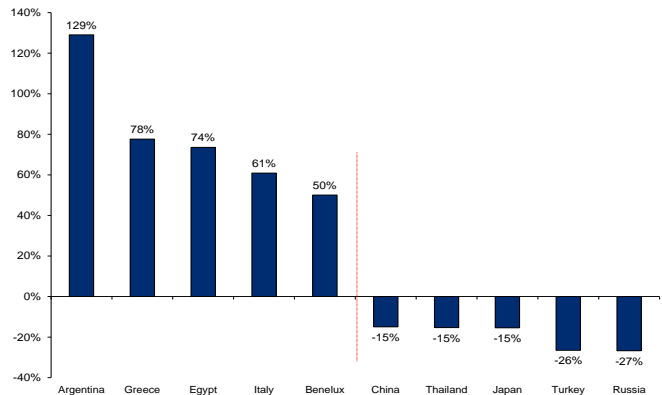
Source: Bloomberg, Citi Research; Note: LTM stands for last 12 Months; Note: Performance in local currency terms

Figure 3. Market Performance – 1 Month (Top 5 & Bottom 5)



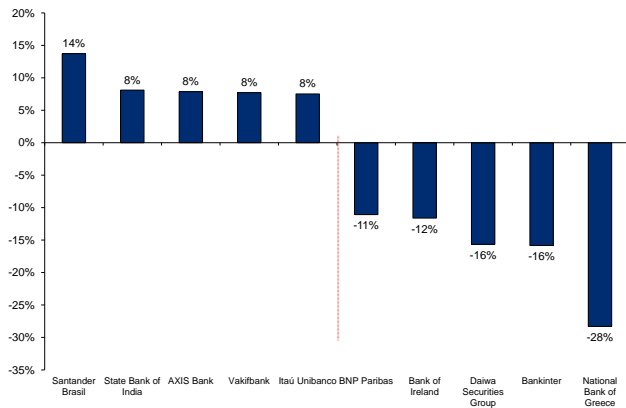
Source: Bloomberg, Citi Research; Note: Performance in local currency terms

Figure 4. Market Performance – LTM (Top 5 & Bottom 5)



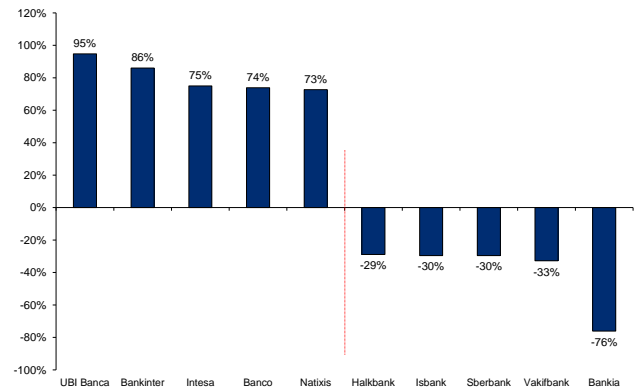
Source: Bloomberg, Citi Research; Note: LTM stands for last 12 Months; Note: Performance in local currency terms

Figure 5. Stock Performance – 1 Month (Top 5 & Bottom 5)



Source: Bloomberg, Citi Research; Note: We have screened stocks with MCap >USD 5Bn for this analysis; Note: Performance in local currency terms

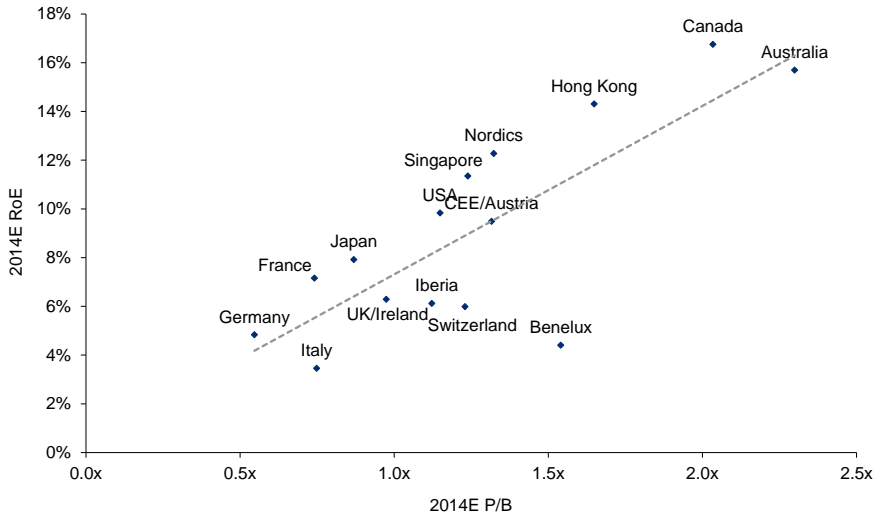
Figure 6. Stock Performance – LTM (Top 5 & Bottom 5)



Source: Bloomberg, Citi Research; Note: We have screened stocks with MCap >USD 5Bn for this analysis; Note: LTM stands for last 12 Months; Note: Performance in local currency terms

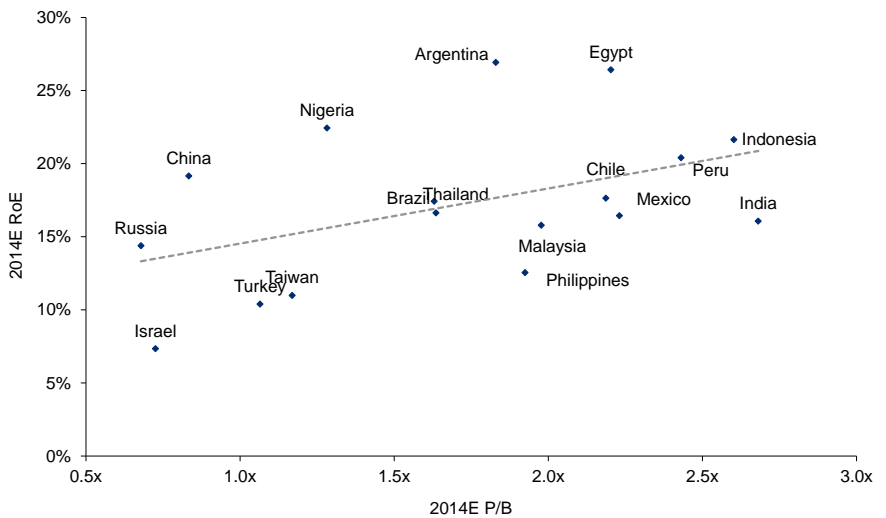
PB vs ROE Scatter

Figure 7. 2014E P/B vs ROE – Developed Markets



Source: Powered by dataCentral

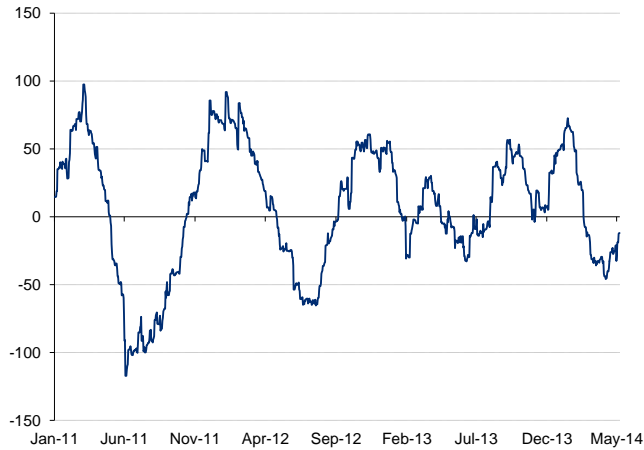
Figure 8. 2014E P/B vs ROE – Emerging Markets



Source: Powered by dataCentral

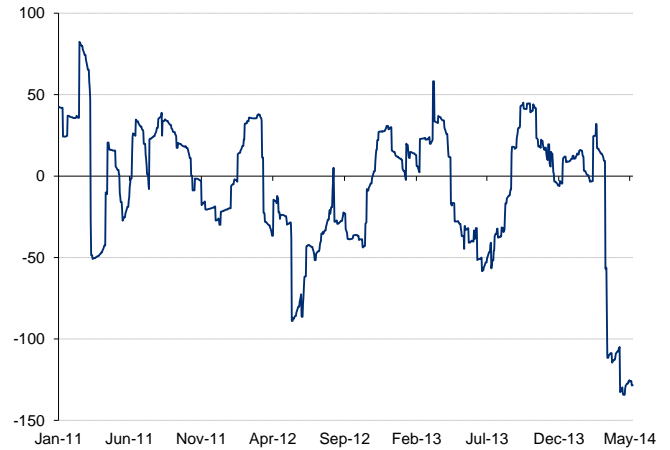
Citi Economic Surprise Indices (CESI)*

Figure 9. Citi Economic Surprise Index - US



Source: Bloomberg, Citi Research

Figure 10. Citi Economic Surprise Index - China



Source: Bloomberg, Citi Research

Figure 11. Citi Economic Surprise Index – Euro Area



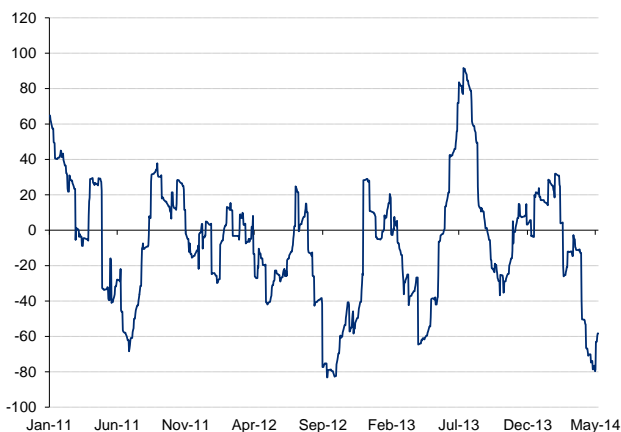
Source: Bloomberg, Citi Research

Figure 12. Citi Economic Surprise Index – Emerging Markets



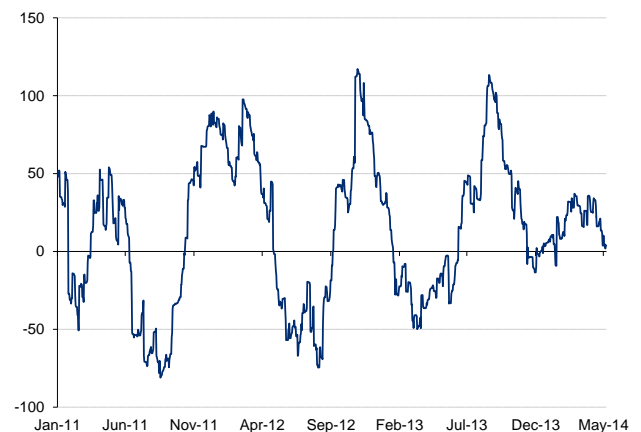
Source: Bloomberg, Citi Research

Figure 13. Citi Economic Surprise Index - Japan



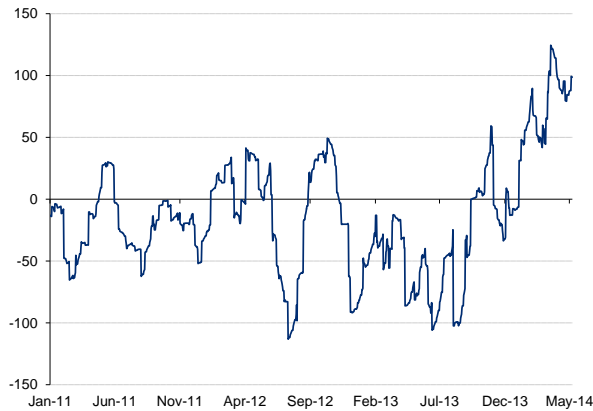
Source: Bloomberg, Citi Research

Figure 14. Citi Economic Surprise Index - UK



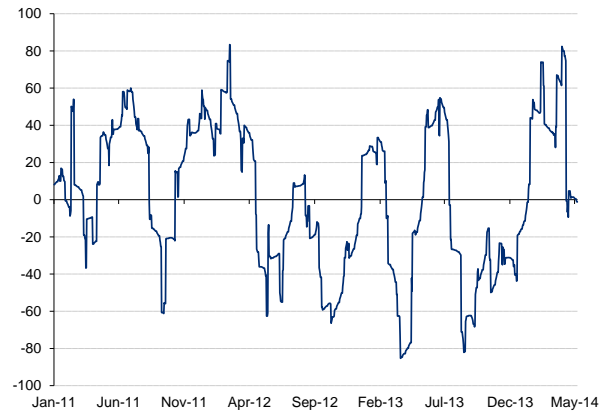
Source: Bloomberg, Citi Research

Figure 15. Citi Economic Surprise Index - Brazil



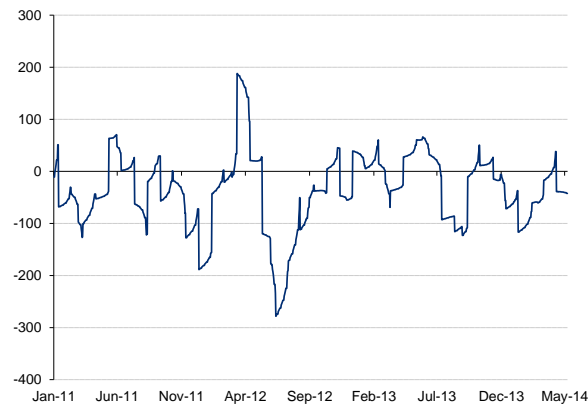
Source: Bloomberg, Citi Research

Figure 16. Citi Economic Surprise Index - Russia



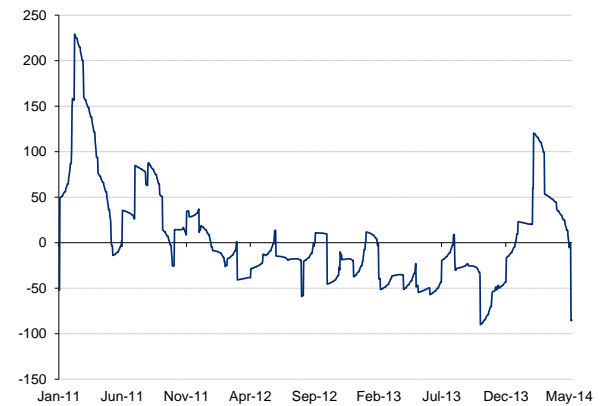
Source: Bloomberg, Citi Research

Figure 17. Citi Economic Surprise Index - India



Source: Bloomberg, Citi Research

Figure 18. Citi Economic Surprise Index - Indonesia



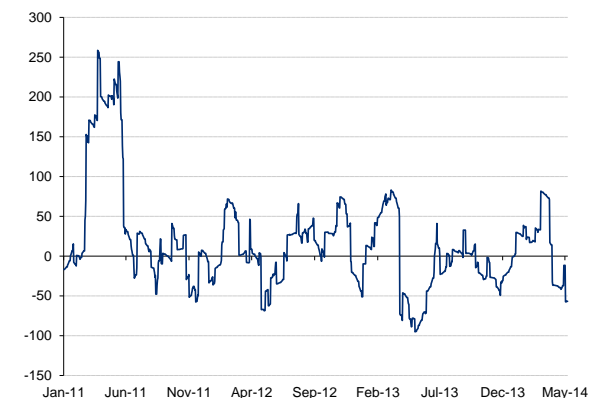
Source: Bloomberg, Citi Research

Figure 19. Citi Economic Surprise Index - Australia



Source: Bloomberg, Citi Research

Figure 20. Citi Economic Surprise Index - HK

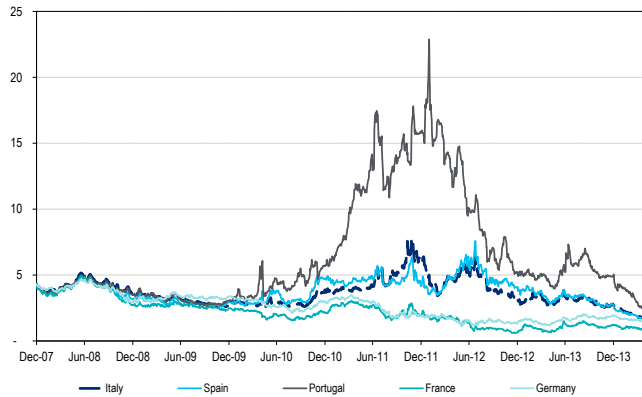


Source: Bloomberg, Citi Research

* Note: The Citi Economic Surprise Indices are objective and quantitative measures of economic news. They are defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance beating consensus. The indices are calculated daily in a rolling three-month window. The weights of economic indicators are derived from relative high-frequency spot FX impacts of 1 standard deviation data surprises. The indices also employ a time decay function to replicate the limited memory of markets.

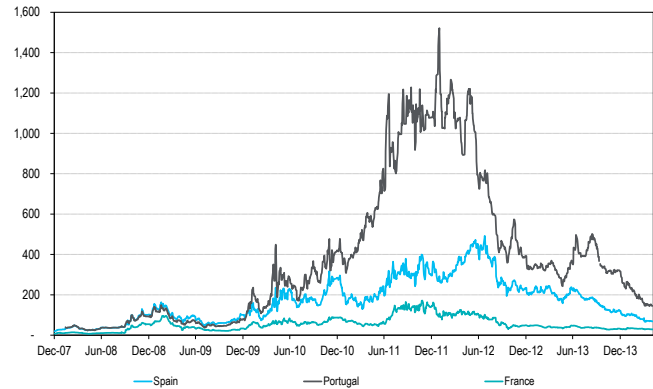
Key Bank Funding Indicators

Figure 21. European Sovereign Cash Bond Yield (Senior 5Y)



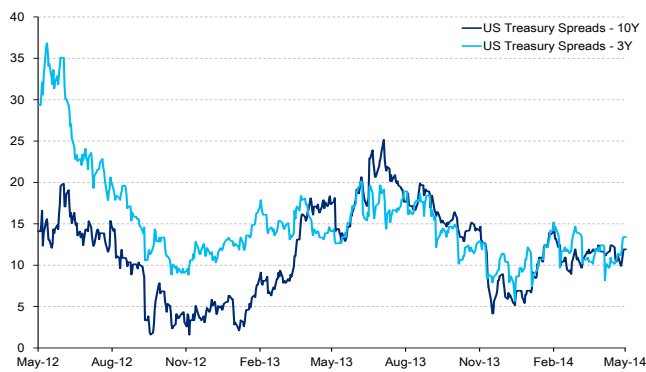
Source: Bloomberg

Figure 22. European Sovereign CDS (Senior 5Y)



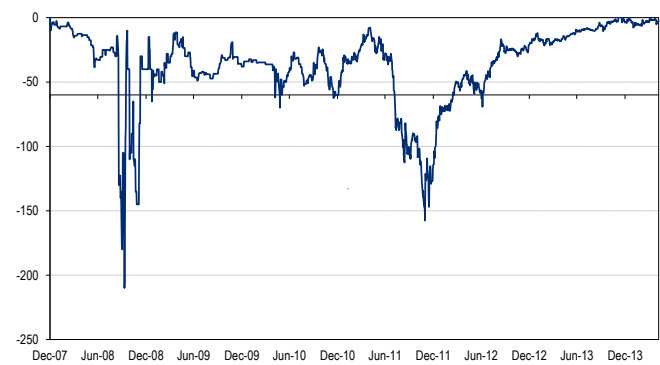
Source: Bloomberg

Figure 23. US Treasury Spreads



Source: Datastream; Note: Spreads over effective Fed funds target rate

Figure 24. 3M Eur/US Basis Swap



Source: Bloomberg

Figure 25. 10Y US Swap Spread



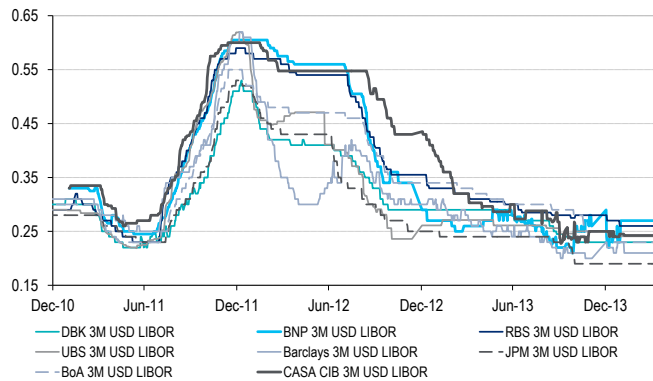
Source: Bloomberg

Figure 26. 10Y Euro Swap Spread



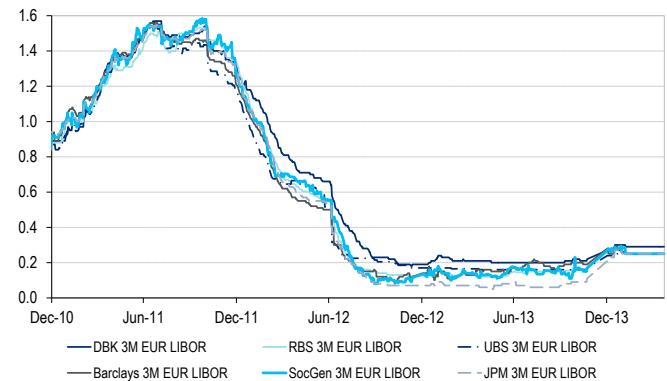
Source: Bloomberg

Figure 27. 3M USD Libor Rates



Source: Bloomberg, Citi Research

Figure 28. 3M EUR Libor Rates



Source: Bloomberg, Citi Research

Figure 29. US 3m FRA – OIS Spread



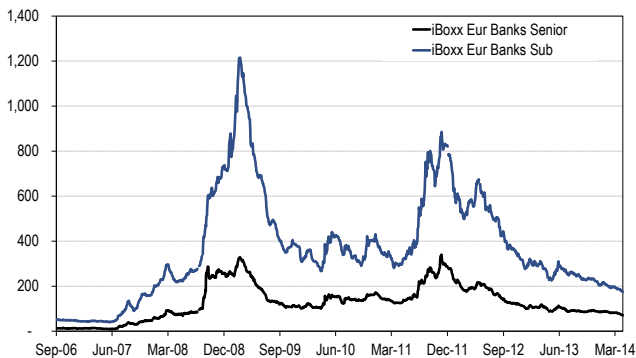
Source: Bloomberg

Figure 30. EUR 3m FRA – OIS Spread



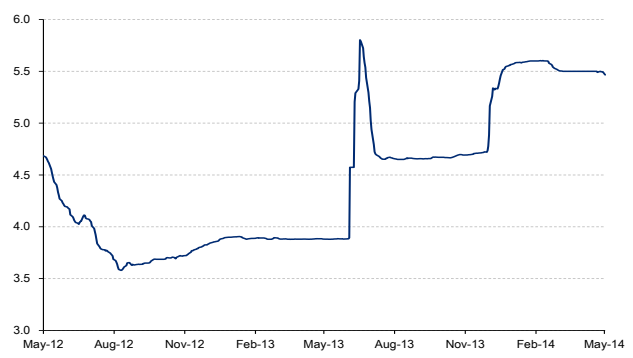
Source: Bloomberg

Figure 31. iBoxx Europe Banks Indices



Source: Markit

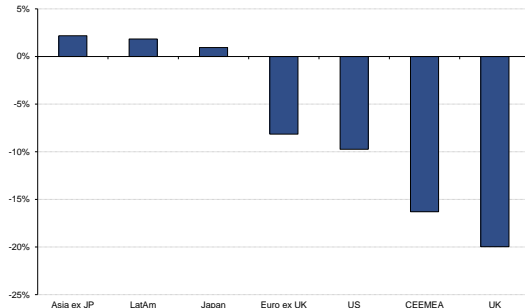
Figure 32. 3M Shanghai Interbank Rate (SHIBOR)



Source: Datastream

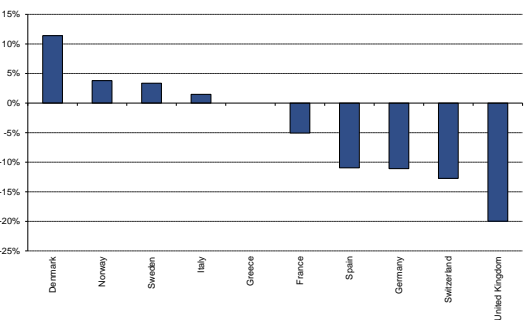
Global Estimates Revisions Summary

Figure 33. Citi 2014E Revisions -3M - Global



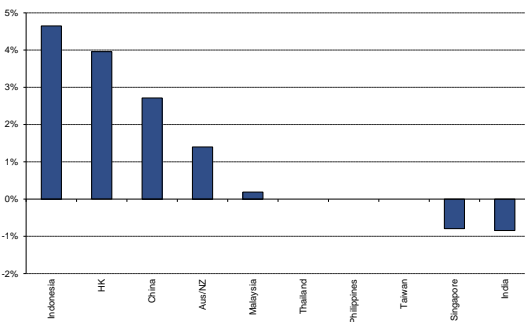
Source: Citi Research

Figure 35. Citi 2014E Revisions -3M - Europe



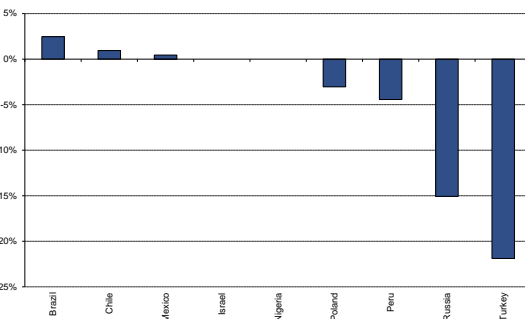
Source: Citi Research

Figure 37. Citi 2014E Revisions -3M - Asia



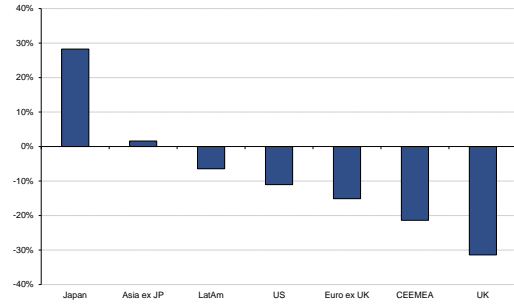
Source: Citi Research

Figure 39. Citi 2014E Revisions -3M - LatAm + CEEMEA



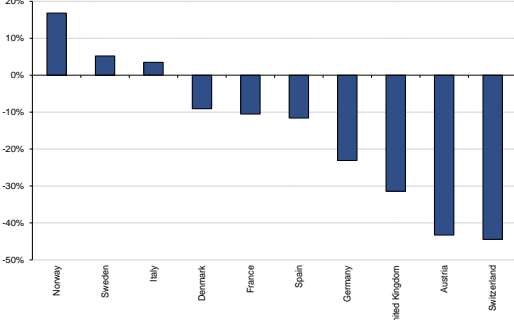
Source: Citi Research

Figure 34. Citi 2014E Revisions LTM - Global



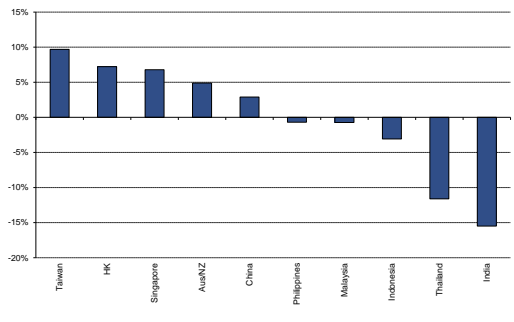
Source: Citi Research

Figure 36. Citi 2014E Revisions LTM - Europe



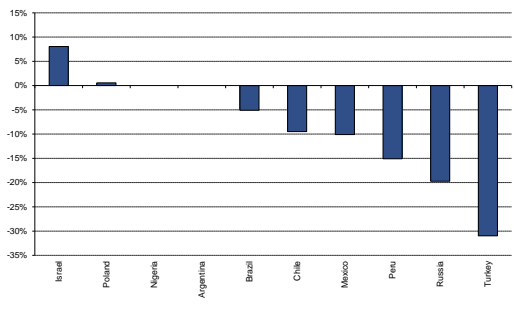
Source: Citi Research

Figure 38. Citi 2014E Revisions LTM - Asia



Source: Citi Research

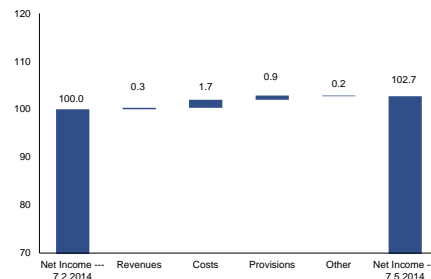
Figure 40. Citi 2014E Revisions LTM - LatAm + CEEMEA



Source: Citi Research

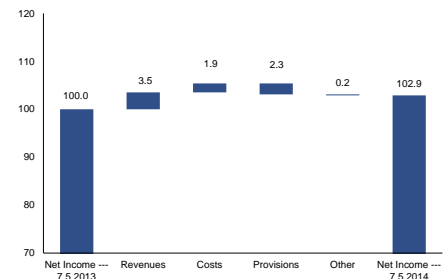
Asia:

Figure 41. China – 3M '14 Estimates Change



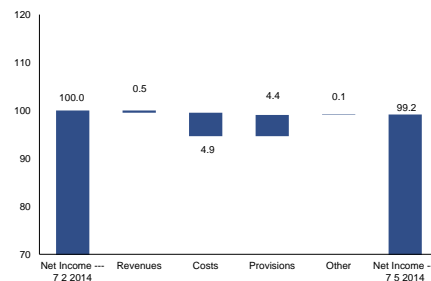
Source: Citi Research

Figure 42. China – LTM '14 Estimates Change



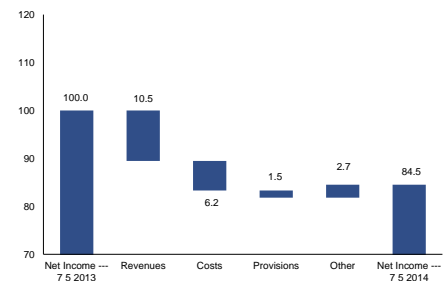
Source: Citi Research

Figure 43. India – 3M '14 Estimates Change



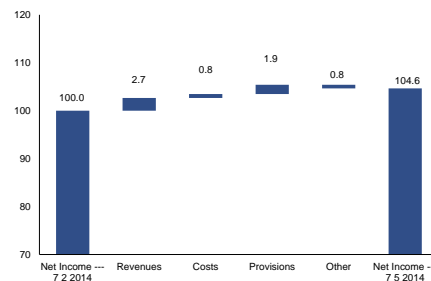
Source: Citi Research

Figure 44. India – LTM '14 Estimates Change



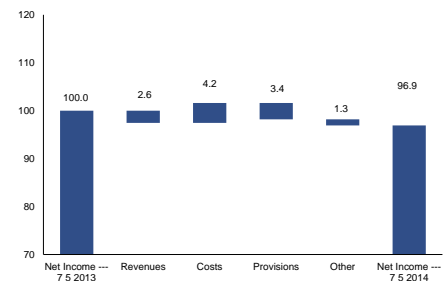
Source: Citi Research

Figure 45. Indonesia – 3M '14 Estimates Chg



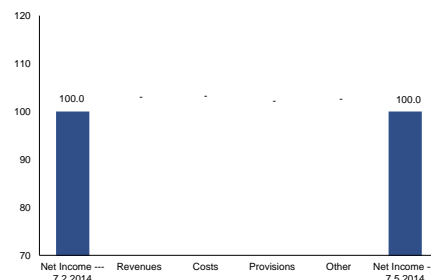
Source: Citi Research

Figure 46. Indonesia – LTM '14 Estimates Chg



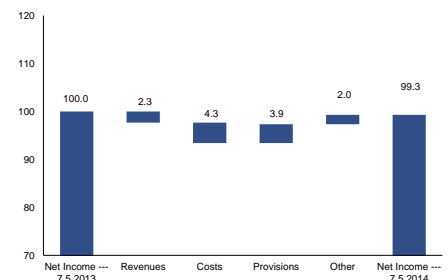
Source: Citi Research

Figure 47. Phils – 3M '14 Estimates Chg



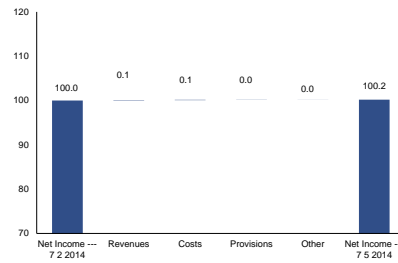
Source: Citi Research

Figure 48. Phils– LTM '14 Estimates Chg



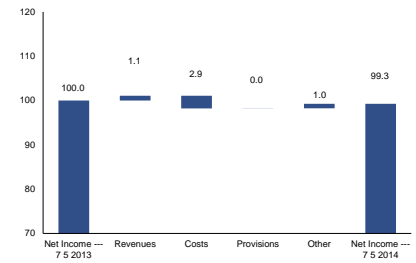
Source: Citi Research

Figure 49. Malaysia – -3M '14 Estimates Chg



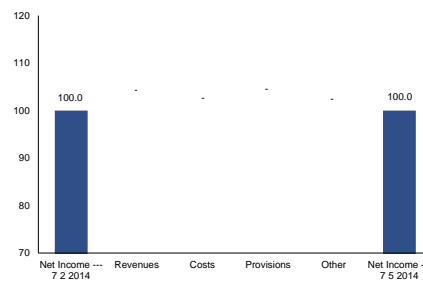
Source: Citi Research

Figure 50. Malaysia – LTM '14 Estimates Chg



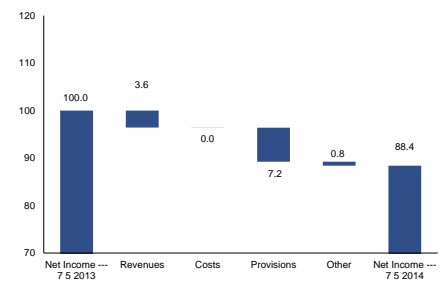
Source: Citi Research

Figure 51. Thai. – -3M '14 Estimates Change



Source: Citi Research

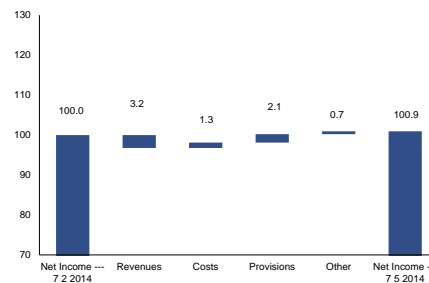
Figure 52. Thai. – LTM '14 Estimates Change



Source: Citi Research

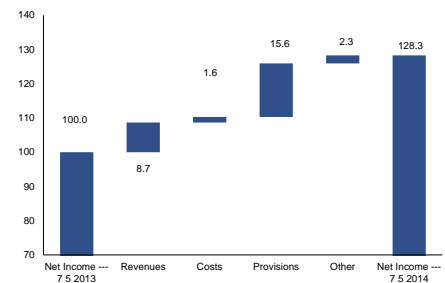
Japan:

Figure 53. Japan – -3M '14 Estimates Change



Source: Citi Research

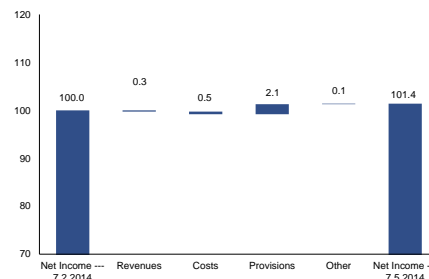
Figure 54. Japan – LTM '14 Estimates Change



Source: Citi Research

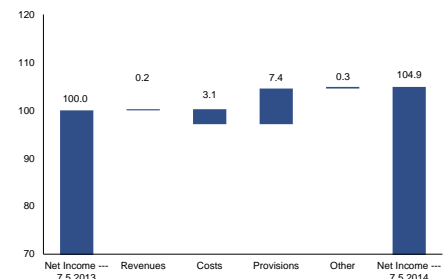
Australia / New Zealand:

Figure 55. AU/NZ – -3M '14 Estimates Change



Source: Citi Research

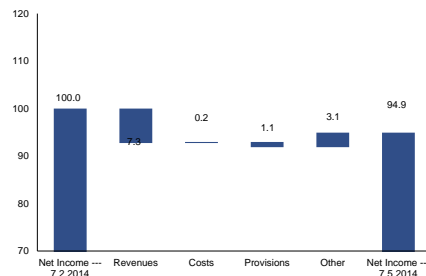
Figure 56. AU/NZ – LTM '14 Estimates Change



Source: Citi Research

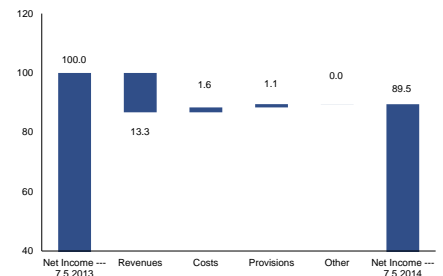
Europe:

Figure 57. France – -3M '14 Estimates Chg



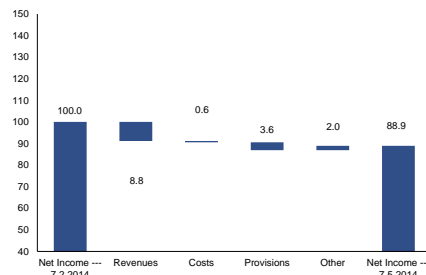
Source: Citi Research

Figure 58. France – LTM '14 Estimates Chg



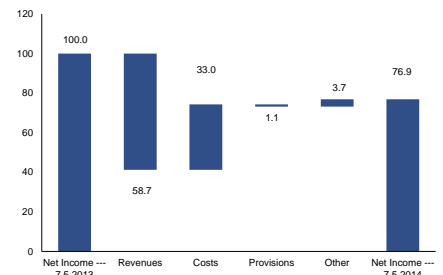
Source: Citi Research

Figure 59. Germany – -3M '14 Estimates Chg



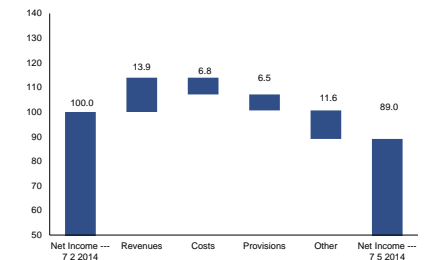
Source: Citi Research

Figure 60. Germany – LTM '14 Estimates Chg



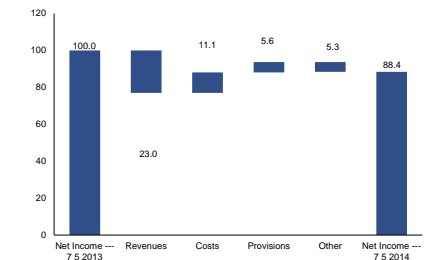
Source: Citi Research

Figure 61. Iberia – -3M '14 Estimates Change



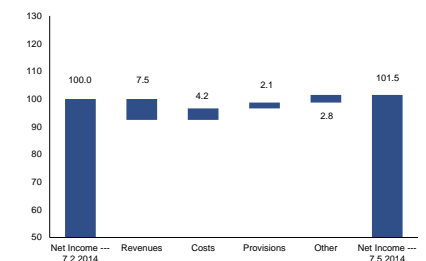
Source: Citi Research

Figure 62. Iberia – LTM '14 Estimates Change



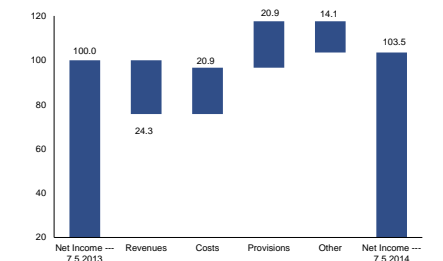
Source: Citi Research

Figure 63. Italy – -3M '14 Estimates Change



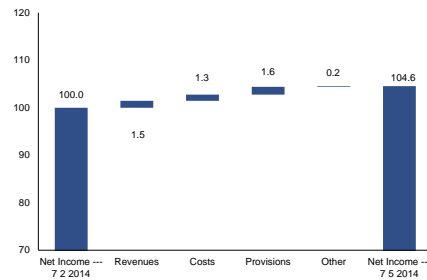
Source: Citi Research

Figure 64. Italy – LTM '14 Estimates Change



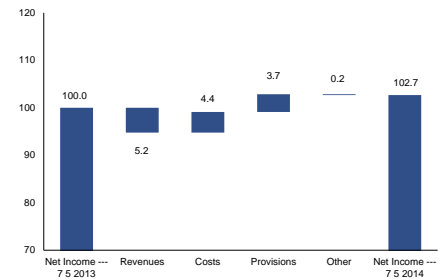
Source: Citi Research

Figure 65. Nordics – -3M '14 Estimates Chg



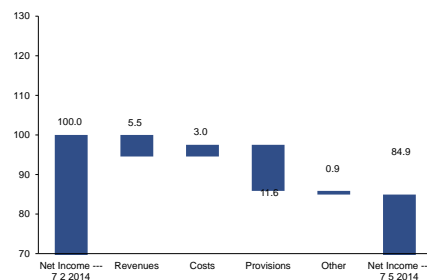
Source: Citi Research

Figure 66. Nordics – '14 LTM Estimates Chg



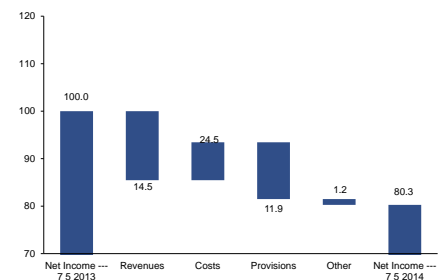
Source: Citi Research

Figure 67. Russia – -3M '14 Estimates Chg



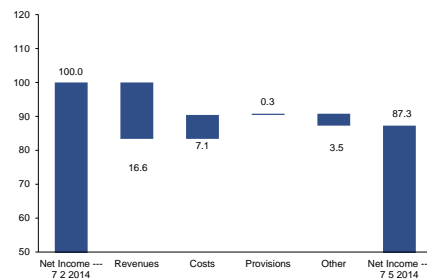
Source: Citi Research

Figure 68. Russia – LTM '14 Estimates Chg



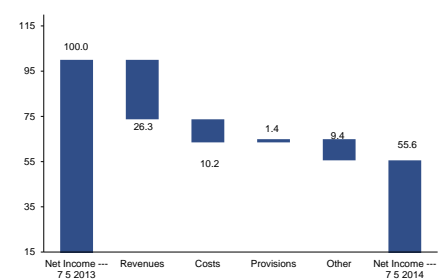
Source: Citi Research

Figure 69. Switz. – -3M '14 Estimates Chg



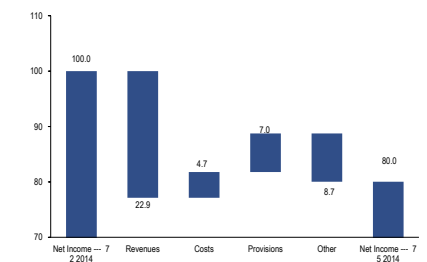
Source: Citi Research

Figure 70. Switz. – LTM '14 Estimates Chg



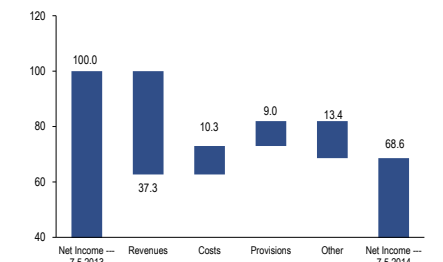
Source: Citi Research

Figure 71. UK – -3M '14 Estimates Chg



Source: Citi Research

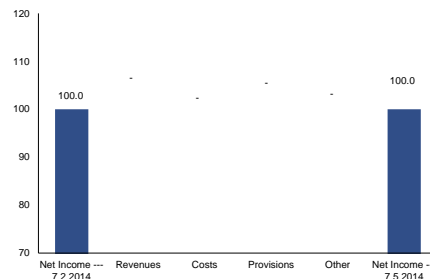
Figure 72. UK – LTM '14 Estimates Chg



Source: Citi Research

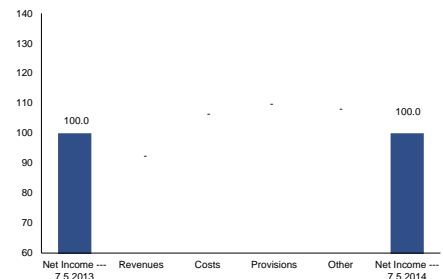
MENA/Africa:

Figure 73. Nigeria – -3M '14 Estimates Chg



Source: Citi Research

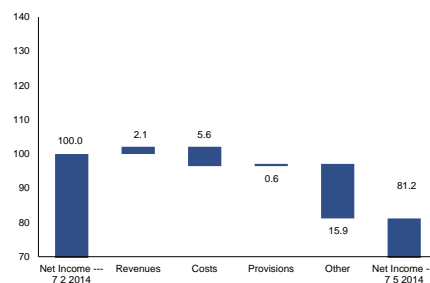
Figure 74. Nigeria – LTM '14 Estimates Chg



Source: Citi Research

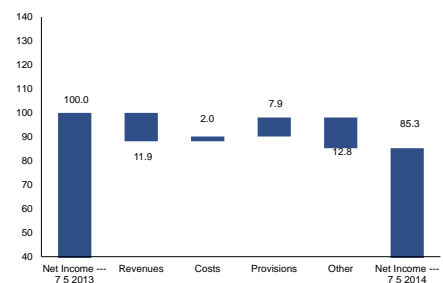
United States:

Figure 75. US (Money Centres) – -3M '14 Estimates Change



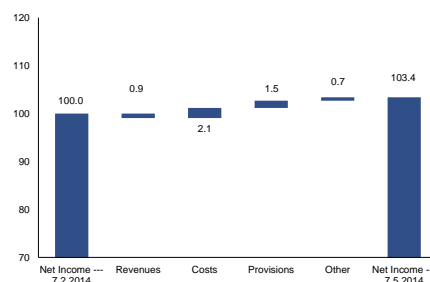
Source: Citi Research; Money Centres includes BAC, JPM, GS and MS

Figure 76. US (Money Centres) – LTM '14 Estimates Change



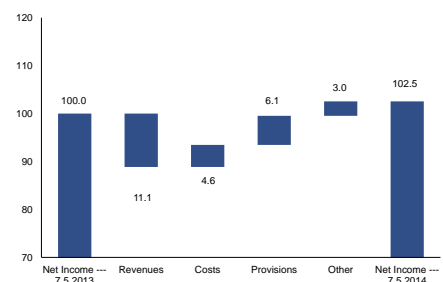
Source: Citi Research; Money Centres includes BAC, JPM, GS and MS

Figure 77. US (Regionals) – -3M '14 Estimates Change



Source: Citi Research

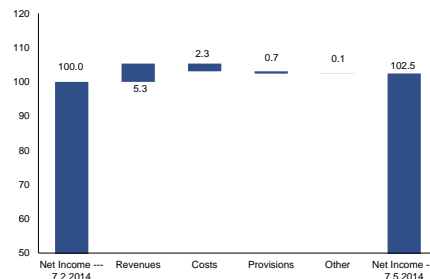
Figure 78. US (Regionals) – LTM '14 Estimates Change



Source: Citi Research

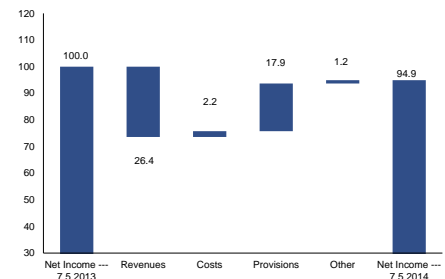
LatAm:

Figure 79. Brazil – -3M '14 Estimates Chg



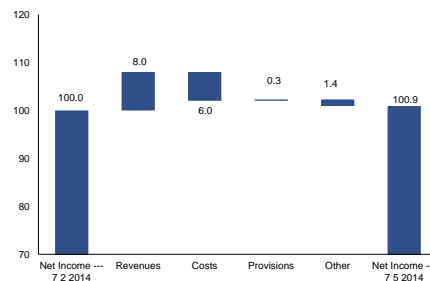
Source: Citi Research

Figure 80. Brazil – LTM '14 Estimates Chg



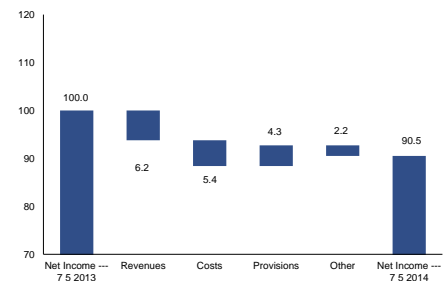
Source: Citi Research

Figure 81. Chile – -3M '14 Estimates Change



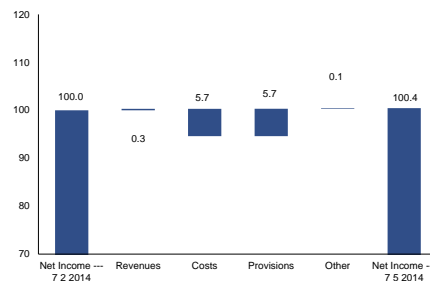
Source: Citi Research

Figure 82. Chile – LTM '14 Estimates Change



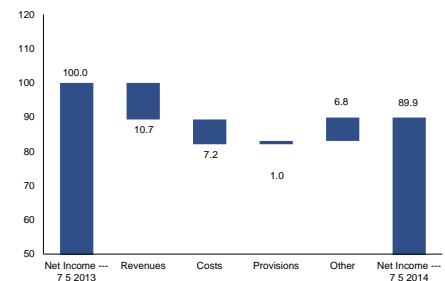
Source: Citi Research

Figure 83. Mexico – -3M '14 Estimates Chg



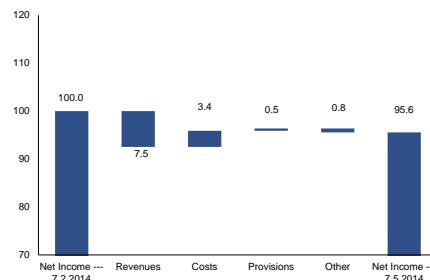
Source: Citi Research

Figure 84. Mexico – LTM '14 Estimates Chg



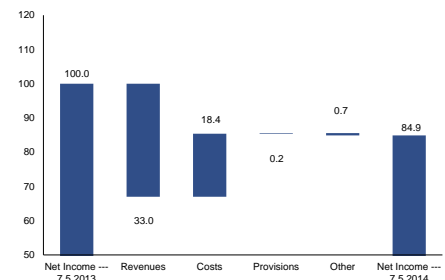
Source: Citi Research

Figure 85. Peru – -3M '14 Estimates Change



Source: Citi Research

Figure 86. Peru – LTM '14 Estimates Change



Source: Citi Research

Global Banks Valuations

Figure 87. Global Valuation Table – Europe, 8 May 2014

		M Cap		Share Price			Adj P/E			P/B '14E	P/B '15E	ROE '14E	ROE '15E	Div Yield
Bank	Rec	(\$bn)		Now	Target	+/-%	2014E	2015E	2016E					2014E
EUROPE														
Benelux		80				+18%	11.3x	9.2x	8.3x	1.5x	1.5x	4%	5%	1.4%
KBC	Buy	26	E	44.2	50.0	+13%	11.3x	9.2x	8.3x	1.5x	1.5x	14%	16%	4.5%
CEE/Austria		104				+6%	14.6x	11.0x	9.7x	1.3x	1.2x	9%	12%	4.3%
Bank Millennium	Sell	3	Zl	8.5	5.6	-34%	16.7x	15.3x	14.3x	1.8x	1.7x	11%	11%	3.0%
Alior Bank	Sell / H	2	Zl	79	88	+11%	16.2x	12.9x	10.7x	1.9x	1.7x	13%	14%	0.0%
Bank of Georgia	Buy	2	p	2675	2670	-0%	10.9x	9.3x	8.1x	2.1x	1.8x	20%	21%	2.7%
Bank Pekao	Buy	16	Zl	185	200	+8%	16.7x	14.7x	13.4x	2.1x	2.0x	12%	14%	5.9%
Erste Bank	Neutral	14	E	24.0	26.0	+8%	20.0x	9.6x	7.8x	0.9x	0.8x	5%	9%	3.3%
Halyk Bank	Buy	3	¢	939	1010	+8%	7.6x	7.3x	6.2x	1.1x	1.0x	16%	16%	3.1%
ING Bank Slaski	Sell	6	Zl	129	122	-6%	16.5x	14.5x	12.5x	1.9x	1.8x	12%	13%	4.5%
Kazkommertsbank	Neutral / H	1	¢	249	180	-28%	6.4x	4.5x	4.3x	0.6x	0.5x	8%	12%	0.0%
Komercni Banka	Neutral	9	Kc	4620	4880	+6%	14.0x	13.6x	12.6x	1.8x	1.7x	13%	13%	5.2%
mBank	Sell	7	Zl	481	505	+5%	15.3x	13.4x	11.5x	1.9x	1.8x	13%	14%	4.9%
OTP Bank	Buy	6	Ft	4315	4730	+10%	8.3x	7.5x	6.5x	0.7x	0.7x	9%	9%	4.6%
PKO BP	Neutral	17	Zl	40.3	45.0	+12%	15.3x	11.8x	10.9x	1.8x	1.7x	12%	15%	3.3%
Raiffeisen Bank Intl	Neutral	9	E	21.7	24.5	+13%	14.0x	7.1x	6.1x	0.6x	0.6x	5%	8%	4.4%
France		199				+28%	10.5x	8.6x	7.6x	0.7x	0.7x	7%	8%	4.0%
BNP Paribas	Buy	90	E	51.8	68	+31%	10.8x	9.1x	7.6x	0.8x	0.7x	7%	8%	4.2%
Credit Agricole	Buy	39	E	11.1	15.0	+35%	9.2x	7.6x	7.0x	0.7x	0.6x	7%	8%	3.8%
Natixis	Neutral	22	E	5.0	4.6	-9%	13.2x	12.2x	11.3x	0.9x	0.9x	7%	7%	3.8%
Societe Generale	Buy	49	E	43.9	59	+34%	10.1x	7.6x	6.8x	0.7x	0.7x	7%	9%	4.0%
Germany		63				+33%	7.4x	5.7x	5.1x	0.5x	0.5x	5%	8%	1.7%
Commerzbank	Neutral / H	20	E	12.6	13.0	+3%	20.0x	12.2x	8.8x	0.5x	0.5x	3%	4%	0.0%
Deutsche Bank	Buy	43	E	31	45	+47%	5.7x	4.6x	4.2x	0.6x	0.5x	6%	9%	2.5%
Greece/Cyprus		37					<0	37.7x	11.7x	1.2x	1.2x	NM	3%	0.0%
Alpha Bank	Neutral	12	E	.7	na		<0	nm	12.7x	1.3x	1.3x	NM	1%	0.0%
NBG	Neutral	9	E	2.8	na		nm	12.6x	8.4x	1.2x	1.1x	NM	9%	0.0%
Piraeus Bank	Neutral	15	E	1.8	na		<0	nm	14.2x	1.2x	1.2x	NM	1%	0.0%
Iberia		292				+1%	18.4x	12.8x	10.5x	1.1x	1.1x	6%	9%	4.6%
Banco BPI	Neutral / H	4	E	1.8	1.6	-13%	13.7x	10.4x	8.6x	1.2x	1.1x	9%	11%	0.0%
Banco Espirito	Buy / H	7	E	1.32	1.75	+33%	nm	9.0x	7.1x	0.9x	0.8x	1%	9%	0.0%
Banco Popular	Sell	15	E	5.2	4.6	-12%	23.5x	13.3x	10.9x	1.0x	1.0x	4%	7%	1.5%
Banco Santander	Neutral	117	E	7.1	6.8	-4%	14.8x	12.5x	11.2x	1.1x	1.1x	8%	9%	7.0%
Bankia	Buy	23	E	1.4	1.7	+17%	18.3x	13.4x	11.2x	1.4x	1.3x	8%	10%	1.4%
Bankinter	Neutral	7	E	5.4	5.8	+7%	16.9x	13.8x	11.3x	1.4x	1.4x	8%	10%	1.5%
BBVA	Neutral	72	E	8.8	9.0	+2%	20.0x	12.8x	9.8x	1.2x	1.1x	6%	9%	4.2%
Bco de Sabadell	Sell	14	E	2.5	1.9	-25%	31.1x	17.0x	11.8x	1.0x	1.0x	3%	6%	1.2%
CaixaBank	Buy	33	E	4.4	5.1	+16%	26.7x	13.5x	9.7x	1.0x	1.0x	4%	7%	4.6%
Israel		15				+4%	10.2x	9.3x	8.2x	0.7x	0.7x	7%	8%	0.7%
Bank Hapoalim	Neutral	8	NIS	19.6	19.2	-2%	10.5x	10.2x	9.5x	0.9x	0.8x	8%	8%	1.5%
Bank Leumi	Neutral	6	NIS	13.5	14.6	+8%	9.9x	8.8x	7.6x	0.7x	0.6x	7%	8%	0.0%
Israel Discount	Neutral	2	NIS	6.2	7.4	+19%	10.2x	8.0x	6.2x	0.5x	0.5x	5%	6%	0.0%

Source: Powered by dataCentral

Figure 88. Global Valuation Table – Europe (cont.), 8 May 2014

		M Cap	Share Price				Adj P/E			P/B '14E	P/B '15E	ROE '14E	ROE '15E	Div Yield
Bank	Rec	(\$bn)		Now	Target	+/-%	2014E	2015E	2016E					2014E
Italy		139				+6%	19.4x	13.2x	10.1x	0.7x	0.7x	3%	5%	2.1%
Banco Popolare	Neutral	7	E	14.1	na		15.2x	10.9x	8.3x	0.4x	0.4x	4%	4%	1.4%
BP Milano	Sell	4	E	.64	.5	-15%	19.4x	14.7x	9.5x	0.6x	0.6x	3%	4%	0.0%
Intesa Sanpaolo	Neutral	56	E	2.4	2.5	+2%	18.5x	13.1x	10.8x	0.9x	0.8x	4%	6%	2.7%
Mediobanca	Buy / H	9	E	7.6	8.0	+5%	11.0x	9.7x		0.8x	0.8x	8%	8%	1.8%
Monte dei Paschi	Neutral / H	4	E	24.5	24.0	-2%	<0	30.8x	16.9x	0.7x	0.7x	-4%	2%	0.0%
UBI Banca	Neutral / H	8	E	6.7	5.8	-13%	26.1x	19.6x	15.1x	0.6x	0.6x	2%	3%	1.7%
UniCredit	Buy	51	E	6.3	7.3	+16%	19.7x	13.0x	8.9x	0.8x	0.7x	3%	5%	1.9%
Nordics		206				+9%	11.1x	10.5x	9.8x	1.3x	1.2x	12%	12%	4.8%
Danske Bank	Buy	29	Dkr	153	175	+14%	12.0x	10.2x	9.2x	1.0x	0.9x	8%	9%	2.6%
DnB	Buy	29	NKr	104	120	+15%	8.7x	8.3x	7.8x	1.1x	1.0x	13%	12%	3.4%
Nordea	Buy	57	SKr	92	101	+10%	10.6x	10.5x	9.9x	1.3x	1.2x	13%	12%	5.4%
SE Banken AB	Buy	30	SKr	89	100	+13%	12.0x	11.2x	10.4x	1.5x	1.4x	13%	13%	5.1%
SHB	Neutral	32	SKr	324	320	-1%	13.7x	13.0x	12.2x	1.8x	1.7x	13%	13%	5.1%
Swedbank	Neutral	30	SKr	170	180	+6%	11.5x	10.9x	10.3x	1.6x	1.6x	15%	15%	6.5%
Russia		65				+49%	5.0x	4.0x	3.4x	0.7x	0.6x	14%	16%	3.7%
Bank St Petersburg	Buy	0	Rbl	31	49.0	+61%	3.1x	2.8x	2.2x	0.3x	0.2x	9%	9%	0.4%
Bank Vozrozhdenie	Buy	0	Rbl	391	464	+19%	6.0x	4.1x	3.0x	0.4x	0.4x	7%	9%	0.1%
Bank VTB	Buy	14	¢	220	250	+14%	8.1x	5.3x	4.0x	0.5x	0.5x	7%	10%	2.0%
Sberbank	Buy	47	Rbl	74	120	+62%	4.4x	3.7x	3.3x	0.7x	0.6x	18%	18%	4.5%
Switzerland		145				+21%	12.8x	9.5x	8.3x	1.2x	1.2x	6%	11%	2.7%
Credit Suisse	Buy	50	SFr	27.2	34.0	+25%	11.4x	7.8x	7.1x	1.0x	0.9x	7%	11%	2.8%
EFG Internatnl	Neutral	2	SFr	10.6	14.0	+33%	11.2x	9.2x	7.5x	1.3x	1.2x	12%	13%	3.8%
Julius Baer	Neutral	10	SFr	40.9	45.0	+10%	15.0x	11.9x	10.2x	2.1x	1.9x	-7%	13%	1.7%
UBS	Buy	81	SFr	18.3	22.0	+20%	13.6x	10.6x	9.0x	1.4x	1.3x	6%	11%	2.7%
Vontobel	Neutral	2	SFr	33.5	32.0	-4%	13.9x	11.7x	9.9x	1.3x	1.2x	9%	10%	4.2%
Turkey		52				-7%	9.9x	6.9x	5.7x	1.1x	0.9x	10%	14%	2.2%
Bank Asya	Buy	1	TL	1.7	1.9	+15%	4.5x	5.0x	3.5x	0.5x	0.5x	12%	10%	0.0%
Garanti	Buy	16	TL	8.1	7.4	-8%	11.9x	7.7x	6.4x	1.4x	1.2x	11%	15%	2.1%
Halkbank	Buy	9	TL	14.7	14.3	-3%	8.8x	6.9x	5.8x	1.2x	1.0x	14%	15%	2.7%
Isbank	Buy	11	TL	5.2	4.9	-5%	8.5x	6.5x	5.6x	0.9x	0.8x	11%	13%	3.0%
Vakifbank	Buy	6	TL	4.6	3.9	-15%	10.0x	6.3x	5.1x	0.8x	0.7x	8%	12%	1.3%
Yapi Kredi	Buy	9	TL	4.4	4.1	-9%	11.5x	6.7x	5.6x	1.0x	0.9x	8%	13%	1.6%
UK/Ireland		487				+12%	10.8x	9.7x	8.8x	1.0x	0.9x	6%	8%	3.2%
Bank of Ireland	Sell / H	12	E	.3	.2	-45%	26.1x	13.6x	10.4x	1.3x	1.2x	5%	9%	0.0%
Barclays	Buy	68	p	245	345	+41%	8.5x	6.8x	6.0x	0.7x	0.7x	6%	9%	3.5%
HSBC	Neutral	196	p	604	685	+13%	12.1x	10.7x	9.7x	1.1x	1.0x	9%	10%	4.8%
Lloyds Banking Grp	Neutral	95	p	79	83	+6%	10.2x	10.3x	9.9x	1.4x	1.2x	5%	11%	1.9%
RBS	Sell / H	63	p	325	300	-8%	12.8x	12.5x	11.1x	0.7x	0.7x	0%	2%	0.0%
Standard Chartered	Buy	53	p	1281	1550	+21%	10.6x	9.6x	8.8x	1.1x	1.0x	11%	11%	3.9%
EUROPE		1884				+13%	12.0x	9.5x	8.2x	1.0x	0.9x	7%	9%	3.4%

Source: Powered by dataCentral; *Additional listings: HSBC Holdings Plc (0005.HK; HK\$85.20; 1); Standard Chartered Plc (2888.HK; HK\$177.70; 1)

Figure 89. Global Valuation Table – North America, 8 May 2014

Bank	Rec	M Cap (\$bn)	Share Price			Adj P/E			P/B '14E P/B '15E		ROE '14E	ROE '15E	Div Yield
			Now	Target	+/-%	2014E	2015E	2016E					2014E
USA		1126			+18%	12.9x	11.0x	9.9x	1.2x	1.1x	+10%	10%	2.2%
Bank of America Corp	Buy	156	\$ 14.8	19	+28%	18.5x	9.9x	8.7x	0.7x	0.6x	4%	7%	1.1%
BB&T	Buy	27	\$ 37	46	+23%	12.4x	11.8x	10.8x	1.2x	1.1x	10%	10%	2.6%
Bank of New York Mellon Corp	Buy	39	\$ 34	40	+17%	14.6x	12.7x	10.4x	1.0x	1.0x	7%	8%	1.9%
Capital One Financial Corp.	Buy	44	\$ 76	87	+14%	10.9x	10.7x	10.0x	1.0x	0.9x	9%	9%	1.6%
Comerica Inc	Buy	9	\$ 48	53	+11%	15.4x	14.5x	12.4x	1.2x	1.1x	8%	8%	1.7%
Fifth Third Bancorp	Neutral	18	\$ 21	25	+21%	12.2x	11.2x	10.1x	1.2x	1.2x	10%	10%	2.5%
First Horizon National Corp	Neutral	3	\$ 11	12	+6%	15.1x	13.3x	12.6x	1.3x	1.2x	8%	9%	1.8%
First Niagara Financial Group Inc	Neutral	3	\$ 8.6	9	+5%	11.8x	11.8x	9.9x	0.6x	0.6x	5%	5%	0.0%
Goldman Sachs Group, Inc.	Neutral	70	\$ 156	195	+25%	10.0x	9.3x	8.4x	1.0x	1.0x	10%	11%	1.4%
Huntington Bancshares Inc	Neutral	8	\$ 9	10	+4%	12.5x	12.2x	10.8x	1.3x	1.2x	10%	10%	2.3%
JP Morgan Chase & Co	Buy	205	\$ 54	68	+26%	10.8x	9.7x	8.6x	1.0x	0.9x	9%	10%	2.9%
Keycorp	Neutral	12	\$ 14	14	+3%	13.0x	11.8x	10.9x	1.1x	1.1x	9%	9%	1.8%
M&T Bank Corp	Neutral	16	\$ 121	130	+8%	16.0x	13.6x	11.7x	1.4x	1.3x	9%	10%	2.3%
Morgan Stanley	Neutral	59	\$ 30	35	+18%	11.9x	10.4x	9.4x	0.9x	0.8x	8%	8%	1.2%
Northern Trust Corp	Neutral	14	\$ 61	66	+9%	17.8x	15.2x	13.0x	1.7x	1.7x	10%	11%	2.1%
PNC Financial Services Group Inc	Neutral	45	\$ 84	94	+12%	11.6x	11.7x	10.6x	1.1x	1.0x	10%	9%	2.2%
Regions Financial Corp	Neutral	14	\$ 10	11	+7%	12.1x	11.4x	10.3x	0.9x	0.8x	8%	7%	1.8%
State Street Corp	Buy	28	\$ 64	89	+39%	13.1x	11.5x	9.4x	1.3x	1.2x	11%	12%	1.8%
SunTrust Banks	Neutral	20	\$ 38	39	+2%	12.7x	12.1x	10.6x	0.9x	0.9x	7%	7%	1.8%
US Bancorp	Neutral	74	\$ 40	46	+14%	13.3x	12.6x	11.2x	1.9x	1.7x	15%	14%	2.4%
Wells Fargo & Co	Neutral	260	\$ 49	53	+7%	11.8x	11.6x	11.0x	1.5x	1.4x	14%	13%	2.7%
Zions Bancorp	Neutral	5	\$ 29	32	+11%	17.4x	15.1x	12.5x	0.9x	0.9x	6%	6%	0.9%
Canada		339			+3%	12.6x	11.6x	10.7x	2.0x	1.9x	17%	17%	3.8%
Royal Bank of Canada	Neutral	97	\$ 73	77	+5%	12.6x	11.5x	10.7x	2.4x	2.2x	19%	20%	3.9%
Toronto Dominion	Neutral	88	\$ 52	52	-0%	13.3x	12.2x	11.2x	1.9x	1.8x	15%	15%	3.5%
Scotiabank	Neutral	74	\$ 67	66	-1%	12.8x	11.6x	10.7x	1.9x	1.8x	15%	16%	3.9%
Bank of Montreal	Buy	44	\$ 75	80	+7%	11.7x	10.9x	9.8x	1.6x	1.5x	15%	15%	4.0%
CIBC	Buy	36	\$ 97	102	+5%	11.4x	11.0x	10.1x	2.3x	2.1x	21%	20%	4.1%
North America		1465			+14%	12.8x	11.1x	10.1x	1.4x	1.3x	11%	12%	2.5%

Source: Powered by dataCentral

Figure 90. Global Valuation Table – Japan, 8 May 2014

		M Cap	Share Price			Adj P/E			P/B '14E	P/B '15E	ROE '14E	ROE '15E	Div Yield
Bank	Rec	(\$bn)	Now	Target	+/-%	2014E	2015E	2016E					2014E
JAPAN													
Aozora Bank	Buy	3	¥ 303	350	+16%	11.0x	10.6x	10.2x	1.3x	1.2x	8%	8%	4.8%
Bank of Yokohama	Buy	6	¥ 510	700	+37%	11.7x	12.2x	12.1x	0.9x	0.8x	7%	7%	2.2%
Chiba Bank	Buy	5	¥ 628	850	+35%	12.1x	13.2x	12.7x	0.7x	0.7x	6%	5%	1.9%
Sumitomo Mitsui Trust Holdings	Buy	16	¥ 421	580	+38%	12.7x	12.6x	11.0x	0.9x	0.9x	7%	7%	2.4%
Daiwa Securities Group	Buy	13	¥ 754	1200	+59%	7.4x	7.4x	9.0x	1.2x	1.2x	17%	16%	4.0%
Fukuoka Financial Group	Buy	4	¥ 418	550	+32%	6.9x	8.5x	8.5x	0.5x	0.5x	7%	6%	2.9%
Hiroshima Bank	Buy	3	¥ 412	600	+46%	11.7x	12.2x	12.7x	0.7x	0.7x	6%	6%	1.9%
Joyo Bank	Buy	3	¥ 487	700	+44%	15.2x	16.7x	16.6x	0.7x	0.7x	4%	4%	1.7%
Mitsubishi UFJ Financial Group	Buy	76	¥ 548	800	+46%	10.9x	11.9x	11.6x	0.7x	0.6x	6%	5%	2.6%
Mizuho Financial Group	Buy	48	¥ 200	320	+60%	8.4x	9.4x	8.6x	0.8x	0.8x	9%	8%	3.3%
Nomura Holdings	Buy	22	¥ 607	1000	+65%	12.2x	10.6x	8.5x	0.9x	0.9x	8%	8%	2.3%
Resona Holdings	Buy	11	¥ 525	700	+33%	8.2x	10.4x	9.9x	1.2x	1.1x	11%	8%	2.9%
Seven Bank	Sell	4	¥ 375	300	-20%	19.1x	20.5x	18.4x	2.7x	2.3x	15%	12%	2.0%
Shiga Bank	Buy	1	¥ 555	750	+35%	13.7x	21.5x	20.7x	0.7x	0.7x	5%	3%	1.3%
Shinsei Bank	Buy	5	¥ 201	330	+64%	21.5x	20.8x	17.8x	0.8x	0.7x	4%	4%	0.5%
Shizuoka Bank	Buy	6	¥ 947	1200	+27%	14.1x	17.4x	17.5x	0.7x	0.7x	5%	4%	1.6%
Sumitomo Mitsui Financial	Buy	54	¥ 4020	6500	+62%	9.5x	10.5x	9.7x	0.8x	0.7x	8%	7%	3.0%
JAPAN		224			+48%	10.9x	11.6x	10.9x	0.8x	0.8x	8%	7%	2.6%

Source: Powered by dataCentral

Figure 91. Global Valuation Table – Middle East & Africa, 8 May 2014

		M Cap	Share Price			Adj P/E			P/B '14E	P/B '15E	ROE '14E	ROE '15E	Div Yield	
Bank	Rec	(\$bn)	Now	Target	+/-%	2014E	2015E	2016E					2014E	
MIDDLE EAST & AFRICA														
Egypt		5			-33%	9.2x	7.6x	6.6x	2.2x	1.9x	26%	27%	3.3%	
Commercial International Bank	Neutral / H	5	£	37.5	25.3	-33%	9.2x	7.6x	6.6x	2.2x	1.9x	26%	27%	3.3%
Nigeria		4			+27%	6.1x	5.2x	4.3x	1.3x	1.2x	22%	24%	9.0%	
Zenith Bank Plc	Buy	4	₦	22.9	29.0	+27%	6.1x	5.2x	4.3x	1.3x	1.2x	22%	24%	9.0%
MIDDLE EAST & AFRICA		9			-4%	7.7x	6.4x	5.5x	1.8x	1.5x	25%	25%	6.0%	

Source: Powered by dataCentral

Figure 92. Global Valuation Table – Asia, 8 May 2014

Bank	Rec	M Cap (\$bn)	Share Price			Adj P/E			P/B '14E	P/B '15E	ROE '14E	ROE '15E	Div Yield 2014E
			Now	Target	+/-%	2014E	2015E	2015E					
ASIA													
China		788			+34%	4.7x	4.3x	3.8x	0.8x	0.7x	19%	18%	7.2%
Agricultural Bank of China	Buy	135	Rmb 2.6	3.4	+30%	4.7x	4.3x	3.9x	0.9x	0.8x	20%	19%	7.5%
Bank of China	Buy	122	Rmb 2.7	3.4	+24%	4.9x	4.7x	4.1x	0.7x	0.7x	17%	16%	7.5%
Bank of Communications	Neutral	46	Rmb 3.8	4.5	+18%	4.3x	4.1x	3.7x	0.6x	0.6x	15%	14%	7.0%
China CITIC Bank	Neutral	27	Rmb 3.6	3.1	-13%	4.2x	3.8x	3.3x	0.7x	0.6x	17%	17%	5.9%
China Construction Bank	Buy	170	Rmb 4.2	6.3	+48%	4.6x	4.1x	3.6x	0.9x	0.8x	20%	20%	7.7%
China Merchants Bank	Buy	44	Rmb 10.8	15.3	+41%	4.8x	4.3x	3.7x	0.9x	0.8x	20%	19%	6.2%
China Minsheng Banking	Sell	28	Rmb 6.1	5.6	-8%	4.0x	3.5x	3.1x	0.7x	0.6x	21%	20%	5.3%
Industrial & Commercial Bank of China	Buy	208	Rmb 3.7	5.3	+43%	4.8x	4.4x	3.9x	0.9x	0.8x	20%	19%	7.4%
Chongqing Rural Commercial Bank	Buy	4	Rmb 2.7	4.0	+50%	3.8x	3.4x	3.1x	0.6x	0.5x	17%	17%	8.1%
Huishang Bank	Sell	5	Rmb 2.8	2.6	-9%	6.2x	5.7x	5.4x	0.9x	0.8x	15%	14%	3.2%
Hong Kong		74			+21%	12.0x	11.0x	7.9x	1.6x	1.5x	14%	15%	4.6%
Bank of East Asia	Neutral	10	\$ 32.5	33.0	+2%	12.9x	11.9x		1.1x	1.1x	9%	10%	3.6%
Bank of China (Hong Kong)	Buy	30	\$ 22.1	30.0	+36%	9.7x	8.9x	7.9x	1.4x	1.3x	15%	15%	5.2%
Dah Sing Banking	Buy	2	\$ 11.6	13.1	+13%	8.9x	8.2x		0.8x	0.8x	10%	10%	3.1%
Dah Sing Financial	Buy	2	\$ 35.6	47.0	+32%	7.8x	7.2x		0.6x	0.5x	8%	8%	3.7%
Hang Seng Bank	Buy	31	\$ 125	140	+12%	14.4x	13.2x		2.2x	2.0x	16%	16%	4.5%
India		149			+11%	16.7x	14.0x	11.5x	2.6x	2.3x	16%	17%	1.6%
AXIS Bank	Buy	12	Rs 1530	1800	+18%	13.2x	11.3x	9.3x	1.7x	1.5x	16%	16%	1.3%
Bank of Baroda	Buy	6	Rs 807	775	-4%	7.8x	6.9x	6.0x	1.0x	0.9x	13%	13%	2.3%
Canara Bank	Neutral	2	Rs 283	340	+20%	5.0x	4.2x	3.5x	0.5x	0.4x	10%	11%	4.2%
Federal Bank	Buy	1	Rs 91	110	+21%	10.6x	8.2x	6.3x	1.1x	1.0x	11%	13%	2.2%
HDFC Bank	Neutral	29	Rs 716	830	+16%	20.7x	16.6x	13.4x	4.1x	3.4x	21%	22%	1.0%
Housing Development Finance	Neutral	22	Rs 853	1000	+17%	23.2x	19.7x	16.8x	4.7x	4.2x	22%	23%	1.7%
ICICI Bank	Buy	24	Rs 1272	1570	+23%	15.2x	12.8x	10.4x	2.0x	1.8x	14%	15%	1.7%
Indusind Bank	Sell	4	Rs 492	420	-15%	19.8x	16.0x	12.7x	2.9x	2.5x	16%	17%	0.7%
Kotak Mahindra Bank	Neutral	10	Rs 810	870	+7%	23.5x	19.4x	15.7x	3.3x	2.8x	15%	16%	0.1%
State Bank of India	Buy	26	Rs 2077	1930	-7%	14.2x	12.0x	10.2x	1.3x	1.2x	10%	11%	1.7%
Union Bank Of India	Neutral	2	Rs 147	120	-19%	5.4x	5.0x	4.3x	0.5x	0.4x	9%	9%	4.7%
Yes Bank	Neutral	3	Rs 436	480	+10%	10.1x	8.0x	6.5x	2.2x	1.8x	25%	25%	1.7%
IDFC	Buy	3	Rs 109	135	+24%	8.2x	7.4x	6.4x	1.1x	1.0x	14%	14%	2.5%
Punjab National Bank	Buy	5	Rs 779	845	+8%	6.1x	5.5x	4.6x	0.8x	0.7x	13%	13%	3.8%
Indonesia		78			-11%	12.9x	11.7x	10.3x	2.6x	2.2x	22%	20%	1.7%
Bank Central Asia	Sell	23	Rp 11000	8150	-26%	16.7x	14.8x	12.9x	3.5x	2.9x	23%	22%	1.2%
Bank Danamon Indonesia	Sell	3	Rp 4155	3225	-22%	9.8x	8.9x	7.9x	1.2x	1.1x	12%	13%	3.0%
Bank Mandiri (Persero)	Neutral	20	Rp 9975	9150	-8%	12.6x	11.9x	10.4x	2.3x	2.0x	19%	18%	1.6%
Bank Negara Indonesia	Buy	8	Rp 4820	5450	+13%	9.6x	9.1x	8.4x	1.7x	1.5x	19%	18%	2.1%
Bank Rakyat Indonesia (Persero)	Neutral	21	Rp 10175	9450	-7%	11.2x	10.3x	8.9x	2.6x	2.2x	26%	23%	1.8%
PT Bank Bukopin	Sell / H	0	Rp 635	600	-6%	6.8x	5.9x		0.8x	0.7x	12%	13%	0.0%
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Sell / H	1	Rp 930	900	-3%	8.1x	7.4x	6.8x	1.3x	1.2x	16%	17%	6.2%
Bank Tabungan Negara	Neutral / H	1	Rp 1095	1225	+12%	7.1x	6.1x	5.1x	0.9x	0.8x	13%	14%	3.7%

Source: Powered by dataCentral

Figure 93. Global Valuation Table – Asia (Cont.), 8 May 2014

		M Cap	Share Price				Adj P/E			P/B '14E	P/B '15E	ROE '14E	ROE '15E	Div Yield
Bank	Rec	(\$bn)		Now	Target	+/-%	2014E	2015E	2015E					2014E
Malaysia		90				+5%	12.9x	11.8x	10.6x	2.0x	1.8x	16%	16%	3.8%
AMMB	Neutral	7	RM	7.1	7.6	+6%	11.8x	10.7x	9.7x	1.6x	1.5x	15%	15%	3.4%
CIMB	Sell	19	RM	7.3	6.8	-8%	12.4x	11.1x	9.9x	1.6x	1.5x	14%	14%	3.7%
Maybank	Buy	27	RM	9.8	11.1	+14%	12.5x	11.5x	10.3x	1.8x	1.7x	14%	15%	5.1%
Public Bank	Buy	22	RM	20.0	21.0	+5%	15.3x	14.0x	12.7x	3.1x	2.7x	21%	21%	2.9%
Alliance Financial Group	Sell	2	RM	4.4	4.8	+9%	11.9x	10.9x	9.8x	1.6x	1.5x	13%	14%	4.2%
Hong Leong Bank	Sell	8	RM	13.8	13.8	0%	12.1x	11.4x	10.6x	1.7x	1.5x	15%	14%	3.3%
RHB Capital	Buy	7	RM	8.3	8.9	+6%	10.5x	9.5x	8.5x	1.2x	1.1x	12%	12%	3.1%
Philippines		21				+5%	16.8x	14.2x	11.6x	1.9x	1.7x	13%	13%	1.5%
Banco de Oro	Buy	7	P	88	96	+9%	16.4x	13.8x		1.8x	1.6x	11%	12%	1.9%
Bank of Philippine Islands	Neutral	8	P	92	90	-2%	18.4x	15.6x		2.5x	2.3x	16%	15%	2.0%
Metrobank	Buy	5	P	86	98	+14%	13.9x	12.0x		1.6x	1.4x	12%	12%	0.9%
Philippine National Bank	Neutral	3	P	89	90	+1%	19.2x	15.3x	11.6x	1.1x	1.1x	7%	8%	0.0%
Singapore		61				+7%	11.2x	9.9x	9.1x	1.2x	1.2x	11%	12%	3.9%
DBS Group	Buy	33	\$	17.0	19.0	+12%	10.8x	9.4x	8.6x	1.2x	1.1x	11%	12%	4.1%
UOB	Neutral	28	\$	21.6	21.7	+0%	11.6x	10.4x	9.7x	1.3x	1.2x	12%	12%	3.6%
Taiwan		23				+0%	10.7x	10.2x	9.5x	1.2x	1.1x	12%	11%	3.6%
Fubon FHC	Neutral	13	\$	39.7	43.5	+10%	10.2x	9.7x	9.0x	1.2x	1.1x	12%	12%	3.1%
Mega FHC	Sell	10	\$	23.6	20.5	-13%	11.3x	10.9x	10.2x	1.2x	1.1x	11%	10%	4.4%
Thailand		55				+11%	10.2x	9.0x	7.9x	1.6x	1.4x	17%	17%	3.6%
Bangkok Bank	Buy	11	Bt	190	210	+11%	9.9x	9.0x	8.3x	1.1x	1.1x	12%	12%	4.0%
Kasikornbank	Buy	14	Bt	195	215	+10%	10.5x	9.1x	7.9x	1.9x	1.6x	19%	19%	2.6%
Krung Thai Bank	Buy	8	Bt	18.1	22.0	+22%	8.4x	7.1x	6.4x	1.1x	1.0x	14%	15%	4.8%
Siam Commercial Bank	Buy	17	Bt	165	182	+11%	10.9x	9.6x	8.3x	2.0x	1.8x	20%	20%	3.7%
TISCO Financial Group	Sell	1	Bt	39.5	35.0	-11%	7.4x	6.5x	5.6x	1.3x	1.1x	18%	18%	5.4%
TMB Bank	Sell	3	Bt	2.3	2.1	-7%	12.5x	10.3x	8.9x	1.5x	1.3x	12%	14%	2.7%
ASIA		1339				+23%	8.3x	7.4x	6.4x	1.3x	1.2x	18%	17%	5.5%

Source: Powered by dataCentral

Figure 94. Global Valuation Table – Australia and Latin America, 8 May 2014

		M Cap	Share Price			Adj P/E			P/B '14E	P/B '15E	ROE '14E	ROE '15E	Div Yield	
Bank	Rec	(\$bn)	Now	Target	+/-%	2014E	2015E	2016E					2014E	
AUSTRALIA														
ANZ	Neutral	86	\$	34	31	-8%	14.0x	13.1x	12.7x	2.1x	2.0x	15%	15%	5.2%
Bendigo and Adelaide	Neutral	4	\$	11.2	11.0	-2%	14.3x	13.2x	12.6x	1.1x	1.1x	8%	9%	5.5%
Bank Of Queensland Ltd	Neutral	4	\$	12.0	11.5	-4%	14.0x	13.2x	13.0x	1.3x	1.3x	9%	9%	5.4%
CBA	Buy	119	\$	79	84	+7%	15.6x	14.9x	14.1x	2.6x	2.6x	18%	18%	5.0%
National Australia Bank	Sell	74	\$	34	34	+0%	13.7x	13.6x	13.4x	1.9x	1.8x	14%	13%	5.8%
Westpac Banking Corp	Neutral	100	\$	35	36	+4%	14.5x	14.1x	13.8x	2.4x	2.3x	16%	15%	5.3%
AUSTRALIA / NZ		388			+1%	14.6x	14.0x	13.5x		2.3x	2.2x	16%	16%	5.3%
LATIN AMERICA														
Argentina		6			-44%	8.0x	6.4x	0.0x		1.9x	1.4x	27%	25%	0.0%
BBVA Francés	Sell / H	2	Ar\$	32.0	16.5	-48%	8.5x	6.8x		2.0x	1.5x	26%	25%	0.0%
Galicía	Sell / H	2	Ar\$	13.4	7.2	-46%	8.2x	6.7x		1.9x	1.5x	28%	26%	0.0%
Macro	Sell / H	2	Ar\$	31.0	19.0	-39%	7.2x	5.8x		1.7x	1.3x	27%	26%	0.0%
Brazil		222			-1%	9.4x	8.3x	7.3x		1.6x	1.4x	17%	18%	3.6%
Banco Do Brasil	Neutral	32	R\$	25.0	21.0	-16%	6.9x	6.3x	5.7x	0.9x	0.9x	14%	14%	5.8%
Bradesco	Buy	66	R\$	35.0	33.0	-6%	10.5x	9.1x	7.9x	1.8x	1.6x	18%	19%	2.9%
Itaú Unibanco	Buy	86	R\$	37.8	40.0	+6%	10.1x	8.8x	7.6x	2.0x	1.7x	21%	21%	3.0%
BTG Pactual	Buy	13	R\$	31.5	35.0	+11%	7.5x	6.3x	5.3x	1.5x	1.3x	21%	21%	3.2%
Santander Brasil	Neutral	25	R\$	14.9	15.4	+4%	8.8x	7.9x	7.7x	1.0x	1.0x	5%	6%	5.1%
Chile		22			+15%	13.0x	11.4x	10.3x		2.2x	2.0x	18%	18%	3.9%
Santander Chile	Buy	12	ChP	34.9	40.0	+15%	14.0x	12.4x	11.0x	2.6x	2.4x	19%	20%	4.0%
BCI	Buy	6	ChP	32950	40000	+21%	11.7x	10.1x	9.0x	1.9x	1.7x	18%	18%	3.6%
Corpbanca	Neutral	4	ChP	6.7	7.1	+6%	12.3x	10.7x		1.5x	1.4x	13%	14%	3.9%
Mexico		60			+8%	16.7x	14.3x	12.2x		2.3x	2.0x	16%	16%	0.5%
Banorte	Neutral	19	P\$	91	96	+5%	15.6x	13.0x	10.8x	2.1x	1.8x	14%	15%	0.5%
Santander México	Neutral	17	P\$	32.8	32.5	-1%	14.6x	12.7x	11.0x	2.0x	1.9x	15%	15%	0.0%
Banregio	Neutral	2	P\$	77	83	+8%	15.2x	12.7x	10.6x	2.6x	2.2x	20%	19%	0.0%
Inbursa	Buy	18	P\$	35.6	40.6	+14%	20.3x	17.6x	15.3x	2.5x	2.3x	18%	18%	1.3%
Gentera	Buy	3	P\$	23.3	32.0	+38%	14.5x	12.1x	10.1x	3.3x	2.8x	26%	25%	0.0%
Peru		15			+15%	13.6x	11.9x	10.1x		2.5x	2.2x	20%	19%	2.2%
Credicorp	Buy	12	\$	421	490	+16%	14.3x	12.1x	10.3x	2.5x	2.1x	18%	19%	1.5%
Intercorp	Neutral	3	NS	91	99	+8%	10.9x	10.9x	9.5x	2.5x	2.2x	24%	22%	5.1%
LATIN AMERICA		326			+2%	11.2x	9.7x	8.6x		1.8x	1.6x	18%	18%	2.9%

Source: Powered by dataCentral Additional stock: Macquarie Group Limited (MQG.AX; A\$54.09; 1)

Figure 95. Citi Global Banks Team (For informational purposes only)

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Appendix A-1

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