

Leverage: Fed, FDIC, OCC, PRA and BCBS

Global Banks Insights

- **US Supplementary Leverage Ratio Proposal** – Various regulators and policy makers have recently published on the topic of leverage. The joint notice of proposed rulemaking (NPR) issued 9 July by Fed, FDIC & OCC on the supplementary leverage ratio (SLR) for the 8 US G-SIBs called for a minimum SLR of 5% for the bank holding company and 6% for the insured bank subsidiaries. One key takeaway from the NPR was the change in regulators' view of SLR, which they now emphasized as a tool to tackle "too big to fail" whereas previously the SLR was seen as more of back-stop or complement to risk-based capital ratios ([Click for note](#)). From a European banks perspective, although we continue to conservatively assume that their US subsidiaries will need to work to a 5% SLR, it is worth noting that they would all fall below the size thresholds (>US\$ 700bn of consolidated assets or US\$10tn in assets under custody). The effective date of NPR (Jan 1, 2018) also suggests that FBO enhanced prudential standards may be delayed ([Click for note](#)). Last month in the UK, the PRA's capital assessment included a surprise own-definition 3% leverage ratio requirement ([Click for note](#)). The pick-up in regulatory interest in leverage ratios partly reflects concern over variation between banks on calculating RWAs, especially under IRB ([Click for note](#)).
- **Highlighted Research** – One likely safe source of continued capital returns are the Australian banks. We stress their dividend pay-out using our slowdown scenario and find limited threat to the sector's 5.9% (8.3% pre tax) prospective div yield. With the Australian bank sector now c10% off its recent May highs, prospective yields still maintain a 200bps premium to both 10Y bonds yield and term deposit rates, and thus in our view offer compelling value. ([Click for note](#)).
- **Chart of the Week** – We highlight the surplus capital estimates for Australian banks for FY13E to FY15E, especially for our top Australian pick CBA.

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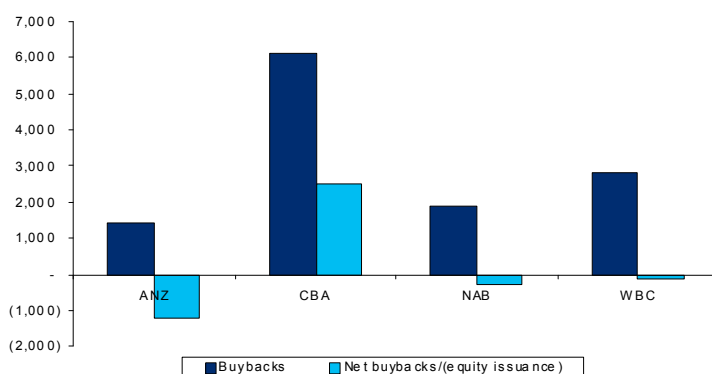
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Australian Banks -- Surplus capital estimates FY13E to FY15E, (AUD)\$m



Source: Citi Research

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

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- **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 ([Click for note](#)). (Refer to pages 6-12 for our global estimate revisions summary).
- **Stock Performance** – LTM, the best performing region in absolute terms has been Japan (+95%), the worst performing LatAm (-1%). Over the last month, bank share prices increased most in Egypt (+11%), declined most in Greece/Cyprus (-30%). At the individual bank level, the best performing bank over the last month was Chiba Bank (+19%); the worst was National Bank of Greece (-37%). (Refer to page 4 for details).
- **Citi's Most Read** – Our most read banks publications over the past week include our European note Banking on Markets: Managing Capital Markets Turbulence ([Click for note](#)), our US notes on Large Cap Regional Bank Preview for 2Q13 ([Click for note](#)) and Final Basel 3 Rules for US banks ([Click for note](#)).
- **Highlighted Events** – Our annual Global Financials Conference 2013 is scheduled from 19-21 November in Hong Kong. For participation and more details, please contact your Citi sales representative.
- **Global Focus Five** – Our favourite Global banks picks are: BNP Paribas, Credit Suisse, HSBC, JP Morgan and SMFG. Please refer to our latest Global banks note for details ([Click for note](#)).

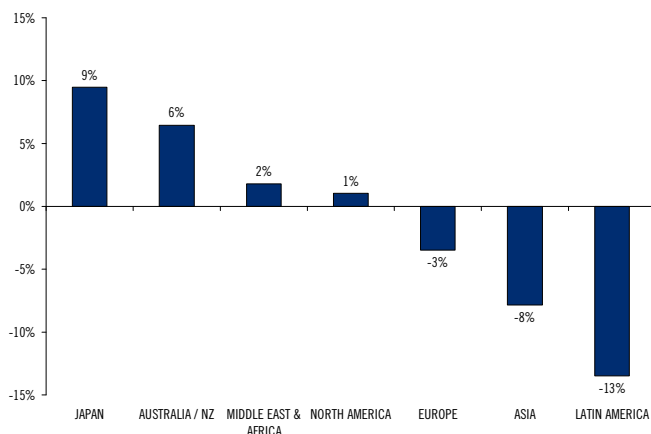
Highlighted Research

We highlight the following research from this week:

- In our **Australian Banks** note we stress dividend pay-out using our slowdown scenario and find no threat to sector's 5.9% (8.3% pre tax) prospective div yield. In our view, with the bank sector now 10% off its recent May highs, prospective yields still maintain a 200bps premium to both 10Y bonds yield and term deposit rates and thus in our view offer compelling value. Our slowdown scenario generates modest impacts on our current FY15E EPS: a 10% fall at WBC up to 15% at ANZ, as we assume Asian loan growth also falls considerably in any Asian region wide slowdown. EPS falls 3-8% below FY13E levels. We assume none of the major banks would increase dividends in such a slowdown (not knowing how hard/long the slowdown would be) and DRP neutralization would cease for two years. Despite high initial payout ratios – we expect 86% in FY13E at WBC based on “cash “ earnings – we find no bank would be forced to cut dividends in this slowdown event, though NAB would come closest. This reflects the much higher capital ratios banks now have, and the much lower leverage in corporate Australia than we saw in past “near to recession” slowdowns ([Click for note](#)).
- Our follow-up note on **Taiwan** financials reiterates that access to China and RMB is a game changer for Taiwanese banks, opening up fresh business opportunities mid to long term, and we think banks with best corporate ties and FX/treasury platforms stand to gain the most. We observe that market leaders have started to emerge in the offshore RMB business in Taiwan, with a handful accumulating a larger share of RMB deposits since the trade kicked off in Feb. We view China tightening as a positive on the back of BOC Taipei allowing banks to place excess RMB at 3% for one year and watch out for a bilateral swap agreement between CBC and PBOC by year-end. Also we have seen we have also seen Taiwanese banks push derivative products, allowing corporate buyers to take a view on RMB appreciation. TMU fees from offshore syndication to Chinese borrowers have also provided a boost, along with hedging instruments that have been bundled with these loans. While the payoff for customers can be fairly good if the RMB continues to appreciate and carry trade continues, FX volatility and counterparty risks are issues to watch out for, especially in gauging possible volatility in fees from this business and even on default on future settlement. There is limited granularity on banks involved, but Fubon, Chinatrust and Sinopac stand out among banks that have more sizeable derivative exposures as a % of RWA to an appreciating RMB ([Click for note](#)).
- Our **Taiwan** financials note highlights improved RMB flow and asset building in Taiwan driving more revenue opportunities in corporate banking and treasury fees to capture and hedge trade and investments between Taiwan and China and in wealth management as the CNT market deepens. Our Taiwan banks analyst estimates direct revenues from RMB business of US\$1bn in three years and US\$3bn-4bn in five years or 5% and 10% of sector profits, respectively. We believe banks with most corporate ties and strong FX/treasury platforms stand to gain the most. State banks have the advantage on customers and channels, though private banks may be more proactive in pushing product. Banks to watch are Mega, First, Chinatrust and Fubon. ([Click for note](#))

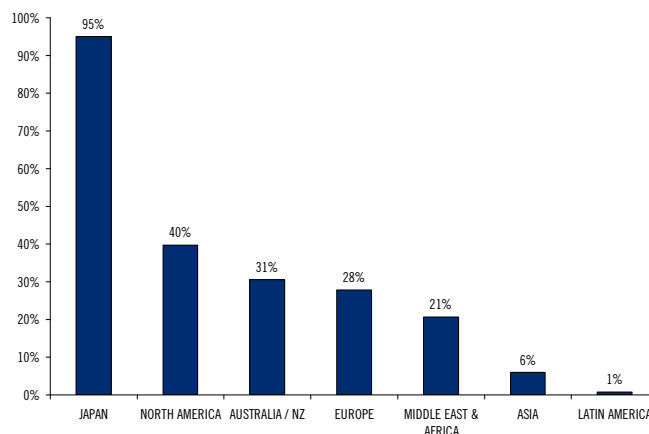
Global Banks Stock Performance

Figure 1. Regional Performance – 1 Month



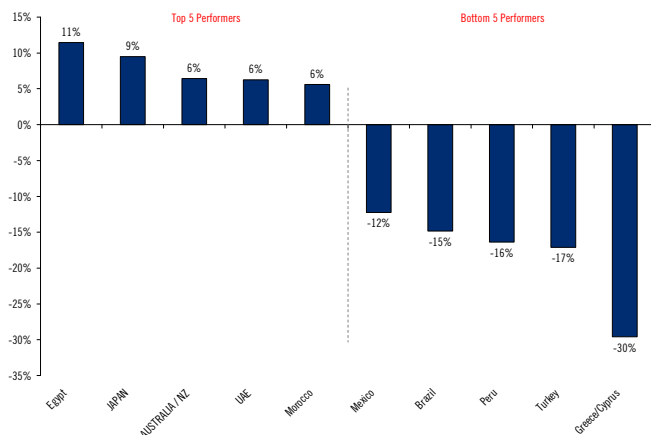
Source: Bloomberg, Citi Research

Figure 2. Regional Performance – LTM



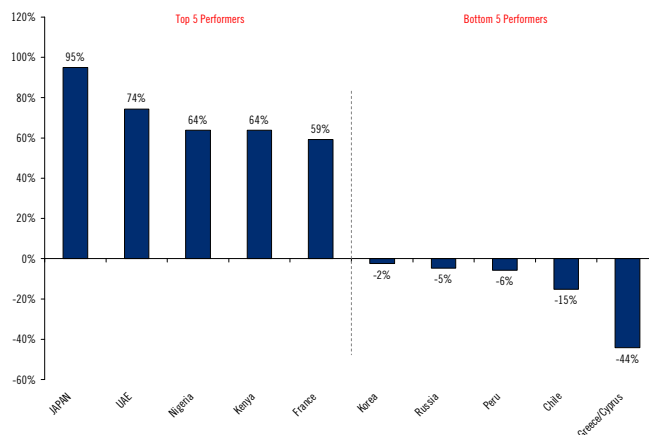
Source: Bloomberg, Citi Research; Note: LTM stands for last 12 Months

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



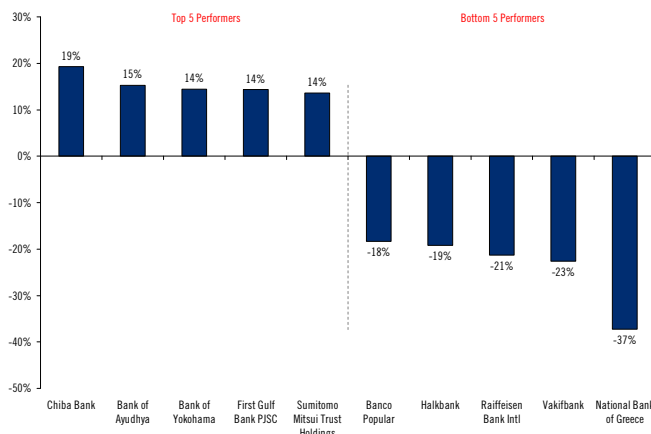
Source: Bloomberg, Citi Research

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



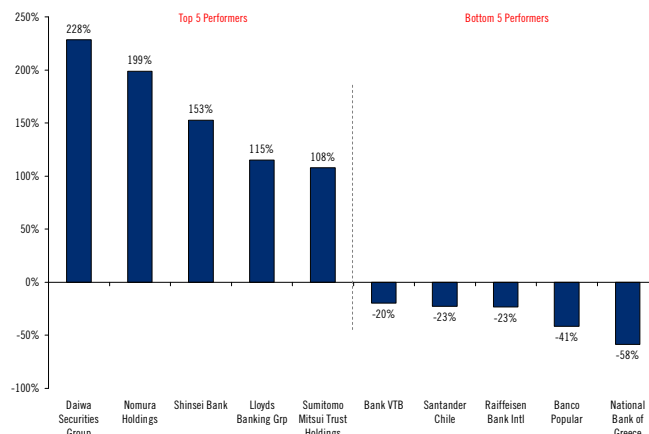
Source: Bloomberg, Citi Research; Note: LTM stands for last 12 Months

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

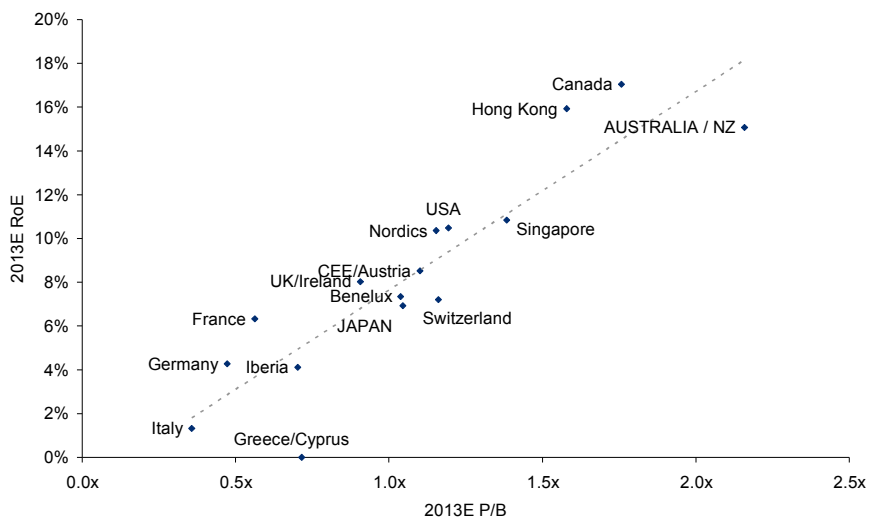
Figure 6. Stock Performance – LTM (Top 5 & Bottom 5)



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

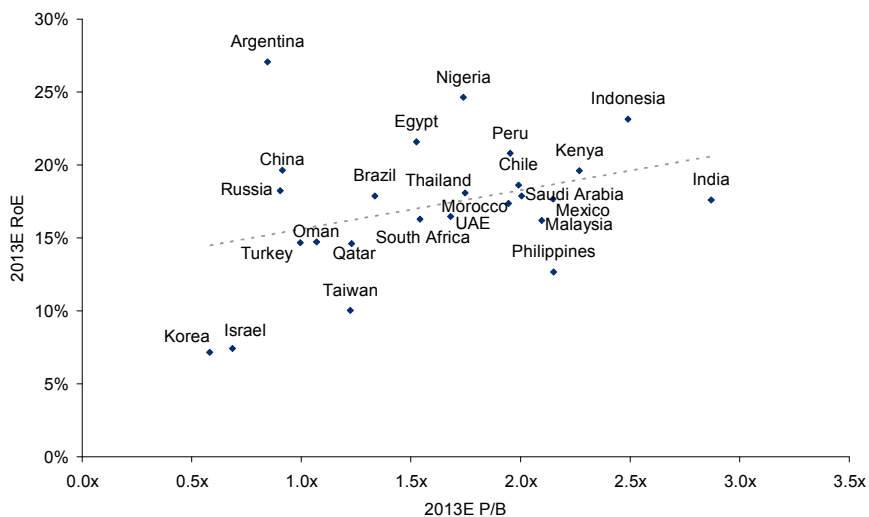
PB vs ROE Scatter

Figure 7. 2013E P/B vs ROE – Developed Markets



Source: Powered by dataCentral

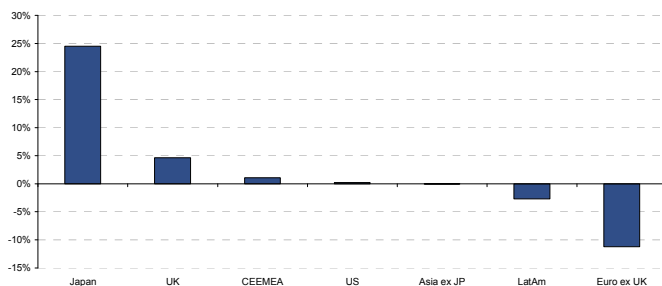
Figure 8. 2013E P/B vs ROE – Emerging Markets



Source: Powered by dataCentral

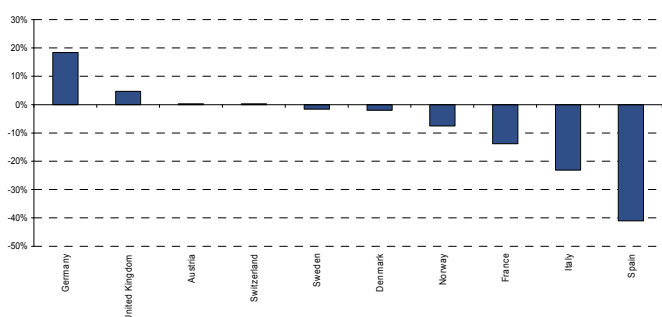
Global Estimates Revisions Summary

Figure 9. Citi 2013E Revisions -3M - Global



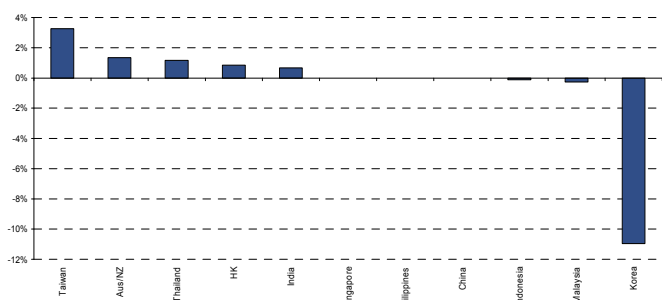
Source: Citi Research

Figure 11. Citi 2013E Revisions -3M - Europe



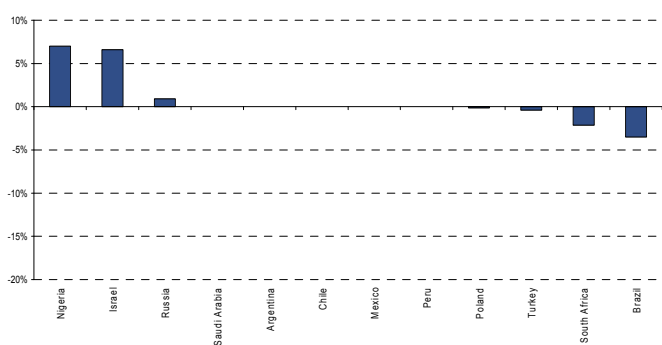
Source: Citi Research

Figure 13. Citi 2013E Revisions -3M - Asia



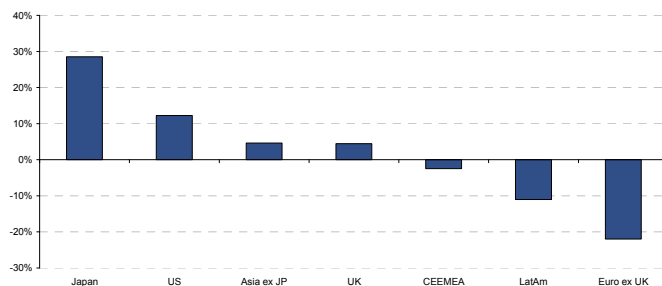
Source: Citi Research

Figure 15. Citi 2013E Revisions -3M - LatAm + CEEMEA



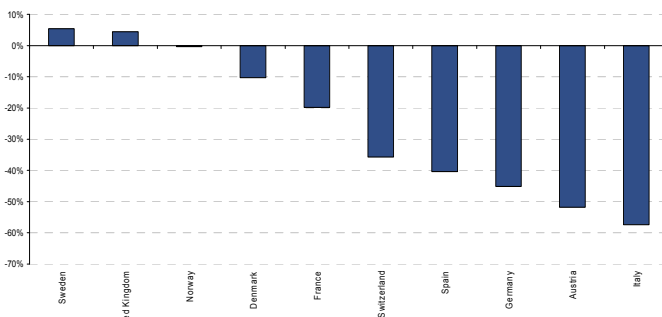
Source: Citi Research

Figure 10. Citi 2013E Revisions LTM - Global



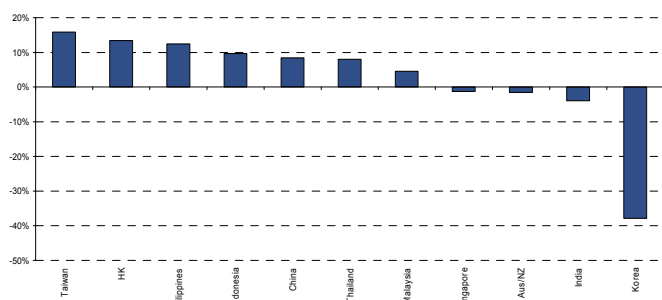
Source: Citi Research

Figure 12. Citi 2013E Revisions LTM - Europe



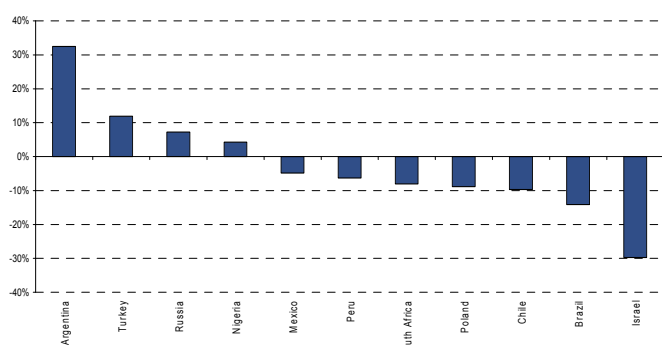
Source: Citi Research

Figure 14. Citi 2013E Revisions LTM - Asia



Source: Citi Research

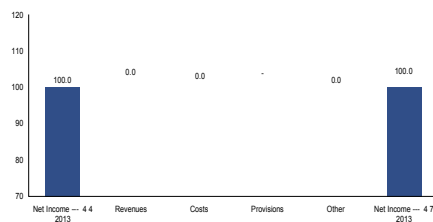
Figure 16. Citi 2013E Revisions LTM - LatAm + CEEMEA



Source: Citi Research

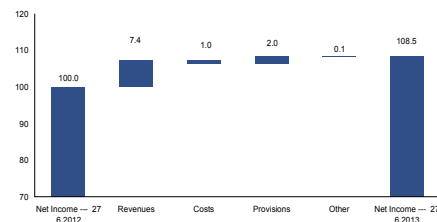
Asia:

Figure 17. China – -3M '13 Estimates Change



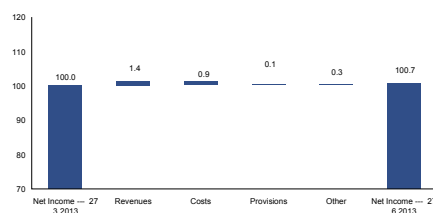
Source: Citi Research

Figure 18. China – LTM '13 Estimates Change



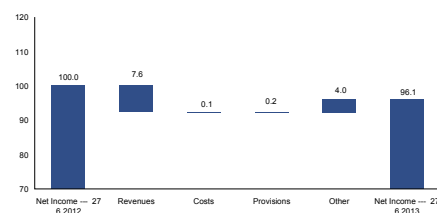
Source: Citi Research

Figure 19. India – -3M '13 Estimates Change



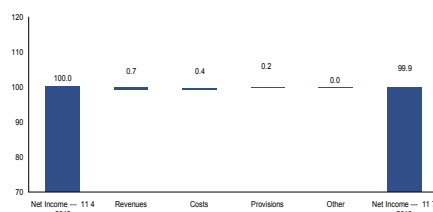
Source: Citi Research

Figure 20. India – LTM '13 Estimates Change



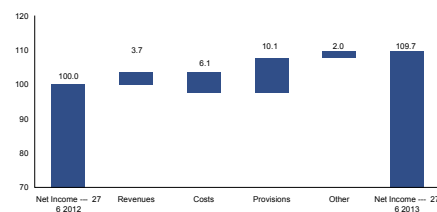
Source: Citi Research

Figure 21. Indonesia – -3M '13 Estimates Chg



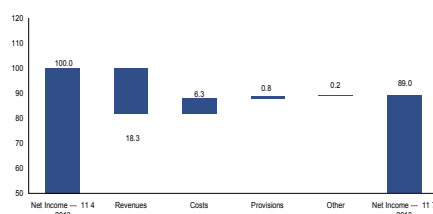
Source: Citi Research

Figure 22. Indonesia – LTM '13 Estimates Chg



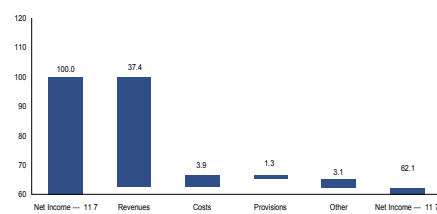
Source: Citi Research

Figure 23. Korea – -3M '13 Estimates Chg



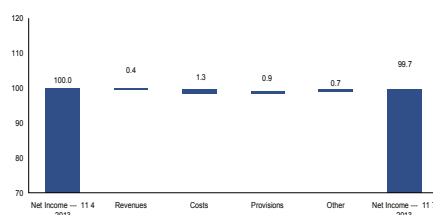
Source: Citi Research

Figure 24. Korea – LTM '13 Estimates Chg



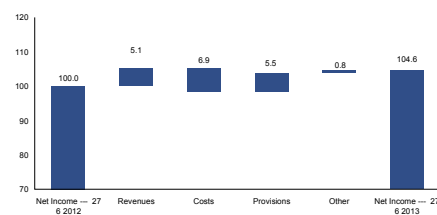
Source: Citi Research

Figure 25. Malaysia – -3M '13 Estimates Chg



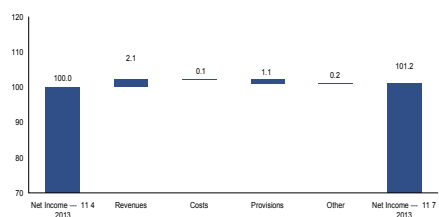
Source: Citi Research

Figure 26. Malaysia – LTM '13 Estimates Chg



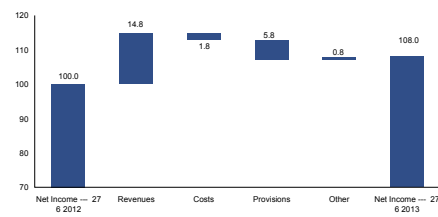
Source: Citi Research

Figure 27. Thai. – -3M '13 Estimates Change



Source: Citi Research

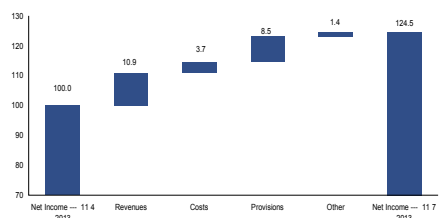
Figure 28. Thai. – LTM '13 Estimates Change



Source: Citi Research

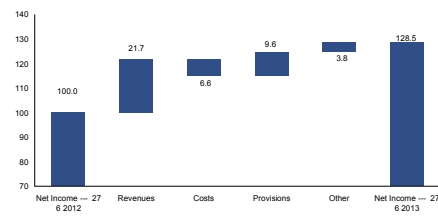
Japan:

Figure 29. Japan – -3M '13 Estimates Change



Source: Citi Research

Figure 30. Japan – LTM '13 Estimates Change



Source: Citi Research

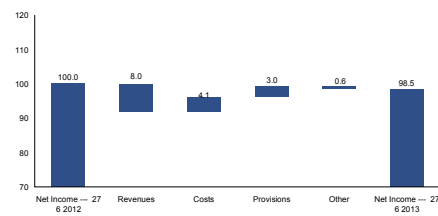
Australia / New Zealand:

Figure 31. AU/NZ – -3M '13 Estimates Change



Source: Citi Research

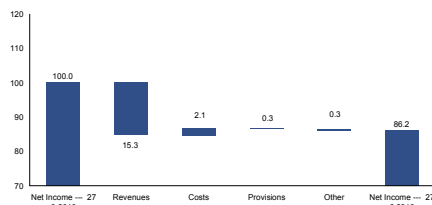
Figure 32. AU/NZ – LTM '13 Estimates Change



Source: Citi Research

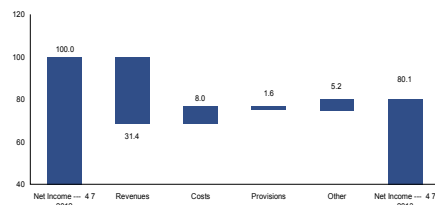
Europe:

Figure 33. France – -3M '13 Estimates Chg



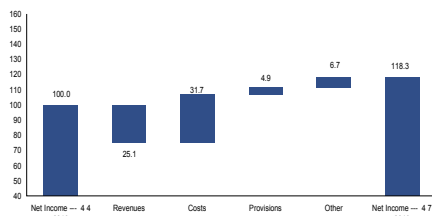
Source: Citi Research

Figure 34. France – LTM '13 Estimates Chg



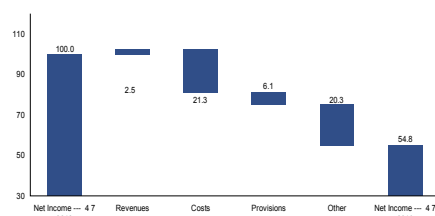
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Figure 35. Germany – -3M '13 Estimates Chg



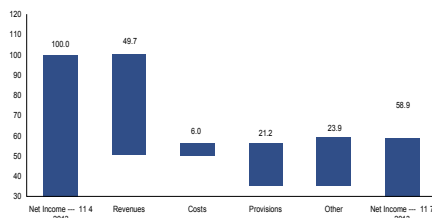
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Figure 36. Germany – LTM '13 Estimates Chg



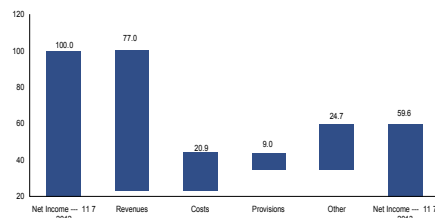
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Figure 37. Iberia – -3M '13 Estimates Change



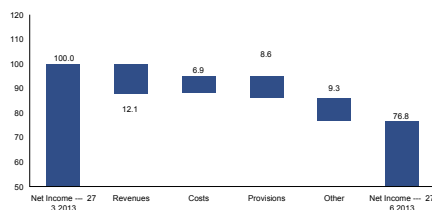
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Figure 38. Iberia – LTM '13 Estimates Change



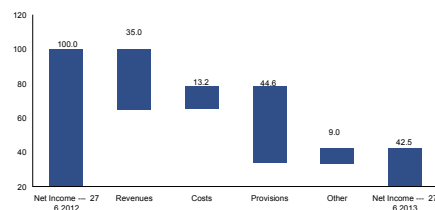
Source: Citi Research

Figure 39. Italy – -3M '13 Estimates Change



Source: Citi Research

Figure 40. Italy – LTM '13 Estimates Change



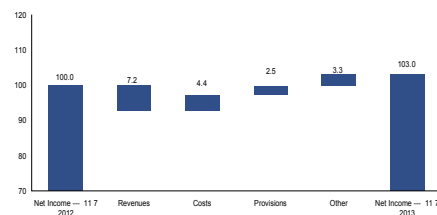
Source: Citi Research

Figure 41. Nordics – -3M '13 Estimates Chg



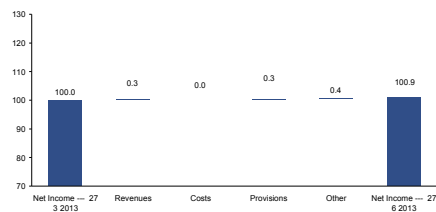
Source: Citi Research

Figure 42. Nordics – '13 LTM Estimates Chg



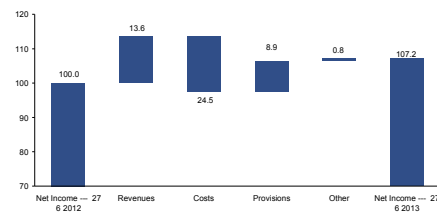
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Figure 43. Russia – -3M '13 Estimates Chg



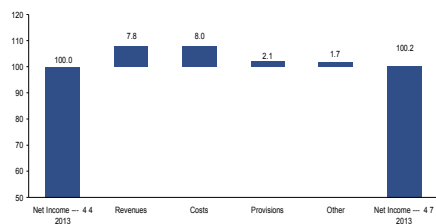
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Figure 44. Russia – LTM '13 Estimates Chg



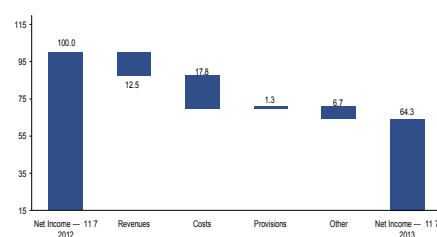
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Figure 45. Switz. – -3M '13 Estimates Chg



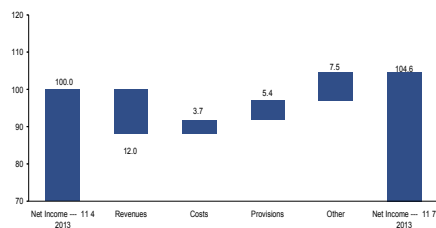
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Figure 46. Switz. – LTM '13 Estimates Chg



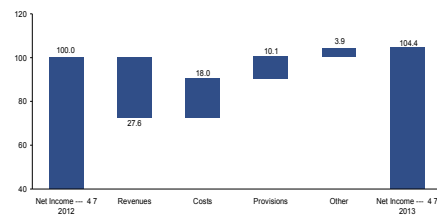
Source: Citi Research

Figure 47. UK – -3M '13 Estimates Chg



Source: Citi Research

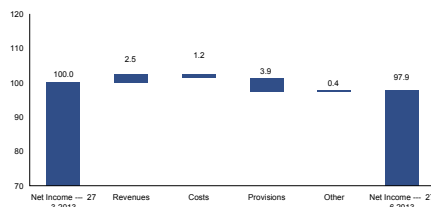
Figure 48. UK – LTM '13 Estimates Chg



Source: Citi Research

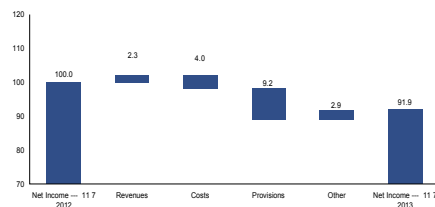
MENA/Africa:

Figure 49. S. Africa – -3M '13 Estimates Chg



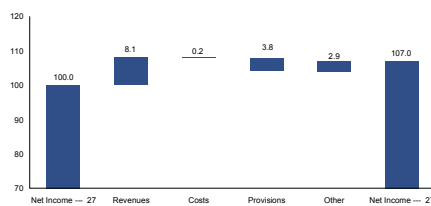
Source: Citi Research

Figure 50. S. Africa – '13 LTM Estimates Chg



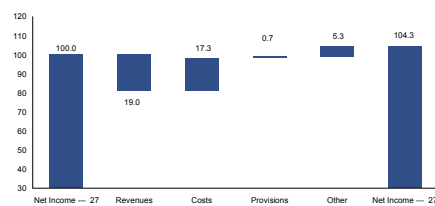
Source: Citi Research

Figure 51. Nigeria – -3M '13 Estimates Chg



Source: Citi Research

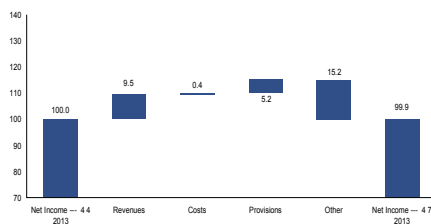
Figure 52. Nigeria – LTM '13 Estimates Chg



Source: Citi Research

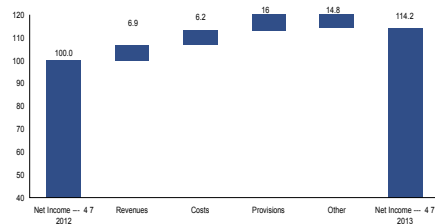
United States:

Figure 53. US (Money Centres) – -3M '13 Estimates Change



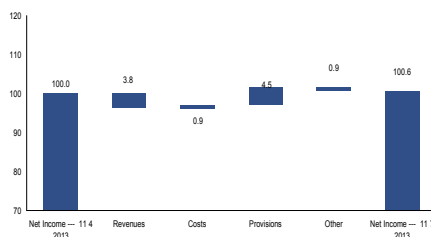
Source: Citi Research; Money Centres includes BAC, JPM, GS and MS

Figure 54. US (Money Centres) – LTM '13 Estimates Change



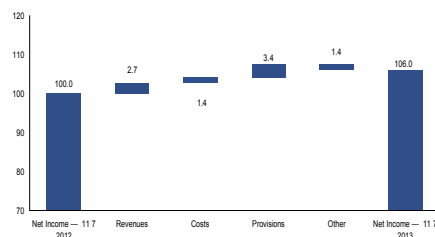
Source: Citi Research; Money Centres includes BAC, JPM, GS and MS

Figure 55. US (Regionals) – -3M '13 Estimates Change



Source: Citi Research

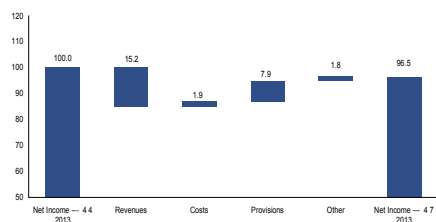
Figure 56. US (Regionals) – LTM '13 Estimates Change



Source: Citi Research

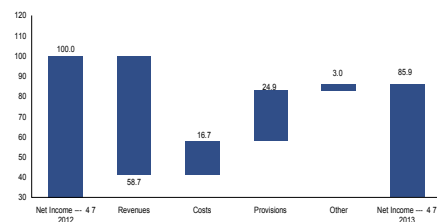
LatAm:

Figure 57. Brazil – -3M '13 Estimates Chg



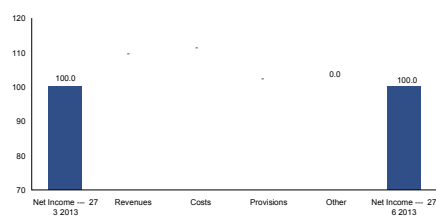
Source: Citi Research

Figure 58. Brazil – LTM '13 Estimates Chg



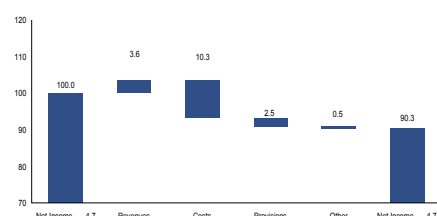
Source: Citi Research

Figure 59. Chile – -3M '13 Estimates Change



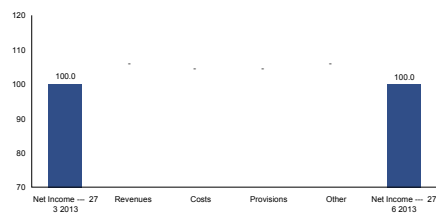
Source: Citi Research

Figure 60. Chile – LTM '13 Estimates Change



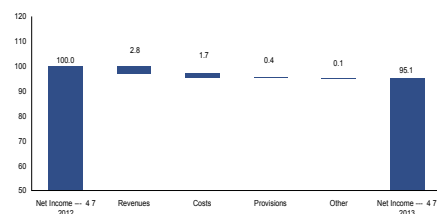
Source: Citi Research

Figure 61. Mexico – -3M '13 Estimates Chg



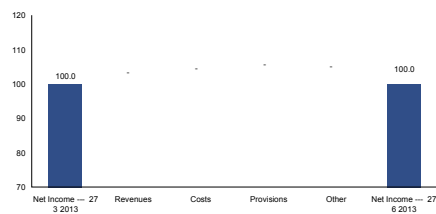
Source: Citi Research

Figure 62. Mexico – LTM '13 Estimates Chg



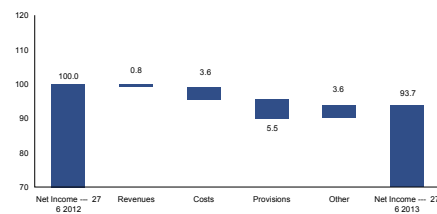
Source: Citi Research

Figure 63. Peru – -3M '13 Estimates Change



Source: Citi Research

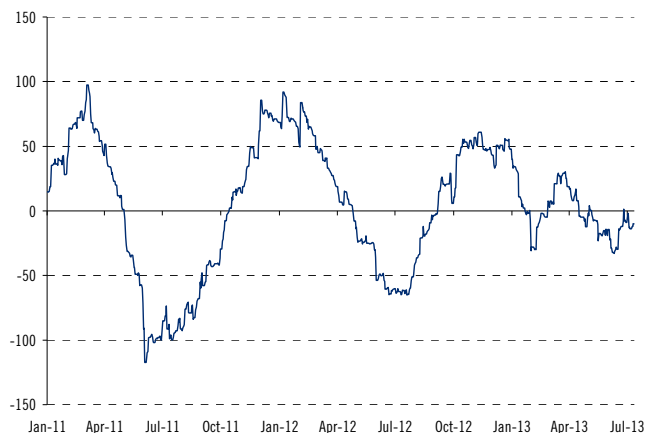
Figure 64. Peru – LTM '13 Estimates Change



Source: Citi Research

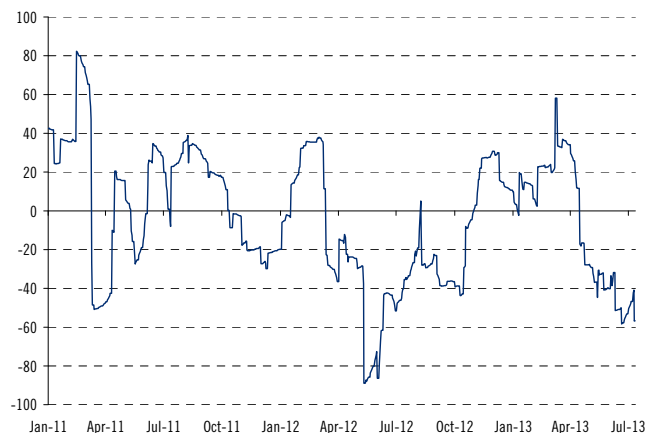
Citi Economic Surprise Indices (CESI)*

Figure 65. Citi Economic Surprise Index - US



Source: Bloomberg, Citi Research

Figure 66. Citi Economic Surprise Index - China



Source: Bloomberg, Citi Research

Figure 67. Citi Economic Surprise Index – Euro Area



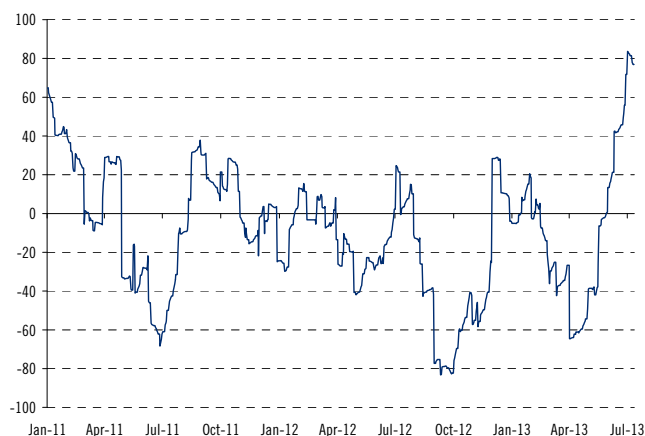
Source: Bloomberg, Citi Research

Figure 68. Citi Economic Surprise Index – Emerging Markets



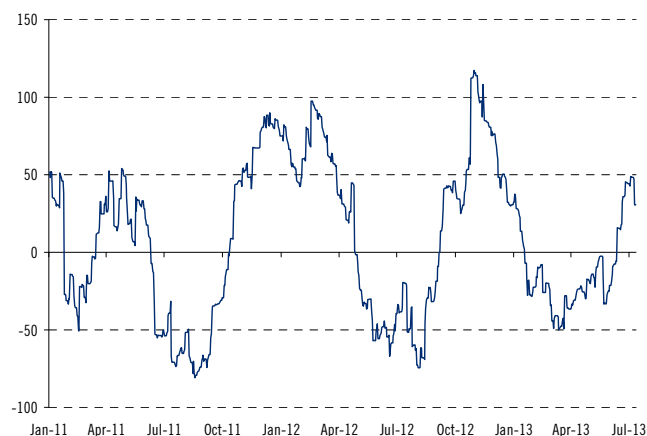
Source: Bloomberg, Citi Research

Figure 69. Citi Economic Surprise Index - Japan



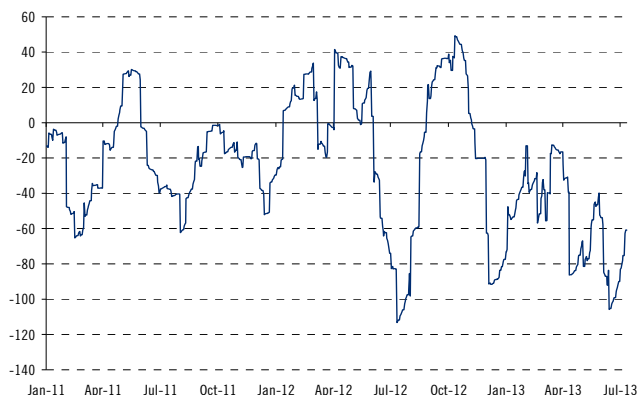
Source: Bloomberg, Citi Research

Figure 70. Citi Economic Surprise Index - UK



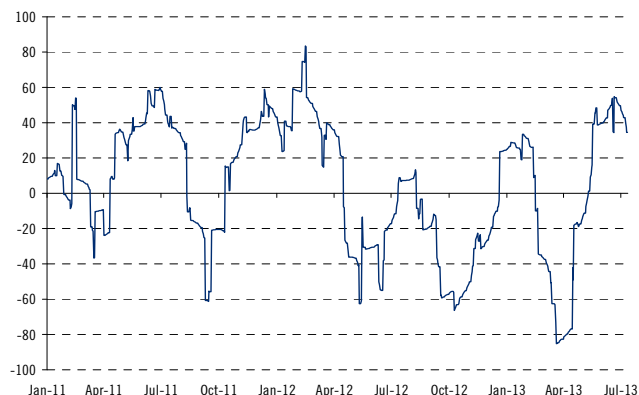
Source: Bloomberg, Citi Research

Figure 71. Citi Economic Surprise Index - Brazil



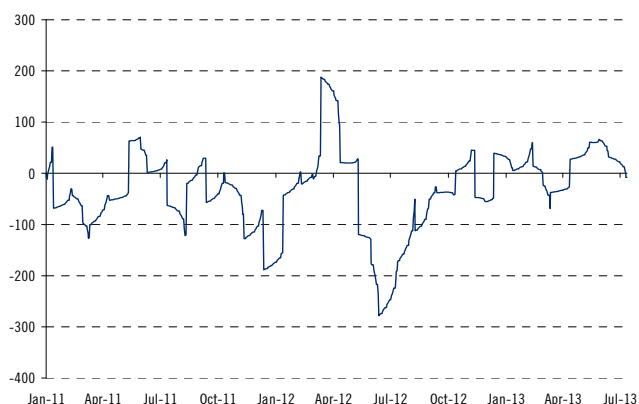
Source: Bloomberg, Citi Research

Figure 72. Citi Economic Surprise Index - Russia



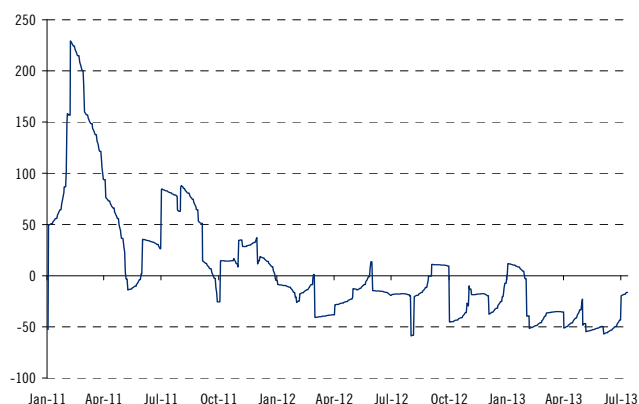
Source: Bloomberg, Citi Research

Figure 73. Citi Economic Surprise Index - India



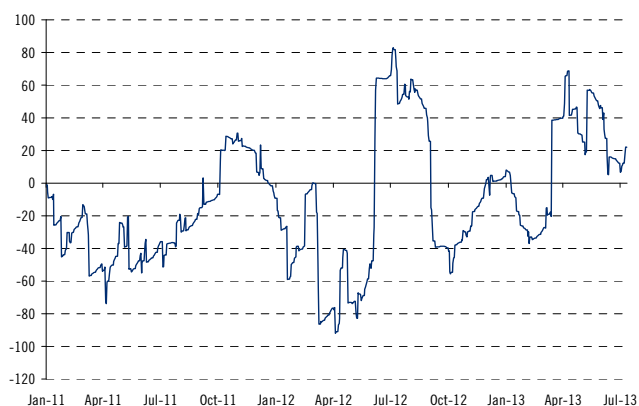
Source: Bloomberg, Citi Research

Figure 74. Citi Economic Surprise Index - Indonesia



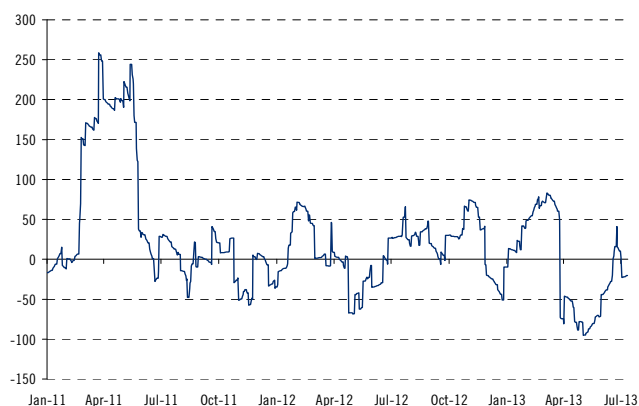
Source: Bloomberg, Citi Research

Figure 75. Citi Economic Surprise Index - Australia



Source: Bloomberg, Citi Research

Figure 76. 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 77. Keyrate Index



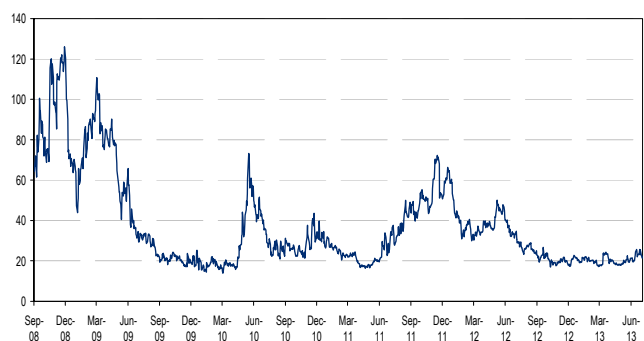
Source: Bloomberg

Figure 78. 3M Eur/US Basis Swap



Source: Bloomberg

Figure 79. US 3m FRA – OIS Spread



Source: Bloomberg

Figure 80. EUR 3m FRA – OIS Spread



Source: Bloomberg

Figure 81. 10Y US Swap Spread



Source: Bloomberg, Citi Research

Figure 82. 10Y Euro Swap Spread



Source: Bloomberg, Citi Research

Global Banks Valuations

Figure 83. Global Valuation Table – Europe, 12 July 2013

		M Cap		Share Price			Adj P/E			P/B '13E	P/B '14E	ROE '13E	ROE '14E	Div Yield
Bank	Rec	(\$bn)		Now	Target	+/-%	2013E	2014E	2015E					2013E
EUROPE														
Benelux		53				+25%	8.8x	6.9x	6.3x	1.0x	1.0x	7%	9%	0.0%
KBC	Buy	17	E	31.0	35.0	+13%	8.8x	6.9x	6.3x	1.0x	1.0x	12%	15%	0.0%
ING Groep NV	Buy	37	E	7.4	9.6	+30%	8.2x	6.5x	5.6x			5%	7%	0.0%
CEE/Austria		78				+11%	14.4x	10.0x	8.5x	1.1x	1.0x	9%	11%	3.8%
Bank Millennium	Sell	2	ZL	5.2	3.9	-24%	16.0x	11.9x	10.2x	1.2x	1.1x	8%	9%	3.1%
Alior Bank	Buy / H	2	ZL	87	98	+13%	17.5x	12.7x	10.9x	2.3x	1.9x	14%	16%	0.0%
Bank of Georgia	Buy	1	p	1815	2020	+11%	8.3x	7.1x	6.0x	1.3x	1.2x	17%	18%	3.1%
Bank Pekao	Neutral	12	ZL	149	149	+0%	17.0x	13.9x	12.7x	1.7x	1.6x	11%	12%	5.6%
BRE	Sell	5	ZL	387	346	-11%	16.6x	14.2x	12.0x	1.6x	1.5x	11%	11%	3.2%
Erste Bank	Neutral / H	11	E	20.6	23.0	+12%	42.1x	7.5x	6.3x	0.7x	0.7x	2%	9%	2.9%
Halyk Bank	Buy	2	¢	690	1000	+45%	5.1x	5.2x	4.4x	0.8x	0.7x	19%	16%	3.6%
ING Bank Slaski	Buy	4	ZL	95	106	+12%	17.7x	14.6x	10.6x	1.4x	1.4x	9%	10%	4.6%
Kazkommertsbank	Neutral / H	1	¢	185	240	+30%	5.9x	3.4x	2.5x	0.4x	0.3x	7%	11%	0.0%
Komercni Banka	Neutral	7	Kc	3630	3950	+9%	11.8x	11.9x	11.8x	1.4x	1.3x	12%	11%	6.3%
OTP Bank	Buy	6	Ft	4935	5600	+13%	9.4x	7.0x	6.7x	0.8x	0.7x	9%	11%	3.0%
PKO BP	Buy	13	ZL	35.3	42.0	+19%	15.6x	11.9x	10.0x	1.7x	1.6x	11%	14%	1.3%
Raiffeisen Bank Intl	Neutral	5	E	20.0	28.0	+40%	7.3x	5.5x	4.1x	0.5x	0.5x	7%	9%	5.9%
France		136				+31%	9.0x	7.3x	6.0x	0.6x	0.5x	6%	7%	4.6%
BNP Paribas	Buy	71	E	44.1	60	+36%	9.4x	8.2x	6.7x	0.7x	0.6x	7%	8%	4.8%
Credit Agricole SA	Neutral	22	E	6.8	7.3	+7%	7.1x	6.1x	5.4x	0.4x	0.4x	6%	6%	4.4%
Natixis	Buy	14	E	3.4	4.0	+17%	8.9x	8.0x	7.2x	0.7x	0.6x	6%	7%	5.1%
Societe Generale	Buy	29	E	27.9	40	+43%	9.5x	6.0x	4.8x	0.5x	0.4x	5%	7%	4.1%
Germany		53				+34%	8.9x	6.4x	5.0x	0.5x	0.5x	4%	6%	1.9%
Commerzbank	Neutral / H	9	E	6.1	7.9	+29%	18.3x	7.3x	4.9x	0.3x	0.3x	0%	4%	0.0%
Deutsche Bank	Buy	44	E	33	45	+35%	8.0x	6.5x	5.2x	0.6x	0.6x	6%	7%	2.2%
Greece/Cyprus		14					5.1x	<0	8.4x	0.7x	0.7x	NM	-2%	1.0%
Alpha Bank		6										NM	0%	
Bank of Cyprus	Neutral	0	E	.21	na		1.2x	1.0x	0.9x	0.1x	0.1x	NM	14%	28.7%
National Bank	Neutral	8	E	2.6	na		<0	34.2x	7.3x	1.0x	0.9x	NM	3%	0.0%
Iberia		155				-5%	22.7x	11.3x	8.4x	0.7x	0.7x	4%	6%	8.4%
Banco BPI	Neutral / H	2	E	.9	1.3	+46%	9.8x	8.8x	5.3x	0.6x	0.6x	7%	7%	0.0%
Banco Espirito	Buy / H	3	E	.60	1.30	+118%	nm	8.1x	4.0x	0.3x	0.3x	0%	4%	0.0%
Banco Popular	Sell / H	6	E	2.7	2.2	-20%	<0	nm	25.6x	0.5x	0.5x	-1%	1%	0.0%
Banco Santander	Neutral / H	72	E	5.1	4.6	-10%	14.6x	11.4x	10.5x	0.8x	0.8x	5%	7%	11.7%
Bankinter	Buy / H	3	E	2.9	3.2	+10%	27.6x	15.4x	9.0x	0.8x	0.8x	3%	5%	2.0%
BBVA	Neutral / H	48	E	6.4	6.3	-3%	21.7x	11.7x	8.2x	0.8x	0.8x	7%	7%	6.5%
Bco de Sabadell	Sell / H	6	E	1.5	1.2	-24%	<0	9.1x	6.9x	0.6x	0.5x	-1%	6%	1.3%
CaixaBank	Neutral / H	16	E	2.6	2.4	-10%	<0	14.7x	9.5x	0.6x	0.6x	-1%	4%	8.9%
Israel		13				-4%	9.6x	8.6x	8.9x	0.7x	0.7x	7%	8%	0.5%
Bank Hapoalim	Neutral	6	NIS	17.2	17.0	-1%	10.2x	9.2x	9.0x	0.8x	0.8x	8%	8%	1.1%
Bank Leumi	Sell	5	NIS	12.3	11.6	-5%	9.7x	9.1x	9.1x	0.7x	0.6x	7%	7%	0.0%
Israel Discount	Neutral	2	NIS	6.1	5.4	-11%	8.3x	6.7x		0.5x	0.5x	6%	7%	0.0%

Source: Powered by dataCentral

Figure 84. Global Valuation Table – Europe (cont.), 12 July 2013

		M Cap	Share Price				Adj P/E			P/B '13E	P/B '14E	ROE '13E	ROE '14E	Div Yield
Bank	Rec	(\$bn)		Now	Target	+/-	2013E	2014E	2015E					2013E
Italy		64				-3%	20.7x	11.7x	8.4x	0.4x	0.4x	1%	3%	3.1%
Banco Popolare	Neutral	2	E	.9	na		15.5x	11.4x	9.3x	0.2x	0.2x	3%	2%	3.8%
BP Milano	Neutral	1	E	.35	na		19.5x	13.9x	10.1x	0.3x	0.3x	2%	2%	0.0%
Intesa Sanpaolo	Sell / H	27	E	1.3	1.1	-15%	14.0x	10.7x	8.8x	0.4x	0.4x	2%	3%	4.5%
Monte dei Paschi	Sell / H	3	E	.2	.2	-21%	<0	<0	45.1x	0.4x	0.4x	-11%	-6%	0.0%
UBI Banca	Neutral / H	3	E	2.9	3.5	+22%	17.6x	12.7x	11.4x	0.3x	0.3x	1%	2%	1.8%
UniCredit	Neutral / H	27	E	3.6	3.7	+3%	17.1x	10.4x	7.5x	0.3x	0.3x	1%	3%	2.7%
Nordics		167				+3%	11.5x	10.1x	9.3x	1.2x	1.1x	10%	12%	4.1%
Danske Bank	Buy	18	Dkr	102	140	+37%	11.1x	7.3x	6.5x	0.7x	0.6x	6%	9%	2.2%
DnB	Neutral	25	NKkr	95	93	-2%	11.0x	9.2x	8.6x	1.1x	1.0x	11%	12%	2.4%
Nordea	Neutral	47	E	9.0	9.3	+3%	11.1x	9.9x	9.1x	1.2x	1.1x	11%	12%	4.0%
SE Banken AB	Neutral	22	SKr	68.9	65.0	-6%	12.3x	11.2x	10.4x	1.3x	1.2x	11%	11%	4.7%
SHB	Neutral	27	SKr	288	265	-8%	13.1x	12.5x	11.7x	1.7x	1.5x	13%	13%	4.0%
Swedbank	Neutral	27	SKr	158	160	+1%	11.2x	10.7x	10.1x	1.6x	1.5x	12%	14%	6.3%
Russia		86				+47%	5.6x	5.2x	4.6x	0.9x	0.8x	18%	17%	3.0%
Bank St Petersburg	Buy	0	Rbl	44	68.0	+55%	5.8x	3.1x	2.8x	0.4x	0.3x	7%	11%	0.3%
Bank Vozrozhdenie	Buy	0	Rbl	372	784	+111%	3.7x	2.6x	2.2x	0.4x	0.3x	11%	14%	0.1%
Bank VTB	Buy	18	¢	288	410	+42%	5.5x	5.1x	4.2x	0.7x	0.6x	13%	13%	2.6%
Sberbank	Buy	65	Rbl	96	143	+50%	5.5x	5.1x	4.6x	1.1x	0.9x	21%	19%	3.1%
Switzerland		124				+24%	16.4x	10.7x	8.1x	1.2x	1.1x	7%	10%	2.0%
Credit Suisse	Buy	44	SFr	26.7	35.0	+31%	11.1x	8.2x	6.3x	0.9x	0.9x	10%	12%	2.8%
EFG Internatnl	Neutral	2	SFr	12.3	14.0	+14%	12.9x	10.7x	8.9x	1.6x	1.4x	14%	13%	1.2%
Julius Baer	Neutral	9	SFr	39.1	37.5	-4%	17.1x	14.0x	11.5x	1.8x	1.8x	4%	8%	1.5%
UBS	Buy	67	SFr	16.7	20.5	+23%	27.4x	14.0x	9.1x	1.3x	1.2x	5%	9%	1.5%
Vontobel	Buy	2	SFr	30.4	35.5	+17%	12.5x	10.3x	8.8x	1.2x	1.1x	9%	11%	4.3%
Turkey		51				+45%	7.3x	6.8x	6.1x	1.0x	0.9x	15%	14%	1.7%
Bank Asya	Neutral	1	TL	1.7	2.5	+46%	7.1x	6.0x	4.3x	0.6x	0.5x	9%	9%	0.0%
Garanti	Neutral	15	TL	7.1	9.5	+33%	9.2x	8.7x	7.7x	1.3x	1.1x	14%	14%	2.2%
Halkbank	Buy	9	TL	14.5	24.2	+67%	6.4x	6.4x	5.7x	1.2x	1.0x	21%	18%	2.2%
Isbank	Neutral	11	TL	5.0	7.0	+41%	6.4x	6.4x	6.0x	0.9x	0.8x	14%	13%	2.7%
Vakifbank	Neutral	5	TL	4.1	6.0	+48%	5.8x	5.4x	4.8x	0.7x	0.6x	14%	13%	0.4%
Yapi Kredi	Buy	9	TL	4.1	5.9	+45%	7.9x	6.6x	5.9x	0.9x	0.8x	12%	13%	0.0%
UK/Ireland		445				+9%	10.4x	9.6x	8.4x	0.9x	0.9x	8%	9%	2.8%
Bank of Ireland	Sell / H	7	E	.2	.1	-52%	<0	nm	9.5x	0.8x	0.8x	-7%	-1%	0.0%
Barclays	Buy	59	p	303	450	+49%	7.8x	6.1x	5.6x	0.7x	0.7x	8%	10%	2.1%
HSBC	Buy	202	p	721	770	+7%	10.3x	10.2x	9.4x	1.1x	1.1x	11%	10%	4.4%
Lloyds Banking Group	Neutral	71	p	66	65	-2%	11.4x	13.8x	10.3x	1.0x	1.0x	8%	6%	0.0%
RBS	Sell / H	52	p	304	270	-11%	13.6x	8.0x	7.6x	0.5x	0.5x	3%	5%	0.0%
Standard Chartered	Buy	55	p	1517	1775	+17%	10.0x	9.3x	8.6x	1.1x	1.1x	12%	12%	4.0%
EUROPE		1441				+15%	10.7x	8.9x	7.4x	0.8x	0.8x	7%	8%	3.5%

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 85. Global Valuation Table – North America, 12 July 2013

Bank	Rec	M Cap (\$bn)	Share Price			Adj P/E			P/B '13E P/B '14E		ROE '13E	ROE '14E	Div Yield
			Now	Target	+/-%	2013E	2014E	2015E					2013E
USA		1016			+3%	12.0x	10.4x	9.2x	1.2x	1.1x	+10%	11%	1.9%
Bank of America Corp	Neutral	146	\$ 13.5	14	+4%	15.9x	9.3x	7.7x	0.7x	0.6x	4%	7%	0.3%
BB&T	Buy	24	\$ 35	40	+16%	13.8x	11.0x	9.6x	1.2x	1.1x	8%	10%	2.7%
Capital One Financial Corp.	Buy	38	\$ 66	65	-1%	9.9x	10.1x	9.2x	0.9x	0.8x	9%	8%	1.4%
Comerica Inc	Neutral	8	\$ 41	41	+0%	14.4x	14.1x	12.1x	1.0x	1.0x	7%	7%	1.7%
Fifth Third Bancorp	Neutral	17	\$ 19	20	+6%	10.1x	11.0x	9.9x	1.2x	1.1x	12%	10%	2.5%
First Horizon National Corp	Neutral	3	\$ 12	13	+5%	15.8x	13.2x	10.8x	1.3x	1.2x	8%	9%	1.7%
First Niagara Financial Group	Neutral	3	\$ 9.9	11	+11%	13.2x	11.6x	9.4x	0.7x	0.7x	6%	6%	3.2%
Goldman Sachs Group, Inc.	Neutral	72	\$ 158	150	-5%	10.9x	10.7x	9.8x	1.1x	1.0x	10%	10%	1.3%
Huntington Bancshares Inc	Neutral	7	\$ 8	9	+10%	12.6x	11.7x	10.2x	1.2x	1.2x	10%	10%	2.3%
JP Morgan Chase & Co	Buy	208	\$ 55	56	+2%	9.1x	9.0x	8.2x	1.0x	1.0x	12%	11%	2.5%
Keycorp	Neutral	11	\$ 12	12	-1%	14.5x	12.2x	10.5x	1.0x	0.9x	7%	8%	1.9%
M&T Bank Corp	Neutral	15	\$ 117	120	+3%	13.9x	13.4x	11.3x	1.5x	1.4x	11%	11%	2.4%
Morgan Stanley	Neutral	50	\$ 26	23	-10%	13.4x	10.4x	8.7x	0.8x	0.8x	6%	7%	0.8%
Northern Trust Corp	Neutral	15	\$ 61	53	-13%	19.6x	17.4x	14.9x	1.9x	1.8x	10%	11%	2.0%
PNC Financial Services Group	Neutral	39	\$ 74	78	+5%	10.9x	10.7x	9.4x	1.1x	1.0x	10%	10%	2.3%
Regions Financial Corp	Neutral	14	\$ 10	11	+6%	12.0x	12.4x	11.0x	0.9x	0.8x	8%	7%	1.3%
State Street Corp	Buy	31	\$ 69	65	-5%	14.9x	12.6x	10.7x	1.5x	1.4x	11%	12%	1.5%
SunTrust Banks	Neutral	18	\$ 33	36	+8%	12.8x	11.7x	10.1x	0.8x	0.8x	7%	7%	1.2%
US Bancorp	Neutral	69	\$ 37	41	+10%	12.2x	11.4x	10.5x	1.9x	1.8x	16%	16%	2.4%
Wells Fargo & Co	Neutral	222	\$ 42	45	+7%	11.0x	10.3x	9.5x	1.5x	1.3x	14%	14%	2.7%
Zions Bancorp	Buy	5	\$ 29	35	+19%	16.3x	13.6x	10.5x	1.0x	1.0x	6%	7%	0.4%
Canada		296			+11%	11.0x	10.5x	9.9x	1.8x	1.6x	17%	16%	4.3%
Royal Bank of Canada	Neutral	86	\$ 62	68	+10%	11.3x	10.7x	10.2x	2.1x	1.9x	19%	18%	4.2%
Toronto Dominion	Buy	76	\$ 85	95	+12%	11.5x	11.0x	10.2x	1.6x	1.5x	15%	14%	3.9%
Scotiabank	Neutral	66	\$ 57	62	+9%	11.4x	10.8x	9.9x	1.8x	1.6x	16%	16%	4.2%
Bank of Montreal	Buy	39	\$ 63	71	+13%	10.1x	9.9x	9.5x	1.4x	1.3x	15%	14%	4.7%
CIBC	Neutral	29	\$ 76	89	+18%	9.1x	8.7x	8.3x	1.8x	1.7x	21%	20%	5.1%
North America		1312			+5%	11.8x	10.4x	9.4x	1.3x	1.2x	12%	12%	2.4%

Source: Powered by dataCentral

Figure 86. Global Valuation Table – Japan, 12 July 2013

		M Cap	Share Price				Adj P/E			P/B '13E P/B '14E		ROE '13E	ROE '14E	Div Yield
Bank	Rec	(\$bn)	Now	Target	+/-%	2013E	2014E	2015E						2013E
JAPAN														
Bank of Yokohama	Buy	7	¥ 546	700	+28%	13.2x	12.6x	12.9x	1.0x	0.9x	7%	7%		2.0%
Chiba Bank	Buy	6	¥ 728	850	+17%	14.4x	14.7x	14.6x	0.9x	0.8x	6%	6%		1.6%
Sumitomo Mitsui Trust Holdings	Buy	19	¥ 489	580	+19%	13.2x	14.5x	13.3x	1.0x	1.0x	6%	7%		1.7%
Daiwa Securities Group	Buy	16	¥ 910	950	+4%	20.8x	32.4x	28.4x	1.7x	1.6x	9%	5%		1.6%
Fukuoka Financial Group	Buy	4	¥ 443	550	+24%	6.2x	9.0x	9.0x	0.6x	0.6x	7%	7%		2.3%
Hiroshima Bank	Buy	3	¥ 441	600	+36%	16.0x	14.5x	15.0x	0.8x	0.8x	5%	6%		1.4%
Joyo Bank	Buy	4	¥ 563	700	+24%	19.9x	18.8x	20.0x	1.0x	1.0x	5%	5%		1.5%
Mitsubishi UFJ Financial Group	Buy	93	¥ 653	800	+23%	14.1x	14.7x	13.5x	0.8x	0.8x	6%	5%		2.0%
Mizuho Financial Group	Buy	53	¥ 216	320	+48%	10.4x	10.6x	10.2x	1.0x	0.9x	9%	8%		2.8%
Nomura Holdings	Buy	30	¥ 821	900	+10%	28.2x	31.7x	23.8x	1.3x	1.3x	5%	4%		1.0%
Resona Holdings	Buy	13	¥ 507	640	+26%	7.5x	11.0x	10.1x	1.3x	0.9x	12%	7%		2.4%
Seven Bank	Sell	4	¥ 370	300	-19%	22.0x	20.9x	19.5x	3.0x	2.7x	14%	14%		1.8%
Shiga Bank	Buy	1	¥ 523	750	+43%	26.1x	20.9x	19.4x	0.7x	0.7x	3%	3%		1.1%
Shinsei Bank	Buy	6	¥ 237	330	+39%	23.4x	29.7x	24.5x	1.0x	0.9x	4%	3%		0.4%
Shizuoka Bank	Buy	7	¥ 1128	1200	+6%	17.7x	17.8x	19.7x	0.9x	0.9x	5%	5%		1.3%
Sumitomo Mitsui Financial	Buy	65	¥ 4715	6500	+38%	10.2x	11.7x	11.7x	1.0x	0.9x	10%	8%		2.5%
JAPAN		268			+25%	15.5x	17.2x	15.4x	1.0x	1.0x	7%	6%		1.9%

Source: Powered by dataCentral

Figure 87. Global Valuation Table – Asia, 12 July 2013

		M Cap	Share Price				Adj P/E			P/B '13E	P/B '14E	ROE '13E	ROE '14E	Div Yield
Bank	Rec	(\$bn)	Now	Target	+/-%	2013E	2014E	2015E						2013E
ASIA														
China		792			+35%	5.2x	4.8x	4.4x	0.9x	0.8x	20%	19%		6.6%
ABC	Buy	134	Rmb	2.5	3.7	+47%	5.0x	4.7x	4.3x	1.0x	0.8x	20%	19%	7.0%
Bank of China	Buy	116	Rmb	2.5	3.5	+37%	4.8x	4.5x	4.1x	0.8x	0.7x	17%	16%	7.3%
Bank of Communications	Neutral	49	Rmb	4.0	5.1	+28%	5.0x	4.7x	4.5x	0.7x	0.6x	15%	14%	6.1%
China CITIC Bank	Neutral	22	Rmb	2.9	4.0	+37%	4.1x	3.7x	3.3x	0.6x	0.5x	16%	16%	6.0%
China Construction Bank	Buy	178	Rmb	4.4	6.1	+40%	5.2x	4.8x	4.4x	1.0x	0.9x	21%	20%	6.7%
China Merchants Bank	Sell	37	Rmb	10.5	12.3	+16%	5.9x	5.3x	4.8x	1.0x	0.9x	20%	18%	5.1%
China Minsheng Banking	Sell	30	Rmb	6.4	6.7	+4%	4.6x	4.3x	3.8x	0.9x	0.8x	22%	20%	4.3%
ICBC	Neutral	223	Rmb	3.9	5.1	+29%	5.5x	5.1x	4.6x	1.1x	0.9x	21%	20%	6.5%
CRCB	Buy	4	Rmb	2.6	4.5	+70%	3.9x	3.6x	3.3x	0.7x	0.6x	19%	18%	9.2%
Hong Kong		76			+17%	13.9x	12.7x	11.5x	1.6x	1.5x	16%	13%		4.7%
Bank of East Asia	Neutral	8	\$	28.4	33.0	+16%	14.6x	13.8x		1.1x	1.0x	8%	8%	3.5%
Bank of China (HK)	Buy	33	\$	24.3	30.0	+23%	12.6x	11.7x	11.0x	1.6x	1.5x	14%	14%	5.4%
Dah Sing Banking	Buy	2	\$	9.3	12.0	+29%	8.3x	7.6x	7.3x	0.6x	0.6x	8%	8%	3.4%
Dah Sing Financial	Buy	1	\$	31.9	46.0	+44%	8.3x	7.6x	7.2x	0.5x	0.5x	7%	7%	3.7%
Hang Seng Bank	Neutral	29	\$	118	126	+7%	15.9x	14.2x	12.7x	2.0x	1.9x	22%	14%	4.6%
Wing Hang Bank	Buy	3	\$	71	94	+33%	12.2x	10.6x	9.6x	1.0x	1.0x	10%	10%	3.4%
India		135			+29%	17.6x	14.6x	12.1x	3.0x	2.5x	18%	18%		1.6%
AXIS Bank	Buy	10	Rs	1290	1795	+39%	11.8x	9.7x	8.0x	1.6x	1.4x	19%	18%	1.4%
Bank of Baroda	Buy	4	Rs	568	910	+60%	4.9x	4.4x	3.6x	0.7x	0.7x	16%	16%	3.2%
Canara Bank	Neutral	3	Rs	353	485	+37%	4.2x	3.5x	2.8x	0.6x	0.5x	15%	16%	3.3%
Federal Bank	Buy	1	Rs	402	590	+47%	7.7x	6.7x	5.6x	1.1x	1.0x	15%	15%	2.4%
HDFC Bank	Neutral	27	Rs	681	750	+10%	24.1x	19.7x	15.6x	4.5x	3.8x	20%	21%	0.8%
HDFC	Neutral	22	Rs	853	940	+10%	27.3x	23.2x	19.7x	5.3x	4.7x	22%	22%	1.5%
ICICI Bank	Buy	20	Rs	1058	1535	+45%	14.7x	12.0x	9.9x	1.8x	1.6x	13%	14%	1.9%
Indusind Bank	Sell	4	Rs	510	455	-11%	24.6x	19.3x	15.5x	3.6x	3.0x	17%	17%	0.6%
Kotak Mahindra Bank	Neutral	10	Rs	746	785	+5%	25.4x	19.6x	15.7x	3.7x	3.0x	16%	17%	0.2%
State Bank of India	Buy	22	Rs	1910	2860	+50%	9.5x	8.9x	7.9x	1.4x	1.2x	15%	14%	1.8%
Union Bank Of India	Neutral	2	Rs	176	245	+39%	5.5x	4.3x	3.5x	0.7x	0.6x	14%	16%	4.8%
Yes Bank	Neutral	3	Rs	488	590	+21%	14.3x	10.9x	8.8x	3.2x	2.5x	25%	26%	1.2%
IDFC	Buy	3	Rs	131	210	+61%	10.7x	9.0x	7.7x	1.4x	1.3x	14%	15%	1.9%
Punjab National Bank	Buy	4	Rs	631	1095	+74%	4.5x	3.9x	3.2x	0.7x	0.6x	16%	16%	4.3%
Indonesia		73			+11%	12.4x	10.9x	9.4x	2.6x	2.2x	23%	22%		2.4%
Bank Central Asia	Sell	24	Rp	9800	8400	-14%	17.2x	14.6x	12.3x	3.6x	3.0x	24%	23%	1.2%
Bank Mandiri (Persero)	Neutral	20	Rp	8500	10350	+22%	11.1x	9.9x	8.5x	2.3x	1.9x	22%	21%	2.7%
Bank Negara Indonesia	Neutral	8	Rp	4200	5450	+30%	9.7x	8.9x	7.7x	1.6x	1.4x	17%	17%	3.1%
Bank Rakyat Indonesia	Neutral	18	Rp	7550	9400	+25%	9.3x	8.6x	7.7x	2.3x	1.9x	27%	24%	3.2%
PT Bank Bukopin	Sell	1	Rp	660	725	+10%	6.2x	5.7x	4.6x	0.9x	0.8x	16%	15%	3.2%
PT Bank Pembangunan	Sell	1	Rp	1170	1125	-4%	9.4x	8.9x	7.3x	1.7x	1.6x	19%	18%	4.2%
Bank Tabungan Negara	Sell	1	Rp	1140	1350	+18%	7.9x	7.0x	5.8x	1.0x	0.9x	14%	14%	2.5%

Source: Powered by dataCentral

Figure 88. Global Valuation Table – Asia (Cont.), 12 July 2013

		M Cap	Share Price				Adj P/E			P/B '13E	P/B '14E	ROE '13E	ROE '14E	Div Yield
Bank	Rec	(\$bn)		Now	Target	+/-%	2013E	2014E	2015E					2013E
Korea		46				+25%	8.9x	7.7x	7.2x	0.6x	0.6x	7%	8%	2.1%
Hana Financial Group	Buy	9	W	33600	48000	+43%	8.0x	6.4x	5.6x	0.5x	0.5x	7%	7%	1.8%
Industrial Bank of Korea	Neutral / H	6	W	11250	13200	+17%	7.3x	6.5x	6.4x	0.5x	0.5x	7%	8%	3.6%
KB Financial Group	Buy	12	W	35300	45000	+27%	9.0x	7.4x	6.9x	0.5x	0.5x	6%	7%	1.8%
Shinhan Financial Group	Buy	17	W	39750	47000	+18%	9.8x	9.0x	8.4x	0.7x	0.6x	7%	8%	2.0%
BS Financial Group	Neutral	3	W	15700	17300	+10%	8.4x	7.5x	6.8x	0.9x	0.8x	11%	11%	2.2%
Malaysia		93				+2%	13.6x	12.5x	11.6x	2.1x	1.9x	16%	16%	3.4%
AMMB	Sell	7	RM	7.6	6.9	-9%	14.0x	12.7x	11.7x	1.9x	1.8x	14%	14%	2.9%
CIMB	Sell	20	RM	8.3	8.0	-4%	12.6x	11.7x	10.7x	1.9x	1.7x	16%	16%	3.2%
Maybank	Buy	29	RM	10.4	11.3	+8%	14.2x	13.1x	12.3x	2.0x	1.9x	14%	15%	4.2%
Public Bank	Neutral	19	RM	17.0	17.4	+2%	14.2x	12.9x	12.0x	2.9x	2.6x	22%	21%	3.2%
Alliance Financial Group	Sell	3	RM	5.5	4.5	-18%	15.6x	14.8x	13.4x	2.1x	2.0x	14%	14%	3.0%
Hong Leong Bank	Neutral	8	RM	14.1	15.4	+9%	13.7x	12.9x	11.8x	2.0x	1.8x	15%	15%	3.0%
RHB Capital	Neutral	7	RM	8.5	9.5	+11%	11.5x	10.1x	9.0x	1.3x	1.2x	12%	12%	2.7%
Philippines		20				+5%	17.0x	15.0x		2.2x	2.0x	13%	14%	1.4%
Banco de Oro	Buy	7	P	85	88	+3%	19.1x	15.7x		1.9x	1.7x	10%	11%	1.3%
Bank of Philippine Islands	Sell	8	P	92	92	+0%	19.0x	17.1x		3.0x	2.7x	17%	17%	2.0%
Metrobank	Neutral	5	P	109	115	+5%	13.8x	13.4x		1.7x	1.5x	10%	12%	1.3%
Philippine National Bank	Neutral	2	P	83	105	+27%	11.0x	8.6x		1.3x	1.1x	12%	14%	0.0%
Singapore		55				-6%	13.3x	12.6x	11.6x	1.4x	1.3x	11%	11%	3.3%
OCBC	Sell	28	\$	10.4	9.6	-8%	14.0x	13.2x	12.3x	1.5x	1.4x	11%	11%	3.2%
UOB	Buy	27	\$	21.2	20.3	-4%	12.6x	12.0x	11.0x	1.4x	1.3x	11%	11%	3.5%
Taiwan		46				+6%	13.6x	12.9x	12.1x	1.3x	1.2x	10%	10%	2.7%
Chinatrust FHC	Buy	9	\$	19.3	21.0	+9%	11.4x	11.2x	10.0x	1.4x	1.3x	13%	12%	2.1%
First Financial	Buy	5	\$	18.1	22.5	+24%	13.1x	12.7x	12.2x	1.1x	1.0x	9%	8%	1.9%
Fubon FHC	Sell	14	\$	40.0	38.0	-5%	13.1x	11.6x	10.7x	1.4x	1.2x	11%	11%	2.3%
Mega FHC	Buy	10	\$	24.8	27.5	+11%	12.4x	12.0x	11.1x	1.3x	1.2x	10%	10%	4.4%
Sinopac FHC	Sell	4	\$	14.8	12.5	-15%	11.8x	12.1x	12.1x	1.1x	1.0x	9%	8%	1.7%
Yuanta FHC	Buy	5	\$	16.0	19.0	+19%	22.8x	21.5x	21.1x	1.0x	1.0x	5%	5%	2.6%
Thailand		65				+17%	10.9x	9.5x	8.3x	1.8x	1.6x	18%	18%	3.3%
Bangkok Bank	Neutral	13	Bt	205	220	+7%	10.6x	9.7x	8.7x	1.4x	1.3x	13%	14%	3.8%
Bank of Ayudhya	Buy	7	Bt	37.5	39.0	+4%	12.5x	10.7x	9.3x	1.8x	1.7x	15%	16%	3.2%
Kasikornbank	Buy	15	Bt	190	232	+22%	10.8x	9.3x	8.0x	2.1x	1.8x	21%	21%	2.4%
Krung Thai Bank	Buy	9	Bt	19.6	25.5	+30%	8.3x	6.8x	6.0x	1.4x	1.2x	17%	19%	4.8%
Siam Commercial Bank	Buy	18	Bt	164	203	+24%	11.2x	9.9x	8.7x	2.3x	2.0x	22%	21%	3.1%
TISCO Financial Group	Sell	1	Bt	42.3	40.0	-5%	7.5x	7.0x	6.0x	1.6x	1.4x	23%	21%	5.3%
TMB Bank	Sell	3	Bt	2.3	2.0	-12%	15.0x	13.3x	11.7x	1.6x	1.5x	11%	12%	2.2%
ASIA		1401				+26%	8.9x	8.0x	7.1x	1.4x	1.3x	18%	17%	4.9%

Source: Powered by dataCentral

Figure 89. Global Valuation Table – Australia and Latin America, 12 July 2013

		M Cap	Share Price			Adj P/E			P/B '13E	P/B '14E	ROE '13E	ROE '14E	Div Yield	
Bank	Rec	(\$bn)	Now	Target	+/-%	2013E	2014E	2015E					2013E	
AUSTRALIA														
ANZ	Buy	73	\$	29	31	+7%	13.1x	12.3x	11.7x	2.0x	1.9x	15%	15%	5.7%
Bendigo and Adelaide	Neutral	4	\$	10.5	9.6	-8%	14.5x	14.3x	13.8x	1.0x	1.0x	9%	8%	5.7%
Bank Of Queensland Ltd	Neutral	3	\$	9.1	8.9	-3%	12.6x	11.8x	11.4x	1.0x	1.0x	7%	8%	6.1%
CBA	Buy	106	\$	71	74	+3%	16.0x	15.1x	14.3x	2.6x	2.6x	18%	18%	5.2%
National Australia Bank	Neutral	65	\$	30	30	-1%	14.2x	13.4x	12.6x	1.8x	1.8x	12%	13%	6.2%
Westpac Banking Corp	Buy	84	\$	29	33	+13%	13.8x	13.5x	13.0x	2.2x	2.1x	15%	15%	6.6%
AUSTRALIA / NZ		334				+5%	14.4x	13.7x	13.1x	2.2x	2.1x	15%	15%	5.9%
LATIN AMERICA														
Argentina		3				-7%	3.7x	2.9x		0.9x	0.7x	27%	26%	0.0%
BBVA Francés	Sell / H	1	Ar\$	10.8	10.5	-3%	3.7x	2.9x		0.9x	0.7x	27%	26%	0.0%
Galicía	Sell / H	1	Ar\$	4.4	4.0	-10%	3.6x	2.9x		0.8x	0.6x	29%	27%	0.0%
Macro	Sell / H	1	Ar\$	11.9	11.0	-8%	3.8x	3.0x		0.9x	0.7x	26%	25%	0.0%
Brazil		146				+23%	8.1x	7.2x	5.9x	1.4x	1.2x	18%	17%	4.7%
Banco Do Brasil	Buy	27	R\$	21.2	25.0	+18%	5.8x	5.4x	4.8x	0.9x	0.8x	23%	15%	9.9%
Bradesco	Buy	51	R\$	27.4	34.5	+26%	8.9x	7.7x	6.7x	1.5x	1.3x	18%	18%	3.7%
Itaú Unibanco	Buy	62	R\$	27.7	36.5	+32%	8.7x	7.6x	6.6x	1.7x	1.4x	20%	20%	3.4%
BTG Pactual	Buy	11	R\$	28.3	43.0	+52%	7.6x	6.6x		1.6x	1.3x	21%	21%	3.1%
Santander Brasil	Sell	22	R\$	13.2	10.5	-20%	7.9x	7.2x	6.4x	0.8x	0.8x	4%	5%	5.5%
Chile		21				+15%	11.5x	9.9x		2.0x	1.8x	19%	19%	3.8%
Santander Chile	Sell	11	ChP	29.1	30.7	+5%	12.4x	10.6x		2.3x	2.1x	19%	21%	4.2%
BCI	Neutral	6	ChP	30000	38000	+27%	10.7x	9.3x		1.9x	1.7x	19%	19%	2.4%
Corpbanca	Neutral	4	ChP	5.4	6.6	+23%	10.2x	8.6x		1.4x	1.3x	15%	15%	5.0%
Mexico		13				+26%	12.8x	10.8x	9.1x	2.1x	1.9x	18%	18%	1.0%
Banorte	Buy	13	P\$	73	105	+43%	12.3x	10.0x	8.4x	1.8x	1.6x	16%	17%	1.1%
Santander México	Neutral	18	P\$	34.6	41.5	+20%	12.3x	10.7x	9.3x	2.1x	1.9x	18%	18%	0.7%
Banregio	Buy	2	P\$	71	72	+1%	15.8x	12.9x	10.5x	2.7x	2.3x	19%	19%	0.8%
Compartamos	Neutral	3	P\$	22.3	21.0	-6%	17.0x	13.5x	10.3x	3.7x	3.1x	24%	25%	2.2%
Peru		12				+55%	10.3x	8.7x	7.3x	2.0x	1.7x	21%	21%	2.9%
Credicorp	Buy	9	\$	117	184	+57%	10.3x	8.7x	7.4x	1.9x	1.7x	20%	20%	2.5%
Intercorp	Buy	3	NS	83	123	+48%	10.1x	8.4x	7.0x	2.3x	2.0x	23%	24%	4.2%
LATIN AMERICA		196				+23%	8.9x	7.7x	6.2x	1.5x	1.4x	18%	18%	4.2%

Source: Powered by dataCentral

Figure 90. Global Valuation Table – Middle East & Africa, 12 July 2013

Bank	Rec	M Cap (\$bn)	Share Price			Adj P/E			P/B '13E		P/B '14E		ROE '13E	ROE '14E	Div Yield 2013E
			Now	Target	+/-%	2013E	2014E	2015E							
MIDDLE EAST & AFRICA															
Egypt		5			+2%	7.6x	6.3x	5.6x	1.5x	1.3x	22%	22%	4.3%		
Commercial International Bank	Neutral / H	3	£	33.9	38.0	+12%	7.2x	6.1x	5.5x	1.6x	1.4x	24%	24%	4.2%	
National Societe Generale Bk	Sell	2	£	28.0	24.0	-14%	8.1x	6.5x	5.7x	1.3x	1.2x	17%	19%	4.3%	
Kenya		3			-42%	12.3x	11.2x	9.8x	2.3x	2.0x	20%	19%	3.4%		
Equity Bank	Sell	1	KES	33.5	19.0	-43%	12.7x	11.1x	9.7x	2.5x	2.2x	21%	21%	3.0%	
Kenya Commercial Bank	Sell	1	KES	40.5	24.0	-41%	11.9x	11.3x	10.0x	2.0x	1.8x	18%	17%	3.8%	
Morocco		8			+15%	11.8x	10.3x	9.2x	1.9x	1.7x	17%	18%	3.0%		
Attijariwafa Bank	Neutral	8	Dh	328	376	+15%	11.8x	10.3x	9.2x	1.9x	1.7x	17%	18%	3.0%	
Nigeria		11			+29%	7.3x	6.0x	5.1x	1.8x	1.6x	25%	26%	7.8%		
Guaranty Trust Bank	Neutral	5	N	26.2	31.0	+18%	8.7x	7.1x	5.8x	2.4x	2.1x	29%	32%	6.9%	
Skye Bank	Neutral	0	N	4.9	5.0	+3%	4.0x	3.3x	3.0x	0.5x	0.5x	14%	16%	7.5%	
United Bank for Africa	Buy	2	N	8.3	11.0	+33%	5.0x	5.0x	4.5x	1.3x	1.1x	27%	24%	9.5%	
Zenith Bank Plc	Buy	4	N	20.3	29.0	+43%	6.9x	5.4x	4.6x	1.3x	1.2x	19%	22%	8.3%	
Oman		3			+37%	7.6x	6.6x	5.9x	1.1x	1.0x	15%	15%	3.9%		
Bank Muscat	Buy	3	ر.ع	.6	.8	+37%	7.6x	6.6x	5.9x	1.1x	1.0x	15%	15%	3.9%	
Qatar		5			+39%	8.8x	7.8x	7.4x	1.2x	1.2x	15%	15%	7.0%		
Commercial Bank of Qatar	Buy	5	QR	71	99	+39%	8.8x	7.8x	7.4x	1.2x	1.2x	15%	15%	7.0%	
Saudi Arabia		65			+23%	11.5x	9.7x	8.3x	2.0x	1.8x	18%	19%	4.1%		
AlRajhi Bank	Buy	30	SRIs	75	92	+22%	12.7x	10.7x	8.9x	2.9x	2.6x	24%	26%	4.7%	
Alinma Bank	Neutral	6	SRIs	14.0	15.0	+8%	18.3x	14.0x	10.6x	1.2x	1.1x	7%	8%	0.0%	
Banque Saudi Fransi	Buy	8	SRIs	32.6	38.0	+17%	8.4x	7.6x	7.1x	1.2x	1.1x	15%	15%	2.7%	
Riyad Bank	Buy	10	SRIs	24.7	30.0	+21%	10.2x	9.0x	8.0x	1.1x	1.1x	11%	12%	5.5%	
Samba Financial Group	Buy	12	SRIs	50.3	70	+39%	8.3x	7.0x	6.5x	1.3x	1.2x	16%	18%	4.4%	
South Africa		58			+15%	10.2x	8.8x	7.6x	1.6x	1.4x	16%	17%	5.0%		
ABSA Group Limited	Neutral	10	R	143	154	+8%	9.3x	8.2x	7.2x	1.4x	1.3x	16%	17%	5.9%	
FirstRand Limited	Buy	16	R	28.6	34.8	+22%	10.4x	9.1x	7.8x	2.2x	1.9x	22%	22%	4.6%	
Nedbank Ltd	Buy	9	R	173	201	+16%	9.4x	8.2x	7.1x	1.3x	1.2x	15%	16%	5.4%	
Standard Bank Group	Neutral	17	R	108	118	+9%	10.1x	8.8x	7.5x	1.4x	1.2x	14%	15%	4.8%	
Investec PLC	Buy	6	p	431	540	+25%	12.5x	10.1x	8.5x	1.2x	1.1x	8%	11%	4.2%	
UAE		36			+21%	10.7x	10.0x	9.2x	1.7x	1.5x	16%	16%	4.0%		
Abu Dhabi Commercial Bk	Neutral	8	Dh	5.2	5.0	-3%	10.4x	11.0x	9.8x	1.3x	1.2x	13%	11%	3.9%	
First Gulf Bank PJSC	Buy	14	Dh	17.0	20.0	+18%	11.7x	9.9x	9.3x	1.9x	1.7x	16%	18%	4.7%	
National Bank of Abu Dhabi	Buy	14	Dh	12.1	16.5	+36%	9.7x	9.4x	8.8x	1.7x	1.5x	18%	17%	3.4%	
MIDDLE EAST & AFRICA		194			+19%	10.5x	9.1x	8.0x	1.7x	1.6x	17%	18%	4.6%		

Source: Powered by dataCentral

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Appendix A-1

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