

INDIA

HDFC Ltd

21 January 2008

HDFC IN Outperform

Stock price as of 18 Jan 08	Rs	2,819.80
12-month target	Rs	3,573.00
Upside/downside	%	+26.7
Valuation	Rs	3,573.00
- Sum of Parts		

GICS sector		banks
Market cap	Rs m	796,058
30-day avg turnover	US\$m	11.5
Market cap	US\$m	20,323
Number shares on issue	m	282.3

Investment fundamentals

Year end 31 Mar		2007A	2008E	2009E	2010E
Net interest inc	m	17,760	27,342	35,130	43,813
Non interest inc	m	4,535	2,517	3,582	4,382
Underlying profit	m	19,928	27,057	35,374	44,199
PBT	m	19,678	31,149	35,124	43,949
PBT Growth	%	36.5	58.3	12.8	25.1
Reported profit	m	15,704	24,608	27,748	34,720
Adjusted profit	m	15,704	20,266	27,748	34,720
EPS rep	Rs	62.07	90.80	102.33	127.99
EPS rep growth	%	35.7	46.3	12.7	25.1
EPS adj	Rs	62.07	74.78	102.33	127.99
EPS adj growth	%	23.2	20.5	36.8	25.1
PE rep	x	45.4	31.1	27.6	22.0
PE adj	x	45.4	37.7	27.6	22.0
Total DPS	Rs	22.50	30.00	37.50	47.50
Total div yield	%	0.8	1.1	1.3	1.7
ROA	%	2.6	2.7	3.0	3.1
ROE	%	31.3	25.5	24.8	26.4
Equity to assets	%	8.5	12.6	11.9	11.4
Price/book	x	12.9	7.4	6.3	5.4

HDFC IN rel SENSEX performance, & rec history



Source: Datastream, Macquarie Research, January 2008
(all figures in INR unless noted)

Analysts

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Strong results reinforce top pick status

Event

- Housing Development Finance Corporation (HDFC) continued its strong margin improvement in 3Q FY3/08E, ahead of our above consensus expectations. As a result, adjusted PAT grew by 48.5% YoY, 2% ahead of our estimates.

Impact

- **Margins continue to surprise.** Net interest income for the quarter grew by 71% YoY, led by a 13bp QoQ improvement in net interest margins. This is because commercial banks, which are HDFC's primary competitors, are facing a rising regulatory burden because of higher cash reserve ratios and lower spreads on government bonds that the regulator compels them to hold. As HDFC is not a bank, it is benefiting from this scenario and that is driving a continuous improvement in margins. We have thus adjusted our NIM forecasts upwards by 35bp for FY3/08E to 3.97% and 48bp for FY3/09E to 4.10% to reflect the improved competitiveness.
- **Loan growth continues strongly.** HDFC is also showing resilience in loan growth, with disbursements growing by 25% YoY and loan growth at 24% YoY. This is despite most commercial banks being unable to push growth beyond the teens. We see this as a factor of HDFC's improved competitiveness as well as better distribution in smaller towns, where property affordability is still reasonable and is thus seeing stronger underlying demand.
- **Life insurance subsidiary restructured.** HDFC sold a 7% stake in its subsidiary, HDFC Standard Life Insurance (2341707Z IN, unlisted), to Standard Life (SL/ LN, £211.75, Not rated), at a profit of Rs1.2bn, which we report as extraordinary. The company has also restructured its JV agreement with Standard Life. As a result, it now owns 72% economic interest in the life company, vs 50% earlier. We have raised the contribution of HDFC SL to HDFC's sum-of-parts valuation to reflect this change.

Earnings revision

- We have raised our EPS forecasts for FY3/08–10 by 8%, 4% and 5%, respectively, to reflect improved NIMs. With the adjustment in life company valuations detailed above, this has resulted in a 9% rise in our target price to Rs3,573.

Price catalyst

- 12-month price target: Rs3,573.00 based on a Sum of Parts methodology.
- Catalyst: Further improvement in NIM in 4Q FY3/08.

Action and recommendation

- We see HDFC as a beneficiary of tightening reserve ratios. Its competitiveness in the mortgage space is continuously rising and we maintain our Outperform rating on the stock. It remains our top pick among India financials.

Please refer to the important disclosures on inside back cover of this document, or on our website www.macquarie.com.au/research/disclosures.

Fig 1 HDFC – selected ratios

Yr end 31 Mar	2006	2007	2008E	2009E	2010E
%					
GROWTH PROJECTIONS					
Growth in Net Interest Income	26.3	20.8	54.0	28.5	24.7
Growth in Pre Provision Profit	24.1	26.7	35.8	30.7	24.9
Growth in Net Profit	22.3	24.9	29.0	36.9	25.1
OPERATING EFFICIENCY					
Cost to income	13.9	12.7	10.1	9.4	9.0
Cost to assets	0.5	0.4	0.4	0.4	0.4
Overhead ratio	9.2	8.3	8.5	8.0	7.8
ASSET ANALYSIS					
Loans to earning assets	85.9	92.2	92.5	93.4	94.1
Earning assets to Total assets	98.1	93.4	93.3	93.5	93.4
Loans to Total assets	84.3	86.2	86.2	87.3	87.9
LOAN ANALYSIS					
Net loan growth	23.0	26.4	24.9	24.8	24.3
PROVISIONING					
Reserve cover	100.0	100.0	100.0	100.0	100.0
ASSET QUALITY					
Gross NPLs	1.0	0.9	1.1	1.1	1.1
Net NPLs	0.0	0.0	0.0	0.0	0.0
CAPITAL ADEQUACY					
Tier 1 CAR	8.5	8.7	14.3	13.6	13.0
Total CAR	15.0	14.9	19.5	18.4	17.1
Equity to assets	8.4	8.5	12.6	11.9	11.4
CAPITAL MANAGEMENT					
Dividend payout	39.7	36.2	33.0	36.6	37.1
Dividend yield	0.8	0.9	1.2	1.5	1.9
EPS	50.4	62.1	90.8	102.3	128.0
BVPS	179.0	219.4	380.5	445.2	525.5
SPREAD ANALYSIS					
Int. rate received on int. E.A.	8.81	9.78	11.29	11.22	11.18
Int. rate paid on int. bearing liab.	5.98	7.06	8.04	7.93	7.78
Spread	2.83	2.72	3.25	3.28	3.40
Net Interest Margin	3.19	3.13	3.97	4.10	4.13

Source: Company data, Macquarie Research, January 2008

Fig 2 HDFC – 3Q08 results

	3Q07	3Q08	YoY	2Q08	QoQ	FY07E	FY08E	YoY
Net interest income	4,187	7,158	71.0%	6,503	10.1%	18,038	28,163	56.1%
Fees	241	195	-19.4%	135	44.0%	1,003	587	-41.5%
Net revenues	4,428	7,353	66.0%	6,638	10.8%	19,041	28,750	51.0%
Operating expenditure	661	785	18.8%	863	-9.0%	2,616	3,053	16.7%
Operating profit	3,767	6,568	74.3%	5,775	13.7%	16,425	25,697	56.5%
Profit from asset sales	682	1,034	51.7%	49	2006.3%	2,923	1,111	-62.0%
Profit before tax	4,449	7,602	70.9%	5,824	30.5%	19,348	26,808	38.6%
Tax	893	2,322	159.9%	2,493	-6.9%	3,974	6,541	64.6%
Adjusted PAT	3,555	5,280	48.5%	3,331	58.5%	15,374	20,266	31.8%
Extraordinary income	0	1,209		3,133		330	4,342	
Reported PAT	3,555	6,489	82.5%	6,463	0.4%	15,704	24,608	56.7%
Balance sheet data								
Disbursements	61,849	80,100	29.5%	86,300	-7.2%	261,780	335,078	28.0%
Borrowings	588,882	635,218	7.9%	629,520	0.9%	468,086	563,286	20.3%
Mortgage assets	527,487	669,759	27.0%	620,200	8.0%	565,124	708,060	25.3%
Individual loans	366,568	446,259	21.7%	418,740	6.6%	373,625	468,125	25.3%
Individual loans (%)	69.5%	66.6%				68.2%	66.1%	
Unrealized Gain	79,346	143,002	80.2%	113,602	25.9%			
Ratios								
NIM	3.06%	3.98%		3.85%		3.31%	4.16%	
ROA	2.6%	2.9%		2.0%		2.8%	2.9%	
ROE	27.1%	19.7%		17.1%		31.3%	25.5%	
Book value per share (Rs)	217	416		358		219	381	
Earnings per share - Basic (Rs)	40.7	62.5		39.0		62.1	90.8	

Source: Company data, Macquarie Research, January 2008

Fig 3 HDFC – balance sheet

Yr end 31 Mar	2006	2007	2008E	2009E	2010E
(Rs m)					
LIABILITIES					
Equity capital	2,496	2,530	2,710	2,712	2,713
Share Premium	6,659	6,659	6,659	6,659	6,659
Reserves	35,528	46,325	93,762	111,342	133,177
Net worth	44,683	55,514	103,132	120,713	142,549
Term deposits	87,414	103,844	120,644	151,244	189,764
Borrowings	379,799	468,086	563,286	702,686	878,167
Other liabilities	22,085	28,269	33,996	39,723	45,450
Total	533,982	655,713	821,058	1,014,367	1,255,931
ASSETS					
Loans	449,901	565,124	708,060	885,978	1,103,634
Corp investments	2,142	6,192	5,574	4,308	3,359
Gilts	4,479	4,306	3,946	3,581	3,399
Other investments					
- Equity	6,470	6,447	4,835	3,626	2,720
- Subs	10,342	12,029	27,922	32,922	37,922
- Others	15,330	7,688	2,041	2,027	1,966
Cash/equiv	12,016	10,910	13,310	16,239	19,812
Fixed assets	2,473	2,131	1,814	1,521	1,249
Other assets	30,828	40,887	53,556	64,165	81,872
Total	533,982	655,713	821,058	1,014,367	1,255,933

Source: Company data, Macquarie Research, January 2008

Fig 4 HDFC – income statement

Yr end 31 Mar	2006	2007	2008E	2009E	2010E
(Rs m)					
Interest Income	39,619	54,429	77,803	96,143	118,593
Interest expenses	24,911	36,669	50,461	61,013	74,780
Net Interest Income	14,707	17,760	27,342	35,130	43,813
Fees	803	894	488	537	591
Net revenues	15,511	18,654	27,831	35,668	44,404
Operating Expense	2,150	2,366	2,803	3,339	3,996
- Employee exp	803	913	1,141	1,426	1,783
- Other opex	1,346	1,454	1,662	1,912	2,213
Operating profit	13,361	16,287	25,028	32,329	40,409
Investment profits	2,362	3,641	2,029	3,045	3,791
Pre-provision profit	15,723	19,928	27,057	35,374	44,199
Provisions	150	250	250	250	250
PBT	15,573	19,678	26,807	35,124	43,949
Taxes	3,000	3,974	6,541	7,376	9,229
PAT	12,573	15,704	20,266	27,748	34,720
Extraordinaries	-1,155	0	4,342	0	1
Reported PAT	11,418	15,704	24,608	27,749	34,722
Dividends	4,991	5,989	7,187	8,625	10,350

Source: Company data, Macquarie Research, January 2008

Asia banks valuations

	Bberg code	Price (Icy)	Mkt cap (US\$m)	EPS (Icy cents)		EPS growth (%)		PER (x)		BVPS (Icy)		P/BV (x)		ROE (%)		DPS (Icy)		Div yield (%)		Rating	Target price (Icy)	Price to TP (%)
				FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E			
China																						
Bank of China	3988 HK	3.44	33,544	24.0	31.9	36.2	34.2	13.3	10.0	1.7	2.0	1.9	1.6	15.0	17.4	0.1	0.1	1.6	1.9	N	5.23	52.0
Bank of Communications	3328 HK	9.67	28,609	39.7	54.6	50.0	38.6	22.6	16.4	2.8	3.2	3.2	2.8	16.9	18.5	0.1	0.2	1.6	2.0	O	15.50	60.3
China Citic Bank	998 HK	4.91	7,811	16.3	27.5	34.6	72.4	27.9	16.6	2.0	2.2	2.2	2.1	11.5	13.0	0.0	0.0	0.0	0.0	N	6.30	28.3
China Construction Bank	939 HK	6.04	174,079	31.6	40.5	55.8	29.2	17.8	13.8	1.7	1.9	3.3	2.9	19.8	22.3	0.1	0.1	1.7	1.9	O	8.55	41.6
China Everbright	165 HK	24.05	4,889	0.0	0.0	0.0	0.0	nfm	nfm	nfm	nfm	nfm	nfm	nfm	nfm	0.2	0.2	0.7	0.7	O	35.70	48.4
ICBC	1398 HK	5.00	53,269	24.6	31.0	41.1	27.2	18.8	14.9	1.5	1.7	3.0	2.7	16.7	18.8	0.1	0.1	2.3	3.0	O	8.40	68.0
Weighted Average				29.4	38.2	49.0	30.9	17.9	13.7	1.8	2.0	3.0	2.6	17.9	20.2	0.1	0.1	1.7	2.0			
Hong Kong																						
Bank of China-HK	2388 HK	21.30	28,887	138.5	148.8	4.6	7.5	15.4	14.3	8.5	9.0	2.5	2.4	16.8	17.1	0.9	1.0	4.4	4.6	O	24.00	12.7
Bank of East Asia	23 HK	46.05	9,298	256.6	300.2	15.0	17.1	17.9	15.3	18.3	19.2	2.5	2.4	14.3	16.1	1.7	2.0	3.6	4.4	O	51.00	10.7
Dah Sing Financial	440 HK	63.85	2,048	504.9	564.2	-9.8	11.8	12.6	11.3	42.1	44.7	1.5	1.4	12.3	13.0	2.2	3.0	3.4	4.6	O	78.00	22.2
Hang Seng	11 HK	155.80	38,207	810.9	798.0	28.8	-1.6	19.2	19.5	26.7	28.6	5.8	5.4	31.7	28.9	5.7	6.0	3.7	3.9	O	130.00	-16.6
Wing Hang	302 HK	104.80	3,965	661.7	717.3	17.2	8.4	15.8	14.6	34.1	37.7	3.1	2.8	20.1	20.0	3.3	3.6	3.1	3.5	O	110.00	5.0
Wing Lung	96 HK	92.45	2,753	684.9	637.2	-1.0	-7.0	13.5	14.5	51.0	53.8	1.8	1.7	13.7	12.2	3.6	3.6	3.9	3.9	N	85.50	-7.5
Hong Kong Exchange	388 HK	179.50	24,643	582.7	820.6	146.3	40.9	30.8	21.9	5.5	6.2	32.9	28.8	112.5	140.7	5.3	7.4	2.9	4.1	O	300.00	67.1
HSBC	5 HK	119.00	180,554	166.9	155.2	19.8	-7.1	9.1	9.8	10.2	10.6	1.5	1.4	17.0	15.1	0.9	1.0	5.9	6.6	O	160.00	34.5
Standard Chartered	2888 HK	255.00	46,107	195.1	226.1	14.6	16.0	16.8	14.5	13.3	14.6	2.5	2.2	15.3	16.3	0.8	0.9	2.4	2.7	N	296.00	16.1
Weighted Average				503.9	508.9	16.7	4.1	17.3	16.7	21.1	22.6	4.0	3.7	23.1	22.1	3.4	3.6	3.9	4.2			
India																						
Bank of Baroda	BOB IN	464.10	4,312	2,808	3,293	22.2	17.3	16.5	14.1	236.6	261.9	2.0	1.8	12.4	13.2	5.0	7.0	1.1	1.5	U	244	-47.4
Bank of India	BOI IN	447.00	5,556	2,301	4,039	60.1	75.6	19.4	11.1	117.7	152.6	3.8	2.9	21.2	29.9	3.7	5.0	0.8	1.1	O	459	2.7
HDFC	HDFC IN	2,849.75	20,518	6,207	8,371	35.7	34.9	45.9	34.0	219.4	373.5	13.0	7.6	31.3	29.0	22.5	30.0	0.8	1.1	O	3,288	15.4
HDFC Bank	HDFCB IN	1,647.10	14,881	3,574	4,456	30.3	24.7	46.1	37.0	201.4	321.9	8.2	5.1	19.5	17.7	5.0	11.0	0.3	0.7	O	2,114	28.3
ICICI Bank	ICICIB IN	1,321.80	37,504	3,460	4,066	21.2	17.5	38.2	32.5	270.4	428.9	4.9	3.1	13.4	12.5	8.5	11.5	0.6	0.9	O	1,443	9.2
IDBI	IDBI IN	164.85	3,045	870	1,018	12.3	17.0	18.9	16.2	86.1	94.7	1.9	1.7	10.0	11.3	1.5	2.0	0.9	1.2	U	93	-43.6
IDFC	IDFC IN	218.45	7,211	448	673	28.6	50.5	48.8	32.5	26.2	44.7	8.3	4.9	18.3	19.8	1.0	1.0	0.5	0.5	O	255	16.7
Kotak Mahindra Bank	KMB IN	1,262.70	11,086	2,182	3,227	51.9	47.9	57.9	39.1	107.1	168.4	11.8	7.5	24.0	24.0	0.7	2.0	0.1	0.2	O	1,385	9.7
Punjab National Bank	PNB IN	660.25	5,309	4,885	6,594	6.9	35.0	13.5	10.0	321.6	372.2	2.1	1.8	16.0	19.0	10.0	14.0	1.5	2.1	O	753	14.0
State Bank of India	SBIN IN	2,418.60	32,464	8,630	9,265	3.0	7.4	28.0	26.1	594.7	837.3	4.1	2.9	15.4	13.9	12.5	16.0	0.5	0.7	U	1,715	-29.1
Syndicate Bank	SNDB IN	117.75	1,568	1,372	1,503	34.4	9.5	8.6	7.8	61.0	76.6	1.9	1.5	24.6	23.2	2.5	3.0	2.1	2.5	O	127	7.9
Union Bank of India	UNBK IN	210.55	2,712	1,674	2,258	25.3	35.0	12.6	9.3	93.7	112.4	2.2	1.9	19.2	21.9	2.0	3.5	0.9	1.7	O	218	3.5
Axis Bank	AXSB IN	1,159.65	10,573	2,340	2,868	34.5	22.6	49.6	40.4	120.8	240.0	9.6	4.8	21.0	17.0	4.0	5.3	0.3	0.5	O	1,220	5.2
Vijaya Bank	VJYBK IN	83.25	920	764	1,023	161.7	34.0	10.9	8.1	42.7	50.2	1.9	1.7	19.1	22.0	2.5	2.5	3.0	3.0	O	92	10.5
Weighted Average				4,462	5,369	25.4	25.3	37.1	29.7	276.8	413.3	6.7	4.2	18.7	18.0	9.1	12.5	0.6	0.9			
Indonesia																						
Bank Central Asia	BBCA IJ	6,900	8,932	382.3	462.3	11.4	21.0	18.0	14.9	1,728.6	1,999.8	4.0	3.5	24.0	24.8	191.2	231.2	2.8	3.4	O	8,600	24.6
Bank Danamon	BDMN IJ	7,350	3,885	449.6	556.5	66.7	23.8	16.3	13.2	2,238.1	2,516.3	3.3	2.9	22.4	23.4	223.9	277.1	3.0	3.8	O	9,400	27.9
Bank Internasional Indonesia	BNII IJ	325	1,662	11.9	17.1	-10.8	47.2	27.2	19.0	132.8	143.9	2.4	2.3	9.9	12.4	6.0	8.6	1.8	2.6	N	330	1.5
Bank Mandiri	BMRI IJ	3,125	6,829	230.9	320.9	95.7	39.2	13.5	9.7	1,406.7	1,612.1	2.2	1.9	17.4	21.3	115.4	160.4	3.7	5.1	O	4,300	37.6
Bank Niaga	BNGA IJ	770	1,000	70.5	96.6	38.3	37.5	10.9	8.0	441.1	508.8	1.7	1.5	17.2	20.3	21.1	29.0	2.7	3.8	O	1,200	55.8
Bank Panin	PNBN IJ	610	1,292	49.5	59.4	40.8	20.5	12.3	10.3	377.5	417.1	1.6	1.5	14.0	15.0	19.8	23.8	3.2	3.9	O	880	44.3
Bank Rakyat Indonesia	BBRI IJ	7,250	9,383	423.8	509.0	20.3	20.2	17.1	14.2	1,640.3	1,937.5	4.4	3.7	28.0	28.5	211.9	254.5	2.9	3.5	O	9,240	27.4
Weighted Average				329.5	408.1	38.8	26.7	16.7	13.3	1,524.5	1,762.0	3.4	3.0	22.3	23.8	164.0	203.1	3.0	3.8			
Korea																						
Daegu Bank	005270 KS	14,500	2,038	2,147	2,105	18.0	-2.0	6.8	6.9	11,132	12,562	1.3	1.2	20.8	17.8	675.0	680.0	4.7	4.7	O	22,000	51.7
Hana Financial Group	086790 KS	47,450	10,692	6,020	5,488	25.8	-8.8	7.9	8.6	45,175	49,472	1.1	1.0	14.7	11.6	1,190.0	1,380.0	2.5	2.9	O	55,000	15.9
Industrial Bank of Korea	024110 KS	17,500	7,541	2,983	2,405	29.8	-19.4	5.9	7.3	14,631	16,436	1.2	1.1	21.7	15.5	600.0	650.0	3.4	3.7	O	25,000	42.9
Kookmin Bank	060000 KS	63,500	22,719	8,513	9,121	15.8	7.1	7.5	7.0	48,170	54,291	1.3	1.2	18.3	17.8	3,000.0	3,400.0	4.7	5.4	O	96,000	51.2
Pusan Bank	005280 KS	14,000	2,184	1,928	1,891	53.9	-1.9	7.3	7.4	10,262	11,553	1.4	1.2	20.3	17.3	600.0	600.0	4.3	4.3	O	22,000	57.1
Woori Finance	053000 KS	18,550	15,903	3,114	2,777	24.5	-10.8	6.0	6.7	16,394	18,620	1.1	1.0	20.0	15.9	675.0	775.0	3.6	4.2	O	23,000	24.0
Shinhan Financial	055550 KS	48,600	20,480	5,973	5,553	28.6	-7.0	8.1	8.8	32,202	36,311	1.5	1.3	20.0	16.2	1,100.0	1,350.0	2.3	2.8	O	69,000	42.0
Weighted Average				5,649	5,522	24.4	-4.9	7.2	7.6	32,530	36,501	1.3	1.1	19.0	16.0	1,488.0	1,711.3	3.5	4.0			
Malaysia																						
AMMB Holdings	AMM MK	3.82	3,500	-8.7	31.4	nfm	nfm	nfm	12.2	2.1	2.6	1.8	1.4	-4.1	13.2	0.0	0.1	1.3	1.3	O	4.75	24.3
Bumiputra-Commerce	BCHB MK	11.20	12,255	83.6	73.2	78.6	-12.6	13.4	15.3	4.5	4.9	2.5	2.3	20.8	15.6	0.5	0.4	4.5	3.6	N	10.60	-5.4
EON Capital																						

Asia banks valuations (con't)

	Bberg code	Price (Icy)	Mkt cap (US\$m)	EPS (Icy cents)		EPS growth (%)		PER (x)		BVPS (Icy)		P/BV (x)		ROE (%)		DPS (Icy)		Div yield (%)		Rating	Target price (Icy)	Price to TP (%)	
				FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E	FY07E	FY08E				
Philippines																							
Banco de Oro	BDO PM	53.50	3,025	280	446	-14.0	59.7	19.1	12.0	26.6	30.3	2.0	1.8	15.0	15.7	0.8	0.8	1.5	1.5	O	78.00	45.8	
Bank Philippine Islands	BPI PM	55.50	3,686	390	461	18.1	18.3	14.2	12.0	24.9	26.6	2.2	2.1	16.1	17.9	2.5	3.0	4.5	5.3	O	80.00	44.1	
China Banking Corp	CHIB PM	635.00	1,202	6,455	7,704	12.5	19.3	9.8	8.2	441.0	485.8	1.4	1.3	15.3	16.6	28.7	32.3	4.5	5.1	O	1,060.00	66.9	
Metrobank	MBT PM	44.00	1,953	368	428	20.6	16.3	11.9	10.3	38.7	42.3	1.1	1.0	9.6	10.6	0.8	0.8	1.8	1.8	O	70.00	59.1	
Philippine Nat'l Bank	PNB PM	43.50	707	207	343	46.1	66.0	21.0	12.7	47.7	48.0	0.9	0.9	4.7	7.4	0.0	0.0	0.0	0.0	O	69.00	58.6	
Security Bank	SECB PM	68.00	550	778	974	34.7	25.3	8.7	7.0	44.8	51.4	1.5	1.3	18.5	20.3	2.3	3.1	3.4	4.6	O	101.00	48.5	
UnionBank	UBP PM	36.00	567	521	606	14.4	16.3	6.9	5.9	44.0	46.2	0.8	0.8	13.6	13.8	1.2	1.5	3.5	4.1	O	70.00	94.4	
Weighted Average				995	1,220	11.9	31.9	14.5	10.8	73.7	80.8	1.7	1.6	13.9	15.2	4.2	4.8	2.9	3.3				
Singapore																							
DBS Group	DBS SP	19.14	20,293	149.5	178.8	4.3	19.8	12.8	10.7	12.6	13.6	1.5	1.4	12.3	13.7	0.8	0.9	4.3	4.7	O	23.70	23.8	
Hong Leong Finance	HLF SP	3.75	1,152	23.8	25.0	8.7	5.1	15.8	15.0	3.2	3.2	1.2	1.2	7.5	7.7	0.3	0.2	7.2	5.3	O	4.75	26.7	
OCBC	OCBC SP	7.80	17,033	70.2	68.9	11.2	-1.9	11.1	11.3	4.7	5.0	1.7	1.6	15.7	14.3	0.4	0.4	4.5	4.9	N	9.00	15.4	
UOB	UOB SP	17.92	19,072	146.3	161.8	-12.2	10.7	12.3	11.1	11.3	12.1	1.6	1.5	17.2	13.8	0.7	0.8	4.2	4.5	O	22.30	24.4	
Singapore Exchange	SGX SP	9.83	7,310	40.0	41.1	124.7	-5.2	24.6	26.0	0.8	0.6	12.5	17.3	59.5	55.8	0.4	0.4	3.6	3.7	N	10.20	3.8	
Weighted Average				122.4	137.6	1.0	10.1	12.2	11.1	9.6	10.3	1.6	1.5	14.8	13.8	0.7	0.7	4.4	4.7				
Taiwan																							
Bank of Kaohsiung	2836 TT	15.35	240	25.6	80.7	-74.5	223.9	60.0	19.0	20.7	21.4	0.7	0.7	1.2	3.8	0.2	0.5	1.0	3.2	U	12.80	-16.6	
Chang Hwa Bank	2801 TT	18.95	2,826	177.2	149.0	-4.7	-16.0	10.7	12.7	14.1	14.7	1.3	1.3	13.0	10.4	1.1	0.7	6.0	3.9	O	26.10	37.7	
China Development	2883 TT	13.10	4,453	145.2	152.1	6.1	4.8	9.0	8.6	16.0	17.1	0.8	0.8	9.4	9.2	0.5	0.5	3.9	4.1	O	17.07	30.3	
Chinatrust	2891 TT	27.05	7,054	173.2	192.8	nmf	11.3	15.6	14.0	11.7	13.0	2.3	2.1	16.1	15.6	0.8	0.8	2.8	3.1	U	24.20	-10.5	
E. Sun Financial	2884 TT	18.00	1,844	109.3	133.4	769.7	22.3	16.5	13.5	14.6	15.2	1.2	1.2	7.7	9.0	0.7	0.9	4.0	4.9	N	16.72	-7.1	
First Financial	2892 TT	26.70	5,043	212.0	227.0	14.2	7.1	12.6	11.8	17.5	18.1	1.5	1.5	12.4	12.7	1.1	1.1	4.0	4.3	O	28.10	5.2	
Fubon Financial	2881 TT	34.50	8,258	193.7	231.7	78.7	19.8	17.8	14.9	22.3	23.0	1.5	1.5	8.8	10.2	1.4	1.6	3.9	4.7	O	29.92	-13.3	
Yuanta Financial	2885 TT	25.65	6,644	100.6	110.5	nmf	10.0	25.5	23.2	15.6	13.5	1.6	1.9	9.7	8.3	0.6	0.7	2.2	2.8	O	23.89	-6.9	
Hua Nan Financial	2880 TT	23.70	4,387	152.1	178.3	14.3	17.3	15.6	13.3	16.0	17.1	1.5	1.4	9.8	10.8	0.9	1.1	3.9	4.5	N	23.10	-2.5	
Mega Financial	2886 TT	21.60	7,407	559.2	165.2	279.6	-70.6	3.9	13.1	22.9	18.3	0.9	1.2	8.9	9.1	1.2	1.2	5.6	5.7	N	20.16	-6.7	
Sinopac Financial	2890 TT	13.45	2,962	29.6	85.1	-21.7	193.7	45.4	15.8	12.3	12.8	1.1	1.1	2.4	6.8	0.1	0.4	1.1	3.2	N	12.77	-5.1	
Ta Chong Bank	2847 TT	10.55	893	-261.1	113.0	-10.3	nmf	nmf	9.3	10.3	9.5	1.0	1.1	-40.5	13.2	0.0	0.0	0.0	0.0	U	9.00	-14.7	
Taichung Bank	2812 TT	13.90	562	139.8	153.6	nmf	9.9	9.9	9.0	12.2	13.2	1.1	1.1	15.1	12.1	0.4	0.5	3.0	3.3	O	18.50	33.1	
Taishin Financial	2887 TT	13.70	2,426	96.3	114.9	nmf	19.5	14.2	11.9	13.7	14.8	1.0	0.9	7.2	7.8	0.3	0.4	2.5	3.0	U	17.10	24.8	
Taiwan Business Bank	2834 TT	10.20	1,225	28.0	59.9	0.9	118.3	36.5	17.0	10.5	11.0	1.0	0.9	2.7	5.6	0.1	0.1	0.7	1.5	U	8.80	-13.7	
Cathay Financial	2882 TT	81.80	23,531	332.4	387.8	18.2	16.7	24.6	21.1	23.6	24.8	3.5	3.3	13.8	15.0	1.7	1.8	2.1	2.2	O	103.00	25.9	
Shinkong Financial	2888 TT	23.70	3,693	238.6	240.9	154.6	1.0	9.9	9.8	12.8	14.5	1.8	1.6	19.9	17.6	0.8	0.8	3.2	3.4	O	48.00	102.5	
Weighted Average				194.3	165.7	74.7	13.2	16.4	14.3	16.7	16.5	1.4	1.4	9.2	10.3	0.8	0.9	3.5	4.0				
Capital Securities	6005 TT	17.75	811	203.9	195.0	97.4	-4.4	8.7	9.1	16.7	17.0	1.1	1.0	13.0	11.9	0.6	0.6	3.3	3.2	O	21.45	20.8	
KGI Securities	6008 TT	17.80	1,401	209.8	147.5	101.7	-29.8	8.5	12.1	14.3	14.6	1.2	1.2	15.5	10.2	1.1	0.9	6.2	5.0	O	20.55	15.4	
Masterlink Securities	2856 TT	13.25	575	117.2	134.2	121.6	14.6	11.3	9.9	14.1	14.8	0.9	0.9	8.7	9.3	0.6	0.7	4.4	5.1	O	18.50	39.6	
Polaris Securities	2854 TT	16.70	1,054	142.9	148.9	88.8	4.2	11.7	11.2	14.7	15.5	1.1	1.1	10.3	9.9	0.4	0.4	2.5	2.7	O	19.45	16.5	
President Securities	2855 TT	20.90	763	244.5	227.8	33.7	-6.8	8.5	9.2	17.2	17.8	1.2	1.2	14.9	13.2	1.2	1.1	5.8	5.4	O	24.75	18.4	
Weighted Average				187.6	167.8	89.2	-8.2	9.6	10.6	15.2	15.8	1.1	1.1	12.9	10.8	0.8	0.7	4.6	4.2				
Thailand																							
Bangkok Bank	BBL TB	112.00	7,186	10.2	11.1	10.1	9.6	11.0	10.1	84.8	92.5	1.3	1.2	12.6	12.5	4.0	3.5	3.6	3.1	O	145.00	29.5	
Bank of Ayudhya	BAY TB	23.00	4,455	-0.4	1.7	-144.2	nmf	nmf	13.7	12.9	15.2	1.8	1.5	-4.2	11.9	0.0	0.5	0.0	2.2	O	28.00	21.7	
Kasikorn Bank	KBANK TB	81.50	6,542	6.0	6.5	4.9	11.3	13.7	12.5	41.1	45.3	2.0	1.8	15.3	15.1	2.0	2.8	2.5	3.4	O	95.00	16.6	
Krung Thai Bank	KTB TB	9.05	3,401	0.6	1.4	nmf	nmf	16.1	6.7	8.3	9.4	1.1	1.0	6.8	15.2	0.3	0.6	2.8	6.1	O	14.00	54.7	
Siam City Bank	SCIB TB	14.80	1,051	-0.8	1.8	nmf	nmf	8.2	16.2	17.4	0.9	0.9	-4.8	10.8	0.3	0.6	2.0	4.1	O	17.40	17.6		
Siam Commercial Bank	SCB TB	79.50	5,079	5.2	5.9	43.4	16.8	15.4	13.5	32.4	36.0	2.5	2.2	16.8	17.2	2.3	2.5	2.8	3.1	O	90.00	13.2	
Weighted Average				5.0	6.0	-11.5	8.3	10.9	11.4	41.3	45.5	1.7	1.5	9.9	14.2	2.0	2.2	2.4	3.4				
ACL Bank	ACL TB	4.40	161	0.3	0.3	-40.9	11.0	16.7	12.8	7.7	8.0	0.6	0.5	3.5	4.4	0.0	0.0	0.0	0.0	O	7.00	59.1	
Kiatnakin Bank	KK TB	27.25	478	2.8	3.2	-17.8	19.6	9.7	8.6	32.5	33.9	0.8	0.8	10.1	10.9	2.2	2.2	8.1	8.1	O	38.00	39.4	
Thanachart Capital	TCAP TB	13.30	596	2.0	2.0	865.5	3.0	6.7	6.6	19.3	20.5	0.7	0.6	10.8	10.1	0.8	0.9	6.0	6.4	O	20.00	50.4	
TISCO Bank	TISCO TB	27.00	494	2.3	2.6	14.1	26.2	11.8	10.3	16.9	17.3	1.6	1.6	13.5	15.3	2.0	2.0	7.4	7.4	O	34.00	25.9	
Weighted Average				2.1	2.3	293.6	15.0	9.9	8.8	21.2	22.1	1.0	0.9	10.7	11.3	1.5	1.5	6.4	6.6				
Asia Banks Weighted Average						50.1	19.4	20.4	17.1			3.4	2.8	18.9	19.3	148.1	171.3	3.0	3.3				

*** Weighted average excludes SGX, **** Weighted average excludes Cathay Financial and Shinkong Financial

Asia banks price and recommendation tracker

	Bloomberg code	Price (Icy)	Absolute performance (%)				Relative to local index (%)				Daily TO (Icy m)	
			1m	3m	6m	YTD	1m	3m	6m	YTD	(3MMA)	Rating
China												
Bank of China	3988 HK	3.44	-9.7	-27.4	-15.3	-9.0	-3.9	-14.9	-22.9	0.8	2,388.6	Neutral
Bank of Communications	3328 HK	9.67	-10.1	-17.5	9.8	-11.1	-4.3	-3.2	-0.2	-1.6	1,239.3	Outperform
China Citic Bank	998 HK	4.91	-0.2	-24.3	-21.1	0.4	6.2	-11.2	-28.2	11.2	463.6	Neutral
China Construction Bank	939 HK	6.04	-8.1	-17.3	6.0	-8.6	-2.1	-2.9	-3.6	1.2	2,817.5	Outperform
China Everbright	165 HK	24.05	2.1	-27.1	35.3	-2.8	8.7	-14.5	23.0	7.6	374.6	Outperform
ICBC	1398 HK	5.00	-9.1	-26.5	4.0	-10.7	-3.2	-13.7	-5.5	-1.1	2,755.2	Outperform
Hong Kong												
Bank of China-HK	2388 HK	21.30	5.7	-0.5	8.9	-2.5	12.5	16.8	-1.0	8.0	710.4	Outperform
Bank of East Asia	23 HK	46.05	-4.7	-1.6	-0.5	-13.7	1.5	15.4	-9.5	-4.4	474.6	Outperform
Dah Sing Financial	440 HK	63.85	-16.9	-6.4	-7.9	-17.2	-11.5	9.8	-16.2	-8.3	33.8	Outperform
Hang Seng	11 HK	155.80	6.9	4.2	41.3	-3.2	13.8	22.3	28.5	7.2	529.8	Outperform
Wing Hang	302 HK	104.80	-0.8	15.1	16.4	-10.2	5.6	35.0	5.9	-0.6	43.8	Outperform
Wing Lung Bank	96 HK	92.45	8.8	16.6	17.6	-3.2	15.8	36.8	7.0	7.2	25.8	Neutral
Hong Kong Exchange	388 HK	179.50	-17.9	-28.9	41.3	-18.9	-12.6	-16.6	28.5	-10.1	2,433.5	Outperform
HSBC	5 HK	119.00	-9.7	-21.0	-18.3	-9.6	-3.9	-7.3	-25.7	0.1	3,879.5	Outperform
Standard Chartered	2888 HK	255.00	-12.0	-4.9	-6.6	-12.1	-6.3	11.6	-15.0	-2.6	53.4	Neutral
India												
Bank of Baroda	BOB IN	464.10	10.5	64.8	54.5	1.0	8.0	56.6	19.9	4.0	100.2	Underperform
Bank of India	BOI IN	447.00	27.0	60.6	67.8	22.3	24.2	52.6	30.2	26.0	189.2	Outperform
HDFC	HDFC IN	2,849.75	1.3	16.5	46.1	-0.8	-0.9	10.7	13.4	2.2	624.8	Outperform
HDFC Bank	HDFCB IN	1,647.10	-0.6	19.4	37.9	-4.7	-2.8	13.5	7.1	-1.8	163.7	Outperform
ICICI Bank	ICICIB IN	1,321.80	15.9	27.2	34.5	7.3	13.3	20.9	4.4	10.4	771.6	Outperform
IDBI	IDBI IN	164.85	2.5	30.9	42.6	-0.3	0.2	24.3	10.7	2.7	504.7	Underperform
IDFC	IDFC IN	218.45	2.2	33.1	72.7	-4.4	0.0	26.4	34.0	-1.5	822.8	Outperform
Kotak Mahindra Bank	KMB IN	1,262.70	10.6	39.2	78.5	-2.6	8.1	32.2	38.5	0.3	246.1	Outperform
Punjab National Bank	PNB IN	660.25	4.2	35.5	17.7	-0.6	1.9	28.7	-8.6	2.3	111.0	Outperform
State Bank of India	SBIN IN	2,418.60	5.0	44.2	53.6	2.0	2.6	37.0	19.2	5.0	978.7	Underperform
Syndicate Bank	SNDB IN	117.75	8.2	45.9	35.7	2.5	5.8	38.6	5.3	5.6	40.4	Outperform
Union Bank of India	UNBK IN	210.55	7.3	36.6	40.7	2.0	4.9	29.8	9.2	5.1	69.0	Outperform
Axis Bank	AXSB IN	1,159.65	21.7	35.6	77.0	19.9	19.0	28.8	37.4	23.5	141.7	Outperform
Vijaya Bank	VJYBK IN	83.25	-0.7	44.5	50.8	-2.5	-2.9	37.3	17.0	0.4	67.9	Outperform
Indonesia												
Bank Central Asia	BBCA IJ	6,900	-1.4	-2.8	16.9	-5.5	-1.5	-4.0	1.3	-2.0	78,012.7	Outperform
Bank Danamon	BDMN IJ	7,350	-2.6	-14.5	-8.7	-8.1	-2.8	-15.6	-20.9	-4.8	24,501.4	Outperform
Bank Int'l Indonesia	BNII IJ	325	14.0	32.7	73.8	14.0	13.9	31.0	50.5	18.2	83,467.5	Neutral
Bank Mandiri	BMRI IJ	3,125	-5.3	-17.8	-10.7	-10.7	-5.4	-18.8	-22.7	-7.5	223,393.0	Outperform
Bank Niaga	BNGA IJ	770	-8.3	-16.3	-15.4	-14.4	-8.4	-17.3	-26.7	-11.3	55,780.1	Outperform
Bank Panin	PNBN IJ	610	-9.0	-19.7	-16.4	-10.3	-9.1	-20.7	-27.6	-7.0	7,277.5	Outperform
Bank Rakyat Indonesia	BBRI IJ	7,250	0.0	0.7	14.2	-2.0	-0.1	-0.5	-1.1	1.5	99,248.3	Outperform
Korea												
Daegu Bank	005270 KS	14,500	-4.0	-8.8	-22.0	-6.8	3.7	6.1	-12.7	2.6	8,312.0	Outperform
Hana Financial Group	086790 KS	47,450	-1.4	14.1	-3.2	-5.9	6.5	32.7	8.5	3.6	57,102.1	Outperform
Industrial Bank of Korea	024110 KS	17,500	10.4	-4.9	-12.9	-0.6	19.2	10.6	-2.5	9.4	30,827.8	Outperform
Kookmin Bank	060000 KS	63,500	-5.8	-14.2	-22.5	-8.0	1.8	-0.2	-13.1	1.3	128,441.4	Outperform
Pusan Bank	005280 KS	14,000	-11.4	-18.1	-10.5	-10.8	-4.3	-4.8	0.2	-1.8	9,266.7	Outperform
Woori Finance	053000 KS	18,550	3.9	-5.6	-22.5	-1.6	12.2	9.8	-13.2	8.3	71,785.1	Outperform
Shinhan Financial	055550 KS	48,600	-6.5	-17.2	-22.1	-9.2	0.9	-3.7	-12.8	0.0	106,018.0	Outperform
Malaysia												
AMMB Holdings	AMM MK	3.82	3.2	-8.8	-18.7	0.5	-2.1	-14.1	-23.8	-0.6	26.9	Outperform
Bumiputra-Commerce	BCHB MK	11.20	8.7	1.8	-4.3	1.8	3.1	-4.1	-10.3	0.7	76.4	Neutral
EON Capital	EON MK	6.20	4.2	-13.9	-20.0	-6.1	-1.2	-18.9	-25.0	-7.1	4.0	Outperform
Hong Leong Bank	HLBK MK	6.20	0.0	4.2	-0.8	-2.4	-5.2	-1.8	-7.0	-3.4	4.3	Neutral
Maybank	MAY MK	12.20	5.2	7.0	0.0	6.1	-0.2	0.8	-6.3	4.9	65.7	Outperform
Public Bank	PBKF MK	11.20	6.7	-0.9	9.8	1.8	1.2	-6.6	2.9	0.7	20.5	Outperform
RHB Capital	RHBC MK	5.90	7.3	-0.8	13.5	0.9	1.7	-6.6	6.4	-0.2	3.8	Outperform
Bursa Malaysia	BURSA MK	14.50	7.4	0.7	25.0	1.4	1.9	-5.1	17.2	0.3	36.7	Outperform

Asia banks price and recommendation tracker (con't)

	Bloomberg code	Price (lcy)	Absolute performance (%)				Relative to local index (%)				Daily TO (lcy m)	
			1m	3m	6m	YTD	1m	3m	6m	YTD	(3MMA)	Rating
Philippines												
Banco de Oro	BDO PM	53.50	-7.0	-16.4	-24.6	-11.6	-0.6	-3.0	-13.4	-1.4	109.0	Outperform
Bank of Philippine Islands	BPI PM	55.50	-3.5	-18.4	-20.1	-9.8	3.1	-5.3	-8.2	0.6	135.7	Outperform
China Banking Corp	CHIB PM	635.00	-2.3	-11.8	-10.8	-3.8	4.3	2.4	2.5	7.2	2.8	Outperform
Metrobank	MBT PM	44.00	-16.2	-32.3	-37.1	-19.3	-10.5	-21.4	-27.7	-10.0	177.2	Outperform
Philippine National Bank	PNB PM	43.50	-7.4	-14.7	-33.1	-13.0	-1.1	-1.0	-23.1	-3.0	15.5	Outperform
Security Bank	SECB PM	68.00	-9.9	-12.8	-20.5	-13.4	-3.8	1.2	-8.6	-3.4	11.7	Outperform
UnionBank	UBP PM	36.00	-16.3	-30.8	-42.4	-16.3	-10.6	-19.6	-33.8	-6.7	10.9	Outperform
Singapore												
DBS Group	DBS SP	19.14	-4.3	-12.6	-18.2	-7.5	1.7	-0.3	-11.5	-3.7	193.3	Outperform
Hong Leong Finance	HLF SP	3.75	0.8	-3.4	-7.6	-1.1	7.1	10.2	0.0	3.0	0.9	Outperform
OCBC	OCBC SP	7.80	-8.2	-15.2	-16.1	-5.9	-2.5	-3.3	-9.2	-2.0	63.8	Neutral
UOB	UOB SP	17.92	-6.7	-20.7	-20.7	-10.0	-0.8	-9.6	-14.2	-6.2	117.4	Outperform
Singapore Exchange	SGX SP	9.83	-22.0	-37.4	-0.7	-26.8	-17.1	-28.6	7.5	-23.7	95.4	Neutral
Taiwan												
Bank of Kaohsiung	2836 TT	15.35	-2.2	-16.6	-31.0	-1.9	-5.8	-0.8	-19.2	3.0	42.7	Underperform
Cathay Financial	2882 TT	81.80	26.4	1.0	-9.7	21.0	21.8	20.1	5.7	27.0	2,832.1	Outperform
Chang Hwa Bank	2801 TT	18.95	5.6	-14.1	-17.8	6.8	1.7	2.2	-3.7	12.1	491.9	Outperform
China Development	2883 TT	13.10	8.3	-0.8	-12.9	2.3	4.3	18.1	1.9	7.5	254.8	Outperform
Chinatrust	2891 TT	27.05	24.1	11.1	-3.9	17.4	19.6	32.1	12.5	23.2	761.2	Underperform
E. Sun Financial	2884 TT	18.00	9.4	1.1	-7.2	6.8	5.4	20.3	8.6	12.2	66.3	Neutral
First Financial	2892 TT	26.70	13.6	10.8	5.8	11.5	9.5	31.8	23.8	17.1	618.2	Outperform
Fubon Financial	2881 TT	34.50	29.2	13.5	2.4	19.8	24.5	35.0	19.9	25.8	1,021.3	Outperform
Yuanta Financial	2885 TT	25.65	36.8	10.6	8.5	21.3	31.8	31.5	27.0	27.3	1,244.8	Outperform
Hua Nan Financial	2880 TT	23.70	13.9	2.6	-4.8	11.3	9.8	22.0	11.4	16.8	146.1	Neutral
Mega Financial	2886 TT	21.60	9.1	3.3	-8.5	8.3	5.1	22.9	7.2	13.7	400.1	Neutral
Shinkong Financial	2888 TT	23.70	3.7	-21.5	-41.4	6.3	0.0	-6.7	-31.4	11.6	1,013.6	Outperform
Sinopac Financial	2890 TT	13.45	17.0	-9.7	-26.1	10.7	12.7	7.4	-13.5	16.2	290.0	Neutral
Ta Chong Bank	2847 TT	10.55	15.2	-5.0	-16.3	6.0	11.0	13.1	-2.0	11.3	32.4	Underperform
Taichung Bank	2812 TT	13.90	9.9	-3.5	-10.9	6.5	5.9	14.8	4.3	11.8	70.1	Outperform
Taishin Financial	2887 TT	13.70	13.2	-17.2	-28.1	1.9	9.1	-1.5	-15.8	6.9	394.9	Underperform
Taiwan Business Bank	2834 TT	10.20	6.4	2.1	-11.3	2.2	2.5	21.5	3.8	7.3	155.0	Underperform
Capital Securities	6005 TT	17.75	22.4	-11.3	-19.7	9.9	18.0	5.6	-5.9	15.4	73.0	Outperform
KGI Securities	6008 TT	17.80	24.0	-6.1	-11.4	6.3	19.5	11.7	3.7	11.6	250.3	Outperform
Masterlink Securities	2856 TT	13.25	19.9	-20.2	-29.0	6.9	15.6	-5.1	-16.9	12.2	37.6	Outperform
Polaris Securities	2854 TT	16.70	20.1	-1.8	-14.3	10.2	15.8	16.9	0.4	15.7	170.0	Outperform
President Securities	2855 TT	20.90	21.2	-9.9	-19.6	14.8	16.8	7.2	-5.9	20.6	59.8	Outperform
Thailand												
Bangkok Bank	BBL TB	112.00	-0.9	-5.9	-13.2	-5.1	2.0	4.3	-6.8	2.9	477.4	Outperform
Bank of Ayudhya	BAY TB	23.00	-8.0	-14.8	-15.6	-12.4	-5.4	-5.6	-9.4	-5.0	266.0	Outperform
Kasikorn Bank	KBANK TB	81.50	2.5	-0.6	-2.4	-6.3	5.5	10.1	4.8	1.6	508.1	Outperform
Krung Thai Bank	KTB TB	9.05	-3.7	-19.2	-25.8	-10.4	-1.0	-10.5	-20.4	-2.8	221.4	Outperform
Siam City Bank	SCIB TB	14.80	0.7	-18.2	-31.5	0.0	3.6	-9.4	-26.4	8.4	46.2	Outperform
Siam Commercial	SCB TB	79.50	0.6	-1.2	-2.5	-8.1	3.5	9.4	4.7	-0.3	640.8	Outperform
ACL Bank	ACL TB	4.40	-5.6	-28.5	-20.0	-8.0	-2.9	-20.7	-14.1	-0.2	12.7	Outperform
Kiatnakin Bank	KK TB	27.25	0.9	-14.2	-20.4	-3.5	3.8	-4.9	-14.6	4.6	27.4	Outperform
Thanachart Capital	TCAP TB	13.30	-4.3	-17.4	-18.9	-8.9	-1.6	-8.5	-12.9	-1.2	67.6	Outperform
TISCO Bank	TISCO TB	27.00	0.9	-6.1	-18.8	-10.0	3.8	4.1	-12.8	-2.4	50.4	Outperform

Data as of 17 January 2008

Source: Bloomberg, Macquarie Research, January 2008

Fig 5 Banks sector performance (%)

	Absolute performance			Relative to local index			Relative to MSCI Asia Pacific		
	1m	3m	6m	1m	3m	6m	1m	3m	6m
S&P Financials	-10.5	-23.9	-29.3	-2.9	-12.1	-17.8	-7.4	-12.8	-28.2
FTSE Bank	-9.6	-22.5	-27.8	-4.2	-11.5	-17.4	-6.6	-11.2	-26.7
Australia	-8.9	-14.4	-8.8	0.6	2.6	2.2	-5.8	-1.8	-7.5
HK (ex HSBC, SCB)	-7.6	-20.1	-0.4	-1.6	-6.2	-9.4	-4.4	-8.3	1.1
HSBC	-9.7	-21.0	-18.3	-3.9	-7.3	-25.7	-6.6	-9.4	-17.1
Std Chartered HK	-12.0	-4.9	-6.6	-6.3	11.6	-15.0	-9.0	9.1	-5.2
China	7.5	-5.1	35.6	-3.2	-0.7	-3.8	11.2	8.9	37.7
India	1.2	21.9	45.4	-1.0	15.8	12.8	4.7	39.8	47.6
Indonesia	-1.9	-6.6	1.2	-2.0	-7.8	-12.3	1.5	7.1	2.7
Malaysia	4.2	1.1	-0.6	-1.2	-4.7	-6.9	7.8	16.0	0.8
Philippines	-9.1	-21.0	-23.6	-2.9	-8.3	-12.2	-6.0	-9.4	-22.4
Singapore	-10.7	-18.5	-15.7	-5.1	-7.1	-8.7	-7.7	-6.6	-14.4
South Korea	-2.8	-10.1	-17.7	5.0	4.5	-7.8	0.5	3.1	-16.5
Taiwan	18.8	0.5	-10.9	14.4	19.6	4.3	22.8	15.3	-9.6
Thailand	-2.9	-10.6	-15.4	-0.1	-0.9	-9.2	0.4	2.6	-14.1

Note: Data as of 17 January 2008

Source: Bloomberg, Macquarie Research, January 2008

Important disclosures:

Recommendation definitions	Volatility index definition*	Financial definitions
<p>Macquarie - Australia/New Zealand Outperform – return >5% in excess of benchmark return (>2.5% in excess for listed property trusts) Neutral – return within 5% of benchmark return (within 2.5% for listed property trusts) Underperform – return >5% below benchmark return (>2.5% below for listed property trusts)</p> <p>Macquarie - Asia Outperform – expected return >+10% Neutral – expected return from -10% to +10% Underperform – expected return <-10%</p> <p>Macquarie First South - South Africa Outperform – expected return >+10% Neutral – expected return from -10% to +10% Underperform – expected return <-10%</p> <p>Macquarie - Canada Outperform – return >5% in excess of benchmark return Neutral – return within 5% of benchmark return Underperform – return >5% below benchmark return</p> <p>Macquarie - USA Outperform – return >5% in excess of benchmark return Neutral – return within 5% of benchmark return Underperform – return >5% below benchmark return</p> <p>Recommendations – 12 months Note: Quant recommendations may differ from Fundamental Analyst recommendations</p>	<p>This is calculated from the volatility of historic price movements.</p> <p>Very high–highest risk – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.</p> <p>High – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.</p> <p>Medium – stock should be expected to move up or down at least 30–40% in a year.</p> <p>Low–medium – stock should be expected to move up or down at least 25–30% in a year.</p> <p>Low – stock should be expected to move up or down at least 15–25% in a year. * Applicable to Australian/NZ stocks only</p>	<p>All "Adjusted" data items have had the following adjustments made: Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests</p> <p>EPS = adjusted net profit / efpowa* ROA = adjusted ebit / average total assets ROA Banks/Insurance = adjusted net profit / average total assets ROE = adjusted net profit / average shareholders funds Gross cashflow = adjusted net profit + depreciation *equivalent fully paid ordinary weighted average number of shares</p> <p>All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).</p>

Recommendation proportions – For quarter ending 31 December 2007

	AU/NZ	Asia	RSA	USA	CA
Outperform	46.39%	67.98%	73.08%	47.06%	70.00%
Neutral	41.24%	16.78%	21.15%	41.18%	26.92%
Underperform	12.37%	15.24%	5.77%	11.76%	3.08%

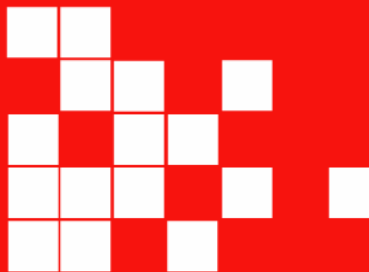
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