

# Company Update

5 July 2007

Banks/Romania

## Banca Transilvania

**Hold**

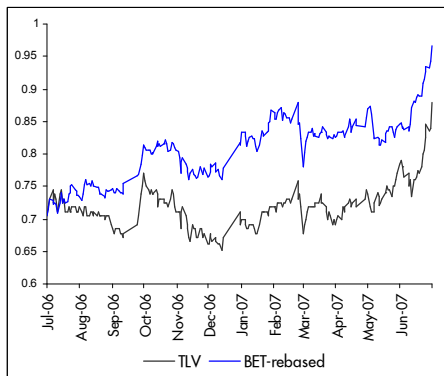
**Single and available – the sequel**

12 TP in RON/EUR	0.815/0.271
Price in RON/EUR	0.880/0.281
Upside/(downside)	-3.4%
Year high/low in RON	0.910/0.642
Performance - 1M	12.1%
Performance - 2M	19.3%
Mcap in RON mn	5,377
Mcap in EUR mn	1,715
Freefloat:	85.0%
Listing:	Bucharest Stock Exch.
Av. daily turnover (3M) in EUR '000	1,307
ISIN Code:	ROTLVAACNOR1
Reuters code:	BATR.BX
Bloomberg:	TLV RO
BSE Code:	TLV
Corporate website:	www.bancatransilvania.ro

**Investment case:** Our update was triggered by the recent evolution of Banca Transilvania's (TLV) share price that raced close to the historical maximum, exceeding our previous target price. This does not change our case on TLV, as it remains the only acquisition target with a significant domestic market share. With its growing retail network currently including 370 branches, TLV is definitely the first choice on the foreign banks' shopping list. The bank is still a growth story, therefore, in our opinion, its lower profitability should not be overstated.

**Consolidated FY 2006 results & Outlook:** The consolidated FY 2006 net profit (after minorities) recorded a slim increase of only 5.4% yoy. The rationale behind a 2006 poor performance on a consolidated basis is the loss-making subsidiaries, especially the insurance arm, coupled with the bank's profitability negatively influenced by the investments in network's expansion. Non-interest expenses surged 76% yoy in real terms, against our estimates of 59% yoy. Accordingly, we have adjusted our explicit projections for 2007-09 to reflect these developments. Our expectations regarding the balance sheet are almost unchanged from the previous update. Considering that 2006 net interest margin (NIM) came slightly above our estimates, we increase our 2007 and 2008 figures. We foresee NIM to continue its downward trend, to 4.9% in 2007 vs. the 2006 figure of 5.8%. Net fees & commissions are expected to post a strong growth in real terms (43.5% yoy in 2007 and 35% in 2008), as a significant part of them are loans related. We foresee that the continuous expansion of the bank's retail network, as well as investments into subsidiaries (i.e. insurance arm, pension funds, leasing) will result in an annual increase of the non-interest expenses by 37% yoy in 2007 and 23% yoy in 2008. Accordingly, we see the cost/income ratio deteriorating further to 80% in 2007 and staying around 78% in 2008-09. We project TLV's consolidated net profit to reach RON 133 mn in 2007, meaning an increase of 16.4% yoy. For 2008 we expect TLV's net profit to come in at RON 159 mn. Our previous estimates regarding 2007 and 2008 net profit were RON 163 mn and RON 202 mn, respectively.

**Valuation and recommendation:** We based our 12-months target price mainly on the Gordon Growth valuation (GGM). We reiterate that in this particular case GGM is better suited, as it takes into consideration bank's growth prospects as opposed to relative valuation. Our model yields a 12-month fair value of RON 0.77 per share. Given the takeover rumours that float around, we believe that applying a 10% premium to the GGM result would be justified. Accordingly, we set our 12-month target price at RON 0.85 per share, 3.4% below market current price (as of June 4). We downgrade TLV stock from Buy to Hold.



### Key ratios

	2004	2005	2006	2007e	2008e	2009e
EPS, in RON	0.0314	0.0226	0.0291	0.0247	0.0250	0.0326
P/E	11.6	21.1	32.2	35.6	34.0	25.5
BVPS, in RON	0.150	0.084	0.135	0.198	0.213	0.250
P/B	2.4	5.7	5.3	4.4	4.0	3.3
ROE (%)	24.0%	26.6%	17.5%	14.3%	13.1%	14.4%
ROA (%)	3.0%	2.8%	1.7%	1.3%	1.2%	1.2%
Cost income ratio (%)	68.1%	70.1%	77.8%	79.6%	79.4%	77.3%
Dividend per share*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Number of weighted shares (mn)	1,286.3	1,851.1	3,407.8	5,384.7	6,348.6	6,658.2

\* Banca Transilvania only pays stock dividends  
Source: Banca Transilvania, RCI Research

**Analyst:** Alexandru Combei  
Tel: +40 21 306 1239  
e-mail: alexandru.combei@rzb.ro

**Insurance arm partially to be blamed for weaker profitability**

**Insurance arm hurting the bottom line:** TLV's insurance subsidiary (BT Asig) is mainly to be blamed for deteriorating group's cost/income ratio in 2006 and negatively affecting the consolidated profit. The bank does not apply segment reporting yet while the quarterly financials are unconsolidated, obscuring the visibility of its subsidiaries. The insurance arm, BT Asig, posted a RON 7.3 mn loss in 2006 due to soaring costs related to network expansion. As of end-2006, BT Asig was operating 243 agencies, compared to 134 as of end-2005, with a positive impact on its underwritten premiums. The number of employees almost doubled in 2006 reaching 1,362 (one fifth of the total TLV's headcount) while other non-claims expenses (e.g. salaries, brokers' fees, etc) amounted to RON 94 mn, up 4.7x yoy. In order to comply with Insurance Supervisory Commission capital adequacy and solvency requirements, the group is planning to increase BT Asig share capital by some EUR 10 mn by end-2007.

According to the management, it will be difficult to improve the insurance arm's profitability over the short term, as the whole industry is facing hard time due to high claims, especially on the motor hull and motor third party liability insurance segments. As stated by Mr. Ciorcila, TLV's chairman, in the previous shareholders meeting, the management is considering several options with respect to further development strategy of BT Asig, including a sale to or partnership with a major player. We believe that the sale option would be the best solution for TLV as it would result in: (i) significant improvement of the profitability, namely cost/income ratio (ii) easing the need for additional cash injection, and (iii) strengthening ROE. Based on management indications, we believe there is a high probability for the insurance arm to be sold in 2007. To show the impact of a potential sell out of BT Asig, below we present the 2007-09 projections assuming the transaction is done in the second half of 2007 at an estimated 3.3x P/BV. When compared with 2006, it can be noted that a divesting of the insurance business would have a positive impact on cost/income ratio and ROE, assuming that Banca Transilvania ceases injecting fresh capital through share capital increases.

**Sell out of BT Asig would have a positive impact on group's ROE**

**Key figures assuming a sell out of BT Asig, in RON mn**

	2006	2007e	2008e	2009e
Cost/income ratio(%)	77.8%	74.0%	70.5%	69.1%
ROE(%)	17.5%	18.0%	15.4%	16.5%
Net profit	114.4	171.5	184.6	232.4
P/E	32.2	26.4	27.8	22.1
P/B	5.3	4.1	4.0	3.4

Source: Banca Transilvania, RCI Research

**Group's 2007 targets:** TLV's objectives for 2007 include an increase of the active clients to 1 mn from the current 0.7 mn and over achieving 1 mn issued cards. The latter objective has been already achieved by end-June 2007. It looks like TLV is paying more attention to the SMEs segment compared to retail. Previously, the bank was focusing equally on both business lines, however the difficulties in accessing low cost long-term financing forced the management to change its focus.

TLV's investment plan has suffered some changes, with the bank increasing its 2007 capex to EUR 49 mn from the previously announced EUR 30 mn. Out of the EUR 49 mn capex, EUR 36 mn will be allocated for the bank development, with the balance being directed to group's subsidiaries, including for setting up a new JV with Aegon for private pensions. With respect to bank investment plan, TLV intends to grow by another 100 branches in 2007 as opposed to the previously announced target of 80 units.

Regarding Banca Transilvania (on a stand alone basis), the management foresees a 52% yoy increase of net loans while deposits are projected to grow 58% yoy. The expenses are expected to grow faster (48% yoy) compared to the banking revenues (46% yoy), resulting in a 21% yoy growth of profit before taxes.

## Loan book's growth continued in 1Q 07

**1Q 2007 results:** Over 1Q 07 net loans increased by 61% yoy reaching RON 5.44 bn while on the liabilities side, the deposits surged 78% yoy. Also we should note the momentum gained by the borrowings that recorded an increase of 18% YTD. On the P/L, the non-interest expenses once again recorded higher growth when compared with banking income. The good news is the deceleration of NIM's decline while the bad news is the strong rise of provision charges, up 57% yoy (being influenced by BNR's new methodology regarding write-offs).

### Key financials, in RON mn (RAS, un-consolidated)

	1Q 07	1Q 06	+/- %	4Q 06	+/- %
Net Interest Income	76	61	25%	70	9%
Provision for Loan Losses (-)	15	10	57%	8	82%
Net Adjusted Interest Income	60	51	19%	61	-2%
Non-Interest Income	92	60	53%	94	-2%
Net Fees & Commissions	64	38	70%	60	7%
Net Trading Gains / (Losses)	19	15	31%	34	-43%
Non-Interest Expenses	116	80	44%	116	0%
Profit Before Taxes	36	31	19%	40	-8%
Net Profit After Tax	31	27	14%	36	-13%

Source: Banca Transilvania, RCI Research

**Changes to our planning model:** Following the release of FY 2006 consolidated results, we have fine tuned our 2007-09 projections. On the balance sheet, the changes in our forecasts are modest compared to the previous update. We believe net loans will increase by 48% yoy in real terms to RON 7.48 mn, while total assets are expected to reach RON 11.80 bn, up 36% in real terms. The annual net loans growth in 2008 and 2009 will slow down to 34% and 30%, respectively. We see deposits being slightly outgrown by loans during the forecasted period and consequently the loans/deposits ratio is projected to climb to 88.6% by end-2009.

We project NIMs downward trend to become smoother from 2007 onwards, with several facts pointing to this direction, including (i) an expected gradual reduction of Central Bank's MRR constitution rates, and (ii) a continuing downward trend of domestic interest rates.

## We expect smoother NIM compression from 2007 onward

MRR reduction should reduce the pressure on NIM's, especially starting with 2008. TLV was hit the most during 2006 by BNR's successive increases of MRR (by comparison to the foreign owned banks). On the other hand, MRR reduction will be more beneficial in case of TLV. As pointed out by management, TLV intends to set up a subsidiary in Cyprus that will serve two purposes: (i) offering banking services to Romanian companies with offshore activities, and (ii) importing loans from the mother company to reduce the negative impact of costs associated with MRR.

Accordingly, we assume stronger NIM for 2007, 4.9% versus previous projection of 4.5%. For 2008 we see the NIM declining to 4.1% (previously 4.0%) and for 2009 we keep the NIM unchanged at 4%. Given 2006 results and the fundamentals of its loans' portfolio, we foresee a slight increase of TLV's cost of risk to 1.07% in 2009. As TLV will maintain a high level of investments in 2007 and even in 2008, we see a deterioration of the cost/income ratio to just below 80% in 2007-08. We expect a modest improvement of the bank's profitability in 2009, translating into a slightly better cost/income ratio of 77.3%.

As a consequence of a relatively low profitability combined with the share capital increases in cash, TLV's ROE will further decrease in 2007 and 2008 to 14.3% and 13.1% respectively, from 17.5% as of end-2006.

We maintain our assumptions with respect to bank's policy of issuing new shares and Central Bank's MRR. Namely, we expect (i) TLV to continue issuing shares in cash at below market prices both in 2008 and 2009, and (ii) BNR to gradually reduce its MRR requirements in 2H 2007, as well as throughout 2008-09.

**Change our recommendation for TLV to Hold with a 12M TP of RON 0.85**

**Valuation and recommendation:** We continue assigning higher weight to the GGM valuation results as it takes into consideration the growth prospects and profitability improvement of the bank beyond 2009.

We maintain our assumptions with respect to long term growth rate (6%), the cost of equity (9.5%) and a sustainable ROE of 17%. Despite TLV's ROE weakening in 2006 and similar expectations for 2007-08, we employed a higher sustainable ROE, based on several facts we detailed in our previous update.

## Valuation

	2007e	2008e	2009e	2010e	TV
BVPS, in RON	0.17	0.22	0.27	0.31	
EPS growth	16.4%	19.2%	36.5%	20.0%	6.00%
ROE adj.	14.3%	13.1%	14.4%	16.0%	17.0%
LT risk free rate	7.0%	6.5%	6.0%	5.0%	5.0%
Equity risk premium	5.0%	4.5%	4.5%	4.5%	4.5%
Industry beta	1.1	1.1	1.1	1.1	1.0
Cost of equity	12.5%	11.5%	11.0%	10.0%	9.5%
Target P/B					3.1
Terminal value, in RON					1.0
DPS	0.0	0.0	0.0	0.0	
Discounted DPS/TV, in RON	0.0	0.0	0.0	0.0	0.6
Sum of discounted values, in RON	0.65				
<b>Fair value (12m)*, in RON</b>	<b>0.77</b>				

\*assuming investors participate in the subsequent share capital increases

Source: Banca Transilvania, RCI Research

Comparative valuation reveals that TLV trades at significant premiums to its CEE peers and BRD in terms of P/E. On the other hand, it carries a small premium in P/BV terms to the average of CEE banks and a discount to BRD. We believe that TLV is commanding higher multiples than its CEE peers due to its stronger growth potential and to its acquisition target status.

## Peer Group Comparison

	Price		P/E		P/BV			ROE		
	29.06	2007e	2008e	2009e	2007e	2008e	2009e	2007e	2008e	2009e
Erste Bank	58	15.1	12.8	11.4	2.0	1.8	2.3	14.3%	15.0%	15.1%
Raiffeisen International	118	21.5	16.7	13.5	3.7	3.1	2.5	18.0%	19.5%	20.4%
OTP	10,600	13.2	11.6	10.0	2.9	2.4	2.0	24.2%	22.8%	21.9%
FHB	2,299	19.3	18.6	0.0	3.7	3.4	n.a.	21.0%	19.4%	0.0%
Komerční Banka	3,954	15.0	13.7	12.4	2.8	2.5	2.3	19.2%	19.3%	19.7%
PKO BP	55	22.0	19.3	16.9	4.8	4.1	3.6	22.9%	22.6%	22.9%
Bank Pekao	258	20.6	17.9	15.4	4.5	4.1	3.7	23.8%	24.0%	25.2%
Bank BPH	945	17.8	17.4	13.5	3.7	3.4	3.2	21.7%	20.2%	22.1%
BZW WBK	290	22.5	19.5	17.4	4.8	4.2	3.7	21.8%	22.5%	22.3%
BRE Bank	545	24.5	23.0	18.4	5.1	4.1	3.4	23.3%	20.0%	21.0%
Millennium	13	29.5	22.0	17.1	4.5	4.0	3.4	16.1%	19.6%	21.4%
Bank Handlowy	125	24.2	20.4	16.8	2.9	2.8	2.6	12.3%	14.0%	16.1%
Kredyt	28	23.1	23.9	20.7	3.3	3.0	2.7	14.9%	14.2%	13.7%
Sberbank	3,900	18.9	15.1	11.8	3.4	2.9	2.3	22.7%	19.9%	21.4%
<b>Average CEE banks</b>		<b>20.5</b>	<b>18.0</b>	<b>14.0</b>	<b>3.7</b>	<b>3.3</b>	<b>2.9</b>	<b>19.7%</b>	<b>19.5%</b>	<b>18.8%</b>
<b>Mean CEE banks</b>		<b>21.0</b>	<b>18.2</b>	<b>14.5</b>	<b>3.7</b>	<b>3.2</b>	<b>2.7</b>	<b>21.4%</b>	<b>19.7%</b>	<b>21.2%</b>
BRD-GSG	28,000	23.2	18.9	16.1	6.8	5.5	4.5	32.7%	32.5%	31.0%
TLV	0.845	34.0	32.5	24.4	4.2	3.8	3.2	14.3%	13.1%	14.4%
TLV's Premium/Discount to										
Average CEE banks		65.6%	80.7%	74.5%	14.4%	16.8%	8.8%			
BRD-GSG		46.2%	71.9%	50.9%	-37.9%	-30.8%	-29.7%			

Source: Thompson Financial Datastream, RCI estimates

Our GGM model points to a 12-month fair value for Banca Transilvania of RON 0.77 per share. TLV's shares rallied to an almost all time high, driven by acquisition rumours. We view

a 10% takeover premium as justified. Accordingly, we set our 12-month target price for Banca Transilvania at RON 0.85 per share, meaning a downside potential of 3.4% on the July 4 closing price of RON 0.88. The underlying assumption for our target price is that an investor should participate in all subsequent share capital increases. The new target price implies a 2008e P/BV of 3.7x. Consequently, we change our recommendation for Banca Transilvania share from Buy to Hold.

## Key financial data

Below we present the summary of historical (audited consolidated) and projected financial statements of Banca Transilvania.

<b>Income statement (RON mn)</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>
Total interest income	300	431	653	818	935	1,069
Total interest expense	-129	-173	-289	-354	-406	-439
<b>Net interest income</b>	<b>172</b>	<b>258</b>	<b>363</b>	<b>464</b>	<b>528</b>	<b>630</b>
Net fee & commission	61	109	175	262	368	475
Net trading result	18	40	63	89	119	145
Net earned premiums	20	38	137	215	291	397
<b>Total operating income</b>	<b>271</b>	<b>445</b>	<b>739</b>	<b>1031</b>	<b>1307</b>	<b>1647</b>
<b>Losses on loans and adv.</b>	<b>-12</b>	<b>-20</b>	<b>-41</b>	<b>-66</b>	<b>-97</b>	<b>-135</b>
Personnel expenses	-79	-130	-230	-335	-434	-519
Other adm. expenses	-83	-127	-246	-340	-417	-514
Depreciation	-15	-37	-40	-54	-70	-89
Net insurance claims	-12	-28	-77	-121	-163	-216
<b>Administrative expenses</b>	<b>-188</b>	<b>-322</b>	<b>-594</b>	<b>-850</b>	<b>-1084</b>	<b>-1339</b>
Other operating profit/loss	5	14	24	36	58	85
<b>Earnings from ordinary activities</b>	<b>76</b>	<b>117</b>	<b>128</b>	<b>152</b>	<b>184</b>	<b>258</b>
Adj. profit from ordinary activities	76	117	128	152	184	258
Gain/loss on net monetary position	0	0	0	0	0	0
Profit from associates	2	5	0	0	1	1
<b>Earnings before taxes</b>	<b>78</b>	<b>122</b>	<b>129</b>	<b>152</b>	<b>185</b>	<b>259</b>
Taxes on income	-18	-15	-20	-24	-29	-40
Extraordinary Result						
Net profit before minorities	60	107	109	128	156	218
Minority interests + preferred dividend paym	0	-1	-6	-5	-3	2
<b>Net profit after minorities</b>	<b>61</b>	<b>109</b>	<b>114</b>	<b>133</b>	<b>159</b>	<b>217</b>
<b>Adjusted net profit after minorities</b>	<b>61</b>	<b>109</b>	<b>114</b>	<b>133</b>	<b>159</b>	<b>217</b>

Source: Banca Transilvania, RCI Research

<b>Balance sheet (RON mn)</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>
Cash & central bank	635	1,206	2,158	2,583	2,472	2,151
Financial institutions	98	195	512	701	1,229	1,792
<b>Loans &amp; advances to customers</b>	<b>1,414</b>	<b>2,943</b>	<b>4,872</b>	<b>7,586</b>	<b>10,651</b>	<b>14,400</b>
Credit provisions	-19	-25	-39	-106	-209	-288
Trading assets	257	220	38	119	235	427
Other current fin. assets (AFS)	22	142	210	110	165	215
Investments (HTM&strat. partic.)	8	23	32	43	53	61
Property and equipment	121	179	244	350	469	586
Goodwill	17	16	14	14	14	14
Other intangible assets	0	0	0	0	0	0
Premiums receivables	12	38	47	66	90	112
Other assets	91	141	243	331	413	519
<b>Total assets</b>	<b>2,657</b>	<b>5,078</b>	<b>8,331</b>	<b>11,795</b>	<b>15,581</b>	<b>19,989</b>
Due to financial institutions	367	837	1,529	1,683	1,823	1,652
<b>Customer deposits</b>	<b>1,946</b>	<b>3,598</b>	<b>5,702</b>	<b>8,608</b>	<b>11,841</b>	<b>15,935</b>
Insurance provisions	23	74	134	209	261	326
Deferred taxes	0	11	12	13	13	14
Accruals and def. income	0	1	2	3	4	5
Other liabilities	21	43	159	216	293	396
Subordinated capital	0	1	2	3	4	5
Minority interests (BS)	1	3	7	7	7	7
<b>Shareholders' equity</b>	<b>300</b>	<b>516</b>	<b>795</b>	<b>1,066</b>	<b>1,350</b>	<b>1,667</b>
<b>Liabilities &amp; shareholders' equity</b>	<b>2,657</b>	<b>5,078</b>	<b>8,331</b>	<b>11,795</b>	<b>15,581</b>	<b>19,989</b>

Source: Banca Transilvania, RCI Research

Below we present the summary of historical (audited consolidated) and projected financial statements of Banca Transilvania assuming a sale of the insurance arm, BT Asig.

<b>Income statement (RON mn)</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>
Total interest income	300	431	653	817	928	1,063
Total interest expense	-129	-173	-289	-350	-401	-434
<b>Net interest income</b>	<b>172</b>	<b>258</b>	<b>363</b>	<b>466</b>	<b>527</b>	<b>629</b>
Net fee & commission	61	109	175	262	368	475
Net trading result	18	40	63	89	119	145
Net earned premiums	20	38	137	144	0	0
<b>Total operating income</b>	<b>271</b>	<b>445</b>	<b>739</b>	<b>961</b>	<b>1015</b>	<b>1249</b>
<b>Losses on loans and adv.</b>	<b>-12</b>	<b>-20</b>	<b>-41</b>	<b>-66</b>	<b>-97</b>	<b>-135</b>
Personnel expenses	-79	-130	-230	-320	-377	-451
Other adm. expenses	-83	-127	-246	-311	-309	-381
Depreciation	-15	-37	-40	-54	-70	-89
Net insurance claims	-12	-28	-77	-81	0	0
<b>Administrative expenses</b>	<b>-188</b>	<b>-322</b>	<b>-594</b>	<b>-765</b>	<b>-757</b>	<b>-922</b>
Other operating profit/loss	5	14	24	73	58	85
<b>Earnings from ordinary activities</b>	<b>76</b>	<b>117</b>	<b>128</b>	<b>204</b>	<b>220</b>	<b>277</b>
Adj. profit from ordinary activities	76	117	128	204	220	277
Gain/loss on net monetary position	0	1	2	3	4	5
Profit from associates	2	5	0	0	1	1
<b>Earnings before taxes</b>	<b>78</b>	<b>122</b>	<b>129</b>	<b>204</b>	<b>220</b>	<b>277</b>
Taxes on income	-18	-15	-20	-32	-34	-43
Extraordinary Result						
Net profit before minorities	60	107	109	172	186	234
Minority interests + preferred dividend paym	0	-1	-6	1	1	2
<b>Net profit after minorities</b>	<b>61</b>	<b>109</b>	<b>114</b>	<b>171</b>	<b>185</b>	<b>232</b>
<b>Adjusted net profit after minorities</b>	<b>61</b>	<b>109</b>	<b>114</b>	<b>171</b>	<b>185</b>	<b>232</b>

Source: Banca Transilvania, RCI Research

<b>Balance sheet (RON mn)</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007e</b>	<b>2008e</b>	<b>2009e</b>
Cash & central bank	635	1,206	2,158	2,484	2,363	2,012
Financial institutions	98	195	512	605	1,059	1,545
<b>Loans &amp; advances to customers</b>	<b>1,414</b>	<b>2,943</b>	<b>4,872</b>	<b>7,586</b>	<b>10,651</b>	<b>14,400</b>
Credit provisions	-19	-25	-39	-106	-209	-288
Trading assets	257	220	38	119	235	427
Other current fin. assets (AFS)	22	142	210	110	165	215
Investments (HTM&strat. partic.)	8	23	32	43	53	61
Property and equipment	121	179	244	314	421	526
Goodwill	17	16	14	0	0	0
Other intangible assets	0	0	0	0	0	0
Premiums receivables	12	38	47	0	0	0
Other assets	91	141	243	331	413	519
<b>Total assets</b>	<b>2,657</b>	<b>5,078</b>	<b>8,331</b>	<b>11,485</b>	<b>15,151</b>	<b>19,417</b>
Due to financial institutions	367	837	1,529	1,544	1,716	1,551
<b>Customer deposits</b>	<b>1,946</b>	<b>3,598</b>	<b>5,702</b>	<b>8,608</b>	<b>11,841</b>	<b>15,935</b>
Insurance provisions	23	74	134	0	0	0
Deferred taxes	0	11	12	13	13	14
Accruals and def. income	0	1	2	3	4	5
Other liabilities	21	43	159	216	293	396
Subordinated capital	0	0	0	0	0	0
Minority interests (BS)	1	3	7	7	7	7
<b>Shareholders' equity</b>	<b>300</b>	<b>516</b>	<b>795</b>	<b>1,105</b>	<b>1,289</b>	<b>1,522</b>
<b>Liabilities &amp; shareholders' equity</b>	<b>2,657</b>	<b>5,078</b>	<b>8,331</b>	<b>11,485</b>	<b>15,151</b>	<b>19,417</b>

Source: Banca Transilvania, RCI Research

## Raiffeisen Centrobank AG - Your contacts:

A-1010 Vienna, Tegethoffstraße 1, Internet: <http://www.rcb.at>, Email: [surname@rcb.at](mailto:surname@rcb.at)

<b>Sales &amp; Trading</b>	<b>Tel.: +43/1515 20-0</b>	<b>Croatia</b>	<b>Tel.: +385 1 61 74-0</b>	<b>Juliana Mocanu</b>	<b>ext. 1202</b>
<b>Wilhelm Celeda (Head)</b>	<b>ext. 402</b>	Denis Dolinar <a href="mailto:denis.dolinar@rba.hr">denis.dolinar@rba.hr</a>	<b>ext. 360</b>	<a href="mailto:juliana-simona.mocanu@rtz.ro">juliana-simona.mocanu@rtz.ro</a>	
<b>International Institutional Sales</b>		Lidija Brkanic <a href="mailto:lidija.brkanic@rba.hr">lidija.brkanic@rba.hr</a>	<b>ext. 336</b>	<b>Russia</b>	<b>Tel.: +7/495 721-0</b>
Klaus della Torre (Head)	ext. 472	<b>Czech Republic</b>	<b>Tel.: +420/221 14-0</b>	Madina Butseva (Head)	<b>ext. 9928</b>
Susanne Binner	ext. 161	Jindrich Svatek <a href="mailto:jindrich.svatek@rb.cz">jindrich.svatek@rb.cz</a>	<b>ext. 1841</b>	<a href="mailto:mbutseva@raiffeisen.ru">mbutseva@raiffeisen.ru</a>	
Anne Englert	ext. 458	<b>Hungary</b>	<b>Tel.: +36/1484-0</b>	Anna Yudina	<b>ext. 9938</b>
Oliver Fendt	ext. 498	Levente Blahó <a href="mailto:levente.blaho@raiffeisen.hu">levente.blaho@raiffeisen.hu</a>	<b>ext. 4301</b>	<a href="mailto:ayudina@raiffeisen.ru">ayudina@raiffeisen.ru</a>	
Elena Filanova	ext. 436	Akos Herczenik <a href="mailto:akos.herczenik@raiffeisen.hu">akos.herczenik@raiffeisen.hu</a>	<b>ext. 4812</b>	<b>Serbia</b>	<b>Tel.: +381/112 20-0</b>
Rainer Girsch	ext. 465			Aleksandra Vukosavljevic <a href="mailto:aleksandra.vukosavljevic@raiffeisenbank.co.yu">aleksandra.vukosavljevic@raiffeisenbank.co.yu</a>	<b>ext. 7175</b>
Reinhard Haushofer	ext. 477			<b>Slovenia</b>	<b>Tel.: +386/222 93-0</b>
György Karolyi	ext. 437			Darka Kovacic <a href="mailto:darka.kovacic@r-kb.si">darka.kovacic@r-kb.si</a>	<b>ext. 192</b>
Tomislav Paolic	ext. 435				
Georg Scholz	ext. 398				
Andrea Steinbichler	ext. 471				
<b>Salestrading Blocktrades</b>		<b>Poland</b>	<b>Tel.: +48/22 585-0</b>		
Patrick Steiner (Head)	ext. 409	Piotr Her <a href="mailto:piotr.her@raiffeisen.pl">piotr.her@raiffeisen.pl</a>	<b>ext. 2810</b>		
Michael Kriechbaum	ext. 464	Marcin Palenik <a href="mailto:marcin.palenik@raiffeisen.pl">marcin.palenik@raiffeisen.pl</a>	<b>ext. 2462</b>		
Michael Schützenauer	ext. 462	<b>Romania</b>	<b>Tel.: +40/21 306-0</b>		
Stefan Waidhofer	ext. 463	Bogdan Compianu (Head) <a href="mailto:bcompianu@rtz.ro">bcompianu@rtz.ro</a>	<b>ext. 1238</b>		
Wojciech Kalacz	ext. 343	Oleg Galbur (Head) <a href="mailto:oleg.galbur@rtz.ro">oleg.galbur@rtz.ro</a>	<b>ext. 1229</b>		
Christal Walkner	ext. 457	Alexandru Combei <a href="mailto:alexandru.combei@rtz.ro">alexandru.combei@rtz.ro</a>	<b>ext. 1239</b>		
<b>Company Research</b>	<b>Tel.: +43/1515 20-0</b>	Bogdan Gogu <a href="mailto:bogdan.gogu@rtz.ro">bogdan.gogu@rtz.ro</a>	<b>ext. 1268</b>		
<b>Birgit Kuras (Head of Research)</b>	<b>ext. 150</b>	Ionut Gutis <a href="mailto:ionut.gutis@rtz.ro">ionut.gutis@rtz.ro</a>	<b>ext. 1267</b>	<b>Layout</b>	<b>Tel.: +43/1515 20-0</b>
Stefan Maxian (Head of CEE)	ext. 177			Martin Hamak	<b>ext. 208</b>
Claudio Vince-Batek (Head of AT)	ext. 170			Günther Heil	<b>ext. 282</b>
Reinhard Ebenauer	ext. 175			Klaudia Neumayr	<b>ext. 378</b>
Roman Herzog	ext. 168				
Klaus Küng	ext. 158				
Bernad Maurer	ext. 169				
Katharina Kastenberg	ext. 155				
Klaus Ober	ext. 178				
Leopold Salcher	ext. 176				
Teresa Schinwald	ext. 179				
Arno Supper	ext. 153				
Tobias Winter	ext. 174				

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