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Industry Research

Kuwait Banking Sector 2013

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Summary

The Banking System in Kuwait portrays high concentration of sector assets with a few large banks. A total of 22 banks including 10 local banks, 1 specialized bank and 11 foreign banks operate in Kuwait. Out of the 10 local banks 5 are Islamic banks, operating as per the Islamic Sharia Law and out of the 11 foreign banks 7 are from the GCC region.

The banking system is undergoing policy changes with the implementation of Basel lll regulations, as seen in other parts of the world. In addition, similar to other GCC countries, banks in Kuwait are focused on developing their franchise value by offering innovative products and introducing new products for untapped segments. This move is a result of continued weakness in the corporate segment. The banking system's strength is stemmed by a supportive government policy and higher than average capitalization. The lack of diversified investment options in Kuwait is one of the key factors that have led to the higher average capitalization. This in turn offsets the risks related to operating in a mono-line economy with a narrow customer base, and limited business segments.

Due to the increasing importance of Islamic banking products, more and more banks are opening up Islamic windows or converting to Islamic banks. Major conventional banks are acquiring stakes in Islamic banks and establishing strategic tie ups to launch new Islamic banking products.

Going forward some of the major challenges for GCC banks will be related to effectively diversifying their customer base and reducing concentration towards riskier sectors. The inherent credit risk from exposure to investment companies and the real estate sector is still acting as a drag on the profitability of the Kuwaiti banks in the form of higher provisioning. Nonetheless, these provisions have declined from the levels seen during the financial crisis. The crisis forced major European banks to pull out from the GCC region, resulting in a sudden funding shortage. However, this gap in funding is gradually being bridged by Asian banks as evident from some acquiring banking licenses in GCC countries.

The loan growth in an economy is highly correlated with the government spending. Banks in Kuwait are heavily dependent on the Kuwait Development Plan, which is progressing at a slow pace. However, an increase in the public and private sector salaries has resulted in an increased demand for funds from the retail segment.

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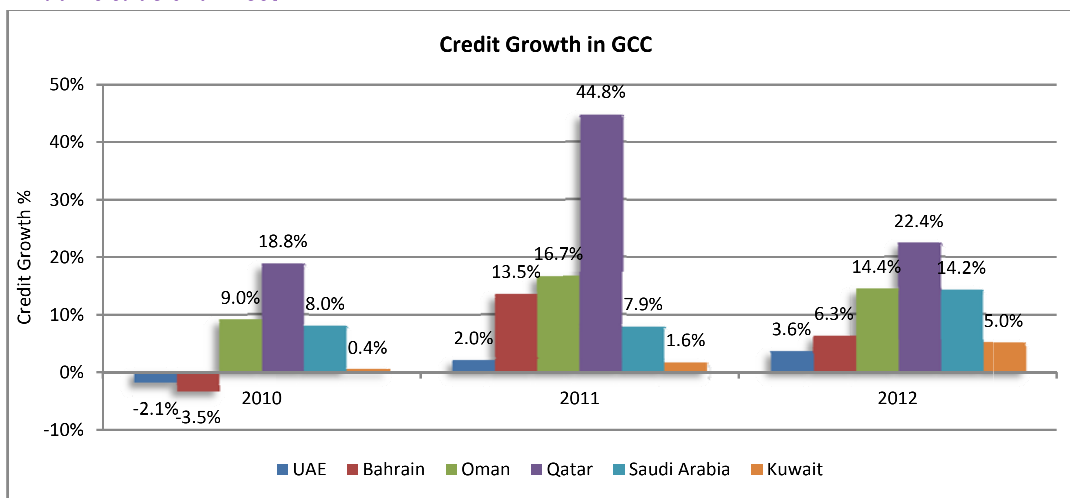
GCC Banking Sector

The banking sector in the GCC has witnessed exceptional credit growth during the past few years, with the exception of UAE, Kuwait and Bahrain seeing relatively slower growth. GCC banks are adopting a service oriented approach as opposed to the volume-based approach they had adopted during the pre-crisis period. This has resulted in more attention towards the untapped segments like the Micro, Small and Medium Enterprises (MSME) sector. The MSME sector in the GCC region is dominated by family run businesses that rarely utilize even the basic banking services. Moreover, due to their focus on local markets, the capital expenditure of MSMEs has remained low. On the other hand, the bank's focus towards large corporate clients, especially prior to the crisis, induced less attention toward this segment. The banks are currently in the process of launching specifically tailored products to suit the needs of such small businesses.

The GCC banks are witnessing an increasing shortage of skill sets. Therefore, the banks in the GCC are investing in the training of their workforce to improve quality of services.

Exhibit 1: Credit Growth in GCC



Source: GCC Central Banks

Among the GCC countries, Qatar, Oman and Saudi Arabia have shown significant growth in credit during 2012. Strong growth in GDP due to high oil prices combined with increased government spending on development plans are driving the credit growth in these countries.

The government of Saudi Arabia in 2010 had proposed a five year development plan with an expected outlay of SR 1.44 tn from 2010 to 2014. As government spending drives credit growth in Saudi Arabia, the asset quality is unlikely to be impacted due to strict underwriting criteria. Low cost deposits from government and private sector has reduced their overall funding cost of the banks.

In Qatar, the concentration risk arising from exposure to big corporates and projects is likely to be mitigated by government backing for such projects. However, funding costs are likely to increase in Qatar as lack of adequate local funds has led to heavy reliance on foreign funds to support the development plans. Moreover, asset quality is likely to improve with higher government spending.

In Kuwait, we expect loan growth to be in mid single digits in 2013, driven by increasing stimulus from the government. Credit growth has remained modest in Kuwait due to political infighting and the resultant slowdown in the execution of the development plans. However, stabilizing stock markets and real estate prices are likely to restrict further

weakening in asset quality. Public sector salary increases as well as the rising demand for investment properties are driving the credit growth in Kuwait, however, the same lags behind that of Saudi Arabia and Qatar.

NPLs remain high for Omani banks due to weak real estate segment. Though the credit growth is likely to be capped by lending caps imposed by the Central Bank of Oman, higher government spending over development plans has helped the banking sector to achieve above average growth in credit.

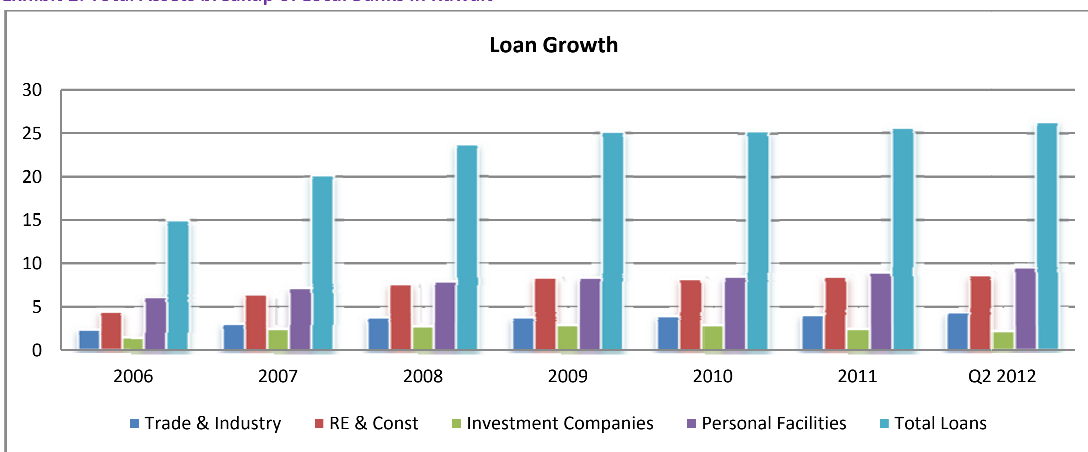
Banks in the UAE are given an extension on the central bank's mandate to reduce their individual exposure to the government sector post the crisis. This law is likely to restrict the credit growth in UAE as the government entities were the major drivers of credit growth during pre-financial crisis period. The credit growth in the UAE market is likely to remain subdued due to oversupply in the real estate sector and caps imposed on retail and residential lending limits. Asset quality problems are also prevalent in Dubai due to weak real estate market.

Most GCC banks are well capitalized for absorbing any decline in their asset quality. Besides, the banks also enjoy strong sovereign support backed by high levels of surplus generated by strong oil prices. GCC banks are in a better position as compared to the banks in the rest of the MENA region, primarily due to their strong capitalization as well as relatively strong, financially backed governments.

Kuwait Banking Sector

The banks in Kuwait during pre-crisis period had sizeable exposure to the investment and the real estate sectors. The lack of government spending and the delay in the launch of the Kuwait Development Plan has led to a significant fall in the funding to the public sector. Funding towards the public sector is considered to be safe as this is backed by the strong surplus of Kuwait. However, this also affected the overall credit growth in the country that remained at 5% in 2012. A majority of this growth comes from the growth in private sector loans fuelled by increase in public and private sector salaries during the first half of 2012. The local citizens are eligible for a maximum personal loan of up to KWD 70,000 or up to 15 times of their salary whichever is lower. The private sector salaries were also increased during the previous year for local citizens. This led to an increase in their borrowing capacity which resultantly led to an increase in personal loans. On the other hand, the rising demand for investment properties has also contributed to the credit growth. On the financial front, Kuwaiti banks are clearing their loan books by writing off the non performing loans. They have also adopted stricter risk management practices in order to reduce their concentration risk.

Exhibit 2: Total Assets breakup of Local Banks in Kuwait



Source: Central Bank of Kuwait & CSR Analysis

The first half of 2012 witnessed a significant improvement in credit growth compared to the previous year. The total private sector loans registered an increase of 5% in 2012 compared to a full year growth of 1.63% during 2011. The

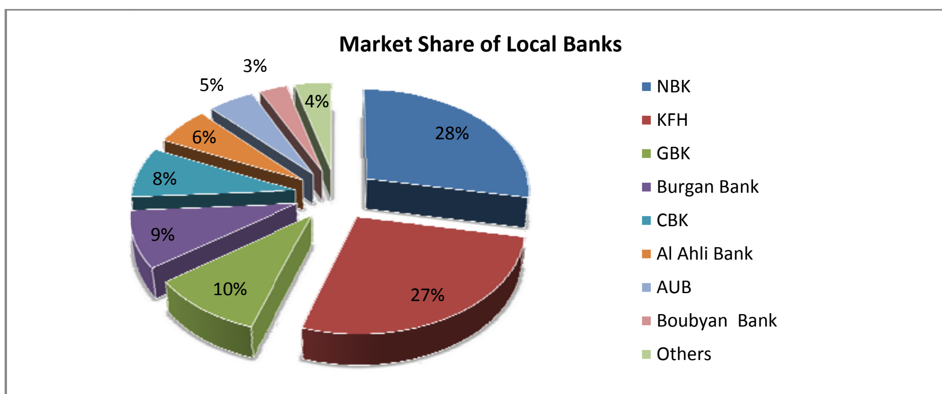
highest growth was observed in personal loans and the trade and industry segment, which witnessed 5.27% and 5.07% growth, respectively for H1 2012. In October 2012, The Central Bank of Kuwait further reduced its discount rate by 50 basis points from 2.50% to 2.00%. The central bank intends to promote a pro-growth environment and wants to restore the attractiveness of the national currency due to continued decline in inflation. A decline in the discount rate is expected to provide an incentive for credit growth which will in turn lead to higher demand in the economy. Overall, the reduction in the discount rate is likely to instill confidence in the national economy and mobilize economic growth.

Further, through better internal risk management techniques and improved oversight by the Central Bank of Kuwait, banks are likely to be in a better position to deal with any adverse outcome with regards to their sector exposures going forward. The high share of government deposits as part of most banks' funding base also provides a reliable funding source for banks. Furthermore, the banks in Kuwait enjoy strong backing from the government. The total banking sector assets in Kuwait amounts to almost 80% of the GDP. The government's efforts to develop the non-hydrocarbon sector and the banking sector, as part of its development plans, resulted in the establishment of Warba Bank. The government through Kuwait Investment Authority owns 24% of Warba Bank and the remaining 76% is granted to Kuwaiti nationals on equal basis i.e. 684 shares per capita. The government is planning to execute the development plans by establishing companies on a public private partnership basis. The involvement of the private sector in the development plans is expected to drive the demand for credit.

Market Share

The total assets of the local banks in Kuwait have grown from KWD 41.38 bn in FY 2010 to KWD 44.08 bn in FY 2011 and further to KWD 46.45 bn by the end of Q2 2012.

Exhibit 3: 2011 market share of Kuwaiti Banks



Source: CSR Analysis

The National Bank of Kuwait (NBK) and Kuwait Finance House (KFH) account for close to 55% of the total banking assets in Kuwait as of 2012. NBK is the largest lender and KFH is the largest deposit taker. On the other hand, banks like Gulf Bank (GBK), have adopted an aggressive strategy to build their retail loan book. This is evident from their recently established partnership with Kuwait Finance and Investment Company (KFIC) and International Finance Company (IFC) where it has ratified agreements to purchase their retail loan portfolios.

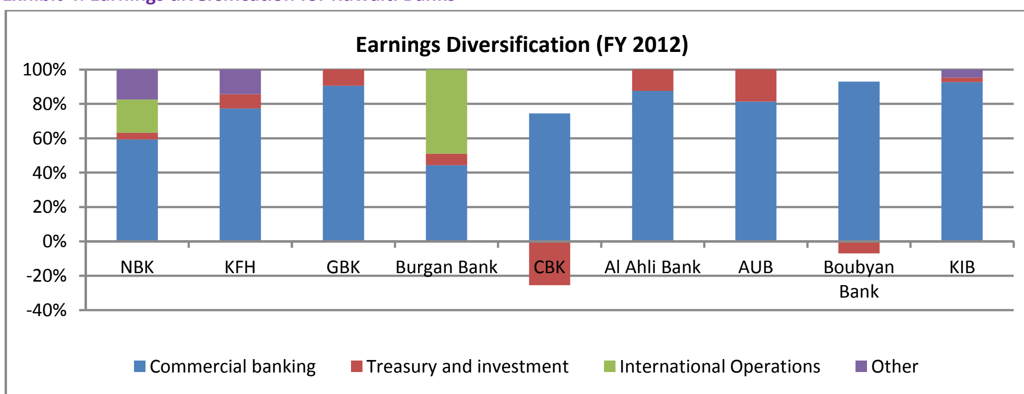
The establishment of Warba Bank is considered a milestone in the progress of the Islamic banking segment in Kuwait. The banks are likely to adopt innovative strategies to tap new segments, such as the MSME segment, which has rarely utilized banking services. The slow growth in credit resulting from a weak corporate and real estate segment is likely to provide banks fewer opportunities to improve their market share. However, the recent law mandating investment companies to obtain separate licenses for both lending and investment activities, is likely to enable banks to obtain a share of business from the companies that are planning to exit their financing business.

Earnings diversification

Banks in Kuwait have relied primarily on income from traditional banking activities. However, the excessive exposure to a specific sector, as in the case of several banks in Kuwait, resulted into concentration risk and significant write offs of assets when these sector didn't perform as per their expectations. This is, however, changing as banks realize the importance of a well diversified portfolio of assets. For instance, KFH and Kuwait International Bank (KIB) were predominantly more inclined towards real estate activities. However, KIB is now in the process of reducing their exposure to the real estate sector. On the other hand, Commercial Bank of Kuwait's (CBK) significant exposure to the investment sector resulted in higher impairment losses for the bank.

Furthermore, the segmental information reported by the banks, is not uniform and varies from bank to bank. Although KFH derives 42% income from international operations, the below chart does not portray the same, due to the non-uniformity in reporting structure. In addition, the banks do not provide sufficient granularity in their reporting structure in order to properly analyze the operating performance of each segment.

Exhibit 4: Earnings diversification for Kuwaiti Banks



Source: Capital IQ & CSR Analysis

Geographic Diversification

Banks in Kuwait have been increasingly expanding their geographic presence due to a weak corporate and real estate segment in Kuwait. This will also help banks to combat decline in their profitability as competition in the local market heats up. Expanding outside the GCC region also neutralizes the market risk of operating in a monoline economy. NBK and KFH are geographically well diversified. KFH derives 43% of its operating income from international operations and has plans to increase this share. Banks that have a wider geographic presence have been able to mitigate the negative impact on their local operations.

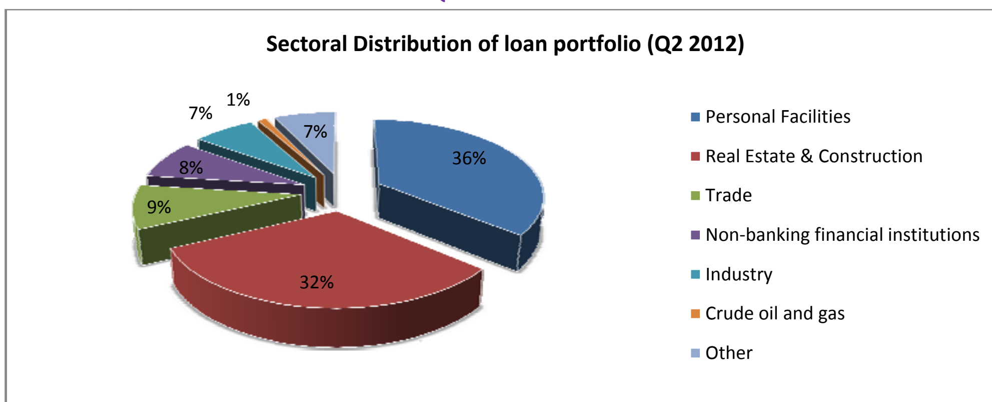
A weak corporate and real estate segment with slow government spending is likely to prompt banks to look for opportunities outside Kuwait, through expansion, acquisitions and mergers. This can also be viewed as a precautionary move against an unstable local political and economic scenario. Moreover, banks are going for regional expansion in order to take advantage of the growth markets in the region. A similar strategy was adopted when Burgan Bank acquired Eurobank Tekfen in Turkey for KWD 98.88mn. Regional expansion is also part of KIPCO's group strategy, the parent company of Burgan Bank. The bank is also in the process of acquiring 25% stake in FIM bank, Malta. Burgan Bank expects its profit from overseas operations to rise up to 50% of its total profits within the next 2 years.

Sector Exposure

The banks in Kuwait had to deal with the latent credit risk arising from significant exposure to the investment and the real estate sector. This is primarily due to the lack of diversification in the economy and the increased focus on these sectors prior to the crisis.

Though personal facilities comprised of 36% for Q2 2012 of total outstanding loan amount of Kuwaiti banks, almost one third of these facilities are lend for purchase of securities. The real estate sector accounted for the largest share of lending, with 32% of total outstanding loans from local banks as of Q2 2012. Recovery in real estate prices has provided a relief to most banks. On the other hand, conservative lending practices have enabled banks to reduce their exposure to the investment sector. This change is primarily a result of improving internal risk management practices and strict regulatory oversight by the Central Bank of Kuwait. Post the financial crisis, banks have entered into debt for equity swap deals with their investment company clients that were struggling to repay their debt after the financial crisis. For instance, Global and Security House entered into asset swap deals with their creditors. However, despite the above mentioned efforts, sector concentration still poses a risk and is likely to be mitigated over the plan period that will focus on the expansion of the non-hydrocarbon sector in Kuwait.

Exhibit 5: Sectoral Distribution of Loan Portfolio Q2 2012



Source: Central Bank of Kuwait & CSR Analysis

Most banks are keen on entering the Islamic banking segment, which is growing in popularity in the region. This is demonstrated by NBK's acquisition of a majority stake in Boubyan Bank. Similarly, Burgan Bank also has plans to enter the Islamic banking segment as stated by their Chairman, though not through acquisitions. Ahli United Bank (AUB) – Kuwait underwent a major transformation and changed from a commercial bank to a full service Islamic bank. This strategy has been primarily undertaken to broaden their sources of income which is crucial at a time when there is weak credit growth. Moreover, certain banks are acquiring retail loan portfolios from local Non-banking finance companies in order to reduce the concentration risk on their loan book. For instance, GBK has acquired retail loan portfolio from local non-banking finance companies to expand its loan portfolio and thereby reduce their sector concentration risk. In May 2011, GBK ratified an agreement with IFC to purchase a tranche of IFC's vehicle portfolio. A similar agreement was signed with KFIC for purchasing their vehicle loans.

Operating Environment

In 2012, the operating environment for banks remained subdued due to a stagnant operating environment coupled with political stalemate that has stalled the development plans proposed by the government. Government spending was insufficient and the release of tenders for developmental projects was slow. This has also resulted in weaker performance of the stock market during the year. Additionally, the political tensions also acted as a drag on the overall investment climate in the economy. However, Kuwait still has a strong position due to its large hydrocarbon reserves.

The high volatility in the GDP growth is due to excessive reliance on oil revenues and irregular government spending on developing the non-hydrocarbon sector.

The recent growth in credit is a result of increase in salaries in the government and private sector for Kuwaiti citizens. Though, the salary increase has enabled the growth in the personal loan portfolio of banks, there is significant risk with respect to depletion of the state's reserves in case of decline in oil prices, as warned by the IMF.

Regulatory Environment and Support

The Central Bank of Kuwait is vested with the responsibility of supervising the banking sector in Kuwait. It conducts both onsite and offsite supervision. Onsite supervision includes supervision of a bank's internal controls. Whereas, the offsite supervision includes supervision of the bank's financial position by periodically reviewing their financial statements. There are strict regulatory standards established for banks, the non-compliance of which will result in imposition of penalties. The regulator has also been supportive in the past and has not allowed any banks to fail. The Central Bank of Kuwait has also restricted any foreign banks to enter the retail-banking segment, which further strengthens its oversight of local banks. Local banks in Kuwait derive a strong support factor from the government as well as the regulator. The Kuwaiti government also provides a blanket guarantee over deposits with local banks irrespective of the type of deposits.

Though the CBK supervises the banks operating in Kuwait, it plays a limited role in setting up of interest rate ceiling and maximum lending limits for consumer loans. These functions are currently being dealt by the government. The Central Bank is also subject to political intervention and does not enjoy total independence in terms of setting up its policies.

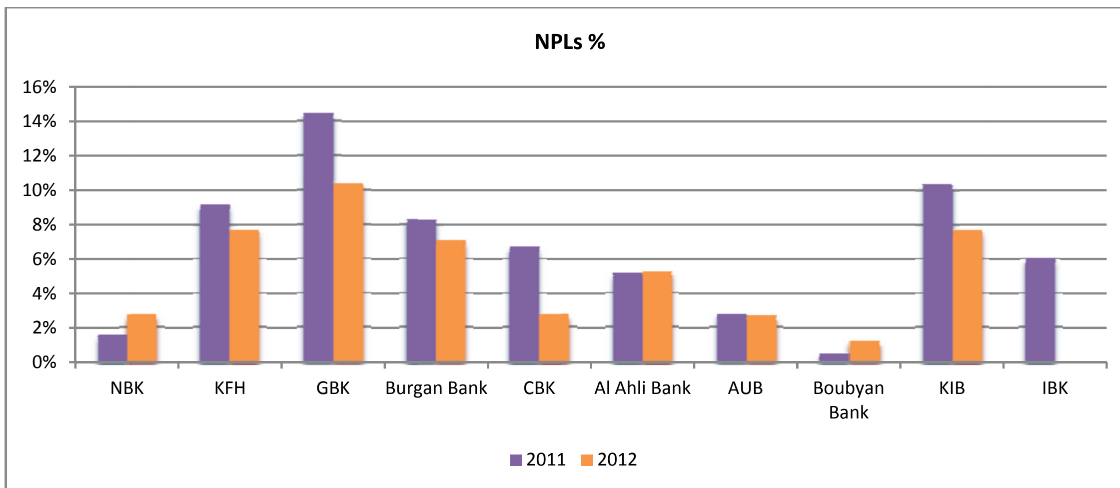
Financial Strength

Improving asset quality….

Banks in Kuwait have gradually improved their risk management practices. Strategies such as higher provisioning with write offs has resulted in a decline in the non-performing loans (NPLs) ratio for most banks. The sizable exposure to the real estate and the investment sectors resulted in losses for most banks, especially during the financial crisis. The legacy (pre-invasion) problem loans also forms part of total NPL portfolio. However, higher provisioning and conservative lending practices combined with an improving operating environment are likely to contain further growth in NPLs. Improving asset quality indicators are the result of significant write offs and higher provisioning during 2012.

For instance, the Commercial Bank of Kuwait (CBK) registered a fall in their NPLs in 2012, due to a sizeable write-off of their problem loans. Similar to its peers the bank displays significant concentration with respect to both borrower and sector. CBK also has sizeable investment in regional equities. The high amount of equity investments on the books of the bank could be partly a result of debt for equity swap deal that the bank entered into with their clients in the investment sector during the financial crisis. CBK acquired 6% in London-based Islamic bank Gatehouse in lieu of the debt owed by Securities House. GBK also witnessed a sizeable decline in their NPLs from a peak of 30% during 2009 to 14.5% during FY 2011, primarily due to write-offs. The bank is in the process of building a "fortress" balance sheet by building their loan loss reserves. On the other hand, KIB began its operations as a real estate bank hence there is a significant amount of concentration towards the real estate sector. This has resulted in weak asset quality. However, the bank is currently entering into new deals in the vehicle segment in order to expand its retail loan portfolio.

Exhibit 6: NPLs to Gross Loans

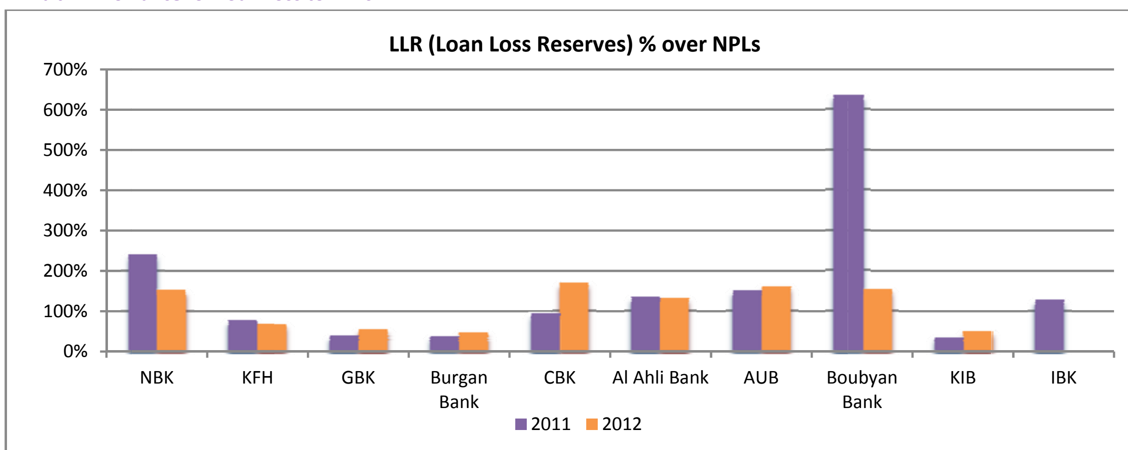


Source: Capital IQ & CSR Analysis

High provisioning coverage

During 2012, Kuwaiti banks continued to take precautionary provisions to face the difficult market conditions that prevailed during the first half of 2012. The delay in the launch of new mega development projects, impairment of equity collateral and the political instability have prompted banks to maintain a high coverage. However, KFH, GBK, Burgan, KIB and CBK still maintain inadequate coverage over the NPLs (exhibit 6). This is also partly due to weak profit margins during 2012. Boubyan Bank has the highest coverage and the lowest NPLs, which is partly due to the significant increase in its loan portfolio. Increased focus on risk management is the result of NBK's higher coverage during the year. In the case of Gulf Bank, although the reserve coverage is low, the NPLs are fully collateralized. Kuwaiti banks calculate NPLs excluding the collateral coverage, which when taken into account will result in adequate provisioning.

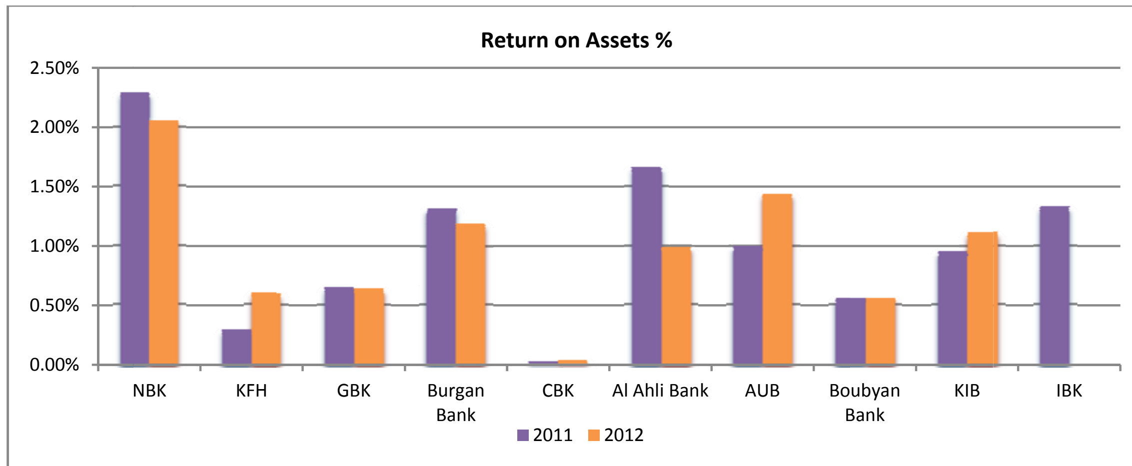
Exhibit 7: Allowance for Loan Loss to NPLs



Source: Capital IQ & CSR Analysis

Declining margins due to focus on risk management…

Exhibit 8: ROA



Source: Capital IQ & CSR Analysis

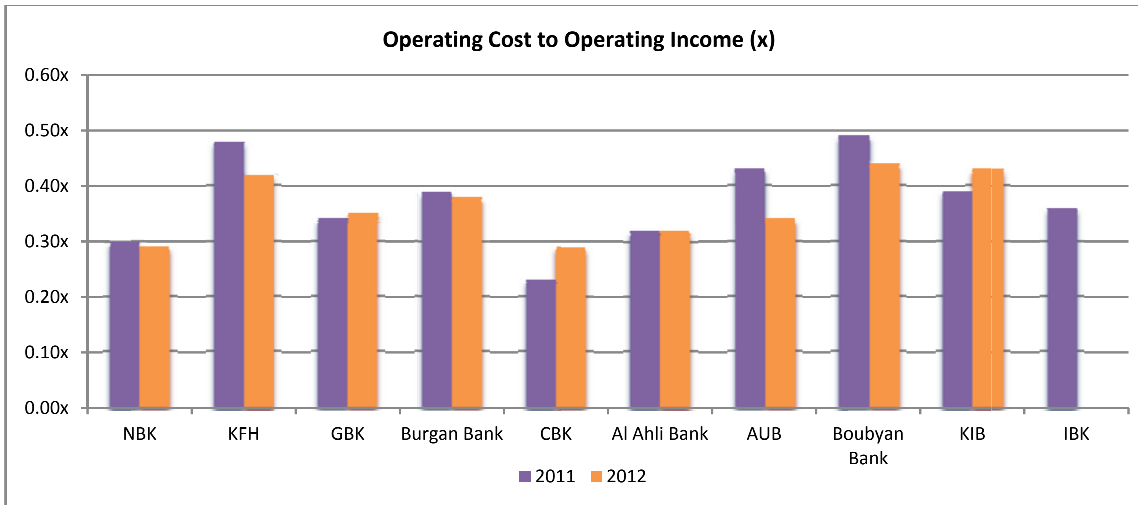
Kuwaiti banks have registered a decline in their profit margins due to higher provisioning. However, some banks have seen a slight improvement in their margins from improving asset quality, which translated into lower provisioning during 2012. Banks such as NBK and Al Ahli Bank of Kuwait (ABK) have maintained higher ROA due to conservative lending practices, whereas KFH, due to its higher exposure to the real-estate segment, has been significantly impacted due to losses from the segment. CBK has taken higher impairments during the year on its exposures to the investment and real estate segment.

Burgan Bank has recently secured funding from a KWD 100mn bond issue in order to strengthen its capital base after the acquisition of Eurobank's Turkish arm, Tekfen. This issuance succeeds a 10 year Dollar denominated bond of USD 400 mn issued in September 2010. The inorganic growth strategy followed by Burgan Bank entails wholesale funding to cover capital requirements. The provisioning coverage of NPL's for Burgan Bank was only 45.96% for FY 2012. On the other hand, GBK's coverage is also low compared to its peers at 55.80% for FY 2012. This enabled the bank to show profits for FY 2012. Most banks have increased their provisioning coverage sighting a weak operating environment for FY 2012 and a slow growth for FY 2013.

High Operating Efficiency…

Banks in Kuwait are operationally much more efficient than their counterparts in other larger markets. This is because Kuwait is a small market to service, which in turn results in lower operating costs. The banks are also insulated from external competition from foreign banks in the retails segment. However, Islamic banks serving only a niche segment faces higher operating charges due to their low share compared to other conventional players. The scale of operations also determines the efficiency of banks. For instance, being a conventional bank, Burgan Bank still faces higher operating costs as it has significant amount of international operations in emerging markets such as Turkey. Requisites for a bigger branch network to run operations in large markets results in higher operating costs. The Commercial Bank of Kuwait, comparatively, has best efficiency among its peers. This could be due to its lower underwriting cost resulting from comparatively higher share of income derived from treasury and investment operations combined with a limited local presence.

Exhibit 9: Operating Cost to Operating Income

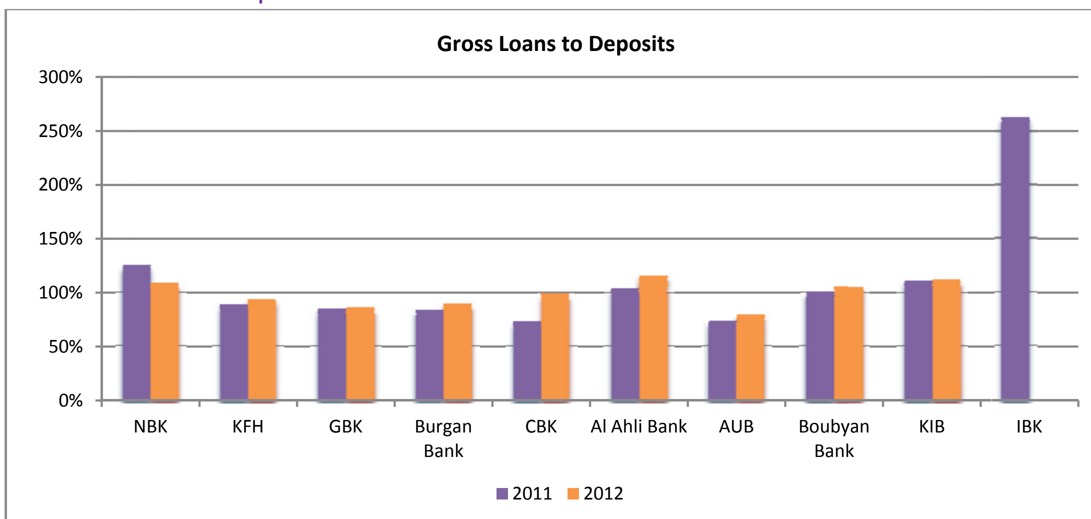


Source: Capital IQ & CSR Analysis

Excellent Funding profile

The funding profile, as measured by Gross Loans to Core Deposits ratio, is a key determinant of a bank's funding capacity as deposits are the cheapest form of funding. In order to strengthen the liquidity of the banks, the Central Bank has mandated that all banks should maintain a loans-to-deposits ratio of less than 85%. However, as seen from the following figure, most of the banks' ratios are much above their stipulated limit. On the other hand, a significant portion of the deposits are government deposits, which, as seen historically, has been a reliable funding source. Therefore, the banks do not face liquidity risk due to significant share of government deposits comprising the funding base. The Industrial Bank of Kuwait (IBK) stands out as an exception due to its role as a policy bank and the majority of the funding comes from a 20 year government loan that matures in 2027. Among commercial banks, AUB, which recently converted from a commercial bank to an Islamic bank, has the lowest ratio highlighting a reliable and cheap funding base.

Exhibit 10: Gross Loans to Deposits



Source: Capital IQ & CSR Analysis

Adequate Capitalization…

Most Kuwaiti banks are well capitalized and have a Tier 1 ratio (Tier 1 Capital to Risk weighted assets) that is higher than the 12% benchmark rate set forth by the Central Bank of Kuwait. The capitalization is also boosted by the share of government entities in each bank. On the other hand, KFH is undergoing a capital increase and has proposed a 20% capital increase to finance its expansion activities. Banks are also seen to be approaching debt markets as demonstrated by Burgan Bank to strengthen their capitalization.

Conclusion

The health of the banking sector in Kuwait is highly dependent on improvement in the operating environment of the country as well as the revival of the infrastructure developmental activities under the Kuwait Development Plan. The implementation of the plan would provide the necessary stimulus to businesses in Kuwait to expand their operation. This will in turn lead to higher demand for credit from banks. However, the increase in the proportion of personal loans in the bank's loan portfolio as well as the decline in public sector lending due to lower budget outlay by the government of Kuwait is a dampener and would affect the overall credit quality of the sector.

Banks are likely to see more opportunities from the untapped segments such as the MSME segment. GCC banks are also seeking out for acquisitions in order to mitigate the concentration risk that they face with respect to the geography and sectors. Innovative products catering to the new or untapped segments are likely to be more prominent as this segment will drive the growth going forward. The overall financial strength of the banks is likely to remain strong with increased government spending in the region. Most of the conventional banks are also opening up Islamic windows in order to grab a share of the Islamic banking segment in the light of weakening credit growth.

Going forward, we believe that long term growth in credit will be driven by the government's efforts to drive economic activity by way of timely implementation of the development plans. The revival of the stock market is also seen as a relief to the banks with respect to the value of local shares they hold as collateral. Stable stock market performance is always a win-win situation for both the lenders as well as the borrowers. We also believe that NPLs would decline with an improvement in asset quality as banks resort to stricter lending practices and limit lending towards the distressed investment and real estate sector.

Appendix

Key financials and ratios for Kuwaiti banks

FY 2012	NBK	KFH	GBK	BURGAN	CBK	ABK	AUB-Kw	BOUBYAN	KIB
Scale and Size (KWD mn)									
Operating Income	327.23	89.45	31.21	74.12	1.17	36.50	39.88	14.65	12.10
Net Profit	305.13	87.68	30.89	55.60	1.12	30.03	38.54	10.05	13.17
Total Assets	16424.49	14703.30	4846.66	5976.68	3668.10	2973.02	2632.92	1884.66	1249.50
Total Equity	2548.01	1639.42	449.24	619.89	553.02	516.74	295.38	256.16	216.57
Customer Deposits	9507.75	9392.68	4221.59	3895.12	3074.58	1838.67	2296.91	1604.1	787.91
Growth FY 2011-2012	39.84%	5.75%	0.91%	39.32%	-2.10%	-12.55%	-0.66%	25.18%	12.66%
Gross Loans	10305.98	8817.83	3624.82	3498.05	2231.80	2134.91	1806.54	1689.68	883.84
Growth FY 2011-2012	21.22%	11.82%	1.70%	49.00%	-3.13%	-2.44%	7.05%	31.64%	13.28%
Net Loans	9874.42	8306.43	3415.10	3384.41	2127.73	1986.87	1728.08	1521.64	796.12
Growth FY 2011-2012	20.68%	13.99%	1.39%	50.26%	-1.60%	-3.85%	6.82%	31.39%	11.72%
Gross NPLs	283.51	679.63	375.87	247.29	61.61	112.1	48.67	20.57	68.17
Net NPLs	-147.99	210.58	168.67	87.9	-42.45	-35.90	-29.8	-11.03	35.07
Loan Loss Reserves	-431.50	-469.05	-209.70	-194.30	-104.06	-148.00	-78.5	-31.60	-33.10

FY 2012	NBK	KFH	GBK	BURGAN	CBK	ABK	AUB-Kw	BOUBYAN	KIB
Capital Adequacy									
Total Capital Adequacy	17.00%	13.93%	NA	18.50%	NA	27.65%	18.24%	24.39%	25.23%
Tier 1 CAR	16.40%	13.57%	NA	12.00%	NA	25.96%	16.38%	23.85%	22.53%
Avg. Total Equity / Avg. Total Assets	16.25%	11.35%	9.13%	11.26%	14.69%	16.65%	10.84%	14.51%	17.91%
Dividend Payout	51.51%	32.46%	NA	25.22%	NA	71.25%	39.49%	NA	34.53%
Asset Quality									
Provision/NPL	152.22%	69.02%	55.80%	45.96%	168.90%	132.06%	161.21%	153.41%	48.56%
NPLs / Total Loans	2.75%	7.71%	10.37%	7.07%	2.76%	3.77%	2.69%	1.22%	7.71%
NPL's / Total Equity	11.13%	41.46%	84.22%	45.53%	11.14%	21.69%	16.48%	8.03%	31.48%
Reserve Coverage	4.19%	5.32%	5.79%	3.25%	4.66%	6.93%	4.34%	1.87%	3.75%
Gross Loans / Customer Deposits	108.40%	93.88%	85.86%	89.81%	98.87%	116.11%	78.65%	105.34%	112.18%
Net Loans / Customer Deposits	103.86%	88.44%	80.90%	86.89%	69.20%	108.06%	75.24%	94.86%	101.04%
Earnings Quality / Profitability									
Net Interest Margin	4.23%	4.11%	3.29%	4.14%	3.59%	3.99%	4.10%	3.53%	4.26%
Operating Margin	64.05%	NA	34.41%	50.98%	NA	50.13%	57.36%	33.69%	33.60%
Operating Cost / Operating Income	0.29	0.42	0.35	0.38	0.29	0.32	0.34	0.44	0.43
Return on Assets	2.05%	0.84%	0.64%	1.19%	0.00%	0.99%	1.44%	0.56%	1.11%
Return on Equity	12.64%	7.52%	7.02%	10.58%	0.15%	5.96%	13.32%	3.79%	6.21%

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