MOODY'S
INVESTORS SERVICE

Credit Opinion: DeltaCredit Bank

Global Credit Research - 12 Jul 2011

Moscow, Russia

Ratings

Category	Moody's Rating
Outlook	Rating(s) Under Review
Bank Deposits -Fgn Curr	Baa2/P-2
Bank Deposits -Dom Curr	Baa2/--
NSR Bank Deposits -Dom Curr	Aaa.ru/--
Bank Financial Strength	D
Baseline Credit Assessment	Ba2
Adjusted Baseline Credit Assessment	Baa2
Senior Secured -Dom Curr	*A2
Parent: Societe Generale	
Outlook	Rating(s) Under Review
Bank Deposits	**Aa2/P-1
Bank Financial Strength	**C+
Senior Unsecured	*Aa2
Subordinate	*Aa3
Jr Subordinate	*Baa2 (hyb)
Pref. Stock Non-cumulative	*Baa2 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term	(P)P-1

* Placed under review for possible downgrade on June 14, 2011
** Placed under review for possible downgrade on June 15, 2011

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Key Indicators

DeltaCredit Bank (Consolidated Financials)[1]

	[2]12-10	[2]12-09	[2]12-08	[2]12-07	[2]12-06	Avg.
Total Assets (RUB billion)	56.1	55.5	55.9	29.0	12.8	[3]44.8
Total Assets (USD billion)	1.8	1.8	1.8	1.2	0.5	[3]39.5
Tangible Common Equity (RUB billion)	9.0	7.2	4.8	3.0	1.4	[3]60.6
Tangible Common Equity (USD billion)	0.3	0.2	0.2	0.1	0.1	[3]54.8
PPI / Avg RWA (%)	7.8	12.4	6.8	5.5	4.9	[4]7.5
Net Income / Avg RWA (%)	6.0	8.6	3.9	3.9	3.6	[4]5.2
(Market Funds - Liquid Assets) / Total Assets (%)	72.7	70.1	76.1	69.0	74.4	[5]72.5
Core Deposits / Average Gross Loans (%)	1.1	0.9	1.5	2.2	1.7	[5]1.5
Tier 1 Ratio (%)	34.1	22.4	19.5	25.6	17.2	[4]23.8
Tangible Common Equity / RWA (%)	33.9	22.4	19.7	24.2	23.1	[4]24.6
Cost / Income Ratio (%)	22.6	14.6	35.0	48.3	51.9	[5]34.5
Problem Loans / Gross Loans (%)	2.4	2.2	1.7	4.5	5.8	[5]3.3
Problem Loans / (Equity + Loan Loss Reserves) (%)	12.2	12.6	16.1	33.8	44.8	[5]23.9

Source: Moody's

[1] All ratios are adjusted using Moody's standard adjustments [2] Basel I; IFRS [3] Compound Annual Growth Rate based on IFRS reporting periods [4] Basel I & IFRS reporting periods have been used for average calculation [5] IFRS reporting periods have been used for average calculation

Opinion

SUMMARY RATING RATIONALE

Moody's assigns a standalone bank financial strength rating (BFSR) of D to Bank DeltaCredit (DeltaCredit), which maps to a long-term scale of Ba2. The bank's ratings are underpinned by (i) its visible position on the Russian mortgage market, especially in the context of the market's further expansion and DeltaCredit's role as a centre of mortgage lending expertise for Société Générale's banking sub-group in Russia (SG Russia); (ii) the bank's strict approach to credit underwriting and modest risk appetite, resulting in satisfactory asset quality to date; (iii) solid financial performance and favourable cost efficiency metrics; (iv) adequate economic capitalisation; and (v) financial and operational backing by DeltaCredit's ultimate parent, Société Générale group.

DeltaCredit's ratings are constrained by (i) the bank's still modest franchise; (ii) business risks inherent to the bank's mono-line mortgage lending activities (such as, but not limited to, plunge in the market value of collateral or deterioration of households' financial standing); and (iii) the high dependence of its business model on funding from the parent.

DeltaCredit's long-term global local currency (GLC) deposit rating of Baa2 benefits from a three-notch uplift from the bank's long-term scale of Ba2 in line with Moody's assessment of very high probability that the bank's ultimate parent - Société Générale (rated C+/Aa2/Prime-1, on review for possible downgrade) - will provide support to DeltaCredit in case of distress. DeltaCredit's short-term local currency deposit rating of Prime-2 is mapped to the bank's long-term GLC deposit rating. No systemic support is factored in the bank's ratings.

Credit Strengths

- Long-standing history of control bySociété Générale group resulting in the subsidiary's adherence to strong corporate governance and risk management standards

- Enhanced access to capital and funding from the bank's parental group

- Long track-record (for Russia) and expertise in the bank's niche business segment and historically robust credit underwriting standards

- Stable positioning and good brand recognition on the Russian mortgage market

- Solid financial performance and favourable cost efficiency metrics

- Adequate economic capitalisation

Credit Challenges

- The still evolving state of Russia's mortgage-lending practices and legal system

- Dependence on a single business line renders the bank vulnerable to sector-specific risks and limits opportunities for risk diversification

- The vulnerability of the bank's asset quality metrics to the general macroeconomic conditions in Russia, which remain volatile

- Slow recovery of Russian real estate market affects market value of collateral

Rating Outlook

DeltaCredit's D BFSR and Baa2 long-term deposit ratings carry a stable outlook, while the A2 long-term rating of DeltaCredit's local currency debt benefitting from an explicit and irrevocable guarantee issued by Société Générale Group is on review for possible downgrade reflecting the review of ratings of its guarantor, Société Générale Group.

What Could Change the Rating - Up

DeltaCredit's deposit ratings already benefit from an assumption of very high parental support to the bank from its ultimate parent, Société Générale. As Société Générale's standalone ratings are now on review for possible downgrade, the probability of an upgrade of DeltaCredit's supported ratings appears remote.

DeltaCredit's BFSR is also placed relatively high compared to Russia-based peers, and this should be consistently underpinned by (i) further strengthening of the bank's positions on Russia's mortgage market (along with the overall growth of this market segment in line with the country's GDP) and (ii) significant geographical diversification of the bank's business coupled with (iii) the sustainable robust quality of its loan book and a preserved track record of good financial performance.

What Could Change the Rating - Down

A multi-notch downgrade of Société Générale's standalone ratings, if they occur as a result of Moody's review of the French bank's ratings, or the rating agency's perception of a diminished parental support to DeltaCredit from its parental Société Générale group, might result in a downgrade of DeltaCredit's deposit ratings.

DeltaCredit's BFSR might be downgraded if the bank were to experience significant deterioration of asset quality, especially if not compensated by adequate capital levels. A downgrade might also potentially be caused by the bank's deteriorating liquidity profile and/or worsening financial performance. However, the above scenario of a material weakening of DeltaCredit's standalone financial strength looks remote.

Recent Results and Company Events

DeltaCredit reported - under audited IFRS - total assets of USD1.84 billion and total shareholders' equity of USD296 million as at 31 December 2010; net IFRS profits for 2010 stood at USD58 million. As at Q1 2011, DeltaCredit reported unaudited IFRS total assets of USD1.95 billion, while the bank's net IFRS income for the quarter was USD29 million.

In January 2011, two fully owned Société Générale's subsidiaries in Russia - DeltaCredit (mortgage lender) and Rusfinance (auto loans provider, rated Baa3/Prime-3/E+, with stable outlook) became 100% subsidiaries of Rosbank (at that time was rated Baa3/Prime-3/D, with

positive outlook on the deposit ratings), which, in turn, was controlled by Société Générale group.

In July 2011, Rosbank merged with its sister Bank Société Générale Vostok ("BSGV", was rated Baa2/Prime-2/D with stable outlook on deposit ratings prior to the merger) and the combined entity was rated D/Baa2/Prime-2 with stable outlook.

DETAILED RATING CONSIDERATIONS

Detailed considerations for DeltaCredit's currently assigned ratings are as follows:

Bank Financial Strength Rating

Moody's assigns a standalone bank financial strength rating (BFSR) of D to Bank DeltaCredit (DeltaCredit), which maps to a long-term scale of Ba2. The bank's ratings are underpinned by (i) its visible position on the Russian mortgage market, especially in the context of the market's further expansion and DeltaCredit's role as a centre of mortgage lending expertise for Société Générale's banking sub-group in Russia (SG Russia); (ii) the bank's strict approach to credit underwriting and modest risk appetite, resulting in satisfactory asset quality to date; (iii) solid financial performance and favourable cost efficiency metrics; (iv) adequate economic capitalisation; and (v) financial and operational backing by DeltaCredit's ultimate parent, Société Générale group.

DeltaCredit's ratings are constrained by (i) the bank's still modest franchise value; (ii) business risks inherent to the bank's mono-line mortgage lending activities (such as, but not limited to, plunge in the market value of collateral or deterioration of households' financial standing); and (iii) the high dependence of its business model on funding from the parent.

As a point of reference, the assigned BFSR is one notch lower than the D+ outcome of Moody's bank financial strength scorecard; we believe that risks inherent to mono-line business model and the bank's dependence on parental funding justify this downward adjustment.

Qualitative Factors (70%)

Factor 1: Franchise Value

Trend: Neutral

DeltaCredit is one of the largest mortgage mono-liners in Russia. As one of the pioneers of Russia's mortgage market, the bank benefits from its long-standing experience of operations and strong industry expertise. DeltaCredit targets the prime client segment and enjoys strong market positions in a number of regions.

The core customer segment for the bank has historically been the emerging middle class, which ad been growing rapidly in Russia before the economic downturn. Concurrently, the bank was rapidly augmenting its mortgage book in pre-crisis years, which reflected both the generally robust economic environment and the bank's prompt access to relatively cheap and flexible parental funding. In the crisis times of 2008-2009, the new lending stalled, but in 2010 DeltaCredit's origination surged again and more than doubled compared to 2009, whereas we expect the bank to catch-up with the pre-crisis levels of new loan issuances in 2012.

Lack of a branch network, which has led to a sizeable concentration of DeltaCredit's operations in Moscow region, has been compensated by the widespread network of agent banks, while going forward we also expect the bank to leverage on the expanded distribution network of its immediate parent, Rosbank, which will allow the sub-group as a whole to significantly entrench its positions on the regional mortgage markets. After the completion of the integration process for all Société Générale's subsidiaries in Russia in July 2011, SG Russia (i.e. the combined Rosbank resulting from the merger of Rosbank and BSGV, and DeltaCredit as a fully-owned subsidiary of post-merger Rosbank) holds approximately 8% of the country-wide mortgage lending market thus competing with the top players in this segment, including state-owned Sberbank and VTB24. DeltaCredit is to play a central role in the sub-group's mortgage lending business, being in-charge of creating a common mortgage platform whereby DeltaCredit's credit underwriting standards, mortgage products and business processes will be rolled out to SG Russia's level.

The bank scores C+ for franchise value.

Factor 2: Risk Positioning

Trend: Neutral

DeltaCredit displays a clear ownership structure as a 100% subsidiary of Rosbank, which, in turn, is majority-owned by Société Générale. Having been a long-standing directly-controlled subsidiary of Société Générale in the past, before its transfer under Rosbank's ownership, DeltaCredit exhibits advanced practices of corporate governance and managerial oversight with well-established reporting lines.

Moody's does not observe any dependence of the bank's business on any particular key manager(s), and the agency notes that the majority of senior management have been working for the bank for a long time and demonstrate sharpened expertise. There are no independent directors on the board, but the related-party business is minimal due to the specifics of the business model. The results of risk analysis are prepared and presented regularly in a standard format to the bank's oversight body.

DeltaCredit has stricter-than-average (for Russia) mortgage loans underwriting standards in terms of the requirements to borrowers and mortgage collateral, although the bank has somewhat slackened its underwriting criteria recently (as compared to particularly stringent requirements applied in crisis 2009-2010) to catch up with the increased competition. Thorough data and documents verification procedures ensure selection of higher-quality borrowers. With regard to the loans originated through agent banks, DeltaCredit has a recourse condition introduced into its standard agreement effective during the first year from the date of purchase of the loan.

We note high concentration of the bank's loan book to Moscow City and Moscow Region (approximately a 60% of the total book), but we believe this concentration does not overly expose the bank to additional risk, as this region remains the most economically developed, and the location of the borrowers and collateral in the region of DeltaCredit's domicile facilitates the liaison with problem borrowers and initiating litigation procedures, in case of need.

DeltaCredit's business model ensures high granularity of the loan book and, therefore, stability of earnings. At the same time, Moody's notes that DeltaCredit's business line, which is concentrated on one niche (and, in turn, highly dependent on various macroeconomic conditions

beyond the bank's control), exposes the bank to the risks specific for this particular segment. Thus, DeltaCredit's business is highly sensitive to decline of real estate market value. The bank's earnings stability may also be significantly impaired by elevated costs of long-term local currency funding. On top of that, the bank's earnings may be hampered by residential mortgage foreclosure and collateral realisation procedures.

DeltaCredit is averse to market risks other than those inherent to the bank's core business, and it takes adequate steps to match the currency and interest rate structures of its assets and liabilities and to hedge sizeable gaps. The bank's liquid assets and committed funding are maintained at adequate levels to ensure its continued operations without a reduction in business for a prolonged period of time; DeltaCredit also enjoys the option to resort to its parent's funds in case of need.

The scorecard generates a D score for risk positioning, which we consider to be a fair reflection of DeltaCredit's overall corporate governance and risk management approaches, as well as the risks specific to its business. We attach a neutral trend to this score.

Factor 3: Regulatory Environment

Refer to Moody's Banking System Outlook for Russia, published in October 2010, to obtain a detailed discussion on this factor.

Factor 4: Operating Environment

Trend: Neutral

This factor is common to all Russian banks. Moody's assigns an E+ score for the overall operating environment in Russia. Refer to Moody's Banking System Outlook for Russia, published in October 2010, for information on this factor.

Quantitative Factors (30%)

Factor 5: Profitability

Trend: Neutral

DeltaCredit's profitability remained strong in 2010: its net IFRS income for the year made up USD58 million (2009: USD80 million). DeltaCredit's core profitability is driven by net interest income (95% of total operating income in 2010), which has been historically benefiting from relatively low cost of funding, while in 2009, the financial result was additionally supported by an opportunistic income gained from placement of excess rouble-denominated liquidity on the inter-bank market. Although in 2010 the net interest margin showed a significant decrease (to 5.0% from 7.0% a year before), this was partly compensated by decline in provision charges (3.6% of operating income against 12% in 2009). Furthermore, in Q1 2011 the bank reversed provision charges of about RUB587 million (USD19.3 million).

We believe that DeltaCredit will continue to show sustainable profits going forward, and the adjusted B score for profitability (as opposed to an A score generated by Moody's bank financial strength scorecard based on three year average), along with a neutral trend, captures these expectations.

Factor 6: Liquidity

Trend: Neutral

DeltaCredit's funding structure is not sufficiently diversified and reflects over-dependence on one single source of funding provided by its parental Société Générale group: this represented 84% of the bank's total non-equity funding at YE2010 (YE2009: 78%). That said, we consider Société Générale to be a stable and reliable source of financing for DeltaCredit. The recent change of the bank's shareholder structure, such that DeltaCredit became fully controlled by Société Générale's other Russian subsidiary, Rosbank, is not likely to alter DeltaCredit's liquidity profile: the French banking group continues to provide funding to DeltaCredit directly, as per the stand-by liquidity lines opened earlier. Furthermore, while purely market sources of long-term financing (unsecured market debt, securitisations, bilaterals) remain in shortage and not sufficiently cost-efficient, Société Générale has recently provided an explicit and irrevocable guarantee for DeltaCredit's three domestic bonds issues for the total amount of RUB15 billion (of which RUB5 billion have been placed already on the market in June 2011). So far, we do not observe any effective alternative to related-party funding for mortgage mono-liners in Russia (except for large state-owned banks with a high portion of committed and granular individual deposits).

We note that other characteristics of DeltaCredit's liquidity position are fairly adequate, with liquid assets comprising 10% of total assets at YE2010 (given granular and predictable operating cash flows from the bank's loan book) and a satisfactory maturity match of the bank's assets and liabilities: the maturity analysis does not display any negative cumulative gaps. We assign a D score, along with a neutral trend, to this group of factors.

Factor 7: Capital Adequacy

Trend: Neutral

DeltaCredit has been historically enjoying adequate economic capitalisation, with the Basel I Total CAR and Tier 1 ratio at 41.0% and 34.1%, respectively, at YE2010 (YE2009: 37.0% and 29.7%, respectively). This was additionally supported by the bank's sound profitability.

That said, we note that DeltaCredit applies an average 0.47 risk weight to its total assets due to the majority of assets being composed of loans secured by residential mortgages and qualifying for certain criteria established by Basel I requirements. This approach, albeit appropriate from the regulatory point of view, may be economically too optimistic, given that collateral values are stressed at times of real estate market decline and mass defaults by mortgage borrowers. Nonetheless, we maintain an A score for DeltaCredit's capital adequacy, taking into account the bank's relative good capitalisation compared to many peers, as well as the profitability of its operations demonstrated even during low economic cycle.

Factor 8: Efficiency

Trend: Neutral

DeltaCredit has demonstrated very solid efficiency metrics, with the cost-to-income ratio standing at 23% in 2010 (2009: 15%). Due to market conditions, net interest margin (the major driver of the bank's profitability) - has somewhat worsened to 5.0% in 2010 from 7.0% a year before, but this still several times covers the ratio of operating expense to average assets of 1.2% (2009: 1.1%). The bank scores A for efficiency, neutral trend.

Factor 9: Asset Quality

Trend: Neutral

DeltaCredit's asset quality has been historically robust as specified by its business model and strict credit underwriting standards. However, the weakening economic environment in Russia and the lack of growth on the bank's loan book (which previously somewhat compensated for the loan seasoning) led to a soaring level of impaired loans: 2.37% at YE2010 compared to 2.16% at YE2009 and 1.74% at YE2008. The IFRS loan loss reserves were lower: 1.80% at YE2010 (YE2009: 1.89%), reflecting the bank's assumption of adequate coverage of impaired loans by collateral (although this assertion may be challenged given the stagnating real estate market).

DeltaCredit has developed a number of standard - but effective - approaches to address financial difficulties of defaulting borrowers; these approaches range from loan restructuring to foreclosure on collateral. To date, the bank has ensured high recovery rates on delinquent loans - through both out-of-court activities and litigation procedures.

Going forward, we believe that DeltaCredit will continue to demonstrate better asset quality than that of its mortgage peers. The bank's approach towards credit underwriting, collateral approval and - as a last resort - its adequate capitalisation level provide sufficient comfort in this respect. We assign a neutral trend to the C score for asset quality.

Global Local Currency Deposit Rating (Joint Default Analysis)

DeltaCredit's long-term global local currency (GLC) deposit rating of Baa2 benefits from a three-notch uplift from the bank's long-term scale of Ba2 in line with Moody's assessment of very high probability that the bank's ultimate parent - Société Générale (rated C+/Aa2/Prime-1, on review for possible downgrade) - will provide support to DeltaCredit in case of distress. DeltaCredit's short-term local currency deposit rating of Prime-2 is mapped to the bank's long-term GLC deposit rating. No systemic support is factored in the bank's ratings.

National Scale Rating

DeltaCredit is rated Aaa.ru by Moody's Interfax on Russia's National Rating Scale. National Scale Ratings (NSRs) are intended as relative measures of creditworthiness among debt issues and issuers within a country, enabling market participants to better differentiate relative risks.

Foreign Currency Deposit Rating

DeltaCredit's long-term and short-term foreign currency deposit ratings of Baa2/Prime-2 are at the same levels as the bank's local currency deposit ratings.

Local Currency Debt Rating

The A2 long-term rating of DeltaCredit's local currency debt benefitting from an explicit and irrevocable guarantee issued by Société Générale is at the same level as the A2 long-term scale of its guarantor, Société Générale, and is on review for possible downgrade reflecting the same for the guarantor's standalone ratings.

ABOUT MOODY'S BANK RATINGS

Bank Financial Strength Rating

Moody's Bank Financial Strength Ratings (BFSRs) represent Moody's opinion of a bank's intrinsic safety and soundness and, as such, exclude certain external credit risks and credit support elements that are addressed by Moody's Bank Deposit Ratings. BFSRs do not take into account the probability that the bank will receive such external support, nor do they address risks arising from sovereign actions that may interfere with a bank's ability to honor its domestic or foreign currency obligations. Factors considered in the assignment of BFSRs include bank-specific elements such as financial fundamentals, franchise value, and business and asset diversification. Although BFSRs exclude the external factors specified above, they do take into account other risk factors in the bank's operating environment, including the strength and prospective performance of the economy, as well as the structure and relative fragility of the financial system, and the quality of banking regulation and supervision.

Global Local Currency Deposit Rating

A deposit rating, as an opinion of relative credit risk, incorporates the BFSR as well as Moody's opinion of any external support. Specifically, Moody's Bank Deposit Ratings are opinions of a bank's ability to repay punctually its deposit obligations. As such, they are intended to incorporate those aspects of credit risk relevant to the prospective payment performance of rated banks with respect to deposit obligations, which includes: intrinsic financial strength, sovereign transfer risk (in the case of foreign currency deposit ratings), and both implicit and explicit external support elements. Moody's Bank Deposit Ratings do not take into account the benefit of deposit insurance schemes which make payments to depositors, but they do recognize the potential support from schemes that may provide assistance to banks directly.

According to Moody's joint default analysis (JDA) methodology, the global local currency deposit rating of a bank is determined by the incorporation of external elements of support into the bank's Baseline Risk Assessment. In calculating the Global Local Currency Deposit rating for a bank, the JDA methodology also factors in the rating of the support provider, in the form of the local currency deposit ceiling for a country, Moody's assessment of the probability of systemic support for the bank in the event of a stress situation and the degree of dependence between the issuer rating and the Local Currency Deposit Ceiling.

National Scale Rating

Moody's Interfax Rating Agency's National Scale Ratings (NSRs) are intended as relative measures of creditworthiness among debt issues and issuers within a country, enabling market participants to better differentiate relative risks. NSRs differ from Moody's global scale ratings in that they are not globally comparable with the full universe of Moody's rated entities, but only with NSRs for other rated debt issues and issuers

within the same country. NSRs are designated by a ".nn" country modifier signifying the relevant country, as in ".ru" for Russia. For further information on Moody's approach to national scale ratings, please refer to Moody's Rating Implementation Guidance published in August 2010 entitled "Mapping Moody's National Scale Ratings to Global Scale Ratings."

Foreign Currency Deposit Rating

Moody's ratings on foreign currency bank obligations derive from the bank's local currency rating for the same class of obligation. The implementation of JDA for banks can lead to high local currency ratings for certain banks, which could also produce high foreign currency ratings. Nevertheless, it should be noted that foreign currency deposit ratings are in all cases constrained by the country ceiling for foreign currency bank deposits. This may result in the assignment of a different, and typically lower, rating for the foreign currency deposits relative to the bank's rating for local currency obligations.

Foreign Currency Debt Rating

Foreign currency debt ratings are derived from the bank's local currency debt rating. In a similar way to foreign currency deposit ratings, foreign currency debt ratings may also be constrained by the country ceiling for foreign currency bonds and notes; however, in some cases the ratings on foreign currency debt obligations may be allowed to pierce the foreign currency ceiling. A particular mix of rating factors are taken into consideration in order to assess whether a foreign currency bond rating pierces the country ceiling. They include the issuer's global local currency rating, the foreign currency government bond rating, the country ceiling for bonds and the debt's eligibility to pierce that ceiling.

About Moody's Bank Financial Strength Scorecard

Moody's bank financial strength model (see scorecard below) is a strategic input in the assessment of the financial strength of a bank, used as a key tool by Moody's analysts to ensure consistency of approach across banks and regions. The model output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating Factors

DeltaCredit Bank

Rating Factors [1]	**A**	**B**	**C**	**D**	**E**	**Total Score**	**Trend**
Qualitative Factors (70%)						**D-**	
Factor: Franchise Value						**C+**	**Neutral**
Market Share and Sustainability		**x**					
Geographical Diversification		**x**					
Earnings Stability	**x**						
Earnings Diversification [2]					**x**		
Factor: Risk Positioning						**D**	**Neutral**
Corporate Governance [2]				**x**			
- Ownership and Organizational Complexity							
- Key Man Risk							
- Insider and Related-Party Risks				x			
Controls and Risk Management			**x**				
- Risk Management			x				
- Controls		x					
Financial Reporting Transparency	**x**						
- Global Comparability	x						
- Frequency and Timeliness	x						
- Quality of Financial Information	x						
Credit Risk Concentration		**x**					
- Borrower Concentration	x						
- Industry Concentration		x					
Liquidity Management			**x**				
Market Risk Appetite		**x**					
Factor: Operating Environment						**E+**	**Neutral**
Economic Stability					**x**		
Integrity and Corruption					**x**		
Legal System				**x**			
Financial Factors (30%)						**C+**	
Factor: Profitability						**A**	**Neutral**
PPI / Average RWA - Basel I	8.99%						
Net Income / Average RWA - Basel I	6.17%						
Factor: Liquidity						**D**	**Neutral**
(Mkt funds-Liquid Assets) / Total Assets					72.97%		
Liquidity Management			x				
Factor: Capital Adequacy						**A**	**Neutral**

Tier 1 Ratio - Basel I	25.34%						
Tangible Common Equity / RWA - Basel I	25.32%						
Factor: Efficiency						**A**	**Neutral**
Cost / Income Ratio	24.08%						
Factor: Asset Quality						**C+**	**Neutral**
Problem Loans / Gross Loans			2.09%				
Problem Loans / (Equity + LLR)		13.62%					
Lowest Combined Score (9%)						**D**	
Economic Insolvency Override						**Neutral**	
Aggregate Score						**D+**	
Assigned BFSR						**D**	

[1] - Where dashes are shown for a particular factor (or sub-factor), the score is based on non public information [2] - A blank score under Earnings diversification or Corporate Governance indicates the risk is neutral