

Top banks for 2020: Europe: BUY EAST; SELL South. Americas: BUY North; SELL South.

Schulte Research Report Edition 262
1st December 2019

Agenda:

- The danger zones for the world in 2020 will be Southern Europe and South America: SELL Unicredit, Santander, Agricole.
- The safe zones are US, Eastern Europe, Southeast Asia: BUY Fifth Third, Sberbank, PEO, BCA.
- Credit Cycle Recap: Quantitative easing is forcing rapid re-leveraging: pushing inflation-prone country after another to crisis & devaluation.

1. SAFE ZONES:

A. First, we recap our calls from early 2019. We were pounding the table on US, Indonesia and Russian Banks. That turned out well. Later in 2019, we reversed our view on Euro banks and became bullish, especially when Deutsche was at 5 Euros and 0.1x book.

B. Second, we highlight our top picks for 2020. The US, Eastern Europe and Southeast Asia are the places for 2020. They are liquid with Low LDRs and are well-capitalised with single-digit tangible leverage and almost 20% Tier 1 capital. They are very profitable and can sustain that. They have solid ROC. They have plentiful reserves. And they are cheap. Our top picks are Fifth Third, Sberbank and Bangkok Bank. We also like OTP and PEKAO. See pages 9 - 12. Plus, these economies can expand given ample room for credit growth.

C. Interestingly, page 14 ranks all our European banks in the algorithm. Which bank has the best ROC with a safe balance sheet in Europe? Sberbank. Leverage of 8. Reserves of 200%. Tier 1 of 12%. And 14% ROC. What's not to like? RBS, Credit Agricole and Barclays rank amongst the worst in Europe. Euroland will need a lot of QE. The extreme stinginess of Germans not to spend their surpluses is starving Europe of liquidity — this imbalance is deadly.

2. We look at the bottom-up algorithm and top-down sovereign leverage to get a good picture and seek out discrepancies

A. Countries that are highly rated and issue debt in their own currency can also have low LDR but high sovereign debt and be well bid: US and Singapore. That is why the US banks come out on top. In fact, four US banks rank consistently among the best in the entire developed world. Fifth Third and Citi are trading below book and have great parameters. The US banks have the lowest combination of LDR and tangible leverage globally. (Page 10).

B. Japan is in a deflationary "Looking Glass" as the system punishes debt and rewards cash (and government bonds). So, the banks become highly leveraged annuities. This is the only reason to own them - not costs or geography but as a leveraged annuity. We will pass for now.

C. In the European bank algorithm, it is dominated by eastern European banks (Page 14). Again this reinforces our preferences for Eastern Europe. Poor old HSBC has a 12 rank below Turkish banks. HSBC can't get above a 7% ROE, has high leverage and is sitting on a cash hoard — all dressed up and nowhere to go. Standard Chartered is two notches below it and trails Credit Suisse.

For the developed world, US banks continue to dominate. They have the best combination of reserves, leverage and LDR globally. And trading at book value. Fifth Third and Citi.

Developed banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/Total Loans (%)	Reserves/NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	FITB US EQUITY	FIFTH THIRD BANCORP	US	1.06	11.36	6%	12.5%	0.4%	317%	11.3%	11.59	88%	18.7%
2	C US Equity	Citigroup	US	0.89	9.07	2%	9.8%	0.5%	348%	13.5%	12.51	71%	32.8%
3	SYDB DC Equity	SYDBANK	Denmark	0.72	9.60	3%	7.6%	4.2%	92%	19.0%	13.15	82%	-16.7%
4	BAC US Equity	Bank Of America	US	1.16	11.39	3%	10.8%	0.5%	194%	13.2%	13.26	69%	24.4%
5	JPM US Equity	JP Morgan	US	1.66	12.63	4%	14.2%	0.5%	278%	13.7%	14.13	67%	26.8%
Averages				1.1	10.8	3.6%	11.0%	1.2%	246%	14.1%	12.9	75.4%	17.2%

In addition to Eastern European banks, Southeast Asian banks are the best combination of high profitability, solid reserves, ultra-low leverage, no L/T debt, high Tier 1 and very liquid LDR. BBL & Rakyat rank best. BBL trading at 0.7x. King Rama has surprised on the upside in his cunning.

GEM banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/Total Loans (%)	Reserves/NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	BBL TB Equity	Bangkok Bank	Thailand	0.77	9.22	6%	9%	3.8%	192%	16%	7.57	90%	-15.4%
2	BBRI IJ Equity	Bank Rakyat	Indonesia	2.59	15.15	12%	18%	1.1%	364%	20%	7.09	90%	14.2%
3	BBCA IJ Equity	BCA	Indonesia	4.64	27.56	18%	18%	1.4%	185%	23%	5.46	88%	19.4%
4	KBANK TB Equity	Kasikornbank Pcl	Thailand	0.84	9.06	7%	10%	3.9%	161%	16%	8.89	96%	-21.7%
5	1398 HK Equity	ICBC	China	0.76	5.96	6%	13%	1.5%	159%	13%	12.39	71%	4.5%
Averages				1.92	13.39	10%	13.6%	2.3%	212%	17.6%	8.28	87.0%	0.2%

Schulte Research

9

3. DANGER ZONES: Countries in a fixed exchange rate regime with high sovereign debt levels and tapped out LDRs above 1.1 - 1.2 are in dire straits - South America

A. They can't grow credit and they can't stimulate. Lower rates don't work either. They are frozen and are a recipe for unrest since there is often deflation mixed with high unemployment - a disaster for youth, SMEs and startups. This is Spain, Italy, Greece, France, Brazil, and to a lesser extent Mexico. These are the danger zones where devaluation is a handy way out. The alternative is debt restructuring.

B. This is where we get the sells. What if you can't grow your banks' balance sheet. What if you can't get loans from the government for stimulus projects? If you need to do debt for equity swaps or need to raise more capital, why own the stock? You only own the stock after a devaluation and when the yield curve is nearly finished falling.

C. The logic seen above is the foundation of our algorithm. We look at the capacity of a bank to grow its balance sheet profitably and safely from the point of view of liability deposits and capital relative to its risk assets. ROC is the key — NOT ROE — because the bond funding is just as important as equity for generating profits. ROE by itself is a rubbish number. So is P/E. (The P/E for banks everywhere is about 9-11x —so what!). We also don't care about NPLS but Reserves/NPLS. (NPLS are a counter-indicator as they are lowest at the beginning of a crisis and highest at the end of a crisis). Rather, it is Reserves/NPL which tells us how prepared a bank is for a downturn. So, the algorithm searches 240 banks in 42 countries in live time for low P/B with low LDR and low tangible leverage but also with high ROC, high Tier 1 and high reserves. It works and makes common sense. We started our algorithm with dozens of factors but after many months of back-testing, the five criteria above DO drive bank stocks. (I strongly believe that credit drives assets prices, so a top-down investment strategy should reflect these outcomes as well. It's all about credit! Happy hunting.

Top banks for 2020: Europe: BUY EAST; SELL South. Americas: BUY North; SELL South.

ED 262

Dec 1, 2019



Schulte-Research

Paul Schulte, MA, MALD
Paul@schulte-research.com
www.schulte-research.com
(+852) 9705 0777

Mirza Muhammad
mirza@schulte-research.com

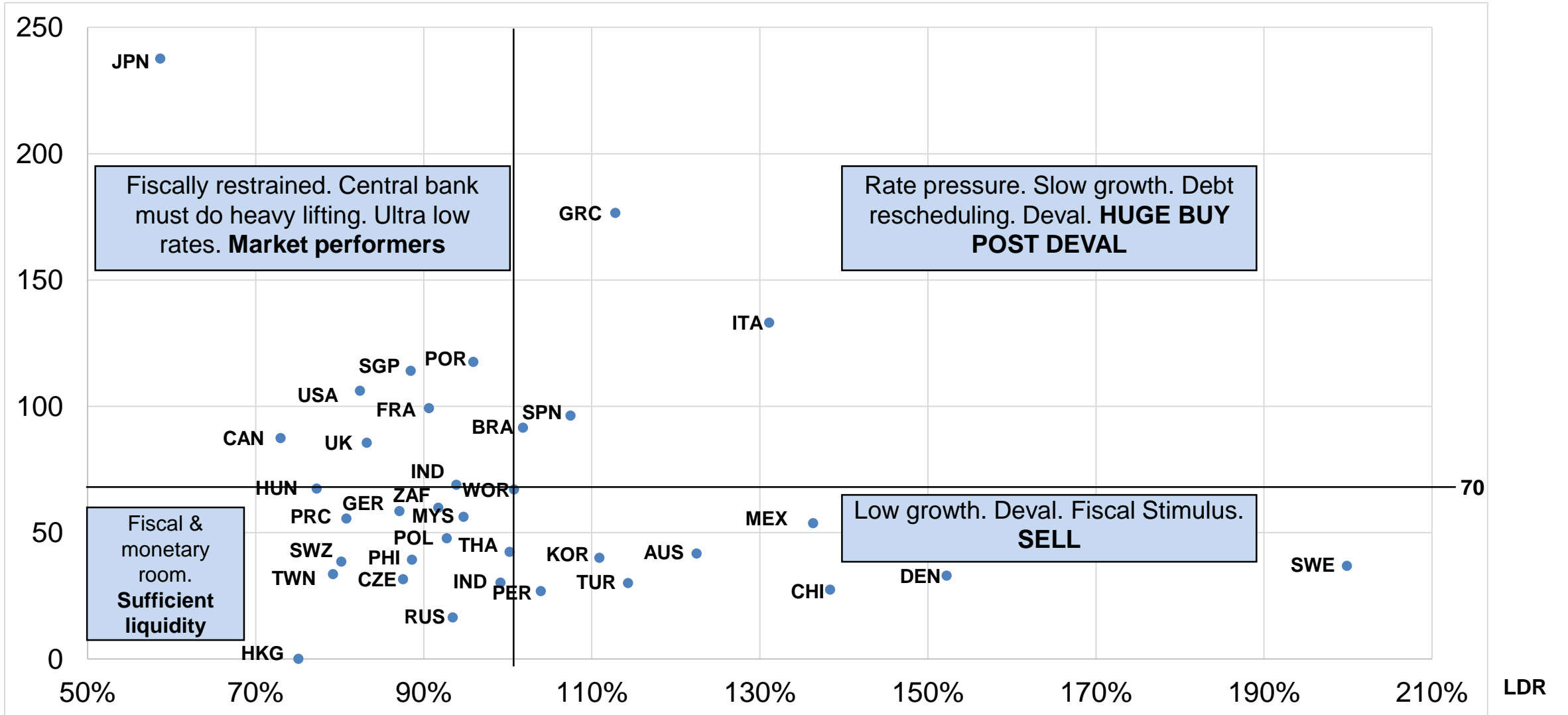
Phuang Jing Yi
jy@schulte-research.com

World Chart

Gross Govt Debt/GDP(%)

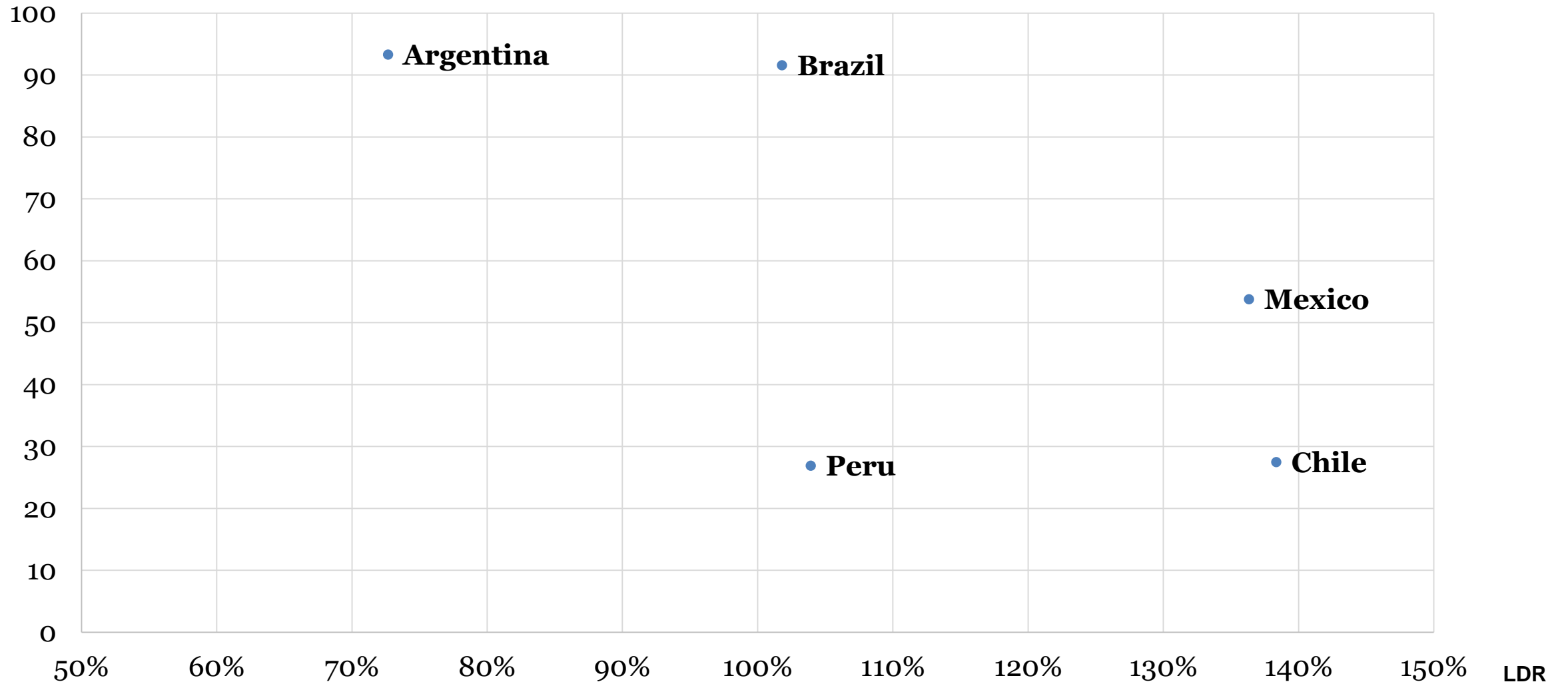
100%

WORLD – (101%, 67.1)



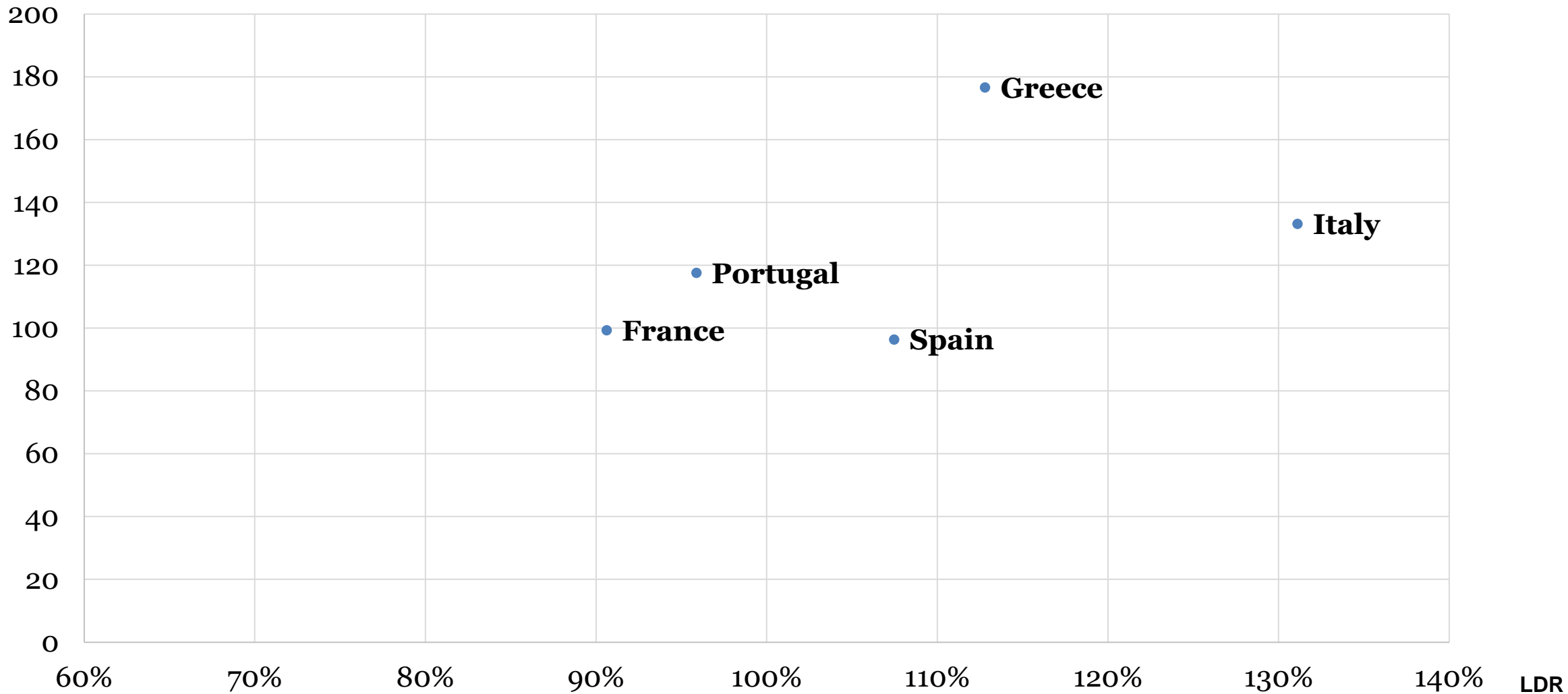
Latin America

Gross Govt Debt/GDP(%)



Selected Countries

Gross Govt Debt/GDP(%)



2020 Bank and Country Picks

Best Banks – November 2019

Top 5 Buys

Region	Country	Equity	Name
US	US	FITB US EQUITY	Fifth Third Bancorp
GEMs	Thailand	BBL TB Equity	Bangkok Bank
Asia	Indonesia	BBRI IJ Equity	Bank Rakyat
Frontier	Egypt	COMI EY Equity	CIB Egypt
Europe	Russia	SBER RM Equity	SBERBANK

US banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	FITB US EQUITY	FIFTH THIRD BANCORP	US	1.06	11.36	6%	12.5%	0.4%	317%	11.3%	11.59	88%	18.7%
2	C US Equity	Citigroup	US	0.89	9.07	2%	9.8%	0.5%	348%	13.5%	12.51	71%	32.8%
3	BAC US Equity	Bank Of America	US	1.16	11.39	3%	10.8%	0.5%	194%	13.2%	13.26	69%	24.4%
4	JPM US Equity	JP Morgan	US	1.66	12.63	4%	14.2%	0.5%	278%	13.7%	14.13	67%	26.8%
5	USB US EQUITY	US BANCORP	US	1.88	13.22	6%	15.1%	0.3%	486%	10.7%	13.11	84%	8.1%
Averages				1.33	11.53	4%	12.5%	0.4%	325%	12.5%	12.92	75.8%	22.2%

Global banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	BBL TB Equity	Bangkok Bank	Thailand	0.77	9.22	6%	8.6%	3.8%	192%	16.4%	7.57	90%	-15.4%
2	BBRI IJ Equity	Bank Rakyat	Indonesia	2.59	15.15	12%	18.2%	1.1%	364%	20.2%	7.09	90%	14.2%
3	BBCA IJ Equity	BCA	Indonesia	4.64	27.56	18%	18.1%	1.4%	185%	22.9%	5.46	88%	19.4%
4	BBNI IJ Equity	Bank Negara	Indonesia	1.21	9.23	8%	14.1%	1.9%	148%	17.4%	7.48	93%	-13.5%
5	KBANK TB Equity	Kasikornbank Pcl	Thailand	0.84	9.06	7%	9.6%	3.9%	161%	15.9%	8.89	96%	-21.7%
Averages				2.01	14.04	10%	13.7%	2.4%	210%	18.6%	7.30	91.4%	-3.4%

GEM banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	BBL TB Equity	Bangkok Bank	Thailand	0.77	9.22	6%	9%	3.8%	192%	16%	7.57	90%	-15.4%
2	BBRI IJ Equity	Bank Rakyat	Indonesia	2.59	15.15	12%	18%	1.1%	364%	20%	7.09	90%	14.2%
3	BBCA IJ Equity	BCA	Indonesia	4.64	27.56	18%	18%	1.4%	185%	23%	5.46	88%	19.4%
4	KBANK TB Equity	Kasikornbank Pcl	Thailand	0.84	9.06	7%	10%	3.9%	161%	16%	8.89	96%	-21.7%
5	1398 HK Equity	ICBC	China	0.76	5.96	6%	13%	1.5%	159%	13%	12.39	71%	4.5%
Averages				1.92	13.39	10%	13.6%	2.3%	212%	17.6%	8.28	87.0%	0.2%

Developed banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	FITB US EQUITY	FIFTH THIRD BANCORP	US	1.06	11.36	6%	12.5%	0.4%	317%	11.3%	11.59	88%	18.7%
2	C US Equity	Citigroup	US	0.89	9.07	2%	9.8%	0.5%	348%	13.5%	12.51	71%	32.8%
3	SYDB DC Equity	SYDBANK	Denmark	0.72	9.60	3%	7.6%	4.2%	92%	19.0%	13.15	82%	-16.7%
4	BAC US Equity	Bank Of America	US	1.16	11.39	3%	10.8%	0.5%	194%	13.2%	13.26	69%	24.4%
5	JPM US Equity	JP Morgan	US	1.66	12.63	4%	14.2%	0.5%	278%	13.7%	14.13	67%	26.8%
Averages				1.1	10.8	3.6%	11.0%	1.2%	246%	14.1%	12.9	75.4%	17.2%

Frontier banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	COMI EY Equity	CIB Egypt	Egypt	2.82	12.60	26%	26%	4%	212%	23%	8.66	40%	10.6%
2	GUARANTY NL Equity	GUARANTY TRUST	Nigeria	1.18	3.76	23%	33%	12%	62%	22%	5.98	60%	n.a.
3	KNCB KN Equity	KCB GROUP LTD	Kenya	1.40	5.36	15%	23%	6%	72%	18%	6.43	89%	n.a.
4	MARK QD Equity	MASRAF AL RAYAN	Qatar	2.09	13.06	6%	16%	1%	97%	19%	7.33	118%	9.8%
5	GBK KK Equity	GULF BANK	Kuwait	1.19	14.73	3%	8%	1%	655%	14%	9.57	114%	n.a.
Averages				1.74	9.90	15%	21.2%	4.8%	220%	19.2%	7.59	84.2%	10.2%

Eastern European banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	OTP HB Equity	OTP BANK PLC	Hungary	1.91	10.41	13%	18.5%	8.6%	87%	13.6%	8.70	77%	20.4%
2	KOMB CP Equity	KOMERCNI BANKA	Czech Republic	1.49	9.55	7%	16.1%	2.7%	70%	17.9%	11.56	78%	9.0%
3	PEO PW Equity	PEKAO	Poland	1.28	12.98	6%	10.0%	5.3%	86%	15.8%	8.91	91%	n.a.
Averages				1.6	11.0	8.7%	14.9%	5.5%	81%	15.8%	9.7	82.0%	14.7%

Appendix

European banks – Top 25

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	SBER RM Equity	SBERBANK	Russia	1.19	5.7	14%	20.50%	3.80%	189%	11.80%	8.25	101%	28.8%
2	OTP HB Equity	OTP BANK PLC	Hungary	1.91	10.41	13%	18.50%	8.60%	87%	13.60%	8.7	77%	22.5%
3	KOMB CP Equity	KOMERCNI BANKA	Czech Republic	1.49	9.55	7%	16.10%	2.70%	70%	17.90%	11.56	78%	9.0%
4	PEO PW Equity	PEKAO	Poland	1.28	12.98	6%	10.00%	5.30%	86%	15.80%	8.91	91%	n.a.
5	SYDB DC Equity	SYDBANK	Denmark	0.72	9.6	3%	7.60%	4.20%	92%	19.00%	13.15	82%	-16.7%
6	PKO PW Equity	PKOBP	Poland	1.2	11.56	6%	10.80%	5.40%	68%	17.50%	8.94	93%	n.a.
7	MONET CP Equity	MONETA MONEY BANK	Czech Republic	1.61	9.5	7%	17.30%	2.80%	100%	16.40%	8.75	97%	-0.4%
8	GARAN TI Equity	GARANTI	Turkey	0.75	6.47	5%	12.30%	5.30%	95%	14.20%	8.62	109%	15.7%
9	AKBNK TI Equity	AKBANK	Turkey	0.7	6.98	4%	10.70%	3.90%	101%	14.30%	8.21	104%	-8.8%
10	BZW PW Equity	BZWBK	Poland	na	na	5%	9.80%	4.60%	67%	14.10%	9.02	95%	-16.1%
11	ETE GA Equity	National Bank of Greece	Greece	0.5	29.52	2%	2.40%	28.00%	85%	16.10%	13.5	92%	n.a.
12	S HK Equity	HSBC	UK	0.81	11.88	3%	7.40%	1.30%	65%	17.00%	18.16	73%	-7.0%
13	UBSG SW EQUITY	UBS	Switzerland	0.76	10.09	2%	7.90%	0.70%	130%	17.50%	20.57	81%	-7.8%
14	CSGN SW Equity	Credit Suisse	Switzerland	0.67	11.01	na	6.40%	0.70%	48%	16.20%	19.62	79%	10.8%
15	STAN LN Equity	Standard Chartered	UK	0.66	52.69	2%	1.20%	3.40%	56%	16.80%	17.07	66%	20.5%
16	BPI PL Equity	Banco BPI SA.	Portugal	na	na	na	8.20%	4.20%	0%	15.50%	10	95%	n.a..
17	ISCTR TI Equity	IS BANKASI	Turkey	0.5	4.55	3%	11.80%	4.10%	98%	12.30%	10.25	126%	40.2%
18	ALPHA GA Equity	Alpha Bank	Greece	0.35	21.3	1%	1.50%	34.30%	63%	17.40%	7.9	132%	69.0%
19	BCP PL Equity	Banco Comercial Portugues	Portugal	0.48	9.9	2%	5.30%	6.40%	92%	12.20%	13.51	97%	-16.0%
20	BARC LN Equity	Barclays	UK	0.52	16.36	1%	3.20%	2.60%	80%	17.00%	25.03	84%	7.9%
21	TPEIR GA Equity	Piraeus Bank	Greece	0.18	4.94	1%	3.40%	35.00%	57%	13.70%	8.68	111%	n.a.
22	DBK GR Equity	Deutsche Bank	Germany	0.23	na	0%	-7.20%	1.70%	57%	15.70%	25.1	77%	-9.7%
23	ACA FP Equity	Credit Agricole	France	0.61	9.18	1%	6.80%	3.60%	71%	13.70%	44.6	63%	22.4%
24	RBS LN Equity	RBS	UK	0.65	12.74	2%	5.00%	2.50%	44%	18.40%	19.89	85%	-3.4%
25	FINBN TI Equity	FINANSBANK	Turkey	na	na	na	18.80%	6.50%	117%	11.20%	11.5	118%	10.2%
Averages				0.81	13.19	4.1%	8.6%	7.3%	80.7%	15.4%	14.38	92.2%	8.6%

Bank Rankings (SG, Taiwan, Korea, HK)

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	2388 HK Equity	BOC HK	Hong Kong	0.98	8.85	5%	12.0%	0.2%	227%	19.8%	10.53	68%	-1.6%
2	11 HK Equity	Hang Seng Bank Ltd	Hong Kong	1.96	12.54	12%	16.3%	0.2%	124%	17.8%	11.24	76%	-0.5%
3	23 HK Equity	Bank Of East Asia	Hong Kong	0.59	19.22	2%	3.0%	0.7%	67%	17.8%	9.32	81%	-23.9%
4	2886 TT Equity	MEGA FINANCIAL	Taiwan	1.29	14.27	3%	9.2%	0.1%	1079%	na	11.29	83%	17.0%
5	2891 TT Equity	CTBC FINANCIAL	Taiwan	1.16	12.24	5%	10.1%	0.4%	300%	na	19.94	77%	6.7%
6	086790 KS EQUITY	HANA FINANCIAL	KOREA	0.37	4.37	3%	8.7%	0.2%	445%	13.5%	14.93	102%	-0.4%
7	OCBC SP Equity	OCBC	Singapore	1.06	10.18	6%	11.0%	1.5%	65%	14.8%	12.48	87%	-2.6%
8	DBS SP Equity	DBS	Singapore	1.34	11.04	5%	12.4%	1.5%	88%	15.1%	12.44	89%	10.0%
9	2892 TT Equity	FIRST FINANCIAL	Taiwan	1.33	15.90	3%	8.6%	0.3%	393%	11.6%	14.33	80%	14.6%
10	2880 TT Equity	HUA NAN FINANCIAL	Taiwan	1.47	17.17	3%	8.9%	0.1%	854%	11.2%	15.48	77%	31.5%
11	055550 KS Equity	Shinhan	KOREA	0.53	6.01	3%	9.1%	0.4%	207%	13.4%	14.62	114%	10.5%
12	105560 KS Equity	KB FINANCIAL	KOREA	0.44	5.58	3%	8.0%	0.6%	137%	14.0%	14.47	116%	-5.0%
13	UOB SP Equity	UOB	Singapore	6.79	10.50	5%	13.0%	1.5%	77%	14.9%	12.24	89%	n.a.
14	2881 TT Equity	FUBON	Taiwan	0.84	10.70	5%	8.3%	na	na	11.3%	18.61	na	14.4%
Averages				1.44	11.33	4.5%	9.9%	0.6%	312.5%	14.6%	13.71	87.6%	5.4%

UK banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	5 HK Equity	HSBC	UK	0.81	11.88	3%	7.4%	1.3%	65%	17.0%	18.16	73%	-7.0%
2	STAN LN Equity	Standard Chartered	UK	0.66	52.69	2%	1.2%	3.4%	56%	16.8%	17.07	66%	20.5%
3	BARC LN Equity	Barclays	UK	0.52	16.36	1%	3.2%	2.6%	80%	17.0%	25.03	84%	7.9%
4	RBS LN Equity	RBS	UK	0.65	12.74	2%	5.0%	2.5%	44%	18.4%	19.89	85%	-3.4%
5	LLOY LN Equity	Lloyds	UK	0.94	16.42	na	6.4%	1.3%	55%	18.2%	20.96	108%	9.1%
Averages				0.72	22.02	2%	4.6%	2.2%	60%	17.5%	20.22	83.2%	5.4%

Chinese banks – Top 5

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	1398 HK Equity	ICBC	China	0.76	5.96	6%	13.3%	1.5%	159%	13.5%	12.39	71%	5.1%
2	1288 HK Equity	ABC	China	0.60	5.00	5%	12.7%	1.6%	252%	12.1%	14.25	67%	-3.5%
3	3618 HK Equity	CRCB	China	0.51	3.63	3%	14.0%	1.3%	347%	11.0%	13.61	62%	0.2%
4	939 HK Equity	CCB	China	0.89	6.89	5%	13.1%	1.5%	208%	14.4%	12.28	79%	0.9%
5	1658 HK EQUITY	POSTAL SAVINGS BANK	China	0.80	6.14	7%	13.5%	0.9%	345%	10.9%	22.40	50%	22.4%
Averages				0.71	5.52	5%	13.3%	1.4%	262%	12.4%	14.99	65.8%	5.0%

Australian banks – Top 4

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	ANZ AU Equity	ANZ	Australia	1.22	11.80	2%	9.9%	0.3%	205%	13.4%	17.46	112%	5.5%
2	WBC AU Equity	Westpac	Australia	1.50	13.52	2%	11.2%	0.1%	276%	12.8%	16.45	127%	10.5%
3	CBA AU Equity	CBA	Australia	1.99	16.52	3%	12.5%	0.4%	148%	12.7%	15.72	123%	6.2%
4	NAB AU Equity	NAB	Australia	1.53	13.25	2%	10.9%	0.3%	231%	12.4%	18.20	127%	14.3%
Averages				1.56	13.77	2%	11.1%	0.3%	215%	12.8%	16.96	122.3%	9.1%

Canadian banks – Top 3

Rank	Equity	Name	Country	P/B	P/E	ROC	Current ROE	NPL/ Total Loans (%)	Reserves/ NPLs	Tier 1 Cap Ratio	Tangible Leverage	LDR	YTD
1	TD CN Equity	TD Bank	Canada	1.70	11.39	6%	15.1%	0.5%	113%	13.7%	23.90	67%	n.a.
2	RY CN Equity	RBC	Canada	1.99	12.05	4%	17.2%	0.4%	133%	12.8%	22.85	69%	13.6%
3	BNS CN Equity	Bank Of Nova Scotia	Canada	1.45	10.60	5%	13.2%	0.9%	99%	12.5%	22.64	82%	10.2%
Averages				1.71	11.35	5%	15.2%	0.6%	115%	13.0%	23.13	72.7%	11.9%