



## HDFC Bank

STOCK INFO.	BLOOMBERG
BSE SENSEX: 13,854	HDFCB IN
	REUTERS CODE
S&P CNX: 4,111	HDBK.BO

14 July 2009

Neutral

Previous Recommendation: Neutral

Rs1,360

Equity Shares (m)	451.6
52-Week Range	1,580/774
1,6,12 Rel.Perf.(%)	-2/-9/28
M.Cap. (Rs b)	614.3
M.Cap. (US\$ b)	12.6

YEAR	NET INCOME	PAT	EPS	EPS	P/E	P/BV	CAR	ROAE	ROAA	P/ABV
END	(RS M)	(RS M)	(RS)	GR. (%)	(X)	(X)	(%)	(%)	(%)	(X)
3/08A*	88,403	17,530	41.3	22.1	32.9	4.2	13.6	16.2	1.3	4.3
3/09A	107,118	22,449	52.8	27.7	25.8	3.8	15.7	15.6	1.3	4.0
3/10E	129,473	28,494	63.1	19.6	21.6	2.9	15.2	15.9	1.4	3.0
3/11E	157,492	37,942	84.0	33.2	16.2	2.6	14.1	17.0	1.6	2.6

\* Includes pro forma merged figures for HDFC Bank and CBoP

**Core income largely in line, treasury gains and opex control offset NPA build-up:** HDFC Bank's NII growth of 8% YoY (NIM of 4.1%, marginally lower than 4.2% in 4QFY09), fee income growth of 27% YoY and loan growth of 8% YoY (5% QoQ) are largely in line with estimates. Two key positives highlighting the realization of the benefits of the CBoP acquisition are: (a) 10% QoQ growth in savings deposits (flat for Axis Bank) and (b) QoQ decline in operating expenses. However, continued NPA build-up is worrisome (credit cost at ~2.5% annualized). Strong treasury gains have helped HDFC Bank (HDFCB) to offset NPA costs - net NPAs are contained at 0.6%, with a strong coverage of 70%.

**Business outlook getting stronger:** We expect margins to expand, as: (a) pick-up in loan growth would result in higher C-D ratio in coming quarters and bring down the excess liquidity drag on margins, (b) value of CASA deposits would increase as interest rates harden, and (c) warrant conversion by HDFC would provide free money in 4QFY10. Comfort on asset quality is the highest for HDFCB considering the provision coverage and insignificant restructuring number. Demonstration of cost control gives us comfort that HDFCB would bring down core C/I ratio to 50% by FY10.

**Buy on corrections:** The stock trades at 2.9x FY10E and 2.6x FY11E BV, and 21.6x FY10E and 16.2x FY11E EPS. Our target price of Rs1,480 (3.2x FY10E BV) implies an upside of just 9%. While we retain our **Neutral** recommendation given the limited upside, we would recommend buying on dips.

	QUARTERLY PERFORMANCE									
	FY 09				FY 10				FY 09	FY 10E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Interest Income	36,217	39,912	44,685	42,508	40,931	43,592	46,425	51,729	163,323	182,676
Interest Expense	18,983	21,248	24,893	23,988	22,375	22,823	23,279	25,107	89,111	93,584
<b>Net Interest Income</b>	<b>17,234</b>	<b>18,665</b>	<b>19,793</b>	<b>18,520</b>	<b>18,556</b>	<b>20,769</b>	<b>23,146</b>	<b>26,622</b>	<b>74,212</b>	<b>89,093</b>
% Change (Y-o-Y)	74.9	60.5	37.7	12.8	7.7	11.3	16.9	43.7	42.0	20.1
Other Income	5,934	6,431	9,394	11,147	10,437	9,642	9,857	10,445	32,906	40,380
<b>Net Income</b>	<b>23,169</b>	<b>25,096</b>	<b>29,186</b>	<b>29,667</b>	<b>28,992</b>	<b>30,411</b>	<b>33,002</b>	<b>37,067</b>	<b>107,118</b>	<b>129,473</b>
Operating Expenses	12,894	13,867	14,606	13,962	13,806	14,082	15,490	18,951	55,328	62,328
<b>Operating Profit</b>	<b>10,275</b>	<b>11,229</b>	<b>14,581</b>	<b>15,705</b>	<b>15,187</b>	<b>16,329</b>	<b>17,512</b>	<b>18,117</b>	<b>51,790</b>	<b>67,145</b>
% Change (Y-o-Y)	31.1	35.8	36.7	44.3	47.8	45.4	20.1	15.4	37.6	29.6
Other Provisions	3,445	3,460	5,318	6,574	6,588	6,500	6,175	5,978	18,791	25,242
<b>Profit before Tax</b>	<b>6,830</b>	<b>7,768</b>	<b>9,263</b>	<b>9,131</b>	<b>8,598</b>	<b>9,829</b>	<b>11,337</b>	<b>12,138</b>	<b>32,999</b>	<b>41,903</b>
Tax Provisions	2,187	2,488	3,046	2,822	2,537	3,145	3,628	4,099	10,549	13,409
<b>Net Profit</b>	<b>4,643</b>	<b>5,280</b>	<b>6,217</b>	<b>6,309</b>	<b>6,061</b>	<b>6,684</b>	<b>7,709</b>	<b>8,040</b>	<b>22,449</b>	<b>28,494</b>
% Change (Y-o-Y)	44.5	43.3	44.8	33.9	30.5	26.6	24.0	27.4	41.2	26.9
Interest Exp/Interest Income (%)	52.4	53.2	55.7	56.4	54.7	52.4	50.1	48.5	54.6	51.2
Other Income/Net Income (%)	25.6	25.6	32.2	37.6	36.0	31.7	29.9	28.2	30.7	31.2
Cost/Income Ratio (%)	55.7	55.3	50.0	47.1	47.6	46.3	46.9	51.1	51.7	48.1
Provisions/Operating Profits (%)	33.5	30.8	36.5	41.9	43.4	39.8	35.3	33.0	36.3	37.6
Tax Rate (%)	32.0	32.0	32.9	30.9	29.5	32.0	32.0	33.8	32.0	32.0

E: MOSL Estimates

## RESULTS ANALYSIS (RS M) : REPORTED NUMBERS

	1QFY10	1QFY09	YOY GR. %	4QFY09	QOQ GR. %	FY09	FY10E	FY11E
Interest Income	40,931	36,217	13.0	42,508	-3.7	163,323	182,676	218,810
Interest Expense	22,375	18,983	17.9	23,988	-6.7	89,111	93,584	106,950
<b>Net Interest Income (NII)</b>	<b>18,556</b>	<b>17,235</b>	<b>7.7</b>	<b>18,520</b>	<b>0.2</b>	<b>74,212</b>	<b>89,093</b>	<b>111,860</b>
Other Income	10,437	5,934	75.9	11,147	-6.4	32,906	40,380	45,632
- Fees and others	6,499	5,136	26.5	7,183	-9.5	23,094	29,496	34,715
- Treasury Income	2,560	-776	NA	2,436	5.1	3,826	4,000	3,000
- Forex Income	1,378	1,574	-12.5	1,528	-9.8	5,986	6,884	7,917
<b>Net Income</b>	<b>28,992</b>	<b>23,169</b>	<b>25.1</b>	<b>29,667</b>	<b>-2.3</b>	<b>107,118</b>	<b>129,473</b>	<b>157,492</b>
Total Operating Costs	13,806	12,894	7.1	13,962	-1.1	55,328	62,328	71,612
- Staff Costs	5,593	5,406	3.5	5,039	11.0	22,382	25,739	29,600
- Other Opex	8,212	7,488	9.7	8,923	-8.0	32,946	36,589	42,012
<b>Operating Profit</b>	<b>15,187</b>	<b>10,275</b>	<b>47.8</b>	<b>15,705</b>	<b>-3.3</b>	<b>51,790</b>	<b>67,145</b>	<b>85,880</b>
Provisions	6,588	3,445	91.3	6,574	0.2	18,791	25,242	30,083
<b>PBT</b>	<b>8,598</b>	<b>6,830</b>	<b>25.9</b>	<b>9,131</b>	<b>-5.8</b>	<b>32,999</b>	<b>41,903</b>	<b>55,797</b>
Tax	2,537	2,187	16.0	2,822	-10.1	10,549	13,409	17,855
Tax payout %	29.5	32.0		30.9		32.0	32.0	32.0
<b>PAT</b>	<b>6,061</b>	<b>4,644</b>	<b>30.5</b>	<b>6,309</b>	<b>-3.9</b>	<b>22,449</b>	<b>28,494</b>	<b>37,942</b>
<b>Deposits</b>	<b>1,457,324</b>	<b>1,309,176</b>	<b>11.3</b>	<b>1,428,116</b>	<b>2.0</b>	<b>1,428,116</b>	<b>1,685,177</b>	<b>1,988,508</b>
<b>CASA Ratio %</b>	<b>45</b>	<b>45</b>		<b>44</b>		<b>44.4</b>	<b>45.0</b>	<b>47.0</b>
<b>Loans</b>	<b>1,037,852</b>	<b>967,969</b>	<b>7.2</b>	<b>988,831</b>	<b>5.0</b>	<b>988,831</b>	<b>1,206,373</b>	<b>1,471,775</b>
<b>Gross NPA %</b>	<b>2.1</b>	<b>1.5</b>		<b>2.0</b>		<b>2.0</b>	<b>2.3</b>	<b>2.0</b>
Net NPA %	0.6	0.5		0.6		0.6	0.7	0.6
Yields on Advances %*	11.9	13.2		12.5		13.6	12.5	12.3
Cost of Funds %*	5.8	6.1		6.3		6.5	5.9	5.8
<b>NIM %**</b>	<b>4.1</b>	<b>4.1</b>		<b>4.2</b>		<b>4.9</b>	<b>5.0</b>	<b>5.2</b>
Tier I CAR %	10.6	9.3		10.6		10.6	11.3	10.6
Tier II CAR %	4.8	2.9		5.1		5.1	4.0	3.4
<b>Branches</b>	<b>1,416</b>	<b>1,229</b>		<b>1,412</b>		<b>1,412</b>	<b>1,612</b>	<b>1,762</b>
ATMs	3,382	2,890		3,295		3,295		

\* Calculated, \*\* Reported basis for quarterly no and calculated for yearly numbers; # Numbers are proforma merged for HDFC Bank & CBoP

### NPAs continue to hurt earnings, but comfort on balance sheet quality remains high

Gross NPAs grew 9% QoQ to Rs21.6b in absolute terms (gross NPA ratio increased from 1.98% to 2.05%). Net NPAs increased 5% QoQ to Rs6.6b (net NPA ratio was 0.6%, flat QoQ). NPA cost during the quarter was Rs6.2b or ~2.5% of loans on annualized basis, significantly higher than our estimate. Unsecured retail loans and CBoP's loan book continue to hurt asset quality for the bank. The proportion of CBoP loans has declined to 8% (10% in March 2009). However, the management has continued to write off/provide aggressively (provision coverage of 70%), which is comforting. Restructuring at just 0.2% of gross standard loans also gives comfort on the overall balance sheet quality.

### Loan growth resumes after a pause of nine months

Loans grew 5%, driven fully by corporate loans (retail loans were flat QoQ). On a YoY basis, loan growth was slower at 8% (as expected) due to statistical high base. HDFCB did not exercise its option of buying loans from HDFC during the quarter.

Deposits grew 11% YoY and 2% QoQ to Rs1.45t. CASA ratio improved to 45% from 44% a quarter ago due to strong influx of savings accounts during the quarter - grew 10% QoQ. CASA growth remains muted at 12% YoY due to sluggishness in current accounts, while savings deposits grew 21% YoY. Home loan buying from HDFC was minimal (Rs5b) during the quarter as compared to Rs40b in 4QFY09.

### Higher trading profits, strong control over operating expenses offset NPA costs

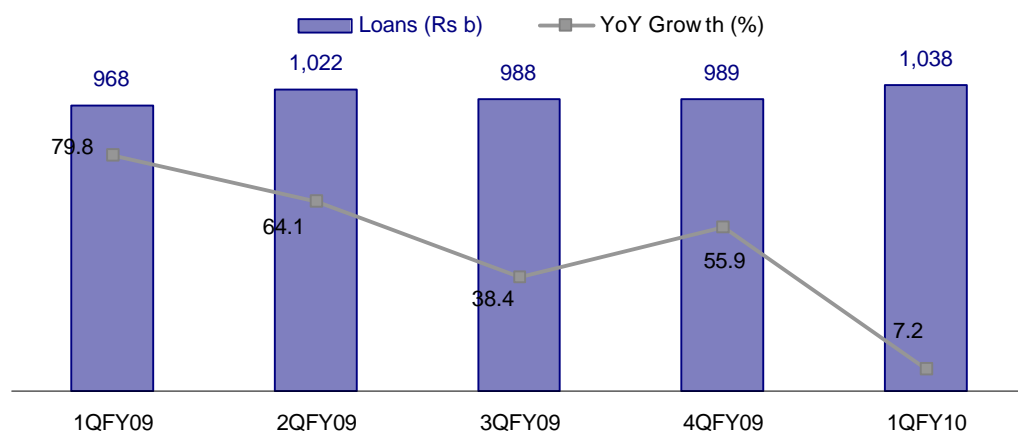
Other income increased 76% YoY to Rs10.4b, buoyed by treasury gains of Rs3.3b. Fee income growth of 27% was in line with our estimate. Strong growth in trading profits helped the bank to offset the impact of rising delinquencies. Trading profits on a reported basis increased from a loss of Rs776m in 1QFY09 to Rs2.6b in 1QFY10.

Operating expenses increased 7% YoY but declined 1% QoQ. This is the result of: (a) derivation of cost savings/efficiencies from CBoP merger; and (b) not opening branches for the last 9 months. As HDFCB opens 200 branches in the next 9 months, we expect operating cost growth to accelerate. Core cost to income ratio has improved YoY but has deteriorated slightly QoQ.

### Valuations and view

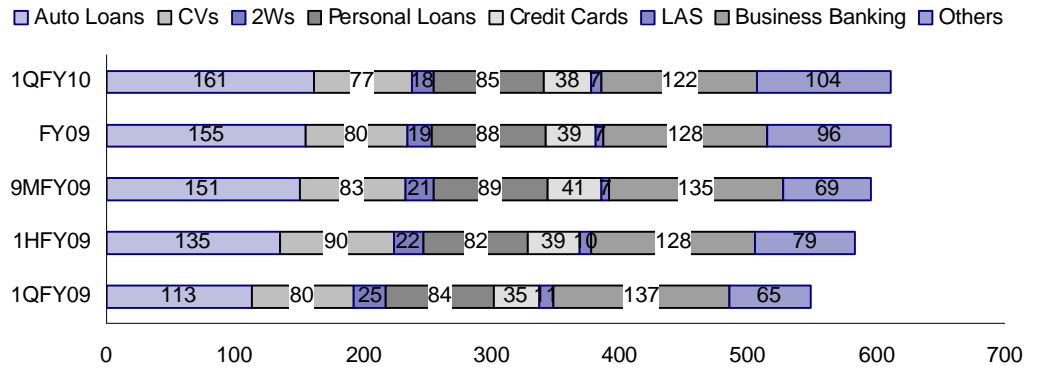
We have included HDFC warrant conversion in our estimates. We expect EPS CAGR of 26% over FY09-11 on 19% CAGR in assets. RoA would expand to 1.6% by FY11, driven by margin expansion (led by equity money), cost efficiency and lower provisions. We expect RoE to be 16% by FY10 and 17% by FY11, with tier-I capital at over 10.5% in FY11. We estimate book value (BV) at Rs462/share for FY10 and Rs528/share for FY11. We expect EPS of Rs63 in FY10 and Rs84 in FY11. The stock trades at 2.9x FY10E and 2.6x FY11E BV, and 21.6x FY10E and 16.2x FY11E EPS. Our target price of Rs1,480 (3.2x FY10E BV) implies an upside of just 9%. While we maintain our **Neutral** recommendation, we would recommend buying the stock on dips.

LOAN BOOK GROWS QOQ

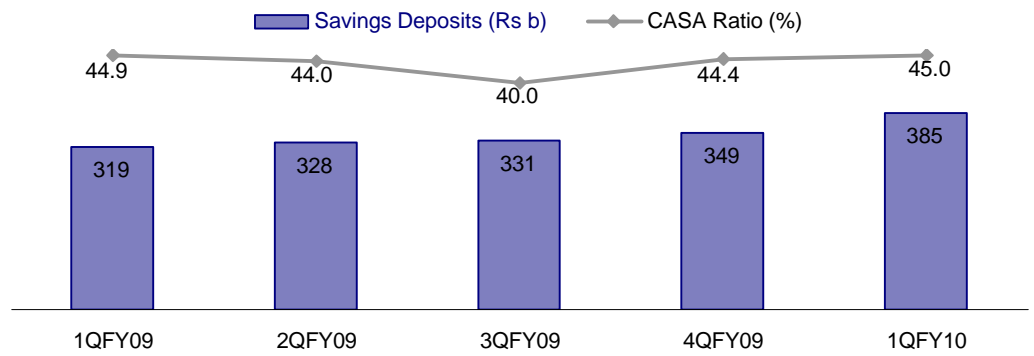


Source: Company/MOSL

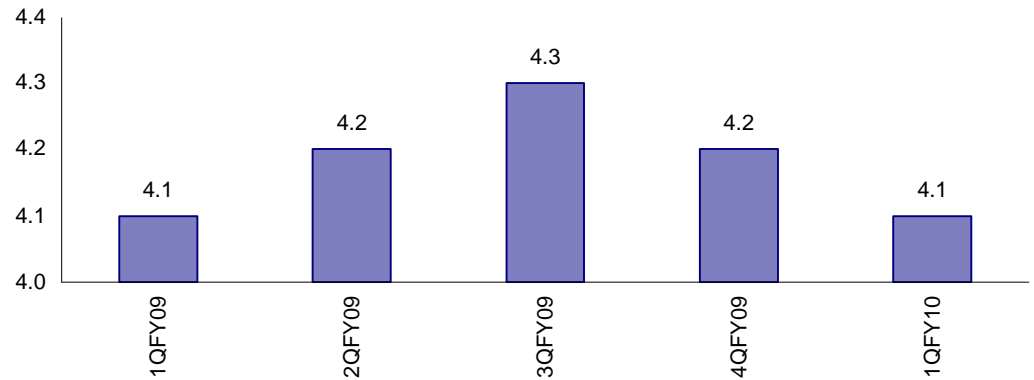
BREAK-UP OF RETAIL LOANS (RS610B)



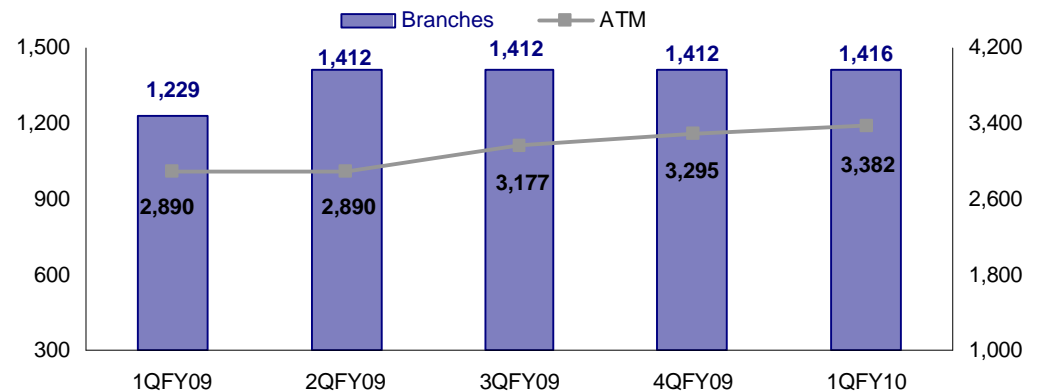
SAVINGS GROWTH OF 10% QOQ IMPRESSIVE, CASA RATIO IMPROVED TO 45%



MARGINS DECLINED marginally QOQ



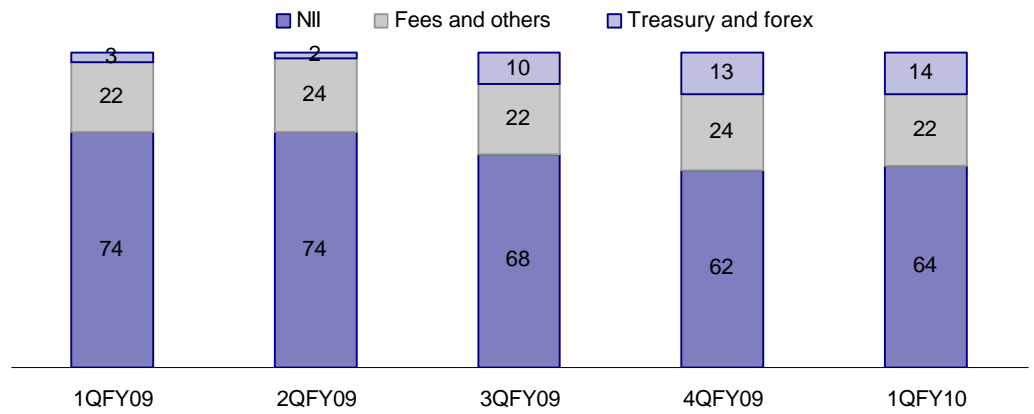
BRANCH EXPANSION ON HOLD FOR LAST 9 MONTHS



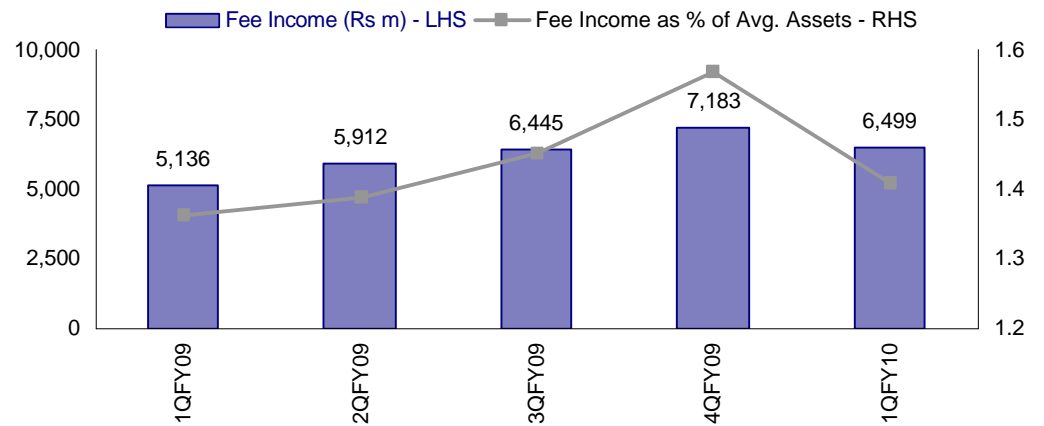
Source: Company/MOSL

INCOME COMPOSITION AND COST TO INCOME RATIO (%)

*The proportion of treasury gains in overall earnings has increased significantly in the last three quarters*

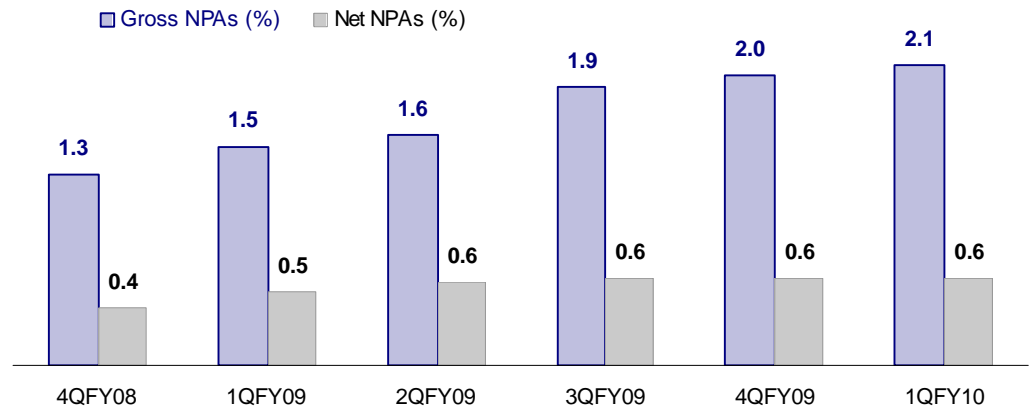


FEE INCOME GROWTH OF 27% YOY IS IMPRESSIVE



ASSET QUALITY TREND (%)

*Net NPAs contained at 0.6% despite higher delinquencies*



Source: Company/MOSL

## HDFC Bank: an investment profile

### Company description

HDFC Bank, incorporated in 1994 by HDFC Ltd., is the second largest private sector bank in India, with a balance sheet size of Rs1.8t. Rated as one of the best banks in India it has a network of 1,416 branches. The bank has been consistently growing its loan book and earnings at over 30% for the last several quarters.

### Key investment arguments

- ✂ Strong focus on retail loans (now 58% of loans) and high proportion of low-cost funds (45% of total deposits) enables consistent growth of over 30% in core earnings.
- ✂ Management quality is rated as among the best.
- ✂ Net NPAs of 0.6%, despite being an aggressive lender, indicates superior risk management skills.

### Key investment risks

- ✂ Higher unsecured retail loan exposure could hurt HDFC Bank's profitability if NPA levels increase significantly.
- ✂ In our view, the acquisition of CBoP was expensive and integration risks prevail.

### Recent developments

- ✂ The bank acquired Centurion Bank of Punjab in a share swap deal valuing CBoP at around Rs120b.

### Valuation and view

- ✂ We expect RoE to be 16% by FY10 and 17% by FY11, with tier-I capital at over 10.5% in FY11. We estimate book value (BV) at Rs462/share for FY10 and Rs528/share for FY11. We expect EPS of Rs63 in FY10 and Rs84 in FY11.
- ✂ The stock trades at 2.9x FY10E and 2.6x FY11E BV, and 21.6x FY10E and 16.2x FY11E EPS. Our target price of Rs1,480 (3.2x FY10E BV) implies an upside of just 9%. We maintain our **Neutral** recommendation.

### Sector view

- ✂ FY09 loan growth of 17% and deposit growth of 20%. We expect loans and deposits to moderate to 16-18% in FY10-11.
- ✂ Selective buying with favor for banks with higher earnings visibility and reasonable valuations.

#### COMPARATIVE VALUATIONS

		HDFC BK	AXIS BK	ICICI BK
P/E (x)	FY10E	21.6	11.3	9.3
	FY11E	16.2	8.1	10.6
P/BV (x)	FY10E	2.9	1.9	0.9
	FY11E	2.6	1.4	0.9
RoE (%)	FY10E	15.9	18.2	7.3
	FY11E	17.0	18.8	8.7
RoA (%)	FY10E	1.4	1.2	0.9
	FY11E	1.6	1.2	1.0

#### SHAREHOLDING PATTERN (%)

	JUN-09	MAR-09	JUN-08
Promoter	19.4	19.4	21.6
Domestic Inst	12.6	13.9	5.6
Foreign	48.5	46.8	50.9
Others	19.5	20.0	21.9

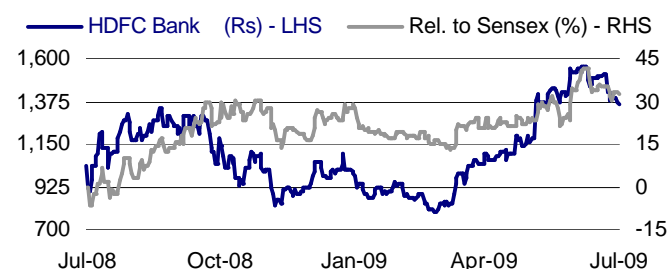
#### EPS: MOST FORECAST VS CONSENSUS (RS)

	MOST FORECAST	CONSENSUS FORECAST	VARIATION (%)
FY10	63.1	64.9	-2.8
FY11	84.0	81.3	3.3

#### TARGET PRICE AND RECOMMENDATION

CURRENT PRICE (RS)	TARGET PRICE (RS)	UPSIDE (%)	RECO.
1,360	1,480	8.8	Buy

#### STOCK PERFORMANCE (1 YEAR)



<b>INCOME STATEMENT (PRO FORMA MERGED WITH CBoP)</b>					<b>(RS MILLION)</b>
<b>Y/E MARCH</b>	<b>2008</b>	<b>2009</b>	<b>2010E</b>	<b>2011E</b>	
Interest Income	123,000	163,323	182,676	218,810	
Interest Expended	63,791	89,111	93,584	106,950	
<b>Net Interest Income</b>	<b>59,209</b>	<b>74,212</b>	<b>89,093</b>	<b>111,860</b>	
<i>Change (%)</i>	47.9	25.3	20.1	25.6	
Other Income	29,195	32,906	40,380	45,632	
<b>Net Income</b>	<b>88,403</b>	<b>107,118</b>	<b>129,473</b>	<b>157,492</b>	
<i>Change (%)</i>	48.3	21.2	20.9	21.6	
Operating Expenses	47,226	55,328	62,328	71,612	
<b>Operating Income</b>	<b>41,177</b>	<b>51,790</b>	<b>67,145</b>	<b>85,880</b>	
<i>Change (%)</i>	45.3	25.8	29.6	27.9	
Other Provisions	16,043	18,791	25,242	30,083	
<b>PBT</b>	<b>25,134</b>	<b>32,999</b>	<b>41,903</b>	<b>55,797</b>	
Tax	7,604	10,549	13,409	17,855	
<i>Tax Rate %</i>	30	32	32	32	
<b>PAT</b>	<b>17,530</b>	<b>22,449</b>	<b>28,494</b>	<b>37,942</b>	
<i>Change (%)</i>	38.7	28.1	26.9	33.2	
Proposed Dividend	3,606	4,254	5,414	7,209	

<b>BALANCE SHEET</b>					<b>(RS MILLION)</b>
<b>Y/E MARCH</b>	<b>2008</b>	<b>2009</b>	<b>2010E</b>	<b>2011E</b>	
Capital	4,243	4,254	4,516	4,516	
Reserves & Surplus	133,649	146,328	204,197	233,705	
<b>Net Worth</b>	<b>137,892</b>	<b>150,582</b>	<b>208,713</b>	<b>238,221</b>	
<b>Deposits</b>	<b>1,225,776</b>	<b>1,428,116</b>	<b>1,685,177</b>	<b>1,988,508</b>	
<i>Change (%)</i>	47.4	16.5	18.0	18.0	
<b>CASA Deposits</b>	<b>601,478</b>	<b>633,597</b>	<b>758,329</b>	<b>934,599</b>	
Borrowings	91,845	89,636	88,108	87,183	
Other Liab & Provisions	146,480	227,206	249,927	274,920	
<b>Total Liabilities</b>	<b>1,569,502</b>	<b>1,832,708</b>	<b>2,231,924</b>	<b>2,588,832</b>	
Current Assets	141,111	175,066	230,614	171,565	
<b>Investments</b>	<b>563,385</b>	<b>588,175</b>	<b>705,811</b>	<b>846,973</b>	
<i>Change (%)</i>	60.1	4.4	20.0	20.0	
<b>Loans</b>	<b>796,089</b>	<b>988,831</b>	<b>1,206,373</b>	<b>1,471,775</b>	
<i>Change (%)</i>	36.9	24.2	22.0	22.0	
Net Fixed Assets	15,462	17,067	19,201	21,601	
Other Assets	53,455	63,568	69,925	76,918	
<b>Total Assets</b>	<b>1,569,502</b>	<b>1,832,708</b>	<b>2,231,924</b>	<b>2,588,832</b>	

<b>KEY ASSUMPTIONS</b>	<b>(%)</b>			
Deposit Growth	47.4	16.5	18.0	18.0
Loans Growth	36.9	24.2	22.0	22.0
Investments Growth	60.1	4.4	20.0	20.0
Provision Coverage	60.9	68.4	68.0	70.0
Dividend	85.0	100.0	119.9	159.6

E: MOSL Estimates

**RATIOS (Pro forma merged with CBoP)**

Y/E MARCH	2008	2009	2010 E	2011E
<b>Spreads Analysis (%)</b>				
Avg. Yield-Earn Assets	10.4	10.9	10.2	10.1
Avg. Cost-Int. Bear. Liab.	5.9	6.5	5.9	5.8
Interest Spread	4.5	4.4	4.3	4.3
Net Interest Margin	5.0	4.9	5.0	5.2

**Profitability Ratios (%)**

RoE	16.2	15.6	15.9	17.0
RoA	1.3	1.3	1.4	1.6
Int. Exp./Int. Earned	51.9	54.6	51.2	48.9
Other Income/Net Inc.	33.0	30.7	31.2	29.0

**Efficiency Ratios (%)**

Op Exp/Net Income*	55.4	53.6	49.7	46.4
Employee Cost/Op.Exps	34.3	40.5	41.3	41.3
Business per Emp. (Rs m)	37.4	42.1	42.0	41.9
Net Profit per Empl. (Rs m)	0.4	0.4	0.5	0.5

**\* Ex treasury****Asset Liability Profile (%)**

Loans/Deposit Ratio	64.9	69.2	71.6	74.0
CASA Ratio %	49.1	44.4	45.0	47.0
Invest./Deposit Ratio	46.0	41.2	41.9	42.6
G-Sec/Investment Ratio	66.1	88.7	78.8	70.4
Gross NPAs to Advances	1.8	2.0	2.3	2.0
Net NPAs to Advances	0.7	0.6	0.7	0.6
CAR	13.6	15.7	15.2	14.1
Tier 1	10.3	10.6	11.3	10.6

**VALUATION**

Book Value (Rs)	325.0	354.0	462.2	527.5
Price-BV (x)	4.2	3.8	2.9	2.6
Adjusted BV (Rs)	316.3	344.3	449.6	515.1
Price-ABV (x)	4.3	4.0	3.0	2.6
EPS (Rs)	41.3	52.8	63.1	84.0
EPS Growth	22.1	27.7	19.6	33.2
Price Earnings (x)	32.9	25.8	21.6	16.2
OPS (Rs)	97.1	121.7	148.7	190.2
OPS Growth	27.9	25.4	22.1	27.9
Price-OP (x)	14.0	11.2	9.1	7.2

E: MOSL Estimates



**N O T E S**



For more copies or other information, contact

**Institutional:** Navin Agarwal. **Retail:** Manish Shah

Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: reports@motilaloswal.com

**Motilal Oswal Securities Ltd, 3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021**

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. Motilal Oswal Securities Limited (*hereinafter referred as MOST*) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. MOST or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

MOST and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

**Disclosure of Interest Statement**

**HDFC Bank**

- |   |    |
|---|----|
| 1. Analyst ownership of the stock                       | No |
| 2. Group/Directors ownership of the stock               | No |
| 3. Broking relationship with company covered            | No |
| 4. Investment Banking relationship with company covered | No |

This information is subject to change without any prior notice. MOST reserves the right to make modifications and alternations to this statement as may be required from time to time. Nevertheless, MOST is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.