

## 2Q: Earnings beat on prov. write-back; Maintain U/p

### 2Q: Earnings beat by 9%, but driven by write-back on prov.

KMB (standalone) reported earnings of Rs2.6bn, a +33% growth and +9% ahead of estimates driven largely by write-back on provisions. PPOP earnings (up ~16% yoy) were exactly in-line. On consol. basis, earnings came in at Rs4.3bn, a more modest 19% yoy growth driven by continued challenge in capital market biz.

### Growth strong, but margin slides; Asset quality under check

While bank level loans grew +40% yoy (~16% qoq), consol. loans grew +35% yoy, but margin slide continued (down 40bps yoy to 4.8% on consol. basis). Hence, topline (bank) grew by a modest ~11% yoy (in-line). Non-int. income growth was strong at the bank level (+50% yoy), but flat on consol. level owing to challenging market biz. CASA down to 26% vs. 29% in 2QFY11). On consol. level, headline NPLs declined qoq (gross by 2% and net by 1%). Asset quality remains manageable with gross at 0.9% and net at 0.4%; at the bank level gross remained flat qoq, but net up 3%. Tier 1 at 15.9% (CAR at 17.8%) at bank level.

### Raise earnings, but maintain U/p; Prefer HDFC Bank

We have raised bank level earnings by only +3/4% for FY12/13, as we are normalizing the credit costs at ~25/35bps for FY12/13 (~20bps in H1) given an emerging credit cycle. Moreover, consol. level earnings raise is only 2% each for FY12/13 owing to cut in earnings for capital market biz. While KMB seems better positioned to manage credit cycle, risk-return is largely priced-in, with KMB trading at P/B of +2.7x (FY13) for a ~14.6% ROE (Bank). Hence, risk return is pegged at similar to HDFC Bk, despite lower earnings growth at the bank (~17% in FY13) vs. HDFC Bk at +26%; RoEs of ~15% vs. HDFC Bk's ~20%.

### Estimates (Mar)

(Rs)	2010A	2011A	2012E	2013E	2014E
Net Income (Adjusted - mn)	13,070	15,667	17,813	20,594	23,403
EPS	18.77	21.26	24.17	27.95	31.76
EPS Change (YoY)	98.9%	13.3%	13.7%	15.6%	13.6%
Dividend / Share	0.426	0.501	0.650	0.800	0.900
Pre-exceptional EPS	18.77	21.26	24.17	27.95	31.76
Pre-exceptional EPS Change (YoY)	98.9%	13.3%	13.7%	15.6%	13.6%
Book Value / Share	113.62	148.78	172.30	199.45	230.31

### Valuation (Mar)

	2010A	2011A	2012E	2013E	2014E
P/E	26.4x	23.3x	20.5x	17.7x	15.6x
Dividend Yield	0.086%	0.101%	0.131%	0.161%	0.182%
Pre-exceptional PE	26.41x	23.31x	20.51x	17.74x	15.61x
Price / Book	4.62x	3.33x	2.88x	2.49x	2.15x
RoE / PB	3.92x	4.98x	5.23x	6.05x	6.87x
Price / Pre-Provision Profit	13.50x	14.34x	12.20x	10.44x	9.09x

## Bank of America Merrill Lynch

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### Stock Data

Price	Rs495.70
Price Objective	Rs435.00
Date Established	29-Sep-2011
Investment Opinion	C-3-7
Volatility Risk	HIGH
52-Week Range	Rs333.00-Rs508.95
Mrkt Val / Shares Out (mn)	US\$7,331 / 736.9
Market Value (mn)	Rs365,267
Average Daily Volume	930,793
BofAML Ticker / Exchange	XXRVF / BSE
Bloomberg / Reuters	KMB IN / KTKM.BO
ROE (2012E)	15.1%
Total Dbt to Cap (Mar-2011A)	NA
Est. 5-Yr EPS / DPS Growth	14.0% / 15.0%
Free Float	41.4%

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## iQprofile<sup>SM</sup> Kotak Mahindra Bank

Key Income Statement Data (Mar)	2010A	2011A	2012E	2013E	2014E
<b>(Rs Millions)</b>					
Net Interest Income	28,283	35,069	41,222	46,990	53,130
Net Fee Income	13,511	13,487	15,538	18,280	21,313
Securities Gains / (Losses)	4,066	4,432	3,445	3,640	3,442
Other Income	36,945	30,959	34,154	37,557	42,312
<b>Total Non-Interest Income</b>	<b>54,521</b>	<b>48,878</b>	<b>53,137</b>	<b>59,477</b>	<b>67,067</b>
Total Operating Income	82,804	83,947	94,359	106,467	120,197
Operating Expenses	(58,669)	(59,997)	(66,193)	(73,507)	(82,324)
<b>Pre-Provision Profit</b>	<b>24,136</b>	<b>23,950</b>	<b>28,166</b>	<b>32,960</b>	<b>37,873</b>
Provisions Expense	(5,423)	(1,177)	(1,633)	(2,626)	(3,390)
<b>Operating Profit</b>	<b>18,713</b>	<b>22,773</b>	<b>26,533</b>	<b>30,334</b>	<b>34,483</b>
Non-Operating Income	315.70	(298.90)	(740.51)	(350.49)	(360.15)
<b>Pre-Tax Income</b>	<b>19,029</b>	<b>22,474</b>	<b>25,793</b>	<b>29,984</b>	<b>34,123</b>
Net Income to Comm S/Hold.	13,070	15,667	17,813	20,594	23,403
<b>Adjusted Net Income (Operating)</b>	<b>13,070</b>	<b>15,667</b>	<b>17,813</b>	<b>20,594</b>	<b>23,403</b>

### Key Balance Sheet Data

Total Assets	551,148	736,811	879,857	1,025,577	1,195,555
Average Interest Earning Assets	420,866	573,589	726,993	858,021	1,003,590
<b>Weighted Risk Assets</b>	<b>432,974</b>	<b>580,036</b>	<b>747,369</b>	<b>929,941</b>	<b>1,176,143</b>
Total Gross Customer Loans	300,333	415,330	517,571	625,429	746,533
Total Customer Deposits	218,192	273,130	318,797	352,152	400,733
<b>Tier 1 Capital</b>	<b>74,905</b>	<b>104,987</b>	<b>126,951</b>	<b>146,956</b>	<b>169,695</b>
Tangible Equity	74,905	104,987	126,951	146,956	169,695
<b>Common Shareholders' Equity</b>	<b>79,109</b>	<b>109,629</b>	<b>126,964</b>	<b>146,968</b>	<b>169,708</b>

### Key Metrics

Net Interest Margin	6.72%	6.11%	5.67%	5.48%	5.29%
<b>Tier 1 Ratio</b>	<b>17.3%</b>	<b>18.1%</b>	<b>17.0%</b>	<b>15.8%</b>	<b>14.4%</b>
Effective Tax Rate	30.2%	30.2%	30.0%	30.0%	30.2%
Loan / Assets Ratio	54.5%	56.4%	58.8%	61.0%	62.4%
<b>Loan / Deposit Ratio</b>	<b>137.6%</b>	<b>152.1%</b>	<b>162.4%</b>	<b>177.6%</b>	<b>186.3%</b>
Oper Leverage (Inc Growth - Cost Growth)	7.8%	-0.9%	2.1%	1.8%	0.9%
Gearing (Assets / Equity)	7.0x	6.7x	6.9x	7.0x	7.0x
Tangible Common Equity / Assets	13.6%	14.2%	14.4%	14.3%	14.2%
Tangible Common Equity / WRAs	17.3%	18.1%	17.0%	15.8%	14.4%
Revenue Growth	56.4%	1.4%	12.4%	12.8%	12.9%
Operating Expense Growth	48.6%	2.3%	10.3%	11.1%	12.0%
Provisions Expense Growth	61.0%	-78.3%	38.7%	60.8%	29.1%
Operating Revenue / Average Assets	17.4%	13.0%	11.7%	11.2%	10.8%
Operating Expenses / Average Assets	12.3%	9.3%	8.2%	7.7%	7.4%
<b>Pre-Provision ROA</b>	<b>5.1%</b>	<b>3.7%</b>	<b>3.5%</b>	<b>3.5%</b>	<b>3.4%</b>
ROA	2.7%	2.4%	2.2%	2.2%	2.1%
<b>Pre-Provision ROE</b>	<b>33.4%</b>	<b>25.4%</b>	<b>23.8%</b>	<b>24.1%</b>	<b>23.9%</b>
ROE	18.1%	16.6%	15.1%	15.0%	14.8%
RoTE	17.4%	14.9%	14.0%	14.0%	13.8%
RoWRAs	3.0%	2.7%	2.4%	2.2%	2.0%
Dividend Payout Ratio	2.2%	2.9%	2.9%	3.1%	3.1%
<b>Efficiency Ratio (Cost / Income Ratio)</b>	<b>74.5%</b>	<b>75.5%</b>	<b>72.8%</b>	<b>71.5%</b>	<b>70.5%</b>
<b>Total Non-Interest Inc / Operating Inc</b>	<b>66%</b>	<b>58%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>
Market-Related Revenue / Total Revenues	5.6%	5.3%	4.5%	4.2%	3.6%
Provisioning Burden as % of PPP	22.5%	4.9%	5.8%	8.0%	9.0%
NPLs plus Foreclosed Real Estate / Loans	1.1%	0.4%	0.4%	0.6%	0.6%
<b>Loan Loss Reserves / NPLs</b>	<b>91.5%</b>	<b>163.9%</b>	<b>208.7%</b>	<b>189.0%</b>	<b>220.5%</b>
Loan Loss Reserves / Total Loans	1.0%	0.7%	0.9%	1.1%	1.3%
Provisions Expense / Average Loans	2.1%	0.3%	0.4%	0.5%	0.5%

### Other Metrics

Income / Employee	4.14	4.09	4.55	5.07	5.67
(Operating Expenses) / Employee	(2.93)	(2.93)	(3.19)	(3.50)	(3.88)
Pre-Provision Profit / Employee	1.21	1.17	1.36	1.57	1.79
Net Profit / Employee	0.654	0.764	0.858	0.981	1.10

### Company Description

Kotak Mahindra started business in the mid-1980s as a bill discounting company. Since then, it has entered various financial services businesses, such as securities, investment banking, life insurance, asset management, and banking, and it has become one of the leading players in capital markets in India. Kotak obtained its banking license in 2002. It has 320 branches and less than a 1% share of system loans. Mr Uday Kotak, the major shareholder, and his associates have a 46% stake.

### Investment Thesis

Presence across nearly all financial services businesses in India. Management team is among the best in the business, its execution of conversion from an NBFC into a bank has been exemplary, in our view. Historically traded as a capital market proxy, but earnings mix has changed over the past few years. But a slump in capital market businesses and earnings contribution coupled with slower growth and RoEs at the bank level make us vary of earnings growth trajectory in FY12-13.

### Stock Data

Price to Book Value 2.9x

## 2QFY12 Results Summary

**Table 1: 2QFY12 Results Summary (Standalone Bank)**

(Rs mn)	2Q12	2Q11	yoy Remarks
<b>Interest earned</b>	<b>14,646</b>	<b>10,147</b>	44% Sustained loan growth of 41% yoy: driven by CV (+60% yoy) and Corporate (+50% yoy)
- on Advances	11,591	7,761	49%
- investments	3,049	2,345	30%
Interest Exp	8,592	4,709	82% CASA down +325bps yoy to 26%
<b>NII</b>	<b>6,055</b>	<b>5,438</b>	11% in-line with estimates, Margins down 90bps yoy and 30bps qoq to 4.7%
Other income	2,125	1,393	53%
Oper. Income	8,180	6,832	20%
Opex	4,379	3,564	23% Addition of +55 branches yoy and 30 ATMs
Employee exp	2,152	1,687	28%
Other Opex	2,228	1,877	19%
<b>Operating profit</b>	<b>3,800</b>	<b>3,268</b>	16% In-line with our estimates
			Asset quality remains manageable. Gross NPLs (incl. stressed asset portfolio) decline 1% (at 1.61%), Net decline 3% at (0.6%).
Provisions	(24)	455	-105% Excluding stressed assets portfolio Gross NPLs flat qoq (at 1%) and Net up 3% qoq (at 0.4% bps)
<b>PBT</b>	<b>3,824</b>	<b>2,812</b>	36%
Provision for Tax	1,224	865	41%
<b>PAT</b>	<b>2,600</b>	<b>1,947</b>	34% Earnings 9% ahead of estimates owing to writing-back of provisions

Source: BofA Merrill Lynch Research Estimates

**Table 2: Company wise Profit after tax**

Company wise Profit after Tax	2QFY12	2QFY11	1QFY12	YoY	QoQ
Kotak Mahindra Bank (Standalone)	2,600	1,947	2,520	34%	3%
Kotak Mahindra Prime	900	613	940	47%	-4%
Kotak Securities	290	517	230	-44%	26%
Kotak Mahindra Capital Company	(40)	73	10	-155%	-500%
Kotak Mahindra Old Mutual	530	134	460	294%	15%
Kotak Mahindra AMC & Trustee Co.	(70)	(24)	90	188%	-178%
International Subs	70	123	(30)	-43%	-333%
Kotak Investment Advisors	80	105	110	-24%	-27%
Kotak Mahindra Investments	30	80	30	-62%	0%
Total Consolidated profit after tax	4,390	3,568	4,360	23%	1%
Affiliates, minority interest & Other adjustments	(60)	73	(200)	-182%	-70%
<b>PAT (After minority interest / adjustments)</b>	<b>4,330</b>	<b>3,641</b>	<b>4,160</b>	<b>19%</b>	<b>4%</b>

Source: BofA Merrill Lynch Research Estimates

**Table 3: 2QFY12 Results: Other Businesses**

Kotak Mahindra Prime	2QFY12	2QFY11	1QFY12	YoY	QoQ
Total Advances	125,470	100,290	115,690	25%	8%
Car Advances	98,210	77,970	89,380	26%	10%
Total Income	4,240	3,158	3,960	34%	7%
PBT	1,340	956	1,410	40%	-5%
PAT	900	613	940	47%	-4%
<b>Kotak Mahindra Old Mutual</b>	<b>2QFY12</b>	<b>2QFY11</b>	<b>1QFY12</b>	<b>YoY</b>	<b>QoQ</b>
Individual Regular	900	2,440	650	-63%	38%
Single	780	130	400	500%	95%
Group	820	540	600	52%	37%
Renewal	4,260	4,240	3,460	0%	23%
Total	6,760	7,350	5,110	-8%	32%
<b>Kotak Securities</b>	<b>2QFY12</b>	<b>2QFY11</b>	<b>1QFY12</b>	<b>YoY</b>	<b>QoQ</b>
Av Daily Volume (RsBn)	43	45	36	-6%	19%

**Table 3: 2QFY12 Results: Other Businesses**

	2QFY12	2QFY11	1QFY12	YoY	QoQ
<b>Kotak Mahindra Prime</b>					
Total Income	1,520	1,980	1,450	-23%	5%
PBT	440	774	360	-43%	22%
PAT	290	517	230	-44%	26%
<b>Kotak Mahindra AMC &amp; Trustee</b>					
Total Income	330	190	370	74%	-11%
PBT	10	(40)	130	-125%	-92%
PAT	70	(20)	90	-450%	-22%
Average AUM (Rs Bn)	324	276	342	17%	-5%
Average AUM -Equity (Rs Bn)	35	46	37	-24%	-5%
<b>Kotak Investment Advisors</b>					
Total Income	240	240	250	0%	-4%
PBT	130	150	150	-13%	-13%
PAT	80	110	110	-27%	-27%
<b>Kotak Mahindra Capital</b>					
Total Income	130	300	230	-57%	-43%
PBT	(50)	110	20	-145%	-350%
PAT	(40)	70	10	-157%	-500%

Source: BofA Merrill Lynch Research Estimates

**Table 4: SOTP Table**

SOTP per Share	FY13	Comments
Kotak Bank	292	2.5x FY13 Adj. Book;
Kotak Prime	79	2.5x FY13 Adj. Book; In-line with Shriram Transport target multiples
Kotak Sec	23	12.5x FY13 earnings; In-line with Market multiples
Kotak Life	30	1x FY12 MLe EV + 7x FY13 NBAP
Kotak AMC (Domestic MF)	10	3.5% of FY11 AUMs
Kotak Capital	3	12.5x FY13 earnings; In-line with Market multiples
Others (Alternate Assets)	15	7.5% of AUMs
<b>Total (Non- Banks)</b>	<b>159</b>	
Holding Co. Discount	16	10% "HoldCo" Discount
<b>Total</b>	<b>435</b>	

Source: BofA Merrill Lynch Research Estimates

## Price objective basis & risk

### HDFC Bank (XHDFC-C-1-7-Rs468)

We set our PO at Rs575 (US\$40/ADR). HDFC Bank stands out, as being the best positioned banks to manage the next credit cycle that we expect to see in next 6-9 months owing to its better loan profile having higher % of retail and working capital loans and low level of infra and project loans. Moreover, earnings visibility is high at +26-27% given the banks high NPL coverage, ability to gain market share and leverage from its liability franchise and expanding distribution. Hence, we believe the stock will continue to trade at the higher multiples (+3.3-3.4x FY13). Reiterate Buy, Preferred pick. Moreover, we believe the stock, trading at 23x FY12 earnings can arguably continue to trade at least at 21x one year forward given earnings growth sustaining at +27/26% in FY12/13 and comfort on asset quality. Risks: A sharp rise in NPLs and inability to maintain growth are risks to our price objective.

### Kotak Mahindra Bank (XXRVF)

In our PO of Rs435, we value KMB on a SOTP basis, benchmarking each business to the best in its class and assigning top tier multiples to reflect its better risk profile. We assign a P/B of 2.5x to standalone bank for a 14% ROE. This is a 20-25% premium to peer banks that have higher ROEs. The risk return is similar to its closest peer. Other business adds Rs161/share incl. Rs78/shr. for Kotak Primet. Risks are a sharp credit cycle, which could result in higher than estimated NPLs and slowdown in growth. Slow capital markets could also hurt earnings growth. Risks specific to KMB include 1) tough competition in each business segment 2) the Bank's low CASA and high LDRs could limit loan growth. 3) While the management is experienced and well respected, there is too much dependence on a single individual- Mr. Uday Kotak 4) Excess capital may be deployed to make expensive acquisitions, which could be EPS dilutive. and 5) Approximately 25% of earnings are still being driven by market linked businesses, which could see a further downside if market volatility / slide continues.

## Link to Definitions

### Financials

Click [here](#) for definitions of commonly used terms.

## Analyst Certification

I, Rajeev Varma, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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**India - Financials Coverage Cluster**

Investment rating	Company	BofA Merrill Lynch ticker	Bloomberg symbol	Analyst
<b>BUY</b>				
	Corporation Bank	XCRRF	CRPBK IN	Veekesh Gandhi
	Federal Bank	XFDRF	FB IN	Veekesh Gandhi
	HDFC	HGDFE	HDFC IN	Rajeev Varma
	HDFC Bank	XHDFE	HDFCB IN	Rajeev Varma
	HDFC Bank	HDB	HDB US	Rajeev Varma
	ICICI Bank	ICIJF	ICICIB IN	Rajeev Varma
	ICICI Bank - A	IBN	IBN US	Rajeev Varma
	IndiaBulls Financial Services	IBLFF	IBULL IN	Veekesh Gandhi
	Indian Bank	INDIF	INBK IN	Rajeev Varma
	LIC Housing Finance, Ltd.	LHFLF	LICHF IN	Veekesh Gandhi
	Manappuram	XMGPF	MGFL IN	Veekesh Gandhi
	Max India	XMJIF	MAX IN	Rajeev Varma
	ORBC	ORBCF	OBC IN	Rajeev Varma
	Power finance corporation Ltd	PWFEE	POWF IN	Veekesh Gandhi
	Punjab	PUJBF	PNB IN	Rajeev Varma
	Reliance Capital	RLCCF	RCAPT IN	Veekesh Gandhi
	Rural Electrification Corporation Ltd	XULEF	RECL IB	Veekesh Gandhi
	SBI	SBINF	SBIN IN	Rajeev Varma
	SBI -G	SBKFF	SBID LI	Rajeev Varma
	Shriram Transport Finance	SHTFF	SHTF IN	Veekesh Gandhi
	Yes Bank Ltd	YESBF	YES IN	Veekesh Gandhi
<b>NEUTRAL</b>				
	Axis Bank	XAXSF	AXSB IN	Rajeev Varma
	Axis Bank - GDR	XBKSF	AXB LI	Rajeev Varma
	Bank of Baroda	BKBAF	BOB IN	Rajeev Varma
<b>UNDERPERFORM</b>				
	Bank of India	XDIIF	BOI IN	Rajeev Varma
	Canara Bank	CNRKF	CBK IN	Rajeev Varma
	IDBI	XDBIF	IDBI IN	Veekesh Gandhi
	Infrastruct Dev	IFDFF	IDFC IN	Rajeev Varma
	Kotak Mahindra Bank	XXRVF	KMB IN	Rajeev Varma
	Union Bank India	UBOIF	UNBK IN	Rajeev Varma

25 October 2011

**iQmethod<sup>SM</sup> Measures Definitions**

<b>Business Performance</b>	<b>Numerator</b>	<b>Denominator</b>
Return On Capital Employed	$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) * (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$	Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
Return On Equity	Net Income	Shareholders' Equity
Operating Margin	Operating Profit	Sales
Earnings Growth	Expected 5-Year CAGR From Latest Actual	N/A
Free Cash Flow	Cash Flow From Operations – Total Capex	N/A
<b>Quality of Earnings</b>		
Cash Realization Ratio	Cash Flow From Operations	Net Income
Asset Replacement Ratio	Capex	Depreciation
Tax Rate	Tax Charge	Pre-Tax Income
Net Debt-To-Equity Ratio	Net Debt = Total Debt, Less Cash & Equivalents	Total Equity
Interest Cover	EBIT	Interest Expense
<b>Valuation Toolkit</b>		
Price / Earnings Ratio	Current Share Price	Diluted Earnings Per Share (Basis As Specified)
Price / Book Value	Current Share Price	Shareholders' Equity / Current Basic Shares
Dividend Yield	Annualised Declared Cash Dividend	Current Share Price
Free Cash Flow Yield	Cash Flow From Operations – Total Capex	Market Cap. = Current Share Price * Current Basic Shares
Enterprise Value / Sales	$\text{EV} = \text{Current Share Price} * \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Sales} + \text{Other LT Liabilities}$	
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

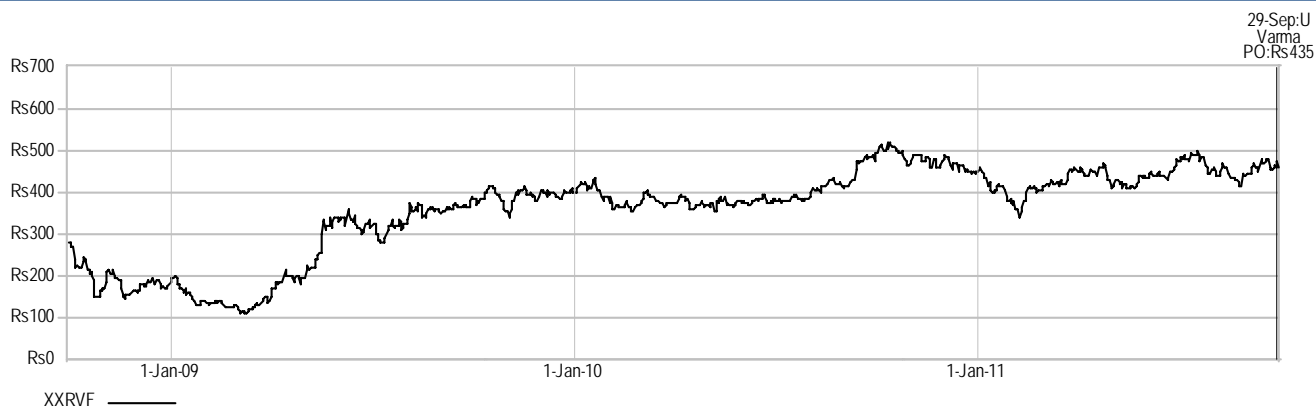
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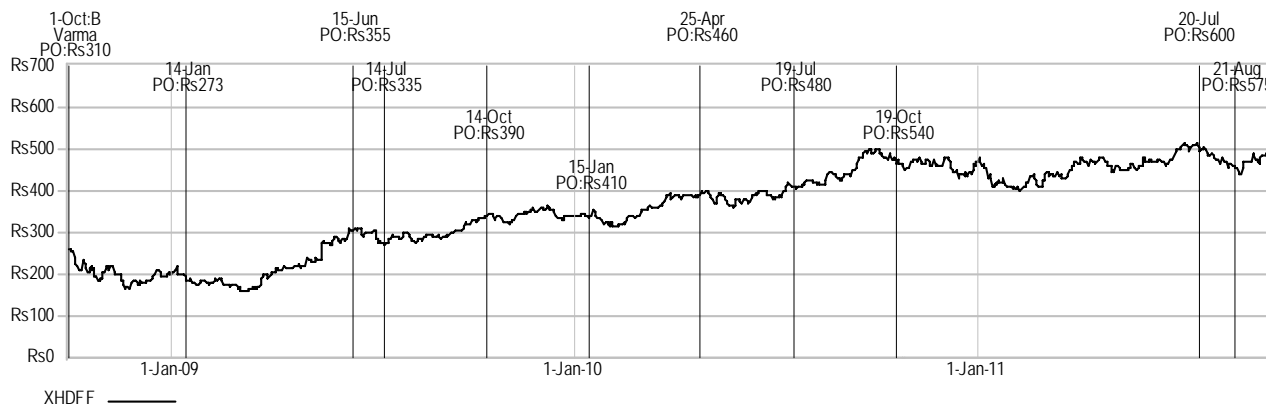
### XXRVF Price Chart



B : Buy, N : Neutral, U : Underperform, PO : Price objective, NA : No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of [September 30, 2011] or such later date as indicated.

### XHDF Price Chart



B : Buy, N : Neutral, U : Underperform, PO : Price objective, NA : No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of [September 30, 2011] or such later date as indicated.

### Investment Rating Distribution: Banks Group (as of 01 Oct 2011)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	123	48.05%	Buy	63	63.00%
Neutral	76	29.69%	Neutral	41	65.08%
Sell	57	22.27%	Sell	27	49.09%

### Investment Rating Distribution: Global Group (as of 01 Oct 2011)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	2073	54.13%	Buy	923	49.12%
Neutral	961	25.09%	Neutral	460	52.57%
Sell	796	20.78%	Sell	287	38.32%

\* Companies in respect of which BofA Merrill Lynch or one of its affiliates has received compensation for investment banking services within the past 12 months. For purposes of this distribution, a stock rated Underperform is included as a Sell.



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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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