

3Q earnings miss; Maintain U/P

Cut SOTP at Rs155/shr.; Maintain U/P

We cut our SOTP value for IDFC to Rs155/shr to factor in the earnings cut (5/11/10% for FY11/12/13) and rising macro headwinds (higher CoE). While the stock has underperformed by +18-20% over the last 3 months, we believe the stock price is capturing expected upside from strong B/s growth and earnings from its equity linked biz. We are still assigning +80% premium to theoretical P/B multiples for its core biz. (target P/B of 1.8x FY12 book) owing to IDFC's strong management; higher earnings trajectory led by ~3x b/s growth over FY10E-13E and; core RoEs at +14% (FY12). Non-core biz. valued at Rs41/shr.

3Q profit 10% below est., despite strong B/s growth

IDFC reported 3QFY11 earnings of Rs3.2bn, up +19% yoy, but were 10% below our estimates owing to lower fees and higher opex (bonus provisions). More importantly, while loan growth was strong at 49% yoy, growth in sanctions is down 44% yoy and disbursements growth is at 68% yoy (vs. +2-2.5x yoy in 1HFY11). Core topline (infra.) growth was strong at +59% yoy on volumes and est. margins up +20-30bps yoy. Loan fees grew 68% yoy, fees from IBK up 50% yoy, but AMC fees down 7% yoy and principal invsts. fees down 70%.

Earnings growth low on dilution; Profit growth of +20/24%

We still est. recurring net profit growth at +20/24/21% in FY11/12/13 driven by volume growth of +35-40% over FY10-13 and margins rising (partly aided by capital raising), as post IFC status, IDFC can raise funds through ECB route and also issue retail infra. bonds (tax-free) lowering its funding costs. Earnings growth at +16/21% over FY12/13 on recent capital dilution. Our est. do not capture possible gain from 25% stake sale in AMC (one-off) in 4QFY11 or FY12 earnings.

Estimates (Mar)

(Rs)	2009A	2010A	2011E	2012E	2013E
Net Income (Adjusted - mn)	7,578	10,621	12,792	15,828	19,206
EPS	5.85	8.16	8.77	10.51	12.75
EPS Change (YoY)	0.6%	39.6%	7.4%	19.8%	21.3%
Dividend / Share	1.20	1.50	1.70	2.10	2.60
Pre-exceptional EPS	5.85	8.16	9.01	10.51	12.75
Pre-exceptional EPS Change (YoY)	0.6%	39.6%	10.4%	16.6%	21.3%
Book Value / Share	47.56	53.73	72.77	84.24	94.13

Valuation (Mar)

	2009A	2010A	2011E	2012E	2013E
P/E	24.5x	17.5x	16.3x	13.6x	11.2x
Dividend Yield	0.839%	1.05%	1.19%	1.47%	1.82%
Pre-exceptional PE	24.48x	17.54x	15.89x	13.63x	11.23x
Price / Book	3.39x	2.99x	1.97x	1.65x	1.47x
RoE / PB	3.80x	5.41x	7.39x	8.25x	9.70x
Price / Pre-Provision Profit	15.60x	11.95x	10.30x	8.59x	6.88x

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Stock Data

Price	Rs143.20
Price Objective	Rs155.00
Date Established	2-Feb-2011
Investment Opinion	C-3-7
Volatility Risk	HIGH
52-Week Range	Rs141.10-Rs218.25
Mrkt Val / Shares Out (mn)	US\$4,564 / 1,458.7
Average Daily Volume	5,224,060
BofAML Ticker / Exchange	IFDFF / BSE
Bloomberg / Reuters	IDFC IN / IDFC.BO
ROE (2011E)	14.5%
Total Dbt to Cap (Mar-2010A)	NA
Est. 5-Yr EPS / DPS Growth	25.0% / 20.0%
Free Float	74.0%

Key Changes

(Rs)	Previous	Current
Price Obj.	193.00	155.00
2011E EPS	9.19	8.77
2012E EPS	11.81	10.51
2013E EPS	14.19	12.75

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Key Income Statement Data (Mar)	2009A	2010A	2011E	2012E	2013E
(Rs Millions)					
Net Interest Income	7,645	9,382	13,459	19,820	25,294
Net Fee Income	1,100	1,440	2,376	3,208	4,170
Securities Gains / (Losses)	3,480	4,290	3,700	3,000	2,900
Other Income	3,331	5,955	6,771	6,823	8,102
Total Non-Interest Income	7,911	11,685	12,847	13,031	15,172
Total Operating Income	15,556	21,067	26,306	32,850	40,466
Operating Expenses	(3,665)	(5,482)	(6,578)	(7,748)	(9,126)
Pre-Provision Profit	11,891	15,585	19,728	25,102	31,339
Provisions Expense	(1,593)	(1,077)	(1,885)	(2,734)	(3,827)
Operating Profit	10,298	14,507	17,842	22,368	27,512
Non-Operating Income	60.96	(220.30)	(75.00)	(75.00)	(75.00)
Pre-Tax Income	10,359	14,287	17,767	22,293	27,437
Net Income to Comm S/Hold.	7,578	10,621	12,792	15,828	19,206
Adjusted Net Income (Operating)	7,578	10,621	12,792	15,828	19,206

Key Balance Sheet Data

Total Assets	307,865	348,099	512,892	649,794	833,625
Average Interest Earning Assets	274,303	289,330	380,959	528,387	683,304
Weighted Risk Assets	245,883	335,312	436,401	648,192	856,631
Total Gross Customer Loans	205,962	250,311	368,114	513,389	696,311
Total Customer Deposits	NA	NA	NA	NA	NA
Tier 1 Capital	50,811	58,210	94,456	115,205	130,103
Tangible Equity	50,811	58,210	94,456	115,205	130,103
Common Shareholders' Equity	61,607	69,900	106,145	126,894	141,793

Key Metrics

Net Interest Margin	2.79%	3.24%	3.53%	3.75%	3.70%
Tier 1 Ratio	20.7%	17.4%	21.6%	17.8%	15.2%
Effective Tax Rate	26.9%	25.7%	28.0%	29.0%	30.0%
Loan / Assets Ratio	66.8%	71.8%	71.7%	78.8%	83.3%
Loan / Deposit Ratio	NA	NA	NA	NA	NA
Oper Leverage (Inc Growth - Cost Growth)	-27.2%	-14.1%	4.9%	7.1%	5.4%
Gearing (Assets / Equity)	5.0x	5.0x	4.8x	5.1x	5.9x
Tangible Common Equity / Assets	16.5%	16.7%	18.4%	17.7%	15.6%
Tangible Common Equity / WRAs	20.7%	17.4%	21.6%	17.8%	15.2%
Revenue Growth	17.5%	35.4%	24.9%	24.9%	23.2%
Operating Expense Growth	44.8%	49.6%	20.0%	17.8%	17.8%
Provisions Expense Growth	331.4%	-32.4%	75.0%	45.0%	40.0%
Operating Revenue / Average Assets	5.2%	6.4%	6.1%	5.7%	5.5%
Operating Expenses / Average Assets	1.2%	1.7%	1.5%	1.3%	1.2%
Pre-Provision ROA	4.0%	4.8%	4.6%	4.3%	4.2%
ROA	2.5%	3.2%	3.0%	2.7%	2.6%
Pre-Provision ROE	20.2%	23.7%	22.4%	21.5%	23.3%
ROE	12.9%	16.2%	14.5%	13.6%	14.3%
RoTE	14.9%	18.2%	13.5%	13.7%	14.8%
RoWRAs	3.1%	3.2%	2.9%	2.4%	2.2%
Dividend Payout Ratio	20.5%	18.4%	19.4%	20.0%	20.4%
Efficiency Ratio (Cost / Income Ratio)	30.4%	32.7%	29.1%	26.0%	24.3%
Total Non-Interest Inc / Operating Inc	51%	55%	49%	40%	37%
Market-Related Revenue / Total Revenues	22.4%	20.4%	14.1%	9.1%	7.2%
Provisioning Burden as % of PPP	13.4%	6.9%	9.6%	10.9%	12.2%
NPLs plus Foreclosed Real Estate / Loans	0.4%	0.3%	0.4%	0.4%	0.5%
Loan Loss Reserves / NPLs	41.7%	46.2%	41.8%	44.8%	49.2%
Loan Loss Reserves / Total Loans	0.2%	0.1%	0.1%	0.2%	0.3%
Provisions Expense / Average Loans	0.8%	0.5%	0.6%	0.6%	0.6%

Other Metrics

Income / Employee	80.19	109.72	118.50	133.00	148.77
(Operating Expenses) / Employee	18.89	28.55	29.63	31.37	33.55
Pre-Provision Profit / Employee	61.29	81.17	88.86	101.63	115.22
Net Profit / Employee	39.06	55.32	57.62	64.08	70.61

Company Description

IDFC is India's specialized infrastructure financing company that provides financing only to private sector names. It is the most leveraged exposure to India's infrastructure story. Established relationships with the government and key infrastructure companies and strong domain expertise are its key strengths. The company has among the best operating efficiencies and asset quality within the Indian financial sector.

Investment Thesis

While business momentum remains strong and in line with expectations, we believe wholesale funded institutions such as IDFC are relatively more exposed to interest rate tightness/cyclicality (as is the case with many global markets currently) and should be valued at a discount to private banking peers. While we believe the business is still in a sweet spot, we think it will be challenging to exceed the current high expectations built into the stock price.

Stock Data

Price to Book Value	2.0x
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3QFY11 Result Summary

IDFC reported 3QFY11 earnings of Rs3.2bn, up +19% yoy, but were 10% below estimates owing to lower fees and higher opex. More importantly, the pace of growth is slowing down, while loan growth was strong at 49% yoy, growth in sanctions has contracted 44% yoy and disbursements growth is 68% yoy (from +2-2.5x yoy in 1HFY11).

Core topline (infra.) growth was strong at +59% yoy on volumes and est. margins up +20-30bps yoy. Loan fees grew 68% yoy driven by growth in disb., fees from broking up 50% yoy, but AMC fees down 7% yoy on regulatory changes and lower AUMs and principal investment fees down 70% yoy.

NPLs under check, with gross NPLs at 22bps and net at 11bps. Capital ratios comfortable at 24.9%.

Table 1: 3QFY11 Result Snapshot

P&L (Consolidated)	3Q10	3Q11	yoy grth	Remarks
Net Interest Income	2,790	4,600	64.9%	Driven by core business
- Loan Book	2,600	4,130	58.8%	Loan growth of 49% yoy
- Treasury	190	470	147.4%	
Non Interest Income	2,400	2,010	-16.3%	Weak on principal investments and AMC fees
- Fees, P/Equity and Advisory	1,330	1,660	24.8%	68% yoy increase in loan fees, 50% yoy increase in IB fees, but AMC fees down 7% yoy and principal investment fees down 70% yoy
- Profit on sale of equity	1,050	300	-71.4%	Weak markets lead to downfall
- Others	20	50	150.0%	
Operating Income	5,190	6,610	27.4%	
Operating Expenses	1,080	1,620	50.0%	Provisions for variable bonus factored in
Pre Prov Profit	4,110	4,990	21.4%	
Provisions	420	510	21.4%	General provisions increase on higher disbursements; asset quality good: gross NPL's at 0.2% and 11bps net NPL's
PBT	3,690	4,480	21.4%	
Tax	980	1,260	28.6%	
PAT	2,710	3,220	18.8%	Growth in core business drive profits, but 10% short of estimates

Source: Company, BofA Merrill Lynch Global Research Estimates

SOTP: Revised down to Rs155/shr.

Our revised SOTP stands at Rs155/shr. (Rs234bn) from Rs193/shr. earlier. Our SOTP value cut is to factor in the earnings cut and macro headwinds (higher CoE). While the stock has underperformed the market by +18-20% over the last 3 months, we believe the positives are priced-in and the stock price is capturing expected upside from earnings and its equity linked biz.

We have tried to peg multiples with the highest multiples accorded by us to its peers in related biz. We value each of the biz. as follows.

- We believe the **infrastructure financing business** of IDFC could, based on its growth trajectory, management pedigree, and asset quality command a premium to its theoretical book value having RoEs of +14% on core book. The stock could trade up to 1.8x adj. FY12E book, a significant premium to theoretical multiples. Hence the business could be valued at +1.8x the adj. networth giving us a value of +Rs171bn or Rs114/share for the financing business. We have assigned the multiple to IDFC's core networth arrived at after stripping out the non-core inc. and forecast NPL's.
- We have valued **IDFC's private equity and project equity business** on discounted cash flow model, forecasting the asset management fees and the carry (assuming an IRR of 20% over next ten years and a hurdle rate of

12%) and arriving at a value of +Rs14bn. This value is approximately 10% of AUM or +Rs9.4/shr. This also assumes assets under management rising to +US\$2.6bn by FY11E and +US\$3.0 by FY12E vs. ~US\$2.2bn as on FY10.

- Besides IDFC's **equity investments** in addition to 8% stake in NSE and a 100% stake in SSKI. The other investments (75% of which are mutual fund assets) also, in our view, include some strategic stakes in some unlisted entities and hence could have significant upside. We have valued these together at ~Rs26/share.
- IDFC has acquired the **AMC business of Standard Chartered** in May'08. We have factored in rising AUMs (to rise to +Rs260bn by FY11E from Rs265bn in FY10 and +Rs310bn by FY12E) despite new stringent rules on ban on entry-loads. We value the AMC biz. as a % of equity and debt. We value the Standard Chartered AMC at 6.5% equity and 1.5% debt on FY12, with total value at +Rs8.6bn or Rs5.8/share.
 - We are not factoring in, at this stage, any possible upside to earnings from sale of its stake of 25% in the AMC business that could have one-off gain in 4QFY11E or FY12E and possible dilution of Rs1.5-2.0/shr. to SOTP owing to this sale.

The sum of parts approach tends to result in a lower value as IDFC has a large bloated equity resulting in a much smaller value on a per share basis. However, we believe valuing it on a PE can be misleading. In any one year, the company could show bumper earnings making the PE valuations look very attractive – but given the lumpy nature of these profits and the business model (private equity), we prefer using the sum of parts approach.

Table 2: SOTP

Business	Basis of Valuation-FY12	FY12	
		Value (Rs bn)	Value / Shr (Rs)
Infrastructure Financing	~1.8x (FY12E) core book, RoEs of <15% by FY12	171.0	113.5
Asset Management	DCF - 2% AUM fees; 18% carry; IRR of 20%; +US\$3bn AUM	14.2	9.4
Listed / Other Investments	At Market Price	4.5	6.6
NSE stake	US\$2bn	8.1	5.4
SSKI stake	Premium on acquisition costs	21.6	14.3
Standard Chartered AMC	Valued at 6.5% equity and 1.5% debt (FY12)	8.7	5.8
Total Value		233.5	155

Source: BofA Merrill Lynch Global Research Estimates

Financials

Table 3: Profit and Loss Account

	FY10	FY11E	FY12E	FY13E
Interest income	28,916	37,725	56,308	74,391
Interest expense	19,535	24,266	36,489	49,097
Net interest income	9,382	13,459	19,820	25,294
Other income	11,685	12,847	13,031	15,172
- Fee income	1,440	2,376	3,208	4,170
- Trading Profits (Invsts.)	4,290	3,700	3,000	2,900
Total income	21,067	26,306	32,850	40,466
Operating expenses	5,482	6,578	7,748	9,126
Pre-provision Profit	15,585	19,728	25,102	31,339
Total Provision	1,298	1,960	2,809	3,902
-Provision for NPL	1,077	1,885	2,734	3,827
PBT	14,287	17,767	22,293	27,437
Provision for Tax	3,666	4,975	6,465	8,231
PAT	10,621	12,792	15,828	19,206

Source: BofA Merrill Lynch Global Research Estimates

Table 4: Balance Sheet

Balance Sheet	FY10	FY11E	FY12E	FY13E
Cash balances	2,715	41,741	22,114	10,153
Advances	250,311	368,114	513,389	696,311
Investments	46,417	52,620	58,796	65,846
Fixed assets	4,415	4,636	4,868	5,111
Current assets	44,241	45,780	50,628	56,204
Total Assets	348,099	512,892	649,794	833,625
Equity Capital	13,009	14,587	15,064	15,064
Reserves & Surplus	56,891	91,558	111,831	126,729
Shareholders' funds	69,900	106,145	126,894	141,793
CCCPS		8,400	-	-
Minority interest & ESOPs	267	268	269	270
Borrowings	258,939	375,461	495,609	659,159
Subordinated debt	6,500	7,000	7,500	8,000
Current liabilities	12,494	15,618	19,522	24,403
Total Liabilities	348,099	512,892	649,794	833,625

Source: BofA Merrill Lynch Global Research Estimates

Table 5: Key Ratios

Key Ratios	FY10	FY11E	FY12E	FY13E
EPS	8.2	9.0	10.5	12.7
<i>Earnings growth</i>	39.6%	10.4%	16.6%	21.3%
CEPS	8.9	10.0	11.8	14.5
PPP / Share	12.0	13.9	16.7	20.8
BV/share	53.7	72.8	84.2	94.1
Adjusted BV / Share	53.4	72.2	83.4	92.9
ROAA	3.2%	3.0%	2.7%	2.6%
ROAE	16.2%	14.5%	13.6%	14.3%
NIM	3.5%	3.8%	4.0%	3.9%
Gross NPLs	0.3%	0.4%	0.4%	0.5%
Net NPLs	0.2%	0.2%	0.2%	0.3%
Coverage	46.2%	41.8%	44.8%	49.2%
Capital Adequacy Ratio	20.5%	23.2%	18.9%	16.1%
- Tier I CAR	17.4%	21.6%	17.8%	15.2%
C/D ratio	96.7%	98.0%	103.6%	105.6%
C-I ratio (Ex Treasury)	30.2%	28.5%	25.6%	24.3%
Loan Growth	22%	47%	39%	36%
Yield on Advances	11.3%	11.2%	11.3%	11.4%
Yield on Investments	5.3%	5.5%	5.6%	5.8%
Cost of Funds	7.8%	7.5%	8.2%	8.4%
P/E	17.6	16.0	13.7	11.3
P/PPP	12.0	10.4	8.6	6.9
P/ABV	2.7	2.0	1.7	1.6
Dividend per Share	1.5	1.7	2.1	2.6
Dividend Payout	18%	19%	20%	20%
Dividend yield	1.0%	1.2%	1.5%	1.8%

Source: BofA Merrill Lynch Global Research Estimates

Price objective basis & risk

Infrastruct Dev (IFDFF)

We value IDFC on a sum-of-the-parts approach resulting in an aggregate value of Rs155/share. Valuing its core infrastructure lending business at +1.8x FY12E book on a approx. 14% core ROE for a value of Rs114/share and each of the businesses and investments by different valuation metrics separately, adding Rs41/share to the equity-linked business (benchmarked to industry leaders), we get our SOTP value of Rs155/share. Upside risks to our PO are buoyant equity markets as most of its non-infrastructure business is equity-linked or if markets were to value the bumper earnings (which it may make based on the equity returns) on a P/E basis. Downside risks are inability to access low cost deposits and not have the ability to price loans in sync with the loan tenor, which could result in margin pressure. NPLs could arise given the long gestation of some power projects. Focus on asset management and fee-based businesses could make earnings more lumpy.

Link to Definitions

Financials

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

Analyst Certification

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India - Financials Coverage Cluster

Investment rating	Company	BofA Merrill Lynch ticker	Bloomberg symbol	Analyst
BUY				
	Bank of India	XDIIF	BOI IN	Rajeev Varma
	Canara Bank	CNRKF	CBK IN	Rajeev Varma
	Corporation Bank	XCRRF	CRPBK IN	Veekesh Gandhi
	Federal Bank	XFDRF	FB IN	Veekesh Gandhi
	HDFC	HGDF	HDFC IN	Rajeev Varma
	HDFC Bank	XHDF	HDFCB IN	Rajeev Varma
	HDFC Bank	HDB	HDB US	Rajeev Varma
	ICICI Bank	ICIJF	ICICIBC 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
	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
	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
NEUTRAL				
	Axis Bank	XAXSF	AXSB IN	Rajeev Varma
	Axis Bank - GDR	XBKSF	AXB LI	Rajeev Varma
	Bank of Baroda	BKBAF	BOB IN	Rajeev Varma
	Union Bank India	UBOIF	UNBK IN	Rajeev Varma
UNDERPERFORM				
	IDBI	XDBIF	IDBI IN	Veekesh Gandhi
	Infrastruct Dev	IFDFF	IDFC IN	Rajeev Varma
	LIC Housing Finance, Ltd.	LHFLF	LICHF IN	Veekesh Gandhi
	Reliance Capital	RLCCF	RCAPT IN	Rajeev Varma

iQmethodSM Measures Definitions

Business Performance	Numerator	Denominator
Return On Capital Employed	$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) * (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$	$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill}$
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
Quality of Earnings		
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
Valuation Toolkit		
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	$\text{EV} = \text{Current Share Price} * \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} + \text{Sales Other LT Liabilities}$	
EV / EBITDA	Enterprise Value	Basic EBIT + Depreciation + Amortization

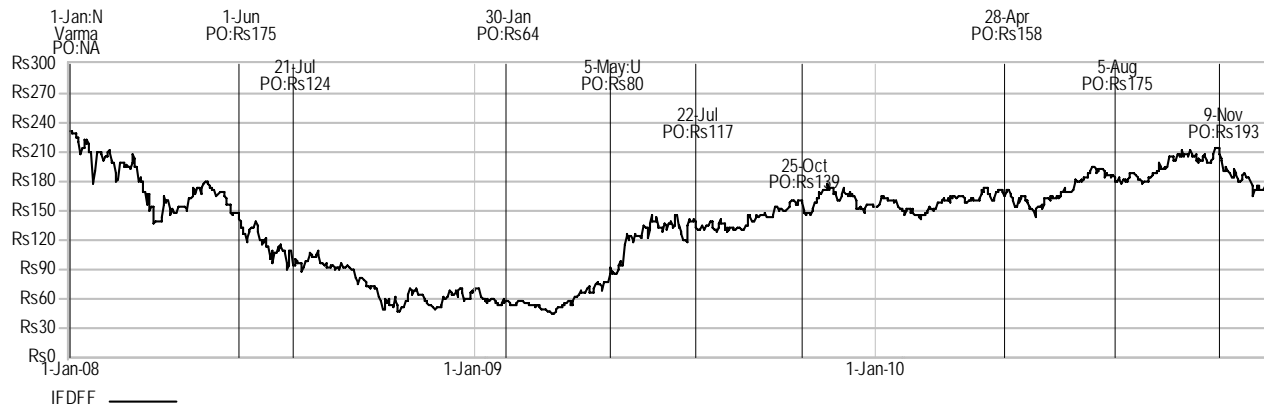
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IFDFF Price Chart



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

Prior to May 31, 2008, the investment opinion system included Buy, Neutral and Sell. As of May 31, 2008, the investment opinion system includes Buy, Neutral and Underperform. Dark Grey shading indicates that a security is restricted with the opinion suspended. Light grey shading indicates that a security is under review with the opinion withdrawn. The current investment opinion key is contained at the end of the report. Chart is current as of December 31, 2010 or such later date as indicated.

Investment Rating Distribution: Financial Services Group (as of 01 Jan 2011)

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	178	53.78%	Buy	71	41.52%
Neutral	103	31.12%	Neutral	49	49.49%
Sell	50	15.11%	Sell	17	34.69%

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

Coverage Universe	Count	Percent	Inv. Banking Relationships*	Count	Percent
Buy	2011	53.86%	Buy	874	48.31%
Neutral	925	24.77%	Neutral	444	52.30%
Sell	798	21.37%	Sell	276	36.75%

* 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*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where BofA Merrill Lynch Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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