



9 November 2011

State Bank of India

Reuters: **SBI.BO** Bloomberg: **SBIN IN** Exchange: **BSE** Ticker: **SBI**

2QFY12: Robust NIM marred by weak asset quality

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Slippages higher than expected, NIM continues to improve

State Bank of India's 2QFY12 NIM expanded sharply and domestic NIM is now the highest among government banks. However, this was overshadowed by weak asset quality with higher-than-expected slippages. Management expects NIM to improve further as high-cost liabilities reprice at lower rates. The stock fell ~7% after reported results and now trades at 1.1x FY13E consolidated P/B. While asset quality concerns could be an overhang in the short term, we believe current valuations are attractive. We maintain our Buy rating.

2QFY12 results – NIM strong, asset quality remains under pressure

Net profit at INR28.10bn, +12.4% YoY, 77.5% QoQ was ~23% above our estimate. Net interest income was INR104.21bn, +28.4% YoY, +7.5% QoQ, ~5% ahead of our estimate. NIM of 3.79%, +36bps YoY and +17bps QoQ, surprised positively. Loan growth of 16% YoY remained below system growth. Fee income was weak at INR26bn, -14.4% YoY and +3.4% QoQ. Asset quality continues to disappoint – gross NPL increased 22.2% QoQ. Provision coverage (including write-offs) was down 380bps QoQ to 64%.

NIM aided by repricing of liabilities, fee income moderate

SBI has been shedding high cost bulk deposits and certificate of deposits, while CASA growth has been healthy; this has helped keep the cost of funds in check. Domestic NIM of 4.07% is now highest among government banks and management expects it to improve further. Fee income growth is likely to be moderate as the banks focuses more on balance sheet rupee lending and dividend from subsidiaries declines to keep them better capitalised.

SOTP-based valuation, worsening asset quality is the key risk

We value State Bank of India on a sum-of-the-parts methodology. We value the consolidated banking business on a two-stage residual income model. Key assumptions for the life business are 1) 15% new business margin and 2) 16.5x new business multiple. We value life insurance at appraisal value. We value the mutual fund business and stake in UTI MF as a percentage of AuM and the capital market business on a P/E basis. Key risk is higher-than-expected slippages.

Forecasts and ratios

Year End Mar 31	2010A	2011A	2012E	2013E	2014E
Provisioning (INRm)	63,814.4	121,313.5	158,860.5	141,987.5	152,375.7
Pre-prov profit (INRm)	248,490.2	318,329.3	390,216.9	446,886.3	521,819.8
Net profit (INRm)	117,338.3	106,849.5	140,804.6	186,888.9	227,292.5
EPS (INR)	184.82	168.28	221.74	294.31	357.94
EPS growth (%)	6.8	-8.9	31.8	32.7	21.6
PER (x)	10.3	15.8	8.4	6.3	5.2
Price/book (x)	1.64	2.18	1.30	1.12	0.96
Yield (net) (%)	1.6	1.1	2.4	3.1	3.1
ROE (%)	15.6	13.3	16.4	19.0	19.9

Source: Deutsche Bank estimates, company data

¹ DB EPS is fully diluted and excludes non-recurring items² Multiples and yields calculations use average historical prices for past years and spot prices for current and future years, except P/B which uses the year end close

Results

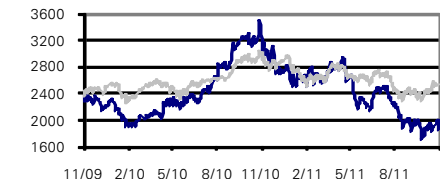
Buy

Price at 9 Nov 2011 (INR)	1,862.50
Price target - 12mth (INR)	2,450.00
52-week range (INR)	3,213.50 - 1,715.30
BSE 30	17,570

Key changes

Provisioning (FYE) 141,152.8 to 158,860.5	↑ 12.5%
Net int margin (FYE) 3.20 to 3.36	↑ 5.1%
Net profit (FYE) 137,649.0 to 140,804.6	↑ 2.3%

Price/price relative



Performance (%)	1m	3m	12m
Absolute	6.3	-16.5	-43.1
BSE 30	8.2	4.2	-16.1

Stock data

Market cap (INRm)	1,182,842
Market cap (USDm)	23,572
Shares outstanding (m)	634.9
Major shareholders	Government of India (59.7%)
Free float (%)	41
Avg daily value traded (USDm)	137.3

Key indicators (FY1)

ROE (%)	16.4
Loan/deposit ratio (%)	83.0
Book value/share (INR)	1,433.86
Price/book (x)	1.3
NPL/total loans (%)	3.6
Net int margin (%)	3.36

Deutsche Bank AG/Hong Kong

All prices are those current at the end of the previous trading session unless otherwise indicated. Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies. Deutsche Bank does and seeks to do business with companies covered in its research reports. Thus, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. DISCLOSURES AND ANALYST CERTIFICATIONS ARE LOCATED IN APPENDIX 1. MICA(P) 146/04/2011.

Model updated:09 November 2011

Running the numbers**Asia****India****Banks****State Bank of India**

Reuters: SBI.BO

Bloomberg: SBIN IN

Buy

Price (9 Nov 11)	INR 1,862.50
Target price	INR 2,450.00
52-week Range	INR 1,715.30 - 3,213.50
Market Cap (m)	INRm 1,182,842 USDm 23,572

Company Profile

State Bank of India is India's largest bank in terms of assets as well as branch network, with corporate, institutional, commercial, agricultural, industrial and individual customers. It is also the largest bank for government business, and provides international banking to its Indian customers with operations in 34 countries. The bank also has interests in life insurance, asset management, government securities dealing, factoring and investment banking.

Fiscal year end 31-Mar	2009	2010	2011	2012E	2013E	2014E
Data Per Share						
EPS (stated) (INR)	173.02	184.82	168.28	221.74	294.31	357.94
EPS FD (stated) (INR)	173.02	184.82	168.28	221.74	294.31	357.94
EPS FD (DB adj.) (INR)	173.16	182.65	166.35	221.74	294.31	357.94
Growth rate - EPS (stated) (%)	2.63	6.82	-8.95	31.77	32.73	21.62
DPS (INR)	29.08	30.00	30.00	45.00	57.50	57.50
BVPS (stated) (INR)	1,105.12	1,268.01	1,267.45	1,433.86	1,658.30	1,945.84
BVPS (DB adj.) (INR)	929.02	1,053.00	1,020.38	1,109.57	1,298.96	1,497.99
Average market cap	840,738	1,211,989	1,692,895	1,182,842	1,182,842	1,182,842
Shares in Issue (m)	635	635	635	635	635	635

Valuation Ratios & Profitability Measures

P/E (stated)	7.7	10.3	15.8	8.4	6.3	5.2
P/E FD (stated)	7.7	10.3	15.8	8.4	6.3	5.2
P/E FD (DB adj.)	7.6	10.5	16.0	8.4	6.3	5.2
P/B (stated)	1.0	1.6	2.2	1.3	1.1	1.0
P/B (DB adj.)	1.1	2.0	2.7	1.7	1.4	1.2
ROE (adj.) (%)	na	na	na	na	na	na
ROA (adj.) (%)	0.9	0.9	0.7	0.8	0.9	1.0
Dividend yield(%)	2.2	1.6	1.1	2.4	3.1	3.1
Dividend cover(x)	6.0	6.2	5.6	4.9	5.1	6.2
Payout ratio (%)	16.8	16.2	17.8	20.3	19.5	16.1

Profit & Loss (INRm)

Net interest revenue	290,405	334,432	455,500	562,606	638,267	747,522
Non interest income	200,870	349,118	332,232	356,759	396,731	441,553
Fees & Commissions	97,223	118,587	139,589	156,340	179,791	206,760
Trading Revenue	12,368	111,751	39,453	33,056	34,248	35,299
Insurance revenue	72,024	99,204	128,518	141,370	155,507	171,058
Dividend income	131	151	51	59	67	77
Other revenue	19,124	19,424	24,620	25,934	27,117	28,359
Total revenue	491,275	683,550	787,732	919,366	1,034,998	1,189,075
Total operating costs	272,979	435,060	469,403	529,149	588,111	667,255
Pre-provision profit/(loss)	218,296	248,490	318,329	390,217	446,886	521,820
Bad debt expense	39,211	63,814	121,314	158,860	141,987	152,376
Operating Profit	179,085	184,676	197,016	231,356	304,899	369,444
Goodwill	0	0	0	0	0	0
Pre-tax associates	-136	2,144	2,182	0	0	0
Extraordinary & Other Items	0	0	0	0	0	0
Pre-tax profit	178,948	186,820	199,198	231,356	304,899	369,444
Tax	67,218	66,684	87,398	85,602	112,813	136,694
Minorities	2,178	2,798	4,950	4,950	5,197	5,457
Preference dividends	0	0	0	0	0	0
Stated net profit	109,553	117,338	106,850	140,805	186,889	227,293
DB adj. core earnings	109,638	115,959	105,625	140,805	186,889	227,293

Key Balance Sheet Items (INRm) & Capital Ratios

Risk-weighted assets	8,470,382	8,610,357	10,621,212	13,825,578	17,497,997	23,330,663
Interest-earning assets	12,478,555	13,941,048	15,807,955	17,831,864	20,469,221	23,714,650
Total loans	7,591,760	8,806,266	10,218,027	11,796,041	13,801,518	16,253,044
Total deposits	10,119,883	11,164,646	12,555,625	14,213,425	16,320,051	19,198,027
Stated shareholders equity	701,618	805,040	804,939	910,619	1,053,157	1,235,771
Preference share capital	0	0	0	0	0	0
Tier 1 capital	724,060	812,610	849,390	928,832	1,074,220	1,260,486
Tier 1 ratio (%)	9	9	8	7	6	5
Tangible equity/ total assets (%)	5	6	5	5	5	5

Credit Quality

Gross NPLs / Total loans (%)	2.6	2.8	3.0	3.6	3.5	3.4
Provisions / NPLs (%)	44.1	44.9	49.5	51.9	53.3	49.1
Bad debt exp/ Avg loans (%)	0.6	0.8	1.3	1.4	1.1	1.0

Growth Rates & Key Ratios

Growth in net interest income (%)	23.3	15.2	36.2	23.5	13.4	17.1
Growth in fee income (%)	24.3	22.0	17.7	12.0	15.0	15.0
Growth in non-interest income (%)	9.3	73.8	-4.8	7.4	11.2	11.3
Growth in revenues (%)	17.2	39.1	15.2	16.7	12.6	14.9
Growth in costs (%)	11.2	59.4	7.9	12.7	11.1	13.5
Pre-provision earnings growth (%)	25.7	13.8	28.1	22.6	14.5	16.8
Growth in bad debts (%)	9.6	62.7	90.1	31.0	-10.6	7.3
Growth in RWA (%)	15.5	1.7	23.4	30.2	26.6	33.3
Growth in loans (%)	24.3	16.0	16.0	15.4	17.0	17.8
Growth in deposits (%)	30.3	10.3	12.5	13.2	14.8	17.6
Loan-to-deposits ratio (%)	75.0	78.9	81.4	83.0	84.6	84.7
Net int. margin (%)	2.6	2.5	3.1	3.4	3.4	3.4
Cost income ratio (%)	55.6	63.6	59.6	57.6	56.8	56.1
Cost asset ratio (%)	2.3	3.2	3.0	3.0	3.0	2.9
Trading income/ Total Rev (%)	2.5	16.3	5.0	3.6	3.3	3.0

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Source: Company data, Deutsche Bank estimates

Loan growth remains subdued, CASA improves

Loans growth at 16.1% YoY remained below system growth during 2QFY12. The large and mid corporate segments grew in line with the overall loan growth at 16.2% YoY. Retail loan growth of 12.9% YoY was lower. However, the international loan book was up 18.9% YoY, partly aided by the rupee depreciation. The bank expects domestic loan growth to be 16%-18% for FY12. CASA improved 20bps QoQ to reach 48%, the highest amongst PSU banks. CASA deposits growth at 14.3% YoY remained in line with the overall deposit growth of 13.8%

Asset quality remains under stress

Asset quality continued to disappoint in this quarter with gross NPLs rising 22% QoQ at INR339.4bn. The provision coverage ratio declined 380bps QoQ to reach 64%. The increase in provisions was lower than the increase in gross NPL; consequently, net NPL increased 29.6% QoQ. Gross slippages during the quarter were INR81.6bn (4.16% of loans as compared with 3.27% in 1QFY12) with higher slippages from iron and steel, the agro-based industry, mining, etc. While asset quality could remain under stress, slippages in 2HFY12 are likely to be lower than in 1HFY12.

Other key operational highlights

- Non-interest income of INR34.72bn, -14.4% YoY, -3.0% QoQ was 18.3% below our estimate. This was primarily on account of disappointing fee income of INR26bn, -11.7% YoY and -1.2% QoQ.
- Cost to income ratio of 46% increased 80bps QoQ.
- CAR declined 20bps QoQ to reach 11.4%, with tier 1 at 7.47% - this does not factor in profits for 1HFY12.

Figure 1: SBI standalone - income statement and balance sheet

INRm	2QFY11	3QFY11	4QFY11	1QFY12	2QFY12	YoY	QoQ	DBe Actual vs. DBe	
Income Statement									
Total interest earned	198,081	214,128	217,214	241,971	259,671	31.1%	7.3%		
<i>Interest/ discount on advances/ bills</i>	<i>145,808</i>	<i>157,166</i>	<i>162,566</i>	<i>182,560</i>	<i>197,889</i>	35.7%	8.4%		
<i>Income on investments</i>	<i>48,044</i>	<i>51,569</i>	<i>52,179</i>	<i>54,138</i>	<i>58,534</i>	21.8%	8.1%		
<i>Interest on balances with RBI and other inter-bank funds</i>	<i>819</i>	<i>1,040</i>	<i>870</i>	<i>1,663</i>	<i>394</i>	-51.9%	-76.3%		
<i>Others</i>	<i>3,411</i>	<i>4,354</i>	<i>1,599</i>	<i>3,610</i>	<i>2,855</i>	-16.3%	-20.9%		
Interest expended	116,932	123,630	136,633	144,979	155,452	32.9%	7.2%		
Net Interest Income	81,149	90,498	80,581	96,992	104,219	28.4%	7.5%	99,180	5.1%
Other Income	40,052	33,139	48,155	35,342	34,272	-14.4%	-3.0%	41,948	-18.3%
<i>Commission, Exc. Brokerage</i>	<i>29,450</i>	<i>24,774</i>	<i>37,312</i>	<i>26,329</i>	<i>26,003</i>	-11.7%	-1.2%		
<i>Profit on sale of Investments</i>	<i>1,973</i>	<i>2,202</i>	<i>3,347</i>	<i>1,689</i>	<i>281</i>	-85.8%	-83.4%		
<i>Forex Income</i>	<i>3,087</i>	<i>4,083</i>	<i>2,446</i>	<i>3,312</i>	<i>4,806</i>	55.7%	45.1%		
<i>Dividend</i>	<i>2,877</i>	<i>0</i>	<i>1,628</i>	<i>2,278</i>	<i>840</i>	-70.8%	-63.1%		
<i>Others</i>	<i>2,664</i>	<i>2,080</i>	<i>3,422</i>	<i>1,735</i>	<i>2,342</i>	-12.1%	NM		
Total Income	121,201	123,637	128,735	132,334	138,492	14.3%	4.7%	141,128	-1.9%
Core Revenues	119,228	121,435	125,388	130,645	138,211	15.9%	5.8%		
Total operating expenses	57630.7	55992.2	67938.2	59913.2	63,749	10.6%	6.4%		
Staff Expenses	36,758	35,117	42,188	37,174	39,143	6.5%	5.3%		
Other operating expenses	20,873	20,876	25,750	22,740	24,605	17.9%	8.2%		
Operating profit	63,570	67,645	60,797	72,421	74,743	17.6%	3.2%	80,443	-7.1%
Core operating profit	61,597	65,443	57,450	70,732	74,462	20.9%	5.3%		
Total Provisions	26,215	20,515	41,570	41,569	33,855	29.1%	-18.6%	42,500	-20.3%
Loan loss provisions	21,625	16,323	32,639	27,817	29,212	35.1%	5.0%		
Provision for inv depreciation	4,318	2,088	3,045	10,479	4,583	6.1%	-56.3%		
Other Provisions	146	2,250	6,311	2,883	1,209	730%	-58%		
PBT	37,355	47,130	19,227	30,852	40,888	9.5%	32.5%	37,943	7.8%
Tax	12,342	18,849	19,019	15,020	12,784	3.6%	-14.9%		
PAT	25,014	28,281	209	15,832	28,104	12.4%	77.5%	22,766	23.5%
Balance Sheet (INR bn)									
Loans	6,807	7,266	7,567	7,709	7,906	16.1%	2.6%		
Deposits	8,553	8,790	9,339	9,501	9,732	13.8%	2.4%		

Source: Company data, Deutsche Bank

Figure 2: Key ratios and other data

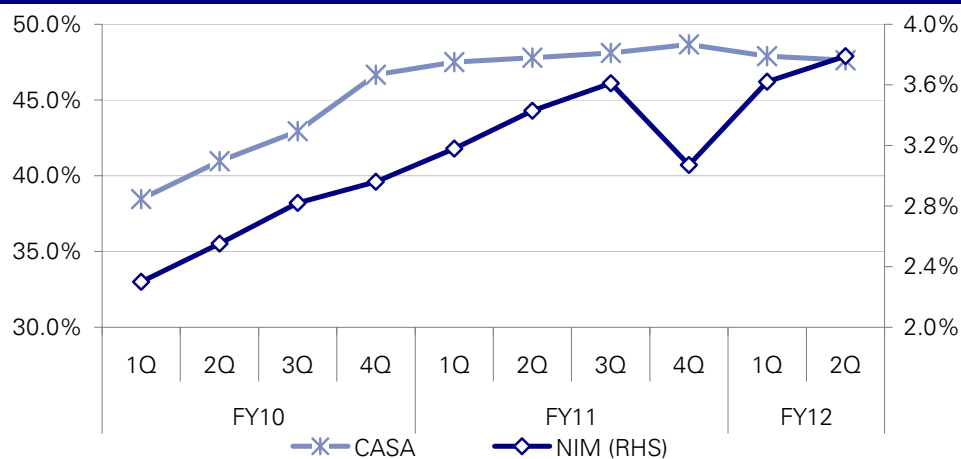
	2QFY11	3QFY11	4QFY11	1QFY12	2QFY12	YoY	QoQ
Margin Components (%) (calculated)							
Yield on loans	8.74%	8.93%	8.77%	9.56%	10.14%	1.39%	0.58%
Yield on investments	6.73%	7.22%	7.06%	7.39%	7.76%	1.03%	0.37%
Cost of funds	5.60%	5.70%	6.03%	6.16%	6.47%	0.87%	0.31%
NIM (calculated)	3.69%	3.28%	2.63%	3.31%	3.53%	-0.17%	0.22%
NIM (reported)	3.43%	3.61%	3.07%	3.62%	3.79%	0.36%	0.17%
Asset Quality							
Gross NPA	232,046	234,378	253,263	277,680	339,463	46.3%	22.2%
Net NPA	116,012	116,951	123,469	124,350	161,205	39.0%	29.6%
Gross NPA ratio	3.35%	3.17%	3.28%	3.52%	4.19%	0.84%	0.67%
Net NPA ratio	1.70%	1.61%	1.63%	1.61%	2.04%	0.3%	0.4%
Coverage ratio	63%	64%	65%	67%	64%	0.7%	-3.8%
LLP/Average advances	1.33%	0.95%	1.82%	1.49%	1.50%	0.17%	0.02%
Gross slippage	52,660	31,530	56,450	61,800	80,160	52.2%	29.7%
Slippages %	3.22%	1.85%	3.11%	3.27%	4.16%	0.93%	0.89%
Restructured loans outstanding (INR mn)	306,700	327,500	343,490	349,130	354,220	15.5%	1.5%
O/S restructured loans / Total loans	4.51%	4.51%	4.54%	4.53%	4.48%	-0.02%	-0.05%
Loans (INRbn)							
Net Advances	6,807	7,266	7,567	7,709	7,906	16.1%	2.6%
Large & Mid corporate	2,364	2,560	2,663	2,737	2,746	16.2%	0.3%
Large corporate	937	1,058	1,087	1,141	1,133	21.0%	-0.7%
Mid corporate group	1,427	1,502	1,576	1,596	1,613	13.0%	1.1%
Retail loans	1,495	1,564	1,646	1,651	1,688	12.9%	2.2%
Home loans	793	824	868	899	924	16.5%	2.8%
Education loans	105	108	110	114	164	56.4%	44.5%
Auto loans	176	198	209	215	220	25.1%	2.2%
Other retail	422	435	459	423	379	-10.0%	-10.4%
Agriculture	820	713	948	955	958	16.8%	0.4%
SME	1,044	1,242	1,197	1,203	1,260	20.7%	4.7%
International	1,055	1,106	1,094	1,107	1,254	18.9%	13.2%
Deposits (INRbn)							
Total deposits	8,553	8,790	9,339	9,501	9,732	13.8%	2.4%
CASA deposits	3,830	4,228	4,305	4,304	4,350	13.6%	1.1%
CASA ratio	47.79%	48.10%	48.66%	47.89%	47.62%	-0.4%	-0.6%
CAR ratios							
Tier-1	9.62%	9.57%	7.77%	7.60%	7.47%	-2.15%	-0.13%
Tier-2	3.58%	3.59%	4.21%	4.00%	3.93%	0.35%	-0.07%
Total CAR	13.20%	13.16%	11.98%	11.60%	11.40%	-1.80%	-0.20%
Other key ratios							
Cost/Income	48%	45%	53%	45%	46%	-1.5%	0.8%
Fee Income/Operating Income	24%	20%	29%	20%	19%	-5.5%	-1.1%
Tax rate	33%	40%	99%	49%	31%	-1.8%	-17.4%
Loan - Deposit ratio	80%	83%	81%	81%	81%	1.7%	0.1%

Source: Company data, Deutsche Bank

Figure 3: SBI consolidated income statement

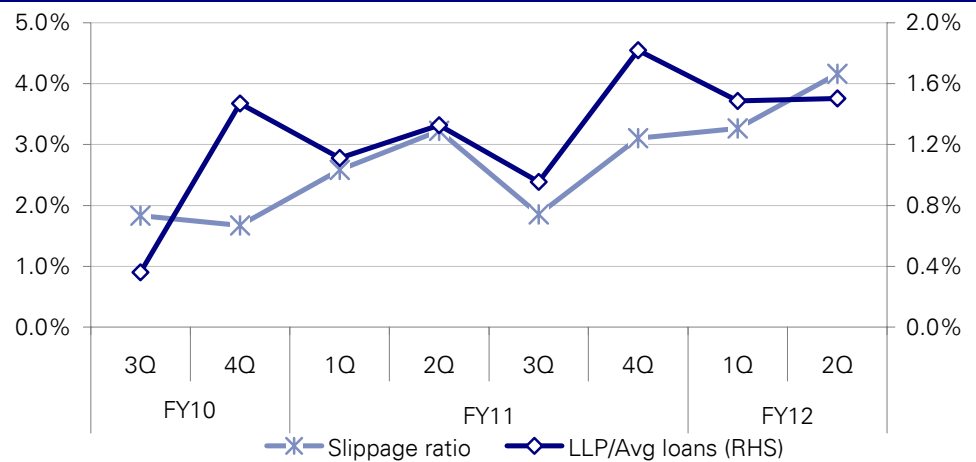
INRmn	2QFY11	3QFY11	4QFY11	1QFY12	2QFY12	YoY	QoQ
Interest Income	279,190	293,323	300,721	334,169	357,018	27.9%	6.8%
Interest Expense	164,587	170,269	186,388	202,929	218,885	33.0%	7.9%
Net Interest Income	114,603	123,054	114,333	131,240	138,133	20.5%	5.3%
Other Income	100,064	76,346	100,714	57,092	55,473	-44.6%	-2.8%
Total Income	214,667	199,400	215,047	188,332	193,606	-9.8%	2.8%
Staff Expenses	52,200	47,155	58,634	49,306	51,295	-1.7%	4.0%
Other operating expenses	80,663	63,013	76,647	46,561	47,292	-41.4%	1.6%
Total operating expenses	132,863	110,168	135,281	95,867	98,587	-25.8%	2.8%
Operating profit	81,804	89,232	79,766	92,465	95,018	16.2%	2.8%
Loan loss provisions	30,555	23,002	29,367	33,855	36,597	19.8%	8.1%
Other Provisions	9,865	4,910	10,378	15,589	7,152	-27.5%	-54.1%
Total Provisions	40,420	27,912	39,745	49,444	43,749	8.2%	-11.5%
PBT	41,384	61,320	40,021	43,021	51,269	23.9%	19.2%
Tax	17,013	23,255	25,329	18,607	15,862	-6.8%	-14.8%
PAT (post minority)	23,640	37,105	18,520	25,125	34,704	46.8%	38.1%

Source: Company data, Deutsche Bank

Figure 4: NIM and CASA trends

Source: Company data, Deutsche Bank

Figure 5: Asset quality ratios



Source: Company data, Deutsche Bank

Figure 6: SOTP valuation

Business	Total value	SBI's stake	Per share value	% of total value	Comments
	INRmn	%	INR	%	
Banking business (including assoc. banks)			2,280	92.5%	Based on Residual Income model, translates to FY13E P/B of 1.4x
Life insurance business	105,844	74.0%	123	5.0%	Appraisal value, new business margin 15%. NBAP multiple 16.5x
Mutual fund business	20,169	63.0%	20	0.8%	4% FY13E AuM
Stake in UTI MF	32,519	17.0%	9	0.4%	4% FY13E AuM
Capital markets business	23,595	86.0%	32	1.3%	13x FY13E P/E
Final SOTP			2,450	100.0%	

Source: Deutsche Bank

Risks: The key downside risks are operating costs increasing due to fresh recruitment/pension costs (SBI has been recruiting more aggressively than others) and sharper-than-expected NIM contraction.

Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
State Bank of India	SBI.BO	1862.50 (INR) 9 Nov 11	14

*Prices are sourced from local exchanges via Reuters, Bloomberg and other vendors. Data is sourced from Deutsche Bank and subject companies.

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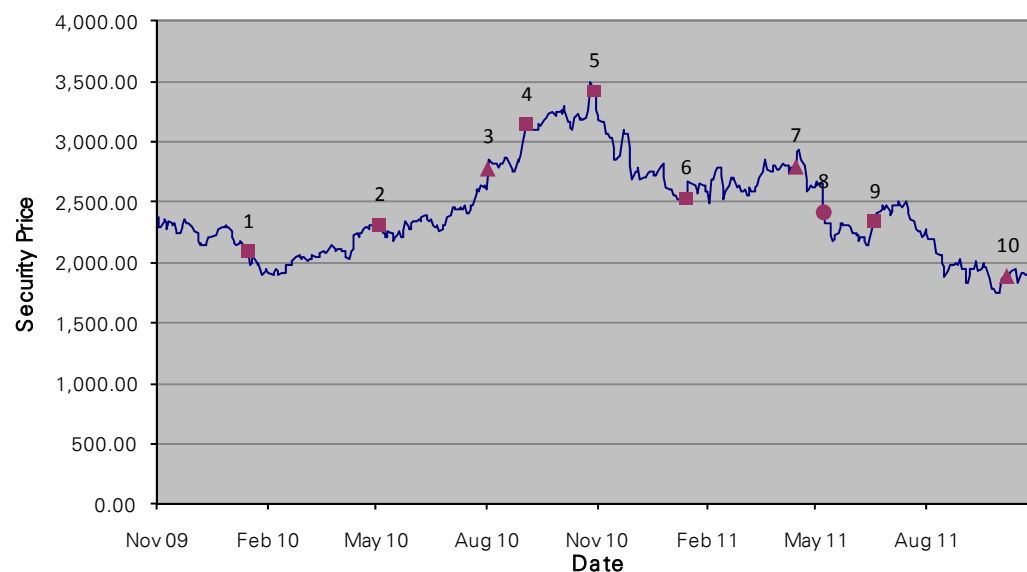
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Historical recommendations and target price: State Bank of India (SBI.BO)

(as of 11/9/2011)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9, 2002

1.	25/1/2010:	Sell, Target Price Change INR1,870.00	6.	23/1/2011:	Hold, Target Price Change INR2,750.00
2.	14/5/2010:	Sell, Target Price Change INR1,950.00	7.	24/4/2011:	Upgrade to Buy, Target Price Change INR3,225.00
3.	12/8/2010:	Upgrade to Hold, Target Price Change INR2,490.00	8.	17/5/2011:	Downgrade to Hold, Target Price Change INR2,705.00
4.	13/9/2010:	Hold, Target Price Change INR2,625.00	9.	29/6/2011:	Hold, Target Price Change INR2,565.00
5.	8/11/2010:	Hold, Target Price Change INR2,880.00	10.	17/10/2011:	Upgrade to Buy, Target Price Change INR2,450.00

Equity rating key **Equity rating dispersion and banking relationships**

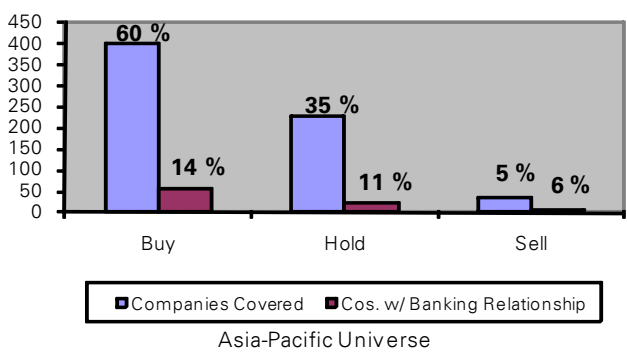
Buy: Based on a current 12- month view of total shareholder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield) , we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, do not recommend either a Buy or Sell.

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- Ratings definitions prior to 27 January, 2007 were:
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