

ธนาคารเกียรตินาคิน

กำไรสุทธิสูงกว่าที่คาด

Bank
Overweight

กำไรสุทธิเติบโต 29% สูงกว่าที่คาด : KK รายงานกำไรสุทธิไตรมาส 2/55 ที่ 818 ล้านบาท เพิ่มขึ้น 8% YoY และ 42% QoQ ประกาศผลประกอบการสูงกว่าประมาณการของเรา 29% และสูงกว่าประมาณการตลาด 34% เนื่องจากส่วนต่างอัตราดอกเบี้ยที่สูงกว่าที่คาด (เราประมาณการไว้ที่ 3.10% แต่ KK รายงานที่ 3.53% หนุนโดยการเติบโตของสินเชื่อในช่วงครึ่งปีแรกของปี 2555 ที่ 14% YTD) ดังนั้นกำไรจากการดำเนินงานที่ไม่รวมสำรองหนี้สูญฯเพิ่มขึ้น 34% YoY มาอยู่ที่ 1.2 พันล้านบาท กำไรสุทธิในช่วงครึ่งปีแรกของปี 2555 คิดเป็น 54% ของประมาณการเดิมกำไรสุทธิปี 2555 ของเรา

ประเด็นหลักจากผลประกอบการ : สินเชื่อเติบโตที่ 6.1% QoQ และ 28% YoY อยู่ที่ 173.7 พันล้านบาท (หนุนโดยสินเชื่อที่อยู่อาศัย, HP และสินเชื่อ SME) ซึ่งสูงกว่าที่เราคาดไว้ที่เพียง 5% QoQ นอกจากนี้ส่วนต่างอัตราดอกเบี้ยของ KK เพิ่มขึ้น 0.60% QoQ มาอยู่ที่ 3.53% ในไตรมาส 2/55 โดยมีปัจจัยหนุนมาจากการขยายตัวของสินเชื่อเช่าซื้อและสินเชื่อ SME และการจัดการต้นทุนเงินทุนได้ดีขึ้น QoQ สัดส่วนตัวแลกเงินในแหล่งเงินทุนทั้งหมดของ KK ลดลงมาอยู่ที่ 26% ณ สิ้นเดือนมิ.ย. ปี 2555 จาก 44% ณ สิ้นปี 2554

ธนาคารมีการตั้งการกันสำรองหนี้สูญฯ มูลค่า 560 ล้านบาทสำหรับไตรมาส 2/55 เพิ่มขึ้น 162% YoY และสูงกว่าที่เราคาดไว้ที่ 350 ล้านบาทอย่างมาก สัดส่วนหนี้ที่ไม่ก่อให้เกิดรายได้ต่อสินเชื่อรวมของ KK ลดลงมาอยู่ที่ 3.4% ณ สิ้นเดือนมิ.ย. จาก 3.5% ณ สิ้นเดือนมี.ค. ทั้งนี้ KK มีการปรับเพิ่มอัตราส่วนค่าเผื่อหนี้สงสัยจะสูญสะสมต่อหนี้ที่ไม่ก่อให้เกิดรายได้ขึ้นมาจาก 106.9% จาก 102.1% ณ สิ้นเดือนมี.ค.

แนวโน้มของ KK : สินเชื่อของ KK ที่เติบโตดีขึ้นกว่ากลุ่มในช่วงครึ่งปีแรกของปี 2555 ทำให้เราปรับเพิ่มประมาณการการเติบโตของสินเชื่อมาอยู่ที่ 25% จาก 17% ที่คาดไว้ก่อนหน้านี้ แต่เรายังคงประมาณการส่วนต่างอัตราดอกเบี้ยสำหรับปี 2555 และปี 2556 ที่ 3.11% และ 3.10% ตามลำดับ เราคาดว่า การแข่งขันในการระดมเงินฝากที่สูงต่อเนื่องในช่วงครึ่งปีหลังของปี 2555 เป็นปัจจัยกดดันต้นทุนการเงินให้ขยับสูงขึ้นต่อเนื่องจากครึ่งปีแรก

คำแนะนำพื้นฐาน: **ถือ**
เป้าหมายพื้นฐาน: 41.50 บาท
ราคา (17/07/12): 38.25 บาท

Key Ratios & Statistics

| | | | |
|------------------------------|-----------------|-----------|------------|
| Market cap | Bt24.36bn | | |
| 12-mth price range | Bt25.75/Bt38.75 | | |
| 12-mth avg daily volume | Bt85.99m | | |
| # of shares (m) | 636.8 | | |
| Est. free float (%) | 69.8 | | |
| Foreign limit (%) | 44.0 | | |
| Share price perf. (%) | 1M | 3M | 12M |
| Relative to SET | 4.1 | (14) | (0.4) |
| Absolute | 9.3 | 4.1 | 12.5 |

Financial summary

| FY Ended 31 Dec | 2010 | 2011 | 2012E | 2013E |
|---------------------|--------|--------|--------|--------|
| Revenues (Btm) | 8,841 | 11,296 | 13,257 | 16,157 |
| Net profit (Btm) | 2,840 | 2,859 | 2,870 | 3,350 |
| EPS (Bt) | 4.57 | 4.51 | 4.53 | 5.28 |
| BLS/Consensus (x) | n.m. | 0.87 | 0.83 | 0.71 |
| EPS Consensus (Bt) | n.m. | 5.16 | 5.44 | 7.44 |
| EPS growth (%) | +27.4% | +7% | +4% | +16.7% |
| Core profit (Btm) | 2,100 | 2,574 | 2,201 | 2,671 |
| Core EPS (Bt) | 3.38 | 4.06 | 3.47 | 4.21 |
| Core EPS growth (%) | -6.7% | +20.3% | -14.5% | +21.3% |
| PER (x) | 8.4 | 8.48 | 8.4 | 7.2 |
| Core PER (x) | 11.3 | 9.4 | 11.0 | 9.1 |
| P/PPOP (x) | 7.1 | 7.7 | 8.4 | 6.9 |
| PABV (x) | 1.0 | 1.05 | 1.0 | 0.9 |
| Dividend (Bt) | 2.40 | 2.40 | 2.00 | 2.40 |
| Dividend yield (%) | 6.3 | 6.3 | 5.2 | 6.3 |
| ROE (%) | 13.6 | 12.1 | 11.4 | 12.4 |

CG Rating - 2011



มีอะไรเปลี่ยนแปลง? เนื่องจากเราปรับสินเชื่อเพิ่มขึ้น ทำให้ประมาณการกำไรสุทธิปี 2555-56 เพิ่มขึ้นอีก 9% และ 7% ตามลำดับ มาอยู่ที่ 2.87 พันล้านบาทและ 3.35 พันล้านบาท

คำแนะนำ : ผลการปรับเพิ่มประมาณการกำไรสุทธิปี 2555 ของเรา ทำให้ราคาเป้าหมาย ณ สิ้นปี 2555 ของ KK มีการปรับเพิ่มขึ้นด้วยที่ 25% มาอยู่ที่ 41.50 บาท โดยมีเป้าหมายอยู่ที่ PBV 1.06 เท่า (มีการปรับเพิ่มขึ้นจาก 0.8 เท่า เพื่อสะท้อน ROE ที่เพิ่มสูงขึ้น) ดังนั้นเราจึงปรับเพิ่มคำแนะนำจาก ขาย เป็น ถือ ทั้งนี้ศักยภาพในการเติบโตของกำไรสุทธิจากการรวมกิจการของ KK และ PHATRA อาจทำให้เราปรับกำไร KK ได้อีกในปี 2556 ในขณะที่เราแนะนำถือ KK ในฐานะหุ้นปันผลที่ดี

Figure 1: 2Q12 results

| FY Ended 31 Dec (Btm) | 2Q12 | 2Q11 | YoY % | 1Q12 | QoQ % | 6M12 | 6M11 | YoY % |
|--|----------------|----------------|-------------|----------------|------------|--------------|--------------|-------------|
| Income Statement | | | | | | | | |
| Interest Income | 3,741 | 2,686 | 39 | 3,013 | 24 | 6,754 | 5,143 | 31 |
| Interest Expense | 1,820 | 1,033 | 76 | 1,586 | 15 | 3,406 | 1,904 | 79 |
| Net interest income | 1,921 | 1,653 | 16 | 1,427 | 35 | 3,348 | 3,239 | 3 |
| Fee & service income | 443 | 349 | 27 | 462 | (4) | 905 | 648 | 40 |
| Total non -interest income | 502 | 402 | 25 | 508 | (1) | 1,011 | 765 | 32 |
| Operating expenses | 1,262 | 1,191 | 6 | 1,256 | 0 | 2,518 | 2,310 | 9 |
| Operating profit before provisio | 1,161 | 864 | 34 | 679 | 71 | 1,840 | 1,694 | 9 |
| Provisioning charges | 560 | 282 | 98 | 213 | 162 | 773 | 438 | 77 |
| Operating profit after provisio | 601 | 582 | 3 | 466 | 29 | 1,067 | 1,256 | (15) |
| Exceptional items | 362 | 382 | (5) | 236 | 53 | 598 | 568 | 5 |
| Profit before tax | 963 | 964 | (0) | 702 | 37 | 1,666 | 1,824 | (9) |
| Tax | 143 | 260 | (45) | 119 | 19 | 262 | 493 | (47) |
| Minority interest | (3) | (7) | nm | (6) | nm | (9) | (11) | (20) |
| Net profit (loss) | 818 | 697 | 17 | 577 | 42 | 1,395 | 1,320 | 6 |
| EPS | 1.29 | 1.10 | 17 | 0.91 | 42 | 2.20 | 2.09 | 5 |
| Key ratios | | | | | | | | |
| Asset Yield /Avg Assets (%) | 7.03 | 6.56 | 0.46 | 6.16 | 0.87 | 6.59 | 6.24 | |
| Funding Cost (%) | 3.42 | 2.52 | 0.90 | 3.24 | 0.18 | 3.33 | 2.31 | |
| Interest Spread (%) | 3.61 | 4.04 | (0.43) | 2.92 | 0.69 | 3.61 | 3.93 | |
| Tax rate (%) | 14.8 | 27.0 | | 17.0 | | 14.8 | 27.0 | |
| Net Interest Margin (%) | 3.53 | 3.82 | (0.29) | 2.93 | 0.60 | 3.23 | 3.87 | |
| Assets to Equities (X) | (0.2) | 0.5 | | 0.5 | | (0.2) | 0.5 | |
| Cost to Income (%) | 52.1 | 58.0 | | 64.9 | | 57.8 | 57.7 | |
| Est CAR (%) | 14.0 | 16.3 | | 14.4 | | 14.0 | 16.3 | |
| Balance Sheet | | | | | | | | |
| Cash & Equivalent | 666 | 337 | 97 | 493 | 35 | | | |
| Net Loan & accrued interest | 149,351 | 118,235 | 26 | 140,954 | 6 | | | |
| ST debts , REPO & current po | 86,285 | 78,873 | 9 | 93,718 | (8) | | | |
| Long-term debt | 0 | 0 | 100 | 0 | 0 | | | |
| Total liabilities | 199,044 | 150,482 | 32 | 177,214 | 12 | | | |
| Retained earnings | 12,457 | 10,341 | 20 | 12,530 | (1) | | | |
| Shareholders equity | 24,436 | 22,308 | 10 | 24,522 | (0) | | | |
| Minority interests | 385 | 245 | 57 | 221 | 74 | | | |
| BV (Bt) | 38.7 | 35.2 | 10 | 36.6 | 6 | | | |

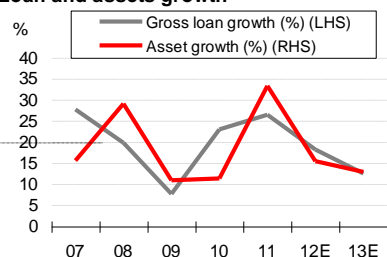
• Heavier YoY LLPs

• NIM rose, due to strong HP and SME lending growth

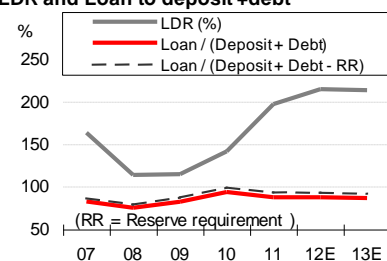
• Net loan growth beat our estimate, driven by SME and HP

Source: Company data

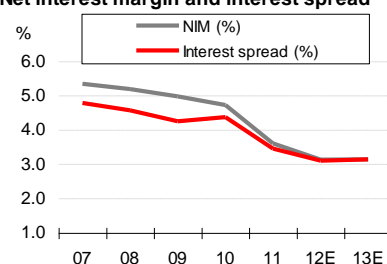
Loan and assets growth



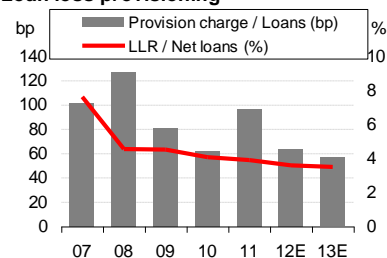
LDR and Loan to deposit +debt



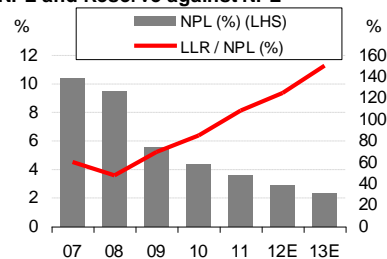
Net interest margin and interest spread



Loan loss provisioning



NPL and Reserve against NPL



| | 2009 | 2010 | 2011 | 2012E | 2013E |
|--|--------------|--------------|--------------|--------------|--------------|
| PROFIT & LOSS (Btm) | | | | | |
| Interest income | 8,376 | 8,841 | 11,296 | 13,257 | 16,157 |
| Interest expense | -3,039 | (2,942) | (4,821) | (6,790) | (8,574) |
| Net interest income | 5,337 | 5,900 | 6,476 | 6,467 | 7,583 |
| Fee & service income | 962 | 1,257 | 1,408 | 1,642 | 1,763 |
| Total non-interest income | 1,097 | 1,440 | 1,630 | 1,908 | 2,069 |
| Operating income | 6,434 | 7,340 | 8,105 | 8,376 | 9,652 |
| Operating expenses | -3,318 | (3,974) | (4,941) | (5,483) | (6,117) |
| Operating profit before provision | 3,116 | 3,365 | 3,164 | 2,892 | 3,535 |
| Provisioning charges | -684 | -647 | -1,278 | -1,000 | -1,000 |
| Operating profit after provision | 2,431 | 2,719 | 1,886 | 1,892 | 2,535 |
| Exceptional items | 666 | 1,361 | 1,535 | 1,650 | 1,650 |
| Tax | -866 | -1,213 | -535 | -654 | -806 |
| Minority interest | 2 | 26 | 27 | 19 | 29 |
| Net profit (loss) | 2,229 | 2,840 | 2,859 | 2,870 | 3,350 |
| Reported EPS | 3.59 | 4.57 | 4.51 | 4.53 | 5.28 |
| Fully diluted EPS | 3.60 | 4.57 | 4.51 | 4.53 | 5.28 |
| Core net profit | 2,245 | 2,100 | 2,574 | 2,201 | 2,671 |
| Core EPS | 3.62 | 3.38 | 4.06 | 3.47 | 4.21 |
| PPOP | 3,116 | 3,365 | 3,164 | 2,892 | 3,535 |

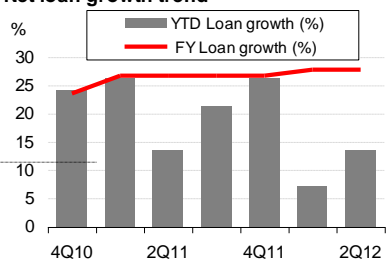
| | 2009 | 2010 | 2011 | 2012E | 2013E |
|-------------------------------|--------|--------|--------|--------|--------|
| KEY RATIOS | | | | | |
| Revenue Growth (%) | 8.55 | 8.15 | 25.80 | 17.28 | 20.27 |
| PPOP Growth (%) | 16.44 | 8.01 | (5.99) | (8.58) | 22.21 |
| EPS Growth (%) | 19.30 | 26.73 | (1.24) | 0.39 | 16.72 |
| Net Loan Growth (%) | 7.76 | 23.64 | 26.78 | 27.85 | 12.68 |
| Cum. LLRs to Net loans (%) | 4.53 | 4.09 | 3.91 | 3.34 | 3.26 |
| Provision charge to loans (%) | (0.82) | (0.62) | (0.97) | (0.60) | (0.53) |
| Yield on Average Assets (%) | 6.69 | 6.57 | 6.04 | 6.31 | 6.57 |
| Cost of Funds (%) | 2.43 | 2.19 | 2.58 | 3.23 | 3.49 |
| Interest Spread (%) | 4.26 | 4.38 | 3.46 | 3.08 | 3.09 |
| Net Interest Margin : NIM (%) | 4.98 | 4.73 | 3.62 | 3.11 | 3.08 |
| Effective tax rate (%) | 27.96 | 29.51 | 15.64 | 18.46 | 19.26 |
| Asset growth (%) | 11.00 | 11.42 | 33.42 | 21.99 | 12.81 |

| | 2009 | 2010 | 2011 | 2012E | 2013E |
|---|----------------|----------------|----------------|----------------|----------------|
| BALANCE SHEET (Btm) | | | | | |
| Cash & Equivalent | 229 | 282 | 382 | 750 | 1,000 |
| Interbank & securities | 11,017 | 7,912 | 16,081 | 10,000 | 12,500 |
| Investment in securities | 22,820 | 19,349 | 32,123 | 40,500 | 46,000 |
| Net Loan & accrued interests | 83,842 | 103,664 | 131,427 | 168,035 | 189,336 |
| Other assets | 9,446 | 10,692 | 9,314 | 11,679 | 11,724 |
| Total assets | 127,354 | 141,900 | 189,327 | 230,965 | 260,560 |
| Deposits | 76,109 | 75,932 | 69,040 | 87,000 | 98,000 |
| ST debts, REPO & current portion | 22,377 | 25,350 | 86,013 | 95,000 | 110,000 |
| Long-term debt | 7,334 | 13,442 | 0 | 13,500 | 14,000 |
| Other liabilities | 3,587 | 6,265 | 10,679 | 10,250 | 11,500 |
| Total liabilities | 109,408 | 120,989 | 165,731 | 205,750 | 233,500 |
| Paid-up capital | 5,232 | 5,658 | 6,343 | 6,343 | 6,343 |
| Share premium | 2,656 | 3,062 | 3,062 | 3,062 | 3,062 |
| Retained earnings | 8,319 | 9,927 | 11,224 | 12,825 | 14,653 |
| Shareholders equity | 17,912 | 20,671 | 23,216 | 24,818 | 26,645 |
| Minority interests | 34 | 241 | 379 | 397 | 415 |
| Total Liab.&Shareholders' equity | 127,354 | 141,900 | 189,327 | 230,965 | 260,560 |
| | (0.0) | (0.0) | 0.0 | (0.0) | (0.0) |

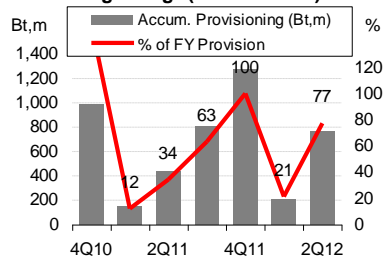
| | 2009 | 2010 | 2011 | 2012E | 2013E |
|--------------------------------------|---------|---------|---------|---------|---------|
| Asset quality | | | | | |
| Loan loss reserve | 3,796 | 4,235 | 5,133 | 5,620 | 6,170 |
| Average interest earnings assets | 107,070 | 124,661 | 179,049 | 208,274 | 245,975 |
| Average interest bearing liabilities | 84,283 | 86,409 | 152,198 | 175,276 | 208,750 |
| BV per share | 28.86 | 36.53 | 36.60 | 39.14 | 42.03 |
| ABV per share | 29.05 | 36.71 | 36.78 | 39.33 | 42.21 |
| NPL amounts | 5,442 | 4,976 | 4,727 | 4,500 | 4,100 |
| NPL (%) | 5.60 | 4.40 | 3.60 | 2.68 | 2.17 |
| Equity/loans | 21.4 | 19.9 | 17.7 | 14.8 | 14.1 |
| Equity/NPLs | 329.2 | 415.4 | 491.1 | 551.5 | 649.9 |
| Loan loss reserve /NPL | 60.6 | 68.1 | 108.6 | 124.9 | 150.5 |

Sources: Company data, Bualuang Research estimates

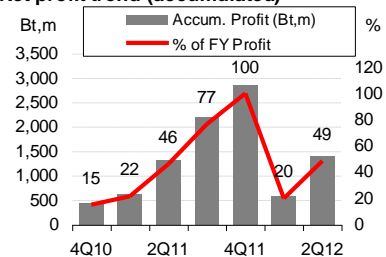
Net loan growth trend



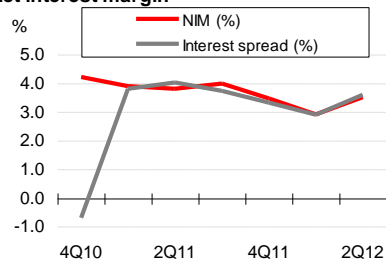
Provisioning charge (accumulated)



Net profit trend (accumulated)



Net interest margin



| QUARTERLY PROFIT & LOSS (Btm) | 2Q11 | 3Q11 | 4Q11 | 1Q12 | 2Q12 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| Interest Income | 2,686 | 3,061 | 3,093 | 3,013 | 3,741 |
| Interest Expense | 1,033 | 1,384 | 1,532 | 1,586 | 1,820 |
| Net Interest Inc | 1,653 | 1,676 | 1,561 | 1,427 | 1,921 |
| Fee & service income | 349 | 340 | 420 | 462 | 443 |
| Other income & MI | 53 | 57 | 47 | 46 | 60 |
| Total non-int inc | 402 | 397 | 468 | 508 | 502 |
| Operating inc | 2,055 | 2,073 | 2,028 | 1,935 | 2,423 |
| Operating expenses | 1,191 | 1,059 | 1,572 | 1,256 | 1,262 |
| Opt profit pre LLP | 864 | 1,014 | 456 | 679 | 1,161 |
| Provisioning charges | 282 | 372 | 468 | 213 | 560 |
| Opt profit post LLP | 582 | 642 | -11 | 466 | 601 |
| Exceptional items | 382 | 463 | 504 | 236 | 362 |
| Profit before tax | 964 | 1,104 | 493 | 702 | 963 |
| Income tax | 260 | 215 | -173 | 119 | 143 |
| Minority Interest | (7.1) | (14.7) | -2 | -6 | -3 |
| Net Profit | 697 | 874 | 664 | 577 | 818 |
| EPS | 1.10 | 1.38 | 1.05 | 0.91 | 1.29 |
| Core profit | 596 | 784 | 628 | 554 | 1,015 |
| Core EPS | 0.94 | 1.24 | 0.99 | 0.87 | 1.60 |

| KEY RATIOS | 2Q11 | 3Q11 | 4Q11 | 1Q12 | 2Q12 |
|---------------------------------------|-------|-------|-------|-------|-------|
| Asset Yield /Avg Assets (%) | 6.56 | 6.84 | 6.61 | 6.16 | 7.03 |
| Funding Cost (%) | 2.52 | 3.09 | 3.28 | 3.24 | 3.42 |
| Interest Spread (%) | 4.04 | 3.75 | 3.34 | 2.92 | 3.61 |
| Net Interest Margin (%) | 3.82 | 4.01 | 3.49 | 2.93 | 3.53 |
| Fee income/total operating income (%) | 17.0 | 16.4 | 20.7 | 23.9 | 18.3 |
| BV (Bt) | 35.17 | 35.33 | 36.60 | 36.60 | 38.66 |
| ROE (%) | 12.35 | 31.22 | 12.37 | 9.86 | 14.81 |
| ROA (%) | 1.70 | 2.02 | 1.43 | 1.20 | 1.55 |
| Assets to Equities (X) | 6.4 | 7.0 | 0.5 | 6.7 | -0.2 |
| Cost to Income (%) | 58.0 | 51.1 | 77.5 | 64.9 | 52.1 |
| Est CAR (%) | 16.30 | 14.8 | 15.42 | 14.4 | 14.01 |

| QUARTERLY BALANCE SHEET (Btm) | 2Q11 | 3Q11 | 4Q11 | 1Q12 | 2Q12 |
|---|----------------|----------------|----------------|----------------|----------------|
| Cash & Equivalent | 337 | 394 | 382 | 493 | 666 |
| Interbank & securities | 17,891 | 20,928 | 16,081 | 8,064 | 7,130 |
| Investment in securities | 24,948 | 27,365 | 32,123 | 41,902 | 56,963 |
| Net Loan & accrued interests | 118,235 | 126,210 | 131,427 | 140,954 | 149,351 |
| Other assets | 11,624 | 10,023 | 9,314 | 10,544 | 9,756 |
| Total assets | 173,035 | 184,921 | 189,327 | 201,957 | 223,865 |
| Deposits | 65,267 | 68,316 | 69,040 | 77,875 | 106,614 |
| ST debts, REPO & current portion | 78,873 | 88,333 | 91,233 | 93,718 | 86,285 |
| Long-term debt | 0 | 0 | 0 | 0 | 1 |
| Other liabilities | 9,751 | 9,752 | 9,753 | 5,620 | 6,144 |
| Total liabilities | 150,482 | 162,135 | 165,731 | 177,214 | 199,044 |
| Paid-up capital | 6,343 | 6,343 | 6,343 | 6,343 | 6,343 |
| Share premium | 3,715 | 3,715 | 3,715 | 3,715 | 3,715 |
| Retained earnings | 10,341 | 10,581 | 11,224 | 12,530 | 12,457 |
| Shareholders equity | 22,308 | 22,410 | 23,216 | 24,522 | 24,436 |
| Minority interests | 245 | 375 | 379 | 221 | 385 |
| Total Liab. & Shareholders' equity | 173,035 | 184,921 | 189,327 | 201,957 | 223,865 |
| | 0 | 0 | 0 | (0) | 0 |

Asset quality

| | | | | | |
|--------------------------------------|---------|---------|---------|---------|---------|
| Loan loss reserve (net write-off) | 4,351 | 4,641 | 5,133 | 5,169 | 5,581 |
| Average interest earnings assets | 173,085 | 167,262 | 179,049 | 195,491 | 218,736 |
| Average interest bearing liabilities | 144,349 | 141,495 | 152,198 | 160,088 | 173,709 |
| BV per share | 35.17 | 35.33 | 36.60 | 36.60 | 38.66 |
| ABV per share | 35.35 | 35.51 | 36.78 | 36.78 | 38.84 |
| NPL amounts | 4,679 | 4,867 | 4,727 | 5,063 | 5,223 |
| NPL (%) | 3.80 | 3.70 | 3.60 | 3.50 | 3.40 |
| Equity/loans | 16.58 | 15.66 | 17.66 | 15.04 | 14.22 |
| Equity/NPLs | 482.00 | 468.17 | 491.12 | 488.70 | 475.22 |

Sources: Company data, Bualuang Research estimates

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| Score Range | Number of Logo | Description |
|-------------|---|--------------|
| 90 – 100 |  | Excellent |
| 80 – 89 |  | Very Good |
| 70 – 79 |  | Good |
| 60 – 69 |  | Satisfactory |
| 50 – 59 |  | Pass |
| Below 50 | No logo given | N/A |

BUALUANG RESEARCH – RECOMMENDATION FRAMEWORK

STOCK RECOMMENDATIONS

BUY: Expected positive total returns of 15% or more over the next 12 months.

HOLD: Expected total returns of between -15% and +15% over the next 12 months.

SELL: Expected negative total returns of 15% or more over the next 12 months.

TRADING BUY: Expected positive total returns of 15% or more over the next 3 months.

SECTOR RECOMMENDATIONS

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months.