

## Banking

**BUY: 12M TP @ 18.36**

### Valuation Summary (TTM)

|                    |       |
|--------------------|-------|
| Price (QAR)        | 16.05 |
| PER TTM (x)        | 10.3  |
| P/Book (x)         | 1.7   |
| Dividend Yield (%) | 4.0   |
| Free Float (%)     | 45%   |
| Shares O/S (mn)    | 9,236 |
| YTD Return (%)     | -3%   |
| Beta               | 1.0   |

| (mn)         | QAR       | USD     |
|--------------|-----------|---------|
| Market Cap   | 148,245   | 40,665  |
| Total Assets | 1,230,985 | 338,089 |

| Price performance (%)    | 1M  | 3M  | 12M  |
|--------------------------|-----|-----|------|
| Qatar National Bank QPSC | 0%  | 8%  | -13% |
| Qatar Exchange Index     | -1% | 11% | -7%  |

| Trading liquidity (,000) | 1M          | 3M         | 6M          |
|--------------------------|-------------|------------|-------------|
| Avg daily turnover (QAR) | 84,703      | 73,569     | 61,946      |
| Avg Daily Volume (,000)  | 6,056       | 4,678      | 3,933       |
| <b>52 week</b>           | <b>High</b> | <b>Low</b> | <b>CTL*</b> |
| Price (QAR)              | 18.69       | 14.31      | 12.2        |

\* CTL is % change in CMP to 52wk low

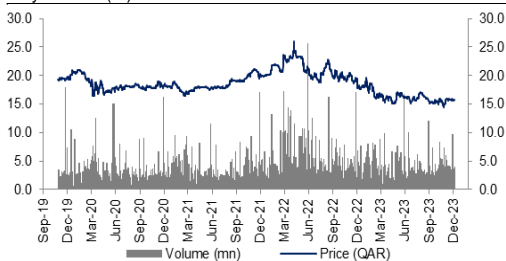
### Major shareholders

|                      |       |
|----------------------|-------|
| Qatar Investment Aut | 52%   |
| Vanguard Group Inc/T | 2.0%  |
| BlackRock Inc        | 1.6%  |
| Others               | 44.6% |

### Other details

|          |       |
|----------|-------|
| Exchange | Qatar |
| Sector   | Banks |

| Key ratios       | 2020 | 2021 | 2022 |
|------------------|------|------|------|
| EPS (QAR)        | 1.19 | 1.32 | 1.44 |
| BVPS (QAR)       | 8.21 | 8.55 | 9.21 |
| DPS (QAR)        | 0.45 | 0.55 | 0.65 |
| Payout ratio (%) | 38%  | 42%  | 45%  |



## Qatar National Bank – Well placed

Qatar National Bank reported 2023 operating income of QAR 38.5bn (vs. QAR 34.6bn, +11.3% YoY) and net income of QAR 15.5bn (vs. 14.4bn, + 8.1% YoY) above our estimates of QAR15.0bn. The operating income growth was driven by relatively superior growth in non-operating income (+ 41.5% YoY) aided primarily by increase in net forex income (+78% YoY) from Turkey operations as Turkish Lira remained volatile during the year. Cost to income ratio was at 20.8%, an increase of 40bps YoY. The gross loan book stood at QAR 887bn (vs. QAR 837bn + 5.9%), driven by increase in retail loan book (+18.4%, YoY) and services sector (+12.4% YoY) and commercial segment (10.0% YoY). Geographically, the domestic net loan book grew at a faster pace of 5.9% YoY vs. international book at 4.6% YoY. Deposits grew at a relatively muted pace of 1.8% YoY, as deposits from government declined by 25% YoY, this was offset by growth in deposits from corporates (+4.3% YoY) and GREs (+6.2%). CASA too declined by from 23.2% in 2022 to 20.9% in 2023, with CA (-9.2% YoY) declining higher than SA (-2.2% YoY), the decline was offset by increase in term deposits by 4% YoY. The loan to deposit ratio stood at 99.5% in 2023 (vs. 95.9%) as the pace of growth in loan and deposit book varied. The asset quality remained stable at 2.97% (+14ps YoY), while the stage 3 coverage touched 100%.

**Secular growth to continue:** We expect the bank to continue to grow its profits at 7% in 2024e (lower end of guidance of 7%-9%), and the gross loan book to grow at 5% (guidance of 4%-6%). The bank's investments in Turkey and Egypt are paying off as the growth in these markets, besides investments in the digital banking are complemented with increase in credit demand domestically. Beyond 2025e, the domestic growth is set to get a boost as the spill over credit demand from planned LNG expansion comes into play. The rub-off effect across all sectors will help growth momentum. We have extended out forecast period to 2027e and we expect profits to grow at 6.8% CAGR (2023-2027e) over forecasted period as the effect of hyperinflation subsides. Though hyperinflation charge cannot be estimated, we are of the view that the charge of QAR 3.5bn in 2023 has peaked. In our model we have assumed a decline in hyperinflation charge going forward. Further, the bank's strategy of investing in CPI indexed linked bonds in Turkey to mitigate risk of hyperinflation charge will add cushion to the profits and reduce volatility.

In our model, we have revised the effective tax rate for 2025e to 18% (vs. 15% earlier) and 20% for 2026e-2027e, as the bank domestic operations may be liable to tax from 2025e onwards. Out of the 2023 PBT of QAR 17.9bn, the profit subject to tax is QAR 5.6bn, with over 69% of profits (70% in 2022) not liable to tax. Any deferment of implementation of tax beyond 2025e provides an upside risk.

Given the improved profitability, the bank has increased dividend per share to 0.65/share (vs. expectation of 0.60/share). We expect the bank to maintain steady dividend payout ratio at 40%+ going forward. Based on the expected decline in profits beyond 2025e due to taxation on domestic operations, we have reduced the target price from QAR 20.32/share to QAR 18.36/share.

**At current levels the shares trade at 2024e normalized P/E (without effect of monetary loss arising out of hyperinflation) of 8.3x, 1.5x book value, and offers a dividend yield of 4.4%. We continue to maintain our BUY recommendation with a revised target price of QAR 18.36 per share, offering potential return of 14.4%.**

### Summary of key numbers

| in QAR mn                              | 4Q23    | 3Q23    | QoQ (%) | 4Q22    | YoY (%) | 2023A   | 2022A   | YoY (%) | 2023A   | 2024E   |
|----------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Operating Income                       | 9,977   | 10,297  | -3.1%   | 9,381   | 6.4%    | 38,477  | 34,560  | 11.3%   | 38,477  | 39,308  |
| Operating Expenses                     | -2,046  | -2,077  | -1.5%   | -2,000  | 2.3%    | -8,006  | -7,047  | 13.6%   | -8,006  | -8,451  |
| Operating Profit                       | 7,931   | 8,220   | -3.5%   | 7,380   | 7.5%    | 30,471  | 27,513  | 10.8%   | 30,471  | 30,857  |
| Provision Expenses                     | -2,979  | -1,542  | 93.2%   | -2,744  | 8.6%    | -9,653  | -9,144  | 5.6%    | -9,653  | -9,816  |
| Profit before tax                      | 5,092   | 6,848   | -25.6%  | 4,715   | 8.0%    | 21,464  | 18,914  | 13.5%   | 21,464  | 21,641  |
| Taxation                               | -588    | -1,025  | -42.6%  | -877    | -32.9%  | -2,297  | -2,719  | -15.5%  | -2,297  | -2,381  |
| Monetary loss due to hyperinflation*   | -822    | -1,515  | -45.8%  | -450    | 82.5%   | -3,503  | -1,745  | 100.7%  | -3,503  | -2,500  |
| Profit after tax                       | 3,682   | 4,308   | -14.5%  | 3,388   | 8.7%    | 15,665  | 14,449  | 8.4%    | 15,665  | 16,761  |
| Tier 1 Bond                            | -288    | -288    | 0.0%    | -288    | 0.0%    | -1,150  | -1,083  | 6.2%    | -1,150  | -1,150  |
| Profit attributable to shareholders/MI | 3,350   | 3,981   | -15.8%  | 2,588   | 29.4%   | 14,361  | 13,266  | 8.3%    | 14,361  | 15,457  |
| Loan Book                              | 852,987 | 815,472 | 4.6%    | 807,601 | 5.6%    | 852,987 | 807,601 | 5.6%    | 852,987 | 898,964 |
| Deposits                               | 857,106 | 822,449 | 4.2%    | 842,279 | 1.8%    | 857,106 | 842,279 | 1.8%    | 857,106 | 882,819 |
| Total Equity (Excl tier 1 bond)        | 89,099  | 87,448  | 1.9%    | 85,087  | 4.7%    | 89,099  | 85,087  | 4.7%    | 89,099  | 100,744 |
| Cost to Income                         | 20.51%  | 20.17%  |         | 21.32%  |         | 20.81%  | 20.39%  |         | 20.81%  | 21.50%  |
| NPL ratio                              | 2.97%   | 2.99%   |         | 2.83%   |         | 2.97%   | 2.83%   |         | 2.97%   | 3.00%   |
| CAR                                    | 19.80%  | 19.02%  |         | 19.61%  |         | 19.80%  | 19.61%  |         | 19.80%  | 20.82%  |
| Net Loan to Deposit                    | 99.52%  | 99.15%  |         | 95.88%  |         | 99.52%  | 95.88%  |         | 99.52%  | 101.83% |

### Key takeaways from earnings call

- QNB's macro view:- Reiterate its expectation of GDP growth of 2% in 2023 and 2.5% in 2024. The policy rates continue to remain high over the coming months. The Bank expects two rate cuts in June and September. The tailwinds from investments in increasing gas production will drive economic growth, with six new LNG trains planned under the flagship North Field Expansion Project. The oil and gas prices remain elevated, helping robust fiscal and external revenues, large surpluses enabling execution of large investment projects.
- Balance sheet guidance at 4%-6% (vs. 2%-4% in 3Q23) and profits to grow by 7-9% (same level as that of 3Q23). Our estimates for the profit growth at 7% for 2024e.
- The key driver of loan book growth would continue to be domestic business, the bank is cautious on increasing exposure to commercial real estate.
- The bank expects local currency loan growth of 9%-11% Egypt while in Turkey it is expected to be in the range of 35%-40%. The deposit growth rate in Egypt is expected in the range of 13-15%, while in Turkey it would be in line with the loan growth. Profitability in Egypt is expected to be between 13%-15% and in Turkey at 15%-20%.
- NIMs are expected to decline by 3-5bps for 2024e. The current NIMs for Turkey operations are around 7.77%, this is expected to decline to 6% in 2024e, while the NIMs would be between 6%-6.2% for 2024e vs.6.23% during the current year. At group level, we have modeled for a NIM of 2.6% for 2024e.
- The increase in non-interest income for 2023 at 20.9% of total income has been driven by increase in fee and commission/forex income from Turkish operations. The increase in forex income has been on account of volatility in the currency.
- The hyperinflation charge cannot be estimated, to offset any adverse charge, the bank has invested in a portfolio of CPI linked securities that offset hyperinflation charge in the net interest income line on a pay-tax basis. This helps reduce or mitigate any volatility in the bottom-line earnings.
- Cost of risk at group level was at 111bps and the same declined by 9-10 bps in 2023. The 2024e target cost of risk is at 90bps (vs. our estimates of 100bps). The decline in cost of risk will be slow and gradual. Cost of risk in key entities – Egypt and Turkey to be at 150-200bps for 2024e.
- The effective tax rate for 2024e will not be very different from the current year, while in 2025e, the effective tax rate may go up if the country imposes tax on domestic operations.
- There is no change in M&A strategy (focus on Southeast Asia), the status quo remains as that of 3Q23, with no concrete proposals as of now.

| Income Statement (QAR Mn)        | 2021          | 2022          | 2023          | 2024E         | 2025E         | 2026E         | 2027E         |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Interest Income                  | 44,736        | 59,672        | 97,133        | 68,295        | 68,219        | 70,095        | 74,066        |
| Interest Expense                 | -21,700       | -30,807       | -66,716       | -36,903       | -36,691       | -36,426       | -37,956       |
| <b>Net Interest Income</b>       | <b>23,036</b> | <b>28,865</b> | <b>30,417</b> | <b>31,392</b> | <b>31,528</b> | <b>33,669</b> | <b>36,110</b> |
| Non Interest Income              | 4,907         | 5,696         | 8,060         | 7,916         | 9,198         | 9,524         | 9,864         |
| <b>Net Operating Income</b>      | <b>27,943</b> | <b>34,560</b> | <b>38,477</b> | <b>39,308</b> | <b>40,726</b> | <b>43,193</b> | <b>45,973</b> |
| Operating Expenses               | -13,647       | -16,191       | -17,659       | -18,267       | -18,752       | -19,806       | -20,497       |
| Share of results from associates | 370           | 544           | 646           | 600           | 600           | 600           | 600           |
| <b>Profit Before Taxation</b>    | <b>14,666</b> | <b>18,914</b> | <b>21,464</b> | <b>21,641</b> | <b>22,574</b> | <b>23,987</b> | <b>26,076</b> |
| Tax expense                      | -1,390        | -2,719        | -2,297        | -2,381        | -4,063        | -4,797        | -5,215        |
| <b>Profit for the year*</b>      | <b>13,276</b> | <b>16,194</b> | <b>19,168</b> | <b>19,261</b> | <b>18,510</b> | <b>19,189</b> | <b>20,861</b> |

\*before net monetary loss arising from hyperinflation

| Balance sheet (QAR Mn)              | 2021             | 2022             | 2023             | 2024E            | 2025E            | 2026E            | 2027E            |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash and balances with Central Bank | 88,551           | 91,564           | 87,820           | 80,147           | 73,351           | 63,076           | 51,937           |
| Due from banks                      | 69,055           | 96,260           | 86,477           | 89,936           | 93,983           | 98,682           | 103,616          |
| Loans & advances to customers       | 763,652          | 807,601          | 852,987          | 898,964          | 943,912          | 993,247          | 1,045,154        |
| Investment securities/associates    | 150,288          | 167,815          | 180,582          | 194,479          | 209,641          | 226,004          | 243,663          |
| Property and Equipment/Intangibles  | 9,044            | 10,120           | 9,356            | 10,275           | 11,222           | 12,218           | 13,270           |
| Other Assets                        | 12,447           | 15,859           | 13,763           | 14,451           | 15,173           | 15,932           | 17,127           |
| <b>Total Assets</b>                 | <b>1,093,038</b> | <b>1,189,219</b> | <b>1,230,985</b> | <b>1,288,251</b> | <b>1,347,282</b> | <b>1,409,159</b> | <b>1,474,768</b> |

#### LIABILITIES AND SHAREHOLDER'S EQUITY

|                                     |                  |                  |                  |                  |                  |                  |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Due to banks                        | 111,442          | 142,815          | 156,991          | 172,691          | 185,642          | 199,566          | 209,544          |
| Customers' deposits                 | 785,512          | 842,279          | 857,106          | 882,819          | 913,718          | 945,698          | 983,526          |
| Debt Securities                     | 40,089           | 35,153           | 36,289           | 39,918           | 43,910           | 48,300           | 53,131           |
| Other Borrowings                    | 26,138           | 25,593           | 29,400           | 27,930           | 26,534           | 25,207           | 23,947           |
| Other Liabilities                   | 29,801           | 37,323           | 40,991           | 43,041           | 45,193           | 47,453           | 49,825           |
| <b>Total Liabilities</b>            | <b>992,981</b>   | <b>1,083,162</b> | <b>1,120,778</b> | <b>1,166,399</b> | <b>1,214,996</b> | <b>1,266,224</b> | <b>1,319,972</b> |
| Paid-up Capital                     | 9,236            | 9,236            | 9,236            | 9,236            | 9,236            | 9,236            | 9,236            |
| Other Reserves                      | 10,589           | 10,002           | 6,760            | 6,760            | 6,760            | 6,760            | 6,760            |
| Retained earnings                   | 59,118           | 65,849           | 73,102           | 84,747           | 95,180           | 105,831          | 117,691          |
| <b>Shareholder's Equity</b>         | <b>78,943</b>    | <b>85,087</b>    | <b>89,099</b>    | <b>100,744</b>   | <b>111,177</b>   | <b>121,827</b>   | <b>133,687</b>   |
| Non - Controlling Interests         | 1,113            | 970              | 1,108            | 1,108            | 1,108            | 1,108            | 1,108            |
| Tier 1 Perpetual subordinated bonds | 20,000           | 20,000           | 20,000           | 20,000           | 20,000           | 20,000           | 20,000           |
| <b>Total Equity</b>                 | <b>100,057</b>   | <b>106,057</b>   | <b>110,207</b>   | <b>121,852</b>   | <b>132,285</b>   | <b>142,936</b>   | <b>154,796</b>   |
| <b>Total Liabilities and Equity</b> | <b>1,093,038</b> | <b>1,189,219</b> | <b>1,230,985</b> | <b>1,288,251</b> | <b>1,347,282</b> | <b>1,409,159</b> | <b>1,474,768</b> |

| Cash Flow Statement (QAR Mn)        | 2021           | 2022           | 2023           | 2024E         | 2025E         | 2026E         | 2027E         |
|-------------------------------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
| Cash flow from operating activities | 35,787         | 59,119         | 1,466          | 13,252        | 15,477        | 13,291        | 13,791        |
| Cash flow from investing activities | -24,233        | -25,894        | -17,652        | -15,469       | -16,791       | -18,091       | -19,499       |
| Cash flow from financing activities | -6,570         | -9,811         | -889           | -5,457        | -5,482        | -5,475        | -5,431        |
| Net change in cash                  | 4,984          | 23,413         | -17,074        | -7,674        | -6,796        | -10,275       | -11,139       |
| <b>Cash at the end of period</b>    | <b>106,660</b> | <b>127,314</b> | <b>108,129</b> | <b>80,147</b> | <b>73,351</b> | <b>63,076</b> | <b>51,937</b> |

| Key ratios                                 | 2021   | 2022   | 2023   | 2024E  | 2025E  | 2026E  | 2027E  |
|--------------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| <b>Operating performance</b>               |        |        |        |        |        |        |        |
| Yield on average earning assets            | 4.3%   | 5.4%   | 8.2%   | 5.8%   | 5.7%   | 5.5%   | 5.5%   |
| Cost of funds                              | 2.3%   | 3.0%   | 6.3%   | 3.4%   | 3.2%   | 3.1%   | 3.1%   |
| Interest spread                            | 2.1%   | 2.3%   | 1.9%   | 2.4%   | 2.5%   | 2.5%   | 2.5%   |
| NIM                                        | 2.2%   | 2.50%  | 2.53%  | 2.7%   | 2.5%   | 2.6%   | 2.6%   |
| Interest income/operating income           | 160.1% | 172.7% | 252.4% | 173.7% | 167.5% | 162.3% | 161.1% |
| Net interest income/operating income       | 82.4%  | 83.5%  | 79.1%  | 79.9%  | 77.4%  | 78.0%  | 78.5%  |
| Non interest income/operating income       | 17.6%  | 16.5%  | 20.9%  | 20.1%  | 22.6%  | 22.0%  | 21.5%  |
| Cost to income ratio                       | 23.0%  | 20.4%  | 20.8%  | 21.5%  | 22.0%  | 22.0%  | 21.0%  |
| <b>Liquidity</b>                           |        |        |        |        |        |        |        |
| Net Loan to Deposit Ratio                  | 85.1%  | 82.0%  | 84.1%  | 85.2%  | 85.9%  | 86.7%  | 87.6%  |
| Customer deposits/total deposits           | 87.6%  | 85.5%  | 84.5%  | 83.6%  | 83.1%  | 82.6%  | 82.4%  |
| Net loans to customer deposits             | 97.2%  | 95.9%  | 99.5%  | 101.8% | 103.3% | 105.0% | 106.3% |
| Investments/total assets                   | 13.1%  | 13.4%  | 14.0%  | 14.5%  | 15.0%  | 15.4%  | 15.9%  |
| <b>Asset quality</b>                       |        |        |        |        |        |        |        |
| Stage 1 loan ratio                         | 91.1%  | 91.2%  | 91.5%  | 91.0%  | 91.0%  | 91.0%  | 91.0%  |
| Stage 2 loan ratio                         | 6.6%   | 5.9%   | 5.5%   | 6.0%   | 6.0%   | 5.9%   | 5.9%   |
| Gross NPL ratio                            | 2.3%   | 2.8%   | 3.0%   | 3.0%   | 3.0%   | 3.1%   | 3.1%   |
| Provision as a % of gross loans            | 3.3%   | 3.6%   | 3.9%   | 3.5%   | 3.5%   | 3.8%   | 4.0%   |
| NPL Coverage                               | 143.0% | 126.1% | 129.8% | 116.7% | 116.7% | 121.0% | 129.0% |
| Cost of credit                             | 0.9%   | 1.0%   | 1.0%   | 1.0%   | 1.0%   | 1.0%   | 1.0%   |
| Stage 1 coverage                           | 0.2%   | 0.3%   | 0.4%   | 0.3%   | 0.3%   | 0.3%   | 0.3%   |
| Stage 2 coverage                           | 6.5%   | 8.1%   | 10.2%  | 4.8%   | 4.8%   | 7.4%   | 11.7%  |
| Stage 3 coverage                           | 116.8% | 98.5%  | 100.1% | 98.0%  | 98.0%  | 98.0%  | 98.0%  |
| <b>Capital adequacy</b>                    |        |        |        |        |        |        |        |
| Tier I ratio                               | 18.2%  | 18.5%  | 18.7%  | 19.8%  | 20.7%  | 21.4%  | 22.3%  |
| Tier II ratio                              | 1.1%   | 1.1%   | 1.1%   | 1.0%   | 1.0%   | 0.9%   | 0.9%   |
| CAR                                        | 19.3%  | 19.6%  | 19.8%  | 20.8%  | 21.6%  | 22.4%  | 23.1%  |
| Net Equity to Gross Loans                  | 10.0%  | 10.2%  | 10.0%  | 10.8%  | 11.4%  | 11.8%  | 12.3%  |
| Net Equity to Total Assets                 | 7.2%   | 7.2%   | 7.2%   | 7.8%   | 8.3%   | 8.6%   | 9.1%   |
| <b>Return ratios</b>                       |        |        |        |        |        |        |        |
| Reported ROE                               | 17.2%  | 19.7%  | 22.0%  | 20.3%  | 17.5%  | 16.5%  | 16.3%  |
| Adjusted ROE                               | 15.8%  | 16.2%  | 16.5%  | 16.3%  | 14.8%  | 14.5%  | 14.9%  |
| ROA                                        | 1.3%   | 1.4%   | 1.6%   | 1.5%   | 1.4%   | 1.4%   | 1.4%   |
| RoRWA                                      | 2.7%   | 3.2%   | 3.7%   | 3.5%   | 3.1%   | 3.1%   | 3.2%   |
| <b>Per share ratios</b>                    |        |        |        |        |        |        |        |
| EPS                                        | 1.32   | 1.44   | 1.55   | 1.67   | 1.70   | 1.83   | 2.06   |
| BVPS                                       | 8.55   | 9.21   | 9.65   | 10.91  | 12.04  | 13.19  | 14.47  |
| DPS                                        | 0.55   | 0.60   | 0.65   | 0.70   | 0.75   | 0.80   | 0.85   |
| <b>Valuation</b>                           |        |        |        |        |        |        |        |
| Price                                      | 20.19  | 18.00  | 16.53  | 16.05  | 16.05  | 16.05  | 16.05  |
| P/E                                        | 15.3   | 12.5   | 10.6   | 9.6    | 9.4    | 8.8    | 7.8    |
| P/E (w/o monetary loss on Hyper inflation) | 15.3   | 11.1   | 8.5    | 8.3    | 8.6    | 8.3    | 7.6    |
| P/B                                        | 2.4    | 2.0    | 1.7    | 1.5    | 1.3    | 1.2    | 1.1    |
| Dividend Yield                             | 2.7%   | 3.3%   | 3.9%   | 4.4%   | 4.7%   | 5.0%   | 5.3%   |

## Key contacts

### Research Team

|                                                                                           |                                                                                             |                                                                                        |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
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### Rating Criteria and Definitions

| Rating | Rating Definitions                                                                                                                                                                    |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | <b>Strong Buy</b> This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%  |
|        | <b>Buy</b> This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%            |
|        | <b>Hold</b> This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%            |
|        | <b>Neutral</b> This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%   |
|        | <b>Sell</b> This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%    |
|        | <b>Strong Sell</b> This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20% |
|        | <b>Not rated</b> This recommendation used for stocks which does not form part of Coverage Universe                                                                                    |

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