

HDFC Bank (HDFCB IN)

Rating: BUY | CMP: Rs2,376 | TP: Rs2,700

Adopting caution but performance intact

Quick Pointers

- Core operating performance continues to be strong
- Bank escalates provisions on certain segments of unsecured retail & HFC/NBFC along with other sectors on caution from slowing economy

HDFCB earnings at Rs55.7bn were lower than estimates (PLe:Rs58.6bn) as strong core operating performance was utilized by the bank to undertake much higher conservative provisioning on many segments and sectors of the loan book. Business growth was slower both from retail & wholesale with some segments slowed cautiously, while some on back of slowing economy. Bank continues to deliver on most of its core operating metrics with well managed portfolio mix. With 20% CAGR earnings, 20% constant dividend payout (250% of FV special dividend announced as well) and 17% ROEs remains torch bearer for the industry and hence HDFCB remains our most preferred pick in banking universe. Retain BUY with TP of Rs2,700 (unchanged) based on 3.9x Mar-21 ABV.

- Continued strong performance delivery:** Overall core PPOP growth of 22% YoY was supported by NII growth of 23% YoY and core other income growth of 16%. NII was better than balance sheet growth of 17% despite reported NIMs being down 10bps QoQ to 4.3%, albeit it remains steady in a broad range of 4.3-4.4%. Fee income continues to remain subdued due to certain segments of retail being slower and basing of certain fees stream due to regulatory changes.
- Business growth slowing:** Bank cautiously has slowed parts of retail (especially unsecured) to take cognizance of slowing economy and the same also has slowed certain segments of retail (vehicle/business banking). Wholesale loans also saw slower growth on repayments and run-off in short term loans. Hence overall loan grew only by 17.0% YoY. On liabilities, bank continues to rely on mobilization of TDs which grew by 22.5% YoY and is also part of core strategy and hence has been cannibalizing the savings growth which grew by 12% YoY.
- Asset quality steady:** Slippages continued from Agri which bank has been highlighting from a few quarters now deteriorating asset quality ratios but otherwise (ex-Agri) has been stable at 1.17% v/s 1.14% in Q4FY19.
- Further escalates conservatism in provisioning** During Q1FY20, bank increased rate of provisions on certain buckets in unsecured segment (provision from 90-150dpd from 180dpd), while additionally makes one-time Rs1.65bn of contingent provisions in various sector based on LGDs & PoDs (similar like Stage 2 provisions). Also bank made Rs850mn of provisions on loans specific to HFC/NBFC sector. Higher rate of provisioning was taken up to take cognizance of slowdown in consumption economy and also stress in certain sectors which have been emanating recently. Bank holds Rs14.5bn (0.7% of loans) of contingent provisions on balance sheet.

July 22, 2019

Q1FY20 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY20E	FY21E	FY20E	FY21E
Rating	BUY		BUY	
Target Price	2,700		2,700	
NII (Rs. m)	5,83,294	6,96,952	5,83,185	7,04,594
% Chng.	-	(1.1)		
Op. Profit (Rs. m)	4,82,426	5,78,800	4,85,630	5,89,607
% Chng.	(0.7)	(1.8)		
EPS (Rs.)	93.6	112.5	94.0	114.2
% Chng.	(0.4)	(1.5)		

Key Financials - Standalone

Y/e Mar	FY18	FY19	FY20E	FY21E
NII (Rs bn)	401	482	583	697
Op. Profit (Rs bn)	326	397	482	579
PAT (Rs bn)	175	211	255	306
EPS (Rs.)	67.8	79.3	93.6	112.5
Gr. (%)	18.6	16.9	18.1	20.2
DPS (Rs.)	10.9	12.4	19.0	18.0
Yield (%)	0.5	0.5	0.8	0.8
NIM (%)	4.4	4.4	4.5	4.6
RoAE (%)	17.9	16.5	16.1	16.9
RoAA (%)	1.8	1.8	1.9	2.0
P/BV (x)	5.8	4.3	3.8	3.3
P/ABV (x)	6.1	4.5	4.0	3.5
PE (x)	35.0	30.0	25.4	21.1
CAR (%)	14.8	17.1	16.6	15.9

Key Data

HDBK.BO | HDFCB IN

52-W High / Low	Rs.2,503 / Rs.1,884
Sensex / Nifty	38,337 / 11,419
Market Cap	Rs.6,492bn/ \$ 94,182m
Shares Outstanding	2,733m
3M Avg. Daily Value	Rs.14288.21m

Shareholding Pattern (%)

Promoter's	26.25
Foreign	38.64
Domestic Institution	18.18
Public & Others	16.93
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(2.2)	11.5	8.7
Relative	(0.2)	5.8	3.0

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Exhibit 1: Strong core performance continues but higher provisioning

NII growth remained strong on loan mix towards retail growth

Other income growth of 30% was supported from steady fees and misc. other income

With steady opex, bank's C/I came down further to 39.0%

Provisions were quite high on back of contingent provisions in various sectors, NBFC/HFC and change in accelerated provisioning on unsecured NPA book

Business growth was slower than usual run rate

NIM profile remained stable and in a broad range

Asset quality sees marginal deterioration on continued Agri slippages

CASA continues to remain under pressure on strategy to convert to TDs, while some slowdown effect moving to overall industry CASA growth

(Rs m)	Q1FY20	Q1FY19	YoY gr. (%)	Q4FY19	QoQ gr. (%)
Interest income	273,916	225,490	21.5	263,333	4.0
Interest Expended	140,973	117,354	20.1	132,438	6.4
Net interest income (NII)	132,943	108,136	22.9	130,895	1.6
- Treasury income	2,120	(2,832)	NA	2,289	(7.4)
Other income	49,703	38,181	30.2	48,712	2.0
Total income	182,645	146,316	24.8	179,607	1.7
Operating expenses	71,173	59,839	18.9	71,171	0.0
-Staff expenses	22,174	18,105	22.5	20,744	6.9
-Other expenses	48,999	41,734	17.4	50,427	(2.8)
Operating profit	111,472	86,478	28.9	108,436	2.8
Core operating profit	109,352	89,310	22.4	106,147	3.0
Total provisions	26,137	16,294	60.4	18,892	38.3
Profit before tax	85,336	70,184	21.6	89,544	(4.7)
Tax	29,654	24,169	22.7	30,693	(3.4)
Profit after tax	55,682	46,014	21.0	58,851	(5.4)
Balance sheet (Rs m)					
Deposits	9,545,537	8,057,853	18.5	9,231,409	3.4
Advances	8,297,298	7,086,487	17.1	8,194,012	1.3
Profitability ratios					
YoA - Calc	10.6	10.2	40	10.5	7
CoF - Calc	5.4	5.1	28	5.3	13
NIM - Rep	4.3	4.2	10	4.4	(10)
RoaA	1.8	1.7	6	2.0	(18)
RoaE	14.6	17.2	(259)	16.1	(150)
Asset Quality					
Gross NPL (Rs mn)	117,690	95,386	23.4	112,242	4.9
Net NPL (Rs mn)	35,672	29,071	22.7	32,145	11.0
Gross NPL ratio	1.4	1.3	7	1.4	4
Net NPL ratio	0.4	0.4	2	0.4	4
Coverage ratio - Calc	69.7	69.5	17	71.4	(167)
Business & Other Ratios					
Low-cost deposit mix	39.7	41.7	(200)	42.4	(270)
Cost-income ratio	39.0	40.9	(193)	39.6	(66)
Non int. inc / total income	27.2	26.1	112	27.1	9
Credit deposit ratio	86.9	87.9	(102)	88.8	(184)
CAR	16.9	14.6	230	17.1	(20)
Tier-I	15.6	13.1	250	15.8	(20)

Source: Company, PL

Key Q1FY20 Concall Highlights

Business outlook & growth

- Assets – NBFC/HFC – Bank continues to retain its cautious stance on lending to NBFC/HFC segment but is not averse at the moment to lend selectively and does not see any issues in O/s portfolio. Remain cautious on NBFC/HFC lending and have been doing selectively. Corporate loans growth was sluggish on run-off from Q4FY19 but headline growth has been steady. Bank will have 53-55% mix of retail and 45% mix of commercial loans (non-retail) and will have gap of 300-500bps for next two years.
- Liabilities – Granular deposits continues to remain as a core strategy. Management is happy to see customers dipping into savings and move to FDs but closely watches on the incremental cost of deposits.

Fees/Margins/Opex/Branches

- Ex-MFs fees core fees have grown by 15% YoY. Fee income has been driven by retail but loan processing has been moderate as slowdown was from vehicles, while fees were made-up from TP Life fees, card fees (both debit & credit).

Asset quality

- Bank saw higher provisioning on count of (i) Rs1.6bn of contingent provisions set aside in Q1FY20 in other sectors (similar like a Stage 2 provisions) (ii) ~Rs850mn of provision were made on NBFC/HFC sector and (iii) Bank voluntarily took up step up provisioning in the unsecured book post 90dpd and should be new normal rate. Normalized credit cost continues to be at 0.8% if excludes the one-off provisions.
- GNPA ex-Agri were at 1.17% v/s 1.14% in Q4FY19 & 1.09% in Q1FY19.
- Bank continues to maintain a stock of floating provision of Rs14.5bn (17bps of loans).

Others:

- Bank declared Rs5.0 per share as special dividend
- **Subs performance:** HDB's robust loan growth of 23% YoY to Rs56.3bn, although NII growth was slower at 13% YoY and PAT growth was slower owing to higher provisioning as asset quality deteriorated sequentially and stood at 2.3%. HDB's Tier-I was stood at 12.5% which is very near to the regulatory requirements.

Overall loan growth has slowed in both retail & commercial (non-retail)

Slower growth in vehicle loans and higher base impact in unsecured loans has moderated retail growth. Bank also has been cautious on unsecured retail.

CV loans growth remains better, Business banking improves, while home loans help retail growth

Non-retail loans growth has moderated on back of repayments (NCLT opportunities) & run-off in short term loans

Exhibit 2: Retail loans growth slowed

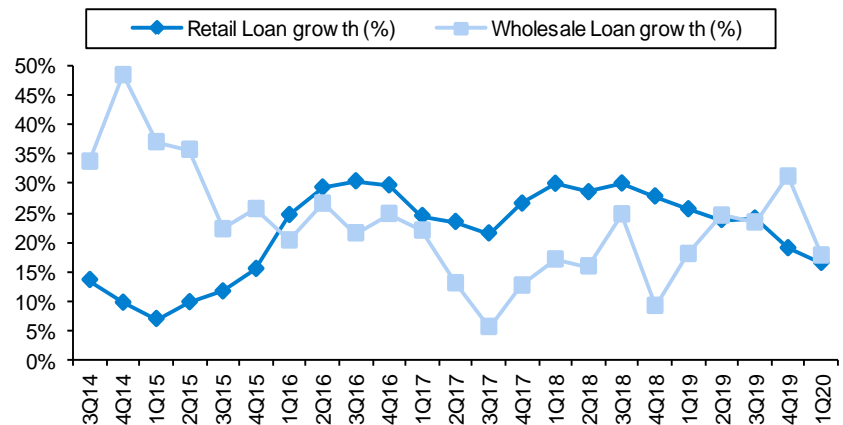
Loan Composition (Rs mn)	Q1FY20	Q1FY19	YoY gr. (%)	Q4FY19	QoQ gr. (%)
Car Loans	819,130	775,690	5.6	806,750	1.5
CV loans	292,290	248,520	17.6	287,300	1.7
2 wheeler loans	100,700	92,270	9.1	100,470	0.2
Sub-total - Auto Loans	1,212,120	1,116,480	8.6	1,194,520	1.5
Personal loans	971,480	778,680	24.8	929,780	4.5
Business banking	577,200	520,500	10.9	570,350	1.2
Loan against shares	17,800	17,480	1.8	18,810	(5.4)
Credit Cards	495,230	384,580	28.8	466,300	6.2
Home loans	557,690	440,210	26.7	513,590	8.6
Gold Loans	52,320	51,160	2.3	51,870	0.9
Other Retail	547,690	494,730	10.7	568,360	(3.6)
Retail Loans	4,431,530	3,803,820	16.5	4,313,580	2.7
Non Retail Loans	3,865,768	3,282,667	17.8	3,880,432	(0.4)
Total Advances	8,297,298	7,086,487	17.1	8,194,012	1.3
Loan Mix					
Vehicle Loans	14.6%	15.8%	(1.1)	14.6%	0.0
Unsecured Loans	17.7%	16.4%	1.3	17.0%	0.6
Retail Loans	53.4%	53.7%	(0.3)	52.6%	0.8
Non Retail Loans	46.6%	46.3%	0.3	47.4%	(0.8)

Source: Company, PL

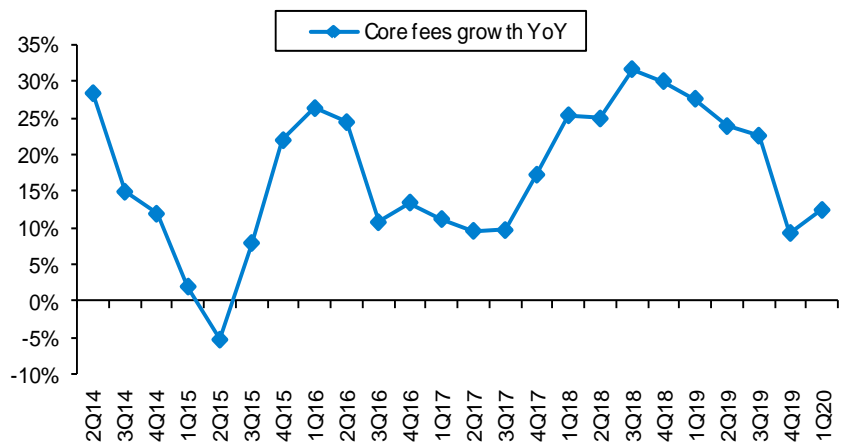
Exhibit 3: Loan book composition as per internal classification

Loan Composition (Rs m)	Q1FY20	Q1FY19	YoY gr. (%)	Q4FY19	QoQ gr. (%)
Car Loans	920,860	883,200	4.3	913,830	0.8
CV loans	552,000	471,670	17.0	554,290	(0.4)
2 wheeler loans	113,340	103,240	9.8	112,710	0.6
Sub-total - Auto Loans	1,586,200	1,458,110	8.8	1,580,830	0.3
Personal loans	979,860	785,420	24.8	938,060	4.5
Business banking	1,260,990	1,095,510	15.1	1,250,140	0.9
Loan against shares	33,500	35,520	(5.7)	35,980	(6.9)
Credit Cards	495,230	387,920	27.7	466,300	6.2
Home loans	557,810	440,360	26.7	513,720	8.6
Gold loans	59,240	55,290	7.1	58,380	1.5
Other Retail	608,660	541,450	12.4	631,330	(3.6)
Retail Total	5,581,490	4,799,580	16.3	5,474,740	1.9

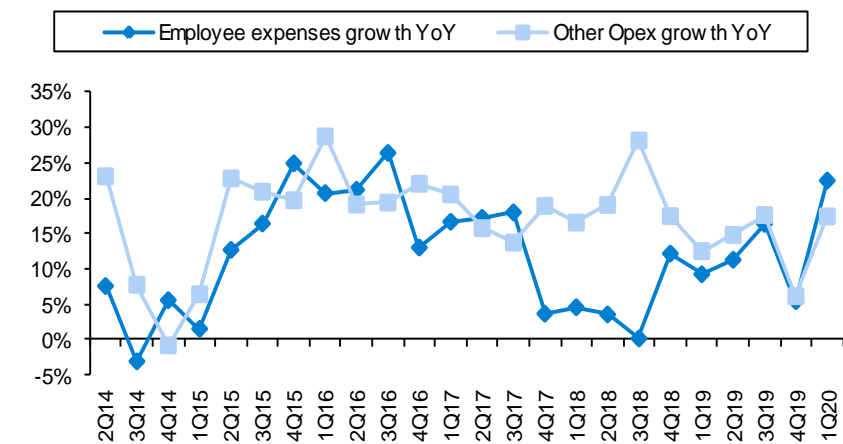
Source: Company, PL

Exhibit 4: Retail loan growth slowing on high base and Bank's cautiousness


Source: Company, PL

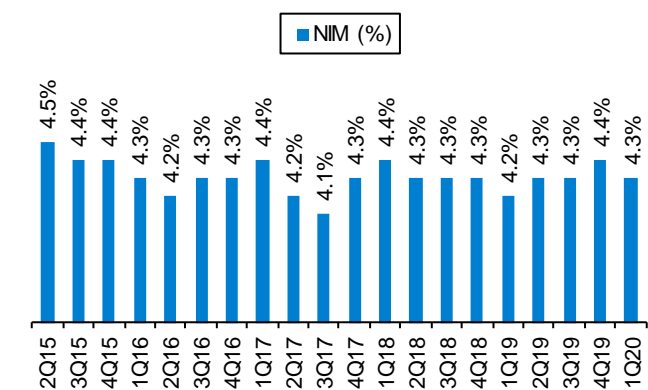
Exhibit 5: Core fees slower on slower MF distribution fees


Source: Company, PL

Exhibit 6: Opex growth slightly higher on elevated hiring


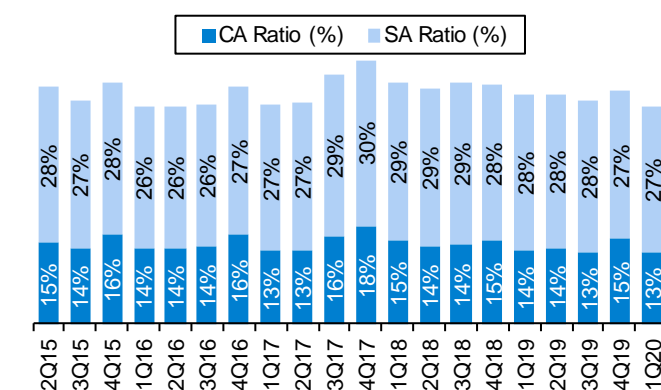
Source: Company, PL

Exhibit 7: Margins steady in a broad range of 4.3-4.4%



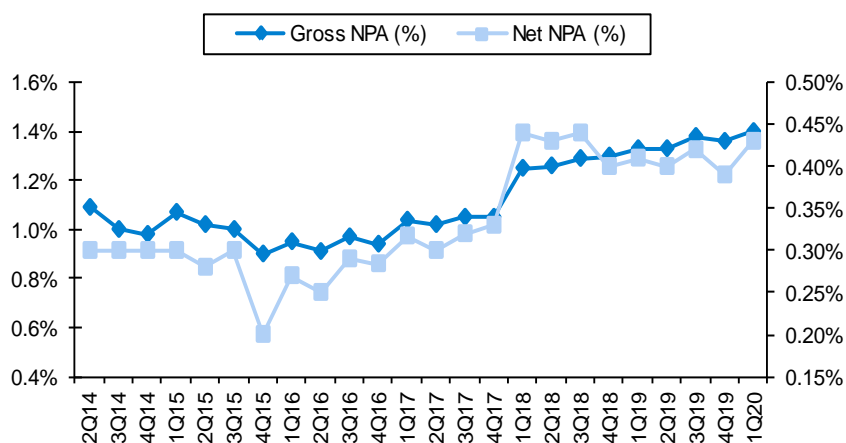
Source: Company, PL

Exhibit 8: CASA momentum has been slowing



Source: Company, PL

Exhibit 9: Asset quality remains steady but has marginal hits from Agri portfolio



Source: Company Data, PL Research

Exhibit 10: Strong operating profitability but slower accretion to RoE on higher provisions

RoA decomposition	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Interest income	9.22	8.96	9.27	8.64	8.32	8.57	8.91	9.04
Interest expenses	5.08	4.82	5.02	4.51	4.17	4.40	4.57	4.59
Net interest income	4.14	4.14	4.25	4.13	4.16	4.18	4.34	4.44
Treasury income	0.32	0.29	0.30	0.30	0.25	0.18	0.16	0.14
Other Inc. from operations	1.46	1.38	1.35	1.23	1.33	1.34	1.35	1.34
Total income	5.92	5.80	5.90	5.66	5.74	5.71	5.85	5.93
Employee expenses	0.94	0.88	0.88	0.81	0.71	0.67	0.66	0.65
Other operating expenses	1.76	1.71	1.74	1.65	1.65	1.59	1.59	1.59
Operating profit	3.22	3.22	3.29	3.21	3.38	3.44	3.59	3.69
Tax	0.96	0.94	0.98	0.95	0.96	0.96	1.00	1.03
Loan loss provisions	0.36	0.38	0.42	0.45	0.61	0.65	0.69	0.71
RoAA	1.90	1.89	1.89	1.81	1.81	1.83	1.90	1.95
RoAE	21.28	19.37	18.26	17.95	17.87	16.50	16.05	16.94

Source: Company Data, PL Research

Exhibit 11: We retain our TP to Rs2,700 based on 3.95x Mar FY21 ABV

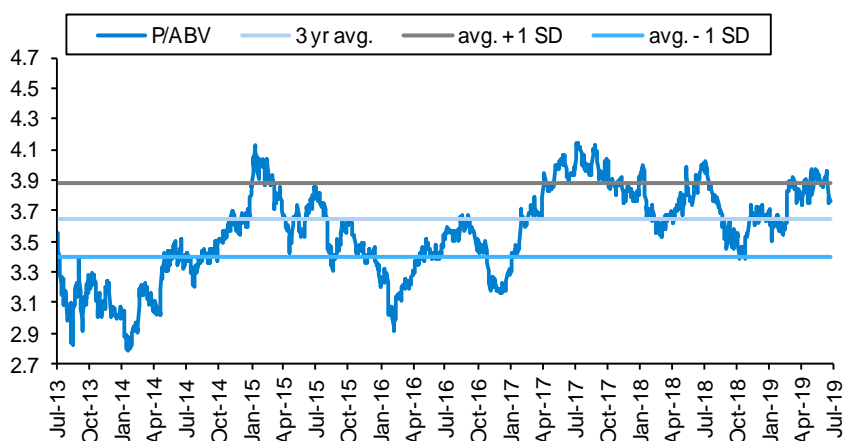
PT calculation and upside	
Market risk premium	6.0%
Risk-free rate	7.5%
Adjusted beta	1.04
Terminal Growth	5.0%
Cost of equity	13.7%
Fair price - P/ABV	2,700
Target P/ABV	3.95
Target P/E	24.0
Current price, Rs	2376
Upside (%)	13.7%
Dividend yield (%)	0.8%
Total return (%)	14.4%

Source: Company Data, PL Research

Exhibit 12: Change in earnings estimates – We adjust special dividend and trim our business growth estimates

(Rs mn)	Old		Revised		%Change	
	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
Net interest income	583,088	704,987	583,294	696,952	0.0	(1.1)
Operating profit	484,452	588,726	482,426	578,800	(0.4)	(1.7)
Net profit	256,303	311,299	255,035	306,458	(0.5)	(1.6)
EPS (Rs)	94.1	114.3	93.6	112.5	(0.5)	(1.6)
ABVPS (Rs)	601.3	694.9	592.5	681.6	(1.5)	(1.9)
Price target (Rs)	2,700		2,700		0.0	
Recommendation	BUY		BUY			

Source: Company Data, PL Research

Exhibit 13: HDFCB one year forward P/ABV trend


Source: Company Data, PL Research

Income Statement (Rs. m)

Y/e Mar	FY18	FY19	FY20E	FY21E
Int. Earned from Adv.	6,26,618	7,75,441	9,55,565	11,45,533
Int. Earned from invt.	1,62,224	1,99,975	2,28,500	2,59,655
Others	13,572	14,304	12,915	12,685
Total Interest Income	8,02,414	9,89,720	11,96,981	14,17,872
Interest Expenses	4,01,465	5,07,288	6,13,686	7,20,920
Net Interest Income	4,00,949	4,82,432	5,83,294	6,96,952
Growth(%)	21.7	19.1	19.3	18.3
Non Interest Income	1,52,203	1,76,259	2,02,698	2,33,102
Net Total Income	5,53,152	6,58,690	7,85,992	9,30,054
Growth(%)	17.0	22.1	20.0	18.0
Employee Expenses	68,057	77,618	89,260	1,02,203
Other Expenses	1,49,783	1,72,175	2,00,584	2,34,282
Operating Expenses	2,26,904	2,61,194	3,03,566	3,51,254
Operating Profit	3,26,248	3,97,497	4,82,426	5,78,800
Growth(%)	26.8	21.8	21.4	20.0
NPA Provision	49,104	63,941	76,266	91,171
Total Provisions	59,275	75,501	93,060	1,10,925
PBT	2,66,973	3,21,996	3,89,367	4,67,875
Tax Provision	92,106	1,11,215	1,34,331	1,61,417
Effective tax rate (%)	34.5	34.5	34.5	34.5
PAT	1,74,867	2,10,781	2,55,035	3,06,458
Growth(%)	20.2	20.5	21.0	20.2

Balance Sheet (Rs. m)

Y/e Mar	FY18	FY19	FY20E	FY21E
Face value	2	2	2	2
No. of equity shares	2,595	2,723	2,723	2,723
Equity	5,190	5,447	5,447	5,447
Networth	10,62,950	14,92,064	16,85,138	19,32,897
Growth(%)	18.8	40.4	12.9	14.7
Adj. Networth to NNPA's	26,010	32,145	40,282	38,189
Deposits	78,87,706	92,31,409	1,08,93,063	1,29,62,745
Growth(%)	22.5	17.0	18.0	19.0
CASA Deposits	34,30,928	39,11,981	44,22,584	53,14,725
% of total deposits	43.5	42.4	40.6	41.0
Total Liabilities	1,06,39,343	1,24,45,407	1,44,37,326	1,69,48,150
Net Advances	65,83,331	81,94,012	97,50,874	1,17,01,049
Growth(%)	18.7	24.5	19.0	20.0
Investments	24,22,002	29,05,879	32,99,169	37,99,377
Total Assets	1,06,39,343	1,24,45,407	1,44,37,326	1,69,48,150
Growth (%)	23.2	17.0	16.0	17.4

Asset Quality

Y/e Mar	FY18	FY19	FY20E	FY21E
Gross NPAs (Rs m)	86,070	1,12,242	1,34,569	1,34,075
Net NPAs (Rs m)	26,010	32,145	40,282	38,189
Gr. NPAs to Gross Adv.(%)	1.3	1.4	1.4	1.1
Net NPAs to Net Adv. (%)	0.4	0.4	0.4	0.3
NPA Coverage %	69.8	71.4	70.1	71.5

Profitability (%)

Y/e Mar	FY18	FY19	FY20E	FY21E
NIM	4.4	4.4	4.5	4.6
RoAA	1.8	1.8	1.9	2.0
RoAE	17.9	16.5	16.1	16.9
Tier I	13.3	15.8	15.0	14.4
CRAR	14.8	17.1	16.6	15.9

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q2FY19	Q3FY19	Q4FY19	Q1FY20
Interest Income	2,41,995	2,58,903	2,63,333	2,73,916
Interest Expenses	1,24,362	1,33,135	1,32,438	1,40,973
Net Interest Income	1,17,634	1,25,768	1,30,895	1,32,943
YoY growth (%)	25.4	29.7	24.2	20.1
CEB	32,956	36,468	36,921	35,516
Treasury	-	-	-	-
Non Interest Income	40,156	49,210	48,712	49,703
Total Income	2,82,151	3,08,113	3,12,045	3,23,618
Employee Expenses	19,092	19,676	20,744	22,174
Other expenses	43,898	47,517	50,427	48,999
Operating Expenses	62,991	67,193	71,171	71,173
Operating Profit	94,799	1,07,784	1,08,436	1,11,472
YoY growth (%)	21.3	27.5	22.1	28.9
Core Operating Profits	95,127	1,03,044	1,06,147	1,09,352
NPA Provision	15,725	17,346	14,312	24,135
Others Provisions	18,200	22,115	18,892	26,137
Total Provisions	18,200	22,115	18,892	26,137
Profit Before Tax	76,599	85,669	89,544	85,336
Tax	26,543	29,810	30,693	29,654
PAT	50,057	55,859	58,851	55,682
YoY growth (%)	20.6	20.3	21.5	21.0
Deposits	83,33,641	85,25,019	92,31,409	95,45,537
YoY growth (%)	20.9	22.0	17.0	18.5
Advances	75,08,381	78,09,512	81,94,012	82,97,298
YoY growth (%)	24.1	23.7	24.5	17.1

Key Ratios

Y/e Mar	FY18	FY19	FY20E	FY21E
CMP (Rs)	2,376	2,376	2,376	2,376
EPS (Rs)	67.8	79.3	93.6	112.5
Book Value (Rs)	410	548	619	710
Adj. BV (70%)(Rs)	388	526	592	682
P/E (x)	35.0	30.0	25.4	21.1
P/BV (x)	5.8	4.3	3.8	3.3
P/ABV (x)	6.1	4.5	4.0	3.5
DPS (Rs)	10.9	12.4	19.0	18.0
Dividend Payout Ratio (%)	19.4	19.2	24.3	19.2
Dividend Yield (%)	0.5	0.5	0.8	0.8

Efficiency

Y/e Mar	FY18	FY19	FY20E	FY21E
Cost-Income Ratio (%)	41.0	39.7	38.6	37.8
C-D Ratio (%)	83.5	88.8	89.5	90.3
Business per Emp. (Rs m)	164	178	206	242
Profit per Emp. (Rs lacs)	20	21	25	30
Business per Branch (Rs m)	3,023	3,415	3,781	4,221
Profit per Branch (Rs m)	37	41	47	52

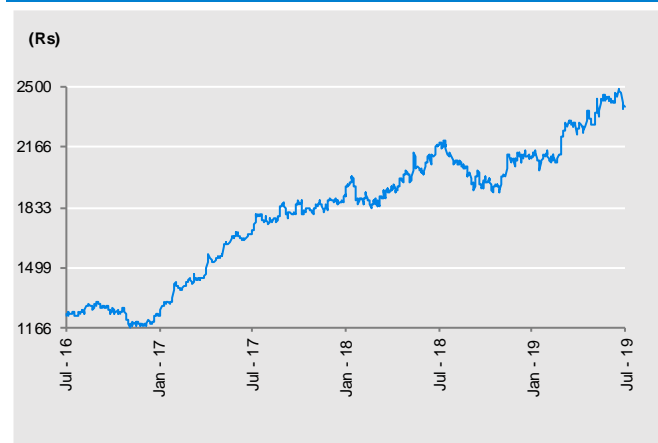
Du-Pont

Y/e Mar	FY18	FY19	FY20E	FY21E
NII	4.16	4.18	4.34	4.44
Total Income	5.74	5.71	5.85	5.93
Operating Expenses	2.35	2.26	2.26	2.24
PPoP	3.38	3.44	3.59	3.69
Total provisions	0.61	0.65	0.69	0.71
RoAA	1.81	1.83	1.90	1.95
RoAE	17.87	16.50	16.05	16.94

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Jul-19	BUY	2,700	2,484
2	21-Apr-19	BUY	2,700	2,293
3	05-Apr-19	BUY	2,371	2,306
4	19-Jan-19	BUY	2,371	2,130
5	07-Jan-19	BUY	2,310	2,121
6	21-Oct-18	BUY	2,310	1,968
7	05-Oct-18	BUY	2,492	1,958

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	Accumulate	837	809
2	Bank of Baroda	BUY	161	129
3	Bank of India	Reduce	90	95
4	Federal Bank	BUY	121	105
5	HDFC Bank	BUY	2,700	2,484
6	HDFC Standard Life Insurance Company	BUY	464	489
7	ICICI Bank	BUY	475	436
8	ICICI Prudential Life Insurance Company	BUY	511	394
9	IDFC First Bank	BUY	55	45
10	IndusInd Bank	BUY	1,800	1,510
11	Jammu & Kashmir Bank	BUY	80	41
12	Kotak Mahindra Bank	Hold	1,385	1,498
13	Max Financial Services	BUY	629	414
14	Punjab National Bank	Reduce	75	82
15	SBI Life Insurance Company	BUY	787	757
16	South Indian Bank	BUY	18	13
17	State Bank of India	BUY	427	367
18	Union Bank of India	Reduce	71	85
19	YES Bank	Hold	101	98

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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