

United Overseas Bank (UOB SP)

Building a green franchise

Green Strategy supports competitive positioning

We recently hosted an investor call with UOB's Chief Sustainability Officer - Mr. Eric Lim. UOB is positioning its strategy to leverage its balance sheet together with advisory, wealth and solutioning capabilities to support customers transition to sustainable opportunities. UOB is also transforming culturally within the organisation as it looks to build a sustainable growth strategy that serves all stakeholders. This should drive long-term competitive advantage for UOB, we believe. In the near term, an improving operational outlook and potential provision write backs should drive earnings momentum. Maintain BUY.

Leveraging franchise to drive stakeholder transition

At the individual level, customers may not be able to make a material impact on sustainability. However, UOB's position as a financial intermediary with a strong balance sheet together with advisory and solutions capabilities gives it a strong platform to support customers transition to sustainable opportunities. SGD12bn is already invested in sustainable finance with a goal of reaching SGD15bn by 2023E. This is likely to be surpassed in 2021E, in our view. The Group's wealth management business is also driving sustainable themes, while other fee generating sources such as transaction banking are innovating Green-services.

Aligning culture for internal transformation

There is growing competition in the sustainability financing space, leading to what appears to be lower margins than conventional assets. This is the wrong comparison, according to UOB. Non-green assets may offer higher margins now, but over the long run they could become un-fundable. Some may become stranded assets, which could lead to high provisioning risks. Therefore, it is important to align Group strategy towards funding sustainable assets. This requires a major cultural and mind-set shift internally. Senior management supports this and the Group is making strides in enhancing diversity and inclusion to further strengthen this journey. Importantly, UOB identifies that it needs to recognise the needs of each of its stakeholders and guide its strategy to serve all of them.

Maintain BUY. 12% upside

An improving operating outlook - especially in Singapore and North Asia - together with better than expected asset quality could drive upside surprises to earnings and provision write backs going forward. Its execution of its digital banking strategy together with Green financing opportunities could further support medium term growth, in our view. Maintain BUY.

FYE Dec (SGD m)	FY19A	FY20A	FY21E	FY22E	FY23E
Operating income	10,030	9,177	10,095	10,951	11,938
Pre-provision profit	5,558	4,993	5,620	6,046	6,551
Core net profit	4,343	2,915	4,090	4,633	5,102
Core EPS (SGD)	2.6	1.7	2.4	2.8	3.0
Core EPS growth (%)	8.2	(33.5)	40.3	13.3	10.1
Net DPS (SGD)	1.3	0.8	1.2	1.4	1.5
Core P/E (x)	10.1	13.0	10.7	9.5	8.6
P/BV (x)	1.1	0.9	1.0	1.0	0.9
Net dividend yield (%)	4.9	3.5	4.6	5.2	5.8
Book value (SGD)	23.76	24.29	25.52	26.91	28.43
ROAE (%)	11.2	7.2	9.8	10.5	11.0
ROAA (%)	1.1	0.7	0.9	1.0	1.0
Consensus net profit	-	-	3,878	4,374	4,818
MKE vs. Consensus (%)	-	-	5.5	5.9	5.9

Thilan Wickramasinghe thilanw@maybank.com (65) 6231 5840

With contributions from: Ryan Wong

BUY

Share Price SGD 26.10

12m Price Target SGD 29.34 (+12%)

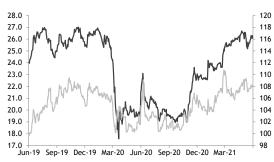
Previous Price Target SGD 29.34

Statistics

52W nign/tow (SGD)	26.69/18.95
3m avg turnover (USDm)	58.7
Free float (%)	75.2
Issued shares (m)	1,684
Market capitalisation	SGD44.0B
	USD33.1B

Major shareholders:	
WEE FAMILY	10.2%
LIEN FAMILY	5.1%
Tai Tak Estates Sdn Rhd	⊿ 1%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(1)	3	21
Relative to index (%)	(1)	(2)	3

-UOB - (LHS, SGD)

Source: FactSet



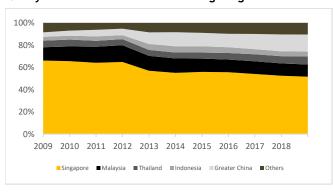


UOB / Straits Times Index - (RHS, %)

Value Proposition

- Largest SME lender, with strong, legacy relationships, resulting in higher lending yields than peers.
- Conservative, focused on traditional, commercial banking.
 Headed by founding family, who have not historically made aggressive overseas or trading bets.
- Wide SE Asian regional footprint through fully-owned operations in Malaysia, Thailand, Indonesia as well as HK providing diversified earnings growth.
- Well integrated regional operation providing cross-border services to an increasingly regional client base

Nearly half of loans are booked in higher growth markets

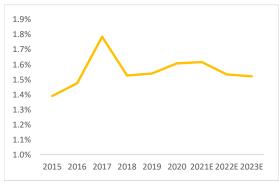


Source: Company

Financial Metrics

- We expect Gross NPLs to rise from 1.5% in 2019 to 1.6% in 2021E
- Falling interest rates will drive NIMs to fall from 1.74% in 2019 to 1.54% by 2021E.
- Loan growth, which expanded 5% YoY in 2020, should pick up steam to 8% in 2021E supported by North Asia, SG
- Credit charges should fall to 26bps in 2021E after rising to 57bps in 2020

NPLs set to fall as recovery gathers steam



Source: Company

Price Drivers Historical share price trend 32.0 170 30.0 160 28.0 150 26.0 140 24.0 130 22.0 120 20.0 110 18.0 100 16.0 90 Jun-16 Jun-20 Jun-17 Jun-18 Jun-19

Source: Company, Maybank Kim Eng

UOB - (LHS, SGD)

- 1. Weaker than expected 2H15, sharp CNY devaluation in August and O&G/commodity NPL worries.
- 2. Positive sentiment from interest rate hikes, USD strength and economic recovery. Risks from O&G have abated.
- 3. Concerns of global-trade war, falling loan growth from property cooling measures.
- 4. Beginning of the Covid-19 pandemic
- 5. Vaccine led recovery optimism kicking in

Swing Factors

Upside

- A V shaped recovery should overall business volumes
- Write-backs of excess provisions as asset quality conditions improve
- Market share gain opportunities from leveraging USD liquidity

Downside

- Focus on three stock specific drivers keep it MICRO
- Prolonged Covid-19 epidemic stressing system liquidity
- Sharp decline in value of trading securities and shocks in fixed-income portfolio.
- Faster than expected rise in NPLs as customers exit moratoriums.

thilanw@maybank.com





thilanw@maybank.com

Risk Rating & Score ¹	26.0 (Medium)
Score Momentum ²	-0.2
Last Updated	14 April 2021
Controversy Score ³	2 (Moderate) - 1 Business
(Updated: 30 Jun 2020)	Ethic Incident 1 Social &
	Community Incident

Business Model & Industry Issues

- The nature of UOB's business exposes it to multiple ESG risks directly and through its clients. Particular risks include environmental, governance, money laundering and corruption.
- 14% of incremental lending in 2019 were for sustainable uses, which lags UOB's Singapore peers who averaged 35%. Its total sustainability portfolio is around 2% of total loans.
- Around 36% of corporate loans at end-2019 to businesses classified as SMEs. This creates notable social risks, given this is
 amongst the most impacted segments under the current economic backdrop. Additionally, the banking sector is being used as a
 transmission mechanism for government COVID-19 stimulus programs, where social priorities are being elevated over
 shareholder returns.
- UOB has invested significantly in a standardised IT platform across all its regional operations (IT expenses +16% CAGR 2011-2019). This has helped it to build scale and deploy financial inclusion solutions quickly and effectively. On the flip side, this exposes UOB to data, cybersecurity and privacy risks.
- UOB displays no exceptional risks typical for a large, regional D-SIB for ESG. Compared to its Singapore peers, it is marginally below average in disclosures in terms of adhering to ESG standards. It is rated A by MSCI ESG and this is complemented by a strong balance sheet (rated AA-) and proactive regulatory oversight by MAS.

Material E issues

- UOB is integrating sustainability considerations to its credit approach through its Responsible Financing Policy. In 2019, it discontinued new financing of coal plants and Greenfield thermal coal mines and palm oil plantations. Specific exposure disclosures to these sectors are not available.
- It set up a working group to drive its Group Sustainability Principals in 2019 and aim to have 90% of suppliers in Singapore adhere to it by 2021.
- UOB increased renewable energy, green transport, water, waste management financing by 94% in 2019.
- It has established a 2030 target of achieving green building certification for all UOB owned buildings, a 6% reduction of Scope 2 Greenhouse gas emission intensity and a 14% electricity use intensity reduction (all on a 2018 base).

Material S issues

- As a bank with significant Singapore SME market share, UOB has elevated social risks - particularly in extending support to small business owners as some emerge from COVID-19 loan moratoriums.
- UOB offered flexible work options for key employee segments such as mothers, students, caregivers, even prior to COVID-19. It was investing in digital tools consistently as part of its long-term productivity strategy.
- The Group launched its digital banking product TMRW In Thailand and Indonesia to improve financial inclusivity and is training frontline employees to provide digital support for the less digitally savvy as part of financial inclusion.
- The group has a long-standing history of supporting the development of the Arts with YoY growth in spending on related causes.

Key G metrics and issues

- Between 2018-2019, five UOB Personal Bankers have been jailed and/or sanctioned on separate cases of mis-selling and cheating. While in each case the bank took action, it raises material Fair Dealing risks. The group has a Fair Dealing Guidelines Committee comprising of senior management that is appointment by the CEO. The Board also overseas this through the Risk Management Committee and Risk & Capital Committees.
- The group is exposed to data security risks. It has established cross-border guidelines on dealing with personal data transfers. Additionally, an Enterprise Data Ethics Team as well as a Data Governance & Data Quality Team has been set up ensure responsible data handling. A Data Quality Centre of Excellence was established in 2019.
- UOB's asset management businesses UOBAM, UOBVM, UOBGC - follow Singapore Stewardship Principles for responsible investing and have established sub-committees to overseas ESG related investments.
- The Group has also established an ESG Committee that reports to the Management Executive Committee although this sits one notch below Board level.
- Diversity Risks. Women make up just 35% of senior management roles. At Board Level women make up just 10% - the lowest amongst its Singapore peer group
- Corporate Governance Risk: 60% of Board composition is Independent Directors. This increases to 90% when nonexecutive directors are included.
- UOB is a signatory to the UN PRI. It includes a section on sustainability as part of its Annual Report, which is prepared under GRI and SGX standard with recommendations under TCFD.

1Risk Rating & Score - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. 2Score Momentum - indicates changes to the company's score since the last update - a negative integer indicates a company's improving risk score; a positive integer indicates a deterioration. 3Controversy Score - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).



Key Takeaways

Maybank Kim Eng recently hosted Mr. Eric Lim as part of its Captains Speak Corporate Access Series. Mr. Lim is Managing Director, Chief Sustainability Officer and Head of Group Finance at UOB. He leads UOB's Corporate Sustainability Office and is the Chairman of the Group ESG Committee as well as a member of the ALCO and the Management Committee.

- The tonality and intensity of conversations around sustainability changed vastly from just 5-years ago. Sustainability has gone mainstream.
- However, as a business, UOB has to ensure that the business of sustainability is sustainable. It needs to be in line with the national agenda, support profitability while also being accountable to investors, asset managers and the broader community
- Organisations have to be clear about who their stakeholders are.
 Once this is clear, companies cannot ignoring any stakeholder just to priorities the needs of another stakeholder
- UOB is aligning itself to the sustainability agenda by placing the
 customer at the centre. UOB has the ability to use its balance sheet
 to help its customers build green assets and transform their
 businesses towards energy efficiency. UOB can act as an intermediary
 and a platform to help its customers make a positive impact on
 climate change
- UOB is also embarking on impact investing within the Group to broaden its sustainable funding footprint. Its venture management arm manages the Asia Impact Investment Fund with mandates to invest in agriculture, healthcare and microfinance. Here, UOB is not only focusing on financial returns, but also the value of the impact it creates
- In terms of quantitative targets, UOB is looking to build a SGD15bn sustainable finance portfolio by 2023. They have already deployed SGD12bn, so it should be able to meet that target way ahead of the target
- In terms of UOB's existing portfolio, 8% can be classified as High Risk.
 However, only a small percentage is extremely high risk. For
 example, coal exposure is only 0.2%-0.3% of the loan book. They
 contributes only a small portion of income. The reason the Group has
 not dropped these customers is because it sees opportunities to
 support customer transitions
- Green Buildings and Renewable Energy are key opportunities and the Group thinks it can drive growth through its Sustainability Frameworks. In addition, there is about an USD1trn of investing or financing opportunities in ASEAN related to sustainable energy and resources, food agriculture, green connected cities, and efficient energy. These are key areas the Group is looking for growth
- As a financial intermediary, UOB has a large role to play in helping companies transition. It can finance companies that are green and promote sustainability, while withdrawing financing from companies that are not sustainable. Through this the Group has the ability to



become a platform for change and help shape economies to move towards greater sustainability. .

- Currently, there is a lot of competition and interest on green assets.
 Therefore, margins may appear lower than conventional assets historically. However, UOB believes that the conventional assets with high margins no longer exist and on a risk-adjusted basis, the margins are not that high. As a result, investing in Green assets is not really discounting especially on a risk-adjusted basis.
- As regulations grow, companies that are not sustainable will see their funding costs increasing. Therefore, even if the margin are high now, in the long run it will erode. In fact, some of these companies could become un-fundable leaving stranded assets on books of banks that have not transitioned.
- In non-interest income, UOB is incorporating sustainability. In wealth
 management, Green themed investment solutions and products are
 becoming increasingly important. Helping clients understand where
 the market is trending and supporting them to make informed
 decisions is a key value proposition for UOB's wealth product. The
 Group is seeing an increasing trend towards ESG themes, sustainable
 companies, future economies and new economies.
- From a corporate culture perspective, the Group is tied in with ESG. That can be seen through the Board appointing a Chief Sustainability Officer. The Group is also linking strategic management KPIs in the Wholesale bank to sustainability. While the rest of the banking pillars will follow, the Wholesale bank is first because the Group believes this is where the biggest impact on sustainability can be actioned in the immediate term. UOB has balanced scorecards that embed sophisticated and holistic sustainability KPIs. The KPIs focus on getting the sustainability finance numbers balanced with more value based goals. Examples of this include having the right conversations with clients to build a complete sustainable eco system for their business. This involves more advisory and soltutioning across the different service offerings of the Group.
- There are risks. Regulators are pushing new sustainability guidelines at various speeds. Countries such as Singapore may be able to achieve targets earlier, but may create an uneven playing field. Other countries may lag behind and this may result in situations where Singapore institutions could face competitive disadvantages - at least in the short term.

FYE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
Key Metrics					
Core P/E (x)	10.1	13.0	10.7	9.5	8.6
Core FD P/E (x)	10.1	13.0	10.7	9.5	8.6
P/BV (x)	1.1	0.9	1.0	1.0	0.9
P/NTA (x)	1.2	1.0	1.1	1.1	1.0
Net dividend yield (%)	4.9	3.5	4.6	5.2	5.8
INCOME STATEMENT (SGD m)					
Interest income	12,557.0	9,623.0	10,205.7	11,194.5	12,458.0
Interest expense	(5,994.0)	(3,587.0)	(3,718.2)	(4,124.4)	(4,612.8)
Net interest income	6,563.0	6,036.0	6,487.4	7,070.1	7,845.2
Net insurance income	0.0	0.0	0.0	0.0	0.0
Net fees and commission	2,032.0	1,997.0	2,356.5	2,545.0	2,672.2
Other income	1,435.0	1,144.0	1,250.9	1,335.9	1,420.6
Total non-interest income	3,467.0	3,141.0	3,607.4	3,880.9	4,092.8
Operating income	10,030.0	9,177.0	10,094.8	10,951.0	11,938.1
Staff costs	(2,716.0)	(2,501.0)	(2,651.1)	(2,889.7)	(3,149.7)
Other operating expenses	(1,756.0)	(1,683.0)	(1,823.3)	(2,015.4)	(2,237.8)
Operating expenses	(4,472.0)	(4,184.0)	(4,474.3)	(4,905.1)	(5,387.6)
Pre-provision profit	5,558.0	4,993.0	5,620.5	6,045.9	6,550.5
Loan impairment allowances	(435.0)	(1,554.0)	(763.4)	(534.1)	(472.2)
Other allowances	0.0	0.0	0.0	0.0	0.0
Associates & JV income	51.0	98.0	98.0	98.0	98.0
Pretax profit	5,174.0	3,537.0	4,955.1	5,609.7	6,176.3
Income tax	(813.0)	(606.0)	(849.0)	(961.1)	(1,058.2)
Minorities	(18.0)	(16.0)	(16.0)	(16.0)	(16.0)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	4,343.0	2,915.0	4,090.1	4,632.6	5,102.1
Core net profit	4,343.0	2,915.0	4,090.1	4,632.6	5,102.1
Preferred Dividends	(45.2)	(45.2)	(45.2)	(45.2)	(45.2)
BALANCE SHEET (SGD m)					
Cash & deposits with banks	78,704.0	77,082.0	62,093.2	61,774.0	70,374.3
Sec. under resale agreements	0.0	0.0	0.0	0.0	0.0
Derivatives financial assets	0.0	0.0	0.0	0.0	0.0
Dealing securities	0.0	0.0	0.0	0.0	0.0
Available-for-sale securities	0.0	0.0	0.0	0.0	0.0
Investment securities	39,608.0	51,425.0	71,197.3	80,662.6	89,567.8
Loans & advances	265,458.0	277,201.0	299,712.7	320,616.5	336,171.0
Central bank deposits	0.0	0.0	0.0	0.0	0.0
Investment in associates/JVs	1,182.0	1,210.0	1,210.0	1,210.0	1,210.0
Insurance assets	0.0	0.0	0.0	0.0	0.0
Fixed assets	3,696.0	3,923.0	4,203.6	4,504.4	4,826.6
Intangible assets	4,148.0	4,143.0	4,143.0	4,143.0	4,143.0
Other assets	11,614.0	16,830.0	16,830.0	16,830.0	16,830.0
Total assets	404,410.0	431,814.0	459,389.8	489,740.5	523,122.6
Deposits from customers	310,726.0	324,598.0	344,072.9	365,146.3	387,975.7
Deposits from banks & FIs	15,301.0	15,977.0	18,373.6	21,129.6	24,299.0
Derivatives financial instruments	0.0	0.0	0.0	0.0	0.0
Subordinated debt	5,121.0	5,363.0	5,363.0	5,363.0	5,363.0
Other securities in issue	0.0	0.0	0.0	0.0	0.0
Other borrowings	20,088.0	24,245.0	27,881.8	32,064.0	36,873.6
Insurance liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	13,308.0	20,500.0	20,500.0	20,500.0	20,500.0
Total liabilities	364,544.0	390,683.0	416,191.2	444,202.9	475,011.4
Share capital	4,949.0	5,044.0	5,044.0	5,044.0	5,044.0
Reserves	34,688.0	35,857.0	37,924.7	40,263.5	42,837.2
Shareholders' funds	39,637.0	40,901.0	42,968.7	45,307.5	47,881.2
Preference shares	0.0	0.0	0.0	0.0	0.0
	229.0	230.0	230.0	230.0	230.0
Minority interest					
Minority interest Total equity	39,866.0	41,131.0	43,198.7	45,537.5	48,111.2

FYE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
Key Ratios					
Growth (%)					
Net interest income	5.5	(8.0)	7.5	9.0	11.0
Non-interest income	19.7	(9.4)	14.8	7.6	5.5
Operating expenses	11.7	(6.4)	6.9	9.6	9.8
Pre-provision profit	8.7	(10.2)	12.6	7.6	8.3
Core net profit	8.4	(32.9)	40.3	13.3	10.1
Gross loans	2.7	4.7	8.0	6.9	4.8
Customer deposits	6.0	4.5	6.0	6.1	6.3
Total assets	4.2	6.8	6.4	6.6	6.8
Profitability (%)					
Non-int. income/Total income	34.6	34.2	35.7	35.4	34.3
Average lending yields	3.34	2.44	2.43	2.50	2.60
Average financing yields	0.00	0.00	0.00	100.00	200.00
Average cost of funds	1.74	0.99	0.97	1.01	1.0
Net interest margin	1.74	1.53	1.55	1.58	1.64
Net income margin	43.30	31.76	40.52	42.30	42.7
Cost/income	44.6	45.6	44.3	44.8	45.1
Liquidity (%)					
Loans/customer deposits	85.4	85.4	87.1	87.8	86.6
Asset quality (%)					
Net NPL	0.3	0.1	0.2	0.2	0.3
Gross NPL	1.5	1.6	1.6	1.5	1.5
Net NPF	0.0	0.0	0.0	0.0	0.0
Gross NPF	0.0	0.0	0.0	0.0	0.0
(SP+GP)/average gross loans	0.2	0.6	0.3	0.2	0.
Loan loss coverage	91.0	107.3	99.9	94.1	83.6
Capital adequacy (%)					
CET1	14.3	14.7	14.3	13.7	13.6
Tier 1 capital	15.4	15.8	15.3	14.7	14.6
Risk-weighted capital	17.4	18.4	17.4	16.6	16.4
Returns (%)					
ROAE	11.2	7.2	9.8	10.5	11.0
ROAA	1.1	0.7	0.9	1.0	1.0
Shareholders equity/assets	9.8	9.5	9.4	9.3	9.2

Source: Company; Maybank

Research Offices

ECONOMICS

Suhaimi ILIAS Chief Economist Malaysia | Philippines | Global (603) 2297 8682 suhaimi_ilias@maybank-ib.com

CHUA Hak Bin

Regional Thematic Macroeconomist (65) 6231 5830 chuahb@maybank.com

LEE Ju Ye

Singapore | Thailand | Indonesia (65) 6231 5844 leejuye@maybank.com

Linda LIU

Singapore | Vietnam | Cambodia | Myanmar | Laos (65) 6231 5847

Dr Zamros DZULKAFLI (603) 2082 6818 zamros.d@maybank-ib.com

Ramesh LANKANATHAN (603) 2297 8685 ramesh@maybank-ib.com

Saktiandi SUPAAT Head of FX Research (65) 6320 1379 saktiandi@maybank.com.sg

Christopher WONG (65) 6320 1347 wongkl@maybank.com.sg

TAN Yanxi (65) 6320 1378 tanvx@mavbank.com.sg

(65) 6320 1374

fionalim@maybank.com.sg

STRATEGY Anand PATHMAKANTHAN

(603) 2297 8783 anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, ACA (65) 6340 1079 winsonphoon@maybank.com

SE THO Mun Vi (603) 2074 7606 munyi.st@maybank-ib.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN Head of Regional Equity Research (603) 2297 8783

anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA Head of ASEAN Equity Research (603) 2297 8686 wchewh@maybank-ib.com

ONG Seng Yeow

Research, Technology & Innovation (65) 6231 5839 ongsengyeow@maybank.com

MAI AYSIA

Anand PATHMAKANTHAN Head of Research (603) 2297 8783 anand.pathmakanthan@maybank-ib.com

Strategy

Desmond CH'NG, BFP, FCA (603) 2297 8680 desmond.chng@maybank-ib.com
Banking & Finance

LIAW Thong Jung (603) 2297 8688 tjliaw@maybank-ib.com

Oil & Gas Services- Regional
 Automotive

ONG Chee Ting, CA (603) 2297 8678 ct.ong@maybank-ib.com • Plantations - Regional

YIN Shao Yang, CPA (603) 2297 8916 samuel.y@maybank-ib.com • Gaming - Regional • Media • Aviation

TAN Chi Wei, CFA (603) 2297 8690 chiwei.t@maybank-ib.com • Power • Telcos

WONG Wei Sum, CFA (603) 2297 8679 weisum@maybank-ib.com Property

Kevin WONG

(603) 2082 6824 kevin.wong@maybank-ib.com • REITs • Technology

(603) 2297 8687 jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Fahmi FARID (603) 2297 8676 fahmi.farid@maybank-ib.com
• Software

TEE Sze Chiah Head of Retail Research (603) 2082 6858 szechiah.t@maybank-ib.com

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe (603) 2297 8694

nikmohdihsan.ra@maybank-ib.com

Chartist

Amirah A7MI

INDIA

(603) 2082 8769 amirah.azmi@maybank-ib.com • Retail Research

Jigar SHAH Head of Research (91) 22 4223 2632 jigars@maybank.com • Strategy • Oil & Gas • Automobile • Cement

Neeray DALAL (91) 22 4223 2606 neerav@maybank.com
• Software Technology • Telcos

Kshitiz PRASAD (91) 22 4223 2607

kshitiz@maybank.com Banks

Vikram RAMALINGAM (91) 22 4223 2607

vikram@maybank.com

Automobile • Media

SINGAPORE

Thilan WICKRAMASINGHE Head of Research (65) 6231 5840 thilanw@maybank.com • Banking & Finance - Regional

• Consumer

CHUA Su Tye (65) 6231 5842 chuasutye@maybank.com

• REITs - Regional

LAI Gene Lih, CFA (65) 6231 5832 laigenelih@maybank.com • Technology • Healthcare

Kareen CHAN (65) 6231 5926 kareenchan@maybank.com • Transport • Telcos • Consumer

Eric ONG (65) 6231 5924 ericong@maybank.com SMIDs

Matthew SHIM (65) 6231 5929

matthewshim@maybank.com

Retail Research

PHILIPPINES

Jacqui de JESUS Head of Research (63) 2 8849 8844

jacqui.dejesus@maybank.com
• Strategy • Conglomerates

Romel LIBO-ON

(63) 2 8849 8844 romel_libo-on@maybank-atrke.com · Property · Telcos

Rachelleen RODRIGUEZ, CFA (63) 2 8849 8843

rachelleen.rodriguez@maybank.com • Banking & Finance • Transport

VIETNAM

Quan Trong Thanh Head of Research (84 28) 44 555 888 ext 8184 thanh.quan@maybank-kimeng.com.vn

Banks

Hoang Huy, CFA (84 28) 44 555 888 ext 8181 hoanghuy@maybank-kimeng.com.vn • Strategy • Technology

Le Nguyen Nhat Chuyen (84 28) 44 555 888 ext 8082

chuyen.le@maybank-kimeng.com.vn

• Oil & Gas

Nguyen Thi Sony Tra Mi (84 28) 44 555 888 ext 8084

mi.nguyen@maybank-kimeng.com.vn
• Consumer

Tyler Manh Dung Nguyen (84 28) 44 555 888 ext 8085 dung.nguyen@maybank-kimeng.com.vn • Utilities • Property

Tran Thi Thu Thao (84 28) 44 555 888 ext 8180 thao.tran@maybank-kimeng.com.vn

Nguyen Thi Ngan Tuyen Head of Retail Research (84 28) 44 555 888 ext 8081

tuyen.nguyen@maybank-kimeng.com.vn
• Retail Research Nguven Thanh Lam

Industrials

(84 28) 44 555 888 ext 8086 thanhlam.nguyen@maybank-kimeng.com.vn • Technical Analysis

INDONESIA

Isnaputra ISKANDAR Head of Research (62) 21 8066 8680 isnaputra.iskandar@maybank-ke.co.id

Strategy • Metals & Mining • Cement
 Autos • Consumer • Utility

Rahmi MARINA (62) 21 8066 8689

rahmi.marina@maybank-ke.co.id

Banking & Finance

Willy GOUTAMA

(62) 21 8066 8500 willy.goutama@maybank-ke.co.id

THAILAND

Maria LAPIZ Head of Institutional Research Dir (66) 2257 0250 | (66) 2658 6300 ext 1399 Maria.l.@maybank-ke.co.th • Strategy • Consumer • Materials • Services

Jesada TECHAHUSDIN, CFA

(66) 2658 6300 ext 1395 jesada.t@maybank-ke.co.th • Banking & Finance

Kaushal LADHA, CFA

(66) 2658 6300 ext 1392 Kaushal.l@maybank-ke.co.th

Oil & Gas - Regional

· Petrochemicals - Regional

Vanida GEISLER, CPA

(66) 2658 6300 ext 1394 Vanida.G@maybank-ke.co.th • Property • REITs

Yuwanee PROMMAPORN

(66) 2658 6300 ext 1393 Yuwanee.P @maybank-ke.co.th

 Services • Healthcare Ekachai TARAPORNTIP Head of Retail Research (66) 2658 5000 ext 1530

Ekachai.t@maybank-ke.co.th

Surachai PRAMUALCHAROENKIT (66) 2658 5000 ext 1470 Surachai.p@maybank-ke.co.th

· Auto · Conmat · Contractor · Steel

Suttatip PEERASUB (66) 2658 5000 ext 1430

suttatip.p@maybank-ke.co.th
Food & Beverage • Commerce

Jaroonpan WATTANAWONG (66) 2658 5000 ext 1404

jaroonpan.w@maybank-ke.co.th
• Transportation • Small cap

Thanatohat SUKSRICHAVALIT

(66) 2658 5000 ext 1401 thanaphat.s@maybank-ke.co.th

· Media · Electronics

Wijit ARAYAPISIT (66) 2658 5000 ext 1450

wijit.a@mavbank-ke.co.th Strategist

Theerasate PROMPONG (66) 2658 5000 ext 1400

theerasate.p@maybank-ke.co.th
• Equity Portfolio Strategist

Apiwat TAVESIRIVATE (66) 2658 5000 ext 1310 apiwat.t@maybank-ke.co.th • Chartist and TFEX

8



APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Kim Eng Securities (Thailand) Public Company Limited. ("MBKET") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MBKET Institutional and Retail Research departments may differ in either recommendation or target price, or both. MBKET reserves the rights to disseminate MBKET Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MBKET Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MBKET does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MBKET does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Kim Eng Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-886 and not with, the issuer of this report.



UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. Singapore: This report is distributed in Singapore by Maybank KERPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. Indonesia: PT Maybank Kim Eng Securities ("PTMKES") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). Thailand: MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. Philippines: Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. Vietnam: Maybank Kim Eng Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. Hong Kong: KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. India: Kim Eng Securities India Private Limited ("KESI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) US: Maybank KESUSA is a member of/ and is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 4 June 2021, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 4 June 2021, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 4 June 2021, and at the end of the month immediately preceding the date of publication of the research report, KESI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months KESI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

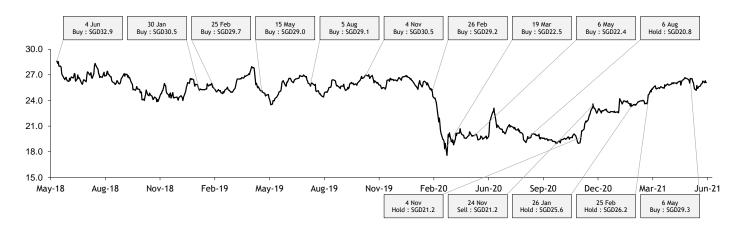
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

Historical recommendations and target price: United Overseas Bank (UOB SP)



—— United Overseas Bank

Definition of Ratings

Maybank Kim Eng Research uses the following rating system

BUY Return is expected to be above 10% in the next 12 months (including dividends)

HOLD Return is expected to be between 0% to 10% in the next 12 months (including dividends)

SELL Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.



Malaysia

Maybank Investment Bank Berhad (A Participating Organisation of Bursa Malaysia Securities Berhad) 33rd Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur

Tel: (603) 2059 1888; Fax: (603) 2078 4194

Stockbroking Business: Level 8, Tower C, Dataran Maybank, No.1. Jalan Maarof

59000 Kuala Lumpur Tel: (603) 2297 8888 Fax: (603) 2282 5136

Philippines

Maybank ATR Kim Eng Securities Inc. 17/F, Tower One & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City, Philippines 1200

Tel: (63) 2 8849 8888 Fax: (63) 2 8848 5738

South Asia Sales Trading

Kevin Foy Regional Head Sales Trading kevinfoy@maybank-ke.com.sg Tel: (65) 6636-3620 US Toll Free: 1-866-406-7447

Indonesia lwan Atmadjaja iatmadiaia2@bloomberg.net

(62) 21 8066 8555 New York

James Lynch jlynch@maybank-keusa.com Tel: (212) 688 8886

Philippines Keith Roy

keith_roy@maybank-atrke.com Tel: (63) 2 848-5288

Singapore

Maybank Kim Eng Securities Pte Ltd Maybank Kim Eng Research Pte Ltd 50 North Canal Road Singapore 059304

Tel: (65) 6336 9090

Hong Kong

Kim Eng Securities (HK) Ltd 28/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong

Tel: (852) 2268 0800 Fax: (852) 2877 0104

Thailand

Maybank Kim Eng Securities (Thailand) Public Company Limited 999/9 The Offices at Central World, 20th - 21st Floor, Rama 1 Road Pathumwan, Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales) Tel: (66) 2 658 6801 (research)

North Asia Sales Trading

Andrew Lee andrewlee@kimeng.com.hk Tel: (852) 2268 0283 US Toll Free: 1 877 837 7635

London **Greg Smith** gsmith@maybank-ke.co.uk Tel: (44) 207-332-0221

Tel: (91)-22-6623-2629

India Sanjay Makhija sanjaymakhija@maybank-ke.co.in

London

Maybank Kim Eng Securities (London) Ltd PNB House 77 Queen Victoria Street London EC4V 4AY, UK

Tel: (44) 20 7332 0221 Fax: (44) 20 7332 0302

Indonesia

PT Maybank Kim Eng Securities Sentral Senayan III, 22nd Floor Jl. Asia Afrika No. 8 Gelora Bung Karno, Senayan Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188 Fax: (62) 21 2557 1189

Vietnam

Maybank Kim Eng Securities Limited 4A-15+16 Floor Vincom Center Dong Khoi, 72 Le Thanh Ton St. District 1 Ho Chi Minh City, Vietnam

Tel: (84) 844 555 888 Fax: (84) 8 38 271 030

New York

Maybank Kim Eng Securities USA 400 Park Avenue, 11th Floor New York, New York 10022, U.S.A.

Tel: (212) 688 8886 Fax: (212) 688 3500

India

Kim Eng Securities India Pvt Ltd 1101, 11th floor, A Wing, Kanakia Wall Street, Chakala, Andheri Kurla Road, Andheri East, Mumbai City - 400 093, India

Tel: (91) 22 6623 2600 Fax: (91) 22 6623 2604

Saudi Arabia

In association with Anfaal Capital Ground Floor, KANOO Building No.1 - Al-Faisaliyah, Madina Road, P.O.Box 126575 Jeddah 21352 Kingdom of Saudi Arabia

Tel: (966) 920023423

www.maybank-ke.com | www.maybank-keresearch.com