## DBS Group (DBS SP)

## Improving momentum

### Regional recovery, new investments deliver growth

DBS' 9M21 PAT was ahead of MKE and Street, supported by provision reversals. The Group continues to have excess reserves that could potentially surprise earnings on the upside going forward. Operationally, we expect loans & fees - especially wealth, transaction banking and credit cards - to see rising momentum. Increasing investments in digital, AI, retail wealth as well as India and China geographically could create new pathways for higher ROEs in the medium term, in our view. Maintain BUY.

### Poised for growth delivery

3Q21 QoQ NII held steady despite a 2bps fall in NIMs. The +2% QoQ improvement in loan growth helped. We think momentum here should pick up going forward as the region re-opens. Its strong regional franchise and cheap CASA (70% of deposits) funding are critical success factors, in our view. Similarly, fee should see upside as demand for trade finance, cash management, advisory and loans increase. According to management, credit card spending is now above pre-Pandemic levels. This segment contributed 22% of fees in 2019 vs. 16% 9M21. As regional travel rises (typically 14-15% of card spending vs. 2% now), expect upgrades here. Separately, DBS wrote back SGD138m of GP. The Group has SGD600m of GP reserves above regulatory requirements, which could provide further opportunities for reversals (+8% 2022E PAT). With asset quality supportive, we have lowered 2021-23E credit costs by 33-38%.

### Platforms for expansion

DBS is investing in several platforms for medium term growth. Key here is its digital/AI push to provide hyper-personalised solutions. This also positions the Group to respond to digital challengers. DBS is also looking to gain share in retail wealth management (AUM here +SGD2bn in 3Q21) through leveraging its digital capabilities. Elsewhere, it is increasing investments in India and China in areas such as digital banking and consumer finance, which could leverage its physical networks, technology and partnerships. Some of its digital ventures are in a separate entity under the bank. This may support improved value discovery for the Group as DBS looks to spin-off or create partnerships with these ventures.

### Maintain BUY. Higher TP: SGD37.03

We have raised 2022-23E opex by 2% to reflect increasing wage pressures. Nevertheless, with lower credit costs, 2021-23E PAT is 1-2% higher. We roll forward our multistage DDM (COE 9.3%, 3% terminal) and raise TP to SGD37.03 from SGD35.11. At our TP, DBS would trade at 1.5x fwd PB - a level it traded up to following the recent O&M crisis. Maintain BUY.

FYE Dec (SGD m)	FY19A	FY20A	FY21E	FY22E	FY23E
Operating income	14,544	14,592	15,131	16,137	17,941
Pre-provision profit	8,286	8,434	8,491	8,881	10,228
Core net profit	6,391	4,721	7,146	7,419	8,527
Core EPS (SGD)	2.5	1.9	2.8	2.9	3.3
Core EPS growth (%)	14.1	(26.0)	51.4	3.8	14.9
Net DPS (SGD)	1.2	0.9	1.2	1.4	1.6
Core P/E (x)	10.3	13.5	11.5	11.1	9.6
P/BV (x)	1.3	1.2	1.4	1.3	1.2
Net dividend yield (%)	4.8	3.5	3.6	4.3	5.1
Book value (SGD)	19.96	21.41	23.04	24.56	26.26
ROAE (%)	13.4	9.4	13.4	12.9	13.9
ROAA (%)	1.1	0.8	1.1	1.1	1.2
Consensus net profit	-	-	6,736	6,953	7,689
MKE vs. Consensus (%)	-	-	6.1	6.7	10.9

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

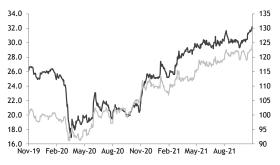
# BUY

Share Price	SGD 32.21
12m Price Target	SGD 37.03 (+15%)
Previous Price Target	SGD 35.11

Statistics

Statistics	
52w high/low (SGD)	32.21/22.43
3m avg turnover (USDm)	79.8
Free float (%)	70.3
Issued shares (m)	2,564
Market capitalisation	SGD82.6B
	USD61.1B
Major shareholders:	
Temasek Holdings	29.0%
Capital Research	2.1%
The Vanguard Group	2.1%

#### Price Performance



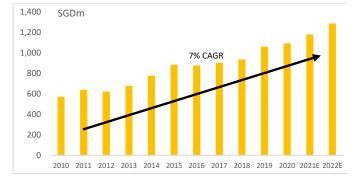
DBS Group - (LHS, SGD)	——DBS Group / Straits Times Index - (RHS, %)					
	-1M	-3M	-12M			
Absolute (%)	6	5	49			
Relative to index (%)	2	4	17			

Source: FactSet

## Value Proposition

- SE Asia's largest bank by assets, with strength in large corporate loans, cash management and wealth
- Over 50% market share of SGD CASA deposits through strong heartland banking franchise. Also strong USD funding base through HK operations
- Current strategy has the group refocusing on commercial banking following attempts to transform in to a universal bank pre-GFC which had mixed results
- Increasing presence in South and South Asia particularly India and Indonesia
- Early adopter of technology and automation providing opportunities for new revenue streams and cost savings

#### IT spend opening up opportunities

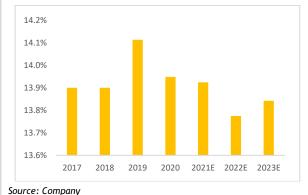


#### Source: Company

## **Financial Metrics**

- Following a +3bps YoY rise in 2019, NIMs should fall 35bps by 2021E from weaker interest rates
- Credit charges will range between 7-10bps between 2021-2023E as COVID-19 provision building ease off
- Gross NPLs should increase fall from 1.6% in 2020 to 1.5% in 2022E as economies open up
- CET1 should remain above management comfort level of 12.5%

#### CET1 levels above 12.5%



## **Price Drivers**

#### Historical share price trend



Source: Company, Maybank Kim Eng

- 1. Positive sentiment from expectation of Fed rate hike, USD strength and oil
- 2. Concerns of US-China trade war, slowing mortgage lending from property cooling measures and slower regional growth
- 3. Start of COVID-19 pandemic
- 4. Announcement of successful COVID-19 vaccine trials
- 5. Regional COVID-19 variant uncertainty

## **Swing Factors**

## Upside

- Potentially higher NIMs from stronger than expected loan growth
- Regional integration may provide enhanced market share opportunities
- Provision write-backs are NPL formation slows from regional recovery

## Downside

- Sharp decline in value of trading securities and shocks in fixed-income portfolio.
- Prolonged Covid-19 epidemic fallout and continued political instability in Hong Kong
- Potential entry of digital banks and competition for market share

thilanw@maybank.com

## 3Q21 results summary

#### Fig 1: 3Q21 results summary

SGDm	3Q21	3Q20	YoY (%)	2Q21	QoQ	Comments
Net interest income	2,104	2,171	-3.1	2,089	0.7	Weaker NIMs, but some offset from loan growth
Non-interest income	1,457	1,406	3.6	1,500	-2.9	Stronger wealth, transaction, credit card fees
Total income	3,561	3,577	-0.4	3,589	-0.8	
Total expenses	(1,668	(1,539)	8.4	(1,543)	8.1	Rising from staff costs and higher business activities
Profit before allowances (PPOP)	) 1,893	2,038	-7.1	2,046	-7.5	
Allowances for credit and other losses	70	(554)	NM	(79)	NM	GP write back and lower SP
Profit before tax	1,963	1,484	32.3	1,967	-0.2	
Net profit	1,700	1,297	31.1	1,703	-0.2	
Core Net Profit	1,700	1,297	31.1	1,703	-0.2	9M21 77% of MKE, 80% of Street
NIM (Reported) %	1.43%	1.53%	(10)	1.45%	(2)	Lower policy rates, higher competition
Loans	404,72 3	371,358	9.0	396,963	2.0	Led by Singapore and Greater China
Deposits	488,89 9	446,886	9.4	482,837	1.3	Continued CASA inflows, but QoQ momentum falling
Gross NPLs	1.5%	1.6%	(10)	1.5%	-	Improving repayments, recoveries

Source: Company data, Maybank Kim Eng

## Key assumption changes

#### Fig 2: Key assumption changes

		2021E			2022E			2023E	
	Old	New	% Change	Old	New	% Change	Old	New	% Change
Net Interest Income	8,878	8,880	0%	9,604	9,607	0%	10,915	10,920	0%
Non-interest income	6,251	6,251	0%	6,530	6,530	0%	7,021	7,021	0%
Total Income	15,130	15,131	0%	16,134	16,137	0%	17,936	17,941	0%
Total Expenses	(6,640)	(6,640)	0%	(7,089)	(7,257)	2%	(7,532)	(7,713)	2%
PPOP	8,489	8,491	0%	9,045	8,881	-2%	10,404	10,228	-2%
Allowance for credit and other losses	(425)	(284)	-33%	(579)	(362)	-38%	(665)	(443)	-33%
PBT	8,064	8,207	2%	8,467	8,519	1%	9,739	9,785	0%
Core-Net Profit	7,021	7,146	2%	7,373	7,419	1%	8,487	8,527	0%
NIM	1.49%	1.49%	0 bps	1.57%	1.57%	0 bps	1.72%	1.72%	0 bps
Gross Loans	411,503	411,503	0%	440,836	440,836	0%	468,250	468,250	0%
Deposits	485,468	485,468	0%	507,141	507,141	0%	530,139	530,139	0%

Source: Maybank Kim Eng

## Focus charts

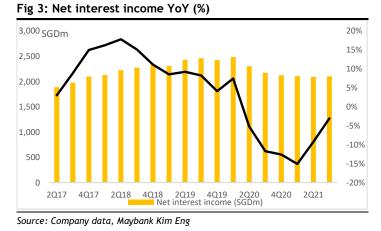
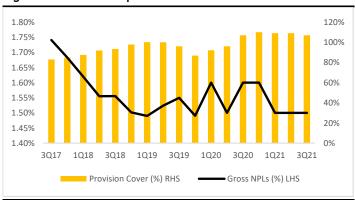
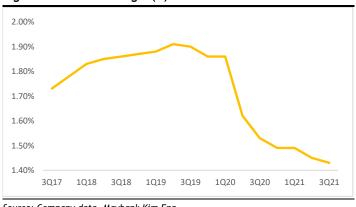


Fig 5: Gross NPLs and provision cover



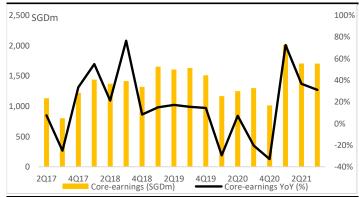
Source: Company data, Maybank Kim Eng





Source: Company data, Maybank Kim Eng





Source: Company data, Maybank Kim Eng

## Detailed assumptions

### Fig 7: Detailed assumptions

	2016	2017	2018	2019	2020	2021E	2022E	2023E
Balance Sheet								
Loan growth y-o-y (%)	6%	7%	7%	4%	4%	<b>9</b> %	7%	<b>6</b> %
Consumer Loan growth y-o-y (%)	8%	15%	3%	2%	0%	7%	7%	6%
Corporate Loan growth y-o-y (%)	6%	4%	8%	4%	6%	10%	7%	6%
Deposit growth y-o-y (%)	<b>9</b> %	8%	5%	3%	15%	4%	4%	5%
CASA Deposit growth y-o-y (%)	<b>9</b> %	<b>9</b> %	-1%	3%	42%	-7%	-4%	5%
Cash and balances with central banks as a % of Deposits	8%	7%	6%	7%	11%	5%	3%	2%
Loan to Deposit Ratio (%)	87.9%	87.7%	88.8%	89.6%	81.3%	84.8%	86.9%	88.3%
Profit & Loss								
Net Interest Margin - Adjusted (%)	1.71%	1.70%	1.80%	1.83%	1.61%	1.49%	1.57%	1.72%
Net Interest income growth y-o-y (%)	2.9%	6.7%	14.9%	7.5%	-5.7%	-2.2%	8.2%	13.7%
Non-interest income growth y-o-y (%)	13.5%	-1.2%	2.3%	16.3%	12.1%	13.3%	4.5%	7.5%
PPOP growth y-o-y (%)	10.7%	3.1%	9.9%	12.2%	1.8%	0.7%	4.6%	15.2%
PBT growth y-o-y (%)	-1.5%	-5.1%	38.3%	13.6%	-29.2%	52.9%	3.8%	14.9%
Cost to Income Ratio (%)	43.3%	43.7%	44.0%	43.0%	42.2%	43.9%	45.0%	43.0%
Dividend Payout on core-profits (%)	36%	90%	55%	<b>49</b> %	47%	42%	48%	<b>49</b> %
Asset Quality								
Gross NPL (%)	1.4%	1.7%	1.5%	1.5%	1.6%	1.6%	1.5%	1.4%
Provision coverage (GP+SP+RLAR/NPA) (%)	100%	86%	<b>98</b> %	94%	110%	94%	86%	83%
Credit charge (Allowance for credit losses/gross loans) (%)	0.48%	0.60%	0.21%	0.20%	0.83%	0.07%	0.08%	0.10%
NPA growth y-o-y (%)	73.9%	25.0%	-6.4%	1.6%	15.8%	6.0%	2.1%	2.1%
Capital								
CET1 ratio (%)	13.3%	13.9%	13.9%	14.1%	13 <b>.9</b> %	13 <b>.9</b> %	13.8%	13.8%
Tier-1 ratio (%)	14.7%	15.1%	15.1%	15.0%	15.0%	15.0%	14.8%	14 <b>.9</b> %
Total Capital ratio (%)	16.2%	15.9%	16.9%	16.7%	16.8%	16.7%	16.5%	16.5%

Source: Company data, Maybank Kim Eng

FYE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
Key Metrics					
Core P/E (x)	10.3	13.5	11.5	11.1	9.6
Core FD P/E (x)	10.3	13.5	11.5	11.1	9.6
P/BV (x)	1.3	1.2	1.4	1.3	1.2
P/NTA (x)	1.4	1.3	1.5	1.4	1.3
Net dividend yield (%)	4.8	3.5	3.6	4.3	5.1
INCOME STATEMENT (SGD m)					
Interest income	15,592.0	12,208.0	11,962.0	13,319.1	15,348.0
Interest expense	(5,967.0)	(3,132.0)	(3,082.4)	(3,711.9)	(4,427.8)
Net interest income	9,625.0	9,076.0	8,879.6	9,607.3	10,920.1
Net insurance income	0.0	0.0	0.0	0.0	0.0
Net fees and commission	3,052.0	3,058.0	3,577.9	3,864.1	4,250.5
Other income	1,867.0	2,458.0	2,673.6	2,665.9	2,770.4
Total non-interest income	4,919.0	5,516.0	6,251.5	6,530.0	7,020.9
Operating income	14,544.0	14,592.0	15,131.1	16,137.3	17,941.1
Staff costs	(3,514.0)	(3,550.0)	(3,905.0)	(4,373.6)	(4,723.5)
Other operating expenses	(2,744.0)	(2,608.0)	(2,735.5)	(2,882.9)	(2,989.6)
Operating expenses	(6,258.0)	(6,158.0)	(6,640.5)	(7,256.5)	(7,713.1)
Pre-provision profit	8,286.0	8,434.0	8,490.6	8,880.7	10,228.0
Loan impairment allowances	(703.0)	(3,066.0)	(283.6)	(361.8)	(443.2)
Other allowances	0.0	0.0	0.0	0.0	0.0
Associates & JV income	0.0	0.0	0.0	0.0	0.0
Pretax profit	7,583.0	5,368.0	8,207.0	8,518.9	9,784.7
Income tax	(1,154.0)	(612.0)	(1,025.9)	(1,064.9)	(1,223.1)
Minorities	(38.0)	(35.0)	(35.0)	(35.0)	(35.0)
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	6,391.0	4,721.0	7,146.2	7,419.0	8,526.6
Core net profit	6,391.0	4,721.0	7,146.2	7,419.0	8,526.6
Preferred Dividends	(38.0)	(38.0)	(38.0)	(38.0)	(38.0)
BALANCE SHEET (SGD m)					
Cash & deposits with banks	65,698.0	101,485.0	77,309.4	68,702.2	68,556.3
Sec. under resale agreements	0.0	0.0	0.0	0.0	0.0
Derivatives financial assets	17,235.0	31,108.0	34,218.8	37,640.7	41,404.7
Dealing securities	0.0	0.0	0.0	0.0	0.0
Available-for-sale securities	63,746.0	65,456.0	67,419.7	72,813.3	76,453.9
Investment securities	49,729.0	51,700.0	53,993.1	45,642.7	37,109.7
Loans & advances	357,884.0	371,171.0	405,478.4	435,203.2	462,756.5
Central bank deposits	0.0	0.0	0.0	0.0	0.0
Investment in associates/JVs	835.0	862.0	862.0	862.0	862.0
Insurance assets	0.0	0.0	0.0	0.0	0.0
Fixed assets	3,225.0	3,338.0	3,455.0	3,576.0	3,701.3
Intangible assets	5,170.0	5,323.0	5,323.0	5,323.0	5,323.0
Other assets	15,424.0	19,495.0	21,444.5	23,589.0	25,947.8
Total assets	578,946.0	649,938.0	669,503.8	693,351.9	722,115.4
Deposits from customers	404,289.0	464,850.0	485,468.3	507,140.9	530,138.8
Deposits from banks & FIs	23,773.0	28,220.0	33,498.9	39,765.2	47,203.7
Derivatives financial instruments	17,512.0	32,904.0	32,904.0	32,904.0	32,904.0
Subordinated debt	3,538.0	3,970.0	3,970.0	3,970.0	3,970.0
Other securities in issue	0.0	0.0	0.0	0.0	0.0
Other borrowings	57,128.0	43,277.0	32,784.3	24,835.5	18,814.0
Insurance liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	20,907.0	22,074.0	22,074.0	22,074.0	22,074.0
Total liabilities	527,147.0	595,295.0	610,699.4	630,689.6	655,104.5
Share capital	10,948.0	10,942.0	10,942.0	10,942.0	10,942.0
Reserves	38,024.0	40,283.0	44,444.4	48,302.3	52,650.9
Shareholders' funds	48,972.0	51,225.0	55,386.4	59,244.3	63,592.9
Preference shares	2,009.0	3,401.0	3,401.0	3,401.0	3,401.0
Minority interest	818.0	17.0	17.0	17.0	17.0
Total equity	51,799.0	54,643.0	58,804.4	62,662.3	67,010.9
Total liabilities & equity	578,946.0	649,938.0	669,503.8	693,351.9	722,115.4

FYE 31 Dec	FY19A	FY20A	FY21E	FY22E	FY23E
Key Ratios					
Growth (%)					
Net interest income	7.5	(5.7)	(2.2)	8.2	13.7
Non-interest income	16.3	12.1	13.3	4.5	7.5
Operating expenses	7.9	(1.6)	7.8	9.3	6.3
Pre-provision profit	12.2	1.8	0.7	4.6	15.2
Core net profit	13.6	(26.1)	51.4	3.8	14.9
Gross loans	3.7	4.2	8.9	7.1	6.2
Customer deposits	2.7	15.0	4.4	4.5	4.5
Total assets	5.1	12.3	3.0	3.6	4.1
Profitability (%)					
Non-int. income/Total income	33.8	37.8	41.3	40.5	39.1
Average lending yields	2.97	2.17	2.00	2.17	2.42
Average financing yields	0.00	0.00	0.00	0.00	0.00
Average cost of funds	1.25	0.61	0.56	0.66	0.75
Net interest margin	1.83	1.61	1.49	1.57	1.72
Net income margin	43.94	32.35	47.23	45.97	47.53
Cost/income	43.0	42.2	43.9	45.0	43.0
Liquidity (%)					
Loans/customer deposits	88.5	79.8	83.5	85.8	87.3
Asset quality (%)					
Net NPL	0.2	(0.1)	0.1	0.2	0.2
Gross NPL	1.5	1.6	1.6	1.5	1.4
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	0.8	0.1	0.1	0.1
(SP+GP)/average gross financing	0.0	0.0	0.0	0.0	0.0
Loan loss coverage	93.8	109.6	94.3	86.4	82.6
Capital adequacy (%)					
CET1	14.1	13.9	13.9	13.8	13.8
Tier 1 capital	15.0	15.0	15.0	14.8	14.9
Risk-weighted capital	16.7	16.8	16.7	16.5	16.5
Returns (%)					
ROAE	13.4	9.4	13.4	12.9	13.9
ROAA	1.1	0.8	1.1	1.1	1.2
Shareholders equity/assets	8.5	7.9	8.3	8.5	8.8

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 lindaliu@maybank.com

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

#### FX

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 tanyx@maybank.com.sg

Fiona LIM (65) 6320 1374 fionalim@maybank.com.sg

#### STRATEGY

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

#### FIXED INCOME

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

SE THO Mun Yi (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

#### MALAYSIA

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

WONG Chew Hann, CA (603) 2297 8686 wchewh@maybank-ib.com • Non-Bank Financials (stock exchange) • Construction & Infrastructure

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 • Non-Bank Financials

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 • Glove

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

Fahmi FARID (603) 2297 8676 fahmi.farid@maybank-ib.com • Software Syifaa' Nur FARAH (603) 2297 8675

nurfarahsyifaa.mohamadfuad@maybank-ib.com • Construction • Renewable Energy • REITs

Arvind JAYARATNAM (603) 2297 8692 arvind.jayaratnam@maybank.com • Ports • Shipping • Petrochemicals • Technology

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

#### 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 • REITs

PHILIPPINES Jacqui de JESUS Head of Research (63) 2 8849 8840 jacqui.dejesus@maybank.com • Strategy • Conglomerates

Rachelleen RODRIGUEZ, CFA (63) 2 8849 8843 rachelleen.rodriguez@maybank.com • Banking & Finance • Transport • Telcos

Daphne SZE (63) 2 8849 8847 daphne.sze@maybank.com • Consumer

Miguel SEVIDAL (63) 2 8849 8844 miguel.sevidal@maybank.com • REITs

VIETNAM Quan Trong Thanh Head of Research (84 28) 44 555 888 ext 8184 thanh.quan@maybank.com • Banks

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

Le Nguyen Nhat Chuyen (84 28) 44 555 888 ext 8082 chuyen.le@maybank.com • Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi (84 28) 44 555 888 ext 8084 trami.nguyen@maybank.com • Consumer

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

Nguyen Thi Ngan Tuyen Head of Retail Research (84 28) 44 555 888 ext 8081 tuyen.nguyen@maybank.com • Retail Research

Nguyen Thanh Lam (84 28) 44 555 888 ext 8086 thanhlam.nguyen@maybank.com • Technical Analysis

#### INDIA

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

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

Vikram RAMALINGAM (91) 22 4223 2607 vikram@maybank.com • Automobile • Media

#### INDONESIA

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 • Consumer

Farah OKTAVIANI (62) 21 8066 8691 farah.oktaviani@maybank-ke.co.id • Construction

#### 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, CESGA (66) 2658 6300 ext 1392 Kaushal.l@maybank-ke.co.th • Oil & Gas - Regional • Petrochemicals - Regional • Utilities

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

Thanatphat SUKSRICHAVALIT (66) 2658 5000 ext 1401 thanaphat.s@maybank-ke.co.th • Media • Electronics

Wijit ARAYAPISIT (66) 2658 5000 ext 1450 wijit.a@maybank-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

#### 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 is only the 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) 688-8886 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 advice, and that for accurate guidance recipients should consult with their own independent 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 FINRA - Broker ID 27861. UK: Maybank KESL (Reg No 2377538) 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 5 November 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 5 November 2021, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 5 November 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

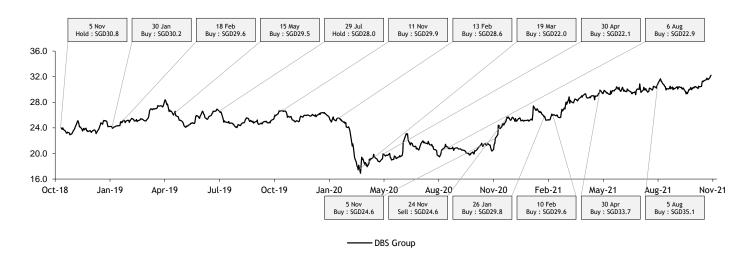
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed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

#### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to soph isticated 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: DBS Group (DBS SP)



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

#### e 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

#### 👩 Sales Trading

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

Indonesia Iwan Atmadjaja iatmadjaja2@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

London

India Sanjay Makhija

Greg Smith

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

Tel: (91)-22-6623-2629

sanjaymakhija@maybank-ke.co.in

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

Tel: (66) 2 658 6817 (sales) Tel: (66) 2 658 6801 (research) 🐔 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, 22<sup>nd</sup> 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 Inc 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, 11<sup>th</sup> 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