

Singapore

ADD (no change)

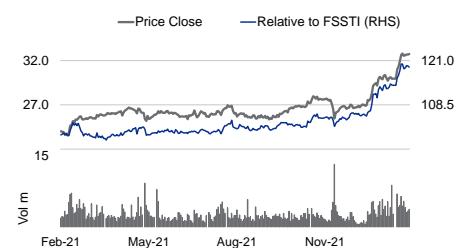
Consensus ratings*: Buy 18 Hold 1 Sell 0

Current price:	S\$32.75
Target price:	S\$35.40
Previous target:	S\$33.50
Up/downside:	8.1%
CGS-CIMB / Consensus:	4.8%
Reuters:	UOBH.SI
Bloomberg:	UOB SP
Market cap:	US\$40,697m
	S\$54,758m
Average daily turnover:	US\$63.91m
	S\$87.07m
Current shares o/s:	1,672m
Free float:	85.6%

*Source: Bloomberg

Key changes in this note

- We tweak FY22-23F EPS by c.0.3-1.3% and introduce FY24F estimates.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	9.4	18.5	36.3
Relative (%)	4.6	12.3	19.1

Major shareholders

	% held
Wee Investments Pte Ltd	7.7
Wah Hin & Co Pte Ltd	5.0
Vanguard Group	2.0

Analyst(s)



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United Overseas Bank

A resilient showing

- Stronger fee income, c.S\$200m-300m profit from integration of Citigroup's consumer franchise and c.23 bp NIM expansion to drive FY22-24F earnings.
- Credit costs guided to be stable, with SPs from residual risks smoothed by GP reversals. UOB is likely to retain sizeable part of c.S\$1bn mgmt. overlays.
- Reiterate Add with a higher TP. UOB trades at c.1.2x FY22F P/BV, still below its 1.4x valuation as NIM peaked in Apr 18 during the last rate hike cycle.

Earnings to be supported by c.23 bp NIM expansion in FY22-24F

Management guides for FY22F earnings growth to be steered by progressive market recovery and improving consumer sentiment across SEA — driving mid-to-high-single-digit loan growth (FY21: c.10%) and double-digit non-Il growth (FY21: +8% yoy), stable credit costs of c.20-25 bp (FY21: 25 bp), and NIM expansion (FY21: -1 bp yoy). UOB guides for a c.4-5 bp NIM expansion with each 25 bp Fed rate hike (or c.150m-200m per hike on an annualised basis). We have factored in 6 Fed rate hikes over FY22-23F and estimate that NIMs could rise a cumulative c.23 bp to c.1.8% over FY22-24F (with the expansion likely to be backloaded, given an estimated 6 months for the pass-through from Fed hikes to NIMs). However, we think that higher rates could cap banks' loan growth trajectory; hence, we revise loan growth lower to c.6% in FY22F (from c.8%).

Potential rise in SPs to be neutralised by GP reversals

UOB reiterates its expectations of stable credit costs in FY22F, with further general provision (GP) writebacks to neutralise any asset quality deterioration (uptick of specific provisions [SPs]) — as the bank did in 4Q21. The bank's share of moratorium loans stayed relatively unchanged (at c.5-6% of total loans), with the bulk of it from Malaysia given the extended government-led relief period. Its moratorium portfolio is highly secured and is not likely to drive significant NPL accretion. UOB held c.S\$1bn in management overlays as at end-Dec 21; the bank leans towards keeping a sizeable portion of this as precautionary buffers vs. reversing this, in view that IFRS standards insufficiently provide for adequate coverage in credit downcycles. There was no particular sectoral concentration in its c.S\$670m net new NPA accretion in 4Q21, although NPL ratio crept up to 1.6% as a result. We understand that these exposures that turned into NPA are well secured.

Reiterate Add, with a higher GGM-based TP of S\$35.40

While trading and investment income was a drag on FY21F earnings, there was broad-based fee income improvement across almost all segments, with wealth management expected to remain as a key driver going forward. Meanwhile, the integration of Citigroup's consumer franchise should boost retail banking growth come FY23-24F, contributing S\$200m-300m in net profit p.a. (excluding a c.S\$500m one-off system upgrade opex). In alignment with UOB's c.50% dividend payout policy for FY22F, we revise FY22F DPS downwards to S\$1.25. UOB's pro-forma CET1 ratio of c.12.8%, accounting for the capital impact due to the Citi acquisition, remains within its 12.5-13.5% targeted range, and allows for potential upside in RWA growth ahead.

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Net Interest Income (S\$m)	6,035	6,388	6,844	7,726	8,594
Total Non-Interest Income (S\$m)	3,141	3,401	3,773	4,292	4,802
Operating Revenue (S\$m)	9,176	9,789	10,617	12,019	13,396
Total Provision Charges (S\$m)	(1,553)	(863)	(642)	(681)	(720)
Net Profit (S\$m)	2,916	3,869	4,178	5,112	6,060
Core EPS (S\$)	1.75	2.31	2.50	3.06	3.62
Core EPS Growth	(33.0%)	32.5%	8.0%	22.3%	18.6%
FD Core P/E (x)	18.76	14.16	13.11	10.71	9.04
DPS (S\$)	0.78	1.20	1.25	1.25	1.25
Dividend Yield	2.38%	3.66%	3.82%	3.82%	3.82%
BVPS (S\$)	24.45	25.50	26.74	28.53	30.90
P/BV (x)	1.34	1.28	1.22	1.15	1.06
ROE	7.2%	9.3%	9.6%	11.1%	12.2%
% Change In Core EPS Estimates			0.37%	1.32%	
CGS-CIMB/Consensus EPS (x)			0.94	1.00	1.61

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: UOB – quarterly key statistics

S\$m	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	qoq %	yoy %	2020	2021	yoy %
Income Statement													
Net interest income	1,593	1,456	1,474	1,512	1,529	1,578	1,604	1,677	5%	11%	6,035	6,388	6%
Fee and commission income	515	445	514	522	638	595	589	589	0%	13%	1,997	2,412	21%
Wealth management	201	133	188	188	239	201	199	184	-8%	-2%	710	823	16%
Treasury income	224	294	211	152	246	183	192	110	-43%	-28%	594	514	-13%
Non-interest income	813	804	787	737	957	839	848	757	-11%	3%	3,141	3,401	8%
Total income	2,407	2,260	2,261	2,249	2,486	2,417	2,453	2,434	-1%	8%	9,176	9,789	7%
Total operating expenses	(1,086)	(1,040)	(1,009)	(1,049)	(1,089)	(1,057)	(1,072)	(1,095)	2%	4%	(4,184)	(4,313)	3%
Preprovision operating profit (PPOP)	1,320	1,220	1,252	1,200	1,397	1,360	1,381	1,339	-3%	12%	4,992	5,476	10%
Loan loss provision	(286)	(396)	(477)	(396)	(201)	(182)	(163)	(112)	-31%	-72%	(1,554)	(657)	-58%
Profit before tax	1,052	846	799	838	1,228	1,216	1,247	1,246	0%	49%	3,536	4,937	40%
Tax	(197)	(141)	(132)	(150)	(220)	(207)	(200)	(229)	15%	53%	(606)	(850)	40%
Non-controlling interests	-	(3)	-	-	-	-	-	-	-	-	(15)	(12)	-20%
Core net profit	855	703	668	688	1,008	1,009	1,046	1,017	-3%	48%	2,915	4,075	40%
Overall stats/drivers													
NIM (%)	1.71%	1.48%	1.53%	1.57%	1.57%	1.56%	1.55%	1.56%			1.57%	1.56%	
Loan growth	4.0%	0.7%	1.3%	-1.2%	5.8%	2.0%	1.0%	1.6%			4.4%	10.6%	
Cost-to-income ratio	45.1%	46.0%	44.6%	46.6%	43.8%	43.7%	43.7%	45.0%			45.6%	44.1%	
Credit cost (bp of loans, calculated)	38	67	68	56	29	24	20	22			56	25	
CET-1 ratio	14.1%	14.0%	14.0%	14.7%	14.3%	14.2%	13.5%	13.5%			14.7%	n.a.	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Results comparison

FYE Dec (S\$ m)	4Q21	4Q20	yoy % chg	2Q21	qoq % chg	Prev. FY21F	Comments
Net interest income	1,677	1,512		1,578	6	6,349	In line with expectations. NIMs rose 1bp qoq to 1.56% in 4Q21 (3Q21: 1.55%). NII rose 5% qoq on the back of +2% qoq loan growth in 4Q21.
Non-interest income	757	737	10.9	839	(10)	3,612	Below expectations on the back of weaker trading and investment income due to softer market conditions
Total income	2,434	2,249	2.7	2,417	1	9,961	In line
Overhead expenses	(1,095)	(1,049)	4.4	(1,057)	4	(4,344)	In line.
Pre-provision profit	1,339	1,200	11.6	1,360	(2)	5,617	In line. Opex was well contained although CTI rose to 45% on the back of softer revenue.
Loan loss provisions	(112)	(396)	(71.7)	(182)	(38)	(745)	Higher than expected. UOB reported impairment provisions of S\$182 (39bp) in 2Q21 (1Q21: S\$201m, 29bp); these comprised 19bp SP and 1bp GP. This is in line with management's (previous) guidance of a base case of 30bp in FY21F credit costs.
Exceptionals	-	-		-	-	-	
Associates' contribution	19	34	(44.1)	38	(50)	100	
Pretax profit	1,246	838	48.7	1,216	2	4,972	In line.
Tax	(229)	(150)	52.7	(207)	11	(852)	
Tax rate (%)	18	18		17		17	
Minority interests	-	-	#DIV/0!	-	-	(16)	
Net profit	1,017	688	47.8	1,009	1	4,103	In line. ROE of 10.2% in FY21.
Core net profit	1,017	688	47.8	1,009	1	4,103	
EPS (S cts)	242	159	52.2	236	3	245	
Core EPS (S cts)	242	159	52.2	236	3	245	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Earnings changes

	New			Old			% chg		
	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F
NIM (%)	1.57%	1.68%	1.79%	1.57%	1.68%	n.a.	0bp	0bp	n.a.
Net loan growth (%)	6.4%	6.0%	5.5%	8.2%	5.5%	n.a.	-1.8%pt	+0.5%pt	n.a.
NII (S\$m)	6,844	7,726	8,594	6,850	7,759	n.a.	-0.1%	-0.4%	n.a.
Non-NII (S\$m)	3,773	4,292	4,802	3,868	4,311	n.a.	-2.5%	-0.4%	n.a.
Operating expenses (S\$m)	4,792	5,266	5,458	4,877	5,357	n.a.	-1.8%	-1.7%	n.a.
Cost-to-income (%)	45.1%	43.8%	40.7%	45.5%	44.4%	n.a.	-0.4%pt	-0.6%pt	n.a.
Provisions (S\$m)	642	681	720	656	700	n.a.	-2.1%	-2.7%	n.a.
Net profit (S\$)	4,178	5,112	6,060	4,165	5,048	n.a.	0.3%	1.3%	n.a.
EPS	2.50	3.06	3.62	2.49	3.02	n.a.	0.3%	1.3%	n.a.

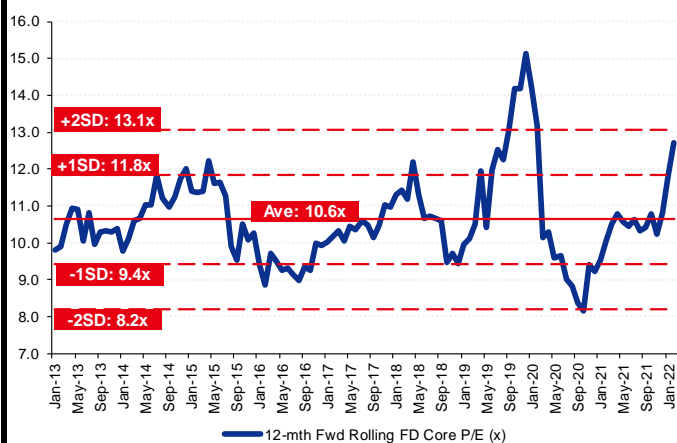
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: GGM valuation

GGM valuation	
COE	8.3%
Sustainable ROE	11.0%
LTG	1.5%
(ROE-LTG) - [a]	9.5%
(COE - LTG) - [b]	6.8%
Target P/BV (x) - [a]/[b]	1.40
FY21 BVPS (S\$)	25.31
Target price (S\$)	35.40

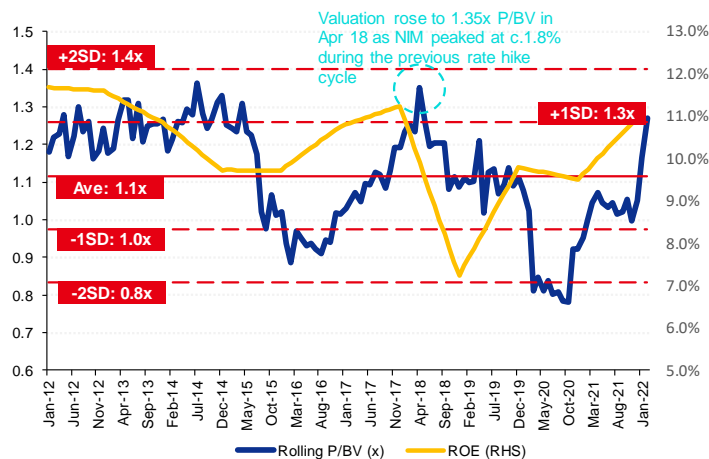
SOURCE: CGS-CIMB RESEARCH, COMPANY

Figure 5: United Overseas Bank's 12-mth forward rolling FD core P/E (x)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 6: United Overseas Bank's P/BV (x) vs. ROE




SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

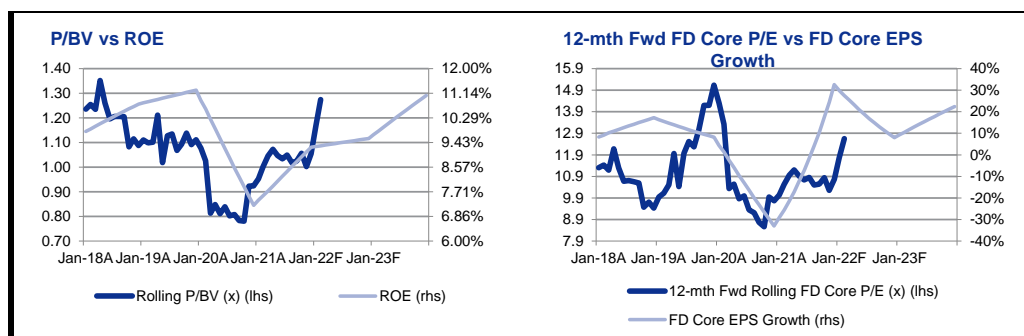
Figure 7: Sector comparison

Company	Bbg Ticker	Recom.	Price (local)	Tgt Price (local)	Mkt Cap (US\$ m)	3-year EPS CAGR (%)	P/BV (x)			Recurr. ROE (%)			P/PPOPS (x)			Div Yield (%)		
							CY21F	CY22F	CY23F	CY21F	CY22F	CY23F	CY21F	CY22F	CY23F	CY21F	CY22F	CY23F
DBS Group	DBS SP	Add	36.80	39.90	70,345	23.6%	1.72	1.61	1.48	12.8%	13.2%	14.2%	12.0	10.9	9.0	3.2%	3.9%	3.9%
OCBC	OCBC SP	Add	13.40	14.20	44,770	19.5%	1.23	1.16	1.08	10.8%	10.7%	11.2%	9.8	9.0	8.0	3.7%	3.7%	4.0%
United Overseas Bank	UOB SP	Add	32.75	35.40	40,727	21.5%	1.28	1.22	1.15	9.3%	9.6%	11.1%	10.0	9.4	8.1	3.7%	3.8%	3.8%
Singapore average						22.0%	1.43	1.35	1.25	11.1%	11.3%	12.3%	10.8	9.9	8.5	3.5%	3.8%	3.9%
Bank Central Asia	BBCA IJ	Hold	7,975	8,100	68,962	16.1%	4.85	4.45	4.08	16.2%	17.3%	18.2%	20.3	19.0	17.0	1.6%	2.2%	2.6%
Bank Danamon	BDMN IJ	Add	2,460	3,300	1,687	62.6%	0.51	0.48	0.45	6.5%	7.7%	8.4%	2.5	2.3	2.2	4.2%	5.5%	6.3%
Bank Jago	ARTO IJ	Add	15,075	20,000	14,652	na	25.18	23.92	21.86	3.1%	7.6%	12.8%	3122.9	270.1	130.7	0.0%	0.0%	0.0%
Bank Mandiri	BMRI IJ	Add	7,850	8,700	25,697	30.8%	1.79	1.78	1.68	14.2%	16.2%	17.5%	6.9	6.3	5.8	4.6%	5.4%	6.1%
Bank Negara Indonesia	BBNI IJ	Add	7,950	8,710	10,400	82.7%	1.22	1.02	0.92	9.5%	11.5%	12.9%	5.2	4.7	4.3	1.8%	3.1%	4.7%
Bank Permata	BNLI IJ	Reduce	1,405	1,500	3,549	34.9%	1.16	1.11	1.06	3.6%	3.9%	4.8%	10.7	10.2	9.4	0.0%	0.0%	0.0%
Bank Rakyat Indonesia	BBRI IJ	Add	4,420	5,000	46,990	30.5%	2.32	2.21	2.12	11.9%	14.3%	16.3%	8.9	8.6	7.9	4.6%	5.7%	6.0%
Bank Tabungan Negera	BBTN IJ	Add	1,805	2,100	1,341	24.8%	0.89	0.81	0.73	11.5%	11.7%	12.4%	3.0	3.0	2.8	2.5%	2.7%	3.2%
Bank Tabungan Pensi	BTPN IJ	Hold	2,680	2,500	1,532	na	0.49	0.70	na	6.3%	7.2%	na	4.0	3.5	na	0.6%	0.4%	na
Bank Tabungan Pensi	BTPS IJ	Hold	3,730	3,900	2,016	37.4%	4.05	3.41	2.85	22.5%	22.8%	23.7%	11.0	9.5	8.0	0.8%	1.5%	1.8%
Indonesia average						na	2.58	2.42	na	12.2%	14.0%	na	10.8	10.1	na	2.7%	3.4%	na
Affin Bank Berhad	ABANK MK	Reduce	1.82	1.27	923.8	20.2%	0.38	0.36	0.35	4.8%	4.3%	4.9%	4.6	4.7	4.4	2.7%	2.6%	3.0%
Alliance Bank Malaysia	ABMB MK	Reduce	3.43	2.73	1,269	22.0%	0.81	0.77	0.72	7.2%	9.0%	9.6%	5.4	5.2	4.8	3.4%	4.9%	5.5%
AMMB Holdings	AMMM MK	Add	3.40	3.64	2,691	12.8%	0.71	0.68	0.64	8.1%	9.7%	9.8%	4.2	4.0	3.7	3.8%	5.6%	6.0%
Bank Islam Malaysia B	BIMB MK	Add	3.17	3.46	1,633	11.5%	0.98	0.93	0.88	10.1%	8.5%	10.0%	6.8	5.8	5.4	4.7%	4.4%	5.5%
Hong Leong Bank	HLBK MK	Add	20.20	20.56	10,464	8.0%	1.39	1.26	1.18	9.5%	9.4%	9.7%	12.9	12.3	11.5	2.5%	2.8%	3.2%
Malayan Banking Bhd	MAY MK	Add	8.69	9.40	24,668	8.5%	1.18	1.12	1.06	9.4%	8.8%	9.6%	7.8	7.3	7.0	4.6%	4.6%	5.4%
Public Bank Bhd	PBK MK	Add	4.41	4.60	20,457	8.3%	1.70	1.61	1.50	11.6%	10.5%	12.2%	10.9	10.0	9.3	3.2%	3.2%	3.9%
RHB Bank Bhd	RHBBANK MK	Add	5.79	6.40	5,732	9.7%	0.81	0.76	0.71	9.6%	8.5%	9.7%	6.0	5.3	4.9	5.2%	5.4%	6.6%
Malaysia average						10.2%	1.19	1.12	1.05	9.6%	9.0%	10.0%	8.4	7.8	7.3	3.8%	4.0%	4.7%
Bangkok Bank	BBL TB	Add	145.0	164.0	8,558	23.6%	0.59	0.56	0.53	6.1%	6.3%	6.7%	4.8	4.4	4.1	2.8%	3.4%	3.4%
Kasikornbank	KBANK TB	Add	170.5	170.0	12,491	11.7%	0.87	0.82	0.77	8.1%	8.2%	8.4%	4.5	4.3	4.1	1.8%	2.9%	3.5%
Kiatnakin Phatra Bank	KKP TB	Hold	70.50	59.00	1,846	8.0%	1.25	1.22	1.19	11.9%	13.1%	13.6%	5.0	4.6	4.5	4.4%	6.0%	7.4%
Krung Thai Bank	KTB TB	Hold	14.40	12.70	6,223	10.1%	0.56	0.54	0.52	5.4%	5.9%	5.9%	3.2	3.1	3.0	2.8%	3.8%	4.0%
Krungthai Card	KTC TB	Reduce	66.50	42.00	5,301	18.7%	6.53	5.63	4.83	24.0%	25.2%	26.0%	13.4	11.5	10.6	1.4%	1.7%	2.1%
Muangthai Capital	MTC TB	Add	54.50	77.00	3,572	15.5%	4.60	3.71	3.00	23.9%	24.1%	24.2%	15.9	12.3	10.0	0.7%	0.9%	1.1%
Siam Commercial Ban	SCB TB	Add	134.5	119.0	14,121	12.5%	1.05	1.01	0.96	8.4%	8.3%	8.9%	5.3	5.1	4.8	2.2%	3.7%	4.1%
Srisawad Corporation	SAWAD TB	Add	60.75	78.00	2,579	11.8%	3.39	2.99	2.63	22.4%	22.0%	22.5%	13.7	10.9	9.4	3.0%	3.5%	4.0%
Tisco Financial Group	TISCO TB	Hold	99.25	101.0	2,457	5.9%	1.96	1.92	1.86	17.1%	17.1%	17.8%	7.3	7.1	6.7	6.9%	7.8%	8.1%
TMBThanachart Bank	TTB TB	Add	1.41	1.33	4,212	14.1%	0.64	0.61	0.58	5.8%	6.6%	6.9%	3.4	3.3	3.1	3.5%	4.3%	4.6%
Thailand average						13.7%	0.95	0.90	0.85	7.8%	8.1%	8.5%	5.1	4.9	4.6	2.5%	3.4%	3.8%

SOURCES: CSG-CIMB RESEARCH, COMPANY

Refinitiv ESG Scores							
	<table border="1"> <tr> <td style="background-color: #4CAF50; color: white; padding: 5px;"> B+ ESG Score </td> <td style="background-color: #4CAF50; color: white; padding: 5px;"> B+ ESG Controversies Score </td> <td style="background-color: #4CAF50; color: white; padding: 5px;"> B+ ESG Combined Score </td> <td style="background-color: #4CAF50; color: white; padding: 5px;"> A- ESG Environment Pillar Score </td> <td style="background-color: #4CAF50; color: white; padding: 5px;"> A- ESG Social Pillar Score </td> <td style="background-color: #4CAF50; color: white; padding: 5px;"> B- ESG Government Pillar Score </td> </tr> </table>	B+ ESG Score	B+ ESG Controversies Score	B+ ESG Combined Score	A- ESG Environment Pillar Score	A- ESG Social Pillar Score	B- ESG Government Pillar Score
B+ ESG Score	B+ ESG Controversies Score	B+ ESG Combined Score	A- ESG Environment Pillar Score	A- ESG Social Pillar Score	B- ESG Government Pillar Score		
ESG in a nutshell							
<p>UOB was given a B+ for its combined ESG score by Refinitiv in 2020, led by an A- Social pillar score (c.50% weightage of its combined ESG score). UOB outlined 5 guiding principles in its approach to sustainability as well as 4 overarching strategies to incorporate ESG into its operations. UOB registered improvements in both its Social and Governance pillars, driven mainly by its human rights efforts, management, and CSR strategy. In 2020, UOB launched Phase Two of Better U, the group's learning and development programme that focused on improving employees' relevant skills. In 2020, it was included in the Bloomberg Gender-Equality Index for the 3rd consecutive year for its commitment to advancing workplace diversity.</p>							
<p>Keep your eye on</p> <p>In 2021, UOB was flagged for controversy regarding product responsibility, where a staff fell for a scam and ended up disclosing information on 1,166 China-national customers in the process.</p>	<p>Implications</p> <p>We believe UOB has since reviewed its internal control processes and implemented safeguards and protocols for its staff. We think this issue will not be viewed too negatively by the investment community as it is a one-off. However, additional security breaches may not be seen as lightly and could cast a shadow on its valuations.</p>						
<p>ESG highlights</p> <p>According to data from Refinitiv, UOB stands strong among its peers, charging ahead in the Environmental pillar.</p> <p>UOB also ranks well in the Social pillar, largely due to its heavy emphasis on human rights. This is exhibited in its Responsible Financing Policy that prohibits the financing of companies involved in the exploitation of forced and child labour, as well as those in violation of rights of local or indigenous communities, among others.</p>	<p>Implications</p> <p>We think UOB is viewed favourably by market participants given its pro-activeness in emphasising the importance of human rights issues. The implementation of its Responsible Financing Policy further highlights its commitment to sustainable investing. UOB may be valued at a premium when ESG mandates take off in a more material manner.</p>						
<p>Trends</p> <p>From 2019 to 2021, UOB improved its Social scores from B+ to A- and maintained its Governance score at B-. Its Environmental score improved to A- during this period.</p> <p>Its relative improvements in human rights, management, and CSR categories were partially offset by relative deteriorations in emissions, workforce, and environment innovation categories.</p>	<p>Implications</p> <p>While not explicitly factored into its valuations, we believe the progressive improvements in UOB's ESG pillars will be appreciated by ESG-centric investors and could warrant a premium to valuations when the marketplace becomes more discerning in terms of ESG adherence.</p>						
<small>SOURCES: CGS-CIMB RESEARCH, REFINITIV</small>							

BY THE NUMBERS



Profit & Loss

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Net Interest Income	6,035	6,388	6,844	7,726	8,594
Total Non-Interest Income	3,141	3,401	3,773	4,292	4,802
Operating Revenue	9,176	9,789	10,617	12,019	13,396
Total Non-Interest Expenses	(4,184)	(4,313)	(4,792)	(5,266)	(5,458)
Pre-provision Operating Profit	4,992	5,476	5,825	6,752	7,938
Total Provision Charges	(1,553)	(863)	(642)	(681)	(720)
Operating Profit After Provisions	3,439	4,613	5,184	6,071	7,218
Pretax Income/(Loss) from Assoc.	98	118	120	123	125
Operating EBIT (incl Associates)	3,537	4,731	5,304	6,194	7,343
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	3,537	4,731	5,304	6,194	7,343
Exceptional Items					
Pre-tax Profit	3,537	4,731	5,304	6,194	7,343
Taxation	(606)	(850)	(1,109)	(1,062)	(1,258)
Consolidation Adjustments & Others					
Exceptional Income - post-tax	0	0	0	0	0
Profit After Tax	2,931	3,881	4,195	5,132	6,084
Minority Interests	(15)	(12)	(17)	(21)	(24)
Pref. & Special Div	0	0	0	0	0
FX And Other Adj.	0	0	0	0	0
Net Profit	2,916	3,869	4,178	5,112	6,060
Recurring Net Profit	2,916	3,869	4,178	5,112	6,060

Balance Sheet Employment

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Gross Loans/Cust Deposits	86.7%	88.1%	89.3%	90.2%	90.6%
Avg Loans/Avg Deposits	86.6%	87.4%	88.8%	89.8%	90.4%
Avg Liquid Assets/Avg Assets	29.5%	29.3%	28.1%	26.9%	25.9%
Avg Liquid Assets/Avg IEAs	33.6%	33.5%	31.7%	30.3%	29.4%
Net Cust Loans/Assets	64.2%	66.8%	67.7%	68.2%	68.4%
Net Cust Loans/Broad Deposits	81.4%	83.3%	84.4%	85.2%	85.7%
Equity & Provsns/Gross Cust Loans	14.5%	13.7%	13.5%	13.6%	14.0%
Asset Risk Weighting	52.2%	56.4%	56.6%	56.6%	56.1%
Provision Charge/Avg Cust Loans	0.232%	0.259%	0.200%	0.200%	0.200%
Provision Charge/Avg Assets	0.152%	0.172%	0.136%	0.138%	0.138%
Total Write Offs/Average Assets	0.371%	0.194%	0.136%	0.138%	0.138%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Gross Loans	321,671	349,716	370,087	390,285	409,910
Liquid Assets & Invst. (Current)	51,425	57,180	57,975	58,782	59,603
Other Int. Earning Assets					
Total Gross Int. Earning Assets	373,096	406,896	428,062	449,068	469,513
Total Provisions/Loan Loss Reserve	(4,186)	(4,087)	(4,371)	(4,546)	(4,728)
Total Net Interest Earning Assets	368,910	402,809	423,691	444,522	464,785
Intangible Assets	4,143	4,145	4,145	4,145	4,145
Other Non-Interest Earning Assets	21,963	15,811	19,634	22,957	28,871
Total Non-Interest Earning Assets	26,106	19,956	23,779	27,102	33,016
Cash And Marketable Securities	36,798	36,558	34,730	35,425	36,133
Long-term Investments	0	0	0	0	0
Total Assets	431,814	459,323	482,200	507,048	533,934
Customer Interest-Bearing Liabilities	324,598	352,633	370,265	388,778	408,217
Bank Deposits	15,977	15,561	16,339	17,156	18,014
Interest Bearing Liabilities: Others	29,608	34,056	35,759	37,547	39,424
Total Interest-Bearing Liabilities	370,183	402,250	422,363	443,481	465,655
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	20,500	14,212	14,923	15,669	16,452
Total Liabilities	390,683	416,462	437,285	459,149	482,107
Shareholders' Equity	40,901	42,633	44,704	47,708	51,661
Minority Interests	230	228	211	191	166
Total Equity	41,131	42,861	44,915	47,899	51,827

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Income Growth	(8.5%)	6.7%	8.5%	13.2%	11.5%
Operating Profit Growth	(10.2%)	9.7%	6.4%	15.9%	17.6%
Pretax Profit Growth	(31.7%)	33.8%	12.1%	16.8%	18.6%
Net Interest To Total Income	65.8%	65.3%	64.5%	64.3%	64.2%
Cost Of Funds	0.99%	0.47%	0.80%	0.90%	1.00%
Return On Interest Earning Assets	2.62%	2.10%	2.43%	2.65%	2.86%
Net Interest Spread	1.63%	1.63%	1.63%	1.75%	1.86%
Net Interest Margin (Avg Deposits)	1.90%	1.89%	1.89%	2.04%	2.16%
Net Interest Margin (Avg RWA)	2.67%	2.64%	2.57%	2.76%	2.93%
Provisions to Pre Prov. Operating Profit	31.1%	15.8%	11.0%	10.1%	9.1%
Interest Return On Average Assets	1.44%	1.43%	1.45%	1.56%	1.65%
Effective Tax Rate	17.1%	18.0%	20.9%	17.1%	17.1%
Net Dividend Payout Ratio	44.7%	51.9%	50.0%	40.9%	34.5%
Return On Average Assets	0.70%	0.87%	0.89%	1.03%	1.16%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Net interest margin (%)	1.6%	1.6%	1.6%	1.7%	1.8%
Net interest income growth (%)	-8.0%	5.8%	7.1%	12.9%	11.2%
Non-interest income growth (%)	-9.4%	8.3%	10.9%	13.8%	11.9%
Cost-income ratio (%)	45.6%	44.1%	45.1%	43.8%	40.7%
Net loan growth (%)	4.4%	10.6%	6.4%	6.0%	5.5%
Deposit growth (%)	4.5%	5.0%	5.0%	5.0%	5.0%
Loans-deposits ratio (%)	85.4%	87.0%	88.2%	89.0%	89.4%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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Corporate Governance Report:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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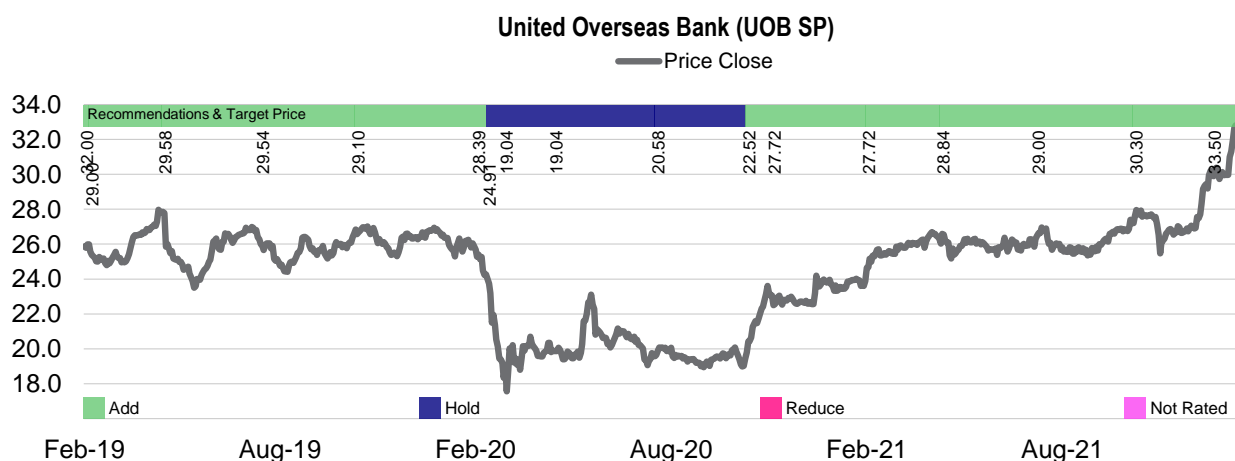
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

