

# Oversea-Chinese Banking Corp Ltd

Trading income hits new high

## SINGAPORE | BANKING | 3Q24 RESULTS

- 3Q24 earnings of S\$1.97bn were above our estimates owing to a surge in trading income and higher fees and commission income. 9M24 PATMI was 81% of our FY24e forecast.
- NII grew 2% YoY from loan growth of 2% YoY offset by NIM dipping 6bps YoY to 2.20%. Total non-interest income rose 13% YoY, led by broad-based growth from fee, trading, and insurance income. Allowances dipped 43% due to lower GPs as credit costs improved to 15bps.
- Maintain Accumulate with a higher target price of S\$17.00** (prev. S\$15.40) as we raise our FY24e estimates. We increased FY24e earnings by ~8% from higher trading income and lower provision estimates. We assume 1.45x FY24e P/BV from a higher ROE estimate of 14.0% (prev. 13%) in our GGM valuation. We expect 4Q24 earnings to grow by ~21% YoY from double-digit fee and trading income recovery with provisions stable. NII will remain flattish as stable loan growth from rate cuts will be offset by moderating NIMs. We like OCBC due to attractive valuations and a dividend yield of 5.4%, buffered by a well-capitalised 15.6% CET 1, and non-interest income growth from recent acquisitions. OCBC mentioned returning excess capital (160bps or ~S\$4bn of CET1) to shareholders, but will only do so in the medium term (~3 years) and will provide more details soon.

### Results at a glance

(SGD mn)	3Q24	3Q23	YoY	2Q24	QoQ	Comments
NII	2,433	2,456	(1%)	2,430	0%	From NIM decline of 9bps YoY to 2.18%.
Net Fees & Comm	508	461	10%	466	9%	Higher WM, investment banking and loan-related fees.
Insurance	233	220	6%	294	(21%)	Supported by robust underlying business performance.
Other Non-II	508	216	135%	356	43%	Net trading income and customer flow treasury income reached record highs.
<b>Total income</b>	<b>3,802</b>	<b>3,429</b>	<b>11%</b>	<b>3,629</b>	<b>5%</b>	
Expenses	(1,463)	(1,340)	9%	(1,373)	7%	Higher staff and IT-related costs, CIR improved to 38.5%.
<b>PPOP</b>	<b>2,339</b>	<b>2,089</b>	<b>12%</b>	<b>2,256</b>	<b>4%</b>	
Allowances	(169)	(184)	(8%)	(144)	17%	Largely unchanged, credit costs rose by 5bps YoY to 22bps.
<b>PATMI</b>	<b>1,974</b>	<b>1,810</b>	<b>9%</b>	<b>1,944</b>	<b>2%</b>	

Source: Company, PSR

### The Positives

**+ Trading drives non-interest income.** Trading income hit a new quarterly high of S\$508mn (+135% YoY) from higher customer flow income and was the main driver for non-interest income growth (+41% YoY). This was also supported by fee income growth from higher WM, investment banking, and loan-related fees, while insurance growth was supported by robust underlying business performance. OCBC's wealth management AUM growth to S\$284bn (+5% YoY) was driven by continued net new money inflows of S\$5bn for the quarter.

**+ Allowances down 8% YoY, credit costs at 22bps.** The improvement was mainly due to lower SPs of S\$37mn (3Q24: S\$220mn) while GPs rose to S\$132mn (3Q24: writeback of S\$36mn). However, total credit costs for the quarter rose by 5bps to 22bps. Nonetheless, total NPAs dipped 10% YoY from higher recoveries/upgrades and write-offs, and the NPL ratio improved by 10bps YoY to 0.9%. OCBC has lowered its guidance for FY24e credit costs to 20bps (from between 20 to 25bps).



StocksBnB.com

11 November 2024

### ACCUMULATE (Maintained)

LAST CLOSE PRICE	SGD 16.06
FORECAST DIV	SGD 0.87
TARGET PRICE	SGD 17.00
DIVIDEND YIELD	5.4%
TOTAL RETURN	11.3%

#### COMPANY DATA

BLOOMBERG TICKER	OCBC SP
O/S SHARES (MN) :	4,499
MARKET CAP (USD mn / SGD mn) :	54392 / 72249
52 - WK HI/LO (SGD) :	16.2 / 12.27
3M Average Daily T/O (mn) :	5.85

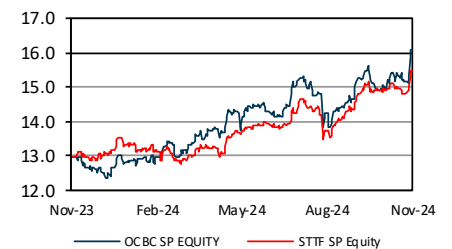
#### MAJOR SHAREHOLDERS (%)

Selat Pte Limited	11.2%
Lee Foundation Singapore	4.4%
Lee Rubber Company Pte Ltd	3.2%

#### PRICE PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	7.9	16.5	31.4
STTF RETURN	4.2	15.5	20.0

#### PRICE VS. STTF



Source: Bloomberg, PSR

#### KEY FINANCIALS

Y/E Dec (SGD mn)	FY22	FY23	FY24e	FY25e
Total Income	11,286	13,507	14,667	15,000
Op. Profit	4,884	6,612	7,760	7,508
NPAT, adj.	5,338	7,021	7,866	7,750
EPS (SGD)	1.19	1.56	1.75	1.72
PER, adj. (x)	13.5	10.3	9.2	9.3
P/BV, x	1.4	1.3	1.2	1.2
Dividend Yield	4.2%	5.1%	5.4%	5.7%
ROE	10.3%	13.3%	14.0%	12.9%

Source: Bloomberg, Company, PSR

#### Valuation Method:

**Gordon Growth Model (COE: 10.2%, g: 2%)**

**Glenn Thum (+65 6212 1851)**

**Senior Research Analyst**

glennthumjc@phillip.com.sg

## The Negatives

- **NII inches down from NIM compression.** Despite loan growth of 2% YoY, NII fell 1% YoY as the rise in funding costs led to NIM being compressed further this quarter to 2.18% (3Q23: 2.27%). Loans growth was led by an increase in corporate loans and mortgages, mainly in Singapore, Malaysia, the UK, and Australia. OCBC has lowered its FY24e NIM guidance to 2.20% (from 2.20% to 2.25%). We expect NIM compression to continue as more rate cuts kick in and for a recovery in loan growth to stabilise NII.

- **Expenses continue to rise.** Operating expenses rose 9% YoY to S\$1.46bn due to higher expenses associated with increased business volumes and IT-related expenses to drive digitalization initiatives. Nonetheless, cost-to-income ratio (CIR) improved to 38.5% (3Q23: 39.1%) as income growth outpaced the increase in expenses.

## Outlook

**Loan growth single digit:** Loans grew 2% YoY in 2Q24, meeting the bank's guidance of low single digits for FY24e. Management expects growth from the energy, power, and utility segments, from "inflation resistant" segments such as purpose-built student accommodation and hospitality, and from the technology and digital infrastructure segments. We expect FY24e loan growth to come in at around 3%.

**Fee income to grow:** OCBC's ongoing investments in its WM franchise have delivered results, with fee income growing by double digits. OCBC continues to increase hiring for the business, and the recent acquisitions of PT Bank Commonwealth in Indonesia will accelerate its growth in ASEAN. We are expecting fee income growth of ~12% for FY24e, which could add ~S\$216mn to revenue.

**CRE office sector exposure contained:** The commercial real estate (CRE) office sector loans are primarily from networking customers in key markets with a proven track record and financial strength. The portfolio is primarily secure, with overall LTVs between 50% and 60%. The CRE office sector loans comprise 11% of the total loan book, with two-thirds of loans to key markets of Singapore, Malaysia, Indonesia, and Greater China, with the remainder largely in developed markets.

**Table 1: OCBC FY24e guidance vs PSR FY24e estimates**

Assumptions	OCBC	PSR
NIM (%)	Around 2.20%	2.22%
Loans growth (%)	Low-single digit	3.2%
Credit cost (bps)	Around 20bps	22

Source: Company, PSR

## Investment Action

**Maintain Accumulate with a higher target price of S\$17.00 (prev. S\$15.40).**

We maintain ACCUMULATE with a higher target price of S\$17.00 as we raise our FY24e estimates. We increased FY24e earnings by ~8% from higher trading income and lower provision estimates. We assume 1.45x FY24e P/BV from a higher ROE estimate of 14.0% (prev. 13%) in our GGM valuation. We expect 4Q24 earnings to grow by ~21% YoY from double-digit fee and trading income recovery with provisions stable. NII will remain flattish as stable loan growth from rate cuts will be offset by moderating NIMs. We like OCBC due to attractive valuations and a dividend yield of 5.4%, buffered by a well-capitalised 15.6% CET 1, and non-interest income growth from recent acquisitions. OCBC has hinted at returning excess capital (160bps or ~S\$4bn of CET1) to shareholders but will only do so in the medium term (~3 years) and will provide more details soon.

## Abbreviations

NII – Net interest income  
NIM – Net interest margin  
Non-II – Non-interest income  
NPL – Non-performing Loans  
SP – Specific provisions  
GP – General provisions

## GGM valuation

Item	Description	Value
$R_f$	Risk-free rate	3.1%
E	Equity-risk premium	5.8%
B	Beta	1.2
COE	Cost of Equity	10.2%
ROE	Return on Equity	14.0%
g	Terminal growth rate	2.0%
$\frac{(ROE-g)}{(COE-g)}$	Target Price to Book	1.45
	BVPS, S\$	11.71
	Valuation, S\$	17.00

Source: PSR

<b>OCBC</b>	<b>ESG Rating</b>	<b>Nov 2024</b>	<b>A-</b>
-------------	-------------------	-----------------	-----------

SGX:039 | Oversea-Chinese Banking Corporation



## Company ESG Risk Rating Report



Objective 1 Managing ESG Risks (Positive input)	Objective 2 Mitigating Negative Externalities (Positive influence)	Objective 3 Measuring Positive Change and Impact (Positive impact)
<b>7.72</b>	<b>7.20</b>	<b>5.36</b>

## Quarterly Update

- Top ESG indicators that influence our rating. We will continue to monitor the following:
  - On track to achieving net-zero targets for priority sectors.
  - Scaling up lending under OCBC's responsible financing framework and enhancing management of nature-related risks.
  - Protecting bank clients from scams with enhanced money-lock and anti-malware measures.
  - Reported to have stopped all Russia-linked transactions including personal remittances, transport of goods and supply or sale of goods or services from 1 Nov 2024.

## Financials

### Income Statement

Y/E Dec, SGD mn	FY21	FY22	FY23	FY24e	FY25e
Net Int Income	5,855	7,688	9,645	9,717	9,628
Fees and Commission	2,245	1,851	1,804	2,020	2,263
Other Non int income	2,496	1,747	2,058	2,930	3,109
<b>Total operating income</b>	<b>10,596</b>	<b>11,286</b>	<b>13,507</b>	<b>14,667</b>	<b>15,000</b>
Operating expenses	(4,764)	(5,026)	(5,223)	(5,566)	(5,943)
<b>Operating profit</b>	<b>3,880</b>	<b>4,884</b>	<b>6,612</b>	<b>7,760</b>	<b>7,508</b>
Provisions and others	(976)	(688)	(836)	(671)	(774)
Associates & JVs	824	910	953	982	991
<b>Profit Before Tax</b>	<b>5,680</b>	<b>6,482</b>	<b>8,401</b>	<b>9,412</b>	<b>9,273</b>
Taxation	(648)	(1,031)	(1,236)	(1,385)	(1,364)
<b>Profit After Tax</b>	<b>5,032</b>	<b>5,451</b>	<b>7,165</b>	<b>8,027</b>	<b>7,909</b>
Non-controlling Interest	174	113	144	161	159
<b>Net Income, adj.</b>	<b>4,858</b>	<b>5,338</b>	<b>7,021</b>	<b>7,866</b>	<b>7,750</b>

### Balance Sheet

Y/E Dec, SGD mn	FY21	FY22	FY23	FY24e	FY25e
Cash bal with central banks	27,919	34,966	34,286	33,779	29,864
Due from banks	25,462	30,244	38,051	41,141	41,295
Debt and equity securities	34,015	28,010	36,591	33,286	33,411
Loans and bills receivable	286,281	291,467	292,754	306,356	320,156
Life Assur. Fund Inv. Assets	100,096	94,997	97,517	100,443	103,456
Others	68,414	77,240	82,225	79,869	80,205
<b>Total Assets</b>	<b>542,187</b>	<b>556,924</b>	<b>581,424</b>	<b>594,873</b>	<b>608,388</b>
Due to banks	8,239	10,046	10,884	13,764	13,918
Due to non-bank customers	342,395	350,081	363,770	372,364	377,726
Life Assur. Fund Liabilities	96,306	96,209	99,644	102,633	105,712
Debts issued	20,115	21,938	26,553	20,554	20,862
Others	20,794	26,225	25,019	25,761	26,526
<b>Total liabilities</b>	<b>487,849</b>	<b>504,499</b>	<b>525,870</b>	<b>535,076</b>	<b>544,745</b>
Shareholder's equity	52,663	51,117	54,170	58,252	61,939
Non-controlling interest	1,675	1,308	1,384	1,545	1,704
<b>Total Equity</b>	<b>54,338</b>	<b>52,425</b>	<b>55,554</b>	<b>59,798</b>	<b>63,643</b>

### Per share data (SGD)

Y/E Dec	FY21	FY22	FY23	FY24e	FY25e
EPS, reported	1.08	1.19	1.56	1.75	1.72
EPS, adj.	1.08	1.19	1.56	1.75	1.72
DPS	0.53	0.68	0.82	0.87	0.92
BVPS	11.72	11.37	12.05	12.90	13.72
Dividend payout ratio	49%	57%	52%	50%	53%

### Supplementary items

Y/E Dec	FY21	FY22	FY23	FY24e	FY25e
CET1 CAR	15.5%	15.2%	15.9%	16.9%	17.6%
Tier 1 CAR	16.0%	15.9%	16.5%	17.4%	18.1%
Total CAR	17.6%	17.7%	18.1%	18.9%	19.5%

### Valuation Ratios

Y/E Dec	FY21	FY22	FY23	FY24e	FY25e
P/E (X), adj.	14.8	13.5	10.3	9.2	9.3
P/B (X)	1.4	1.4	1.3	1.2	1.2
Dividend Yield	3.3%	4.2%	5.1%	5.4%	5.7%

### Growth & Margins

<b>Growth</b>					
Net int income	-1.9%	31.3%	25.5%	0.7%	-0.9%
Non int income	13.7%	-24.1%	7.3%	28.2%	8.5%
Pre provision operating profit	4.5%	6.5%	19.7%	8.6%	2.3%
Operating income	36.8%	14.7%	33.7%	13.2%	-1.8%
Net income, reported	35.6%	9.9%	31.5%	12.0%	-1.5%
Net income, adj	35.6%	9.9%	31.5%	12.0%	-1.5%

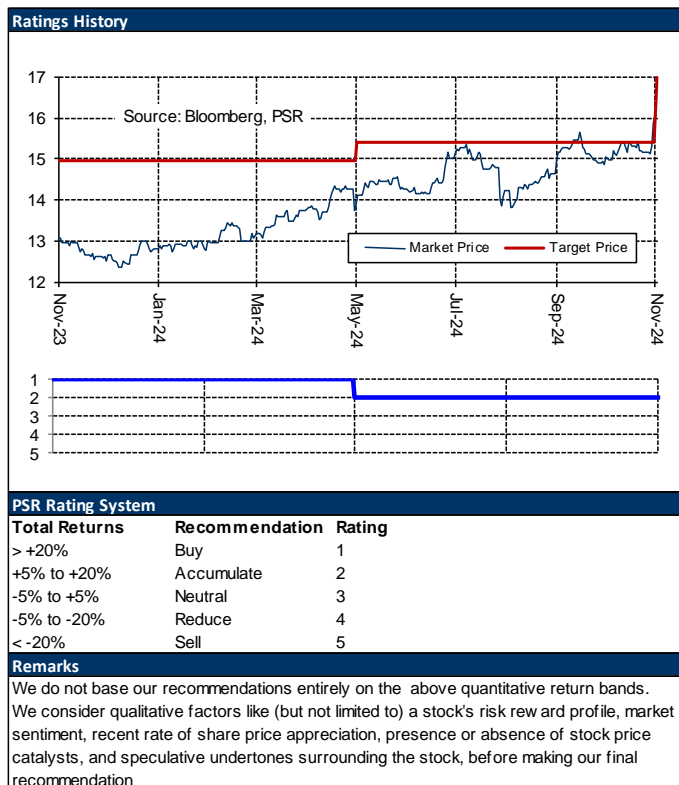
### Margins

Net interest margin	1.54%	1.91%	2.28%	2.22%	2.12%
---------------------	-------	-------	-------	-------	-------

### Key Ratios

ROE	9.5%	10.3%	13.3%	14.0%	12.9%
ROA	1.1%	1.2%	1.5%	1.6%	1.5%
RORWA	2.2%	2.3%	3.0%	3.2%	3.0%
Non-int/total income ratio	44.7%	31.9%	28.6%	33.8%	35.8%
Cost/income ratio	45.0%	44.5%	38.7%	38.0%	39.6%
Loan/deposit ratio	83.6%	83.3%	80.5%	82.3%	84.8%
NPL ratio	1.5%	1.1%	0.9%	0.9%	0.9%

Source: Company, Phillip Securities Research (Singapore) Estimates



<b>Contact Information (Singapore Research Team)</b>		
<b>Head of Research</b> Paul Chew – <a href="mailto:paulchewkl@phillip.com.sg">paulchewkl@phillip.com.sg</a>		<b>Research Admin</b> Qystina Azli – <a href="mailto:qystina@phillip.com.sg">qystina@phillip.com.sg</a>
<b>Technical Analyst</b> Zane Aw – <a href="mailto:zaneawyx@phillip.com.sg">zaneawyx@phillip.com.sg</a>	<b>Property   REITs</b> Darren Chan – <a href="mailto:darrenchanrx@phillip.com.sg">darrenchanrx@phillip.com.sg</a>	<b>Property   REITs</b> Liu Miaomiao – <a href="mailto:liumm@phillip.com.sg">liumm@phillip.com.sg</a>
<b>Banking &amp; Finance</b> Glenn Thum – <a href="mailto:glennthumjc@phillip.com.sg">glennthumjc@phillip.com.sg</a>	<b>US Tech Analyst (Digital Entertainment/Semicons)</b> Jonathan Woo – <a href="mailto:jonathanwookj@phillip.com.sg">jonathanwookj@phillip.com.sg</a>	<b>US Tech Analyst (Software/Services)</b> Ambrish Shah – <a href="mailto:amshah@phillipventuresifsc.in">amshah@phillipventuresifsc.in</a>
<b>US Tech Analyst (Hardware/E-commerce/ETF)</b> Helena Wang – <a href="mailto:helenawang@phillip.com.sg">helenawang@phillip.com.sg</a>	<b>Construction</b> Yik Ban Chong (Ben) – <a href="mailto:chongyb@phillip.com.sg">chongyb@phillip.com.sg</a>	
<b>Contact Information (Regional Member Companies)</b>		
<b>SINGAPORE</b> <b>Phillip Securities Pte Ltd</b> Raffles City Tower 250, North Bridge Road #06-00 Singapore 179101 Tel +65 6533 6001 Fax +65 6535 6631 Website: <a href="http://www.poems.com.sg">www.poems.com.sg</a>	<b>MALAYSIA</b> <b>Phillip Capital Management Sdn Bhd</b> B-3-6 Block B Level 3 Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur Tel +603 2162 8841 Fax +603 2166 5099 Website: <a href="http://www.poems.com.my">www.poems.com.my</a>	<b>HONG KONG</b> <b>Phillip Securities (HK) Ltd</b> 11/F United Centre 95 Queensway Hong Kong Tel +852 2277 6600 Fax +852 2868 5307 Websites: <a href="http://www.phillip.com.hk">www.phillip.com.hk</a>
<b>JAPAN</b> <b>Phillip Securities Japan, Ltd.</b> 4-2 Nihonbashi Kabuto-cho Chuo-ku, Tokyo 103-0026 Tel +81-3 3666 2101 Fax +81-3 3666 6090 Website: <a href="http://www.phillip.co.jp">www.phillip.co.jp</a>	<b>INDONESIA</b> <b>PT Phillip Securities Indonesia</b> ANZ Tower Level 23B, Jl Jend Sudirman Kav 33A Jakarta 10220 – Indonesia Tel +62-21 5790 0800 Fax +62-21 5790 0809 Website: <a href="http://www.phillip.co.id">www.phillip.co.id</a>	<b>CHINA</b> <b>Phillip Financial Advisory (Shanghai) Co Ltd</b> No 550 Yan An East Road, Ocean Tower Unit 2318, Postal code 200001 Tel +86-21 5169 9200 Fax +86-21 6351 2940 Website: <a href="http://www.phillip.com.cn">www.phillip.com.cn</a>
<b>THAILAND</b> <b>Phillip Securities (Thailand) Public Co. Ltd</b> 15th Floor, Vorawat Building, 849 Silom Road, Silom, Bangrak, Bangkok 10500 Thailand Tel +66-2 6351700 / 22680999 Fax +66-2 22680921 Website <a href="http://www.phillip.co.th">www.phillip.co.th</a>	<b>FRANCE</b> <b>King &amp; Shaxson Capital Limited</b> 3rd Floor, 35 Rue de la Bienfaisance 75008 Paris France Tel +33-1 45633100 Fax +33-1 45636017 Website: <a href="http://www.kingandshaxson.com">www.kingandshaxson.com</a>	<b>UNITED KINGDOM</b> <b>King &amp; Shaxson Capital Limited</b> 6th Floor, Candlewick House, 120 Cannon Street, London, EC4N 6AS Tel +44-20 7426 5950 Fax +44-20 7626 1757 Website: <a href="http://www.kingandshaxson.com">www.kingandshaxson.com</a>
<b>UNITED STATES</b> <b>Phillip Capital Inc</b> 141 W Jackson Blvd Ste 3050 The Chicago Board of Trade Building Chicago, IL 60604 USA Tel +1-312 356 9000 Fax +1-312 356 9005 Website: <a href="http://www.phillipusa.com">www.phillipusa.com</a>	<b>AUSTRALIA</b> <b>Phillip Capital Limited</b> Level 10, 330 Collins Street Melbourne, Victoria 3000, Australia Tel +61-03 8633 9803 Fax +61-03 8633 9899 Website: <a href="http://www.phillipcapital.com.au">www.phillipcapital.com.au</a>	<b>CAMBODIA</b> <b>Phillip Bank Plc</b> Ground Floor of B-Office Centre, #61-64, Norodom Blvd Corner Street 306, Sangkat Boeung Keng Kang 1, Khan Chamkamorn, Phnom Penh, Cambodia Tel: 855 (0) 7796 6151/855 (0) 1620 0769 Website: <a href="http://www.phillipbank.com.kh">www.phillipbank.com.kh</a>
<b>INDIA</b> <b>PhillipCapital (India) Private Limited</b> No.1, 18th Floor, Urmi Estate 95, Ganpatrao Kadam Marg Lower Parel West, Mumbai 400-013 Maharashtra, India Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969 Website: <a href="http://www.phillipcapital.in">www.phillipcapital.in</a>	<b>TURKEY</b> <b>PhillipCapital Menkul Degerler</b> Dr. Cemil Bengü Cad. Hak Is Merkezi No. 2 Kat. 6A Caglayan 34403 Istanbul, Turkey Tel: 0212 296 84 84 Fax: 0212 233 69 29 Website: <a href="http://www.phillipcapital.com.tr">www.phillipcapital.com.tr</a>	<b>DUBAI</b> <b>Phillip Futures DMCC</b> Member of the Dubai Gold and Commodities Exchange (DGCX) Unit No 601, Plot No 58, White Crown Bldg, Sheikh Zayed Road, P.O.Box 212291 Dubai-UAE Tel: +971-4-3325052 / Fax: + 971-4-3328895

### Important Information

This report is prepared and/or distributed by Phillip Securities Research Pte Ltd ("Phillip Securities Research"), which is a holder of a financial adviser's license under the Financial Advisers Act, Chapter 110 in Singapore.

By receiving or reading this report, you agree to be bound by the terms and limitations set out below. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

The information and any analysis, forecasts, projections, expectations and opinions (collectively, the "Research") contained in this report has been obtained from public sources which Phillip Securities Research believes to be reliable. However, Phillip Securities Research does not make any representation or warranty, express or implied that such information or Research is accurate, complete or appropriate or should be relied upon as such. Any such information or Research contained in this report is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this report are as of the date indicated and are subject to change at any time without prior notice. Past performance of any product referred to in this report is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This report should not be relied upon exclusively or as authoritative, without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this report has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this report is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this report involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this report should take into account existing public information, including any registered prospectus in respect of such product.

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial / investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this report, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this report.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold an interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this report. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, which is not reflected in this report, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited its officers, directors, employees or persons involved in the issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this report.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

This report is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This report is not intended for distribution, publication to or use by any person in any jurisdiction outside of Singapore or any other jurisdiction as Phillip Securities Research may determine in its absolute discretion.

### IMPORTANT DISCLOSURES FOR INCLUDED RESEARCH ANALYSES OR REPORTS OF FOREIGN RESEARCH HOUSES

Where the report contains research analyses or reports from a foreign research house, please note:

- (i) recipients of the analyses or reports are to contact Phillip Securities Research (and not the relevant foreign research house) in Singapore at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone number +65 6533 6001, in respect of any matters arising from, or in connection with, the analyses or reports; and
- (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, Phillip Securities Research accepts legal responsibility for the contents of the analyses or reports.