UOBKayHian

Country Daily | Singapore

Thursday, 05 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53356.1	3.0	1.7	4.3	11.0
S&P 500	7688.6	1.6	(0.7)	(0.4)	12.3
FTSE 100	10829.2	1.8	1.3	3.5	9.0
AS30	8954.9	(0.6)	(0.2)	1.1	(0.7)
CSI 300	4101.3	2.3	0.4	(5.9)	(11.4)
FSSTI	5268.6	(0.0)	(2.4)	(7.0)	13.4
HSCEI	8057.6	1.4	3.4	0.1	(9.6)
HSI	23919.5	1.7	3.6	(0.2)	(6.7)
JCI	4919.8	0.3	(6.9)	(19.6)	(43.1)
KLCI	1616.6	(0.3)	0.2	(0.9)	(3.8)
KOSPI	5683.8	0.6	(5.5)	(18.8)	34.9
Nikkei 225	62188.6	(1.4)	(1.7)	(11.1)	23.5
SET	1502.1	0.7	(4.1)	(4.7)	19.2
TWSE	42948.9	(0.8)	(8.7)	(13.6)	48.3
BDI	2694	4.0	1.6	(14.4)	43.5
CPO (RM/mt)	4366	(0.6)	(0.9)	0.0	11.0
Brent Crude (US$/bbl)	95	(8.7)	(18.0)	(7.5)	55.5

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
TNFD Conference: Nature Means Business – Navigating Nature-Related Risks with TNFD	Malaysia	05 Nov	05 Nov
Virtual Meeting with UUE Holdings Berhad (UUE MK)	Malaysia	10 Nov	10 Nov
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Bangkok	23 Nov	23 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Kuala Lumpur	25 Nov	25 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Date
Retail Sales MoM SEP	5 Nov
Retail Sales YoY SEP	5 Nov
Foreign Exchange Reserves OCT	6 Nov
MAS 12-Week Bill Auction	11 Nov

Top Stories

Company Results | Beng Kuang Marine (BKM SP/**BUY**/S$0.380/Target: S$0.70)

Page 3 →

- BKM's 3Q26 revenue rose 10.1% yoy to S$28.6m, while PATMI surged 174.6% to S$4.2m. 9M26 revenue and PATMI met 77.3% and 76.6% of our 2026 forecasts respectively. Maintain BUY with a S$0.70 target price, implying 84.2% upside. Our 13.1x 2027F PE peg is 1.0 SD above the historical mean, supported by stronger offshore execution and full ownership of ASOM's earnings.

Company Results | CapitaLand Investment (CLI SP/**BUY**/S$2.38/Target: S$3.80)

Page 6 →

- CLI's 9M26 business update showed momentum in its fee business, delivering a 15% yoy FRB revenue growth. With S$4.3b of equity raised by its listed and private funds and S$9.6b of capital deployed for 11M26, we anticipate strong visibility for its fee income outlook. CLI established FeeCo and AssetCo to build scale for recurring fee income and drive monetisation of assets through various capital recycling platforms, particularly for its China assets. Maintain BUY with a lower target price of S$3.80.

Company Results | SIA Engineering (SIE SP/**BUY**/S$2.92/Target: S$3.60)

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- SIAEC's 1HFY27 net profit of S$81.9m (-1.7% yoy) is in line with our expectations. Underlying earnings growth was masked by SAESL-related gestation costs, excluding which SIAEC's earnings would have risen by close to 20% yoy. SIAEC continues to push capacity and regional expansion, which comes with near-term gestation pains. That said, gestation costs are expected to peak in FY27 and taper from FY28 onwards, driving a medium-term earnings growth. Maintain BUY with a lower target price of S$3.60.

Company Results | United Overseas Bank (UOB SP/**NOT RATED**/S$38.44)

Page 12 →

- UOB's 3Q26 net profit fell 15% qoq to S$1,250m, below consensus estimate of S$1,376m, as margin compression and weaker trading income weighed on earnings. Asset quality improved, with new NPL formation declining to S$500m, NPL ratio easing to 1.5% and credit costs falling to 24bp in 3Q26.

Market Spotlight

Page 15 →

- US stocks were higher on Wednesday. All indices rose as the consumer discretionary, financials and real estate sectors fell. There were more advancers than decliners on both NYSE and NASDAQ.
- The FSSTI fell 0.66 points to 5,268.63, on the back of weakness in DBS and OCBC Bank, with both mid- and small-cap indices rising with a broad market decline on a S$2.88b turnover.

Disclaimer: In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.

Technical Analysis

Venture Corp | VMS SP Page 16 →

- Trading Buy Range: S$14.87-14.88

Riverstone Holdings | RSTON SP Page 16 →

- Trading Buy Range: S$0.730-0.735



Beng Kuang Marine (BKM SP)

3Q26: Higher Offshore Activities Drive Robust Growth

Highlights

- 9M26 revenue of S$84.3m and PATMI of S$7.8m met 77.3% and 76.6% of our 2026 forecasts respectively, slightly ahead of expectations.
- 3Q26 gross margin recovered and jumped to 38.1%, while S$71.2m of remaining contracted work supports revenue visibility beyond 2026.
- Maintain BUY with a lower S$0.70 target price on 13.1x 2027F PE, 1.0 SD above its historical mean, representing an 84% upside.

3Q26/9M26 Results

(S$m)	3Q26	3Q25	yoy %	2Q26	qoq %	9M26	9M25	yoy %
Revenue	**28.6**	**26.0**	**10.1**	**30.0**	**(4.6)**	**84.3**	**76.8**	**9.8**
Gross profit	**10.9**	**9.4**	**16.0**	**7.8**	**39.8**	**25.5**	**28.8**	**(11.5)**
Gross margin (%)	38.1	36.0	2.1ppt	25.9	12.2ppt	30.2	37.5	(7.3)ppt
Profit before tax	**5.2**	**4.5**	**15.1**	**4.3**	**21.6**	**12.5**	**13.6**	**(8.1)**
Net profit (PATMI)	**4.2**	**1.6**	**174.6**	**2.3**	**87.0**	**7.8**	**4.5**	**73.9**
Net profit margin (%)	14.8	6.0	8.9ppt	7.6	7.3ppt	9.2	5.8	3.4ppt

Source: Beng Kuang Marine, UOB Kay Hian

Analysis

- **Offshore execution restores margins.** 3Q26 revenue rose 10.1% yoy to S$28.6m and PATMI surged 174.6% to S$4.2m, meeting 26.2% and 41.8% of our 2026 forecasts respectively. West Africa Basin execution and later-stage Batam deliveries, alongside higher operational efficiencies, lifted 3Q26 gross profit 16.0% to S$10.9m and 3Q26 PBT 15.1% to S$5.2m, while 3Q26 EBITDA margin excluding other gains and losses reached 22.8% (3Q25: 18.2%). 9M26 revenue and PATMI grew 9.8% and 73.9% yoy to S$84.3m and S$7.8m respectively, meeting 77.3% and 76.6% of our full-year forecasts, slightly ahead of expectations.
- **Full ASOM ownership boosts earnings attribution.** 3Q26 was the first full quarter of 100% ownership following the May acquisition of the remaining 49%. Non-controlling interests fell to S$0.04m from S$1.51m in 3Q25, helping PATMI outpace PBT growth. We expect 3Q26 results to be a good baseline to annualise Beng Kuang Marine's (BKM) full-year result for 2027. 2027 will be the first full year of full ASOM earnings ownership.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	111.9	98.2	109.1	115.5	122.4
EBITDA	29.2	20.6	22.6	27.2	28.6
Operating profit	26.3	17.1	19.5	24.3	25.7
Net profit (rep./act.)	11.5	5.3	10.2	18.1	19.2
Net profit (adj.)	11.5	5.3	10.2	18.1	19.2
EPS (S$ cent)	5.8	2.6	3.0	5.3	5.6
PE (x)	6.6	14.6	12.7	7.1	6.7
P/B (x)	3.6	2.9	3.0	2.1	1.6
EV/EBITDA (x)	2.9	4.1	3.7	3.1	2.9
Dividend yield (%)	0.0	1.6	1.6	1.8	1.8
Net margin (%)	10.3	5.4	9.3	15.7	15.7
Net debt/(cash) to equity (%)	(69.9)	(101.7)	(70.0)	(80.7)	(85.8)
Interest cover (x)	30.9	33.8	55.0	54.2	53.1
ROE (%)	75.6	22.5	29.3	34.8	27.1
Consensus net profit (S$m)	-	-	10.2	18.1	19.2
UOBKH/Consensus (x)	-	-	1.0	1.0	1.0

Source: Beng Kuang Marine, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$0.38
Target Price	S$0.70
Upside	84.2%
Previous TP	S$0.75

Stock Data

Sector	Offshore & Marine
Bloomberg ticker	BKM SP
Shares issued (m)	300.4
Market cap (S$m)	114.1
Market cap (US$m)	89.3
3-mth avg daily t'over (US$m)	0.2

Price Performance (%)

52-week high/low				S$0.60/S$0.26
1mth	**3mth**	**6mth**	**1yr**	**YTD**
8.6	(22.4)	(26.2)	24.6	18.8

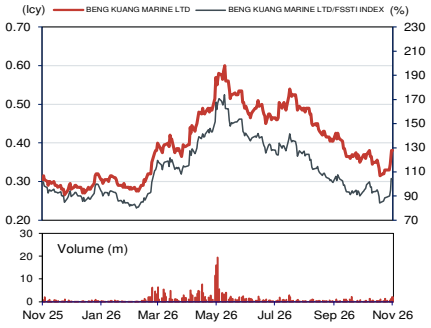
Major Shareholders (%)

Isustainability	9.5
Chan Kwan Bian	9.4
Yong Jiunn Run	4.1

Balance Sheet Metrics

FY26 NAV/Share (S$)	0.13
FY26 Net Cash/Share (S$)	0.09

Price Chart



Source: Bloomberg

Company Description

Beng Kuang Marine provides offshore lifecycle services, infrastructure engineering and corrosion prevention. Its operations include FPSO and FSO maintenance, shipbuilding and fabrication in Batam, and marine cranes and deck equipment.

- **Infrastructure engineering drives growth.** In 3Q26, external infrastructure engineering (IE) revenue rose 18.4% yoy to S$24.8m, supported by offshore activity, barges and cranes. Segment profit rose 17.2% to S$6.2m, while group gross profit less administrative expenses rose 46.0% to S$5.6m. Management reported positive contributions from Batam shipbuilding and cranes as execution progressed.
- **Corrosion prevention prioritises cash discipline.** In 3Q26, external corrosion prevention (CP) revenue fell 24.0% yoy to S$3.9m and segment PBT declined to S$0.5m. Management deliberately reduced Indonesian exposure amid prolonged collections and currency weakness, while Singapore yard consolidation adds pressure. Productivity and S$2.5m of intercompany work, eliminated on consolidation, support utilisation.
- **Recurring orders support visibility.** The company indicated that around 80% of revenue is typically recurring, supported by repeat FPSO servicing and maintenance work, with higher-value life-extension projects providing additional upside. ASOM secured S$112.4m of work in 9M26, leaving S$59.8m outstanding at end-Sep 26, up S$7.5m from Jun 26. Some work extends beyond 2026, supporting revenue visibility into 2027.
- **Adjacent businesses add to delivery.** BKM's other core operating subsidiaries, PT. Nexus Engineering Indonesia (NEI) and International Offshore Equipments (IOE), had S$3.9m and S$7.5m of work remaining respectively, taking the combined balance with ASOM to S$71.2m. Management reported positive contributions from Batam shipbuilding and cranes, while highlighting delivery schedules, logistics and cost control as priorities.
- **Cash conversion and debt reduction remain priorities.** Contract assets fell S$4.3m in 3Q26 as certification and billing advanced. Management reported improved operating cash flow and intends to use liquidity to reduce acquisition-related borrowings in 2027. Converting certified billings into cash remains key to funding this repayment.
- **Outlook supported by offshore execution.** Management expects stronger execution to support 4Q26 and 2027 as life-extension work progresses, aided by accommodation capacity mobilised in September. It is pursuing 1-2 additional FPSO engagements and exploring other basins and asset types, creating opportunities for follow-on work. Management cautioned that 3Q gross margin was already high, with further efficiency gains sought through integration and cost control.

Valuation/Recommendation

- **Maintain BUY with a lower target price of S$0.70 (previously S$0.75),** implying 84.2% upside, pegged to BKM at 13.1x 2027F PE, 1.0SD above its historical forward mean, supported by stronger offshore execution, recurring work and full ASOM earnings ownership. The multiple is below our previous 14.0x peg, reflecting a broader sector de-rating.

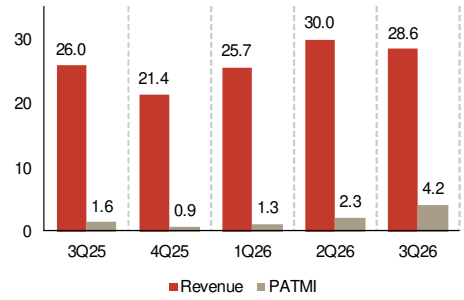
Earnings Revision/Risks

- No change to our earnings forecasts. Key risks include project delays, adverse work mix, customer concentration, collection delays, currency movements and acquisition-related payments.

Share Price Catalyst

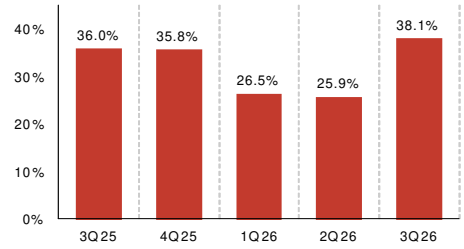
- Sustained offshore margin recovery.
- further FPSO maintenance and life-extension awards.
- timely barge and crane deliveries.
- and stronger conversion of contract assets into cash.

Quarterly Revenue And PATMI (S$m)



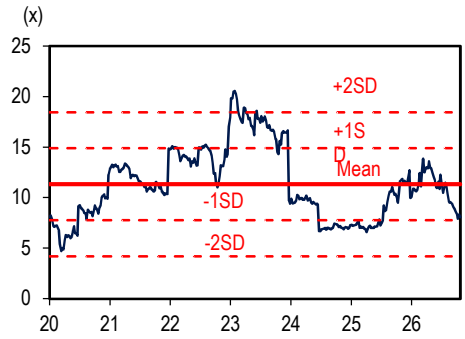
Source: Beng Kuang Marine

Gross Margin Recovery (%)



Source: Beng Kuang Marine

Historical PE Band



Source: Bloomberg

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	**98.2**	**109.1**	**115.5**	**122.4**
EBITDA	20.6	22.6	27.2	28.6
Deprec. & amort.	3.6	3.1	3.0	2.9
EBIT	17.1	19.5	24.3	25.7
Total other non-operating income	0.0	(0.0)	0.0	0.0
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(0.6)	(0.4)	(0.5)	(0.5)
Pre-tax profit	**16.5**	**19.0**	**23.8**	**25.2**
Tax	(3.9)	(4.5)	(5.7)	(6.0)
Minorities	(7.2)	(4.4)	0.0	0.0
Net profit	**5.3**	**10.2**	**18.1**	**19.2**
Net profit (adj.)	5.3	10.2	18.1	19.2

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	15.7	14.9	14.4	14.1
Other LT assets	0.2	0.2	0.3	0.3
Cash/ST investment	37.4	36.9	58.9	79.2
Other current assets	26.5	36.2	38.4	40.6
Total assets	**79.8**	**88.3**	**111.9**	**134.2**
ST debt	4.2	2.8	3.9	4.2
Other current liabilities	31.6	37.1	39.8	42.1
LT debt	6.2	4.1	5.8	6.2
Other LT liabilities	1.6	1.4	1.5	1.6
Shareholders' equity	26.4	42.9	61.0	80.2
Minority interest	9.7	0.0	0.0	0.0
Total liabilities & equity	**79.8**	**88.3**	**111.9**	**134.2**

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	**26.6**	**13.4**	**21.9**	**22.5**
Pre-tax profit	16.5	19.0	23.8	25.2
Tax	(3.9)	(4.5)	(5.7)	(6.0)
Deprec. & amort.	3.6	3.1	3.0	2.9
Associates	0.0	0.0	0.0	0.0
Working capital changes	10.1	(4.9)	(0.4)	(0.1)
Non-cash items	0.1	(0.2)	(0.2)	(0.2)
Other operating cashflows	0.3	0.9	1.4	0.8
Investing	**(3.6)**	**(2.1)**	**(2.2)**	**(2.4)**
Capex (maintenance)	0.0	0.0	0.0	0.0
Investment	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.2	0.1	0.1	0.1
Others	(3.9)	(2.2)	(2.3)	(2.4)
Financing	**(8.1)**	**(11.8)**	**2.3**	**0.1**
Dividend payments	(5.6)	0.0	0.0	0.0
Proceeds from borrowings	10.9	17.6	8.7	8.9
Loan repayment	(12.7)	(8.9)	(5.8)	(8.2)
Others/interest paid	(0.6)	(20.4)	(0.5)	(0.5)
Net cash inflow (outflow)	**14.9**	**(0.5)**	**22.0**	**20.3**
Beginning cash & cash equivalent	**22.4**	**37.4**	**36.9**	**58.9**
Changes due to forex impact	(0.5)	0.0	0.0	0.0
Ending cash & cash equivalent	**36.8**	**36.9**	**58.9**	**79.2**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	21.0	20.7	23.6	23.4
Pre-tax margin	16.8	17.5	20.6	20.6
Net margin	5.4	9.3	15.7	15.7
ROA	6.9	12.1	18.1	15.6
ROE	22.5	29.3	34.8	27.1
Growth				
Turnover	(12.3)	11.2	5.9	5.9
EBITDA	(29.5)	9.6	20.5	4.9
Pre-tax profit	(35.2)	15.8	24.7	5.9
Net profit	(53.8)	90.4	78.2	5.9
Net profit (adj.)	(53.8)	90.4	78.2	5.9
EPS	(55.2)	15.1	78.2	5.9
Leverage				
Debt to total capital	22.5	13.8	13.7	11.4
Debt to equity	39.7	16.0	15.9	12.9
Net debt/(cash) to equity	(101.7)	(70.0)	(80.7)	(85.8)
Interest cover (x)	33.8	55.0	54.2	53.1



CapitaLand Investment (CLI SP)

9M26: Growth Driven By Fee Income

Highlights

- CLI's 9M26 revenue dipped 3% yoy to S$1.5b due to a 23% yoy decline in real estate investment business (REIB) income, largely offset by higher contributions from its stakes in listed and private funds and strong expansion in fee income (+15% yoy to S$1.035b). Fee-related business (FRB) revenue was mainly lifted by a 30% yoy growth in listed fund management fees and a 32% higher private funds management income.
- CLI established FeeCo and AssetCo to sharpen growth focus. FeeCo aims to scale a dual growth engine from listed and private funds to grow recurring income and leverage on commercial and lodging management business to drive fees and asset performance. AssetCo would focus on monetisation through capital recycling platforms including C-REITs, P-REITs and RMB Master Funds as third party sales and to pursue longer-term strategic pathways for China AssetCo. Maintain BUY. Target price: S$3.80.

9M26 Results

Year to 31 Dec (S$m)	9M26	9M25	yoy%	Remarks
Gross revenue	1,500	1,568	-3.0	Decline due to lower REIB contributions
FRB revenue	1,035	900	+15.0	Higher fees in all segments, more event driven fees
REIB revenue	580	753	-23.0	Lower on assets and Synergy platform divestment
Fee-to-fund ratio (bp)	56	52 (FY25)	na	
All-in fee to fund ratio (bp)	89	85 (FY25	na	

Source: CLI, UOB Kay Hian

Analysis

- **Continued scaling up of fee business.** CapitaLand Investment Limited (CLI) indicated it raised S$4.3b in equity through its listed and private funds and deployed S$9.6b and divested S$5.7b of assets from Jan to Nov 26. We think this multi-pronged fund growth strategy should enable it to continue scaling up its fee business.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	2,815	2,133	2,412	2,466	2,608
EBITDA	790	608	549	515	509
Operating profit	650	477	426	392	386
Net profit (rep./act.)	465	145	557	586	598
Net profit (adj.)	465	145	557	586	598
EPS	9.2	2.9	11.2	11.7	12.0
PE (x)	25.7	81.9	21.3	20.3	19.9
P/B (x)	0.9	0.9	0.9	0.9	0.8
EV/EBITDA (x)	25.0	32.5	35.9	38.3	38.8
Dividend yield (%)	7.7	5.0	5.0	5.0	5.0
Net margin (%)	16.5	6.8	23.1	23.8	22.9
Net debt/(cash) to equity(%)	41.3	46.7	51.8	58.0	63.6
Interest cover (x)	1.7	2.1	1.9	1.6	1.5
ROE (%)	3.3	1.1	4.3	4.4	4.3
Consensus net profit	-	-	613	743	813
UOBKH/Consensus (x)	-	-	0.91	0.79	0.73

Source: CLI, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$2.38
Target Price	S$3.80
Upside	59.7%
Previous TP	S$4.05

Stock Data

Sector	Real Estate
Bloomberg ticker	CLI SP
Shares issued (m)	4,993.5
Market cap (S$m)	11,884.6
Market cap (US$m)	9,299.4
3-mth avg daily t'over (US$m)	22.0

Price Performance (%)

52-week high/low				S$3.2/S$2.5
1mth	3mth	6mth	1yr	YTD
(3.6)	(12.8)	(10.2)	(10.5)	(12.2)

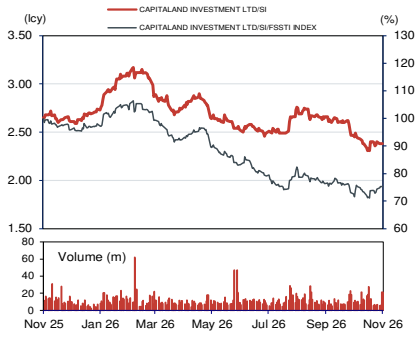
Major Shareholders (%)

Temasek Hldgs	54.17

Balance Sheet Metrics

FY26 NAV/Share (S$)	2.65
FY26 Net Debt/Share (S$)	1.37

Price Chart



Source: Bloomberg

Company Description

CLI is a global real estate manager with an Asian foothold and a diversified exposure across retail, office, lodging and new economy asset classes.

- **Fee to fund ratio up yoy.** Although 3Q26 fee income growth slowed qoq, due to slower event-driven fees, we remain upbeat on the outlook for CLI's fee business. Apart from recurring fees from listed funds, CLI's AEIs, portfolio reconstitution and value crystallisation strategies would enable it to boost transaction-related and project management. Meanwhile, the upcoming listing of CapitaLand Commercial C-REIT II by end-26 should enable it to broaden access to more domestic capital. For 9M26, fund management fee to fund ratio improved 4bp yoy to 56bps while all-in fee to fund ratio also ticked up to 89bps, +4bp from 2025.
- **9M26 real estate investment business (REIB) revenue slipped 23% yoy to S$580m** due to the absence of contributions from Synergy and Dalian IT Park, partly offset by contributions from One iPark development-for-sale assets. YTD, CLI had divested S$0.4b worth of on-balance sheet properties (CapitaMall LuOne and Arlington Park) and holds a remaining S$3.5b of non-fund investments.
- **Private funds growth driver.** It is on track to launch ACP III, extending its Asia Pacific real estate credit franchise. In addition, it had established a Hong Kong student accommodation platform seeded with a 1,200-bed conversion project. In China, it had launched the China Rental Housing Fund I (Rmb1.2b), the third sub-fund under the CLI RMB Master Fund series. This should extend the visibility and growth outlook for the private fund business.
- **Lodging management.** CLI signed about 11,700 rooms YTD Sep 26, bringing its total pipeline to 68,300 rooms. During the same period, it opened 5,600 rooms, lifting its operational portfolio to 114,700 rooms. This will support future fee visibility. An estimated 32% of the rooms signed and 48% of the rooms opened YTD Sep 26 are conversions, either from an existing operating property, a brownfield project that is rebranded or repositioned, which has a quicker turnaround time. This will likely translate to a quicker ramp up in returns and fee income.
- **Balance sheet/capital management.** Net debt-to-equity ticked up slightly qoq to 0.46x as at end-3Q26, while average debt maturity shortened slightly to 2.8 years. CLI's implied interest cost stood at 3.5% vs 3.9% in 2025 and it guided that funding cost should remain stable for the rest of the year.

Valuation/Recommendation

- **We maintain our BUY rating on CLI with a lower SOTP-based target price of S$3.80 (previously S$4.05),** as we change our valuation methodology to RNAV and assume a 30% discount to our RNAV, given the potential near-term downside risk to China asset values due to the challenging macro environment.

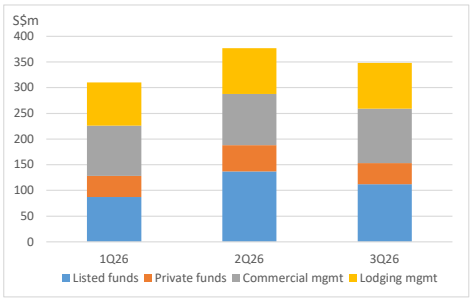
Earnings Revision/Risk

- We lower our earnings forecasts for 2026-28 by 14-22% as we lower our divestment gain assumptions and the continued weak operating outlook in China. Key risk to our earnings estimates would likely be potential asset revaluation deficit, particularly in China, as the group undertakes its annual year-end portfolio revaluation exercise. That said, we believe CLI's operating PATMI (before revaluation) should be supported by its robust recurring income from its fee business.

Share Price Catalyst

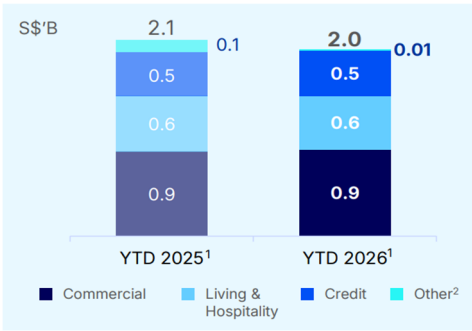
- Stronger-than-expected growth in its FUM; successful monetisation of the S$7b-9b of legacy and non-core assets, particularly in China, and reduced asset value drag, should catalyse share price performance.

Breakdown Of Fee Income



Source: CLI, UOB Kay Hian

Private Funds Capital Raised By Strategy



Source: CLI, UOB Kay Hian

SOTP Valuation

Investment properties and lodging assets	Mkt value ($m)
Singapore	294.1
China	1,660.7
Malaysia	60.9
Japan	24.0
Korea	78.1
India	93.3
Europe/UK	139.4
Lodging	1,525.5
Total	**3,875.9**

Stakes in REITs	Stake	No of units	SP/TP (LC$)	
CICT	0.212	7,954.5	3.11	5,244.5
CLMT	0.37	3,365.1	0.74	297.2
CLCT	0.25	1,757.2	0.61	265.8
CLAS	0.25	3,851.4	1.00	962.9
CLAR	0.1737	4,804.0	3.25	2,712.0
CLINT	0.25	1,486.9	0.85	316.0
Total				**9,798.3**
Stakes in unlisted funds				5,098.1
		Est FY26E fee PATMI		
Value of fund management business		561.3		9,577.1
GAV				28,349.4
Net cash/(debt) (deconsol)				-5,877.0
Other assets/(liabilities) (deconsol)				4,553.7
RNAV				**27,026.1**
RNAV/share (S$)				**5.42**
Assumed discount				-30%
TP (S$)				**3.80**

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	**2,133**	**2,412**	**2,466**	**2,608**
EBITDA	608	549	515	509
Deprec. & amort.	131	123	123	123
EBIT	477	426	392	386
Total other non-operating income	94	0	0	0
Associate contributions	138	666	683	702
Net interest income/(expense)	(287)	(286)	(315)	(330)
Pre-tax profit	**281**	**722**	**760**	**758**
Tax	(111)	(90)	(95)	(90)
Minorities	(25)	(75)	(80)	(70)
Preferred dividends	0	0	0	0
Net profit	**145**	**557**	**586**	**598**
Net profit (adj.)	145	557	586	598

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	5,151	6,171	7,191	8,211
Other LT assets	15,830	16,541	17,269	18,016
Cash/ST investment	2,022	1,060	972	897
Other current assets	1,208	1,272	1,299	1,370
Total assets	**24,211**	**25,045**	**26,732**	**28,493**
ST debt	625	625	625	625
Other current liabilities	1,641	1,767	1,927	2,130
LT debt	7,274	7,274	8,274	9,274
Other LT liabilities	1,147	1,147	1,147	1,147
Shareholders' equity	12,579	13,212	13,659	14,147
Minority interest	945	1,020	1,100	1,170
Total liabilities & equity	**24,211**	**25,044**	**26,732**	**28,493**

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	**491**	**398**	**287**	**287**
Pre-tax profit	170	632	666	668
Tax	(118)	(90)	(95)	(90)
Deprec. & amort.	110	123	123	123
Associates	(138)	(666)	(683)	(702)
Working capital changes	(121)	(62)	(133)	(132)
Non-cash items	74	0	0	0
Other operating cashflows	514	460	410	420
Investing	**(510)**	**637**	**646**	**655**
Capex (maintenance)	(111)	(20)	(20)	(20)
Investments	141	(45)	(45)	(45)
Proceeds from sale of assets	193	(1,000)	(1,000)	(1,000)
Others	(733)	702	711	720
Financing	**(252)**	**(996)**	**(21)**	**(17)**
Dividend payments	(599)	(599)	(599)	(599)
Issue of shares	(7)	0	0	0
Proceeds from borrowings	4,717	0	1,000	1,000
Loan repayment	(4,062)	0	0	0
Others/interest paid	(301)	(397)	(422)	(418)
Net cash inflow (outflow)	**(271)**	**38**	**912**	**924**
Beginning cash & cash equivalent	**2,328**	**2,041**	**1,079**	**991**
Changes due to forex impact	(16)	0	0	0
Ending cash & cash equivalent	**2,041**	**2,079**	**1,991**	**1,916**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	28.5	22.8	20.9	19.5
Pre-tax margin	13.2	29.9	30.8	29.1
Net margin	6.8	23.1	23.8	22.9
ROA	0.5	2.3	2.3	2.2
ROE	1.1	4.3	4.4	4.4
Growth				
Turnover	(23.4)	13.1	2.2	8.1
EBITDA	(30.0)	(9.6)	(6.2)	(7.3)
Pre-tax profit	(40.7)	157.0	5.3	4.9
Net profit	(13.7)	284.1	5.2	7.3
Net profit (adj.)	(68.8)	284.1	5.2	2.0
EPS	(11.4)	283.6	5.2	7.3
Leverage				
Debt to total capital	58.4	55.5	60.3	64.6
Debt to equity	62.8	59.8	65.2	70.0
Net debt/(cash) to equity	46.7	51.8	58.0	63.6
Interest cover	2.1	1.9	1.6	1.5



SIA Engineering (SIE SP)

1HFY27: Results In Line; Steady Earnings Despite Expansion-related Gestation Costs

Highlights

- 1HFY27 net profit of S$81.9m (-1.7% yoy) is in line with our expectations, forming 48% of our full-year forecast.
- Underlying earnings growth was masked by higher gestation costs at its engine JV SAESL. Excluding the gestation costs for SAESL, we estimate that SIAEC's earnings would have improved by close to 20% yoy.
- SIAEC continues to push capacity and regional expansion, which come with near-term gestation pains. That said, gestation costs are expected to peak in FY27 and taper from FY28 onwards, driving a medium-term earnings growth.
- Maintain BUY, with a slightly lower target price of S$3.60, based on 21.3x FY28F PE (pegged to its historical mean).

1HFY27 Results

Year to 31 Mar (S$m)	1H FY27	1H FY26	yoy % chg	2Q FY27	2Q FY26	yoy % chg	Prev. FY27F	1H as % of FY27F
Revenue	658.6	729.0	-9.7	331.0	370.6	-10.7	1,375.9	48%
Opex	632.9	716.0	-11.6	318.5	362.7	-12.2	1,327.0	48%
EBIT	25.7	13.0	+97.8	12.5	7.9	+58.3	48.8	53%
JVs/asso. contribution	63.7	71.3	-10.7	32.7	33.5	-2.5	133.6	48%
Net profit	81.9	83.3	-1.7	41.6	40.4	+3.0	169.2	48%
Margins (%)								
EBIT	3.9	1.8	+2.1ppt	3.8	2.1	+1.6ppt	3.5	
Net profit	12.4	11.4	+1.0ppt	12.6	10.9	+1.7ppt	12.3	

Source: SIAEC, UOB Kay Hian

Analysis

- **Results in line.** SIA Engineering's (SIAEC) 1HFY27 results are in line with our expectations, with reported net profit of S$81.9m (-1.7% yoy), forming 48% of our full-year forecast. Operating profit almost doubled yoy to S$25.7m, driven by healthy business volumes and lower gestation losses related to expansion. However, the improvement in operating performance was offset by weaker contributions from JVs and associates (S$63.7m in 1HFY27, down 10.7% yoy), lower net interest income and higher tax expenses. SIAEC maintained its interim dividend at 2.5 S cents per share for 1HFY27.

Key Financials

Year to 31 Mar (S$m)	2025	2026	2027F	2028F	2029F
Net turnover	1,245	1,423	1,330	1,384	1,440
EBITDA	78	96	127	143	151
Operating profit	15	29	52	66	71
Net profit (rep./act.)	140	169	169	189	211
Net profit (adj.)	141	177	169	189	211
EPS (x)	12.5	15.8	15.0	16.8	18.8
PE (x)	23.3	18.5	19.4	17.3	15.5
P/B (x)	1.9	1.9	1.8	1.8	1.7
EV/EBITDA (x)	16.5	13.1	12.4	11.1	10.1
Dividend yield (%)	3.1	3.8	3.8	4.3	4.8
Net margin (%)	11.2	11.9	12.7	13.7	14.7
Net debt/(cash) to equity (%)	(37.8)	(31.5)	(28.3)	(28.2)	(28.5)
ROE (%)	8.2	9.7	9.5	10.3	11.1

Source: SIAEC, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	S$2.92
Target Price	S$3.60
Upside	23.3%
Previous TP	S$3.75

Stock Data

Sector	Industrials
Bloomberg ticker	SIE SP
Shares issued (m)	1,121.7
Market cap (S$m)	3,668.0
Market cap (US$m)	2,842.3
3-mth avg daily t'over (US$m)	2.2

Price Performance (%)

52-week high/low				S$3.81/S$2.86
1mth	3mth	6mth	1yr	YTD
(2.4)	(2.8)	(4.7)	0.0	(9.2)

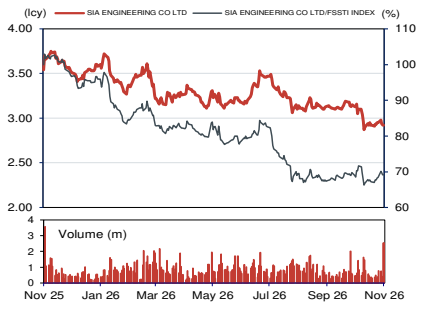
Major Shareholders (%)

Singapore Airlines	77.7

Balance Sheet Metrics

FY27 NAV/Share (S$)	1.61}
FY27 Net Cash/Share (S$)	0.46

Price Chart



Source: Bloomberg

Company Description

A leading regional aircraft maintenance, repair, and overhaul (MRO) operator controlled by Singapore Airlines, with an over 80% market share of line maintenance business at the Changi Airport.

- **Strong underlying earnings growth masked by gestation costs.** SIAEC's 1HFY27 financial performance was weighed by higher gestation costs, particularly at the JV and associate level. Profit contribution from Singapore Aero Engine Services Private Limited (SAESL) fell to S$1.0m in 1HFY27, from S$18.7m in 1HFY26. Excluding the gestation costs related to SAESL's capacity expansion, we estimate that SIAEC's earnings would have improved by close to 20% yoy.
- **Net cash position weakened slightly.** Net cash declined to S$490m as at end-1HFY27, from S$559m at end-FY26, due to dividend payments, lower payables partly reflecting the timing of staff bonus payments, and the acquisition of an associate, Arport Aircraft Maintenance & Engineering (Arport AME), in China.
- **Management's outlook guidance.** Management remains confident in the fundamentals of the Asia-Pacific MRO market, noting that demand for SIAEC's MRO services continues to be underpinned by air travel growth, particularly in the Asia-Pacific region, as well as the deferred retirement of legacy aircraft amid delays in new aircraft deliveries. SIAEC will remain focused on expanding regionally, scaling capacity and strengthening capabilities for next-generation aircraft.
- **Maintaining a strong momentum of business development.** Some key highlights include:
  - In Singapore, the establishment of a full-service MRO JV with Safran for LEAP engines remains on track. Development of the new full-fledged LEAP engine workshop is expected to take a few years, during which the JV entity can continue to perform quick-turn operations in the existing facility while building new capabilities.
  - Facility development work for SAESL's capacity expansion is slated for completion by end-FY28, raising SAESL's engine output by about 40%.
  - In Malaysia, SIAEC officially opened its first hangar at Subang Airport in May 26 and has seen a healthy ramp-up in business volume. The second hangar is expected to come on-stream by end-FY27.
  - In Aug 26, SIAEC completed the acquisition of a 30% stake in Arport AME, a line-maintenance and ground-services provider in Fujian, China. Arport AME currently serves four Fujian airports and will provide line and base maintenance services at the upcoming Xiamen Xiang'an International Airport from end-26. This marks SIAEC's first foray into China.
  - In Jul 26, SIAEC signed a non-binding MOU with Air India to explore collaboration opportunities, including the potential formation of an MRO JV in India. Discussions between SIAEC and Air India remain ongoing, with no further update at this juncture.
- **Gestation costs to taper from FY28.** Most of the above-mentioned capacity expansion initiatives are important medium- to long-term growth drivers for SIAEC, but will weigh on near-term earnings during the ramp-up phase. That said, barring any major investment in the Indian MRO market, which is currently not reflected in our forecasts, we expect overall gestation costs from SIAEC's existing expansion projects to start tapering from FY28 as the expanded capacities gradually come online.

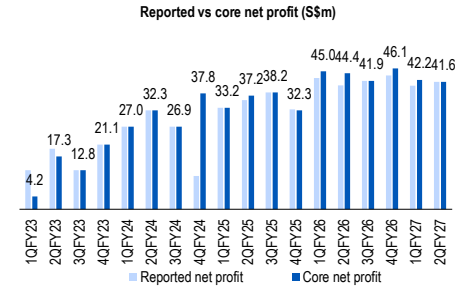
Valuation/Recommendation

- **Maintain BUY on SIAEC with a slightly lower target price of S$3.60.** Our updated target price remains based on 21.3x FY28F PE, pegged to SIAEC's historical mean PE. SIAEC currently trades at 17.3x FY28F PE (14.5x if excluding net cash), or 1SD below its historical mean.

Earnings Revision/Risk

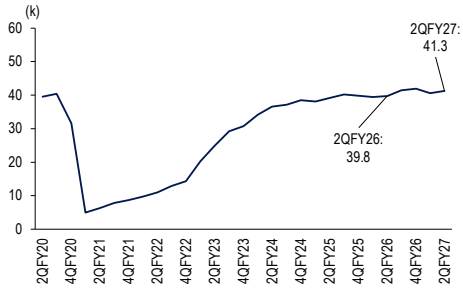
- We keep our FY27 earnings forecast but cut FY28-29 estimates by 4% as we fine-tune our projection for capacity expansion gestation costs.
- **Key risks:** a) Margin pressure from labour cost inflation, and b) execution risks related to overseas expansion and investment.

Quarterly Profit Trend



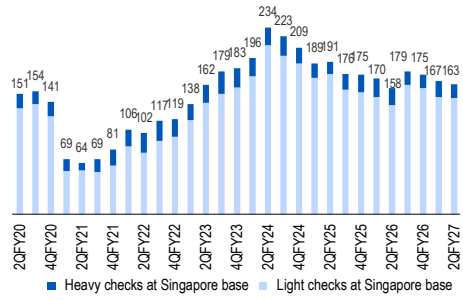
Source: SIAEC, UOB Kay Hian

Line Maintenance Business Volume At Changi Airport



Source: SIAEC

Base Maintenance Business Volume Performed In Singapore



Source: SIAEC

PE-based Valuation



Source: Bloomberg

Profit & loss

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Net turnover	1,423	1,330	1,384	1,440
EBITDA	96	127	143	151
Deprec. & amort.	67	75	77	79
EBIT	29	52	66	71
Total other non-op. income	(2)	(0)	(0)	(0)
Associate contributions	145	132	144	162
Net interest income/(expense)	7	1	(1)	(1)
Pre-tax profit	179	185	209	232
Tax	(8)	(13)	(16)	(18)
Minorities	(3)	(3)	(3)	(3)
Net profit	169	169	189	211
Net profit (adj.)	177	169	189	211

Balance Sheet

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Fixed assets	363	446	464	481
Other LT assets	943	965	989	1,016
Cash/ST investment	565	518	532	560
Other current assets	400	390	401	413
Total assets	2,271	2,320	2,387	2,470
ST debt	33	30	30	30
Other current liabilities	331	272	276	284
LT debt	129	190	190	190
Other LT liabilities	1	1	1	1
Shareholders' equity	1,755	1,801	1,862	1,933
Minority interest	23	26	29	32
Total liabilities & equity	2,271	2,320	2,387	2,470

Cash flow

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Operating	26	64	119	129
Pre-tax profit	179	185	209	232
Tax	(2)	(13)	(16)	(18)
Deprec. & amort.	67	75	77	79
Associates	(79)	(120)	(114)	(101)
Working capital changes	(79)	(49)	(7)	(4)
Non-cash items	11	0	0	0
Other operating cashflows	(71)	(13)	(29)	(60)
Investing	15	60	69	85
Capex	0	0	0	0
Investment	0	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	15	60	69	85
Financing	(139)	(171)	(174)	(187)
Dividend payments	(107)	(123)	(129)	(140)
Proceeds from borrowings	2	0	0	0
Loan repayment	(1)	(5)	0	0
Others/interest paid	(34)	(42)	(46)	(47)
Net cash inflow (outflow)	(98)	(47)	14	27
Beginning cash & cash equiv.	663	565	518	532
Changes due to forex impact	(1)	0	0	0
Ending cash & cash equiv.	565	518	532	560

Key Metric

Year to 31 Mar (S$m)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	6.8	9.5	10.3	10.5
Pre-tax margin	12.6	13.9	15.1	16.1
Net margin	11.9	12.7	13.7	14.7
ROA	7.7	7.4	8.0	8.7
ROE	9.7	9.5	10.3	11.1
Growth (% yoy)				
Turnover	14.3	(6.5)	4.0	4.0
EBITDA	23.1	31.3	13.0	5.3
Pre-tax profit	21.7	3.3	12.7	11.1
Net profit	21.0	(0.0)	12.1	11.5
Net profit (adj.)	25.9	(4.8)	12.1	11.5
EPS	26.0	(4.8)	12.1	11.5
Leverage				
Debt to total capital	8.3	10.7	10.4	10.1
Debt to equity	9.1	12.0	11.6	11.2
Net debt/(cash) to equity	(31.5)	(28.3)	(28.2)	(28.5)

United Overseas Bank (UOB SP)

3Q26: Earnings Shortfall From Other Non-Interest Income

Highlights

- UOB's 3Q26 net profit fell 15% qoq to S$1,250m, below consensus estimate of S$1,376m, as margin compression and weaker trading income weighed on earnings. Loan growth of 6% yoy cushioned the decline in NIM to 1.68%.
- Asset quality improved, with new NPL formation declining to S$500m, NPL ratio easing to 1.5% and credit costs falling to 24bp in 3Q26. However, NPL coverage declined 14ppt yoy and 2ppt qoq to 86%.
- Management expects mid-single-digit loan growth and a recovery in net interest income in 2027. Operating costs are expected to rise by mid to high single digits as UOB invests to build new revenue streams.

Analysis

- United Overseas Bank (UOB) reported 3Q26 net profit of S$1,250m (-15% qoq), vs S$443m in 3Q25 when pre-emptive provisioning of S$615m depressed earnings. Earnings were below consensus estimate of S$1,376m.
- **Loan growth cushioned margin compression.** NIM fell 14bp yoy and 6bp qoq to 1.68% in 3Q26, due to higher deposit costs. Gross customer loans grew 6% yoy and 3% qoq, supporting net interest income of S$2,278m (+1% yoy, -1% qoq). Trade loans grew 31% yoy. Funding costs reduced NIM by 7bp qoq and asset repricing by 1bp, offset by the 2bp benefit from volume.
- **Record fees supported by wealth management and lending activities.** Net fee income increased 19% yoy and 10% qoq to S$733m. Wealth fees rose to S$258m (+18% yoy, +6% qoq) and loan & trade-related fees increased to S$293m (+4% yoy, +19% qoq). Wealth AUM was S$204b, up 3% yoy and unchanged qoq. Net new money totalled S$5b in 9M26.
- **Other non-interest income weakened.** Other non-interest income fell 29% yoy and 41% qoq to S$370m, reflecting the absence of prior-quarter divestment gains and softer trading and investment income. Trading and investment income declined 33% yoy and 15% qoq to S$322m.
- **Cost discipline partly offset lower income.** Operating expenses fell 4% qoq but rose 2% yoy to S$1,570m. Staff costs declined 10% qoq to S$851m, while IT-related expenses rose 5% qoq to S$310m. The cost-to-income ratio increased 1.1ppt qoq to 46.4%.
- **Credit costs eased as NPL formation moderated.** New NPLs fell to S$500m from S$902m in 2Q26. NPL ratio eased 0.1ppt qoq to 1.5%. Total allowances rose 23% qoq to S$258m. Total credit costs fell to 24bp from 28bp in 2Q26. NPL coverage dipped 14ppt yoy and 2ppt qoq to 86%.

Key Financials

Year to 31 Dec (S$m)	2021	2022	2023	2024	2025
Net interest income	6,388	8,343	9,679	9,674	9,355
Non-interest income	3,401	3,232	4,253	4,620	4,453
Net profit (rep./act.)	4,086	4,573	5,361	5,857	4,682
Net profit (adj.)	4,086	4,819	5,711	6,045	4,682
EPS (S$ cent)	239	269	334	356	276
PE (x)	16.1	14.3	11.5	10.8	13.9
P/B (x)	1.6	1.6	1.5	1.4	1.3
Dividend yield (%)	3.1	3.5	4.4	5.3	4.7
Net int margin (%)	1.6	1.9	2.1	2.0	1.9
Cost/income (%)	43.9	45.7	47.3	45.7	44.8
Loan loss cover (%)	96.0	98.0	101.0	91.0	97.0
Consensus net profit	-	-	-	-	-
UOBKH/Consensus (x)	-	-	-	-	-

Source: United Overseas Bank, Bloomberg, UOB Kay Hian

Analyst(s)

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NOT RATED

Share Price	S$38.44
Target Price	n.a.
Upside	n.a.

Stock Data

Sector	Financials
Bloomberg ticker	UOB SP
Shares issued (m)	1,646.9
Market cap (S$m)	63,307.4
Market cap (US$m)	49,536.3
3-mth avg daily t'over (US$m)	121.0

Price Performance (%)

52-week high/low				S$45.15/S$33.25
1mth	3mth	6mth	1yr	YTD
(10.8)	(11.1)	6.3	10.1	9.6

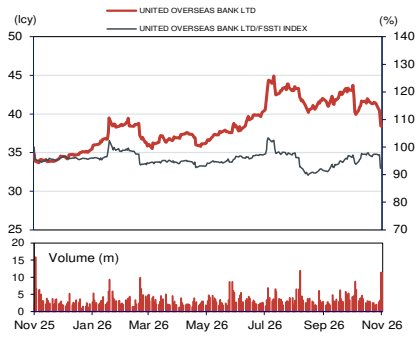
Major Shareholders (%)

Wee Family	11.2
Wah Hin & Co	5.3

Balance Sheet Metrics

NAV/Share (S$)	29.00
CET-1 CAR (%)	14.0

Price Chart



Source: Bloomberg

Company Description

UOB was founded in 1935 and has a well-established regional presence in Singapore, Malaysia, Indonesia, Thailand, Vietnam, Hong Kong and Mainland China. In Singapore, UOB is a market leader in credit and debit cards and loans to SMEs.

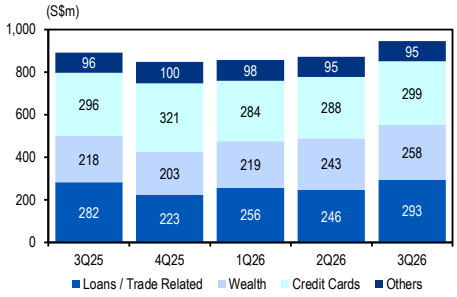
- **Capital eased following the interim dividend.** Fully loaded CET-1 CAR fell 1.0ppt to 14.0%.
- **2027 outlook points to continued balance sheet growth.** Management expects mid-single-digit loan growth and mid to high single-digit fee growth. Guidance for total credit costs are maintained at 25-30bp.
- **Management guided growth in net interest income in 2027,** assuming 3M SORA reaches 1.4% by end-26 and 1.6% by end-27. NIM should bottom out as the current irrational pricing for deposits is not sustainable. The competition for deposits is centred on its retail business, specifically relationship managers competing to offer attractive interest rates to lock in deposits and wealth management accounts from high-net-worth clients.
- **Operating costs expected to rise by mid to high single digits in 2027.** Cost-to-income ratio is expected to remain elevated in 2027 due to increased investments to generate new revenue streams. Management targets to double the contribution from wealth management by 2030 (CAGR: 16-17%). Compliance costs have increased in order to combat scams and fraud.
- **UOB is reshaping its portfolio** by reducing its exposure to real estate & hospitality (REH) and increasing its exposure to digital infrastructure and energy. Management takes a disciplined approach to AI-related lending, which accounted for less than 5% of total loans. They comprise working capital loans (secured by inventories for buyers with healthy credit profiles) and term loan (based on cash flow of off-take contracts from hyperscalers).
- **UOB has disclosed its exposure for REH in Greater China** at S$20b or 5.3% of group loans (NPLs: 0.5%, special mention loans: 1.0%, performing: 3.8%). The pace of recovery is slower than expected. Management is optimistic that valuation for REH collaterals could increase upon lease extension, which will provide room to restructure and recover the loans.
- **UOB completed the disposal of its remaining property interests in Novena Square and 230 Orchard Road** (which is currently being redeveloped into the NoMad Hotel) in 2Q26. The transaction includes the sale of UOB's 20% stakes in Novena Square Development and Novena Square Investments for S$299m, the sale of its Novena Square banking hall for S$19.5m, and the disposal of its 8.3% interest in the Orchard Road redevelopment site for S$68.5m. Total cash proceeds amounted to S$387m. UOB will continue to operate its branches at both locations through lease arrangements.

3Q26 Results

Profit & Loss (S$m)	3Q26	3Q25	yoy % Chg	2Q26	qoq % Chg
Net Interest Income	2,278	2,265	0.6	2,297	-0.8
Fees & Commissions	733	615	19.2	665	10.2
Other Non-Interest Income	370	518	-28.6	632	-41.5
Total Income	3,381	3,398	-0.5	3,594	-5.9
Operating Expenses	(1,577)	(1,541)	2.3	(1,637)	-3.7
PPOP	1,804	1,857	-2.9	1,957	-7.8
Provisions	(258)	(1361)	-81.0	(211)	22.3
Associates & JVs	35	25	40.0	36	-2.8
PBT	1,581	521	203.5	1,782	-11.3
Net Profit	1,251	443	182.4	1,476	-15.2
EPS (S cents)	74.5	25.3	195.0	87.8	-15.1
DPS (S cents)	0.0	0.0	n.m.	0.0	n.m.
BVPS (S$)	29.00	28.34	2.3	29.99	-3.3
Financial Ratios (%)	**3Q26**	**3Q25**	**yoy Chg (ppt)**	**2Q26**	**qoq Chg (ppt)**
NIM	1.68	1.82	-0.14	1.74	-0.06
Loan Growth, yoy	6.0	5.1	0.9	5.4	0.6
Deposit Growth, yoy	6.4	4.7	1.7	5.2	1.3
Loan/Deposit Ratio	82.5	82.5	0.0	81.7	0.8
Cost/Income Ratio	46.4	45.2	1.2	45.3	1.1
ROE	10.1	3.5	6.6	11.8	-1.7
NPL Ratio	1.5	1.6	-0.1	1.6	-0.1
Credit Costs (bp)	24	134	-110	28	-4
Loan Loss Coverage	86	100	-14	88	-2
CET-1 CAR	14.6	14.6	0.0	15.4	-0.8

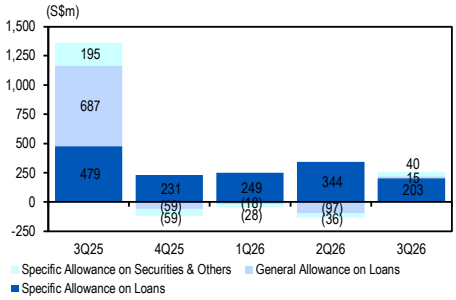
Source: UOB, UOB Kay Hian

Fee Income – Segmental Breakdown



Source: UOB

Total Allowance



Source: UOB

Profit & loss

Year to 31 Dec (S$m)	2022	2023	2024	2025
Interest income	12,862	22,242	23,259	20,676
Interest expense	(4,519)	(12,563)	(13,585)	(11,321)
Net interest income	8,343	9,679	9,674	9,355
Fees & commissions	2,143	2,235	2,395	2,569
Other income	1,089	2,018	2,225	1,884
Non-interest income	3,232	4,253	4,620	4,453
Total income	11,575	13,932	14,294	13,808
Staff costs	(3,001)	(3,553)	(3,699)	(3,413)
Other operating expense	(2,283)	(3,038)	(2,827)	(2,775)
Pre-provision profit	6,291	7,341	7,768	7,620
Loan loss provision	(603)	(921)	(926)	(2,042)
Other Provisions	0	0	0	0
Associated companies	97	93	121	79
Pre-tax profit	5,785	6,513	6,963	5,657
Tax	(1,202)	(1,138)	(1,092)	(962)
Minorities	(10)	(14)	(14)	(13)
Net profit	4,573	5,361	5,857	4,682
Net profit (adj.)	**4,819**	**5,711**	**6,045**	**4,682**

Balance Sheet

Year to 31 Dec (S$m)	2022	2023	2024	2025
Cash with central bank	49,419	52,350	38,577	35,742
Govt treasury bills & securities	31,878	38,280	46,851	62,695
Interbank loans	35,410	35,093	37,432	32,954
Customer loans	315,355	317,005	333,930	347,877
Investment securities	39,789	50,793	48,472	57,396
Derivative receivables	13,802	9,707	12,132	10,893
Associates & JVs	1,258	1,266	1,302	1,252
Fixed assets (incl. prop.)	4,199	4,508	4,852	5,454
Other assets	13,150	14,518	14,116	17,798
Total assets	**504,260**	**523,520**	**537,664**	**572,061**
Interbank deposits	24,537	32,371	19,735	28,737
Customer deposits	368,553	385,469	403,978	425,938
Derivative payables	16,218	11,768	12,514	11,532
Debt equivalents	41,381	37,180	42,032	44,989
Other liabilities	9,965	10,264	9,448	9,372
Total liabilities	460,654	477,052	487,707	520,568
Shareholders' funds	43,366	46,226	49,733	51,248
Minority interest - accumulated	240	242	224	245
Total equity & liabilities	**504,260**	**523,520**	**537,664**	**572,061**

Operating Ratios

Year to 31 Dec (%)	2022	2023	2024	2025
Capital Adequacy				
Tier-1 CAR	14.4	14.4	16.6	16.1
Total CAR	16.7	16.6	18.2	17.7
Total assets/equity (x)	11.6	11.3	10.8	11.2
Tangible assets/tangible common equity (x)	13.0	12.6	11.9	12.2
Asset Quality				
NPL ratio	1.6	1.5	1.5	1.5
Loan loss coverage	98.0	101.0	91.0	97.0
Loan loss reserve/gross loans	0.9	0.9	0.8	1.0
Increase in NPLs	0.6	(3.8)	6.0	4.2
Credit cost (bp)	19.1	28.7	28.1	59.2
Liquidity				
Loan/deposit ratio	85.6	82.2	82.7	81.7
Liquid assets/short-term liabilities	29.6	30.0	29.0	28.9
Liquid assets/total assets	23.1	24.0	22.9	23.0

Key Metric

Year to 31 Dec (%)	2022	2023	2024	2025
Growth				
Net interest income, yoy chg	30.6	16.0	(0.1)	(3.3)
Fees & commissions, yoy chg	(11.2)	4.3	7.2	7.3
Pre-provision profit, yoy chg	14.7	16.7	5.8	(1.9)
Net profit, yoy chg	11.9	17.2	9.3	(20.1)
Net profit (adj.), yoy chg	17.9	18.5	5.8	(22.5)
Customer loans, yoy chg	2.8	0.5	5.3	4.2
Customer deposits, yoy chg	4.5	4.6	4.8	5.4
Profitability				
Net interest margin	1.9	2.1	2.0	1.9
Cost/income ratio	45.7	47.3	45.7	44.8
Adjusted ROA	1.0	1.1	1.2	0.9
Reported ROE	10.6	12.0	12.6	9.9
Adjusted ROE	11.2	12.7	13.0	9.9
Valuation				
P/BV (x)	1.6	1.5	1.4	1.3
P/NTA (x)	1.7	1.6	1.4	1.4
Adjusted P/E (x)	14.3	11.5	10.8	13.9
Dividend Yield	3.5	4.4	5.3	4.7
Payout ratio	50.2	50.9	57.6	65.6

Market News

US stocks were higher on Wednesday, as the consumer discretionary, financials and real estate sectors led shares higher. At the close of the NYSE, the Dow Jones surged 3.03% while the S&P 500 Index was up 1.58% and the NASDAQ Composite Index gained 1.44%. Advancing stocks outnumbered falling ones on the NYSE by 2,076 to 650 and 36 ended unchanged; on the Nasdaq Stock Exchange, 3,198 advanced and 1,624 declined, while 156 ended unchanged.

During the last trading session, the FSSTI Index fell 0.66pt to 5,268.63. Among the top active stocks were OCBC Bank (-0.2%), DBS (-0.1%), UMS (+6.6%), SIA (-1.0%) and Seatrium (+4.9%). The FTSE ST Mid Cap Index rose 1.2%, while the FTSE ST Small Cap Index gained 2.5%. The broader market had 392 gainers and 198 losers with a total trading value of S$2.88b.

Technical Analysis





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Venture Corp (VMS SP)

Trading Buy Range:	S$14.87-14.88
Last Price:	S$15.02
Target Price:	S$16.65
Protective Stop:	S$14.25

The price rebounded from its prior low demand baseline with a bullish engulfing candlestick pattern. The RSI signals buy-side momentum re-ignition following sell-side exhaustion. As long as the price remains defended above the newly established bullish engulfing swing low baseline, we see a rebound toward higher resistance targets.

The potential upside target is S$16.65. Stop-loss could be placed at S$14.25.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of S$21.10.

Riverstone Holdings (RSTON SP)

Trading Buy Range:	S$0.730-0.735
Last Price:	S$0.735
Target Price:	S$0.810
Protective Stop:	S$0.705

The price could be forming a potential double bottom pattern. It established a second trough with a bullish engulfing reversal candle. The RSI is turning upward and advancing toward the 50 neutral baseline. The recent swing high ceiling at S$0.755 serves as the definitive pattern neckline; a decisive daily closing breach above S$0.755 will complete the double bottom reversal, unlocking for higher target.

The potential upside target is S$0.81. Stop-loss could be placed at S$0.705.

Approximate timeframe on average: 1-2 weeks (initiate this trade idea if the stock hits the entry price range within three trading days)

Our institutional research has a fundamental BUY and target price of S$1.21.

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