

# Alliance Bank Malaysia Berhad

(2488 | ABMB MK) Financial Services | Finance

## 2QFY24 Results: Worst of Asset Quality Issues Likely Over

**Maintain BUY**
**Revised Target Price: RM4.08**

(Previously RM3.90)

### KEY INVESTMENT HIGHLIGHTS

- 6MFY24's Core NP of RM336m was **Below/Within** our/street forecasts: **48%/50%** of full-year forecasts
- Management's tone: **Neutral**
- Core themes: (a) **Worst of asset quality issues over**, (b) **L/D ratio optimisation**, (c) **End-financing disbursements locked in**, (d) **CET1 stretched thin**
- Forecasts revised: FY24F/25F/26F Core NP adjusted by **-6%/-6%/-5%**.
- Maintain **BUY** with revised TP of **RM4.08**, based on a revised FY25F P/BV of **0.83x** (formerly **0.79x**)

**Verdict: ABMB's improved asset quality outlook warrants a rerating, given its low price.**

- Yays**
- Worst of asset quality issues seem to be over, though provision charges in 2HFY24 may still be high.
  - OPEX was frontloaded into 1HFY24 – 2HFY24's outlook is good.
  - Loan growth to maintain at excellent pace, disbursements have been locked in.

- Nays**
- NIM compression expected in subsequent months.

- OKs**
- CET1 ratio became compressed by high rate of RWA growth and lag in capital growth.
  - Large bancassurance one-off lift seen in this quarter.

### Results in a nutshell:

▼ **6MFY24's Core net profit (NP) of RM336m down by -9%yoy.** The improvements were largely brought about by higher NII and NOII contributions, while being offset by higher OPEX and provisions.

Earnings came below expectations. We may see weaker NIM and NOII and higher provisioning may lead to a weaker 2HFY24.

▲ **2QFY24's Core NP of RM185m up by +23%qoq.** This was driven by sharp NII and NOII improvements, offsetting higher OPEX, provisions and tax.

▲ **Gross loans grew by +3.4%qoq, coming up to +4.9%YTD.**

► **Deposits grew by +0.1%qoq, coming up to +1.9%YTD.**

▲ **GIL moved by -12bps to 2.51%, LLC currently at 94%.**

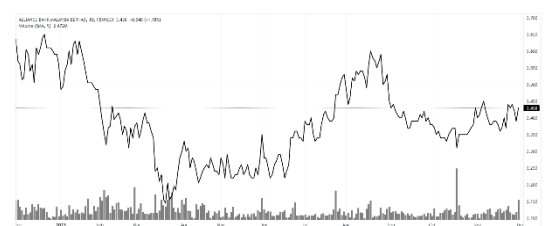
### Have a look at:

▲ **Already past the worst of asset quality issues – rerating incoming?** ABMB's GIL ratio saw an impressive -12bps drop qoq to 2.51%. Most encouragingly, +30dpd days trend seem to imply that GIL ratios for the problematic Alliance ONE account, personal financing, SME and commercial & corporate will remain stable or skewed towards a decline. As a major source of downward investor sentiment was ABMB's vulnerability to asset quality issues, we view this as a positive for ABMB's share price prospects.

### RETURN STATISTICS

Price @ 30 November 2023 (RM)	3.43
Expected share price return (%)	+18.9
Expected dividend yield (%)	+6.7
Expected total return (%)	+25.6

### SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	1.2	0.6
3 months	0.9	-3.1
12 months	-10.0	-8.3

### INVESTMENT STATISTICS

FYE Mar	FY24F	FY25F	FY26F
<b>Core NP (RM m)</b>	<b>653</b>	<b>712</b>	<b>763</b>
CNP growth (%)	(4)	9	7
<b>Div yield (%)</b>	<b>6.2</b>	<b>6.7</b>	<b>7.2</b>
Gross DPS (sen)	21.1	23.0	24.6
<b>P/BV (x)</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
BVPS (RM)	4.6	4.9	5.2
<b>ROE (%)</b>	<b>9.4</b>	<b>9.6</b>	<b>9.8</b>
MIDF/Street CNP (%)	97	99	100

### KEY STATISTICS

FBM KLCI	1,452.74
Issue shares (m)	1,548.1
Estimated free float (%)	57.7
Market Capitalisation (RM'm)	5,279.0
52-wk price range	RM3.22 - RM3.87
3-mth avg daily volume (m)	0.9
3-mth avg daily value (RM'm)	3.2
Top Shareholders (%)	
Vertical Theme Sdn Bhd	29.1
EPF Board	10.2
Global Success Network	5.0

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▼ **Regardless, provisions in 2HFY24 will be heavy.** Management states that 1HFY24 was at least buffered by larger corporate recoveries – whereas 2HFY24 will not be as protected. 1HFY24 NCC stood at 29bps, near the lower bound of the FY24 guidance of 30-35bps.

► **ABMB has been stretching out its L/D ratio in “less competitive” months.** ABMB’s current L/D ratio stands at a high 99.3% -- it is not comfortable with L/D ratio hitting 100%. ABMB tends to optimise these liquidity ratios in the middle months of the year when seasonal deposit competition is lower. It has since pared down this ratio to prepare for end-year deposit competition by running several campaigns – and making sure FD maturities mature only after CNY.

▲ **We see the benefits reflected in sharp qoq NIM improvement...** ABMB’s NIM leaped by an impressive +10bps qoq, in part due to loan mix and deposit optimisation exercises, as well as ABMB’s natural higher NIM sensitivity to OPR hikes. Low deposit sequential quarter growth was likely a result of such NIM optimisation exercises. ABMB also incurred a particularly high unwinding of mod loss in the quarter, contributing to sizeable a +2bps NIM lift.

▼ **...though 2HFY24’s NIM outlook not as positive (but at least loan growth is secured).** Management is guiding for compression in subsequent quarters. We do note, at the very least, that the Group is unlikely to be trading off loan growth, as the end-financing mortgages disbursements have been locked in – and a fair bit above the paper-thin margins alluded to by peers. ABMB is unwilling to trade off its margins to fuel growth in this segment – and has not found it difficult to secure decently priced mortgages.

► **CET1 ratio continues decline – but dividend certainty remains.** ABMB’s CET 1 fell to 12.9% from 14.2% twelve months ago. Management attributes it to the FVOCI losses, high RWA growth rate and the lag effect of capital accumulation, following its recent accelerated loan growth. Regardless, management believes that it will still be able to maintain its intended level of growth while maintaining dividend payouts (at least for FY24).

▲ **OPEX will see a better 2HFY24, strong loan growth to persist.** Management states that Collective Agreement adjustments and frontloaded personnel costs imply such. Strong loan growth should persist in 2HFY24, especially given that end-financing mortgages are likely locked in for disbursement.

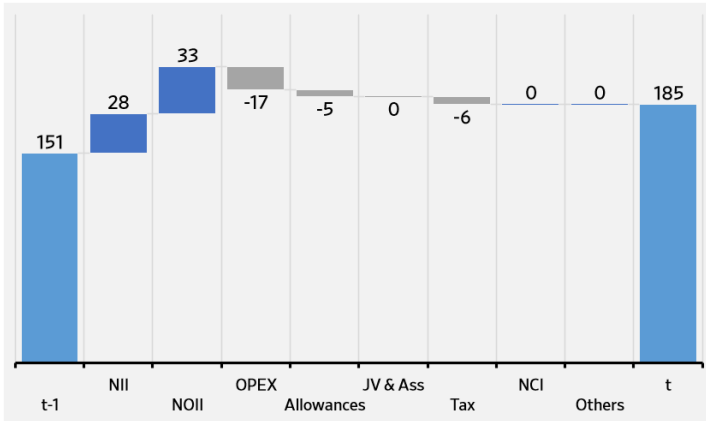
**Forecasts revised: FY24F/25F/26F Core NP adjusted by -6%/-6%/-5%.** Our initial NOII forecasts were too optimistic.

**Key downside risks.** (1) Weaker-than-expected NOII result, (2) Further GIL spikes, (3) Higher OPEX.

**Maintain BUY call: Revised GGM-TP of RM 4.08 (from RM3.90).** The TP is based on a revised FY25F P/BV of 0.83x (formerly 0.79x), to reflect altered earnings prospects and ROE-based valuations. Nevertheless, we repriced upward to be more in line with sector valuations as we believe that the core source of downward repricing sentiment, asset quality issues, is past its worst days. **(GGM assumptions: FY25F ROE of 9.6%, LTG of 5.0% & COE of 10.6%)**

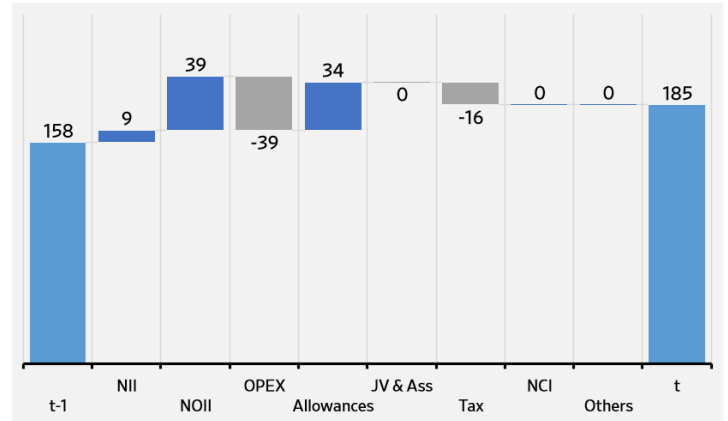


**Fig 1: QoQ P/L walk (Quarterly results)**



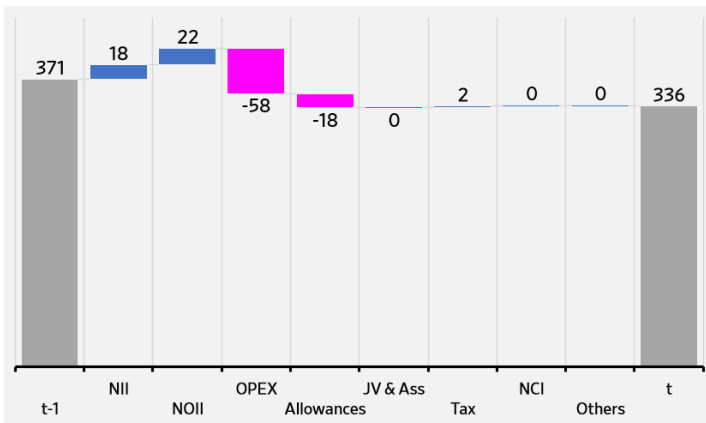
Source: ABMB, MIDFR

**Fig 2: YoY P/L walk (Quarterly results)**



Source: ABMB, MIDFR

**Fig 3: YoY P/L walk (Cumulative results)**



Source: ABMB, MIDFR

Fig 4: Quarterly results

FYE Mar (RM m)	2Q FY24	1Q FY24	2Q FY23	Yoy (%)	Qoq (%)	1H FY24	1H FY23	Yoy (%)
Net interest inc.	328	305	309	6	8	633	600	6
Islamic banking inc.	110	100	118	-7	9	210	224	-6
Non-interest inc.	90	61	54	69	48	151	131	16
<b>Net income</b>	<b>528</b>	<b>466</b>	<b>481</b>	<b>10</b>	<b>13</b>	<b>994</b>	<b>955</b>	<b>4</b>
OPEX	(247)	(230)	(208)	19	7	(477)	(419)	14
<b>PPOP</b>	<b>281</b>	<b>236</b>	<b>272</b>	<b>3</b>	<b>19</b>	<b>518</b>	<b>536</b>	<b>-3</b>
Loan provisions	(40)	(35)	(74)	-47	14	(74)	(57)	30
Other provisions	(0)	(0)	0	n.m.	n.m.	(0)	0	n.m.
JV & Associates	0	0	0	n.m.	n.m.	0	0	n.m.
<b>PBT</b>	<b>242</b>	<b>201</b>	<b>198</b>	<b>22</b>	<b>20</b>	<b>443</b>	<b>479</b>	<b>-8</b>
Tax	(56)	(51)	(40)	41	11	(107)	(109)	-1
NCI	-	-	-	n.m.	n.m.	-	-	n.m.
<b>Reported NP</b>	<b>185</b>	<b>151</b>	<b>158</b>	<b>17</b>	<b>23</b>	<b>336</b>	<b>371</b>	<b>-9</b>
<b>Core NP</b>	<b>185</b>	<b>151</b>	<b>158</b>	<b>17</b>	<b>23</b>	<b>336</b>	<b>371</b>	<b>-9</b>
Total NII	430	401	421	2	7	831	813	2
Total NOII	98	65	60	65	52	163	142	15
<b>Gross DPS (sen)</b>	<b>10.9</b>	<b>-</b>	<b>12.0</b>	<b>n.m.</b>	<b>n.m.</b>	<b>10.9</b>	<b>12.0</b>	<b>n.m.</b>
Core EPS (sen)	12.0	9.7	10.2	17	23	21.7	23.9	-9
Gross loans	51,460	49,750	46,774	10.0	3.4			
Gross impaired loans	1,291	1,307	876	47.3	-1.2			
Customer deposits	51,838	51,794	49,081	5.6	0.1			
CASA	22,898	22,759	23,879	-4.1	0.6			
Ratios (%)	2Q FY24	1Q FY24	2Q FY23	Yoy (ppts)	Qoq (ppts)	1H FY24	1H FY23	Yoy (ppts)
<b>ROE (Ann.)</b>	<b>10.7</b>	<b>8.9</b>	<b>9.8</b>	<b>0.9</b>	<b>1.8</b>	<b>9.7</b>	<b>11.4</b>	<b>-1.7</b>
<b>NIM (Reported)</b>	<b>2.53</b>	<b>2.43</b>	<b>2.70</b>	<b>-0.17</b>	<b>0.10</b>	<b>2.48</b>	<b>2.64</b>	<b>-0.16</b>
NOII/Net income	18.6	13.9	12.4	6.2	4.7	16.4	14.8	1.6
Cost/Income	46.7	49.3	43.3	3.4	-2.6	48.0	43.9	4.1
NCC (Ann.) (bps)	32	29	66	-33	3	30	25	5
GIL ratio	2.51	2.63	1.87	0.63	-0.12			
Loan loss coverage	94	97	128	-34	-3			
CASA ratio	44.2	43.9	48.7	-4.5	0.2			
L/D ratio	97.2	93.9	93.2	4.0	3.3			
CET-1	12.9	13.3	14.1	-1.2	-0.4			

Source: ABMB, MIDFR

Fig 5: Retrospective performance (Income Statement)

Metric	Surprise? Qoq/Yoy		Metric	Surprise? Qoq/Yoy	
Qtrly Core NP	RM mil	185	Qtrly ROE	Qtr value	10.7%
	27% of FY CNP			t-1	8.9%
	Qoq	23%		t-4	9.8%
	Yoy	17%			
Cum Core NP	RM mil	336	Cum ROE	Cum value	9.7%
	Within our forecast				
	48% of FY CNP				
	Within consensus				
	50% of FY CNP				
Yoy	-9%	t-1	11.4%		
NII	+ve surprise		NIM	+ve surprise	
				Qtr value	2.53
				Cum value	2.48
	Qtr (Qoq)	7%		Qtr (Qoq)	+10bps
	Qtr (Yoy)	2%		Qtr (Yoy)	-17bps
Cum (Yoy)	2%	Cum (Yoy)	-16bps		
NOII	+ve surprise		Qtr	% NII	81%
	Qtr (Qoq)	52%		% NOII	19%
	Qtr (Yoy)	65%	Cum	% NII	84%
	Cum (Yoy)	15%		% NOII	16%
OPEX	As expected		Cost/ Inc.	As expected	
				Qtr value	46.7%
				Cum value	48.0%
	Qtr (Qoq)	7%		Qtr (Qoq)	-2.6%
	Qtr (Yoy)	19%		Qtr (Yoy)	+3.4%
Cum (Yoy)	14%	Cum (Yoy)	+4.1%		

Source: ABMB, MIDFR

Notes (Cum = Cumulative, Qtr = Quarterly)

Strong improvement in both NOII and NII offset higher OPEX.

NIM quarter-on-quarter uptick was especially sharp – a pleasant surprise.

Unwinding of mod loss contributed to +2bps of increase.

There was a large one-off upon signing the bancassurance deal.

OPEX was skewed towards higher end, though bank has frontloaded heavy personnel costs to 1HFY24.

Fig 6: Retrospective performance (Balance Sheet, Dividends, and anything extra)

Metric	Surprise? Qoq/Yoy		Metric	Surprise? Qoq/Yoy		Notes (Cum = Cumulative, Qtr = Quarterly)
Loans	As expected					Solid growth, as expected.
	Qoq	3.4%				
	Yoy	10.0%				
	YTD (FY)	4.9%				
Depo. grwth	-ve surprise		CASA grwth	As expected		More muted deposit growth in the quarter.
	Qoq	0.1%		Qoq	0.6%	
	Yoy	5.6%		Yoy	-4.1%	
	YTD (FY)	1.9%		YTD (FY)	7.5%	
CASA ratio	As expected		L/D ratio	As expected		Management had guided that GIL ratios should be moving downward. By the signs, it looks like the worst of asset quality issues are over.
	Value now	44.2%		Value now	97.2%	
	Qoq	+0.2%		Qoq	+3.3%	
	Yoy	-4.5%		Yoy	+4.0%	
GIL ratio	As expected		LLC ratio	As expected		Management had guided that GIL ratios should be moving downward. By the signs, it looks like the worst of asset quality issues are over.
	Value now	2.51%		Value now	94%	
	Qoq	-12bps		Qoq	-3%	
	Yoy	+63bps		Yoy	-34%	
Qtrly Net CC	As expected		Cum Net CC	As expected		A bit stretched, due to combined FVOCI losses and high RWA growth outpacing capital growth.
	Decent provision			Decent provision		
	Value now	32bps		Value now	30bps	
	t-1	29bps				
	t-4	66bps	t-4	25bps		
CET 1	Healthy level		Div payout	No divvy		A bit stretched, due to combined FVOCI losses and high RWA growth outpacing capital growth.
	As expected			As expected		
	Value now	12.9%		Payout	50%	
	Qoq	-0.4%				

## Others:

Source: ABMB, MIDFR

Fig 7: Targets, Achievements, and Outlook

Targets	FY24F	1H FY24	Notes (Red: New guidance, Strikethrough: Guidance is no longer pertinent)
ROE	>10	9.7	
CIR	<48	48.0	6-7% OPEX growth, with some one-off adjustments (Collective adjustment).
NIM	2.45-2.50	2.48	To see compression in 2HFY24.
NOII		15% (yoy)	
Loans	8-10	4.9 (YTD)	Breakdown by LOB: Consumer: 8%, SME/Commercial: double-digit growth, Corporate: to pad whatever's left. End-financing disbursements already locked in, but lag time implies further acceleration of growth in subsequent quarters.
Deposits		1.9 (YTD)	
% CASA	>40%*	44.2	*Internal target.
Loan/Depo		97.2	L/D ratio should always be <100%.
GIL ratio	<3.00	2.51	1QFY24's 2.63% was close to peak – 3.00% is very conservative.
NCC (bps)	30-35	30	FY24F NCC guidance factors in writebacks.
LLC		94	
CET 1		12.9	
Div payout	50	50	

Source: ABMB, MIDFR

## FINANCIAL SUMMARY

## INCOME STATEMENT

FYE Mar (RM m)	FY22	FY23	FY24F	FY25F	FY26F
Interest income	1,684	1,976	2,144	2,363	2,429
Interest expense	(563)	(746)	(923)	(1,062)	(1,062)
<b>Net interest income</b>	<b>1,122</b>	<b>1,230</b>	<b>1,221</b>	<b>1,301</b>	<b>1,368</b>
Islamic banking inc.	398	453	452	482	507
Other operating inc.	349	237	309	315	342
<b>Net income</b>	<b>1,868</b>	<b>1,920</b>	<b>1,982</b>	<b>2,098</b>	<b>2,216</b>
OPEX	(823)	(881)	(932)	(965)	(1,008)
<b>PPOP</b>	<b>1,045</b>	<b>1,038</b>	<b>1,051</b>	<b>1,133</b>	<b>1,208</b>
Loan allowances	(217)	(152)	(179)	(181)	(188)
Other allowances	(0)	0	2	2	1
JV & Associates	0	0	0	0	0
<b>PBT</b>	<b>827</b>	<b>887</b>	<b>874</b>	<b>954</b>	<b>1,022</b>
Tax & zakat	(255)	(209)	(221)	(241)	(258)
NCI	-	-	-	-	-
<b>Reported NP</b>	<b>573</b>	<b>678</b>	<b>653</b>	<b>712</b>	<b>763</b>
<b>Core NP</b>	<b>573</b>	<b>678</b>	<b>653</b>	<b>712</b>	<b>763</b>
Total NII	1,480	1,653	1,628	1,735	1,824
Total NOII	387	267	355	363	393

## BALANCE SHEET

FYE Mar (RM m)	FY22	FY23	FY24F	FY25F	FY26F
Cash & ST funds	3,397	3,659	3,654	3,809	3,858
Investment securities	11,791	12,148	10,720	9,784	9,071
Net loans	45,124	47,926	52,112	55,967	59,991
Other IEAs	0	0	0	0	0
Non-IEAs	1,536	2,577	2,997	4,243	5,363
<b>Total assets</b>	<b>61,848</b>	<b>66,311</b>	<b>69,483</b>	<b>73,803</b>	<b>78,283</b>
Customer deposits	48,186	50,849	54,764	58,653	62,817
Other IBLs	3,262	3,966	3,255	3,041	2,844
Non-IBLs	3,983	4,748	4,298	4,501	4,609
<b>Total liabilities</b>	<b>55,431</b>	<b>59,564</b>	<b>62,317</b>	<b>66,196</b>	<b>70,271</b>
Share capital	1,548	1,548	1,548	1,548	1,548
Reserves	4,869	5,199	5,618	6,059	6,464
<b>Shareholders' funds</b>	<b>6,417</b>	<b>6,747</b>	<b>7,166</b>	<b>7,607</b>	<b>8,012</b>
NCI	0	0	0	0	0
<b>Total equity</b>	<b>6,417</b>	<b>6,747</b>	<b>7,166</b>	<b>7,607</b>	<b>8,012</b>
<b>Total L&amp;E</b>	<b>61,848</b>	<b>66,311</b>	<b>69,483</b>	<b>73,803</b>	<b>78,283</b>
Total IEAs	60,311	63,733	66,486	69,560	72,920
Total IBLs	51,448	54,815	58,019	61,694	65,662
Gross loans	46,189	49,068	52,993	56,702	60,672
CASA	23,577	21,295	21,358	21,701	21,986

## FINANCIAL RATIOS

FYE Mar (RM m)	FY22	FY23	FY24F	FY25F	FY26F
<b>Interest (%)</b>					
NIM	2.48	2.66	2.50	2.55	2.56
Return on IEAs	2.82	3.19	3.29	3.47	3.41
Cost of funds	1.09	1.40	1.64	1.77	1.67
Net interest spread	1.72	1.78	1.66	1.70	1.74
<b>Profitability (%)</b>					
<b>ROE</b>	<b>9.0</b>	<b>10.3</b>	<b>9.4</b>	<b>9.6</b>	<b>9.8</b>
ROA	0.9	1.1	1.0	1.0	1.0
NOII/Net income	20.7	13.9	17.9	17.3	17.7
Effective tax rate	30.8	23.5	25.3	25.3	25.3
Cost/Income	44.1	45.9	47.0	46.0	45.5
<b>Liquidity (%)</b>					
Loan/Deposit	93.6	94.3	95.2	95.4	95.5
CASA ratio	48.9	41.9	39.0	37.0	35.0
<b>Asset Quality (%)</b>					
GIL ratio	1.85	2.51	2.00	1.60	1.40
LLC ratio	136	103	95	95	95
LLC (w. reserves)	142	124	118	122	124
Net CC (bps)	48	32	35	33	32
<b>Capital (%)</b>					
CET 1	16.4	13.8	13.2	13.2	12.8
Tier 1 capital	17.3	14.6	14.0	13.9	13.5
Total capital	21.4	18.7	17.7	17.6	17.0
<b>Growth (%)</b>					
Total NII	8.8	11.7	-1.5	6.6	5.1
Total NOII	-15.1	-31.1	32.7	2.4	8.1
Net income	2.8	2.8	3.3	5.8	5.7
OPEX	2.8	7.1	5.7	3.6	4.5
Core NP	59.7	18.3	-3.6	9.1	7.1
Gross loans	4.6	6.2	8.0	7.0	7.0
Customer deposits	-0.6	5.5	7.7	7.1	7.1
CASA	3.4	-9.7	0.3	1.6	1.3
<b>Valuation metrics</b>					
Core EPS (sen)	37.0	43.8	42.2	46.0	49.3
Gross DPS (sen)	18.5	22.0	21.1	23.0	24.6
Div payout ratio (%)	50	50	50	50	50
BVPS (RM)	4.1	4.4	4.6	4.9	5.2
Core P/E (x)	9.3	7.8	8.1	7.5	7.0
<b>Dividend yield (%)</b>	<b>5.4</b>	<b>6.4</b>	<b>6.2</b>	<b>6.7</b>	<b>7.2</b>
P/BV (x)	0.8	0.8	0.7	0.7	0.7

Source: ABMB, MIDFR



**Income Statement**

Core NP – Core Net Profit  
 PPOP – Pre-Provisioning Operating Profit  
 NII – Net Interest Income  
 NIM – Net Interest Margin  
 COF – Cost of Funds  
 NOII – Non-Interest Income  
 MTM – Mark to Market  
 CIR – Cost to Income Ratio  
 OPEX – Operational Expenses

**Balance Sheet**

LCR – Liquidity Coverage ratio  
 L/D ratio – Loan/Deposit ratio  
 CASA – Current & Savings accounts  
 FD – Fixed Deposits  
 GIL – Gross Impaired Loans  
 NIL – Net Impaired Loans  
 LLC – Loan Loss Coverage  
 NCC – Net Credit Costs  
 GCC – Gross Credit Costs  
 CET 1 – Common Equity Tier 1

**Valuations & Sector**

ROE – Return on Equity  
 GGM – Gordon Growth Model  
 P/BV – Price to Book Value  
 BVPS – Book Value per Share  
 BNM – Bank Negara Malaysia  
 OPR – Overnight Policy Rate  
 SRR – Statutory Reserve Requirement  
 SBR – Standardised Base Rate  
 ALR – Average Lending Rate

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### MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

#### STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	Stock price is expected to <i>rise</i> by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	Stock price is expected to <i>fall</i> by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.

#### SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

#### ESG RECOMMENDATIONS\* - source Bursa Malaysia and FTSE Russell

☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

\* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology