

CIMB Group Holdings Berhad

(1023 | CIMB MK) Financial Services | Finance

1QFY24 Results: High CET 1 Ratio Supports Special Dividends

KEY INVESTMENT HIGHLIGHTS

- 3MFY24's Core NP of RM1,936m was Within/Within our/street forecasts: 26%/26% of full-year forecasts
- Management's tone: Optimistic
- Core themes: (a) Weak loan growth, (b) Possible special dividends, (c) Promising NOII outlook
- Forecasts unchanged
- Maintain BUY | Unchanged TP of RM7.17 | based on an unchanged FY25F P/BV of 1.00x

Verdict: Possibility of special dividends, while fundamental outlook still solid.

Yays	2.	Digital initiatives slowly but surely ramping up. Excellent growth potential from regional exposure. Strong dividend yields, with possibility of special dividends.
Nays		Niaga may see some NIM-related weakness. Thailand still yet to stage a convincing turnaround.
OKs	1.	Limited room for further ROE optimisation.

2. NCC close to steady state.

Results in a nutshell:

▲ **3MFY24's Core net profit (NP) of RM1,936m up by 18%yoy.** Driven largely by stronger NII/NOII result offsetting steep cost inflation and higher provisions.

▲ **1QFY24's Core NP of RM1,936m up by 53%qoq.** Largely driven by excellent NOII performance (4QFY24 was weak on this front). Better NII and cost control offset higher provisions.

▼ Gross loans grew by 0.3%qoq, coming up to 0.3%YTD. Weak performance was due to (1) Lumpy corporate repayments, (2) Tighter pricing in corporate divisions, (3) Ramp up in lower-yielding loans in IND last quarter, which had to be repaid.

Deposits grew by 1.4%qoq, coming up to 1.4%YTD.

▲ GIL moved by -12bps to 2.55%, LLC currently at 101%.

Have a look at:

► Management is still cautiously optimistic about NIM outlook. Core driver will be MY, as the COF situation is still easing. There is less room to manoeuvre in the loan space, as CIMB is already pricing slightly above peers – it has no further room to price even higher.

As guided previously possible downside may come from IND, as wholesale loan yields are not easily passed through in the event of a rate hike – while deposit rates are.

1QFY24 Results Review (Within) | Tuesday, 04 June 2024

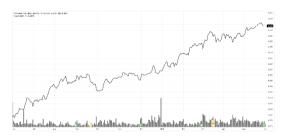
Maintain BUY

Unchanged Target Price: RM7.17

I 🖉 RESE/

RETURN STATISTICS				
Price @ 31 May 2024 (RM)	6.84			
Expected share price return (%)	+4.8			
Expected dividend yield (%)	+5.8			
Expected total return (%)	+10.6			

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	4.3	-0.9
3 months	3.0	2.5
12 months	37.7	20.9

INVESTMENT STATISTICS

FYE Dec	FY24F	FY25F	FY26F
Core NP (RM m)	7,509	8,054	8,359
CNP growth (%)	8	7	4
Div yield (%)	5.5	5.8	5.8
Gross DPS (sen)	37.7	39.4	40.0
P/BV (x)	1.0	1.0	0.9
BVPS (RM)	6.8	7.2	7.6
ROE (%)	10.7	10.8	10.6
MIDF/Street CNP (%)	100	100	97

1,596.68
10,664.8
44.1
73,056.7
RM4.74 - RM6.92
21.1
139.3
22.0
14.9
9.9

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▲ **NOII outlook still looks promising.** (1) NPL sales to be at least equal to FY23's strong result, (2) Trading and investment income are variable, but at least 2QFY24 is shaping up to be strong, (3) Retail fee outlook is solid, as investment demand has returned, (4) Wholesale fees did exceptionally well this quarter but may not perform as well in 2QFY24 – generally this is quite inconsistent.

▲ **Possible one-off dividends as a capital optimisation measure.** This is due to CIMB's CET 1 ratio being nearly at the 15% level, well above the 13% level of its peers. However, when considering a new sustainable dividend policy and further RWA optimisation, we may have to wait until the rollout of the next multi-year plan, as it must be deliberated upon in tandem with growth expectations.

On a separate note, Basel III effects aren't expected to be significant, as former RWA levels were already higher than peers.

▶ Sharp ramp-up in CET 1 ratio 1 this quarter is not the norm. This was largely due to weaker loan growth performance. As management expects stronger loan growth in subsequent quarters, RWA drawdown should be more normalised.

Forecasts unchanged. We make no changes to our forecasts.

Key downside risks. (1) Steeper-than-expected NIM compression, (2) Underwhelming NOII performance, (3) Steep OPEX growth.

Maintain BUY call: Unchanged GGM-TP of RM 7.17. The TP is based on an unchanged FY25F P/BV of 1.00x, to reflect altered earnings prospects and ROE-based valuations.

(GGM assumptions: FY25F ROE of 10.8%, LTG of 3.5% & COE of 10.8%)

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

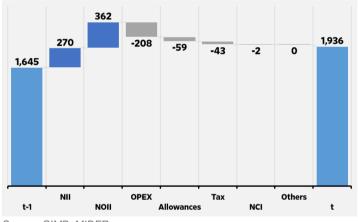
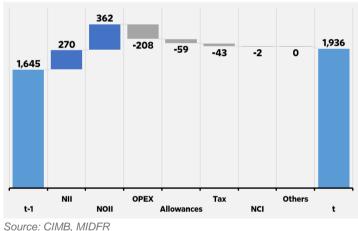
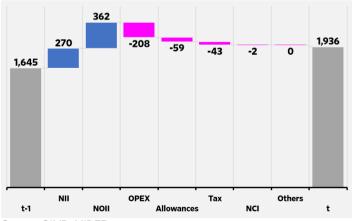


Fig 2: YoY P/L walk (Quarterly results)

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Source: CIMB, MIDFR



Fig 4: Quarterly results

FYE Dec (RM m)	1Q FY24	4Q FY23	1Q FY23	Yoy (%)	Qoq (%)	3M FY24	3M FY23	Yoy (%)
Net interest inc.	2,863	2,328	2,714	6	23	2,863	2,714	6
Islamic banking inc.	1,123	1,120	989	14	0	1,123	989	14
Non-interest inc.	1,643	1,482	1,295	27	11	1,643	1,295	27
Net income	5,629	4,930	4,997	13	14	5,629	4,997	13
OPEX	(2,552)	(2,625)	(2,344)	9	-3	(2,552)	(2,344)	9
PPOP	3,077	2,305	2,654	16	33	3,077	2,654	16
Loan provisions	(404)	(374)	(306)	32	8	(404)	(306)	32
Other provisions	(99)	(26)	(139)	-29	286	(99)	(139)	-29
JV & Associates	(0)	(20)	27	n.m.	n.m.	(0)	27	n.m.
РВТ	2,573	1,885	2,236	15	36	2,573	2,236	15
Тах	(590)	(570)	(547)	8	3	(590)	(547)	8
NCI	(47)	(45)	(45)	5	4	(47)	(45)	5
Reported NP	1,936	1,270	1,645	18	53	1,936	1,645	18
Core NP	1,936	1,270	1,645	18	53	1,936	1,645	18
Total NII	3,792	3,701	3,522	8	2	3,792	3,522	8
Total NOII	1,837	1,229	1,475	25	49	1,837	1,475	25
Gross DPS (sen)	-	25.5	-	n.m.	n.m.	-	-	n.m.
Core EPS (sen)	18.1	11.9	15.4	17	52	18.1	15.4	17
Gross loans	442,301	440,922	413,090	7.1	0.3			
Gross impaired loans	11,296	11,770	13,309	-15.1	-4.0			
Customer deposits	469,995	463,442	437,021	7.5	1.4			
CASA	204,931	203,077	175,742	16.6	0.9			
Ratios (%)	1Q FY24	4Q FY23	1Q FY23	Yoy (ppts)	Qoq (ppts)	3M FY24	3M FY23	Yoy (ppts)
ROE (Ann.)	11.4	7.4	10.0	1.4	4.0	11.2	9.9	1.3
NIM (Reported)	2.18	2.15	2.26	-0.08	0.03	2.18	2.26	-0.08
NOII/Net income	32.6	24.9	29.5	3.1	7.7	32.6	29.5	3.1
Cost/Income	45.3	53.2	46.9	-1.6	-7.9	45.3	46.9	-1.6
NCC (Ann.) (bps)	38	35	31	7	3	38	31	7
GIL ratio	2.55	2.67	3.22	-0.67	-0.12			
Loan loss coverage	101	97	94	7	4			
CASA ratio	43.6	43.8	40.2	3.4	-0.2			
L/D ratio	91.7	92.7	91.7	0.0	-1.0			
CET-1	14.5	14.5	13.9	0.6	0.0			



Fig 5: Retrospective performance (Income Statement)

Metric	Surprise? Qoq/Yoy		Metric	Surprise? Qoq/Yoy		Notes (<i>Cum</i> = <i>Cumulative</i> , <i>Qtr</i> = <i>Quarter</i>
	RM mil	1,936		Qtr value	11.4%	
Qtrly	26% of F	Y CNP	Qtrly			
Core NP	Qoq	53%	ROÉ	t-1	7.4%	
	Yoy	18%		t-4	10.0%	
			_			
	RM mil	1,936		Cum value	11.2%	
	Within our	forecast				
Cum Core	26% of F	Y CNP	Cum			
NP	Within con	sensus	ROE			
	26% of F	Y CNP				
	Yoy	18%		t-1	9.9%	
				_		
	As expe	ected		As expe	ected	
			NIM	Qtr value	2.18	
NII				Cum value	2.18	
	Qtr (Qoq)	2%		Qtr (Qoq)	+3bps	
	Qtr (Yoy)	8%		Qtr (Yoy)	-8bps	
	Cum (Yoy)	8%		Cum (Yoy)	-8bps	
	As expe		Qtr	% NII	67%	
NOII	Qtr (Qoq)	49%		% NOII	33%	
	Qtr (Yoy)	25%	Cum	% NII	67%	
	Cum (Yoy)	25%		% NOII	33%	
	As expe	ected		As expe		
				Qtr value	45.3%	
OPEX			Cost/	Cum value	45.3%	
	Qtr (Qoq)	-3%	Inc.	Qtr (Qoq)	-7.9%	
	Qtr (Yoy)	9%		Qtr (Yoy)	-1.6%	
	Cum (Yoy)	9%		Cum (Yoy)	-1.6%	

Source: CIMB, MIDFR



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

Metric	Surprise? Qoq/Yoy		Metric	Surprise? Qoq/Yoy		Notes (<i>Cum</i> = <i>Cumulative</i> , <i>Qtr</i> = <i>Quarterly</i>)
	-ve sur	orise				Due to lumpy repayments and tighter pricing
Loans	Qoq	0.3%				strategies. Regardless, normalisation is expected in subsequent quarters.
LUalis	Yoy	7.1%				expected in Subsequent quarters.
	YTD (FY)	0.3%				
	As expe	ected		As expe	ected	
Depo.	Qoq	1.4%	CASA	Qoq	0.9%	
grwth	Үоу	7.5%	grwth	Yoy	16.6%	
	YTD (FY)	1.4%		YTD (FY)	0.9%	
	As expe	ected		As expe	ected	
CASA	Value now	43.6 %	L/D	Value now	91.7%	
ratio	Qoq	-0.2%	ratio	Qoq	-1.0%	
	Yoy	+3.4%		Yoy	+0.0%	
	+ve sur	prise		As expe	ected	
GIL	Value now	2.55%	LLC	Value now	101%	
ratio	Qoq	-12bps	ratio	Qoq	+4%	
	Yoy	-67bps		Yoy	+7%	
	As expe	ected		As expe	ected	
Qtrly	Decent pr	ovision	Cum	Decent pr	ovision	
Net	Value now	38bps	Net	Value now	38bps	
CC	t-1	35bps	cc			
	t-4	31bps		t-4	31bps	
	Very healt	hy level		No div	vvy	Low loan growth contributed to a very high
CET 1	As expe	ected	Div	As expe	ected	CET 1 ratio. Management wants special dividends to streamline ROE.
	Value now	14.5%	payout	Payout		
	Qoq	0.0%				
Others:						



Fig 7: Targets, Achievements, and Outlook

Targets	FY24F	3M FY24	Notes (Red: New guidance, Strikethrough: Guidance is no longer pertinent)
ROE	11.0-11.5	11.2	Management guides that the result will likely come in the lower end.
CIR	<46.9	45.3	OPEX growth: mid-single-digit level.
NIM	+0-5bps from 2.22	2.18	MY: +0-5bps improvement, due to easing COF situation. IND: Stable to minor contraction.
NOII		25% (yoy)	
Loans	5-7	0.3 (YTD)	Weak quarter, but loan growth should normalise after this.
Deposits		1.4 (YTD)	
% CASA		43.6	
Loan/Depo		91.7	
GIL ratio		2.55	
NCC (bps)	30-40	38	
LLC	90-100	101	
CET 1	>13.5	14.5	
Div payout	55	-	Possible special dividends streamlining ROE (CET 1 ratio is too high).

FINANCIAL SUMMARY

PYE Dac (RM m) FY22 FY23 FY24F FY25F FY25F FY26F PYEDe (RM m) Interest income 18,646 25,111 21,837 22,513 23,099 Interest income 11,850 11,084 12,717 13,333 13,397 Islamic banking inc. 4,000 4,280 3,756 3,956 4,199 Other operating inc. 4,000 4,280 5,670 5,903 6,195 6,419 Other operating inc. 4,008 6,9865 (10,405) (10,712) (11,193) Profitability (%) PPO 10,492 11,149 11,971 12,831 13,407 ROA Other allowances (1953) (15,34) (15,268) 11,013 11,413 Tax & zakat (2,778) (2,279) (2,2657) (2,763) (2,858) NCI (153) (181) (193) (207) (214) Liquidity (%) Reported NP 5,440 6,981 7,509 8,054 8,359 CASA ratio	INCOME STATEMENT						FINANCIAL RATIOS
Interest expense (7,016) (14,027) (9,120) (9,120) (9,120) NIM Net interest income 11,630 11,084 12,717 13,393 13,779 Return on IEAs Islamic banking inc. 4,000 4,268 5,670 5,903 6,195 6,491 Net interest spread Other operating inc. 4,208 5,670 10,405 (10,405) (10,712) (11,713) Profitability (%) PPOP 10,422 (11,141 11,971 12,831 13,407 ROA Cher allowances (209) (57) (2,75) (2,033) (366) NOUINet income JV& Associates 40 (17) 162 170 176 Effective tax rate Reported NP 5,440 6,381 17,699 8,054 8,359 CASA ratio Cara NP 5,542 6,981 7,509 8,054 8,359 CASA ratio Dial NOII 15,158 14,626 16,098 16,953 17,699 GL ratio LLC (w. reserve		FY22	FY23	FY24F	FY25F	FY26F	
Net interest income 11,630 11,084 12,717 13,393 13,979 Return on IEAs Islamic banking inc. 4,000 4,260 3,756 3,956 4,129 Cost of funds Other operating inc. 4,208 5,670 5,903 6,195 6,419 Net interest spread Met income 19,383 21,014 22,377 23,544 24,599 OPEX (9,346) (9,865) (10,405) (10,712) (11,193) PPOP 10,492 11,149 11,971 12,283 13,077 ROE Loan allowances (10,53) (11,530) (16,80) (1,785) ROA NOIINet income JV & Associates 40 (17) 162 170 176 Effective tax rate Cost Indos (153) (181) (193) (207) (214) Liquidity (%) Reperted NP 5,440 6,981 7,509 8,054 8,359 CASA ratio Total NII 15,158 14,626 16,098 16,	Interest income	18,646	25,111	21,837	22,513	23,099	Interest (%)
Islamic banking inc. 4,000 4,260 3,756 3,956 4,129 Cost of funds Other operating inc. 4,208 5,670 5,903 6,195 6,491 Net income 19,838 21,014 22,377 23,544 24,599 OPEX (9,346) (9,865) (10,402) (11,193) Profitability (%) Cost of funds (1,530) (1,580) (1,685) (1,786) ROA Other allowances (209) (57) (2,753) (2,867) (2,753) (2,868) VA Associates 40 (17) 162 170 176 Effective tax rate Reported NP 5,442 6,981 7,509 8,054 8,359 Loan/Deposit Cotal NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) Reported NP 5,542 6,981 7,509 8,054 8,359 CASA ratio Total NII 15,158 14,626 16,093 12,677 39,953	Interest expense	(7,016)	(14,027)	(9,120)	(9,120)	(9,120)	NIM
Other operating inc. 4.208 5.670 5.903 6.195 6.491 Net interest spread Net income 19,838 21,014 22,377 23,544 24,599 Profitability (%) OPEX (9,346) (9,865) (10,405) (10,712) (11,193) ROE Description 10,492 11,494 11,971 12,831 13,407 ROA Conservations (209) (57) (275) (303) (366) NOIl/Net income JV & Associates 40 (17) 162 170 176 Effective tax rate PBT 8,371 9,541 10,268 11,013 11,431 Cost/income Tax & zakat (2,778) (2,379) (2,567) (2,753) (2,858) LoanDeposit NCI (153) (181) (193) 2007 (214) Liquidity (%) Reported NP 5,440 6,981 7,509 8,054 8,359 LoanDeposit CoaNatio Total NII 15,158	Net interest income	11,630	11,084	12,717	13,393	13,979	Return on IEAs
Net income 19,838 21,014 22,377 23,544 24,599 OPEX (9,346) (9,865) (10,405) (10,712) (11,193) PPOP 10,492 11,149 11,971 12,831 13,407 POP 10,492 11,149 11,971 12,835 13,407 Other allowances (209) (57) (275) (303) (366) JV & Associates 40 (17) 162 170 176 Effective tax rate PBT 8,371 9,541 10,268 11,013 11,413 Core NOI/Net income Tax & zakat (2,778) (2,577) (2,753) (2,858) Liquidity (%) Reported NP 5,440 6,981 7,509 8,054 8,359 Total NII 15,158 14,626 16,098 16,953 17,695 BALANCE SHEET FY22 FY23 FY24F FY25F FY26F PY26c (RM m) FY22 FY23 FY24F FY25F FY2	Islamic banking inc.	4,000	4,260	3,756	3,956	4,129	Cost of funds
OPEX (9,346) (9,865) (10,405) (10,712) (11,193) Profitability (%) PPOP 10,492 11,149 11,971 12,831 13,407 ROE Commandational commons (1,953) (1,534) (1,590) (1,186) (1,786) ROA Other allowances (209) (57) (275) (303) (366) NOINet income JV & Associates 40 (17) 162 170 176 Effective tax rate PBT 8,371 9,541 10,268 11,013 11,431 Cost/Income NCI (153) (181) (193) (2753) (2,257) (2,458) NCI (153) (181) (193) (2,57) (2,753) (2,458) Core NP 5,542 6,981 7,509 8,054 8,359 CASA Total NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) BALANCE SHEET FY22 FY23 FY24F FY25F <td>Other operating inc.</td> <td>4,208</td> <td>5,670</td> <td>5,903</td> <td>6,195</td> <td>6,491</td> <td>Net interest spread</td>	Other operating inc.	4,208	5,670	5,903	6,195	6,491	Net interest spread
PPOP 10,492 11,149 11,971 12,831 13,407 ROE Loan allowances (1,953) (1,534) (1,590) (1,685) (1,786) ROA Other allowances (209) (57) (275) (303) (366) NOII/Veit income JV & Associates 40 (17) 162 170 176 Effective tax rate PBT 8,371 9,541 10,268 11,013 11,431 Liquidity (%) Reported NP 5,440 6,981 7,509 8,054 8,359 Loan/Deposit Core NP 5,542 6,981 7,509 8,054 8,359 Loan/Deposit Total NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) GLAANCE SHEET FY2 De (RM m) FY22 FY23 FY24F FY25F FY26F PYE Dec (RM m) FY22 FY23 FY24F FY25F S06,173 Total capital Non-IEAs 56,697 57,590 62,551	Net income	19,838	21,014	22,377	23,544	24,599	
Loan allowances (1,953) (1,534) (1,590) (1,885) (1,786) ROA Other allowances (209) (57) (275) (303) (366) NOll/Net income JV & Associates 40 (17) 162 170 176 Effective tax rate PBT 8,371 9,541 10,268 11,013 11,431 Cost/Income Tax & zakat (2,778) (2,579) (2,575) (2,685) Loan/Deposit Core NP 5,542 6,981 7,509 8,054 8,359 Loan/Deposit Total NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) BALANCE SHEET FY22 FY23 FY24F FY25F FY26F PKE Dec (RM m) FY22 FY23 FY24F FY25F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) <td>OPEX</td> <td>(9,346)</td> <td>(9,865)</td> <td>(10,405)</td> <td>(10,712)</td> <td>(11,193)</td> <td>Profitability (%)</td>	OPEX	(9,346)	(9,865)	(10,405)	(10,712)	(11,193)	Profitability (%)
Other allowances (209) (17) (1275) (2133) (366) NOll/Net income JV & Associates 40 (17) 162 170 176 Effective tax rate PBT 8,371 9,541 10,268 11,013 11,431 Cost/Income Tax & zakat (2,778) (2,379) (2,567) (2,753) (2,858) NCI (153) (181) (193) (207) (214) Liquidity (%) Reported NP 5,440 6,981 7,509 8,054 8,359 CasX ratio Total NUI 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) BALANCE SHEET	PPOP	10,492	11,149	11,971	12,831	13,407	ROE
JV & Associates 40 (17) 162 170 176 Effective tax rate PBT 8,371 9,541 10,268 11,013 11,431 Cost/Income Tax & zakat (2,778) (2,379) (2,567) (2,753) (2,858) Inuity Inu	Loan allowances	(1,953)	(1,534)	(1,590)	(1,685)	(1,786)	ROA
PBT 8,371 9,541 10,268 11,013 11,431 Cost/Income Tax & zakat (2,778) (2,379) (2,567) (2,753) (2,858) Liquidity (%) NCI (153) (181) (193) (207) (214) Liquidity (%) Reported NP 5,440 6,981 7,509 8,054 8,359 Loan/Deposit Core NP 5,542 6,981 7,509 8,054 8,359 Loan/Deposit Total NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) Total NOII 4,680 6,388 6,279 6,590 6,904 GIL ratio BALANCE SHEET FYE2 pc (RM m) FY22 FY23 FY24F FY25F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Ince C (bps) Investment securities 156,410 198,844 199,893 201,251 202,932 CeF1 1 Other IEAs 9,754 9,708	Other allowances	(209)	(57)	(275)	(303)	(366)	NOII/Net income
Tax & zakat (2,778) (2,379) (2,567) (2,753) (2,858) NCI (153) (181) (193) (207) (214) Liquidity (%) Reported NP 5,440 6,981 7,509 8,054 8,359 Coan/Deposit Core NP 5,542 6,981 7,509 8,054 8,359 CASA ratio Total NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) BALANCE SHEET	JV & Associates	40	(17)	162	170	176	Effective tax rate
NCI (153) (181) (193) (207) (214) Liquidity (%) Reported NP 5,440 6,981 7,509 8,054 8,359 Coan/Deposit Core NP 5,542 6,981 7,509 8,054 8,359 CASA ratio Total NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) BALANCE SHEET FY2 FY23 FY24F FY25F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) Net Ioans 394,557 429,450 466,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total NOII Non-IELs 54,340 52,143 53,751 55,519 57,464 Net income Other IBLs 115,648 148,148 148	PBT	8,371	9,541	10,268	11,013	11,431	Cost/Income
Reported NP 5,440 6,981 7,509 8,054 8,359 Loan/Deposit Core NP 5,542 6,981 7,509 8,054 8,359 Can/Deposit Total NII 15,158 14,626 16,098 16,953 17,695 GIL ratio BALANCE SHEET 6,388 6,279 6,590 6,904 LLC (w. reserves) PK Dec (RM m) FY22 FY23 FY24F FY25F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) Non-IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Total assets 666,721 733,572 768,335 805,356 845,093 Total capital Non-IEAs 54,340 52,143 53,751 55,519 57,464 Net income Other IBLs 115,648 148,148 148,699	Tax & zakat	(2,778)	(2,379)	(2,567)	(2,753)	(2,858)	
Core NP 5,542 6,981 7,509 8,054 8,359 CASA ratio Total NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) Total NOII 4,680 6,388 6,279 6,590 6,904 LLC ratio BALANCE SHEET FY22 FY23 FY24F FY25F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) Net loans 394,557 429,450 456,007 483,381 512,397 CET 1 Total assets 666,721 73,590 62,551 68,320 76,173 Total capital Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Total NOII Non-IBLs 602,937 663,733 694,162 727,022 <td>NCI</td> <td>(153)</td> <td>(181)</td> <td>(193)</td> <td>(207)</td> <td>(214)</td> <td>Liquidity (%)</td>	NCI	(153)	(181)	(193)	(207)	(214)	Liquidity (%)
Total NII 15,158 14,626 16,098 16,953 17,695 Asset Quality (%) Total NOII 4,680 6,388 6,279 6,590 6,904 GIL ratio BALANCE SHEET	Reported NP	5,440	6,981	7,509	8,054	8,359	Loan/Deposit
Total NOII 4,680 6,388 6,279 6,590 6,904 GIL ratio LLC ratio BALANCE SHEET FY20 F FY23 FY24 F FY25 F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) Net loans 394,557 429,450 456,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Total assets 666,721 733,572 768,335 805,356 845,093 Total capital Other IBLs 115,648 148,148 148,699 149,797 151,464 Notil NOI Non-IBLs 54,340 52,143 53,751 55,19 57,464 Net income OPEX Core NP Share capital 29,095 29,095 29,095 29,095 Core NP Share capital 29,095 29,095	Core NP	5,542	6,981	7,509	8,054	8,359	CASA ratio
Total NOII 4,680 6,388 6,279 6,590 6,904 GIL ratio LLC ratio BALANCE SHEET FY20 F FY23 FY24 F FY25 F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) Net loans 394,557 429,450 456,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Total assets 666,721 733,572 768,335 805,356 845,093 Total capital Other IBLs 115,648 148,148 148,699 149,797 151,464 Notil NOI Non-IBLs 54,340 52,143 53,751 55,19 57,464 Net income OPEX Core NP Share capital 29,095 29,095 29,095 29,095 Core NP Share capital 29,095 29,095							
BALANCE SHEET LLC ratio FYE Dec (RM m) FY22 FY23 FY24F FY25F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) Net Ioans 394,557 429,450 456,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total capital Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Net income Non-IBLs 54,340 52,143 53,751 55,19 57,464 Net income Share capital 29,095 29,095 29,095 29,095 29,095 Core NP Shareholders' fund	Total NII	15,158	14,626	16,098	16,953	17,695	Asset Quality (%)
BALANCE SHEET LLC (w. reserves) FYE Dec (RM m) FY22 FY23 FY24F FY25F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 CET 1 Other IEAs 394,557 429,450 456,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total capital Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Net income Share capital 29,095 29,095 29,095 29,095 29,095 Cervet Share capital 29,095 29,095 29,095 29,095 29,095 CasA Total L&E	Total NOII	4,680	6,388	6,279	6,590	6,904	GIL ratio
FYE Dec (RM m) FY22 FY23 FY24F FY25F FY26F FY26F Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) Net Ioans 394,557 429,450 456,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total capital Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Net income Other IBLs 54,340 52,143 53,751 55,519 57,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Core NP Share capital 29,095<							LLC ratio
Cash & ST funds 47,105 37,980 39,011 40,227 39,953 Investment securities 156,410 188,844 199,893 201,251 202,932 Capital (%) Net Ioans 394,557 429,450 456,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total capital Total assets 666,721 733,572 768,335 805,356 845,093 Total capital Other IBLs 115,648 148,142 491,712 521,706 553,531 Total NII Other IBLs 54,340 52,143 53,751 55,519 57,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Core NP Share capital 29,095 29,095 29,095 29,095 Customer deposits Reserves 33,397	BALANCE SHEET						LLC (w. reserves)
Investment securities 156,410 198,844 199,893 201,251 202,932 Capital (%) Net Ioans 394,557 429,450 456,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Non-IEAs 56,6721 733,572 768,335 805,356 845,093 Total capital Total assets 666,721 733,572 768,335 805,356 845,093 Total capital Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Net income Non-IBLs 54,340 52,143 53,751 55,519 57,464 Net income Share capital 29,095 29,095 29,095 29,095 29,095 Customer deposits Core NP 63,784 69,839 74,173 78,334 82,634 Customer deposits Core NP <td>FYE Dec (RM m)</td> <td>FY22</td> <td>FY23</td> <td>FY24F</td> <td>FY25F</td> <td>FY26F</td> <td>Net CC (bps)</td>	FYE Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26F	Net CC (bps)
Net Ioans 394,557 429,450 456,007 483,381 512,397 CET 1 Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total capital Total assets 666,721 733,572 768,335 805,356 845,093 Growth (%) Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Total NII Non-IBLs 54,340 52,143 53,751 55,519 57,464 Net income Share capital 29,095 29,095 29,095 29,095 29,095 Core NP Share capital 29,095 29,095 29,095 29,095 Customer deposits Core NP 63,784 69,839 74,173 78,334 82,634 Valuation metrics Perpetual pref. shares 200	Cash & ST funds	47,105	37,980	39,011	40,227	39,953	
Other IEAs 9,751 9,708 10,873 12,177 13,639 Tier 1 capital Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total capital Total assets 666,721 733,572 768,335 805,356 845,093 Growth (%) Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Total NOI Non-IBLs 54,340 52,143 53,751 55,519 57,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Core NP Share capital 29,095 29,095 29,095 29,095 29,095 Core NP Share holders' funds 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200 200 200 200 200 200 Core EPS (sen)	Investment securities	156,410	198,844	199,893	201,251	202,932	Capital (%)
Non-IEAs 58,897 57,590 62,551 68,320 76,173 Total capital Total assets 666,721 733,572 768,335 805,356 845,093 Growth (%) Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Share capital 29,095 29,095 29,095 29,095 29,095 29,095 Customer deposits Gross loans Share capital 29,095 29,095 29,095 29,095 29,095 Customer deposits Perpetual pref. shares 200 200 200 200 200 Core CASA Total equity 63,784 69,839 74,173 78,334 82,634 Valuation metrics Gross DPS (sen) 37,872 768,335 805,356 845,093 Core EPS (sen) <td>Net loans</td> <td>394,557</td> <td>429,450</td> <td>456,007</td> <td>483,381</td> <td>512,397</td> <td>CET 1</td>	Net loans	394,557	429,450	456,007	483,381	512,397	CET 1
Total assets 666,721 733,572 768,335 805,356 845,093 Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Total NOI Non-IBLs 54,340 52,143 53,751 55,519 57,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Share capital 29,095 29,095 29,095 29,095 29,095 29,095 Core NP Share holders' funds 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200 200 200 200 200 200 Core EPS (sen) Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Perpetual pref. shares 200 200 200 200 200 200 Total L&E <td>Other IEAs</td> <td>9,751</td> <td>9,708</td> <td>10,873</td> <td>12,177</td> <td>13,639</td> <td>Tier 1 capital</td>	Other IEAs	9,751	9,708	10,873	12,177	13,639	Tier 1 capital
Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Total NOII Non-IBLs 54,340 52,143 53,751 55,519 57,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Share capital 29,095 29,095 29,095 29,095 29,095 Core NP Share capital 29,095 29,095 29,095 29,095 Customer deposits Gross loans 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200 200 200 200 Core Core EQS (sen) Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Gross DPS (sen) Total IBLs 647,824 675,982 705,783 737,036 768,920 Total IBLs 548,598 <td>Non-IEAs</td> <td>58,897</td> <td>57,590</td> <td>62,551</td> <td>68,320</td> <td>76,173</td> <td>Total capital</td>	Non-IEAs	58,897	57,590	62,551	68,320	76,173	Total capital
Customer deposits 432,950 463,442 491,712 521,706 553,531 Total NII Other IBLs 115,648 148,148 148,699 149,797 151,464 Total NOI Non-IBLs 54,340 52,143 53,751 55,519 57,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Share capital 29,095 29,095 29,095 29,095 29,095 Core NP Share capital 29,095 29,095 29,095 29,095 Customer deposits Shareholders' funds 62,491 68,327 72,593 76,677 80,897 Perpetual pref. shares 200 200 200 200 CASA NCI 1,093 1,312 1,379 1,457 1,537 Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Gross DPS (sen) Gross DPS (sen) Div payout (%) Total IEAs 607,	Total assets	666,721	733,572	768,335	805,356	845,093	
Other IBLs 115,648 148,148 148,699 149,797 151,464 Total NOII Non-IBLs 54,340 52,143 53,751 55,519 57,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Share capital 29,095 29,095 29,095 29,095 29,095 29,095 Reserves 33,397 39,232 43,499 47,582 51,803 Gross loans Share holders' funds 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200 200 200 200 200 CASA NCI 1,093 1,312 1,379 1,457 1,537 Core EPS (sen) Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Total IBLs 640,784 675,982 705,783 737,036 768,920 Div payout (%) Gross Ioans 407,057							Growth (%)
Non-IBLs 54,340 52,143 53,751 55,519 57,464 Net income Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Share capital 29,095 29,095 29,095 29,095 29,095 29,095 29,095 29,095 29,095 29,095 29,095 29,095 29,095 29,095 Core NP Share capital 29,095 29,095 29,095 29,095 29,095 29,095 Core NP Share holders' funds 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200 200 200 200 200 200 CASA NCI 1,093 1,312 1,379 1,457 1,537 Core EPS (sen) Total equity 63,784 69,839 74,173 78,334 82,634 Valuation metrics Total L&E 666,721 733,572 768,335 805,356 845,093 Div payout (%) BVPS	Customer deposits	432,950	463,442	491,712	521,706	553,531	Total NII
Total liabilities 602,937 663,733 694,162 727,022 762,459 OPEX Share capital 29,095 29,095 29,095 29,095 29,095 29,095 Core NP Share capital 29,095 29,095 29,095 29,095 29,095 Gross loans Share holders' funds 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200 200 200 200 200 CASA NCI 1,093 1,312 1,379 1,457 1,537 Customer deposits Total equity 63,784 69,839 74,173 78,334 82,634 Valuation metrics Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Gross DPS (sen) 1 705,783 737,036 768,920 Div payout (%) Total IEAs 607,824 675,982 705,783 737,036 768,920 Div payout (%) Gross Ioans <t< td=""><td>Other IBLs</td><td>115,648</td><td>148,148</td><td>148,699</td><td>149,797</td><td>151,464</td><td>Total NOII</td></t<>	Other IBLs	115,648	148,148	148,699	149,797	151,464	Total NOII
Core NP Share capital 29,095 20,095 20,095 20,095 20,00 20,00 20,00 20,00 20,00 20,00 20,00 20,00 20,00 20,00	Non-IBLs	54,340	52,143	53,751	55,519	57,464	Net income
Share capital 29,095 Reserves 33,397 39,232 43,499 47,582 51,803 Gross loans Shareholders' funds 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200 200 200 200 200 200 CASA NCI 1,093 1,312 1,379 1,457 1,537 Core EPS (sen) Total equity 63,784 69,839 74,173 78,334 82,634 Valuation metrics Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Total IEAs 607,824 675,982 705,783 737,036 768,920 Div payout (%) BVPS (RM) Gro	Total liabilities	602,937	663,733	694,162	727,022	762,459	OPEX
Reserves 33,397 39,232 43,499 47,582 51,803 Gross loans Shareholders' funds 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200 200 200 200 200 200 CASA NCI 1,093 1,312 1,379 1,457 1,537 Valuation metrics Total equity 63,784 69,839 74,173 78,334 82,634 Valuation metrics Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Total IEAs 607,824 675,982 705,783 737,036 768,920 Div payout (%) Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross Ioans 407,057 440,922 467,377 495,420 525,145							Core NP
Shareholders' funds 62,491 68,327 72,593 76,677 80,897 Customer deposits Perpetual pref. shares 200	Share capital	29,095	29,095	29,095	29,095	29,095	
Perpetual pref. shares 200 200 200 200 200 200 200 CASA NCI 1,093 1,312 1,379 1,457 1,537 Total equity 63,784 69,839 74,173 78,334 82,634 Valuation metrics Total equity 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Total L&E 6607,824 675,982 705,783 737,036 768,920 Div payout (%) Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross loans 407,057 440,922 467,377 495,420 525,145 Total HEAS	Reserves	33,397	39,232	43,499	47,582	51,803	Gross loans
NCI 1,093 1,312 1,379 1,457 1,537 Total equity 63,784 69,839 74,173 78,334 82,634 Valuation metrics Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Total IEAs 607,824 675,982 705,783 737,036 768,920 Div payout (%) Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross Ioans 407,057 440,922 467,377 495,420 525,145	Shareholders' funds	62,491	68,327	72,593	76,677	80,897	Customer deposits
Total equity 63,784 69,839 74,173 78,334 82,634 Valuation metrics Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Gross DPS (sen) Gross DPS (sen) Gross DPS (sen) Div payout (%) Total IEAs 607,824 675,982 705,783 737,036 768,920 Div payout (%) Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross Ioans 407,057 440,922 467,377 495,420 525,145 EVEN (RM)	Perpetual pref. shares	200	200	200	200	200	CASA
Total L&E 666,721 733,572 768,335 805,356 845,093 Core EPS (sen) Gross DPS (sen) Total IEAs 607,824 675,982 705,783 737,036 768,920 Div payout (%) Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross Ioans 407,057 440,922 467,377 495,420 525,145	NCI	1,093	1,312	1,379	1,457	1,537	
Gross DPS (sen) Total IEAs 607,824 675,982 705,783 737,036 768,920 Div payout (%) Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross loans 407,057 440,922 467,377 495,420 525,145	Total equity	63,784	69,839	74,173	78,334	82,634	Valuation metrics
Total IEAs 607,824 675,982 705,783 737,036 768,920 Div payout (%) Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross Ioans 407,057 440,922 467,377 495,420 525,145	Total L&E	666,721	733,572	768,335	805,356	845,093	Core EPS (sen)
Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross loans 407,057 440,922 467,377 495,420 525,145							Gross DPS (sen)
Total IBLs 548,598 611,590 640,411 671,503 704,994 BVPS (RM) Gross loans 407,057 440,922 467,377 495,420 525,145	Total IEAs	607,824	675,982	705,783	737,036	768,920	Div payout (%)
	Total IBLs	548,598	611,590	640,411		704,994	BVPS (RM)
CASA 182,292 203,077 206,519 213,900 226,948 Core P/E (x)	Gross loans	407,057	440,922	467,377	495,420	525,145	
	CASA	182,292	203,077	206,519	213,900	226,948	Core P/E (x)

	5/00	5/00	D/04E		DIACE
FYE Dec (RM m)	FY22	FY23	FY24F	FY25F	FY26F
Interest (%)					
NIM	2.56	2.28	2.33	2.35	2.35
Return on IEAs	3.15	3.91	3.16	3.12	3.07
Cost of funds	1.30	2.42	1.46	1.39	1.33
Net interest spread	1.84	1.49	1.70	1.73	1.74
Profitability (%)					
ROE	9.1	10.7	10.7	10.8	10.6
ROA	0.9	1.0	1.0	1.0	1.0
NOII/Net income	23.6	30.4	28.1	28.0	28.1
Effective tax rate	33.2	24.9	25.0	25.0	25.0
Cost/Income	47.1	46.9	46.5	45.5	45.5
Liquidity (%)					
Loan/Deposit	91.1	92.7	92.7	92.7	92.6
CASA ratio	42.1	43.8	42.0	41.0	41.0
Asset Quality (%)	0.07	0.07	0.50	0.50	0.50
GIL ratio	3.27	2.67	2.50	2.50	2.50
LLC ratio	93	97	95	95	95
LLC (w. reserves)	96	106	105	104	104
Net CC (bps)	50	36	35	35	35
Capital (%)					
CET 1	14.5	14.5	14.2	14.2	14.0
Tier 1 capital	15.4	15.1	14.8	14.8	14.6
Total capital	18.5	18.2	17.9	17.9	17.7
Growth (%)					
Total NII	8.6	-3.5	10.1	5.3	4.4
Total NOII	-15.8	36.5	-1.7	5.0	4.8
Netincome	1.7	5.9	6.5	5.2	4.5
OPEX	-0.8	5.6	5.5	3.0	4.5
Core NP	19.2	26.0	7.6	7.3	3.8
Gross loans	77	0.0	6.0	6.0	6.0
	7.7	8.3	6.0	6.0	6.0
Customer deposits CASA	2.5 -2.0	7.0 11.4	6.1 1.7	6.1 3.6	6.1 6.1
Valuation metrics					
Core EPS (sen)	51.8	65.3	70.2	75.3	78.2
Gross DPS (sen)	26.0	43.0	37.7	39.4	40.0
Divpayout (%)	50	66	55	55	55
BVPS (RM)	5.8	6.4	6.8	7.2	7.6
Core P/E (x)	13.2	10.5	9.7	9.1	8.8
Div yield (%)	3.8	6.3	5.5	5.8	5.8
P/BV (x)	1.2	1.1	1.0	1.0	0.9
	1.4	1.1	1.0	1.0	0.9

Source: CIMB, MIDFR

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Tuesday, June 04, 2024

Tuesday, June 04, 2024

Income Statement Balance Sheet Valuations & Sector Core NP – Core Net Profit LCR – Liquidity Coverage ratio ROE – Return on Equity PPOP – Pre-Provisioning Operating Profit L/D ratio - Loan/Deposit ratio GGM - Gordon Growth Model NII – Net Interest Income CASA - Current & Savings accounts P/BV – Price to Book Value FD – Fixed Deposits BVPS – Book Value per Share NIM – Net Interest Margin BNM – Bank Negara Malaysia COF – Cost of Funds GIL – Gross Impaired Loans NOII – Non-Interest Income NIL – Net Impaired Loans OPR – Overnight Policy Rate MTM – Mark to Market LLC – Loan Loss Coverage SRR – Statutory Reserve Requirement CIR – Cost to Income Ratio NCC – Net Credit Costs SBR – Standardised Base Rate GCC – Gross Credit Costs **OPEX – Operational Expenses** ALR – Average Lending Rate CET 1 – Common Equity Tier 1



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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