



Company report

CIMB GROUP

(CIMB MK EQUITY, CIMB.KL)

1 June 2021

Strong growth in operating income; lower provisions

BUY

(Maintained)

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Rationale for report: Company results/update

Price	RM4.28
Fair Value	RM5.60
52-week High/Low	RM4.75/RM2.90

Key Changes

Fair value	↑
EPS	↑

YE to Dec	FY20	FY21F	FY22F	FY23F
Total income (RM mil)	17,189.0	18,864.9	19,872.4	20,813.4
Core net profit (RM mil)	1,276.7	4,563.5	5,585.1	6,560.2
FD Core EPS (sen)	12.9	46.0	56.3	66.1
FD Core EPS growth (%)	(73.8)	257.4	22.4	17.5
Consensus Net Profit (RM mil)	-	3,787.0	4,912.0	5,566.0
DPS (sen)	4.8	23.0	28.1	33.1
BV/share (RM)	5.66	5.89	6.17	6.50
PE (x)	33.3	9.3	7.6	6.5
Div yield (%)	1.1	5.4	6.6	7.7
P/BV (x)	0.8	0.7	0.7	0.7
ROE (%)	2.1	8.0	9.3	10.4

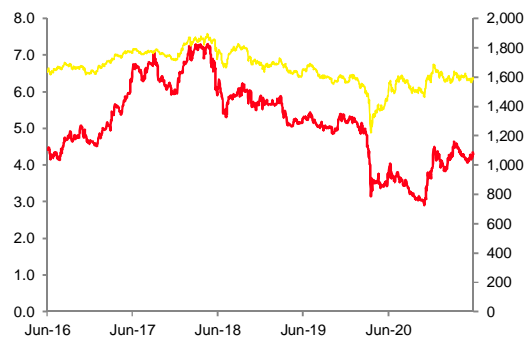
Stock and Financial Data

Shares Outstanding (million)	9,923.0
Market Cap (RM mil)	42,470.3
Book Value (RM/share)	5.66
P/BV (x)	0.8
ROE (%)	2.1

Major Shareholders	Khazanah Nasional Bhd (23.8%) Employees Provident Fund (13.1%)
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Free Float	48.1
Avg Daily Value (RM mil)	44.0

Price performance	3mth	6mth	12mth
Absolute (%)	(1.2)	17.9	13.5
Relative (%)	(1.5)	16.4	5.6



— CIMB MK — FBMKLCI Index

Investment Highlights

- We maintain BUY on CIMB Group Holdings (CIMB) and revise our fair value to RM5.60/share (previously: RM5.50/share) based on a higher FY22 ROE of 9.3% (previously: 9.0%), leading to a P/BV of 0.9x. We are seeing a stronger improvement in total income. Also, valuation of the stock remains undemanding.
- We raise our FY21/22/23 net profit by 5.1%/4.1%/4.2% to reflect higher NIM assumptions.
- CIMB posted RM1.3bil 1Q21 core earnings after stripping out RM1.5bil revaluation gains from the deconsolidation of Touch 'n Go Digital (TNGD) and a rise in net modification gain by 155.6% YoY. This was due to higher net interest income (NII) and non-interest income (NOII).
- Earnings were within expectations, accounting for 29.9% of our estimates. However, it beat consensus projection at 34.3% of street numbers.
- The group's gross loans growth remained subdued at 0.7% YoY with an expansion of loans in Malaysia offset by a contraction in Indonesia and Thailand (reduction of commercial loans).
- In 1Q21, the group's NIM improved by 15bps QoQ to 2.52%, attributed to the optimization of liabilities and CASA growth. On a QoQ basis, the NIM expansion was contributed by the rise of interest margins in Malaysia (+14bps) and Indonesia (+40bps).
- Opex for 1Q21 was flat at +0.9% YoY contributed by higher personnel and IT expenses, partially offset by cost savings from the deconsolidation of TNGD and lower marketing, admin and general expenses. The group is looking at a cost reduction of RM300–RM500mil in FY21 (RM30mil: Thailand optimisation, RM45mil: Singapore optimisation and RM200mil: deconsolidation of TNGD)
- Credit cost for 1Q21 (based on loans) was lower at 0.78% and it was within guidance of 0.80-0.90% for FY21. This was a marked improvement from 4Q20's credit cost 1.51% which saw elevated loan provisions of RM1.38bil.
- In 1Q21, the group has booked in additional loan provisions of RM103mil as management overlay for Indonesia consumer portfolio. 1Q21 also saw provisions of RM182mil for the impact of Covid-19 on a leisure-related industry loan account.
- CIMB's overall GIL ratio improved to 3.44%. The percentage of loans under moratorium and restructuring and rescheduling (R&R) fell to 13.0% of total loans compared to 15.0% in the preceding quarter. In Malaysia, the percentage of loans under moratorium and R&R increased slightly QoQ to 14.0% due to higher relief assistance for commercial and corporate loans.

EXHIBIT 1: RESULTS COMPARISON

Income Statement (RM m, FYE 31 Dec)	1Q20	4Q20	1Q21	% QoQ	% YoY
Interest income	4,873	4,132	4,031	-2.4%	-17.3%
Interest expense	-2,301	-1,516	-1,333	-12.1%	-42.1%
Modification loss		3	3	0.0%	na
Net interest income	2,573	2,619	2,701	3.1%	5.0%
Islamic banking income	792	812	898	10.6%	13.4%
Non interest income	778	1,285	2,356	83.4%	202.9%
Total income	4,143	4,716	5,955	26.3%	43.7%
Overhead expenses	-2,318	-2,329	-2,338	0.4%	0.9%
Pre-provision profit	1,825	2,387	3,617	51.5%	98.2%
Loan impairment allowances	-968	-1,384	-716	-48.3%	-26.0%
Other allowances	-161	-872	-40	-95.4%	-75.1%
Associates and JV income	18	36	35	-1.1%	95.0%
Pretax profit	714	166	2,897	1645.1%	305.7%
Income tax	-215	30	-423	-1518.0%	96.5%
Minority interest	9	19	-18	-192.1%	-292.6%
Net profit	508	215	2,456	1042.5%	383.5%
Core net profit	508	155	1,298	737.9%	155.6%
Core EPS (sen)	5.1	1.6	13.1	718.8%	155.9%
PBT by segments (RM m)					
Consumer Banking	509	-111	605	-644.6%	19.0%
Commercial Banking	-140	58	293	401.8%	-309.3%
Wholesale Banking	141	206	603	193.3%	329.2%
Group Ventures Partnership & Funding/Others	205	13	1,396	>100%	581.9%
Group Pretax profit	714	166	2,897	1645.2%	305.7%
Balance Sheet (RM m, FYE 31 Dec)	1Q20	4Q20	1Q21	% QoQ	% YoY
Gross loans and advances	363,938	365,844	366,563	0.2%	0.7%
Net loans and advances	354,457	353,916	353,701	-0.1%	-0.2%
Customer deposits	388,478	403,051	403,509	0.1%	3.9%
Gross impaired loans	12,500	13,027	12,611	-3.2%	20.3%
Average shareholders funds	55,467	55,498	56,648	2.1%	2.1%
Ratios (%)					
Net LD (excluding investment account)	91.2%	87.8%	87.7%		
CASA	36.5%	41.3%	42.3%		
Cost to income (BAU)	56.0%	49.4%	48.7%		
Credit cost	1.06%	1.51%	0.78%		
Loan loss coverage	75.9%	91.6%	101.9%		
Loan loss coverage (including regulatory reserves)	75.9%	93.4%	102.9%		
GIL/Gross NPL	3.43%	3.56%	3.44%		
NIM	2.44%	2.37%	2.52%		
ROE (based on core net profit)	3.7%	1.1%	9.2%		
CET1 ratio	12.5%	13.3%	12.9%		
Tier 1	13.6%	14.6%	14.2%		
Total capital	16.1%	17.6%	17.1%		

Source: Company, AmInvestment Bank Bhd estimates.

1Q21 CORE EARNINGS WITHIN OUR EXPECTATION

For 1Q21, CIMB posted core earnings of RM1.3bil after stripping out revaluation gains of RM1.15bil from the deconsolidation of Touch 'n Go Digital (TNGD) and a 155.6% rise net modification gain YoY, contributed by

higher net interest income (NII) and non-interest income (NOII). Earnings were within expectations, accounting for 29.9% of our estimate. However, it beat consensus projection, making up 34.3% of street numbers.

By segment, consumer banking PBT improved YoY underpinned by higher NII and NOII. Meanwhile, for

commercial banking, the segment's PBT rose sharply YoY largely due to the non-repeat of provisions for a commercial loan in Singapore in 1Q20 as well as legacy loan recoveries in 1Q21.

Meanwhile, PBT for wholesale banking rose YoY owing to stronger performance of its treasury & markets segment. Digital assets and group funding's (CDAF) PBT climbed YoY on a rise in operating income from higher NII and lower losses from the deconsolidation of TNGD in Feb 2021. TNGD was initially a JV company with Ant Group with CIMB Holding having controlling stake. However, in January 2021 with the investment of approximately RM200mil from Bow Wave Capital Management, an investment firm, and the equity stake of CIMB in TNGD was reduced to below 50%. This turned TNGD to an associate company. The deconsolidation will see a reduction in future (near to medium term) losses from TNGD by around RM150mil. It will have a positive impact on reducing CIMB's opex and lower its CI ratio.

EXHIBIT 2: BREAKDOWN OF LOANS

Loan by type of customers (RM Mil)	1Q20	2Q20	3Q20	4Q20	1Q21	%QoQ	%YoY
Domestic Fis	225	288	535	805	615	-23.6%	173.0%
Domestic non-bank Fis:-							
stockbroking comp	12	8	0	139	110	-20.9%	842.4%
others	6,385	6,515	6,253	5,956	5,614	-5.8%	-12.1%
Domestic business ent:-							
SMEs	48,154	49,971	49,346	49,710	49,475	-0.5%	2.7%
others	65,137	66,829	62,304	60,887	62,264	2.3%	-4.4%
Government and statutory bodies	8,270	8,695	8,536	8,054	8,071	0.2%	-2.4%
Individuals	183,648	186,468	188,223	190,816	190,784	0.0%	3.9%
Other domestic entities	10,014	11,056	10,034	9,950	10,097	1.5%	0.8%
Foreign entities	42,092	40,105	41,176	39,528	39,533	0.0%	-6.1%
(Less):Islamic fin sold to CAGAMAS							
Total gross loans	363,938	369,937	366,406	365,844	366,563	0.2%	0.7%
Loan by economic purpose (RM Mil)	1Q20	2Q20	3Q20	4Q20	1Q21	%QoQ	%YoY
Personal use	20,417	20,956	20,738	20,852	20,730	-0.6%	1.5%
Credit card	8,961	8,558	8,377	8,403	8,130	-3.2%	-9.3%
Purchase of consumer durables	94	110	132	154	176	14.0%	87.7%
Construction	14,821	15,596	14,964	14,813	14,693	-0.8%	-0.9%
Residential property (HL)	108,018	110,948	112,005	114,174	115,750	1.4%	7.2%
Non-residential property	29,573	29,346	30,031	30,269	30,808	1.8%	4.2%
Purchased of FA other than PPEs	13,542	14,000	12,742	12,881	12,491	-3.0%	-7.8%
M&A	3,389	3,334	3,220	3,089	2,972	-3.8%	-12.3%
Purchase of securities	23,719	23,522	25,030	24,712	23,443	-5.1%	-1.2%
Purchase of transport vehicles	23,582	23,606	23,962	24,262	24,012	-1.0%	1.8%
Working capital	84,849	87,639	83,170	81,372	80,940	-0.5%	-4.6%
Others	32,974	32,321	32,034	30,863	32,416	5.0%	-1.7%
(Less) Islamic fin sold to CAGAMAS							
Total gross loans	363,938	369,937	366,406	365,844	366,563	0.2%	0.7%

Source: Company, AmInvestment Bank Bhd

FLATTISH LOAN GROWTH DUE TO CONTRACTION OF COMMERCIAL AND WHOLESALE BANKING LOANS

The group's gross loans growth remained subdued at 0.7% YoY with modest growth in consumer loans offset by contraction in commercial and wholesale banking loans. Loans in Thailand continued to decline to derisk commercial book and exit the commercial banking business. Meanwhile, loans in Indonesia also contracted due to a reduction in the COMBA portfolio with the focus on recalibrating the commercial banking business. Loan growth in Singapore shrank YoY on the reduction of commercial loans and exit of commodity financing. Domestically, loans grew by 3.5% YoY below the industry's 3.9% YoY growth. Excluding FX impact, the group's loans contracted by 0.4% YoY.

DEPOSIT GROWTH PICKED UP PACE AND CASA RATIO CONTINUED TO CLIMB

Group deposit growth picked up pace to 3.3% YoY from 2.3% YoY in the preceding quarter. Deposits for consumer banking contracted while that for commercial and wholesale banking expanded. Excluding FX impact, deposits grew by 2.1% YoY. CASA growth is still strong at 19.8% YoY which led to higher CASA ratio of 42.3%. YoY, CASA ratio has increased in all key markets.

LCR for all banking entities, including CIMB Niaga and Thai, remained above 100.0%.

EXHIBIT 3: BREAKDOWN OF DEPOSITS FROM CUSTOMERS

Deposit By Product Type (RM mil)	1Q20	2Q20	3Q20	4Q20	1Q21	%QoQ	%YoY
Demand Deposits	89,556	97,308	102,584	102,464	105,790	3.2%	18.1%
Savings Deposits	55,452	62,960	63,697	66,289	67,914	2.5%	22.5%
CASA	145,008	160,267	166,281	168,754	173,704	2.9%	19.8%
FD	181,731	174,491	164,144	156,086	151,028	-3.2%	-16.9%
Negotiable instruments of deposits	77	62	72	199	409	105.6%	433.5%
Others	61,661	75,088	78,875	78,013	78,368	0.5%	27.1%
TOTAL	388,478	409,909	409,371	403,051	403,509	0.1%	3.9%
% of total deposit by product type							
Demand Deposits	23.1%	23.7%	25.1%	25.4%	26.2%		
Savings Deposits	14.3%	15.4%	15.6%	16.4%	16.8%		
FDR	46.8%	42.6%	40.1%	38.7%	37.4%		
Negotiable instruments of deposits	0.0%	0.0%	0.0%	0.0%	0.1%		
Others	15.9%	18.3%	19.3%	19.4%	19.4%		
	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: Company, AmlInvestment Bank Bhd estimates.

NIM ROSE BY 15BPS QOQ OR 8BPS YOY IN 1Q21

In 1Q21, the group's NIM improved by 15bps QoQ to 2.52% attributed to optimization of liabilities and CASA growth. On a QoQ basis, the NIM expansion was contributed by the rise of interest margins in Malaysia (+14bps) and Indonesia (+40bps). Management is now guiding for FY21 NIM to expand by 10–20bps from FY20 (previous guidance: flat to +10bps from FY20's NIM).

STRONGER NOII IN 1Q20 SUPPORTED BY IMPROVEMENT IN TREASURY AND MARKETS AND WEALTH MANAGEMENT INCOME

In 1Q21, NOII expanded by 43.2% YoY attributed to higher wealth management income under consumer banking business and stronger trading income of wholesale banking.

The group's FVTOCI reserves fell to -RM809mil in 1Q21 vs. RM217mil in 4Q20 due to the MTM impact on FVOCI debt securities from the surge in MGS yields. The decline in FVOCI reserves has lowered its capital ratios QoQ.

EXHIBIT 4: NON-INTEREST INCOME (EXCLUDING GAINS FROM DISPOSAL OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES)

	1Q20	2Q20	3Q20	4Q20	1Q21
Fee income:-					
Commissions	314	185	275	286	403
Fee on loan, advances and financing	131	71	99	72	95
Portfolio management fees					
Service charges and fees	154	129	139	121	106
Corporate advisory fees	3	4	6	10	6
Guarantee fees	20	15	18	19	21
Other income fees	47	59	27	69	56
Placement fees	3	6	0	3	2
Underwriting commission	22	22	20	22	11
Al-Wakala fee					
Fee and commission income	694	491	584	602	700
Fee and commission expense	-194	-146	-154	-128	-122
Net fee and commission income	501	345	430	474	578
Gross dividend income:					
Malaysia					
Securities FVTPL	9	17	24	17	15
FVOCI			1	0	
At amortised cost					
Outside Malaysia					
FVTPL	0	1	0	0	0
FVOCI					
	9	18	25	17	15
Net (loss)/gain from FVTPL securities:-					
realised	-17	-147	-23	537	-86
unrealised	-622	561	389	-205	-670
Net (loss)/gain from derivative financial instruments:-					
realised	275	-233	426	-316	495
unrealised	868	124	-1,047	-365	1,451
Net gain/(loss) arising from financial liability designated at fair value					
realised	-5	16	-99	-69	-11
unrealised	-84	-51	117	83	115
Net loss arising from hedging derivatives	-8	-8	-4	1	3
Net gain from sale of FVTPL					
Net (loss)/gain from HTM					
Net gain from financial assets designated at fair value through P&L or comprehensive income	108	56	115	6	130
Net gain/(loss) arising from loans, advances and financing at fair value through profit or loss	0	0	0	1	0
Income from asset management and securities services	4	3	4	5	6
Brokerage Income	1	0	1	1	1
Total investment and trading income	519	321	-119	-321	1,432
Other non-interest income:-					
FOREX	-266	113	714	980	-853
Rental income	8	7	11	6	6
Gain on disposal of interest in subsidiary					
Gain on disposal of PPE	4	7	7	4	3
Net gain from insurance business					
Gain on disposal of leased assets/associates					
Underwriting surplus before management expenses					
Other non-operating income					
Gain from distribution of JV					
(Loss)/gain on disposal of foreclosed properties	-2	1	6	3	-3
Gain on disposal of loans, advances and financing				64	
Gain on revaluation of investment properties					
Share of gain from recovery of impaired loans					
Other non-operating income	4	49	34	58	22
Total other non interest income	-251	177	773	1,115	-825
Total non interest income	778	861	1,109	1,285	1,201

Source: Company, AInvestment Bank Bhd estimates.

EXHIBIT 5: GROSS IMPAIRED LOAN RATIO

Gross impaired loan/NPL by economic purpose (RM mil)	1Q20	2Q20	3Q20	4Q20	1Q21	%QoQ	%YoY
Personal use	464	461	368	530	465	-12.3%	0.2%
Credit card	162	180	138	141	195	38.3%	20.7%
Purchase of consumer durables	1	1	1	1	1	21.8%	10.2%
Construction	1,446	1,445	1,420	1,472	1,451	-1.4%	0.4%
Residential property (Housing)	2,034	2,034	1,799	2,258	1,911	-15.4%	-6.0%
Non-residential property	395	397	369	544	491	-9.7%	24.6%
Purchase of fixed assets other than land and building	996	1,081	999	1,170	1,156	-1.2%	16.1%
Mergers and acquisitions	384	382	372	311	321	3.3%	-16.5%
Purchase of securities	163	162	159	290	186	-35.9%	14.4%
Purchase of transport vehicles	291	172	131	254	221	-12.7%	-23.9%
Working capital	5,225	5,994	5,632	5,232	5,356	2.4%	2.5%
Other purpose	941	1,055	978	826	857	3.8%	-8.9%
Total gross impaired loans	12,500	13,366	12,366	13,027	12,611	-3.2%	0.9%

Gross impaired loan/NPL ratios by economic purpose (%)	1Q20	2Q20	3Q20	4Q20	1Q21
Personal use	2.3%	2.2%	1.8%	2.5%	2.2%
Credit card	1.8%	2.1%	1.7%	1.7%	2.4%
Purchase of consumer durables	0.9%	0.8%	0.8%	0.5%	0.5%
Construction	9.8%	9.3%	9.5%	9.9%	9.9%
Residential property (Housing)	1.9%	1.8%	1.6%	2.0%	1.7%
Non-residential property	1.3%	1.4%	1.2%	1.8%	1.6%
Purchase of fixed assets other than land and building	7.4%	7.7%	7.8%	9.1%	9.3%
Mergers and acquisitions	11.3%	11.5%	11.5%	10.1%	10.8%
Purchase of securities	0.7%	0.7%	0.6%	1.2%	0.8%
Purchase of transport vehicles	1.2%	0.7%	0.5%	1.0%	0.9%
Working capital	6.2%	6.8%	6.8%	6.4%	6.6%
Other purpose	2.9%	3.3%	3.1%	2.7%	2.6%
Total gross impaired loan ratio	3.43%	3.61%	3.38%	3.56%	3.44%

Source: Company, AmlInvestment Bank Bhd estimates.

LOWER IMPAIRED LOANS AND PROVISIONS QOQ WITH FURTHER MANAGEMENT OVERLAYS OF RM103MIL FOR INDONESIA CONSUMER LOAN PORTFOLIO

The group's outstanding impaired loans decreased by 3.2% QoQ to RM12.6bil in 1Q21 contributed by lower impaired loans in Malaysia. Meanwhile, in Thailand and Singapore, impaired loan balances were stable. In Indonesia, impaired loans rose QoQ. The group's GIL ratio declined to 3.44% in 1Q21 vs. 3.56% in 4Q20.

Credit cost for 1Q21 (based on loans) was lower at 0.78%, which was within the guidance of 0.80–0.90% for FY21. This was a marked improvement from 4Q20's credit cost 1.51% which saw elevated loan provisions of RM1.38bil (RM616mil for management overlay and changes to MEV for Indonesia and Thailand, RM242mil for the Covid-19 impact on Singapore Aviation and Indonesia's retail auto loans and BAU provisions of RM526mil). 1Q21 did not see a repeat of the high provisions of RM395mil set aside for debt securities and RM402mil on other provisions in 4Q20.

In 1Q21, the group has booked in additional loan provisions of RM103mil as management overlay for Indonesia's consumer portfolio. 1Q21 also saw provisions of RM182mil for the impact of Covid-19 on a leisure-related industry loan account. Meanwhile, BAU provisions were lower in 1Q21

owing to an improvement in delinquencies for consumer loans and the non-repeat of provisions for business loans.

The percentage of loans under moratorium and restructuring and rescheduling (R&R) for the group fell to 13.0% of total loans compared to 15.0% in the preceding quarter. In Malaysia, the percentage of loans under moratorium and R&R increased slightly QoQ to 14.0% due to higher relief assistance for commercial and corporate loans. Over in Indonesia and Thailand, the markets saw a decline in the percentage of consumer loans and commercial loans respectively for loan relief assistance QoQ. Meanwhile, in Singapore, the percentage of loans under moratorium and R&R was stable QoQ.

CIMB's loan exposure to the oil & gas sector was slightly higher QoQ at 2.7% of total group's gross loans while its holdings of oil & gas bonds remained steady at 2.2% of its total bonds. GIL ratio for oil & gas sector loans declined to 30.7% while loan loss coverage rose further improved to 102.1% (4Q20: 94.1%).

EXCEPT FOR NIM, NO CHANGES TO OTHER KEY TARGETS/GUIDANCE FOR FY21

- ROTCE (return on average tangible common equity): 8.0–9.0% (unchanged);
- ROE: 6.0–7.0% (unchanged);
- Dividend payout ratio: 40–60% (unchanged);
- Loan growth: 4.0–5.0% (unchanged);
- NIM: +10-20bps (revised from flat to +10bps);
- Credit cost: 80–90bps (unchanged);
- Group CET1 ratio: >12.5% (unchanged); and
- CI ratio: <52.0% (unchanged)

EXHIBIT 6: PB BAND CHART

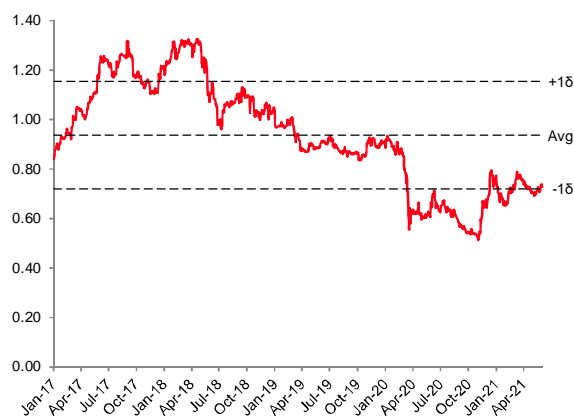


EXHIBIT 7: PE BAND CHART

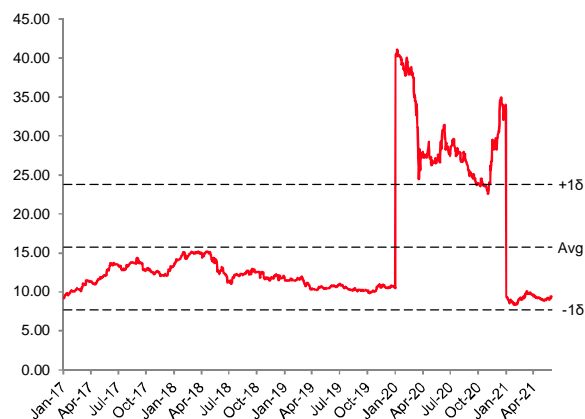


EXHIBIT 8: ESG RATING

Overall	★	★	★		
Board composition	★	★	★		
Employee welfare and environmental protection	★	★	★		
Corporate social responsibility	★	★	★		
Earnings quality	★	★	★		
Balance sheet strength	★	★	★		
Accessibility & transparency	★	★	★	★	

We accord a discount/premium of -6%, -3%, 0%, +3% and +6% on fundamental fair value based on the overall ESG rating as appraised by us, from 1-star to 5-star

EXHIBIT 9: FINANCIAL DATA

Income Statement (RMmil, YE31 Dec)	FY19	FY20	FY21F	FY22F	FY23F
Net interest income	10,083.9	10,440.0	11,585.5	12,393.9	13,138.4
Non-interest income	4,671.3	4,032.5	4,177.3	4,345.3	4,510.6
Islamic banking income	3,040.7	2,937.5	3,102.1	3,133.2	3,164.4
Total income	17,795.9	17,189.0	18,864.9	19,872.4	20,813.4
Overhead expenses	(9,872.9)	(8,976.8)	(9,715.4)	(9,737.5)	(9,990.4)
Pre-provision profit	7,923.0	8,212.2	9,149.5	10,134.9	10,823.0
Loan loss provisions	(1,638.8)	(5,341.2)	(2,904.6)	(2,655.1)	(2,206.7)
Impairment & others	(340.0)	(1,456.2)	(293.1)	(189.5)	(78.1)
Associates	30.7	116.5	169.1	200.5	260.9
Pretax profit	5,974.8	1,531.3	6,120.9	7,490.8	8,799.1
Tax	(1,519.7)	(383.8)	(1,469.0)	(1,797.6)	(2,111.8)
Minority interests	104.5	47.9	(88.4)	(108.2)	(127.1)
Net profit	4,559.7	1,195.4	4,563.5	5,585.1	6,560.2
Core net profit	4,772.5	1,276.7	4,563.5	5,585.1	6,560.2
Balance Sheet (RMmil, YE31 Dec)	FY19	FY20	FY21F	FY22F	FY23F
Cash & deposits with FIs	37,765.1	39,563.4	59,078.2	57,474.1	30,183.8
Marketable securities	137,148.5	173,279.8	166,200.7	182,395.1	197,990.7
Total current assets	174,913.5	212,843.2	225,278.9	239,869.2	228,174.5
Net loans & advances	360,340.1	353,916.0	363,078.4	379,446.5	401,210.4
Statutory deposits	nm	nm	nm	nm	nm
Long-term investments	11,500.0	4,411.6	3,535.3	2,853.2	12,642.6
Fixed assets	2,442.3	2,407.4	2,545.9	2,633.4	2,721.3
Intangible assets	10,318.6	10,414.3	10,513.4	10,513.4	10,513.4
Other long-term assets	13,731.2	18,362.5	21,119.3	27,195.7	40,907.8
Total LT assets	398,332.1	389,511.7	400,792.1	422,642.1	467,995.4
Total assets	573,245.7	602,355.0	626,071.0	662,511.4	696,169.9
Customer deposits	395,798.4	405,729.5	420,837.2	441,762.7	467,818.3
Deposits of other FIs	23,666.7	31,791.2	37,198.1	45,477.1	56,415.6
Subordinated debts	13,520.9	12,808.5	12,900.8	12,714.4	12,459.0
Hybrid capital securities	18,425.2	20,661.2	23,608.3	29,491.9	37,683.1
Other liabilities	64,365.3	74,190.4	72,010.4	70,703.8	56,089.9
Total liabilities	515,776.6	545,180.8	566,554.8	600,150.0	630,465.9
Shareholders' funds	56,437.2	56,125.7	58,406.5	61,198.6	64,478.9
Minority interests	1,031.9	1,048.5	1,109.7	1,162.8	1,225.1
Key Ratios (YE31 Dec)	FY19	FY20	FY21F	FY22F	FY23F
Total income growth (%)	2.4	(3.4)	9.7	5.3	4.7
Pre-provision profit growth (%)	(9.2)	3.7	11.4	10.8	6.8
Core net profit growth (%)	6.2	(73.2)	257.4	22.4	17.5
Net interest margin (%)	2.5	2.4	2.5	2.5	2.5
Cost-to-income ratio (%)	53.0	52.2	51.5	49.0	48.0
Effective tax rate (%)	25.4	25.1	24.0	24.0	24.0
Dividend payout (%)	55.3	39.9	50.0	50.0	50.0
Key Assumptions (YE31 Dec)	FY19	FY20	FY21F	FY22F	FY23F
Loan growth (%)	6.7	(1.0)	4.0	5.0	6.0
Deposit growth (%)	6.4	2.5	3.7	5.0	5.9
Loan-deposit ratio (%)	91.0	87.2	86.3	85.9	85.8
Gross NPL (%)	3.1	3.6	3.8	3.3	3.0
Net NPL (%)	0.6	0.3	1.3	0.9	0.9
Credit charge-off rate (%)	0.5	1.5	0.8	0.7	0.5
Loan loss reserve (%)	80.7	91.6	120.4	152.2	175.3

Source: Company, AmInvestment Bank Bhd estimates

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