



AmInvestment Bank

## Company report

Kelvin Ong, CFA

kelvin-ong@ambankgroup.com

03-2036 2294

## MALAYAN BANKING

(MAY MK EQUITY, MBBM.KL)

24 Nov 2022

## Stronger non-interest income in 3Q22

BUY

(Maintained)

Rationale for report: Company results/update

Price	RM8.55
Fair Value	RM9.50
52-week High/Low	RM9.18/RM7.87

## Key Changes

Fair value	⬇️
EPS	⬇️

YE to Dec	FY21	FY22F	FY23F	FY24F
Total income (RM mil)	25,448.4	26,663.2	27,460.6	28,817.7
Core net profit (RM mil)	8,204.2	9,122.1	9,251.7	9,839.3
FD Core EPS (sen)	70.6	78.5	79.6	84.7
FD Core EPS growth (%)	19.3	11.2	1.4	6.4
Consensus Net Profit (RM mil)	-	8,297.0	9,753.0	10,424.0
DPS (sen)	58.0	56.1	62.1	66.0
BV/share (RM)	7.38	7.49	7.65	7.83
PE (x)	13.7	11.9	10.9	9.9
Div yield (%)	6.4	6.6	7.2	7.9
P/BV (x)	1.1	1.1	1.1	1.0
ROE (%)	9.5	9.9	10.5	10.9

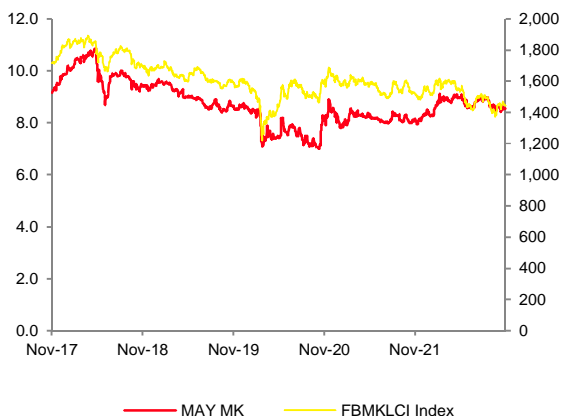
## Stock and Financial Data

Shares Outstanding (million)	11,878.5
Market Cap (RM mil)	101,561.0
Book Value (RM/share)	7.38
P/BV (x)	1.2
ROE (%)	9.5

Major Shareholders	Amanah Saham Nasional(38.4%) Employees Provident Fund (13.0%) Yayasan Pelaburan Bumiputra(7.2%)
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Free Float	41.4
Avg Daily Value (RM mil)	82.2

Price performance	3mth	6mth	12mth
Absolute (%)	(3.2)	(4.8)	4.8
Relative (%)	(0.6)	1.7	10.5



## Investment Highlights

- We maintain BUY call on Malayan Banking (Maybank) with a lower fair value (FV) of RM9.50/share from RM9.60/share, pegging the stock to a P/BV of 1.2x supported by ROE of 10.5%. Our FV has taken into account a premium of 3% based on a 4-star ESG rating.
- We fine-tuned our FY22F/23F/24F by -0.8%/ -0.7%/ -1.9% after tweaking our loan growth and net interest margin (NIM) assumptions.
- 9MFY22 net profit was within expectation, accounting for 72.1% of our and 79.8% of consensus estimate.
- Opex grew 9.8% YoY for 9MFY22 driven by higher personnel cost (increase in wages and bonus provisions), IT and revenue related expenses.
- Maybank recorded higher core earnings of RM2.4bil (+23% QoQ) in 3QFY22 contributed by stronger Islamic banking, non-interest income (NOII) and lower loan loss provisions. NOII improved in 3QFY22 due to higher FX income and lower marked-to-market (MTM) losses on financial assets and investments.
- Core net profit for 9MFY22 came in at RM6.6bil, +9.7% YoY after stripping out the impact of Cukai Makmur. This was attributed to higher net interest income (NII) from NIM expansion of 8bps YoY and loan expansion. Also, the group recorded stronger NOII for 9MFY22, supported by higher FX gains and MTM gains from derivatives and financial liabilities.
- The group's overall loans expanded by 8.2% YoY in 3QFY22. This was supported by growth of loans in all key markets (Malaysia, Singapore and Indonesia). Malaysian loans grew 7.9% YoY above the industry's 6.4% YoY growth.
- Group deposits' growth eased slightly to 5% YoY in 3QFY22. CASA contracted by 0.1% YoY due to the slowdown of low-cost deposits in Malaysia and Singapore. Higher funding cost from a slower CASA and stronger FD growth will partially offset the positive impact on NIM contributed by improved asset yields from recent OPR hikes.
- 3QFY22 NIM expanded slightly by 1bps QoQ to 2.42% due to higher loan yields from increased interest rates. YTD, NIM rose by 7bps to 2.39%. Management alluded to a further interest rate hike of 25bps in 1Q23 raising the OPR to 3.00%.
- 9MFY22 provisions for loan losses were lower by 25% YoY. Net credit cost of 43bps for 9MFY22 was within management's guidance of 40-50bps for FY22. No further top up on management overlays in 3Q22. Total overlays remained at RM1.7bil of which 38% or RM646mil has been allocated for the CFS retail and RSME portfolio.

## EXHIBIT 1: RESULTS COMPARISON

Income Statement (RM Mil, FYE 31 Dec)	3Q21	2Q22	3Q22	% QoQ	% Yoy	9M21	9M22	% Yoy
Interest income	4,262	4,967	5,570	12.2%	30.7%	12,911	15,081	16.8%
Interest expense	-1,220	-1,447	-2,102	45.3%	72.3%	-3,941	-4,766	20.9%
<b>Net interest income</b>	<b>3,042</b>	<b>3,520</b>	<b>3,468</b>	-1.5%	14.0%	<b>8,969</b>	<b>10,315</b>	15.0%
Islamic banking income	1,771	1,766	1,996	13.1%	12.7%	5,614	5,432	-3.2%
Non interest income	1,337	1,549	1,950	25.9%	45.8%	4,565	4,971	8.9%
<b>Total income</b>	<b>6,150</b>	<b>6,835</b>	<b>7,414</b>	8.5%	20.6%	<b>19,149</b>	<b>20,718</b>	8.2%
Overhead expenses	-2,821	-3,056	-3,394	11.1%	20.3%	-8,564	-9,400	9.8%
Pre-provision profit	<b>3,329</b>	<b>3,779</b>	<b>4,020</b>	6.4%	20.8%	<b>10,585</b>	<b>11,318</b>	6.9%
Loan impairment allowances	-1,126	-838	-600	-28.4%	-46.8%	-2,501	-1,881	-24.8%
Other allowances	1	-319	-242	-24.2%	>-100%	-60	-714	>100%
Associates and JV income	66	44	30	-31.9%	-54.8%	142	123	-13.9%
<b>Pretax profit</b>	<b>2,269</b>	<b>2,666</b>	<b>3,208</b>	20.3%	41.4%	<b>8,166</b>	<b>8,846</b>	8.3%
Income tax	-531	-757	-1,039	37.3%	95.7%	-1,967	-2,681	36.3%
Minority interest	-53	-52	-4	-93.1%	-93.2%	-160	-97	-38.9%
<b>Net profit</b>	<b>1,685</b>	<b>1,857</b>	<b>2,166</b>	16.6%	28.5%	<b>6,039</b>	<b>6,068</b>	0.5%
<b>Core net profit</b>	<b>1,793</b>	<b>1,975</b>	<b>2,435</b>	23.3%	35.8%	<b>6,039</b>	<b>6,625</b>	9.7%
Core EPS (sen)	15.3	16.5	20.5	24.2%	34.0%	53.3	55.5	4.1%
<b>Profit by segments (RM Mil)</b>								
Group community financial services	754	2,142	1,603	-25.2%	>100%	3,500	5,503	57.2%
Group corporate banking and global markets	1,238	667	1,502	>100%	21.3%	3,676	3,526	-4.1%
Group investment banking	72	47	17	-63.3%	-76.1%	355	155	-56.3%
Group asset management	4	5	4	-30.0%	-15.1%	6	-19	>-100%
Group insurance and takaful	219	177	66	-62.7%	-69.9%	650	254	-61.0%
Head office and others	-19	-371	17	>-100%	>-100%	-22	-573	>100%
<b>Group profit before taxation</b>	<b>2,269</b>	<b>2,666</b>	<b>3,208</b>	20.3%	41.4%	<b>8,166</b>	<b>8,846</b>	8.3%
<b>Balance Sheet (RM Mil, FYE 31 Dec)</b>								
Gross loans and advances	542,754	575,332	587,119	2.0%	8.2%	542,754	587,119	8.2%
Net loans and advances	529,922	562,971	575,408	2.2%	8.6%	529,922	575,408	8.6%
Customer deposits (excluding investment account)	584,192	608,155	613,671	0.9%	5.0%	584,192	613,671	5.0%
Gross impaired loans	10,450	10,425	9,989	-4.2%	-4.4%	10,450	9,989	-4.4%
Average shareholders funds	84,048	84,257	84,496	0.3%	0.5%	84,161	85,052	1.1%
<b>Ratios (%)</b>								
LD	89.0%	90.3%	91.8%			89.0%	91.8%	
CASA	46.0%	46.7%	43.8%			46.0%	43.8%	
Cost to income	45.9%	44.7%	45.8%			44.7%	45.4%	
Credit cost	0.83%	0.58%	0.41%			0.61%	0.43%	
Loan loss coverage	127.0%	122.3%	122.3%			127.0%	122.3%	
Loan loss coverage (including regulatory reserves)	137.8%	131.5%	133.3%			137.8%	133.3%	
GIL/Gross NPL	1.93%	1.81%	1.70%			1.93%	1.70%	
NIM	2.26%	2.41%	2.42%			2.31%	2.39%	
Underlying ROE	8.5%	9.4%	11.5%			9.5%	10.4%	
CET1 capital	14.2%	14.3%	13.8%			14.2%	13.8%	
Tier 1 capital	14.9%	15.0%	14.5%			14.9%	14.5%	
Total capital	18.2%	17.7%	17.2%			18.2%	17.2%	

Source: Company, AmlInvestment Bank Bhd estimates.

## EXHIBIT 2: BREAKDOWN OF LOANS

Loan by economic purpose (RM mil)	3Q21	4Q21	1Q22	2Q22	3Q22	QoQ	YoY
Purchase of securities	37,446	38,585	38,316	38,255	38,721	1.2%	3.4%
Purchase of transport vehicles	66,739	68,721	69,440	71,003	72,767	2.5%	9.0%
Purchase of landed property:-							
Residential	145,998	149,867	153,332	159,094	162,179	1.9%	11.1%
Non-residential	40,270	39,237	39,995	40,640	40,535	-0.3%	0.7%
Purchase of Fix. Assets excl land & bldg	3,726	3,425	3,187	3,261	3,318	1.8%	-11.0%
Personal Use	9,492	9,426	9,282	9,090	9,133	0.5%	-3.8%
Credit Card	8,283	8,987	8,959	9,381	9,828	4.8%	18.7%
Purchase of durable goods	6	6	6	6	6	3.4%	-11.0%
Merger and acquisition	1,764	1,679	1,449	2,574	2,869	11.5%	62.7%
Construction	17,643	17,481	16,399	14,754	14,899	1.0%	-15.6%
Working Capital	173,221	179,146	184,528	189,782	195,794	3.2%	13.0%
Others	38,166	37,227	37,154	37,492	37,072	-1.1%	-2.9%
<b>Total gross loans</b>	<b>542,754</b>	<b>553,789</b>	<b>562,047</b>	<b>575,332</b>	<b>587,119</b>	<b>2.0%</b>	<b>8.2%</b>

% of loans by economic purpose	3Q21	4Q21	1Q22	2Q22	3Q22
Purchase of securities	6.9%	7.0%	6.8%	6.6%	6.6%
Purchase of transport vehicles	12.3%	12.4%	12.4%	12.3%	12.4%
Purchase of landed property:-					
Residential	26.9%	27.1%	27.3%	27.7%	27.6%
Non-residential	7.4%	7.1%	7.1%	7.1%	6.9%
Purchase of Fix. Assets excl land & bldg	0.7%	0.6%	0.6%	0.6%	0.6%
Personal Use	1.7%	1.7%	1.7%	1.6%	1.6%
Credit Card	1.5%	1.6%	1.6%	1.6%	1.7%
Purchase of durable goods	0.0%	0.0%	0.0%	0.0%	0.0%
Merger and acquisition	0.3%	0.3%	0.3%	0.4%	0.5%
Construction	3.3%	3.2%	2.9%	2.6%	2.5%
Working Capital	31.9%	32.3%	32.8%	33.0%	33.3%
Others	7.0%	6.7%	6.6%	6.5%	6.3%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

QoQ growth (%)	3Q21	4Q21	1Q22	2Q22	3Q22
Purchase of securities	-6.3%	3.0%	-0.7%	-0.2%	1.2%
Purchase of transport vehicles	-2.3%	3.0%	1.0%	2.3%	2.5%
Purchase of landed property:-					
Residential	1.8%	2.6%	2.3%	3.8%	1.9%
Non-residential	-0.6%	-2.6%	1.9%	1.6%	-0.3%
Purchase of Fix. Assets excl land & bldg	9.5%	-8.1%	-6.9%	2.3%	1.8%
Personal Use	-1.5%	-0.7%	-1.5%	-2.1%	0.5%
Credit Card	3.4%	8.5%	-0.3%	4.7%	4.8%
Purchase of durable goods	4.6%	-5.9%	-2.5%	-6.2%	3.4%
Merger and acquisition	43.0%	-4.8%	-13.7%	77.7%	11.5%
Construction	11.2%	-0.9%	-6.2%	-10.0%	1.0%
Working Capital	2.5%	3.4%	3.0%	2.8%	3.2%
Others	-9.5%	-2.5%	-0.2%	0.9%	-1.1%
<b>Total gross loans</b>	<b>0.2%</b>	<b>2.0%</b>	<b>1.5%</b>	<b>2.4%</b>	<b>2.0%</b>
<b>Total net loans</b>	<b>0.3%</b>	<b>2.3%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>2.2%</b>

YoY growth (%)	3Q21	4Q21	1Q22	2Q22	3Q22
Purchase of securities	1.3%	6.2%	8.0%	-4.2%	3.4%
Purchase of transport vehicles	-2.3%	0.3%	1.9%	3.9%	9.0%
Purchase of landed property:-					
Residential	12.5%	11.7%	9.9%	10.9%	11.1%
Non-residential	0.5%	-2.5%	-1.3%	0.4%	0.7%
Purchase of Fix. Assets excl land & bldg	-4.8%	-2.7%	-9.6%	-4.2%	-11.0%
Personal Use	-16.1%	-18.3%	-13.9%	-5.6%	-3.8%
Credit Card	-3.7%	3.3%	5.7%	17.1%	18.7%
Purchase of durable goods	-33.7%	-37.9%	-9.4%	-9.9%	-11.0%
Merger and acquisition	20.1%	14.5%	-12.9%	>100%	62.7%
Construction	8.4%	6.1%	-0.5%	-7.0%	-15.6%
Working Capital	4.8%	9.4%	9.3%	12.3%	13.0%
Others	-4.0%	-4.3%	-8.9%	-11.1%	-2.9%
<b>Total gross loans</b>	<b>4.0%</b>	<b>5.7%</b>	<b>5.2%</b>	<b>6.2%</b>	<b>8.2%</b>
<b>Total net loans</b>	<b>3.7%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>6.5%</b>	<b>8.6%</b>

Source: Company, AmlInvestment Bank Bhd estimates.

## **STRONGER TRACTION ON LOAN GROWTH**

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The group's loans accelerated to 8.2%YoY in 3QFY22 from 6.2% YoY. Malaysian loans gained traction to register stronger growth rate of 7.9% YoY, supported largely by Community Financial Services (CFS) loans from expansion in mortgage, auto loans and credit cards. Meanwhile, in Singapore, loan expansion came from the growth of CFS and Global Banking (GB) loans. Management hinted of a slowdown in Singapore's loan growth in 4QFY22 due to higher cost of funding.

Indonesia registered a stronger loan growth in 3QFY22, supported by a strong pick up in consumer as well as corporate loans under the GB segment.

## **LOWER PERCENTAGE OF LOANS UNDER REPAYMENT ASSISTANCE IN MALAYSIA AND INDONESIA**

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Domestically, the percentage of domestic loans under repayment assistance, relief and R&R (reschedule & restructure) as at 31 Oct 2022 decreased further to 3.7% vs. 5.9% as at 31 July 2022. This was contributed largely by lower CFS and GB loans that were under relief payment assistance. The percentage of SME loans under relief assistance programmes declined to 11.5%. Out of this portion, 98% will commence payment by end of 2022. Of the loans that have commence repayments, we gather that only 6%/1% of SME/GB loans have missed payments.

For international markets, the percentage of loans in Singapore under repayment assistance, relief and R&R was stable at 3.3% as at 31 Oct 2022. 97% of CFS loans under relief in Singapore have been promptly repaid by borrowers. Meanwhile, over in Indonesia, loans that were under the relief programmes decreased to 9.2% with lower CFS and GB loans under repayment assistance. Of the outstanding loans in Indonesia under relief, 66% of CFS loans and 99% of GB loans have been serviced promptly.

## **MORE INTENSE DEPOSIT COMPETITION**

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We understand that deposit competition has been more intense in Malaysia and Singapore. Nevertheless, management has guided for its FY22F NIM to expand by more than 5bps. Despite deposit competition being more intense recently, NIM is expected to still expand in FY22F with a rise in lending rates as a result of hikes in benchmark interest rates rising faster than cost of funds.

Management alluded to the deposit competition easing after the end of this year.

## EXHIBIT 3: GROSS IMPAIRED LOAN DATA

Impaired loans by economic purpose (RM Mil)	3Q21	4Q21	1Q22	2Q22	3Q22	%QoQ	%YoY
Purchase of securities	80	66	74	71	58	-18.2%	-27.8%
Purchase of transport vehicles	504	386	359	324	340	4.8%	-32.6%
Purchase of landed property:-							
Residential	1,027	934	870	846	842	-0.5%	-18.0%
Non-Residential	459	415	434	447	525	17.5%	14.4%
Purchase of Fix. Assets excl land & bldg	1,270	545	108	111	132	18.7%	-89.6%
Personal Use	224	165	153	154	152	-1.4%	-32.0%
Credit Card	72	62	57	53	62	18.6%	-13.6%
Purchase of consumer durables	4	4	4	4	3	-0.8%	-2.1%
Construction	1,268	1,362	1,416	896	683	-23.7%	-46.1%
Working Capital	5,188	6,753	7,132	7,123	6,987	-1.9%	34.7%
Others	354	352	347	397	205	-48.3%	-42.1%
<b>Total Gross NPL/Gross Impaired Loans</b>	<b>10,450</b>	<b>11,044</b>	<b>10,953</b>	<b>10,425</b>	<b>9,989</b>	<b>-4.2%</b>	<b>-4.4%</b>

% Gross impaired loan ratio by economic purpose	3Q21	4Q21	1Q22	2Q22	3Q22
Purchase of securities	0.2%	0.2%	0.2%	0.2%	0.1%
Purchase of transport vehicles	0.8%	0.6%	0.5%	0.5%	0.5%
Purchase of landed property:-					
Residential	0.7%	0.6%	0.6%	0.5%	0.5%
Non-Residential	1.1%	1.1%	1.1%	1.1%	1.3%
Purchase of Fix. Assets excl land & bldg	34.1%	15.9%	3.4%	3.4%	4.0%
Personal Use	2.4%	1.8%	1.6%	1.7%	1.7%
Credit Card	0.9%	0.7%	0.6%	0.6%	0.6%
Purchase of consumer durables	55.4%	58.9%	60.0%	63.5%	60.9%
Construction	7.2%	7.8%	8.6%	6.1%	4.6%
Working Capital	3.0%	3.8%	3.9%	3.8%	3.6%
Others	0.9%	0.9%	0.9%	1.1%	0.6%
<b>Total gross NPL/impaired loan ratio</b>	<b>1.93%</b>	<b>1.99%</b>	<b>1.95%</b>	<b>1.81%</b>	<b>1.70%</b>

Source: Company, AmlInvestment Bank Bhd estimates.

### SLIGHT UPTICK QOQ IN GIL RATIO FOR MALAYSIA DUE TO UPTICKS IN BUSINESS BANKING LOANS

By countries, GIL ratio for Singapore has been stable while that for Indonesia declined QoQ in 3QFY22 supported by improvement in asset quality trend across key segments.

Most segments' GIL ratios were either stable or improving QoQ with upticks in impairments on business banking loans. On a comforting note, we understand that provisions for these impaired business banking loans have already been adequately set aside.

The group recorded provisions for loan losses of RM1.9bil and financial investments of RM714mil in 9MFY22. Net provisions for impairment losses were stable YoY. Excluding provisions for financial investments, allowances for loan losses fell by 25% YoY for 9MFY22. Credit cost based only on loans of 43bps in 9MFY22 were within the guided 40–50bps for FY22F. The Group's LLC ratio remained stable at 122.3% and 133.3% (if regulatory reserves were to be included).

The group's exposure (funded and non-funded) stood at 3.7%. We gather that the loan loss coverage (LLC) for the oil & gas sector was 90%.

### NO CHANGE TO GUIDANCE FOR FY22F EXCEPT FOR NIM

- i. ROE: 9.5%–10% (inclusive of the impact of Cukai Makmur)
- ii. Cost-to-income ratio: 45–46%
- iii. NIM: >5bps expansion (previously: up to 5bp expansion)
- iv. Credit cost: 40–50bps; and
- v. Dividend policy of 40–60%

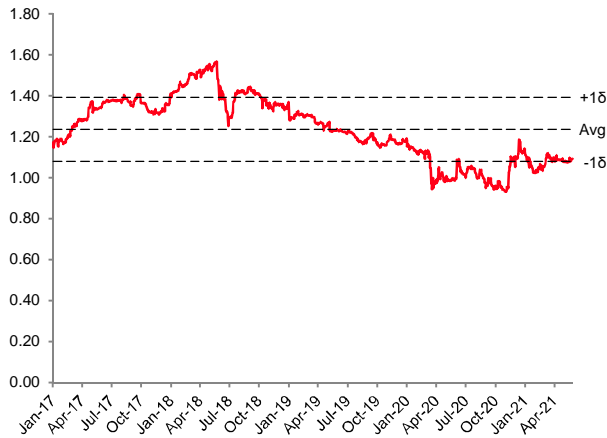
Maybank is one of our top picks among banking stocks for ESG. The group is well ahead of its 4 key targets for sustainability. On sustainable finance, in 9MFY22, the group has already achieved RM14.9bil vs. the target of RM9bil for FY22F. This brings total sustainable finance completed to RM29bil, almost halfway of the target to reach RM50bil by 2025.

In other areas, 9MFY22 achievement to improve lives across ASEAN has also exceeded the full year FY22F target and is well on track to meet its 2025 target of RM1mil households.

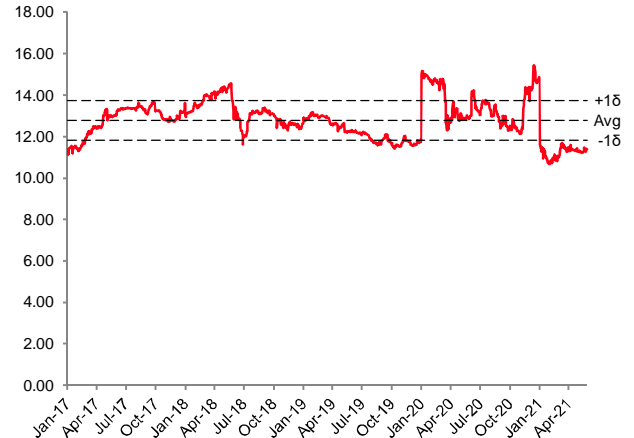
Elsewhere, on carbon emission, the group has reduced carbon emission by 41.1% in 9MFY22, surpassing the target of 40% in FY22F and is progressing well towards meeting a neutral carbon emission position by 2030.

On living sustainability, the group has achieved 1mil hours, in line with its FY22F target. The group is in the process of reviewing sustainability targets with the likelihood of raising targeted outcomes to be achieved by 2025.

**EXHIBIT 4: PB BAND CHART**



**EXHIBIT 5: PE BAND CHART**



**EXHIBIT 6: ESG RATING**

<b>Overall</b>	★	★	★	★	
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 7: FINANCIAL DATA

Income Statement (RMmil, YE31 Dec)	FY20	FY21	FY22F	FY23F	FY24F
Net interest income	11,090.4	12,034.0	12,399.4	12,406.7	12,752.7
Non-interest income	7,537.3	5,841.8	5,742.0	5,512.9	5,891.0
Islamic banking income	6,135.6	7,572.6	8,521.8	9,541.0	10,174.0
<b>Total income</b>	<b>24,763.2</b>	<b>25,448.4</b>	<b>26,663.2</b>	<b>27,460.6</b>	<b>28,817.7</b>
Overhead expenses	(11,245.2)	(11,518.5)	(11,998.4)	(12,906.5)	(13,256.1)
Pre-provision profit	13,518.0	13,929.9	14,664.7	14,554.1	15,561.5
Loan loss provisions	(4,598.6)	(2,658.5)	(2,666.5)	(2,488.7)	(2,687.8)
Impairment & others	(471.7)	(570.9)	-	-	-
Associates	209.1	186.2	201.9	199.5	165.2
<b>Pretax profit</b>	<b>8,657.0</b>	<b>10,886.6</b>	<b>12,200.1</b>	<b>12,264.9</b>	<b>13,039.0</b>
Tax	(1,937.9)	(2,565.1)	(3,660.0)	(2,820.9)	(2,999.0)
Minority interests	(237.9)	(225.3)	(186.6)	(192.2)	(201.7)
<b>Net profit</b>	<b>6,481.2</b>	<b>8,096.2</b>	<b>8,353.4</b>	<b>9,251.7</b>	<b>9,839.3</b>
Core net profit	6,654.2	8,204.2	9,122.1	9,251.7	9,839.3
Balance Sheet (RMmil, YE31 Dec)	FY20	FY21	FY22F	FY23F	FY24F
Cash & deposits with FIs	43,884.7	41,483.9	44,791.1	31,646.1	24,491.0
Marketable securities	262,767.3	266,169.8	272,413.6	281,635.0	300,818.6
<b>Total current assets</b>	<b>306,652.1</b>	<b>307,653.7</b>	<b>317,204.7</b>	<b>313,281.0</b>	<b>325,309.6</b>
Net loans & advances	512,210.1	541,887.9	577,986.6	605,125.6	652,212.3
Statutory deposits	nm	nm	nm	nm	nm
Long-term investments	7,468.2	7,514.1	5,309.0	3,764.0	3,002.3
Fixed assets	3,148.4	3,105.0	3,037.0	2,974.7	2,926.3
Intangible assets	6,648.5	6,683.5	6,648.5	6,648.5	6,648.5
Other long-term assets	20,732.2	21,328.2	16,100.3	37,993.6	45,315.2
<b>Total LT assets</b>	<b>550,207.5</b>	<b>580,518.7</b>	<b>609,081.4</b>	<b>656,506.3</b>	<b>710,104.5</b>
<b>Total assets</b>	<b>856,859.5</b>	<b>888,172.4</b>	<b>926,286.1</b>	<b>969,787.3</b>	<b>1,035,414.1</b>
Customer deposits	580,190.2	617,688.4	654,725.6	696,283.8	753,709.7
Deposits of other FIs	37,878.9	36,583.1	33,526.7	30,752.4	28,708.4
Subordinated debts	8,967.8	10,239.3	10,731.7	11,242.6	12,113.4
Hybrid capital securities	30,311.3	24,413.1	24,079.9	23,069.6	24,622.3
Other liabilities	112,401.7	110,696.1	113,252.2	116,532.8	122,156.6
<b>Total liabilities</b>	<b>769,749.9</b>	<b>799,620.0</b>	<b>836,316.0</b>	<b>877,881.3</b>	<b>941,310.4</b>
Shareholders' funds	84,436.6	85,811.4	87,099.0	88,930.5	91,003.6
Minority interests	2,673.0	2,741.0	2,871.1	2,975.5	3,100.2
Key Ratios (YE31 Dec)	FY20	FY21	FY22F	FY23F	FY24F
Total income growth (%)	0.1	2.8	4.8	3.0	4.9
Pre-provision profit growth (%)	2.6	3.0	5.3	(0.8)	6.9
Core net profit growth (%)	(20.9)	23.3	11.2	1.4	6.4
Net interest margin (%)	2.1	2.3	2.4	2.4	2.4
Cost-to-income ratio (%)	45.4	45.3	45.0	47.0	46.0
Effective tax rate (%)	22.4	23.6	30.0	23.0	23.0
Dividend payout (%)	90.2	83.3	78.0	78.0	78.0
Key Assumptions (YE31 Dec)	FY20	FY21	FY22F	FY23F	FY24F
Loan growth (%)	-	5.7	7.0	5.0	8.0
Deposit growth (%)	2.6	6.5	6.0	6.3	8.2
Loan-deposit ratio (%)	88.3	87.7	88.3	86.9	86.5
Gross NPL (%)	2.2	2.0	2.3	2.0	2.0
Net NPL (%)	1.3	1.1	0.7	0.5	0.5
Credit charge-off rate (%)	0.9	0.5	0.5	0.4	0.4
Loan loss reserve (%)	98.6	107.8	106.9	137.1	146.9

Source: Company, AmInvestment Bank Bhd estimates



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