

Singapore

HOLD (no change)

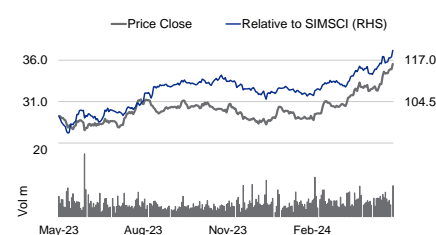
Consensus ratings\*: Buy 12 Hold 6 Sell 0

Current price:	S\$35.55
Target price:	S\$35.90
Previous target:	S\$34.40
Up/downside:	1.0%
CGSI / Consensus:	1.6%
Reuters:	DBSM.SI
Bloomberg:	DBS SP
Market cap:	US\$74,440m
	S\$101,112m
Average daily turnover:	US\$113.1m
	S\$152.5m
Current shares o/s:	2,562m
Free float:	70.7%

\*Source: Bloomberg

Key changes in this note

- We raise FY24-26F EPS by c.3-5% as we factor in sustained NIMs and stronger non-II momentum.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	8	21.4	18.7
Relative (%)	4.4	12.7	18

Major shareholders	% held
Temasek	29.3
Capital Group	2.5
Vanguard Group	2.1

Analyst(s)



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# DBS Group

## Rising risk-on sentiment

- Delayed Fed fund rate cuts (DBS expects two in 2H24F) and further asset repricing should support stronger NIMs in FY24F. Loan growth could taper.
- DBS guides for FY24F ROE to trend at c.17%. Release of excess capital supports dividend upside (via core/special or M&A), but timing is uncertain.
- Reiterate Hold with a higher TP of S\$35.90. While its c.6% yield is attractive, we think that sequential earnings growth over FY25-26F may be challenging.

### A strong showing in 1Q24; risk-on sentiment is returning

Although geopolitical risks persist, we sensed a more positive tone in the delivery of management's update on its FY24F outlook. 1Q24 core net profit of S\$2.96bn was boosted by strong showings on almost all fronts. Higher wealth management fees was a welcome surprise, as risk-on sentiment improved in 1Q24. Excluding the consolidation of Citi Taiwan, 1Q24 wealth fees rose c.35% qoq. DBS Group highlighted that the strong net new money inflows over FY22-23 (c.S\$24bn each year) are starting to be deployed into investment products. 1Q24 net new money inflow was steady at c.S\$6bn. According to management, sequential wealth management fee performance would greatly depend on US Fed funds rate newsflow. Treasury income rose to a new high in 1Q24 (+43% qoq, +24% yoy), even after adjustments for a non-recurring c.S\$100m gain on forex hedges.

### Adding longevity to its NIMs

DBS's steady NIM of c.2.14% was supported by c.S\$16bn of fixed asset repricing in 1Q24 (c.2% uplift in yield). The bank expects another c.S\$10bn-12bn of these loans to reprice in 2Q24F, and c.S\$12bn-14bn in 2H24F. DBS has been actively increasing the duration of its loans portfolio (bulk of its book is about 2-3 years) to maintain asset yields into FY25-26F and moderate the impact of higher funding costs and impending interest rate cuts. DBS now expects two US Fed fund rate cuts in FY24F (Jun/Jul 24, Sep 24) vs. 5 cuts previously, but still expects FY24F NIMs to come just below FY23's exit-NIM of 2.13%.

### Reiterate Hold with higher GGM-based TP of S\$35.90

We raise our FY24-26F EPS by c.3-5% to factor in stronger non-II and sustained NIMs and raise our GGM-based TP to S\$35.90. DBS's net profit trajectory places it on course for the upper-end of its c.15-17% ROE guidance for the medium term in FY24F. The release of excess capital remained a key discussion point in its earnings briefing. Adjusting for the removal of the Monetary Authority of Singapore's penalty of a 1.8x multiplier to DBS's operational risk-weighted assets, its pro-forma CET1 would be a higher 15.6% in 1Q24 (vs. 14.7% currently). Put against the upper-end of its optimal CET1 range of 12.5-13.5%, this translates into a potential c.S\$3 DPS to be released, though the removal of the penalty, form of shareholder return (whether as core/special DPS or M&A), and timeline of both these actions are uncertain, if at all. Reiterate Hold as we think that sequential earnings growth over FY25-26F may be challenging. Upside risks: a quicker pick-up in wealth management volumes. Downside risks: deterioration in asset quality.

### Financial Summary

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Net Interest Income (S\$m)	10,941	13,642	13,982	13,817	13,379
Total Non-Interest Income (S\$m)	5,561	6,538	7,369	7,798	8,259
Operating Revenue (S\$m)	16,502	20,180	21,351	21,615	21,638
Total Provision Charges (S\$m)	(237.0)	(590.0)	(733.0)	(765.4)	(706.1)
Net Profit (S\$m)	8,193	10,510	10,623	10,473	10,280
Core EPS (S\$)	3.18	4.07	3.74	3.69	3.62
Core EPS Growth	20.0%	28.0%	(8.1%)	(1.4%)	(1.8%)
FD Core P/E (x)	11.16	8.72	9.49	9.63	9.81
DPS (S\$)	2.00	1.92	2.22	2.46	2.64
Dividend Yield	5.63%	5.40%	6.24%	6.92%	7.43%
BVPS (S\$)	21.17	23.14	22.56	23.79	24.77
P/BV (x)	1.68	1.54	1.58	1.49	1.44
ROE	14.9%	18.4%	17.2%	15.9%	14.9%
% Change In Core EPS Estimates			5.32%	3.35%	3.04%
EPS/Consensus EPS (x)			1.08	1.05	1.01

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 1: DBS – quarterly key statistics

S\$m	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	qoq%	yoy %	FY23	FY24F	yoy %
<b>Income Statement</b>														
<b>Net interest income</b>	<b>2,187</b>	<b>2,454</b>	<b>3,020</b>	<b>3,280</b>	<b>3,271</b>	<b>3,433</b>	<b>3,504</b>	<b>3,434</b>	<b>3,505</b>	<b>2%</b>	<b>7%</b>	<b>13,642</b>	<b>13,982</b>	<b>2%</b>
Net fee and commission income	891	768	771	661	851	823	843	867	1,043	20%	23%	3,384	3,971	17%
Wealth management	408	337	323	262	365	377	393	370	536	45%	47%	1,505	1,957	30%
Treasury income	669	570	753	649	814	789	845	706	1,009	43%	24%	2,866	3,095	8%
<b>Non-interest income</b>	<b>1,560</b>	<b>1,338</b>	<b>1,524</b>	<b>1,310</b>	<b>1,665</b>	<b>1,612</b>	<b>1,688</b>	<b>1,573</b>	<b>2,052</b>	<b>30%</b>	<b>23%</b>	<b>6,538</b>	<b>7,369</b>	<b>13%</b>
<b>TOTAL INCOME</b>	<b>3,747</b>	<b>3,792</b>	<b>4,544</b>	<b>4,537</b>	<b>4,936</b>	<b>5,045</b>	<b>5,192</b>	<b>5,007</b>	<b>5,557</b>	<b>11%</b>	<b>13%</b>	<b>20,180</b>	<b>21,351</b>	<b>6%</b>
Operating expenses	(1,644)	(1,658)	(1,825)	(1,963)	(1,882)	(1,931)	(2,038)	(2,205)	(2,079)	-6%	10%	(8,056)	(8,623)	7%
<b>PREPROVISION OPERATING PROFIT</b>	<b>2,103</b>	<b>2,134</b>	<b>2,719</b>	<b>2,574</b>	<b>3,054</b>	<b>3,114</b>	<b>3,154</b>	<b>2,802</b>	<b>3,478</b>	<b>24%</b>	<b>14%</b>	<b>12,124</b>	<b>12,728</b>	<b>5%</b>
Loan loss provision	(55)	(46)	(178)	42	(161)	(72)	(215)	(142)	(135)	-5%	-16%	(590)	(733)	24%
<b>Profit before tax</b>	<b>2,048</b>	<b>2,088</b>	<b>2,541</b>	<b>2,705</b>	<b>2,956</b>	<b>3,084</b>	<b>3,001</b>	<b>2,698</b>	<b>3,388</b>	<b>26%</b>	<b>15%</b>	<b>11,739</b>	<b>12,210</b>	<b>4%</b>
Tax	(247)	(273)	(305)	(364)	(385)	(455)	(408)	(429)	(432)	1%	12%	(1,452)	(1,587)	9%
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-
<b>Core net profit</b>	<b>1,801</b>	<b>1,815</b>	<b>2,236</b>	<b>2,341</b>	<b>2,571</b>	<b>2,689</b>	<b>2,633</b>	<b>2,393</b>	<b>2,961</b>	<b>24%</b>	<b>15%</b>	<b>10,286</b>	<b>10,623</b>	<b>3%</b>
<b>Overall stats/drivers</b>														
NIM (%)	1.46%	1.58%	1.90%	2.05%	2.12%	2.16%	2.19%	2.13%	2.14%			2.15%	2.12%	
Loan growth	1.8%	2.0%	1.1%	-3.4%	0.6%	-0.3%	1.0%	-0.9%	2.1%			0.4%	4.5%	
Cost-to-income ratio	43.9%	43.7%	40.2%	43.3%	38.1%	37.8%	39.0%	43.0%	37.4%			39.9%	40.4%	
Credit costs (bp) (calculated)	5	4	17	-4	15	7	20	13	13			11	17	
CET-1 ratio	14.0%	14.2%	13.8%	14.6%	14.4%	14.1%	14.1%	14.6%	n.a.			14.6%	n.a.	

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

## Upside and downside risks ►

Stronger and sustainable treasury income and wealth management fees are key upside risks. A significant deterioration in asset quality as a result of the higher interest rate environment is a downside risk. A steeper-than-expected margin decline on the back of a Fed fund rate cut is another downside risk.

Figure 2: Earnings changes

	New			Old			% chg		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
NIM (%)	2.12%	2.05%	2.00%	2.10%	2.02%	1.93%	+3bp	+3bp	+7bp
Net loan growth (%)	4.5%	4.5%	4.6%	3.0%	4.1%	4.1%	+1.5%pt	+0.5%pt	+0.5%pt
NII (\$\$m)	13,982	13,817	13,379	13,617	13,371	12,585	2.7%	3.3%	6.3%
Non-NII (\$\$m)	7,369	7,798	8,259	7,230	7,963	8,769	1.9%	-2.1%	-5.8%
Operating expenses (\$\$m)	8,623	9,037	9,353	8,698	9,115	9,433	-0.9%	-0.9%	-0.8%
Cost-to-income ratio	40.4%	41.8%	43.2%	41.7%	42.7%	44.2%	-1.34%	-0.91%	-0.95%
Provisions (\$\$m)	733	765	706	771	797	691	-4.9%	-4.0%	2.1%
Net profit (\$\$m)	10,623	10,473	10,280	10,086	10,134	9,976	5.3%	3.4%	3.0%
EPS (\$\$)	3.74	3.69	3.62	3.56	3.57	3.52	5.3%	3.4%	3.0%

SOURCE: CGSI RESEARCH ESTIMATES, COMPANY

Figure 3: GGM valuation



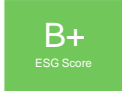





GGM valuation	
COE	10.8%
Sustainable ROE	16.0%
LTG	2.0%
(ROE-LTG) - [a]	14.0%
(COE - LTG) - [b]	8.8%
<b>Target P/BV (x) - [a]/[b]</b>	<b>1.59</b>
FY24 BV (\$\$)	22.56
<b>Target price (\$\$)</b>	<b>35.90</b>

SOURCE: CGSI RESEARCH ESTIMATES

Figure 4: Sector comparison

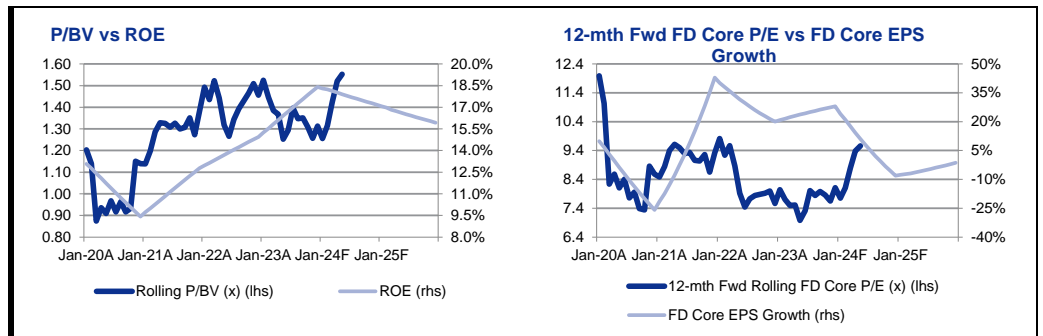
Company	Bbg Ticker	Recom.	Price (local)	Tgt Price (local)	Mkt Cap (US\$ m)	3-year EPS CAGR (%)	P/BV (x)			Recurr. ROE (%)			P/PPOPS (x)			Div Yield (%)		
							CY24F	CY25F	CY26F	CY24F	CY25F	CY26F	CY24F	CY25F	CY26F	CY24F	CY25F	CY26F
DBS Group	DBS SP	Hold	35.55	35.90	74,107	-4.3%	1.58	1.49	1.44	17.5%	15.9%	14.9%	7.9	8.0	8.2	6.2%	6.9%	7.4%
OCBC	OCBC SP	Add	14.34	14.00	47,302	0.8%	1.16	1.10	1.04	13.2%	12.5%	11.8%	7.9	7.9	7.9	5.9%	5.9%	5.9%
United Overseas Bank	UOB SP	Add	30.47	33.30	37,400	0.6%	1.04	0.98	0.92	12.9%	12.1%	11.5%	6.3	6.1	6.2	6.1%	6.1%	6.1%
<b>Singapore average</b>						<b>-0.2%</b>	<b>1.28</b>	<b>1.21</b>	<b>1.15</b>	<b>14.7%</b>	<b>13.7%</b>	<b>12.9%</b>	<b>7.5</b>	<b>7.4</b>	<b>7.5</b>	<b>6.1%</b>	<b>6.4%</b>	<b>6.7%</b>
Bank Central Asia	BBCA IJ	Add	9,550	10,900	72,408	8.8%	4.55	4.18	3.83	21.1%	21.3%	21.3%	17.3	15.8	14.3	2.9%	3.2%	3.5%
Bank Jago	ARTO IJ	Hold	2,060	3,700	1,756	na	3.38	3.29	na	1.2%	3.4%	na	30.8	20.1	na	0.0%	0.1%	na
Bank Mandiri	BMRI IJ	Add	6,325	8,000	36,308	9.2%	2.06	1.87	1.69	21.5%	21.2%	21.6%	6.3	5.6	4.9	6.0%	6.5%	7.3%
Bank Rakyat Indonesia	BBRI IJ	Add	4,760	6,500	44,371	9.1%	2.19	2.06	1.94	19.7%	20.8%	21.8%	6.5	6.1	5.5	7.0%	7.8%	8.7%
Bank Tabungan Negara	BBTN IJ	Add	1,280	1,850	1,105	10.6%	0.55	0.49	0.44	11.9%	12.6%	13.9%	2.1	1.8	1.6	4.2%	4.9%	6.0%
Bank Tabungan Pensi	BTSP IJ	Hold	1,175	1,650	556.7	23.6%	0.92	0.82	0.74	15.6%	17.0%	17.5%	2.9	2.8	2.6	4.8%	6.4%	7.8%
<b>Indonesia average</b>						<b>na</b>	<b>2.75</b>	<b>2.54</b>	<b>na</b>	<b>20.2%</b>	<b>20.6%</b>	<b>na</b>	<b>9.0</b>	<b>8.2</b>	<b>na</b>	<b>4.8%</b>	<b>5.3%</b>	<b>na</b>
Affin Bank Berhad	ABANK MK	Reduce	2.52	2.26	1,239	13.3%	0.54	0.53	0.51	4.9%	5.2%	5.4%	8.0	7.0	6.7	3.6%	3.9%	4.2%
Alliance Bank Malaysia	ABMB MK	Hold	3.85	3.70	1,249	6.0%	0.76	0.72	0.68	10.2%	10.2%	10.2%	5.1	4.7	4.4	5.5%	6.0%	6.3%
AMMB Holdings	AMM MK	Add	4.19	4.86	2,904	4.1%	0.68	0.64	0.60	9.6%	9.4%	9.5%	5.0	4.8	4.5	4.7%	5.0%	5.4%
Bank Islam Malaysia B	BIMB MK	Add	2.54	2.83	1,206	4.7%	0.78	0.76	0.74	8.4%	8.6%	8.9%	5.4	5.1	4.8	5.3%	5.6%	5.9%
Hong Leong Bank	HLBK MK	Add	19.24	26.30	8,740	5.0%	1.02	0.95	0.88	10.8%	10.5%	10.3%	10.6	10.0	9.6	4.0%	4.3%	4.5%
Malayan Banking Bhd	MAY MK	Add	9.78	10.60	24,732	5.3%	1.30	1.25	1.21	11.4%	11.8%	11.9%	7.3	6.9	6.8	5.4%	5.6%	5.9%
Public Bank Bhd	PBK MK	Add	4.10	5.25	16,678	7.3%	1.33	1.24	1.16	13.5%	12.9%	12.9%	8.0	7.5	7.0	4.8%	5.0%	5.4%
RHB Bank Bhd	RHBBANK MK	Add	5.47	6.38	4,914	7.2%	0.63	0.59	0.56	9.0%	8.4%	8.9%	5.6	5.2	4.6	6.4%	6.9%	7.8%
<b>Malaysia average</b>						<b>6.1%</b>	<b>1.07</b>	<b>1.01</b>	<b>0.96</b>	<b>11.0%</b>	<b>10.8%</b>	<b>10.9%</b>	<b>7.4</b>	<b>6.9</b>	<b>6.6</b>	<b>5.0%</b>	<b>5.3%</b>	<b>5.7%</b>
Bangkok Bank	BBL TB	Add	136.0	193.0	6,987	na	0.46	0.44	na	7.6%	7.8%	na	3.0	2.8	na	5.1%	5.9%	na
Kasikornbank	KBANK TB	Add	131.0	168.0	8,354	na	0.55	0.52	na	8.2%	8.7%	na	2.9	2.8	na	5.0%	5.7%	na
Kiatnakin Phatra Bank	KKP TB	Add	51.50	81.00	1,174	na	0.65	0.61	na	12.8%	12.2%	na	2.5	2.3	na	7.8%	7.8%	na
Krung Thai Bank	KTB TB	Add	16.70	22.30	6,282	na	0.54	0.50	na	9.6%	9.4%	na	2.7	2.5	na	4.2%	4.2%	na
Muangthai Capital	MTC TB	Reduce	44.50	34.00	2,539	14.5%	2.54	2.20	1.91	16.7%	16.6%	16.5%	7.7	6.8	6.1	0.9%	1.1%	1.2%
SCB X	SCB TB	Add	106.0	145.0	9,606	na	0.69	0.65	na	9.7%	10.0%	na	3.6	3.4	na	5.7%	6.6%	na
Srisawad Corporation	SAWAD TB	Hold	40.50	42.00	1,497	5.9%	1.83	1.57	1.35	17.6%	16.9%	16.0%	5.6	5.1	4.6	0.9%	1.0%	1.1%
Tisco Financial Group	TISCO TB	Hold	96.50	95.00	2,079	-0.3%	1.78	1.74	1.69	15.8%	16.4%	16.6%	7.8	6.9	6.3	7.3%	7.9%	8.2%
<b>Thailand average</b>						<b>na</b>	<b>0.63</b>	<b>0.60</b>	<b>na</b>	<b>9.2%</b>	<b>9.4%</b>	<b>na</b>	<b>3.3</b>	<b>3.1</b>	<b>na</b>	<b>4.8%</b>	<b>5.4%</b>	<b>na</b>

DATA AS AT 2 MAY 2024  
SOURCES: CGSI RESEARCH ESTIMATES, BLOOMBERG

       	
<p>DBS scored a C+ for its ESG Combined Score by Refinitiv. Excluding environmental controversies, DBS scored B+ for its ESG score in FY23 and is among the best-in-class in Singapore. The bank has progressively contributed to the development of best practices in specific sectors via its Responsible Financing Standard, and we expect this to be continuously refined going forward. DBS has reiterated a sustainable financing target to S\$50bn by 2024F and committed to zero thermal coal exposure by 2039F.</p>	
<p><b>Keep your eye on</b></p> <p>DBS has been flagged for environmental controversies relating to the financing of palm oil plantations, leading to deforestation.</p>	<p><b>Implications</b></p> <p>Controversies surrounding the financing of palm oil plantations have been long-standing. DBS recognises that it can play a role in achieving a more sustainable palm oil sector and requires new clients to demonstrate alignment with its No Deforestation, No Peat, and No Exploitation (NDPE) policies. These controversies are not currently factored into valuations, in our view, but a prolonged misalignment with responsible financing practices could be a longer-term drag on the stock.</p>
<p><b>ESG highlights</b></p> <p>Excluding the environmental controversies, DBS's B+ ESG score is among the best-in-class in Singapore. DBS ranks at the upper end of ESG scoring against its sector peers.</p>	<p><b>Implications</b></p> <p>DBS has proactively raised its ESG scores over the past five years, demonstrating its commitment to improve on each pillar of this standard. While not priced in at the current stage, we believe that DBS's ESG progress and prominence will be a key differentiating factor among more discerning investors in time to come. In addition to the adherence to its Responsible Financing Standard, advancement towards its sustainable finance target and zero thermal coal exposure commitment will support re-rating cycles, in our view.</p>
<p><b>Trends</b></p> <p>DBS has improved its scoring in each ESG pillar over FY16-23. That said, its ESG Controversies score dipped to C- in FY23 (from B in FY20).</p>	<p><b>Implications</b></p> <p>The improvements are positive and consistent. The recovery and management of its environmental controversy would be key to improving the bank's scores further, in our view.</p>

SOURCES: CGSI RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Net Interest Income	10,941	13,642	13,982	13,817	13,379
Total Non-Interest Income	5,561	6,538	7,369	7,798	8,259
<b>Operating Revenue</b>	<b>16,502</b>	<b>20,180</b>	<b>21,351</b>	<b>21,615</b>	<b>21,638</b>
Total Non-Interest Expenses	-7,090	-8,056	-8,623	-9,037	-9,353
<b>Pre-provision Operating Profit</b>	<b>9,412</b>	<b>12,124</b>	<b>12,728</b>	<b>12,578</b>	<b>12,285</b>
Total Provision Charges	-237	-590	-733	-765	-706
<b>Operating Profit After Provisions</b>	<b>9,175</b>	<b>11,534</b>	<b>11,995</b>	<b>11,812</b>	<b>11,578</b>
Pretax Income/(Loss) from Assoc.	207	205	215	226	237
<b>Operating EBIT (incl Associates)</b>	<b>9,382</b>	<b>11,739</b>	<b>12,210</b>	<b>12,038</b>	<b>11,816</b>
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>9,382</b>	<b>11,739</b>	<b>12,210</b>	<b>12,038</b>	<b>11,816</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>9,382</b>	<b>11,739</b>	<b>12,210</b>	<b>12,038</b>	<b>11,816</b>
Taxation	-1,188	-1,452	-1,587	-1,565	-1,536
Consolidation Adjustments & Others					
Exceptional Income - post-tax	0	224	0	0	0
<b>Profit After Tax</b>	<b>8,194</b>	<b>10,511</b>	<b>10,623</b>	<b>10,473</b>	<b>10,280</b>
Minority Interests	-1	-1	0	0	0
Pref. & Special Div	0	0	0	0	0
FX And Other Adj.	0	0	0	0	0
<b>Net Profit</b>	<b>8,193</b>	<b>10,510</b>	<b>10,623</b>	<b>10,473</b>	<b>10,280</b>
Recurring Net Profit	8,193	10,510	10,623	10,473	10,280

### Balance Sheet Employment

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Gross Loans/Cust Deposits	79.8%	78.9%	79.1%	79.5%	79.9%
Avg Loans/Avg Deposits	81.2%	79.3%	79.0%	79.3%	79.7%
Avg Liquid Assets/Avg Assets	34.0%	35.4%	36.1%	35.4%	34.8%
Avg Liquid Assets/Avg IEAs	40.1%	41.6%	41.8%	41.1%	40.5%
Net Cust Loans/Assets	55.8%	56.3%	56.5%	56.9%	57.3%
Net Cust Loans/Broad Deposits	73.1%	71.5%	71.9%	72.2%	72.6%
Equity & Provsns/Gross Cust Loans	13.5%	14.7%	15.1%	15.2%	15.1%
Asset Risk Weighting	46.7%	49.8%	49.3%	49.6%	50.0%
Provision Charge/Avg Cust Loans	0%	0%	0%	0%	0%
Provision Charge/Avg Assets	0%	0%	0%	0%	0%
Total Write Offs/Average Assets	0%	0%	0%	0%	0%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(S\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total Gross Loans	480,415	489,613	508,384	529,040	550,707
Liquid Assets & Invst. (Current)	0	0	0	0	0
Other Int. Earning Assets	140,452	152,300	155,346	158,453	161,622
<b>Total Gross Int. Earning Assets</b>	<b>620,867</b>	<b>641,913</b>	<b>663,730</b>	<b>687,493</b>	<b>712,329</b>
Total Provisions/Loan Loss Reserve	-5,765	-5,989	-5,393	-5,638	-5,895
<b>Total Net Interest Earning Assets</b>	<b>615,102</b>	<b>635,924</b>	<b>658,337</b>	<b>681,855</b>	<b>706,434</b>
Intangible Assets	5,340	6,313	6,313	6,313	6,313
Other Non-Interest Earning Assets	23,821	24,151	29,774	34,421	38,297
<b>Total Non-Interest Earning Assets</b>	<b>29,161</b>	<b>30,464</b>	<b>36,087</b>	<b>40,734</b>	<b>44,610</b>
<b>Cash And Marketable Securities</b>	<b>99,105</b>	<b>72,913</b>	<b>74,873</b>	<b>76,888</b>	<b>78,959</b>
Long-term Investments	0	0	0	0	0
<b>Total Assets</b>	<b>743,368</b>	<b>739,301</b>	<b>769,298</b>	<b>799,477</b>	<b>830,003</b>
Customer Interest-Bearing Liabilities	527,000	535,103	556,507	578,767	601,918
Bank Deposits	39,684	46,704	48,572	50,515	52,536
Interest Bearing Liabilities: Others	51,600	49,398	50,860	52,366	53,916
<b>Total Interest-Bearing Liabilities</b>	<b>618,284</b>	<b>631,205</b>	<b>655,939</b>	<b>681,648</b>	<b>708,369</b>
Bank's Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	68,012	45,849	46,787	47,763	48,778
<b>Total Liabilities</b>	<b>686,296</b>	<b>677,054</b>	<b>702,727</b>	<b>729,411</b>	<b>757,147</b>
<b>Shareholders' Equity</b>	<b>56,887</b>	<b>62,065</b>	<b>66,389</b>	<b>69,884</b>	<b>72,674</b>
Minority Interests	185	182	182	182	182
<b>Total Equity</b>	<b>57,072</b>	<b>62,247</b>	<b>66,571</b>	<b>70,066</b>	<b>72,856</b>

### Key Ratios

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total Income Growth	15.4%	22.3%	5.8%	1.2%	0.1%
Operating Profit Growth	20.2%	28.8%	5.0%	(1.2%)	(2.3%)
Pretax Profit Growth	20.7%	25.1%	4.0%	(1.4%)	(1.8%)
Net Interest To Total Income	66.3%	67.6%	65.5%	63.9%	61.8%
Cost Of Funds	0.83%	2.28%	1.76%	1.27%	0.98%
Return On Interest Earning Assets	2.63%	4.41%	3.88%	3.30%	2.88%
Net Interest Spread	1.81%	2.14%	2.12%	2.03%	1.90%
Net Interest Margin (Avg Deposits)	2.13%	2.57%	2.56%	2.43%	2.27%
Net Interest Margin (Avg RWA)	3.17%	3.81%	3.74%	3.56%	3.30%
Provisions to Pre Prov. Operating Profit	2.52%	4.87%	5.76%	6.09%	5.75%
Interest Return On Average Assets	1.53%	1.84%	1.85%	1.76%	1.64%
Effective Tax Rate	12.7%	12.4%	13.0%	13.0%	13.0%
Net Dividend Payout Ratio	62.8%	48.1%	59.3%	66.6%	72.9%
Return On Average Assets	1.15%	1.39%	1.41%	1.34%	1.26%

### Key Drivers

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
NIM (%)	1.8%	2.2%	2.1%	2.0%	2.0%
Cost-to-income ratio (%)	43.0%	39.9%	40.4%	41.8%	43.2%
Loan growth (%)	1.4%	0.4%	4.5%	4.5%	4.6%
Deposit growth (%)	5.0%	5.0%	4.0%	4.0%	4.0%
Loans-to-deposits ratio (%)	78.7%	77.8%	78.1%	78.5%	79.0%
CASA ratio (%)	60.3%	53.4%	N/A	N/A	N/A
Credit cost (bp)	5.6	10.7	17.0	17.0	15.0

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

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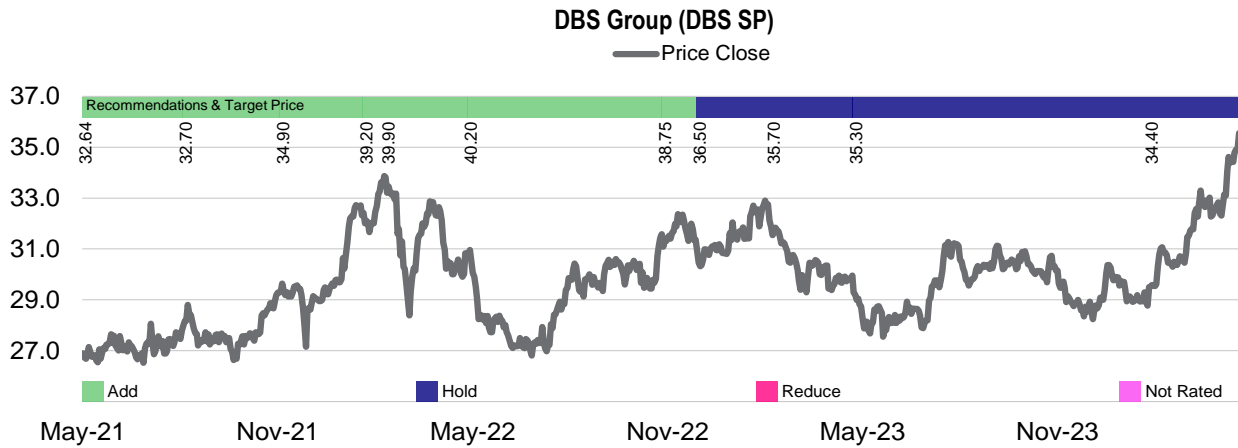
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2024		
634 companies under coverage for quarter ended on 31 March 2024		
	Rating Distribution (%)	Investment Banking clients (%)
Add	65.5%	1.3%
Hold	24.1%	0.2%
Reduce	10.4%	0.3%

Spitzer Chart for stock being researched ( 2 year data )



**Recommendation Framework**

**Stock Ratings**

Definition:

**Add** The stock's total return is expected to exceed 10% over the next 12 months.

**Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.

**Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

**Sector Ratings**

Definition:

**Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.

**Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.

**Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**

Definition:

**Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.

**Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.

**Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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