Corporate Update

## AMMB Holdings Berhad

(1015 | AMM MK) Main | Financial Services

FTSE4Good ESG 4 Stars

Maintain **BUY**

Revised Target Price **RM6.61**
(from RM6.15)

# 2QFY26 Results Review
# Retail Segment Recovery

| | |
|---|---|
| Price @ 26 November 2025 (RM) | 5.88 |
| Expected share price return (%) | +12.4 |
| Expected dividend yield (%) | +4.8 |
| **Expected total return (%)** | **+17.2** |

**Salient Points**

**Solid set of earnings, as forecasted.**

**Management's tone: Cautiously Optimistic.**

**Expect: A solid, stable (and uneventful) 2HFY26.**

**Our Verdict**

**AMMB's fundamental and dividend outlook is incredibly bright – by far the most attractive mid-sized bank under our coverage.**

**Valuations**

**A revised FY27F P/BV of 0.96x *(formerly 0.94x)***

Current P/BV of 0.92x is trading above the +1SD of the 10-year P/BV mean of 0.74x. However, we believe this is justified, given AMMB's improved dividend and fundamental prospects – as well as already having settled the penalty that caused the share overhang in the first place.

The company is currently trading at a forward FY27F P/BV of 0.85x with a +4.8% dividend yield.

**Themes**

1. ▲ Dividend yields have shown a steady increase across the years, with this expected to continue – capital constraints pose no issues.
2. ▲ Though gradual, AMMB is making steady progress in attaining its intended deposit mix. We like AMMB's foray into Investment Accounts.
3. ▲ Fee income is slowly recovering, after weaknesses in investment banking and wealth management in 1HFY25.
4. ▲ NIM has benefited from past optimisation; its outlook remains bright.
5. ▲ AMMB has done an excellent job with cost discipline – either keeping OPEX growth to a minimum or balancing it with higher topline growth.
6. ► Thus far, asset quality poses no serious issues, but we recommend keeping a close eye for now. Provisioning should come lower in 2HFY26.
7. ▼ Loan growth remains on the weaker end.

**SHARE PRICE CHART**



| Price performance (%) | Absolute | Relative |
|---|---|---|
| 1 month | 1.9 | 1.7 |
| 3 months | 2.7 | 4.4 |
| 12 months | 10.5 | 8.6 |

**INVESTMENT STATISTICS**

| FYE Mar | FY26F | FY27F | FY28F |
|---|---|---|---|
| **Core NP (RM m)** | **2,018** | **2,081** | **2,133** |
| CNP growth (%) | 1 | 3 | 2 |
| **Div yield (%)** | **4.7** | **4.8** | **4.9** |
| Gross DPS (sen) | 27.5 | 28.4 | 29.1 |
| **P/BV (x)** | **0.9** | **0.9** | **0.8** |
| BVPS (RM) | 6.6 | 6.9 | 7.2 |
| **ROE (%)** | **9.5** | **9.4** | **9.2** |
| **% Street CNP (%)** | **99** | **98** | **94** |

**KEY STATISTICS**

| | |
|---|---|
| FBM KLCI | 1,624.50 |
| Issue shares (m) | 3,295.7 |
| Estimated free float (%) | 74.6 |
| Market Capitalisation (RM'm) | 19,185.7 |
| 52-wk price range | RM4.93 – RM5.94 |
| 3-mth average daily volume (m) | 7.6 |
| 3-mth average daily value (RM'm) | 42.8 |
| **Top Shareholders (%)** | |
| Employees Provident Fund Board | 12.9 |
| Clear Goal Sdn Bhd | 11.8 |
| Amanah Saham Nasional Bhd | 8.4 |

**Results in a nutshell:**

► **6MFY26's Core NP of RM1,051m was *Within/Within* our/street forecasts: *54%/52%* of full-year forecasts.**

► **Dividends announced.** 12.5 sen DPS translates to a payout of 39% in 6MFY26.

▲ **6MFY26's Core net profit (NP) of RM1,051m up by +5%yoy.** Improvements in NII and NOII offset higher OPEX and provisioning charges.

▲ **2QFY26's Core NP of RM535m up by +4%qoq.** Much lower provisions offset higher tax charges.

**Analyst**
**Samuel** Woo
samuelwoo.cy@midf.com.my
03-2173 8461

**Have a look at:**

► **FY26 guidance remains mostly the same.** A complete table is listed below. Management should achieve all of its targets.

► **Retail segment to carry weaker wholesale segment in 2HFY26.** In 1HFY26, stronger wholesale balances offset a weaker retail performance. This was mainly driven by large recoveries and investment windfall. While this level of success is unlikely to be repeated in 2HFY26, fee income contributions and the remaining Vantris Energy restructuring proceeds could act as smaller-scale drivers.

Instead, the retail segment will step forward as the main growth driver. Retail loan growth is coming online, and there are improvements in wealth management and NII balances (stable NIMs help). Previously, the retail segment was more muted due to restructuring in previous years, but it is beginning to come online.

► **Fee income will likely become a more prominent component of NOII once again.** Due to investment windfall, 1HFY25's NOII breakdown was skewed to 68% customer revenue, 24% trading income, 8% insurance. (Usually, the standard split is more fee income centric: 78% customer revenue, 15% trading income, 7% insurance.) Weaknesses in Investment Banking and Wealth Management segments in 1HFY25 led to the reduced customer revenue contributions – but there is a high likelihood that the breakdown reverts to its regular split.

► **Rebuilding its retail loans by refocusing on hire purchase loans and larger ticket mortgages.** More attention will be diverted to the used foreign cars segment. While the new foreign car segment remains extremely attractive, it is increasingly competitive, forcing management to switch its product mix. National brands (mass market) remain another attractive segment.

As for residential mortgages, management still needs work tapping into the affluent and mass-affluent segments, though growth is slow and steady.

▲ **Deposit rebalancing sees baby steps.** AMMB has successfully increased its CASA ratio over the last twelve months, which has helped its solid NIM performance. The lower retail loan growth requirements help, as it reduces the need for pricier non-retail FDs and CASA (the Group has been releasing these concurrently). Ultimately, the goal is to replace pricier CASA with operational CASA from corporate and SME segments – a process that will take time to realise.

▲ **Investment Accounts (IAs) are on the rise.** The Group has seen a dramatic increase in IAs over the quarter. These are the new MTIA offerings by management. The traction has been strong: Currently, balances are at RM600m, with RM1.0b the target for end-FY26. We are positive on the venture – it is a cheap form of funding, and its easier on the RWA (the investment securities under it).

▲ **Asset quality shows no real areas of concern.** While management voiced out potential issues with the RSME segment last quarter, GIL formation seems to have plateaued close to the RM500m mark. Management thinks that some improvement will show in subsequent quarters. For the commercial segment, GIL formation is idiosyncratic in nature, not pointing at any wider trends. Management will be looking closer at property developers in the next several quarters.

▲ **Further Vantris Energy-related writebacks are likely.** Four types of instruments were given as compensation. These are cash equivalents, sustainable debt (so far, 40% have been realised), ordinary shares (not yet sold as share appreciation is possible), and conventional securities. This implies further room for Vantris Energy-related writebacks.

▲ **AMMB believes it will gain from the new Open Banking regulations.** Data sharing is more likely to benefit smaller banks than larger, information-rich counterparts. AMMB already has the required infrastructure to share customer data; however, getting customer consent remains a work in progress. The extent of shared information remains a debated topic within the industry.

**Forecasts unchanged. FY26F/27F/28F Core NP adjusted by +3%/+2%/+2%.** To reflect improved NOII prospects, particularly from the non-fee income segment.

***Key downside risks.*** *(1) Weaker-than-expected loans growth, (2) Steeper-than-expected NIM compression, (3) Weak NOII performance.*

**Maintain BUY call: Revised GGM-TP of RM 6.61** ***(from RM6.15)***. The TP is based on a revised FY27F P/BV of 0.96x *(formerly 0.94x, rolled on from FY26F)*, to reflect altered earnings prospects and ROE-based valuations.

***(GGM assumptions:** FY27F ROE of 9.4%, LTG of 4.0% & COE of 9.6%)*

## FIG 1: Quarterly results

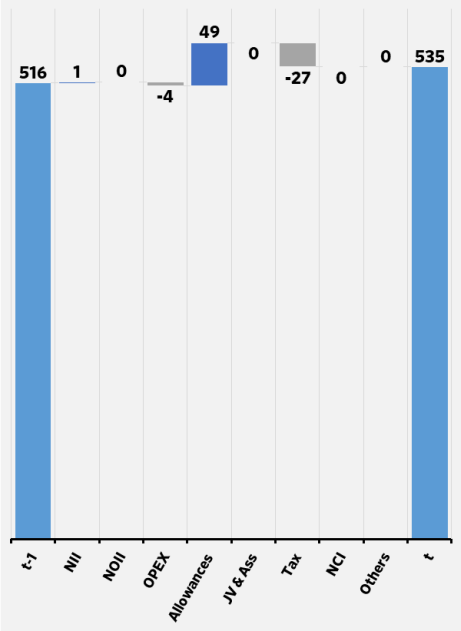
| FYE Mar (RM m) | 2Q FY26 | 1Q FY26 | 2Q FY25 | Yoy (%) | Qoq (%) | 1H FY26 | 1H FY25 | Yoy (%) |
|---|---|---|---|---|---|---|---|---|
| Net interest inc. | 607 | 610 | 599 | 1 | -0 | 1,216 | 1,170 | 4 |
| Islamic banking inc. | 363 | 358 | 428 | -15 | 1 | 721 | 732 | -2 |
| Non-interest inc. | 292 | 293 | 185 | 58 | -0 | 585 | 456 | 28 |
| **Net income** | **1,261** | **1,260** | **1,212** | **4** | **0** | **2,521** | **2,358** | **7** |
| OPEX | (568) | (564) | (530) | 7 | 1 | (1,132) | (1,051) | 8 |
| **PPOP** | **693** | **696** | **682** | **2** | **-0** | **(1,132)** | **(1,051)** | **8** |
| Loan provisions | (209) | (87) | (96) | 118 | 140 | (296) | (132) | 123 |
| Other provisions | 185 | 15 | 51 | 263 | >500 | 200 | 75 | 166 |
| JV & Associates | 31 | 31 | 17 | 82 | -0 | 61 | 49 | 25 |
| **PBT** | **700** | **654** | **654** | **7** | **7** | **1,355** | **1,299** | **4** |
| Tax | (166) | (138) | (153) | 8 | 20 | (304) | (298) | 2 |
| Discontinued ops | - | - | - | n.m. | n.m. | - | - | n.m. |
| NCI | 0 | 0 | (0) | n.m. | n.m. | 0 | (0) | n.m. |
| **Reported NP** | **535** | **516** | **501** | **7** | **4** | **1,051** | **1,001** | **5** |
| **Core NP** | **535** | **516** | **501** | **7** | **4** | **1,051** | **1,001** | **5** |
| | | | | | | | | |
| Total NII* | 926 | 925 | 901 | 3 | 0 | 1,851 | 1,762 | 5 |
| Total NOII* | 366 | 366 | 327 | 12 | 0 | 732 | 645 | 13 |
| | | | | | | | | |
| **Gross DPS (sen)** | **12.5** | **-** | **10.3** | **n.m.** | **n.m.** | **12.5** | **10.3** | **n.m.** |
| Core EPS (sen) | 16.2 | 15.6 | 15.1 | 7 | 3 | 31.8 | 30.3 | 5 |
| Gross loans | 140,522 | 138,181 | 134,491 | 4.5 | 1.7 | | | |
| Gross impaired loans | 2,466 | 2,367 | 2,239 | 10.1 | 4.2 | | | |
| Customer deposits | 140,042 | 137,987 | 136,314 | 2.7 | 1.5 | | | |
| CASA | 48,350 | 46,892 | 46,070 | 4.9 | 3.1 | | | |

**Contains contributions from JV & Associates*

| Ratios (%) | 2Q FY26 | 1Q FY26 | 2Q FY25 | Yoy (ppts) | Qoq (ppts) | 1H FY26 | 1H FY25 | Yoy (ppts) |
|---|---|---|---|---|---|---|---|---|
| **ROE (Ann.)** | **10.2** | **10.0** | **10.0** | **0.1** | **0.1** | **10.0** | **10.0** | **-0.0** |
| **NIM (Reported)** | **1.97** | **2.01** | **1.96** | **0.01** | **-0.04** | **1.99** | **1.93** | **0.06** |
| NOII/Net income | 28.3 | 28.4 | 26.6 | 1.7 | -0.0 | 28.3 | 26.8 | 1.5 |
| Cost/Income | 45.0 | 44.8 | 43.7 | 1.3 | 0.3 | 44.9 | 44.6 | 0.3 |
| NCC (Ann.) (bps) | 61 | 26 | 29 | 32 | 35 | 43 | 20 | 23 |
| GIL ratio | 1.75 | 1.71 | 1.67 | 0.09 | 0.04 | | | |
| Loan loss coverage | 77 | 78 | 87 | -10 | -1 | | | |
| CASA ratio | 34.5 | 34.0 | 33.8 | 0.7 | 0.5 | | | |
| L/D ratio | 99.0 | 98.8 | 97.2 | 1.8 | 0.2 | | | |
| CET-1 | 15.2 | 14.9 | 15.3 | -0.0 | 0.3 | | | |

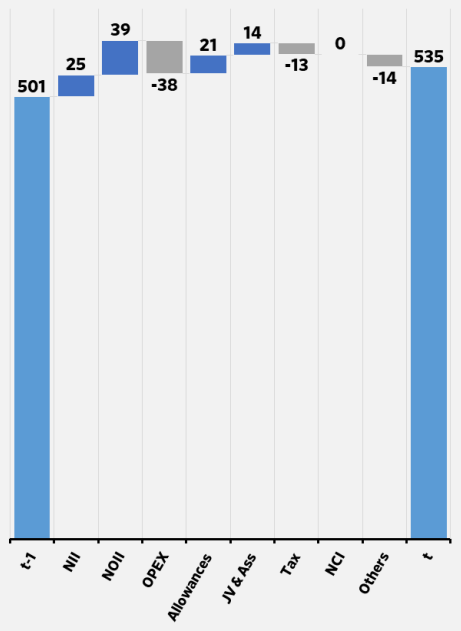
*Source: Company, MBSBR*

FIG 2: QoQ P/L walk (Quarterly)



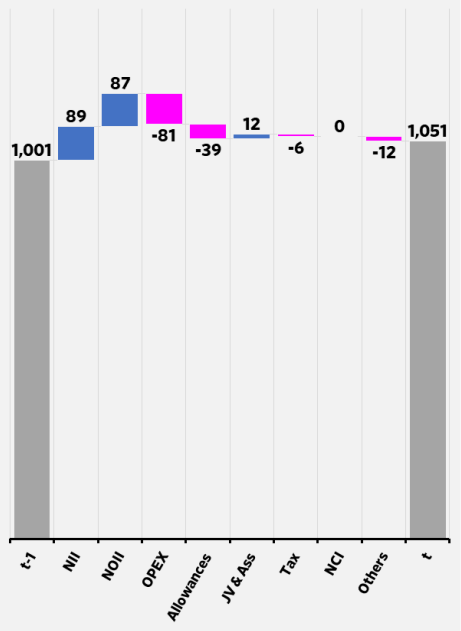

Source: Company, MBSBR

FIG 3: QoQ P/L walk (Quarterly)




Source: Company, MBSBR

FIG 4: QoQ P/L walk (Cumulative)




Source: Company, MBSBR

FIG 5: Targets, Achievements, and Outlook

| Targets | FY26F | 1H FY26 | Notes (Red: New guidance, ~~Strikethrough: Guidance is no longer pertinent~~) |
|---|---|---|---|
| ROE | 10 | 10.0 | |
| CIR | | 44.9 | |
| NIM | 2 – 3 bps higher (from 1.94) | 1.99 | |
| NOII | | 13% (yoy) | |
| Loans | Mid-single digit (similar to GDP) | 1.2 (YTD) | |
| Deposits | | -1.1 (YTD) | |
| % CASA | | 34.5 | |
| Loan/Depo | | 99.0 | |
| GIL ratio | | 1.75 | |
| NCC (bps) | ~~16~~ 20 – 30 | 43 | |
| CET 1 | | 15.2 | |
| Div payout | 50 | 39 | |

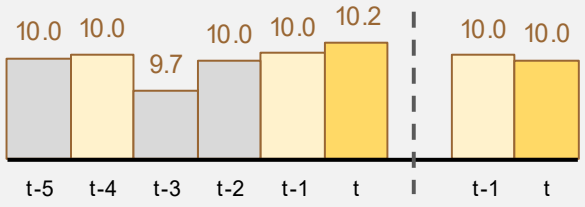
Source: Company, MBSBR

## INCOME STATEMENT (QUARTERLY & CUMULATIVE)

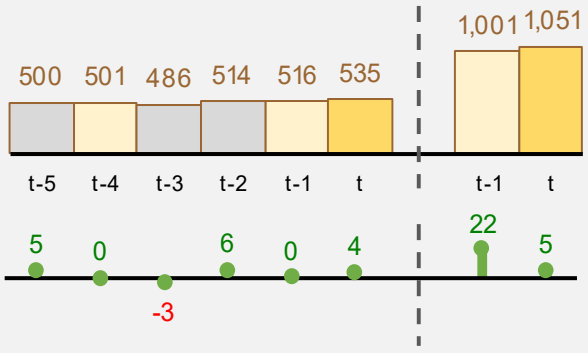
**2QFY26 / 6MFY26 results**

| | | |
|---|---|---|
| **Earnings:** | **Within our full-year forecasts** | **(54%)** |
| | Within street full-year forecasts | (52%) |
| **Dividend:** | **YES** | |
| **YTD payout:** | **39%** | |

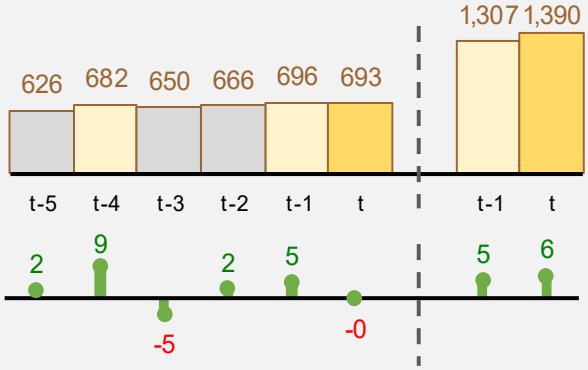
**ROE (%)**



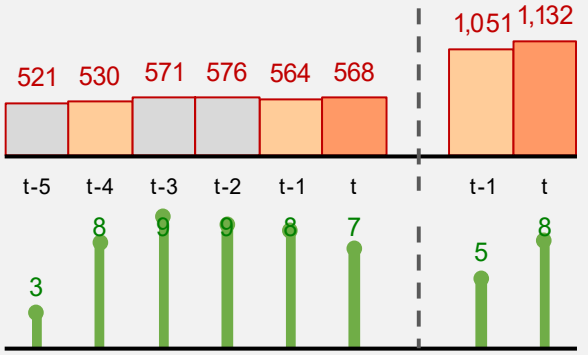

**Core Net Profit (RM m)**
**Growth -- qoq (Qtr) & yoy (Cum) (%)**



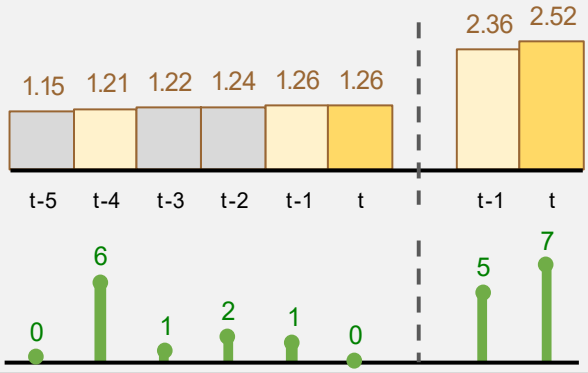

**Pre-Provisioning Operating Profit (RM m)**
**Growth -- qoq (Qtr) & yoy (Cum) (%)**



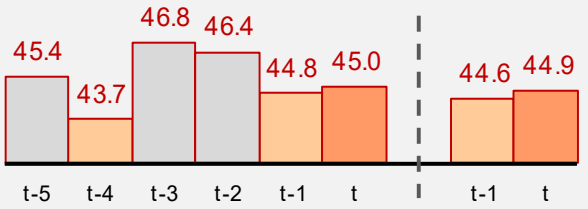

**OPEX (RM m)**
**Growth -- yoy only! (Qtr & Cum) (%)**



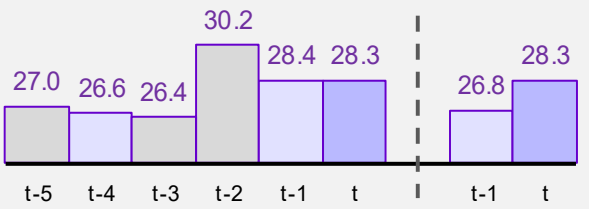

**Topline (RM b)**
**Growth -- qoq (Qtr) & yoy (Cum) (%)**



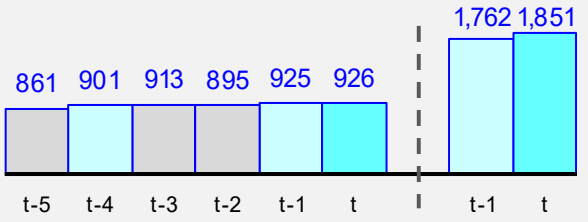

**Cost/Income ratio (%)**



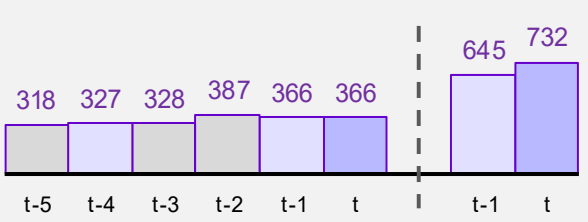

**% NOII as topline (%)**




**Net interest income (RM m)**

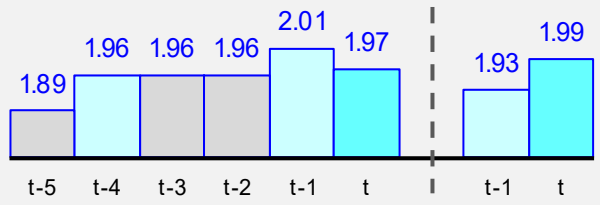



**Non-interest income (RM m)**

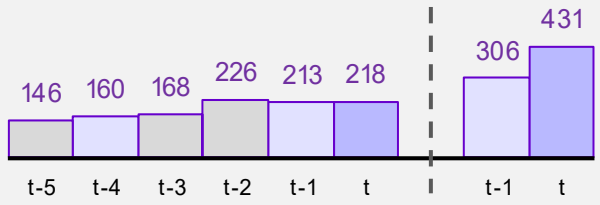



*Source: Company, MBSBR*

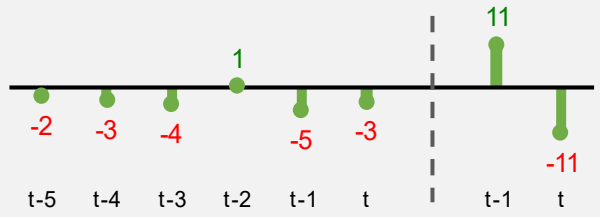
NIM (%)



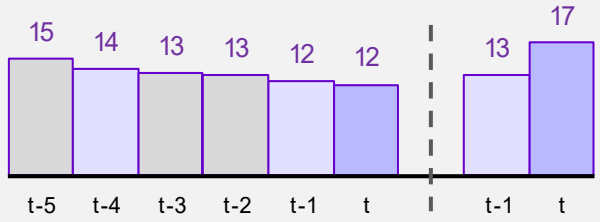

Non-fee NOII (RM m)




Fee income growth -- qoq (Qtr) & yoy (Cum) (%)

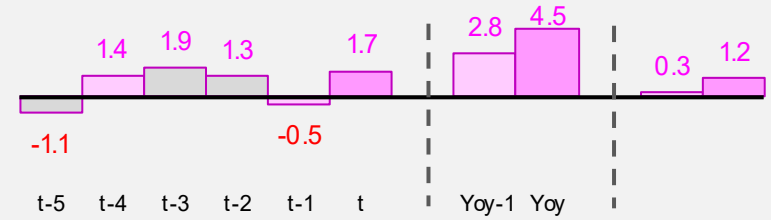



% Non-fee income as NOII (%)

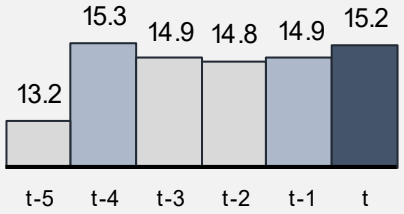



## BALANCE SHEET

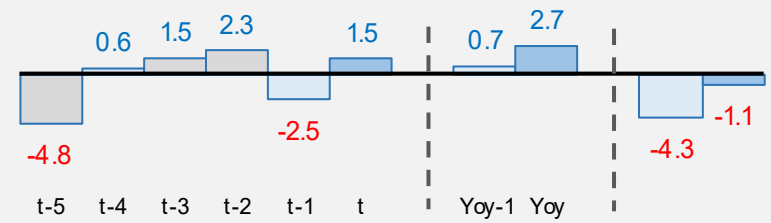
Loan growth -- qoq, yoy, FYTD (%)



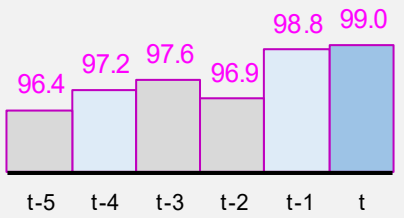

CET 1 ratio (%)



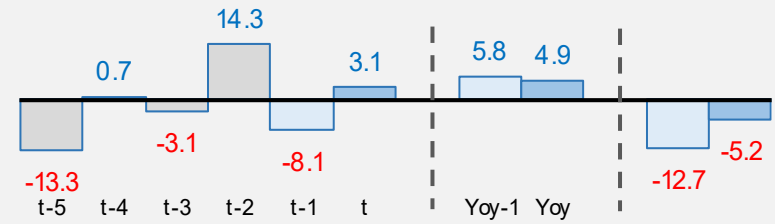

Deposit growth -- qoq, yoy, FYTD (%)



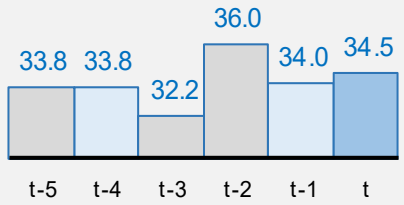

Loan/Deposit ratio (%)



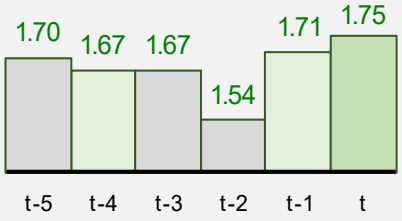

CASA growth -- qoq, yoy, FYTD (%)



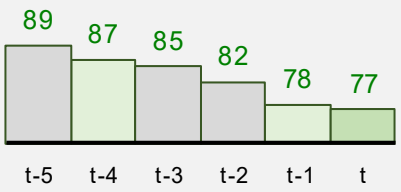

CASA ratio (%)



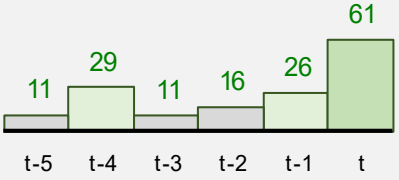

GIL ratio (%)




Loan loss coverage (%)




Ann. net credit cost (bps)




*Source: Company, MBSBR*

## FIG 6: Retrospective performance

| Metric | Surprise? Qoq/Yoy | | Metric | Surprise? Qoq/Yoy | |
|---|---|---|---|---|---|
| Qtrly Core NP | RM mil | 535 | Qtrly ROE | Qtr value | 10.2% |
| | 27% of FY CNP | | | | |
| | Qoq | 4% | | t-1 | 10.0% |
| | Yoy | 7% | | t-4 | 10.0% |
| Cum Core NP | RM mil | 1,051 | Cum ROE | Cum value | 10.0% |
| | Within our forecast | | | | |
| | 54% of FY CNP | | | | |
| | Within consensus | | | | |
| | 52% of FY CNP | | | | |
| | Yoy | 5% | | t-1 | 10.0% |
| NII | As expected | | NIM | As expected | |
| | | | | Qtr value | 1.97 |
| | | | | Cum value | 1.99 |
| | Qtr (Qoq) | 0% | | Qtr (Qoq) | -4bps |
| | Qtr (Yoy) | 3% | | Qtr (Yoy) | +1bps |
| | Cum (Yoy) | 5% | | Cum (Yoy) | +6bps |
| NOII | As expected | | Qtr | % NII | 72% |
| | Qtr (Qoq) | 0% | | % NOII | 28% |
| | Qtr (Yoy) | 12% | Cum | % NII | 72% |
| | Cum (Yoy) | 13% | | % NOII | 28% |
| OPEX | As expected | | Cost/ Inc. | As expected | |
| | | | | Qtr value | 45.0% |
| | | | | Cum value | 44.9% |
| | Qtr (Qoq) | 1% | | Qtr (Qoq) | +0.3% |
| | Qtr (Yoy) | 7% | | Qtr (Yoy) | +1.3% |
| | Cum (Yoy) | 8% | | Cum (Yoy) | +0.3% |

| Metric | Surprise? Qoq/Yoy | | Metric | Surprise? Qoq/Yoy | |
|---|---|---|---|---|---|
| Loans | As expected | | | | |
| | Qoq | 1.7% | | | |
| | Yoy | 4.5% | | | |
| | YTD (FY) | 1.2% | | | |
| Depo. grwth | As expected | | CASA grwth | As expected | |
| | Qoq | 1.5% | | Qoq | 3.1% |
| | Yoy | 2.7% | | Yoy | 4.9% |
| | YTD (FY) | -1.1% | | YTD (FY) | -5.2% |
| CASA ratio | As expected | | L/D ratio | As expected | |
| | Value now | 34.5% | | Value now | 99.0% |
| | Qoq | +0.5% | | Qoq | +0.2% |
| | Yoy | +0.7% | | Yoy | +1.8% |
| GIL ratio | As expected | | LLC ratio | As expected | |
| | Value now | 1.75% | | Value now | 77% |
| | Qoq | +4bps | | Qoq | -1% |
| | Yoy | +9bps | | Yoy | -10% |
| Qtrly Net CC | As expected | | Cum Net CC | As expected | |
| | Heavy provision | | | Heavy provision | |
| | Value now | 61bps | | Value now | 43bps |
| | t-1 | 26bps | | | |
| | t-4 | 29bps | | t-4 | 20bps |
| CET 1 | Healthy level | | Div payout | Div announced | |
| | As expected | | | As expected | |
| | Value now | 15.2% | | Payout | 39% |
| | Qoq | 0.3% | | | |

*Source: Company, MBSBR*

## FINANCIAL SUMMARY

**INCOME STATEMENT**

| FYE Mar (RM m) | FY24 | FY25 | FY26F | FY27F | FY28F |
|---|---|---|---|---|---|
| **Net interest income** | **2,137** | **2,358** | **2,432** | **2,477** | **2,533** |
| Islamic banking inc. | 1,316 | 1,351 | 1,393 | 1,419 | 1,451 |
| Other operating inc. | 1,103 | 1,112 | 1,209 | 1,300 | 1,350 |
| **Net income** | **4,555** | **4,821** | **5,034** | **5,195** | **5,334** |
| OPEX | (2,052) | (2,198) | (2,215) | (2,286) | (2,347) |
| **PPOP** | **2,504** | **2,623** | **2,819** | **2,909** | **2,987** |
| Loan allowances | (696) | (224) | (327) | (344) | (361) |
| Other allowances | (153) | 80 | 3 | 7 | 10 |
| JV & Associates | 40 | 108 | 113 | 116 | 119 |
| **PBT** | **1,694** | **2,587** | **2,607** | **2,689** | **2,756** |
| Tax & zakat | 148 | (586) | (589) | (608) | (623) |
| NCI | (25) | (0) | - | - | - |
| Discontinued ops | 51 | - | - | - | - |
| **Reported NP** | **1,868** | **2,001** | **2,018** | **2,081** | **2,133** |
| **Core NP** | **1,707** | **2,001** | **2,018** | **2,081** | **2,133** |
| | | | | | |
| Total NII | 3,304 | 3,570 | 3,681 | 3,750 | 3,835 |
| Total NOII | 1,291 | 1,359 | 1,352 | 1,445 | 1,499 |

**BALANCE SHEET**

| FYE Mar (RM m) | FY24 | FY25 | FY26F | FY27F | FY28F |
|---|---|---|---|---|---|
| Cash & ST funds | 6,493 | 6,759 | 6,759 | 6,759 | 6,759 |
| Investment securities | 47,717 | 45,308 | 41,793 | 38,661 | 35,873 |
| Net loans | 132,102 | 137,130 | 143,728 | 150,914 | 158,460 |
| Other IEAs | - | - | - | - | - |
| Non-IEAs | 10,452 | 9,847 | 11,263 | 16,412 | 21,344 |
| **Total assets** | **196,764** | **199,044** | **203,543** | **212,746** | **222,436** |
| | | | | | |
| Customer deposits | 142,381 | 141,547 | 148,624 | 156,056 | 163,858 |
| Other IBLs | 22,089 | 25,481 | 25,926 | 26,433 | 27,009 |
| Non-IBLs | 12,851 | 11,394 | 7,336 | 7,515 | 7,701 |
| **Total liabilities** | **177,322** | **178,422** | **181,886** | **190,003** | **198,568** |
| | | | | | |
| Share capital | 6,376 | 6,376 | 6,376 | 6,376 | 6,376 |
| Reserves | 13,065 | 14,245 | 15,281 | 16,366 | 17,492 |
| **Shareholders' funds** | **19,441** | **20,621** | **21,657** | **22,742** | **23,868** |
| NCI | 1 | 1 | - | - | - |
| **Total equity** | **19,442** | **20,622** | **21,657** | **22,742** | **23,868** |
| **Total L&E** | **196,764** | **199,044** | **203,543** | **212,746** | **222,436** |
| | | | | | |
| Total IEAs | 186,312 | 189,197 | 192,280 | 196,334 | 201,092 |
| Total IBLs | 164,471 | 167,028 | 174,550 | 182,489 | 190,867 |
| Gross loans | 134,130 | 138,883 | 145,828 | 153,119 | 160,775 |
| CASA | 52,767 | 51,006 | 47,560 | 49,938 | 52,435 |

**FINANCIAL RATIOS**

| FYE Mar (RM m) | FY24 | FY25 | FY26F | FY27F | FY28F |
|---|---|---|---|---|---|
| **Interest (%)** | | | | | |
| NIM | 1.76 | 1.90 | 1.93 | 1.93 | 1.93 |
| Return on IEAs | 3.24 | 3.28 | 3.26 | 3.23 | 3.18 |
| Cost of funds | 2.39 | 2.29 | 2.22 | 2.12 | 2.03 |
| Net interest spread | 0.85 | 0.99 | 1.04 | 1.10 | 1.15 |
| | | | | | |
| **Profitability (%)** | | | | | |
| **ROE** | **9.1** | **10.0** | **9.5** | **9.4** | **9.2** |
| ROA | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 |
| NOII/Net income | 27.5 | 26.0 | 26.9 | 27.8 | 28.1 |
| Effective tax rate | -8.8 | 22.6 | 22.6 | 22.6 | 22.6 |
| Cost/Income | 45.0 | 45.6 | 44.0 | 44.0 | 44.0 |
| | | | | | |
| **Liquidity (%)** | | | | | |
| Loan/Deposit | 92.8 | 96.9 | 96.7 | 96.7 | 96.7 |
| CASA ratio | 37.1 | 36.0 | 32.0 | 32.0 | 32.0 |
| | | | | | |
| **Asset Quality (%)** | | | | | |
| GIL ratio | 1.67 | 1.54 | 1.60 | 1.60 | 1.60 |
| LLC ratio | 91 | 82 | 90 | 90 | 90 |
| LLC (w. reserves) | 102 | 99 | 98 | 98 | 97 |
| Net CC (bps) | 53 | 16 | 23 | 23 | 23 |
| | | | | | |
| **Capital (%)** | | | | | |
| CET 1 | 13.0 | 14.8 | 14.9 | 14.4 | 14.2 |
| Tier 1 capital | 13.0 | 14.8 | 14.9 | 14.4 | 14.2 |
| Total capital | 16.3 | 17.5 | 17.6 | 17.1 | 16.9 |
| | | | | | |
| **Growth (%)** | | | | | |
| Total NII | -5.5 | 8.1 | 3.1 | 1.9 | 2.3 |
| Total NOII | 19.2 | 5.3 | -0.5 | 6.9 | 3.7 |
| Net income | 0.4 | 5.8 | 4.4 | 3.2 | 2.7 |
| OPEX | 2.6 | 7.1 | 0.8 | 3.2 | 2.7 |
| Core NP | -0.1 | 17.2 | 0.8 | 3.1 | 2.5 |
| | | | | | |
| Gross loans | 3.0 | 3.5 | 5.0 | 5.0 | 5.0 |
| Customer deposits | 9.3 | -0.6 | 5.0 | 5.0 | 5.0 |
| CASA | 8.1 | -3.3 | -6.8 | 5.0 | 5.0 |
| | | | | | |
| **Valuation metrics** | | | | | |
| Core EPS (sen) | 51.7 | 60.6 | 61.1 | 63.0 | 64.6 |
| Gross DPS (sen) | 22.6 | 30.2 | 27.5 | 28.4 | 29.1 |
| Div payout (%) | 44 | 50 | 45 | 45 | 45 |
| BVPS (RM) | 5.9 | 6.2 | 6.6 | 6.9 | 7.2 |
| | | | | | |
| Core P/E (x) | 11.4 | 9.7 | 9.6 | 9.3 | 9.1 |
| **Div yield (%)** | **3.8** | **5.1** | **4.7** | **4.8** | **4.9** |
| P/BV (x) | 1.0 | 0.9 | 0.9 | 0.9 | 0.8 |

*Source: Company, MBSBR*

**MBSB RESEARCH (formerly known as MIDF RESEARCH) is part of MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) 197501002077 (24878-X).**

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

## DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (formerly known as MIDF Amanah Investment Bank Berhad) (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

### MBSB INVESTMENT BANK (formerly known as MIDF INVESTMENT BANK): GUIDE TO RECOMMENDATIONS

**STOCK RECOMMENDATIONS**

| | |
|---|---|
| BUY | Total return is expected to be >10% over the next 12 months. |
| TRADING BUY | The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow. |
| 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 | The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow. |

**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