

5 April 2024

Financial Services | Banks

Bank Mandiri (BMRI IJ)

Buy (Maintained)

In Pursuit Of Better NIMs; Stay BUY

Target Price (Return): IDR8,240 (21.6%)
 Price (Market Cap): IDR6,775 (USD40,297m)
 ESG score: 3.3 (out of 4)
 Avg Daily Turnover (IDR/USD) 653,801m/41.1m

- **Keep BUY and IDR8,240 TP, 22% upside with c.6% FY24F yield.** The tone from a recent meeting with Bank Mandiri's management was broadly positive. Strong loan demand and stable asset quality are positives. While NIM is seeing pressure from funding cost, this should ease in the coming months on improved liquidity conditions and potential cuts to the Bank Indonesia (BI) rate and reserve requirement ratio (RRR). We believe the recent ROE expansion is structural and can be sustained, which underpins our optimism for the stock.
- **1Q loan growth looking good ...** Despite 1Q typically being a slower quarter for loans, we understand that YTD growth has been unusually strong. Bank-only Feb loans were up 1% vs Dec '23, vs a year ago when Feb '23 loans were down 1%. YoY, loans expanded 19%. Loan demand has skewed towards working capital loans but investment and mortgage loan growth are also healthy. By segment, growth was led by corporates while by sector, it was broad-based, eg FMCG, agriculture, healthcare, and telecommunications.
- **... despite some cautiousness towards the low-mid segment** due to rising cost. Management was more cautious towards the micro and multi finance segments. The earlier 2024 loan growth guidance of 13-15% had assumed a high base effect in 2023 and also some uncertainties in an election year, but given the YTD growth, there could be upside to the target. On the back of strong YTD figures, we upped our 2024 loan growth assumption to 15% from 12%, as well as nudging up our FY25-26F loan growth by 1ppt.
- **NIM – 1Q still tough but improvement expected ahead.** 2023 exit NIM was 5.2% vs full-year average of 5.48%. 1Q24 NIM is still likely to be under pressure due to special rate deposits but BMRI sees NIM improvement ahead from: i) Repricing of some corporate loans (c. 12% of total loans), ii) improved liquidity, and iii) adjustments to the policy rate and RRR.
- **No issues on asset quality.** BMRI thinks the bulk of its COVID-19 restructured loans should turn performing and lead to loans at risk (LAR) improvement. With no red flags noted and NPL formation under control, BMRI is confident of credit cost coming at lower end of 1-1.2% guided range.
- **Digital – turning focus to Kopra.** Despite the success of Livin, management thinks its wholesale offering Kopra can be improved to further strengthen the gathering of cheap demand deposits. For starters, the "ownership" of Kopra is moved to IT from treasury, which should be positive for its future development. Also, Kopra's success is now tied to the KPI of certain key business units. If successfully executed, BMRI would be able to reduce reliance on pricey special rate deposits in the future.
- **Earnings forecasts.** We made minor changes to our FY24-26F PATMI (up to +2% revision) – insignificant impact to our FY24F BVPS and TP. Our TP includes a 6% ESG premium using our proprietary in-house methodology.

Analysts

David Chong CFA
 +603 2302 8106
david.chongvc@rhbgroupp.com

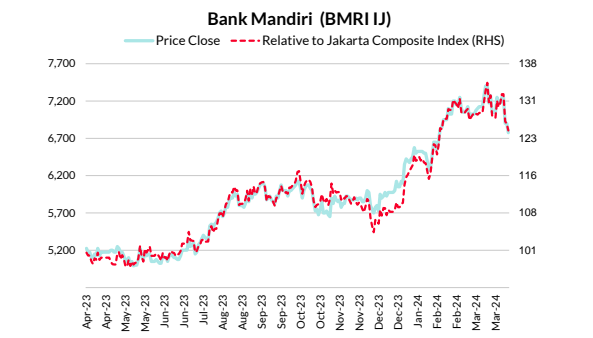


Andrey Wijaya
 +6221 5093 9846
andrey.wijaya@rhbgroupp.com



Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	12.0	(3.6)	11.1	11.5	28.7
Relative	13.5	(1.6)	12.7	8.2	23.7
52-wk Price low/high (IDR)	4,990 – 7,400				



Source: Bloomberg

Forecasts and Valuation	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Reported net profit (IDRb)	41,171	55,060	58,928	67,159	74,999
Net profit growth (%)	46.9	33.7	7.0	14.0	11.7
Recurring net profit (IDRb)	41,171	55,060	58,928	67,159	74,999
Recurring EPS (IDR)	441.12	589.94	631.38	719.57	803.57
BVPS (IDR)	2,460.88	2,794.89	3,072.34	3,413.12	3,784.99
DPS (IDR)	264.65	353.93	378.79	431.70	482.10
Recurring P/E (x)	15.36	11.48	10.73	9.42	8.43
P/B (x)	2.75	2.42	2.21	1.98	1.79
Dividend Yield (%)	3.9	5.2	5.6	6.4	7.1
Return on average equity (%)	19.0	22.4	21.5	22.2	22.3

Source: Company data, RHB

Overall ESG Score: 3.3 (out of 4)

E: EXCELLENT

BMRI is committed to achieving net zero emissions in its operations by 2030, and in financing by 2060. In sustainable banking, BMRI has five prioritised sectors – oil palm plantations, construction & infrastructure, energy & water, metal mining, and F&B. Total sustainable business financing stood at IDR264trn or 24% of loans (bank-only).

S: EXCELLENT

The bank implemented several CSR programmes with a focus on community empowerment and the environment. It also developed branchless banking to introduce retail products to the underbanked, and distribute micro business credit and/or people's business credit to four commodity sectors.

G: EXCELLENT

BMRI actively provides education related to sustainability to stakeholders. The bank's composition of board of commissioners and board of directors is in line with the recommendations of the Financial Services Authority.

Financial Exhibits

Asia	Financial summary (IDR)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Indonesia	EPS	441.12	589.94	631.38	719.57	803.57
Financial Services	Recurring EPS	441.12	589.94	631.38	719.57	803.57
Bank Mandiri	DPS	264.65	353.93	378.79	431.70	482.10
BMRI IJ	BVPS	2,460.88	2,794.89	3,072.34	3,413.12	3,784.99
Buy						
	Valuation metrics	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Recurring P/E (x)	15.36	11.48	10.73	9.42	8.43
	P/B (x)	2.8	2.4	2.2	2.0	1.8
	Dividend Yield (%)	3.9	5.2	5.6	6.4	7.1
	Income statement (IDRb)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Interest income	112,382	132,544	147,359	164,701	182,483
	Interest expense	(24,479)	(36,658)	(41,343)	(45,416)	(50,586)
	Net interest income	87,903	95,887	106,016	119,285	131,897
	Non interest income	37,779	42,879	46,094	48,878	51,831
	Total operating income	125,682	138,765	152,111	168,163	183,727
	Overheads	(53,673)	(53,889)	(56,584)	(59,413)	(62,384)
	Pre-provision operating profit	72,009	84,876	95,527	108,750	121,344
	Loan impairment allowances	(15,841)	(10,234)	(15,025)	(17,003)	(18,886)
	Other exceptional items	210	43	-	-	-
	Pre-tax profit	56,378	74,685	80,502	91,747	102,458
	Taxation	(11,425)	(14,633)	(16,100)	(18,349)	(20,492)
	Minority interests	(3,782)	(4,992)	(5,474)	(6,239)	(6,967)
	Reported net profit	41,171	55,060	58,928	67,159	74,999
	Recurring net profit	41,171	55,060	58,928	67,159	74,999
	Profitability ratios	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Return on average assets (%)	2.2	2.6	2.6	2.7	2.7
	Return on average equity (%)	19.0	22.4	21.5	22.2	22.3
	Return on IEAs (%)	6.9	7.2	7.1	7.1	7.2
	Cost of funds (%)	1.6	2.1	2.2	2.2	2.2
	Net interest spread (%)	5.3	5.1	4.9	4.9	5.0
	Net interest margin (%)	5.4	5.2	5.1	5.2	5.2
	Non-interest income / total income (%)	30.1	30.9	30.3	29.1	28.2
	Cost to income ratio (%)	42.7	38.8	37.2	35.3	34.0
	Credit cost (bps)	141	79	99	98	98
	Balance sheet (IDRb)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Total gross loans	1,202,230	1,398,071	1,641,881	1,831,692	2,025,678
	Other interest earning assets	527,263	529,272	559,382	596,164	635,666
	Total gross IEAs	1,729,493	1,927,343	2,201,263	2,427,856	2,661,344
	Total provisions	(67,163)	(55,716)	(58,141)	(61,169)	(65,344)
	Net loans to customers	1,136,868	1,344,189	1,585,673	1,772,533	1,962,423
	Total net IEAs	1,662,330	1,871,627	2,143,122	2,366,687	2,596,000
	Total non-IEAs	330,214	302,593	225,997	257,522	318,442
	Total assets	1,992,545	2,174,219	2,369,119	2,624,209	2,914,442
	Customer deposits	1,490,845	1,576,950	1,750,414	1,977,968	2,235,104
	Other interest-bearing liabilities	163,222	217,824	213,253	230,750	250,111
	Total IBLs	1,654,066	1,794,773	1,963,667	2,208,718	2,485,214
	Total non-IBLs	86,233	91,951	90,463	67,286	44,831
	Total liabilities	1,740,299	1,886,724	2,054,131	2,276,003	2,530,045
	Share capital	29,310	29,310	29,310	29,310	29,310
	Shareholders' equity	229,679	260,853	286,747	318,553	353,261
	Minority interests	22,567	26,642	28,241	29,653	31,135
	Asset quality and capital	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Reported NPLs / gross cust loans (%)	1.9	1.2	1.1	1.0	1.0
	Total provisions / reported NPLs (%)	291.3	334.5	326.1	321.9	326.2
	CET-1 ratio (%)	18.6	20.8	20.8	21.2	21.7
	Tier-1 ratio (%)	18.6	20.8	20.8	21.2	21.7
	Total capital ratio (%)	19.6	22.0	21.9	22.3	22.8

Source: Company data, RHB

2M24 Results Highlights And Forecast Changes

Figure 1: BMRI 2M24 results highlight

INCOME STATEMENT (IDRbn)	Feb-23	Jan-24	Feb-24	MoM	YoY	2M23	2M24	YoY
Interest income	7,152	8,751	8,410	-3.9%	17.6%	15,087	17,160	13.7%
Interest expense	1,859	2,874	2,511	-12.6%	35.1%	3,914	5,385	37.6%
Net interest income	5,293	5,877	5,898	0.4%	11.4%	11,173	11,775	5.4%
Non-interest income	2,528	2,375	2,000	-15.8%	-20.9%	5,015	4,374	-12.8%
Total operating income	7,721	8,251	7,898	4.3%	1.0%	16,188	16,149	-0.2%
PPOP	5,102	5,348	5,130	-4.1%	0.5%	10,603	10,478	-1.2%
Provision expense	(702)	(594)	(1,014)	70.7%	44.5%	(1,455)	(1,609)	10.6%
Operating profit	4,400	4,754	4,121	-13.3%	-6.4%	9,147	8,869	-3.0%
Net profit	3,535	3,834	3,324	-13.3%	-6.0%	7,385	7,158	-3.1%
BALANCE SHEET (IDRbn)	Feb-23	Jan-24	Feb-24	MoM	YoY			
Loan	920,030	1,095,766	1,098,373	0.2%	19.4%			
Deposit	1,143,227	1,210,951	1,209,149	-0.1%	5.8%			
CASA	892,686	965,099	974,791	1.0%	9.2%			
Time deposits	250,541	245,852	234,358	-4.7%	-6.5%			

Source: Company data, RHB

BMRI's 2M24 PATMI of IDR7.2trn (-3% YoY) made up 12.2% of our 2024F (2M23 accounted for 13.4% of 2023 actual PATMI). 2M24 operating income was flat YoY with 5% NII growth offset by a 13% YoY drop in non-II. We suspect the drop in non-II largely reflects lower recoveries YTD but on the whole, we understand that asset quality remains under control.

Loans expanded 19% YoY, trending ahead of the 13-15% guidance. Management had assumed that the high base effect in 2023, coupled with uncertainties in an election year could impact growth. However, given the strong figures, we would not discount the possibility that the guidance could be revisited.

Despite the jump in loans, NII was only up 5% YoY, which reflects NIM squeeze. We expect 1Q24 NIM to be under pressure due to the special rate deposits from 4Q23. That said, we expect NIM to improve in the quarters ahead on the back of improved liquidity and adjustments to the policy rate and RRR, among others.

Figure 2: BMRI – revisions to earnings forecasts

FYE Dec (IDRbn)	Previous FY24F	Previous FY25F	Previous FY26F	Revised FY24F	Revised FY25F	Revised FY26F	% Change FY24F	% Change FY25F	% Change FY26F
NII	105,446	117,645	129,497	106,016	119,285	131,897	1%	1%	2%
Operating income	151,541	166,523	181,327	152,111	168,163	183,727	0%	1%	1%
PPOP	94,957	107,110	118,944	95,527	108,750	121,344	1%	2%	2%
Provision expenses	14,815	16,481	18,142	15,025	17,003	18,886	1%	3%	4%
Net profit	58,664	66,340	73,787	58,928	67,159	74,999	0%	1%	2%
EPS (IDR)	629	711	791	631	720	804	0%	1%	2%
EPS growth (%)	6.5%	13.1%	11.2%	7.0%	14.0%	11.7%			
Loans	1,565,232	1,731,061	1,897,302	1,607,166	1,793,506	1,983,673	3%	4%	5%
Loan growth (%)	12.0%	10.6%	9.6%	15.0%	11.6%	10.6%			
NIM (%)	5.21%	5.26%	5.26%	5.18%	5.21%	5.20%			
CIR (%)	37.3%	35.7%	34.4%	37.2%	35.3%	34.0%			
Credit cost (%)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%			
BVPS (IDR)	3,070	3,404	3,768	3,072	3,413	3,785	0%	0%	0%
DPS (IDR)	377	426	474	379	432	482	0%	1%	2%
ROE	21.4%	22.0%	22.0%	21.5%	22.2%	22.3%			

Source: Company data, RHB

We adjust up our FY24F loan growth to 15% from 12% on improved confidence over loan demand post our meeting. This brings our assumption to the top end of management's 13-15% guided range. We also raised our FY25-26F loan growth by 1ppt. However, offsetting the higher loan growth are: i) 3-6bps downward revision to NIMs on more aggressive deposit gathering activities to fund growth; and ii) higher absolute loan impairment allowances to reflect the strong loan growth. Our cost of credit (CoC) projections of 1% pa is unchanged.

Overall, FY24F PATMI is unchanged while FY25-26F earnings is tweaked up 1-2%. We still project FY24 net profit growth to moderate to 7% YoY (FY23: +34% YoY), mainly due to the normalisation of CoC. At the pre-provision operating profit (PPOP) level, growth is still healthy at 13% YoY (2023: +18% YoY). We continue to assume a dividend payout ratio of 60%, which BMRI thinks can be sustained without constraining growth.

Valuation and TP

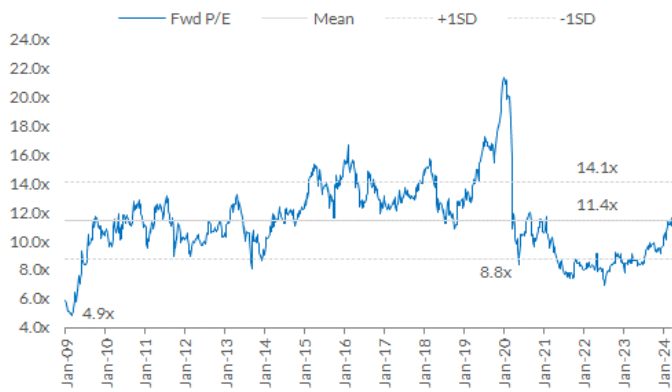
There is no change to our TP of IDR8,240. Our TP is derived from a GGM-based P/BV of 2.53x and a 6% ESG premium applied – since BMRI's ESG score of 3.3 out of 4 is above the country median. Our GGM-derived P/BV is higher than the +1SD above mean level, which we think is fair as we believe the recent ROE expansion is structural and reflects our optimism that the level can be sustained.

Figure 3: BMRI – GGM valuation with ESG overlay

Cost of equity (COE) computation:		Sustainable ROE (%)	21.0
Risk free rate (%)	6.7	COE (%)	11.6
Equity premium (%)	3.9	Long-term growth (g)	5.5
Beta (x)	1.3	Implied P/BV (x)	2.53
Cost of equity - CAPM (%)	11.6	BVPS – 12-mth rolling forward	IDR3,072
		Intrinsic value	IDR7,777
ESG premium/(discount) (%)	6.0	ESG premium/(discount)	467
		TP (rounded)	IDR8,240

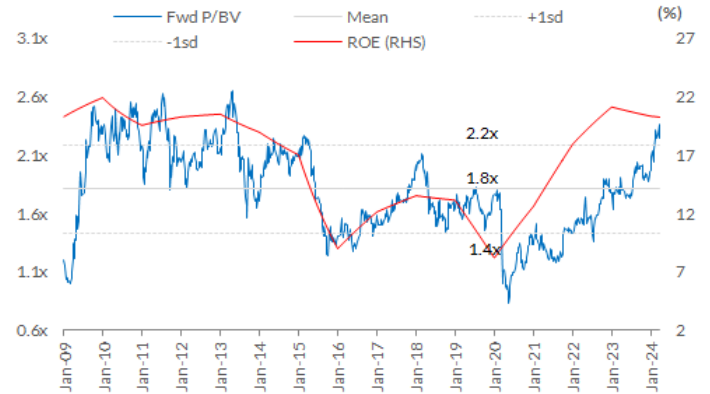
Source: Company data, RHB

Figure 4: BMRI's 12-month forward consensus P/E



Source: Bloomberg, RHB

Figure 5: BMRI's 12-month forward consensus P/BV



Source: Bloomberg, RHB

Emissions And ESG

Trend analysis

BMRI's total emissions (ex-financed emissions) decreased by 19% in 2023 from the baseline period of 2019. This was the result of various energy-saving efforts and as part of BMRI's goal to achieve net-zero emissions for its operations by 2030.

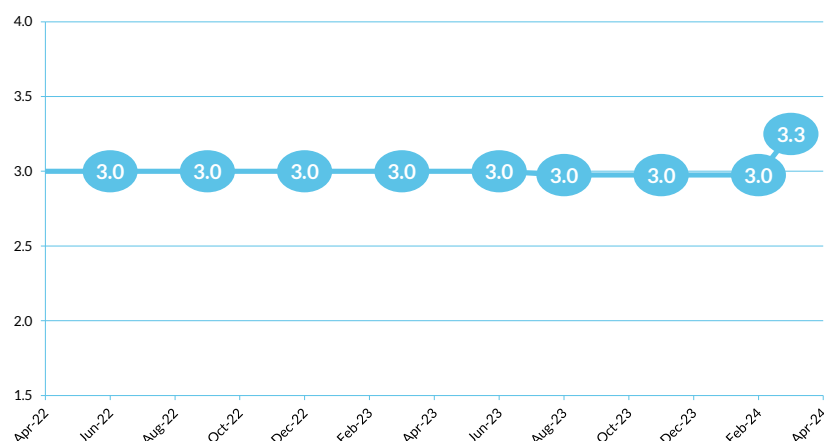
Emissions (tCO2e)	Dec-21	Dec-22	Dec-23
Scope 1	64,319	42,698	43,077
Scope 2	249,938	260,082	252,636
Scope 3	1,278	1,007	-
Total emissions	315,535	303,787	295,713

Source: Company data, RHB

Latest ESG-Related Developments

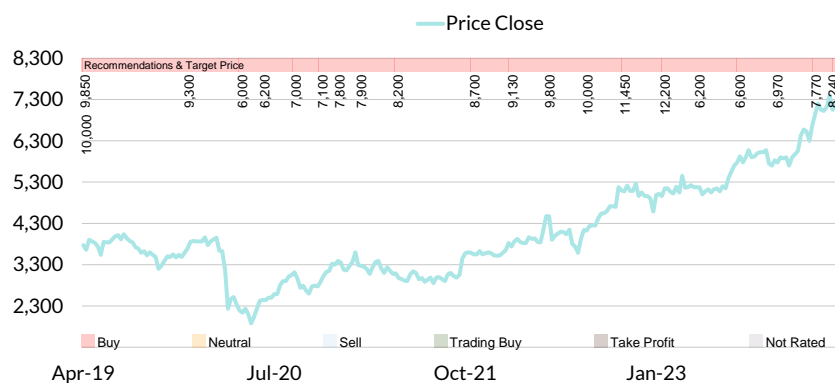
- **2024-2028 strategy is underpinned by three pillars:** i) Sustainable banking, ii) sustainable operations, and iii) sustainability beyond banking.
- **Focus in 2024:** Developing a sustainable financing framework, enhancing its ESG credit policy and establishing a climate risk stress test.
- **Financed emissions:** BMRI started reporting its Scope 3 financed emissions in 2023, which stood at 18mtCO2e.

ESG Rating History



Source: RHB

Recommendation Chart



Source: RHB, Bloomberg

Date	Recommendation	Target Price	Price
2024-03-21	Buy	8,240	7,050
2024-01-31	Buy	7,770	6,650
2023-10-30	Buy	6,970	5,725
2023-08-01	Buy	6,600	5,650
2023-04-25	Buy	6,200	5,175
2023-02-01	Buy	12,200	4,850
2022-10-27	Buy	11,450	5,100
2022-07-29	Buy	10,000	4,138
2022-04-28	Buy	9,800	4,475
2022-01-28	Buy	9,130	3,825
2021-10-29	Buy	8,700	3,588
2021-07-30	Buy	8,200	2,850
2021-04-28	Buy	8,200	3,100
2021-01-29	Buy	7,900	3,288
2020-12-07	Buy	7,800	3,350

Source: RHB, Bloomberg

RHB Guide to Investment Ratings

Buy:	Share price may exceed 10% over the next 12 months
Trading Buy:	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain
Neutral:	Share price may fall within the range of +/- 10% over the next 12 months
Take Profit:	Target price has been attained. Look to accumulate at lower levels
Sell:	Share price may fall by more than 10% over the next 12 months
Not Rated:	Stock is not within regular research coverage

Investment Research Disclaimers

RHB has issued this report for information purposes only. This report is intended for circulation amongst RHB and its affiliates' clients generally or such persons as may be deemed eligible by RHB to receive this report and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not intended, and should not under any circumstances be construed as, an offer or a solicitation of an offer to buy or sell the securities referred to herein or any related financial instruments.

This report may further consist of, whether in whole or in part, summaries, research, compilations, extracts or analysis that has been prepared by RHB's strategic, joint venture and/or business partners. No representation or warranty (express or implied) is given as to the accuracy or completeness of such information and accordingly investors should make their own informed decisions before relying on the same.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to the applicable laws or regulations. By accepting this report, the recipient hereof (i) represents and warrants that it is lawfully able to receive this document under the laws and regulations of the jurisdiction in which it is located or other applicable laws and (ii) acknowledges and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of applicable laws.

All the information contained herein is based upon publicly available information and has been obtained from sources that RHB believes to be reliable and correct at the time of issue of this report. However, such sources have not been independently verified by RHB and/or its affiliates and this report does not purport to contain all information that a prospective investor may require. The opinions expressed herein are RHB's present opinions only and are subject to change without prior notice. RHB is not under any obligation to update or keep current the information and opinions expressed herein or to provide the recipient with access to any additional information. Consequently, RHB does not guarantee, represent or warrant, expressly or impliedly, as to the adequacy, accuracy, reliability, fairness or completeness of the information and opinion contained in this report. Neither RHB (including its officers, directors, associates, connected parties, and/or employees) nor does any of its agents accept any liability for any direct, indirect or consequential losses, loss of profits and/or damages that may arise from the use or reliance of this research report and/or further communications given in relation to this report. Any such responsibility or liability is hereby expressly disclaimed.

Whilst every effort is made to ensure that statement of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable and must not be construed as a representation that the matters referred to therein will occur. Different assumptions by RHB or any other source may yield substantially different results and recommendations contained on one type of research product may differ from recommendations contained in other types of research. The performance of currencies may affect the value of, or income from, the securities or any other financial instruments referenced in this report. Holders of depositary receipts backed by the securities discussed in this report assume currency risk. Past performance is not a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.

This report may contain comments, estimates, projections, forecasts and expressions of opinion relating to macroeconomic research published by RHB economists of which should not be considered as investment ratings/advice and/or a recommendation by such economists on any securities discussed in this report.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to RHB and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. RHB expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

The use of any website to access this report electronically is done at the recipient's own risk, and it is the recipient's sole responsibility to take precautions to ensure that it is free from viruses or other items of a destructive nature. This report may also provide the addresses of, or contain hyperlinks to, websites. RHB takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to RHB own website material) are provided solely for the recipient's convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or RHB website shall be at the recipient's own risk.

This report may contain information obtained from third parties. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content.

The research analysts responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. The research analysts that authored this report are precluded by RHB in all circumstances from trading in the securities or other financial instruments referenced in the report, or from having an interest in the company(ies) that they cover.

The contents of this report is strictly confidential and may not be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, to any other person without the prior express written consent of RHB and/or its affiliates. This report has been delivered to RHB and its affiliates' clients for information purposes only and upon the express understanding that such parties will use it only for the purposes set forth above. By electing to view or accepting a copy of this report, the recipients have agreed that they will not print, copy, videotape, record, hyperlink, download, or otherwise attempt to reproduce or re-transmit (in any form including hard copy or electronic distribution format) the contents of this report. RHB and/or its affiliates accepts no liability whatsoever for the actions of third parties in this respect.

The contents of this report are subject to copyright. Please refer to Restrictions on Distribution below for information regarding the distributors of this report. Recipients must not reproduce or disseminate any content or findings of this report without the express permission of RHB and the distributors.

The securities mentioned in this publication may not be eligible for sale in some states or countries or certain categories of investors. The recipient of this report should have regard to the laws of the recipient's place of domicile when contemplating transactions in the securities or other financial instruments referred to herein. The securities discussed in this report may not have been registered in such jurisdiction. Without prejudice to the foregoing, the recipient is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

The term "RHB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, RHB Investment Bank Berhad and its affiliates, subsidiaries and related companies.

RESTRICTIONS ON DISTRIBUTION

Malaysia

This report is issued and distributed in Malaysia by RHB Investment Bank Berhad ("RHBIB"). The views and opinions in this report are our own as of the date hereof and is subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. RHBIB has no obligation to update its opinion or the information in this report.

Thailand

This report is issued and distributed in the Kingdom of Thailand by RHB Securities (Thailand) PCL, a licensed securities company that is authorised by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is a member of the Stock Exchange of Thailand. The Thai Institute of Directors Association has disclosed the

Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. RHB Securities (Thailand) PCL does not endorse, confirm nor certify the result of the Corporate Governance Report of Thai Listed Companies.

Indonesia

This report is issued and distributed in Indonesia by PT RHB Sekuritas Indonesia. This research does not constitute an offering document and it should not be construed as an offer of securities in Indonesia. Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

Singapore

This report is issued and distributed in Singapore by RHB Bank Berhad (through its Singapore branch) which is an exempt capital markets services entity and an exempt financial adviser regulated by the Monetary Authority of Singapore. RHB Bank Berhad (through its Singapore branch) may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, RHB Bank Berhad (through its Singapore branch) accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact RHB Bank Berhad (through its Singapore branch) in respect of any matter arising from or in connection with the report.

United States

This report was prepared by RHB is meant for distribution solely and directly to "major" U.S. institutional investors as defined under, and pursuant to, the requirements of Rule 15a-6 under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") via a registered U.S. broker-dealer as appointed by RHB from time to time. Accordingly, any access to this report via Bursa Marketplace or any other Electronic Services Provider is not intended for any party other than "major" US institutional investors (via a registered U.S broker-dealer), nor shall be deemed as solicitation by RHB in any manner. RHB is not registered as a broker-dealer in the United States and currently has not appointed a U.S. broker-dealer. Additionally, RHB does not offer brokerage services to U.S. persons. Any order for the purchase or sale of all securities discussed herein must be placed with and through a registered U.S. broker-dealer as appointed by RHB from time to time as required by the Exchange Act Rule 15a-6. For avoidance of doubt, RHB reiterates that it has not appointed any U.S. broker-dealer during the issuance of this report. This report is confidential and not intended for distribution to, or use by, persons other than the recipient and its employees, agents and advisors, as applicable. Additionally, where research is distributed via Electronic Service Provider, the analysts whose names appear in this report are not registered or qualified as research analysts in the United States and are not associated persons of any registered U.S. broker-dealer as appointed by RHB from time to time and therefore may not be subject to any applicable restrictions under Financial Industry Regulatory Authority ("FINRA") rules on communications with a subject company, public appearances and personal trading. Investing in any non-U.S. securities or related financial instruments discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in the United States. The financial instruments discussed in this report may not be suitable for all investors. Transactions in foreign markets may be subject to regulations that differ from or offer less protection than those in the United States.

DISCLOSURE OF CONFLICTS OF INTEREST

RHB Investment Bank Berhad, its subsidiaries (including its regional offices) and associated companies, ("RHBIB Group") form a diversified financial group, undertaking various investment banking activities which include, amongst others, underwriting, securities trading, market making and corporate finance advisory.

As a result of the same, in the ordinary course of its business, any member of the RHBIB Group, may, from time to time, have business relationships with, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants, and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or perform and/or solicit investment, advisory or other services from any of the subject company(ies) covered in this research report.

While the RHBIB Group will ensure that there are sufficient information barriers and internal controls in place where necessary, to prevent/manage any conflicts of interest to ensure the independence of this report, investors should also be aware that such conflict of interest may exist in view of the investment banking activities undertaken by the RHBIB Group as mentioned above and should exercise their own judgement before making any investment decisions.

In Singapore, investment research activities are conducted under RHB Bank Berhad (through its Singapore branch), and the disclaimers above similarly apply.

Malaysia

Save as disclosed in the following link [RHB Research Conflict Disclosures – Mar 2024](#) and to the best of our knowledge, RHBIB hereby declares that:

1. RHBIB does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.

2. RHBIB is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHBIB's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHBIB did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHBIB did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Thailand

Save as disclosed in the following link [RHB Research Conflict Disclosures – Mar 2024](#) and to the best of our knowledge, RHB Securities (Thailand) PCL hereby declares that:

1. RHB Securities (Thailand) PCL does not have a financial interest in the securities or other capital market products of the subject company(ies) covered in this report.
2. RHB Securities (Thailand) PCL is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of RHB Securities (Thailand) PCL's staff or associated person serve as a director or board member* of the subject company(ies) covered in this report
**For the avoidance of doubt, the confirmation is only limited to the staff of research department*
4. RHB Securities (Thailand) PCL did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. RHB Securities (Thailand) PCL did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report.

Indonesia

Save as disclosed in the following link [RHB Research Conflict Disclosures – Mar 2024](#) and to the best of our knowledge, PT RHB Sekuritas Indonesia hereby declares that:

1. PT RHB Sekuritas Indonesia and its investment analysts, does not have any interest in the securities of the subject company(ies) covered in this report.
For the avoidance of doubt, interest in securities include the following:
 - a) Holding directly or indirectly, individually or jointly own/hold securities or entitled for dividends, interest or proceeds from the sale or exercise of the subject company's securities covered in this report*;
 - b) Being bound by an agreement to purchase securities or has the right to transfer the securities or has the right to pre subscribe the securities*.
 - c) Being bound or required to buy the remaining securities that are not subscribed/placed out pursuant to an Initial Public Offering*.
 - d) Managing or jointly with other parties managing such parties as referred to in (a), (b) or (c) above.
2. PT RHB Sekuritas Indonesia is not a market maker in the securities or capital market products of the subject company(ies) covered in this report.
3. None of PT RHB Sekuritas Indonesia's staff** or associated person serve as a director or board member* of the subject company(ies) covered in this report.
4. PT RHB Sekuritas Indonesia did not receive compensation for investment banking or corporate finance services from the subject company in the past 12 months.
5. PT RHB Sekuritas Indonesia** did not receive compensation or benefit (including gift and special cost arrangement e.g. company/issuer-sponsored and paid trip) in relation to the production of this report:

Notes:

- *The overall disclosure is limited to information pertaining to PT RHB Sekuritas Indonesia only.
**The disclosure is limited to Research staff of PT RHB Sekuritas Indonesia only.*

Singapore

Save as disclosed in the following link [RHB Research Conflict Disclosures – Mar 2024](#) and to the best of our knowledge, the Singapore Research department of RHB Bank Berhad (through its Singapore branch) hereby declares that:

1. RHB Bank Berhad, its subsidiaries and/or associated companies do not make a market in any issuer covered by the Singapore research analysts in this report.
2. RHB Bank Berhad, its subsidiaries and/or its associated companies and its analysts do not have a financial interest (including a shareholding of 1% or more) in the issuer covered by the Singapore research analysts in this report.
3. RHB Bank Berhad's Singapore research staff or connected persons do not serve on the board or trustee positions of the issuer covered by the Singapore research analysts in this report.
4. RHB Bank Berhad, its subsidiaries and/or its associated companies do not have and have not within the last 12 months had any corporate finance advisory relationship with the issuer covered by the Singapore research analysts in this report or any other relationship that may create a potential conflict of interest.
5. RHB Bank Berhad's Singapore research analysts, or person associated or connected to it do not have any interest in the acquisition or disposal of, the securities, specified securities based derivatives contracts or units in a collective investment scheme covered by the Singapore research analysts in this report.
6. RHB Bank Berhad's Singapore research analysts do not receive any compensation or benefit in connection with the production of this research report or recommendation on the issuer covered by the Singapore research analysts.

Analyst Certification

The analyst(s) who prepared this report, and their associates hereby, certify that:

(1) they do not have any financial interest in the securities or other capital market products of the subject companies mentioned in this report, except for:

Analyst	Company
-	-

(2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.



KUALA LUMPUR

RHB Investment Bank Bhd
Level 3A, Tower One, RHB Centre
Jalan Tun Razak
Kuala Lumpur 50400
Malaysia
Tel : +603 2302 8100
Fax : +603 2302 8134

JAKARTA

PT RHB Sekuritas Indonesia
Revenue Tower, 11th Floor, District 8 - SCBD
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia
Tel: +6221 509 39 888
Fax : +6221 509 39 777

BANGKOK

RHB Securities (Thailand) PCL
10th Floor, Sathorn Square Office Tower
98, North Sathorn Road, Silom
Bangrak, Bangkok 10500
Thailand
Tel: +66 2088 9999
Fax :+66 2088 9799

SINGAPORE

RHB Bank Berhad (Singapore branch)
90 Cecil Street
#04-00 RHB Bank Building
Singapore 069531
Fax: +65 6509 0470