

25 November 2024

Financial Services | Banks

Affin (ABANK MK)

Sell (Maintained)

A Turnaround In Fortunes, But Still Expensive; SELL

- **Maintain SELL, new MYR2.25 TP from MYR1.60, 22% downside.** Affin's 9M24 results met Street expectations, but exceeded ours due to further net impairment write-backs. At its results briefing, management shared a cautious but positive outlook for the quarters ahead, with NIM and (negative) credit costs as earnings drivers. Despite this, at 0.64x P/BV (+0.5SD) and 12x P/E (+1SD), we still think valuations have run too far ahead of fundamentals.
- **Results review.** Affin's 3Q24 net profit of MYR145.8m (+23% QoQ, +45% YoY) brought the 9M24 total to MYR374.6m – this surpassed our estimates, but came in line with Street's. The beat mainly came from lower-than-expected credit costs, as Affin recorded a third consecutive quarter of net impairment write-backs in 3Q. For 9M24, total operating income grew 8% YoY after a decent showing in NII (+5%) and non-II (+14%), but opex rose by a higher 18% YoY – this led to an elevated CIR of 75% (9M23: 68%). With the abovementioned net impairment write-backs, the group was able to record a 10% YoY growth in PBT. 9M24 ROE of 4.4% (9M23: 4.4%) fell short of management's initial 7% target, which was revised down to 5%.
- **On a NIM recovery path.** 3Q24 NIM gained 5bps QoQ to 1.45% (YoY: +21bps) due to certain liability management initiatives, including shaving off expensive fixed deposits and pivoting to cheaper long-term borrowings, and engaging in hedging activities through FX and interest rate swaps. Management also reiterated its commitment to growing high-yield loans, eg personal finance and credit cards. The new NIM guidance of 1.4% (revised from 1.6%), however, implies some compression from the 9M24 figure of 1.46%, which we think is fair given the year-end deposit competition.
- **Decent asset quality performance.** Absolute GILs reduced 6% QoQ (YoY: +4%), lowering the GIL ratio by 15bps QoQ to 1.74% (3Q23: 1.84%). The bulk of the improvement came from the non-retail book, which saw several instances of repayments and write-offs, allowing Affin to write back c.MYR83m in overlays that were tagged to such accounts. The group is left with c.MYR330m in overlays, which form c.27% of total provisions.
- **Other highlights.** 3Q24 opex charge of MYR456m (+24% QoQ, +22% YoY) was driven by personnel (hiring for new branches/operations, provisions for collective agreement adjustments) and establishment (IT investments, compliance costs) expenses. We think such opex run rates are likely to stay, but CIR could come down via improved income generation. Elsewhere, loan growth from Sarawak has lagged the group total (6% vs 8% YTD), but deposit-gathering activities in the state have seen positive traction.
- **We lift FY24-26F earnings by 14%, 5%, and 5%** as we factor in lower provision charges, among others. Our TP is now MYR2.25, and includes an unchanged 2% ESG discount.

Forecasts and Valuation	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Reported net profit (MYRm)	1,179	402	496	519	610
Net profit growth (%)	210.0	(65.9)	23.2	4.7	17.6
Recurring net profit (MYRm)	432	402	496	519	610
Recurring EPS (MYR)	0.20	0.17	0.21	0.22	0.26
BVPS (MYR)	4.73	4.73	4.94	5.14	5.31
DPS (MYR)	0.12	0.06	0.08	0.09	0.10
Recurring P/E (x)	14.71	16.60	13.68	13.07	11.11
P/B (x)	0.61	0.61	0.58	0.56	0.54
Dividend Yield (%)	4.3	2.0	2.9	3.1	3.6
Return on average equity (%)	11.4	3.7	4.4	4.4	5.0

Source: Company data, RHB

Target Price (Return):	MYR2.25 (-22%)
Price (Market Cap):	MYR2.89 (USD1,554m)
ESG score:	2.9 (out of 4)
Avg Daily Turnover (MYR/USD)	7.65m/1.80m

Analysts

Nabil Thoo
+603 2302 8123
nabil.thoo@rhbgroupp.com

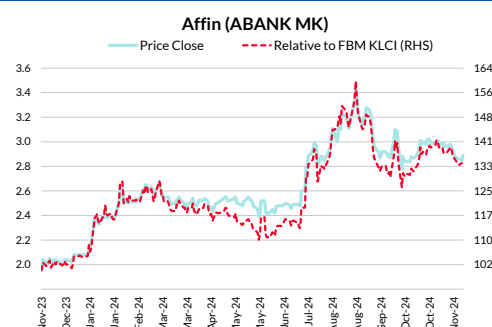


David Chong, CFA
+603 2302 8106
david.chongvc@rhbgroupp.com



Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	38.9	(4.3)	(13.5)	14.2	45.2
Relative	29.7	(1.0)	(10.3)	16.3	36.1
52-wk Price low/high (MYR)				2.01	–3.43



Source: Bloomberg

Overall ESG Score: 2.9 (out of 4)

E: MODERATE

Affin's total emissions decreased YoY in FY23, although it is still lacking Scope 3 operational and financed emissions disclosures. Its sustainable financing targets, however, are ambitious, ie a long-term target for 25% of its loan portfolio is to come from sustainable facilities by FY28.

S: EXCELLENT

Affin's financial inclusion initiatives include the BizDana/BizDana-I Start-Up financing scheme in collaboration with the Credit Guarantee Corp. The bank is also fairly diverse (50-60% of employees are women), and employees receive a decent 59 hours of training pa on average.

G: EXCELLENT

We do not note any material involvement from the bank in major corruption, money-laundering or terrorism financing cases over the past 10 years. Additionally, board members and senior management are subject to ESG-linked key performance indicators.

Financial Exhibits

Asia	Financial summary (MYR)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Malaysia	EPS	0.54	0.17	0.21	0.22	0.26
Financial Services	Recurring EPS	0.20	0.17	0.21	0.22	0.26
Affin	DPS	0.12	0.06	0.08	0.09	0.10
ABANK MK	BVPS	4.73	4.73	4.94	5.14	5.31
Sell						
Valuation basis	Valuation metrics	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Our GGM assumptions are:	Recurring P/E (x)	14.71	16.60	13.68	13.07	11.11
i. COE of 9.1%;	P/B (x)	0.6	0.6	0.6	0.6	0.5
ii. ROE of 6.0%;	Dividend Yield (%)	4.3	2.0	2.9	3.1	3.6
iii. 3.5% long-term growth.						
Key drivers	Income statement (MYRm)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Our FY24F earnings are most sensitive to changes in:	Interest income	3,400	4,387	4,728	4,921	5,337
i. Net interest margin;	Interest expense	(1,690)	(3,008)	(3,266)	(3,242)	(3,456)
ii. Credit costs;	Net interest income	1,711	1,379	1,462	1,679	1,882
iii. Non-interest income.	Non interest income	344	607	664	681	717
	Total operating income	2,055	1,986	2,126	2,360	2,598
	Overheads	(1,317)	(1,421)	(1,569)	(1,664)	(1,753)
	Pre-provision operating profit	738	565	557	696	845
	Loan impairment allowances	(439)	(75)	65	(61)	(100)
	Other impairment allowances	(69)	(3)	(10)	(2)	(2)
	Income from associates	9	36	40	50	60
	Other exceptional items	1,125				
	Pre-tax profit	1,365	523	652	683	803
	Taxation	(161)	(121)	(157)	(164)	(193)
	Minority interests	(25)	-	-	-	-
	Reported net profit	1,179	402	496	519	610
	Recurring net profit	432	402	496	519	610
Key risks	Profitability ratios	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
The upside risks include:	Return on average assets (%)	1.4	0.4	0.5	0.5	0.6
i. Sharper-than-expected NIM expansion;	Return on average equity (%)	11.4	3.7	4.4	4.4	5.0
ii. Lower-than-expected credit costs;	Return on IEAs (%)	4.3	4.8	4.9	4.9	5.0
iii. Stronger-than-expected non-II.	Cost of funds (%)	2.4	3.6	3.6	3.6	3.6
	Net interest spread (%)	1.9	1.2	1.2	1.3	1.3
	Net interest margin (%)	2.1	1.5	1.5	1.7	1.8
	Non-interest income / total income (%)	16.7	30.6	31.2	28.9	27.6
	Cost to income ratio (%)	64.1	71.6	73.8	70.5	67.5
	Credit cost (bps)	80.7	12.2	(9.9)	8.7	12.9
Company Profile	Balance sheet (MYRm)	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
Affin's principal activities are commercial banking and hire purchase, Islamic banking, investment banking and stock-broking, and money-broking. The group is also involved in life and general insurance via its jointly controlled entity/associate.	Total gross loans	58,105	65,225	66,296	74,291	80,192
	Other interest earning assets	26,881	34,193	28,965	29,793	30,650
	Total gross IEAs	84,985	99,418	95,261	104,084	110,842
	Total provisions	(1,411)	(1,438)	(1,408)	(1,537)	(1,702)
	Net loans to customers	56,694	63,787	64,888	72,754	78,489
	Total net IEAs	83,575	97,980	93,853	102,547	109,139
	Total non-IEAs	6,676	7,268	7,180	4,003	3,179
	Total assets	90,251	105,248	101,034	106,550	112,318
	Customer deposits	64,995	70,834	75,084	79,589	84,365
	Other interest-bearing liabilities	11,817	21,288	12,248	12,734	13,254
	Total IBLs	76,812	92,122	87,332	92,323	97,618
	Total non-IBLs	2,688	2,017	2,101	2,172	2,245
	Total liabilities	79,500	94,139	89,433	94,495	99,863
	Share capital	5,245	5,371	5,505	5,643	5,643
	Shareholders' equity	10,751	11,109	11,600	12,055	12,455
	Asset quality and capital	Dec-22	Dec-23	Dec-24F	Dec-25F	Dec-26F
	Reported NPLs / gross cust loans (%)	2.0	1.9	1.9	1.9	1.8
	Total provisions / reported NPLs (%)	120.5	113.6	109.4	109.6	115.5

Source: Company data, RHB

Results At a Glance

Figure 1: Affin – summary of 3Q24 and 9M24 results

FYE 31 Dec (MYRm)	3Q23	2Q24	3Q24	QoQ (%)	YoY (%)	9M23	9M24	YoY (%)	Comments
NII (+ Islamic Banking)	314	353	384	8.6	22.0	1,050	1,099	4.7	Largely driven by the 10% YoY loan growth, while reported NIM was flat YoY.
NIM (%) - reported	1.24	1.40	1.45			1.46	1.46		
Non-II	186	142	229	61.9	23.2	450	513	14.2	Of this, core fee income grew 16% YoY, while FX and other income gained 33%.
Non-II/Total income (%)	37.2	28.6	37.4			30.0	31.8		
Operating income	500	495	613	23.8	22.4	1,500	1,612	7.5	
Overhead expenses	(374)	(368)	(456)	24.0	21.8	(1,021)	(1,203)	17.8	Driven upwards by higher personnel (hiring for new branches/operations, provisions for next round of collective agreement adjustments) and establishment (IT and compliance costs) expenses.
CIR (%)	74.8	74.3	74.4			68.1	74.6		
PIOP	126	127	157	23.5	24.4	479	409	(14.5)	At 73% of our initial full-year PIOP forecast, which we deem to be in line.
Impairments on financial assets	(1)	2	(16)	>100	>100	0	(19)	nm	
Impairment losses on loans	(26)	11	55	>100	>100	(64)	89	>100	Writebacks on provisions for impaired non-retail loans from settlements and recoveries.
Annualised credit cost (bps)*	17	(6)	(31)			15	(19)		
Operating profit	99	139	196	40.4	98.2	415	479	15.4	
Associates	7	11	8	(30.6)	8.5	37	20	(45.5)	
Pretax profit	106	151	204	35.0	92.0	452	499	10.4	
Tax	(6)	(32)	(58)	79.5	>100	(90)	(125)	39.1	
Effective tax rate (%)	5.3	21.4	28.4			19.8	25.0		
Minorities	0	0	0	nm	nm	0	0	nm	
Net profit	100.5	118.6	145.8	23.0	45.2	362.7	374.6	3.3	Making up 86% and 73% of our and consensus full-year forecasts.
Other key data and ratios									
Gross loans	64,290	69,016	70,629	2.3	9.9				Driven by higher-yield consumer loan products, eg personal loans (+27% YoY, +8% QoQ) and credit cards (+17% YoY, +5% QoQ).
Customer deposits	71,630	71,226	73,974	3.9	3.3				
Gross impaired loans	1,186	1,306	1,228	(6.0)	3.6				
Total assets	102,149	108,166	112,074	3.6	9.7				
Shareholders' funds	11,000	11,303	11,521	1.9	4.7				
ROAA (%)	0.41	0.46	0.55			0.52	0.48		
ROAE (%)	3.66	4.21	5.11			4.45	4.41		Below its initial target of 7%.
LDR (%)	87.7	95.1	93.8						
GIL ratio (%)	1.84	1.89	1.74						
Loan loss coverage (%)	123.9	97.2	99.2						
CET-1 ratio (%)	14.4	12.8	13.3						

Note: *Based on internally derived estimates

Source: Company data, RHB

Management guidance

Figure 2: Affin – management guidance and financial targets for FY24

FYE Dec	FY23 actual	FY24F targets	9M24 achieved	Comments
Reported ROE	3.7%	5.0% (from 7%)	4.4%	
NIM*	1.44%	1.40% (from 1.60%)	1.46%	The new NIM target implies some compression in 4Q24, which we think is fair – given the seasonal deposit competition that typically ensues towards the year-end. However, management mentioned that it had taken some pre-emptive measures to shore up liquidity beforehand, eg by securing longer-term funding.
CIR	71.6%	74.0% (from 64%)	74.6%	YoY opex growth of 18% is ahead of the 6-8% guidance provided earlier in the year, and includes provisions taken for the next round of collective agreement adjustments to kick in next year.
Loans growth	12.3%	8.0%	9.9%	Management continues to aim for above-industry loan growth, although it is comfortable with lowering asset yields in order to obtain higher credit quality customers.
GIL	1.90%	1.90%	1.74%	

Note: *Based on reported figures

Source: Company data, RHB

Earnings forecasts

We raise our FY24-26F net profit by 5-14%, after taking into account:

- Negative credit costs for FY24F and lower credit costs for FY25-26F, as we think the progress made on recoveries can continue. We also expect overall asset quality to remain stable;
- Stronger non-fee non-II in FY24F, in line with the YTD performance. Our FY25-26F non-II assumptions are maintained;
- Higher opex for FY24-26F, roughly in keeping with the 3Q24 run rate.

Figure 3: Affin – revisions to forecasts

FYE Dec	Previous FY24F	Previous FY25F	Previous FY26F	Revised FY24F	Revised FY25F	Revised FY26F	% Change FY24F	% Change FY25F	% Change FY26F
(MYRm)									
Net interest income	1,459	1,671	1,869	1,462	1,679	1,882	0.2%	0.5%	0.7%
Non-interest income	614	681	717	664	681	717	8.1%	0.0%	0.0%
Operating expenses	(1,513)	(1,604)	(1,691)	(1,569)	(1,664)	(1,753)	3.7%	3.7%	3.7%
PIOP	560	747	895	557	696	845	-0.5%	-6.8%	-5.6%
Impairment charges	(26)	(149)	(188)	55	(63)	(102)	-312.0%	-57.7%	-46.1%
Pretax profit	574	648	766	652	683	803	13.6%	5.4%	4.8%
Net profit	436	492	583	496	519	610	13.6%	5.4%	4.8%
EPS (MYR)	0.19	0.21	0.25	0.21	0.22	0.26	13.6%	5.4%	4.8%
DPS (MYR)	0.07	0.08	0.10	0.08	0.09	0.10	13.6%	5.4%	4.8%
Loan growth (%)	8.0	12.0	8.0	8.0	12.0	8.0			
NIM (%)	1.50	1.68	1.74	1.50	1.68	1.75			
CIR (%)	73.0	68.2	65.4	73.8	70.5	67.5			
Credit cost (bps)	4	21	24	(10)	9	13			

Source: Company data, RHB

25 November 2024

Financial Services | Banks

Valuation and TP

We raise our TP to MYR2.25 from MYR1.60. Our TP is based on a new GGM-derived P/BV of 0.45x (from 0.32x). Key model changes include sustainable ROE of 6% (from 5.3%) and CY25F BVPS of MYR5.14 (from MYR5.11), both in line with forecast changes.

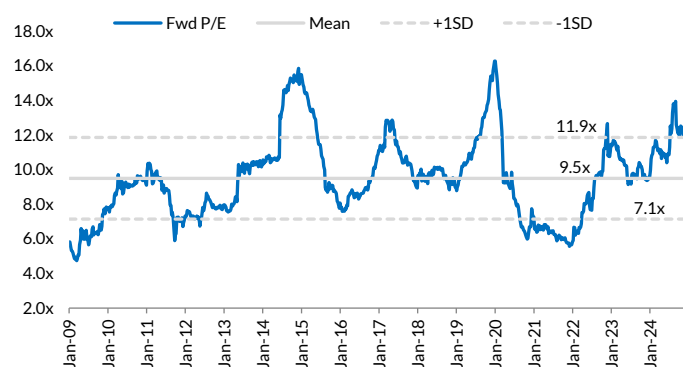
We maintain our SELL call on Affin, primarily on the valuation mismatch. While the Sarawak theme provides Affin with a unique growth story, at 0.64x P/BV (+0.5SD) and 12x P/E (+1SD), we believe that valuations appear overly lofty at the moment, especially as yields of 3-4% are not that exciting.

Figure 4: Affin – GGM valuation with ESG overlay

Cost of equity (COE) computation:		Sustainable ROE (%)	6.0
Risk free rate (%)	4.0	COE (%)	9.1
Equity premium (%)	5.1	Long-term growth (g)	3.5
Beta (x)	1.0	Implied P/BV (x)	0.45
Cost of equity - CAPM (%)	9.1	BVPS - FY25F	MYR5.14
		Intrinsic value	MYR2.31
ESG premium/(discount) (%)	(2.0)	ESG premium/(discount)	(MYR0.05)
		TP (rounded)	MYR2.25

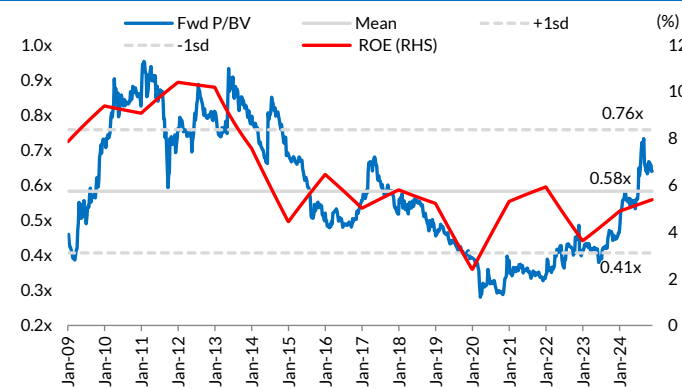
Source: Company data, RHB

Figure 5: Affin's 12-month forward consensus P/E



Source: Bloomberg, RHB

Figure 6: Affin's 12-month forward consensus P/BV



Source: Bloomberg, RHB

Emissions And ESG

Trend analysis

Affin's total operational emissions decreased YoY in FY23, primarily as a result of its carbon-optimisation initiatives.

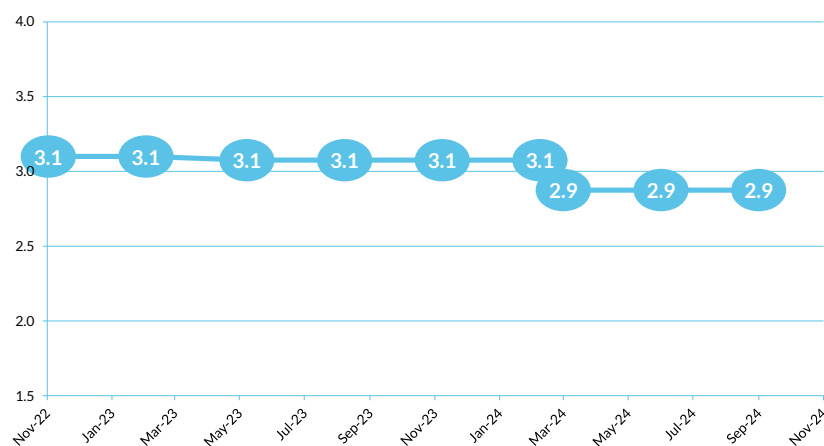
Emissions (tCO2e)	Dec-21	Dec-22	Dec-23
Scope 1	14	14	19
Scope 2	14,301	17,075	15,771
Scope 3	-	-	na
Total emissions	14,315	17,089	15,790

Source: Company data, RHB

Latest ESG-Related Developments

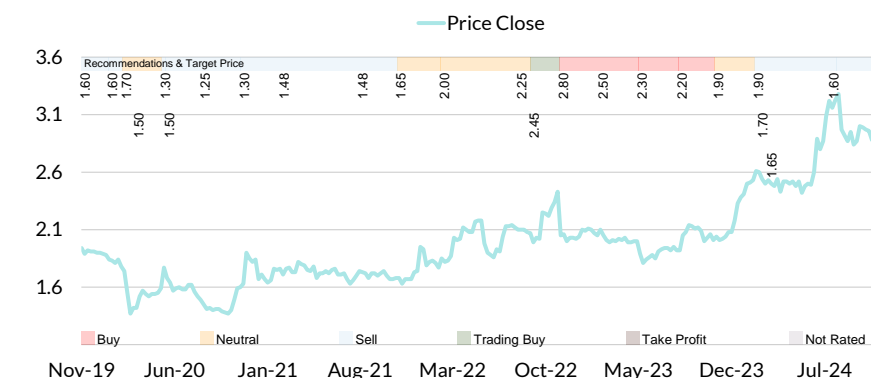
- Solar panel financing for homeowners:** Affin recently launched its Solar Financing-I product to assist homeowners with transitioning to solar-powered electricity for domestic use. The bank has also partnered with 14 solar panel providers under this initiative.
- Exclusive partnership with Pro-Net:** Affin announced a collaboration with Proton New Energy Technology (Pro-Net), a subsidiary of Proton focused on smart EVs, to become its exclusive financing partner.

ESG Rating History



Source: RHB

Recommendation Chart



Source: RHB, Bloomberg

Date	Recommendation	Target Price	Price
2024-08-25	Sell	1.60	3.23
2024-05-22	Sell	1.65	2.53
2024-03-21	Sell	1.65	2.55
2024-03-01	Sell	1.70	2.60
2024-02-19	Sell	1.90	2.61
2023-11-20	Neutral	1.90	1.99
2023-08-28	Buy	2.20	1.92
2023-05-28	Buy	2.30	2.00
2023-02-28	Buy	2.50	2.08
2022-11-29	Buy	2.80	2.48
2022-09-22	Trading Buy	2.45	2.07
2022-08-25	Neutral	2.25	2.09
2022-03-02	Neutral	2.00	1.86
2022-03-01	Neutral	1.80	1.89
2021-11-23	Neutral	1.65	1.70

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 - Nov 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 - Nov 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 - Nov 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 - Nov 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