

## **CIMB Group delivers strong 1Q24 growth with PBT of RM2.57 billion; firmly on track to meet its Forward23+ targets**

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*for immediate release*

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### Key highlights:

- Profit before tax rose 15.1% YoY to RM2.57 billion; net profit grew by 17.7% to RM1.94 billion, translating to an annualised ROE of 11.4% compared to 10.3% recorded in 1Q23.
- 1Q24 operating income recorded a 12.6% YoY increase to RM5.63 billion, with NII up by 7.7% YoY to RM3.79 billion and NOII growth of 24.5% YoY to RM1.84 billion.
- Total gross loans grew by 7.0% YoY while deposit growth increased 8.2%, driven by CASA growth of 16.8% YoY.
- Cost-to-income ratio improved to 45.3% underpinned by the strong topline performance, with core operating expenses rising 8.9% YoY to RM2.55 billion from inflationary pressures and technology investments.
- The Group's capital remains strong with a CET1 ratio of 15.0% as at end Mar-24 compared to 14.3% at end Mar-23.

**Kuala Lumpur:** CIMB Group Holdings Berhad (“CIMB Group” or “the Group”) today announced that the Group delivered strong growth with a profit before tax (“PBT”) of RM2.57 billion for the first quarter ended 31 March 2024 (“1Q24”), up 15.1% year-on-year (“YoY”) from RM2.24 billion recorded in the first quarter ended 31 March 2023 (“1Q23”). The Group's net profit expanded by 17.7% YoY to RM1.94 billion driven by strong operating income growth and contained costs and provisions. The positive performance translates to an improvement in the Group's annualised return on average equity (“ROE”) to 11.4%, as compared to 10.3% recorded in 1Q23, and an earnings per share (“EPS”) of 18.2 sen.

1Q24 operating income rose 12.6% YoY to RM5.63 billion, driven by both net interest income (“NII”) and non-interest income (“NOII”) growth. NII grew by 7.7% YoY to RM3.79 billion attributed to the robust loan growth and NIM recovery in the banking book, while NOII grew 24.5% YoY to RM1.84 billion, supported by strong capital markets and investment-related income, as well as gains from the sale of non-performing loans.

Total gross loans increased 7.0% YoY across key markets and segments, especially in Singapore which grew 13.1% YoY. Deposits increased by 8.2% YoY, driven by the strong 16.8% CASA growth, which translates to an improved CASA ratio of 40.8% in Mar-24 vs 37.9% in Mar-23.



The Group's cost-to-income ratio ("CIR") improved YoY to 45.3% attributed to the robust operating income expansion which offset the 8.9% YoY increase in 1Q24 operating expenses from inflationary pressures and technology investments. Meanwhile, total provisions were contained at RM503 million with credit cost at 35bps as compared to 37bps recorded in 1Q23.

On a QoQ basis, PBT and net profit improved strongly by 10.4% and 12.9% respectively, driven by operating income which increased 4.7% underpinned by NIM expansion in Malaysia and Indonesia, as well as a 2.8% reduction in operating costs. This was partially offset by total provisions increasing 26.1% due to the absence of overlay writebacks recorded in the previous quarter.

The Group's capital position remained strong and above target with its common equity tier 1 ("CET1") ratio at 15.0% as at end Mar-24, up from 14.3% as at end Mar-23 and 14.5% as at end Dec-23.

Dato' Abdul Rahman Ahmad, Group Chief Executive Officer of CIMB Group said, "The strong performance seen in the first quarter reflects a positive start to the financial year amidst the challenging and uncertain global environment. Our positive revenue growth, contained cost and provisions contributed to the strong performance, especially from Malaysia and Singapore, underpinning the strength of our ASEAN diversification strategy."

"Focused execution of initiatives under our Forward23+ strategic plan continues to bear positive results, with strong CASA growth and recovering NIM from our deposit-led strategy, which helped drive better NII performance. At the same time, NOII expansion remained robust and asset quality metrics continued to strengthen, reflecting the resilience of our business franchise," Dato' Abdul Rahman added.

### **Gross Loans and Deposits**

CIMB Group's total gross loans increased by 7.0% to RM442.3 billion YoY while total deposits grew by 8.2% YoY to RM505.9 billion. The Group registered a loan-to-deposit ("LDR") ratio of 87.4% as at Mar-24. CASA grew strongly by 16.8% YoY, leading to the CASA ratio expanding to 40.8% as at Mar-24.

### **Asset Quality**

Total provisions rose by 13.0% YoY and 26.1% QoQ to RM503 million due to the absence of recoveries and overlay writebacks from Consumer and Wholesale businesses recorded in prior periods respectively. The Group's allowance coverage stood at 101.0%, whilst the gross impaired loan ("GIL") ratio improved significantly to 2.6% in 1Q24 from 3.2% recorded in 1Q23, with an annualised 1Q24 loan loss charge of 35bps.

## **Capital and Liquidity Management**

The Group remains well-capitalised with its CET1 ratio comfortably above target at 15.0% while the total capital ratio stood at 18.7% as at Mar-24. The liquidity coverage ratios (“LCR”) remain comfortably above the regulatory requirement of 100% for all banking entities within the Group.

## **Segment Performance**

**Group Consumer Banking** 1Q24 operating income grew 9.6% YoY, with NII expanding 9.4% YoY underpinned by stronger loan growth and improved NIM, while NOII increased 9.9% YoY from higher fees and wealth income. PBT dipped 10.3% YoY mainly due to higher operating expenses and provisions.

**Group Commercial Banking** 1Q24 operating income was 1.7% higher YoY with the 3.3% YoY NII growth partially offset by a 4.3% decline in NOII from lower gains from sale of impaired loans in Indonesia. PBT improved by 9.1% YoY due to significantly lower provisions. Commercial loans increased by 8.5%, whilst deposits grew 8.4% YoY, attributed to growth in all core markets.

**Group Wholesale Banking** 1Q24 operating income grew by 15.0% YoY driven by the strong 43.3% growth in NOII from higher capital markets and investment income which offset the weaker NII. Coupled with lower provisions, this translated to the division’s PBT expanding 40.2% YoY. Wholesale loans were 5.8% higher YoY from all key markets, while deposits grew 5.0%.

**CIMB Digital Assets & Group Funding** 1Q24 operating income increased 42.4% YoY, whilst PBT grew by 25.5% YoY from a significant improvement in CIMB’s Digital Asset performance. NII rose 42.1% YoY, whilst NOII increased by 44.3% YoY from higher FX and investment gains. The Group’s digital businesses continued to grow underpinned by CIMB Philippines’ customer base of 7.8 million as at Mar-24, up 13.0% YoY with total deposits rising 28.9% YoY to RM2.10 billion. Meanwhile, TNG Digital maintained its upward momentum with 27.1 million registered users and 16.6 million annual transacting users as at Mar-24.

**CIMB Islamic** 1Q24 operating income rose 15.1% YoY, while PBT grew 46.8% YoY on the back of a recovery in the Islamic finance business. Net financing income (“NFI”) expanded 17.4% YoY, whilst non-financing income (“NOFI”) rose 5.9% YoY driven by higher fees and commissions. Islamic financing and deposits grew 14.2% and 9.1% YoY, respectively.

## **Moving Forward**

Dato’ Abdul Rahman said, “The Group maintains a cautious outlook for the year given the global economic headwinds with heightened geopolitical pressures, likelihood of prolonged elevated interest rates and competitive banking industry operating environment. However, we expect our key operating markets to be resilient and well-positioned to capture economic growth, especially from the positive impact of increased tourism economy. Barring unforeseen circumstances, the Group is optimistic of being on track to deliver on its FY24 targets on the back of positive performance from Malaysia and Singapore.



“As we push towards the completion of our Forward23+ strategic plan, we are steadfast in our focus to achieve our objectives with the continued emphasis on strengthening our deposit and CASA franchise, managing NIM, driving NOII expansion, as well as focusing on technology and operational resilience.”

“On the environmental, social and governance (“ESG”) front, we are also on track to achieve our sustainable finance cumulative target of RM100 billion by end of FY24 as part of our ambition to be an ASEAN sustainability leader, guided by our Green, Social, Sustainable Impact Products and Services (“GSSIPS”) framework. We look forward to supporting more clients and customers, while providing innovative solutions to drive the sustainable development agenda and initiatives collectively across the region,” he concluded.

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#### **About CIMB**

CIMB is one of ASEAN’s leading banking groups and Malaysia’s second largest financial services provider, by assets. Listed on Bursa Malaysia via CIMB Group Holdings Berhad, it had a market capitalisation of approximately RM70.8 billion as at 31 March 2024. It offers Consumer Banking, Commercial Banking, Wholesale Banking, Islamic Banking, Wealth Management and Digital Payment Products and Services. Headquartered in Kuala Lumpur, the Group is present in eight ASEAN nations (Malaysia, Indonesia, Singapore, Thailand, Cambodia, Vietnam, Myanmar and Philippines).

Beyond ASEAN, the Group has market presence in China, Hong Kong and UK. CIMB has one of the most extensive retail branch networks in ASEAN with 601 branches and over 34,000 employees as at 31 March 2024. CIMB’s investment banking arm is one of the largest Asia Pacific-based investment banks, which operates in 16 countries across Asia Pacific. CIMB is also the 92.5% shareholder of Bank CIMB Niaga in Indonesia, and 94.8% shareholder of CIMB Thai in Thailand.

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