

CIMB Group sees net profit up 14.0% YoY; declares first interim dividend of 20.00 sen per share and special dividend of 7.00 sen per share

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for immediate release

- CIMB Group's 1H24 operating income grew strongly by 8.7% YoY to RM11.23 billion, with NII growth of 6.7% to RM7.65 billion and NOII growth of 13.2% to RM3.58 billion.
- NOII ratio improved to 31.9%, up from 30.6% in 1H23, mainly from stronger fees, treasury client sales and trading
- Loans grew across all key markets and business segments, increasing 4.2% YoY, whilst total deposits grew 2.7% YoY.
- Cost-to-income ratio improved to 45.6% in 1H24, benefiting from positive JAWS as operating expenses grew 7.9% YoY.
- Asset quality improved with credit cost at 28bps, and allowance coverage improved to 101.2%.
- The above led to a PBT increase of 12.4% YoY to RM5.30 billion and net profit increase of 14.0% YoY to RM3.90 billion.
- 1H24 return on average equity ("ROE") of 11.4%, an improvement from 10.6% recorded in 1H23.

Kuala Lumpur: CIMB Group Holdings Berhad ("CIMB Group" or "the Group") today announced a strong 1H24 performance with a profit before tax ("PBT") of RM5.30 billion for the first half ended 30 June 2024 ("1H24"), up 12.4% year-on-year ("YoY") from RM4.72 billion recorded in the first half ended 30 June 2023 ("1H23"). The Group's net profit also grew strongly, recording RM3.90 billion, up 14.0% YoY from RM3.42 billion in the preceding year.

Novan Amirudin, Group Chief Executive Officer of CIMB Group said, "1H24 reflects another positive performance for the Group. Our achievement is underpinned by the trust of our customers, collaboration with our partners and continued strong execution of the strategies under our Forward23+ strategic plan, while remaining nimble and responsive to current trends.

"The performance was driven by robust operating income growth, disciplined cost controls and improvement in asset quality, contributed by the Group's diversified ASEAN portfolio, which serves all client segments. Our strong risk culture also proved to be key in facilitating the Group



to manage its risks in current volatile markets. To strengthen our operational resiliency, we have invested and will continue to invest further in technology, systems and processes to continue providing a secure and seamless banking environment for all our customers.”

The results translate to a strong improvement in annualised return on average equity (“ROE”) of 11.4%, as compared to 10.6% recorded in 1H23. Accordingly, the Group proposed an all-cash first interim dividend of 20.00 sen per share and a special dividend of 7.00 sen per share. The interim dividend is based on a payout ratio of 55.0%, based on 1H24 net profit, in line with the Group’s dividend policy.

1H24 operating income was up 8.7% YoY to RM11.23 billion, with net interest income (“NII”) increasing by 6.7% to RM7.65 billion underpinned by both net interest margin (“NIM”) and asset growth. Price discipline and deposit-led strategies to address industry NIM compression in 2023 are starting to pay off, resulting in a second straight quarter of NIM expansion with 7bps in 1H24. Loan growth continued its momentum, rising 4.2% YoY from all markets and segments, whilst deposits grew by 2.7% YoY. CASA ratio recorded 40.9% as at Jun-24, up from 38.5% as at Jun-23.

Meanwhile, non-interest income (“NOII”) strengthened, improving 13.2% to RM3.58 billion, while NOII ratio improved to 31.9%, up from 30.6% in 1H23 driven by stronger fees, treasury client sales and trading.

The Group’s cost-to-income ratio (“CIR”) improved 40bps YoY to 45.6%, with operating expenses remaining under control, rising 7.9% YoY mainly due to increased investments in technology, rising 9.4% YoY.

Accordingly, the Group’s pre-provisioning operating profit (“PPOP”) strengthened to RM6.11 billion, up 9.4% from the positive JAWS. Asset quality improved with total provisions remaining contained with an 8.9% decline YoY to RM802 million and allowance coverage improving to 101.2%. The Group’s capital position remains strong and above target with its Common Equity Tier 1 (“CET1”) at 14.5% as at Jun-24. Total capital ratio stood at 18.2% as at Jun-24. The liquidity coverage ratio (“LCR”) remains comfortably above the regulatory requirement of 100% for all banking entities within the Group.



Novan said, “We are optimistic for the remainder of the year, while being vigilant and responsive to industry trends such as the global economic headwinds and market volatility which continue to persist. Our Forward23+ strategic plan will complete by the end of this year, and we are currently devising our next strategic plan, which we will announce alongside our FY24 results, taking into considerations our endowments, customer needs, trends and competitive landscape.”

“Our commitment to invest in future proofing our business includes sustainability being at the forefront of our overall operations. We recently announced our 2030 climate targets for our oil and gas and real estate portfolios, in addition to the earlier announced targets for thermal coal mining, cement, palm oil and power, becoming the first Malaysian bank to complete its 2030 decarbonisation target setting in pursuit of our broader 2050 Net Zero commitments.”

A key advocate of financial inclusion, the Group remains committed to playing its role as a responsible corporate citizen. CIMB has allocated approximately RM42 million between CSR initiatives and Zakat for 2024 regionally. Education remains a key pillar for CIMB, and this is evident from its flagship CIMB ASEAN Scholarship programme where close to RM70 million was disbursed to help 120 scholars since 2016.

“We are privileged and honoured to be able to serve all customer segments from the underserved, SMEs, large corporates and governments throughout ASEAN and will continue to play our role as a responsible financial partner to advance customers and societies in the markets we operate in,” concluded Novan.

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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 RM72.7 billion as at 30 June 2024. It offers consumer banking, commercial banking, wholesale banking, transaction banking, Islamic banking and asset management 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 594 branches and over 33,000 employees as at 30 June 2024. CIMB's investment banking arm is one of the largest Asia Pacific-based investment banks, which together with its award-winning treasury & markets and corporate banking units comprise the Group's leading wholesale banking franchise. 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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