

CIMB Group's 9M24 PBT up 11.4% to RM8.03 billion; ROE at 11.7%

Thursday, 28 November 2024

for immediate release

- Robust 9M24 topline at +2.5% QoQ and +8.5% YoY
- Third consecutive quarter of NIM banking book expansion
- Disciplined loan growth of +0.6% QoQ and +4.3% YoY on constant currency basis
- NOII/Total income ratio of +31.8% driven by strong client franchise and capital markets
- Continued cost efficiency with CIR improving to 45.9%
- Profit Before Tax +11.4% to RM8.03 billion
- 9M24 ROE at 11.7% and CET1 at 15.0%

Kuala Lumpur: CIMB Group Holdings Berhad (“CIMB Group” or “the Group”) today announced a positive financial performance for the nine months ended 30 September 2024 (“9M24”) with a profit before tax (“PBT”) of RM8.03 billion, reflecting an 11.4% increase year-on-year (“YoY”). Net profit expanded 12.6% to RM5.93 billion which translates to earnings per share (“EPS”) of 55.5 sen. The results led to a strong improvement in the annualised return on average equity (“ROE”) at 11.7% from 10.7% recorded in the previous nine months ended 30 September 2023 (“9M23”).

9M24 operating income grew 8.5% YoY to RM16.97 billion, buoyed by improvements in net interest income (“NII”) and non-interest income (“NOII”). NII increased by 6.0% YoY driven by asset growth while NOII grew 14.4% YoY to RM5.39 billion on the back of stronger fees, treasury client sales and trading income. Meanwhile, banking book net interest margin (“NIM”) has seen three straight quarters of expansion from 2.59% in 4Q23 to 2.75% in 3Q24, driven by price discipline and deposit-led strategies. However, with the global macroeconomic backdrop and typical year-end seasonality of higher competition for liquidity, the Group expects NIM to normalise and see some pressure in 4Q24.

The Group’s overall performance was underpinned by robust operating income growth, disciplined cost controls and improvement in asset quality, contributed by the Group’s diversified ASEAN portfolio, which serves diverse client segments.

On a constant currency basis, CIMB Group’s total gross loans growth was positive at 4.3% YoY, underpinned by strong demand across markets, whilst deposits increased marginally YoY. Total current account saving account (“CASA”) balances expanded by 4.5% YoY, increasing the CASA ratio to 42.0% as at Sep-24.

The Group saw a 40bps YoY improvement in its cost-to-income ratio (“CIR”) to 45.9%, with operating expenses remaining under control, translating to a positive JAW. Accordingly, the Group’s pre-provisioning operating profit (“PPOP”) grew 9.3% to RM9.18 billion. Total provisions were lower by 3.9% YoY mainly from higher recoveries and write backs in Singapore.



Asset quality further improved, with gross impaired loans (“GIL”) ratio improving from 3.2% in Sep-23 to 2.3% in Sep-24, while allowance coverage progressed from 95.0% to 102.6% over the same period.

CIMB Group’s capital position strengthened with its Common Equity Tier 1 (“CET1”) ratio improving 50bps QoQ and 60bps YoY to 15.0% as at end Sep-24, well within the Group’s FY24 target.

Novan Amirudin, Group Chief Executive Officer of CIMB Group said, “The 9M24 results reflect another solid performance for the Group. Our achievement is underpinned by the trust of our customers and strong execution of our Forward23+ strategic plan, while staying nimble and responsive to current trends with our deposit-led and client-profitability strategies, as well as continued focus on efficiency and resiliency. We are on track to achieve our FY24 targets as we approach the final quarter of our Forward23+ journey and will continue to explore strategies to optimise cost, while remaining vigilant in managing risk amid economic headwinds and market volatility.

“Notwithstanding the positive performance, we remain cautious of external uncertainties and will monitor the macroeconomic backdrop whilst being confident in our current strategies. We have also made significant investments in strengthening our technology resiliency to deliver superior customer experience. We aim to strengthen our deposit franchise and embrace the theme of ‘simpler, better, faster’ throughout our business, which will be central to our new strategic plan. This builds on our competitive strengths, endowments and anticipated key market trends, with further details to be announced in 1Q25.”

“With sustainability being a key priority, CIMB will continue to actively drive the adoption of environmentally and socially responsible practices across ASEAN. While financial performance remains a focus, our commitment to supporting the underserved communities remains to be a cornerstone of our mission. We will explore innovative ways to drive financial inclusion and economic empowerment, ensuring all segments of society grow in tandem. We are privileged and honored to serve all customer segments across ASEAN and remain steadfast in our purpose of advancing customers and societies in the markets we operate in, ultimately increasing our long-term shareholder value,” Novan concluded.

As a purpose-driven organisation, CIMB actively drives its ESG agenda in line with its aspirations to be an ASEAN sustainability leader. The Group has made progress in its sustainability journey and mobilised RM105.8 billion in Green, Social, and Sustainable Impact Products and Services (“GSSIPS”) thus far, surpassing its RM100 billion target ahead of schedule. A key advocate of economic empowerment and financial inclusion, the Group remains committed to playing its role as a responsible corporate citizen and has disbursed RM23 billion loans to micro and small businesses, and more than RM27 billion in loans to the lower income group in Malaysia in the past five years.

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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 RM86.3 billion as at 30 September 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 592 branches and over 33,000 employees as at 30 September 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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