

### BUY

Initial opinion	BUY
Release date	01/27/2025
Ancien cours objectif	1,253

### CDM

Sector	BANKING
Reuters	CDM.CS
Bloomberg	CDM MC

### MAD 1,253

Current 03/20/2025	MAD 1,115
Potential	+12%
Horizon	9 MONTHS

## OUR SCENARIO IS MATERIALIZING..., WE MAINTAIN OUR BUY RECOMMENDATION

As of January 27<sup>th</sup> 2025, we reviewed upwards CDM's growth forecast and target price. [[Research Report - CDM Update 24E-26E](#)]. The latter was raised from MAD 1,100 to MAD 1,253. Following the release of CDM's FY 2024 annual results, it is clear that **our scenario is materializing, with achievements exceeding our forecasts and a share price performance of nearly +16% since our initial recommendation on October 28<sup>th</sup> 2024** [[AGR-SPO CDM 2024](#)].

We're maintaining a positive outlook on CDM stock, with the prospect of reviewing our forecasts and target price on the ST. We therefore reiterate our **BUY** recommendation.

The key takeaways from CDM's 2024 achievements are as follows:

- **Net Banking Income (NBI)** rose by +12.9% to MAD 3,303 Mn, compared to an AGR forecast of MAD 3,224 Mn, representing an achievement rate of 103%. The slight gap is attributable to the performance of Market Activities<sup>(1)</sup>, which generated MAD 415 Mn compared to an estimate of MAD 353 Mn. The Net Interest Income was in line with our expectations, up +9.1% thanks to the commercial dynamic of loans, which recorded their strongest growth over the last decade, +10.9% to MAD 56.6 Bn. This performance was driven by Investment Loans (+25.1%), Real Estate Development (+32.5%), and Leasing (+64.4%).
- The **Cost-to-Income ratio (C/I)** improved by 6 points to 48.6%, identical to our forecasts. The good control of operating expenses is supported by the non-recurrence of certain costs recorded in 2023: empowerment costs, the donation to the Special Earthquake Fund, and the tax audit.
- The **Cost of risk (CoR)** remained identical to the forecast, at MAD 398 Mn, down -10.5%. This performance was largely expected thanks to the improvement of the NPL ratio<sup>(2)</sup>.
- The **Net Income Group Share (NIGS)** stood at MAD 741 Mn, up +47.3% against an estimate of MAD 704 Mn. The DPS is set at MAD 41.7 Mn against a forecast of MAD 45.0 Mn. This is still the highest D/Y within the listed banking sector, at 3.7%.

### CDM: 2024 CONSOLIDATED RESULTS VS. INITIAL AGR 2024E FORECASTS

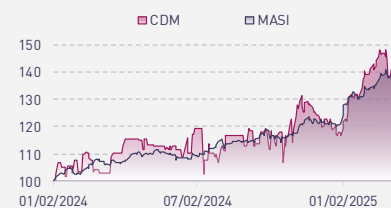
In MAD Mn	2023	2024	VAR 24/23	AGR 24E	AR <sup>(4)</sup> 24/24E
<b>NBI</b>	<b>2,927</b>	<b>3,303</b>	<b>+12.9%</b>	<b>3,224</b>	<b>103%</b>
Net Interest Income	2,226	2,428	+9.1%	2,404	101%
Net Fees Income	436	460	+5.4%	467	99%
Market Activities & Others <sup>(1)</sup>	265	415	+56.9%	353	117%
<b>Gross Operating Income</b>	<b>1,328</b>	<b>1,698</b>	<b>+27.9%</b>	<b>1,658</b>	<b>102%</b>
C/I ratio	54.6%	48.6%	-6.0 pts	48.6%	-
<b>CoR</b>	<b>445</b>	<b>398</b>	<b>-10.5%</b>	<b>396</b>	<b>101%</b>
CoR rate <sup>(3)</sup> (BPS)	81	66	-	65	-
<b>Reported NIGS</b>	<b>503</b>	<b>741</b>	<b>+47.3%</b>	<b>704</b>	<b>105%</b>
<b>DPS (MAD)</b>	<b>34.2</b>	<b>41.7</b>	<b>+21.9%</b>	<b>45.0</b>	<b>93%</b>
Payout (parent company)	70%	65%	-	70%	-

(1) Market Activities income and other activities income (2) Non-Performing Loans ratio (3) Cost of risk relative to gross customer loans (4) Achievement rate: 2024 Achievement / AGR 2024E Forecast

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### STOCK EVOLUTION (BASIS 100)



### MARKET INDICATORS

Performances (%)	1 M	3 M	12 M
CDM	-0.4	+22.6	+32.4
MASI	+1.9	+16.8	+31.9

ADV (MDH)	1 M	3 M	12 M
CDM	10.6	9.8	5.3
MASI	382	409	277

Capitalization	As of 03/19/2025
In MAD Mn	12,677
In M\$	1,315

Prices as of 03/19/2025

Sources: CDM Results Presentation Conference, CDM Financial Statements, AGR Calculations & Estimates

## CDM | MAROC |

BLOOMBERG: CDM MC

Balance Sheet (MAD Mn)	2020 <sup>(1)</sup>	2021	2022	2023	2024	2025E	2026E
Equity Group share	5,665	6,246	6,309	7,034	7,879	7,656	7,958
Customer Deposits	44,525	46,239	48,582	51,755	56,998	59,250	62,805
Customer Loans	43,897	46,079	48,497	51,062	56,622	62,346	67,957
Total Assets	57,913	59,346	62,863	67,265	74,051	84,163	92,719
Growth (%)	2020 <sup>(1)</sup>	2021	2022	2023	2024	2025E	2026E
Net Banking Income (NBI)	2,381	2,460	2,569	2,927	3,303	3,520	3,832
Operating expenses	1,235	1,335	1,500	1,599	1,605	1,655	1,765
Gross Operating Income (GOI)	1,146	1,125	1,069	1,328	1,698	1,865	2,067
Cost of Risk (CoR)	722	64	310	445	398	449	510
Taxes	175	426	345	380	553	632	707
Net Income Group Share (NIGS)	247	627	404	503	741	780	846
Croissance (%)	2020 <sup>(1)</sup>	2021	2022	2023	2024	2025E	2026E
NBI	-0.9%	3.3%	4.4%	13.9%	12.9%	6.6%	8.8%
GOI	3.2%	-1.9%	-5.0%	24.3%	27.9%	9.8%	10.8%
CoR	124.7%	-91.2%	388.0%	43.7%	-10.5%	12.6%	13.6%
NIGS	-51.4%	153.6%	-35.6%	24.4%	47.3%	5.2%	8.5%
DPS	-75.7%	469.2%	4.2%	26.7%	21.9%	19.9%	8.0%
Customer Deposits	1.6%	3.9%	5.1%	6.5%	10.1%	4.0%	6.0%
Customer Loans	-0.7%	5.0%	5.2%	5.3%	10.9%	10.1%	9.0%
Profitability	2020 <sup>(1)</sup>	2021	2022	2023	2024	2025E	2026E
Cost/Income ratio (%)	51.9%	54.3%	58.4%	54.6%	48.6%	47.0%	46.1%
Cost of Risk rate (BPS)	151	13	60	81	66	67	70
Effective Tax Rate (Income statement)	41.3%	40.3%	46.4%	43.3%	42.7%	44.8%	45.5%
Net Margin	10.4%	25.5%	15.7%	17.2%	22.4%	22.1%	22.1%
ROA	0.43%	1.08%	0.65%	0.77%	1.05%	0.98%	0.96%
ROE	4.4%	10.5%	6.4%	7.5%	9.9%	10.0%	10.8%
Payout (Parent company accounts)	50%	41%	70%	70%	65%	70%	69%
Data per share (MAD)	2020 <sup>(1)</sup>	2021	2022	2023	2024	2025E	2026E
Price End of Period <sup>(2)</sup>	459	600	600	797	930	1,165	1,165
Earning per Share (EPS)	22.7	57.7	37.2	46.2	68.1	71.7	77.8
Dividend per Share (DPS)	4.6	25.9	27.0	34.2	41.7	50.0	54.0
Book Value per Share (BVPS)	521	574	580	646	724	704	731
Multiples (end of period) <sup>(2)</sup>	2020 <sup>(1)</sup>	2021	2022	2023	2024	2025E	2026E
P/E (x)	20.2	10.4	16.1	17.2	13.7	16.3	15.0
D/Y (%)	1.0%	4.3%	4.5%	4.3%	4.5%	4.3%	4.6%
P/B (x)	0.88	1.05	1.03	1.23	1.28	1.66	1.59
Market Capitalization (MAD Mn)	4,993	6,529	6,529	8,672	10,120	12,677	12,677

(1) Excluding Covid Donation in 2020 / (2) Prices as of March 19<sup>th</sup> 2025

Sources: CDM Financial Statements, AGR Calculations &amp; Estimates

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