

HOLD

Previous opinion	BUY
Release date	01/09/2025
Previous Target Price	MAD 441

CIH Bank

Sector	BANKS
Reuters	CIH.CS
Bloomberg	CIH MC

MAD 441

Current 04/24/2025	MAD 410
Potential	+8%
Horizon	12 MONTHS

SOLID EARNING GROWTH IN 2024..., DPS NOT YET ADJUSTED

Since our Recommendation on January 9th 2025 ([Rapport Secteur Bancaire-Janvier 2025](#)), CIH Bank stock reached its target price during the same month, i.e. on January 27th 2025.

CIH Bank has experienced remarkable growth over the last decade, with loans⁽¹⁾ AAGR of +12.2%, exceeding the symbolic threshold of MAD 100 Bn in 2024. On the MT, the bank would benefit from Morocco's new investment dynamic. Based on our growth scenario for 2024-2027E, we recommend "HOLDING" the stock.

The analysis of CIH Bank's FY 2024 results reveals the achievement of our growth forecasts :

- **NBI** increased by +6.1% to MAD 4,740 Mn, in line with our forecast of MAD 4,750 Mn. The interest income accounts for 70% of this increase. It rose by +6.8% thanks to steady loans growth⁽¹⁾ of +11.5% driven by the diversification of the "Corporate" segment. The **Fees income** explains a quarter of the **NBI** increase thanks to the rise of digital technology, which has boosted electronic payment activity. **Income from Market Activities**⁽²⁾ remains above MAD 1.3 Bn in a favorable interest rate environment;
- The **Cost-to-Income ratio (C/I ratio)** improved by -0.7 pt to 43.9%, in line with our forecast of 43.8%. The productivity improvement effort is reflected in a cumulative decrease of this profitability indicator by -20.8 pts since the peak of 64.7% reached in 2017;
- The **Cost of Risk (CoR)** declined by -16.3% to MAD 1,072 Mn, below our forecast of MAD 1,217 Bn. This was primarily due to the loan recovery of the Factoring Activity, whose outstanding amounts fell by half, from MAD 3.3 Bn to MAD 1.6 Bn. The **CoR Rate**⁽³⁾ improved by -34 BPS to 100 BPS. According to Management, this represents a new benchmark level ;
- The **NIGS** stood at MAD 876 Mn, slightly above our forecast of MAD 837 Mn. The DPS remained stable at MAD 14.0, i.e a payout (parent company basis) of 59%. This level came out below our scenario, which anticipated the transition to a new dividend threshold.

CIH BANK : 2024 CONSOLIDATED RESULTS VS. INITIAL AGR 2024E FORECASTS

In MAD Mn	2023	2024	VAR 24/23	AGR 24E	AR ⁽⁴⁾ 24/24E
NBI (Net Banking Income)	4,468	4,740	+6.1%	4,750	100%
Interest income	2,806	2,996	+6.8%	2,933	102%
Fees Income	360	425	+17.9%	380	112%
MA & Other ⁽²⁾	1,302	1,319	+1.3%	1,437	92%
GOI	2,477	2,660	+7.4%	2,669	100%
C/I ratio	44.6%	43.9%	-0.7 pt	43.8%	-
CoR	1,281	1,072	-16.3%	1,217	88%
CoR rate ⁽³⁾ (BPS)	134	100	-34	118	-
Reported NIGS	710	876	+23.3%	837	105%
DPS (MAD)	14.0	14.0	-	16.0	88%
Payout (parent company)	69%	59%	-	69%	-

(1) Consolidated net customer loans (2) Income from market activities and other activities (3) Cost of risk to gross customer loans (4) Achievement rate: Achievement 2024/Forecast AGR 2024E

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STOCK EVOLUTION (BASE 100)



MARKET INDICATORS

Performances (%)	1 M	3 M	12 M
CIH	-6.9	-2.4	+7.8
MASI	-2.3	+8.8	+30.0

ADV (MAD Mn)	1 M	3 M	12 M
CIH	2.8	3.4	4.0
MASI	566	454	306

Capitalization	As of 04/23/2025
In MAD Mn	12,756
In \$ Mn	1,377

Prices as of 04/23/2025

Sources: CIH Bank Results Presentation Conference, CIH Bank Financial Statements, AGR Computations & Estimates

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