

CAPITAL BANK OF JORDAN

Dynamic balance sheet activity boosting EPS

- It delivered 133% y/y earnings growth, matching the strong performance set in Q2, sustained by 33% growth in operating profit and contained CoR, aided by consolidation effects (SocGen Jordan in Q1 22). Despite 31.5% higher NoS, EPS expanded 77% y/y in Q3 and 17% for the first nine months.
- Balance sheet activity remains dynamic, growing by 4.2% q/q and 5.9% q/q, respectively. NIM contracted (-27bps y/y, -2bps q/q), as liabilities repriced faster than interest-earning assets, with benefits to accrue FY23e+.
- The stock is priced at slightly above book and a P/E 23e of 6.7x, while offering a EPS CAGR of 16% and RoE expansion to 15.8% in FY23e and 17.8% in FY24e. We reiterate our Buy with our TP of JOD 3.9, offering 63% upside.

Strong earnings growth driven by significant balance sheet expansion. Operating profit rose by 32.8% y/y in Q3 22 because of i) expanding topline, up by 46.8% y/y, on stronger NII (+49.4% y/y) backed by lending growth of 64% y/y and non-NII (+38.6% y/y) due to higher F&C (+35.2% y/y) and other income, and ii) lower than expected additions to loan loss reserves. OpEx growth was high (+60% y/y), as it takes time to reap the cost synergies of the recent acquisition. Sequentially, earnings matched the performance of Q2, despite increased other costs, probably relating to merger expenses. Net profit surged by 53.4% y/y for the first nine months. RoE in Q3 22 stood at 13.2% vs. 9.5% in Q3 21, only 0.8% shy of its long-term target of >14%.

Strong organic balance sheet activity after digesting the acquisition of SGBJ. Loan growth was broad based, growing 62.9% YtD and 16.2% since the end of Q1 (organically) when SocGen Jordan was consolidated, with 11.6% q/q growth in Q2 and 4.2% q/q in Q3. The main contributor to credit growth continues to be the large corporate segment, up by 74.3% YtD, followed by retail and mortgage segments, up by 40.8% and 47% YtD, respectively. Since Q1, growth in the corporate sector was 22.3% (o/w 15.0% in Q2 and 6.4% in Q3) and retail 14% (o/w 5.6% in Q2 and 8.1% in Q3). Deposit growth was 5.9% q/q in Q3 and 6.9% in Q2, reaching 66.9% YtD, albeit largely aided by consolidation effects. The funding mix improved, with lower funding from interbank to 3.5% in Q3 vs 10.6% YE21). Deposit growth outpaced loans YtD by 11%, reducing LtD ratio to 71.3% vs. 76.3% YE 21.

NIM contract temporarily on an unfavorable ALM position and consolidation. NIM contracted slightly, down 2bps q/q and 39bps y/y, because of a unfavorable 12 month ALM gap of -27% of total assets, with 46% of total assets repricing in 2022 vs. 84% of total liabilities. The CoF rose by 38bps q/q and 45bps y/y. Time deposits' share increased from 62% YE 21A to 71% in Q3 22 (vs 70% in Q1, and 70% in Q2) and CASA share mix slipped from 37% YE 21A to 29% Q3 22A (30% in Q1 and 30% in Q2), mainly to due consolidation effects. But we expect NIM to improve in FY23e as assets adjust to higher policy rates.

Loan loss additions remain limited. CoR came in at 2bps in Q3, taking the 9-month number to 18 bps vs. an NPL formation of 8bps in Q3 and 22bps in Q2. Stage 1 loan share slipped to 81.0% from 81.4% in Q2 (82.4% YE 21) with coverage of 0.6%, slightly lower than the YE 21 level of 0.7%, while the share of stage 2 rose to 10.5% from 9.9% in Q2 (9.3% YE 21). Stage 3 loans improved by 30bps q/q to 8.5% from 8.8% in Q2 (8.4% YE 21). Stage 2 and 3 loans coverage stand at 5.6% and 49.5%, respectively, compared to 6.3% and 50.2% in Q2 (4.0% and 55.1% YE 21A). We calculate a provision deficit of 1.9% of total loans, slightly higher than YE's deficit of 1.4%, vs. our blanket test (1% of stage 1 loans, 12% on stage 2, and 60% on stage 3) and 1.8% Q2 22, reflecting the prudent lending standards of the bank as it models for a TTC CoR of just 50bps (AcE 70bps).

CAR remains 0.8% above the regulatory minimum despite strong RWAs growth (5.3% q/q, 60% YtD), helped by the capital increase (3.7% of RWAs) and ADT1 (2.5% of RWAs). RWAs increased by 5.3% q/q in Q3 and 17.6% q/q in Q2 and 60% YtD, with RWA/assets at 81% vs. 78% YE 21. Tier 1 capital slipped to 14.0% in Q3 22A from 14.8% in H1 22A and CAR to 14.9% in Q3 22A from 15.8% in H1 22A. However, the CAR remains above the 14.125% requirement of the Central bank of Jordan. Capital ratios were supported by the JOD 131m capital injection by PIF (at JOD 2.08/share or 11% premium to BVPS) during Q2 (3.7% of RWAs) and the ADT1 capital of USD 100m in Q1 (2.5% of RWAs). Liquidity is strong, with LtD and LCR ratios of 71% and 203%, respectively.

Higher premium valuation warranted by returns and EPS growth. The stock trades at undemanding FY23e P/E of 6.7x and FY 22e P/NAV of 1.3x with a DY c.6%. We maintain our estimates, though raised deposit growth, and TP at 3.9, offering 63% upside.

BUY

JOD 3.9

Banks / JORDAN

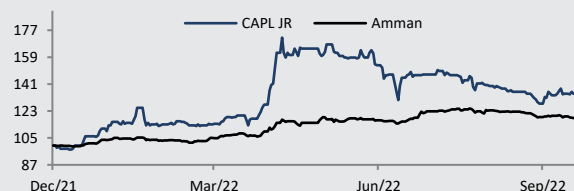
Bloomberg code	CAPL JR
Market index	Amman
Target Price	3.9
Upside (%)	59.7

Market data 11/16/2022

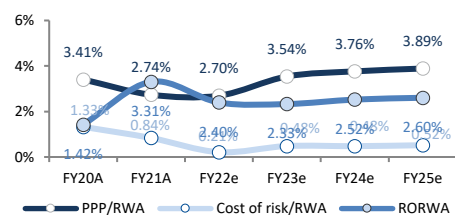
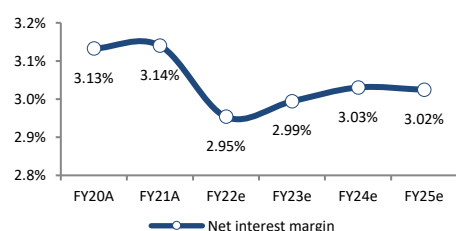
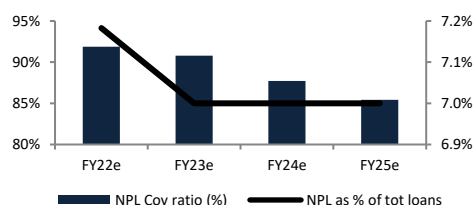
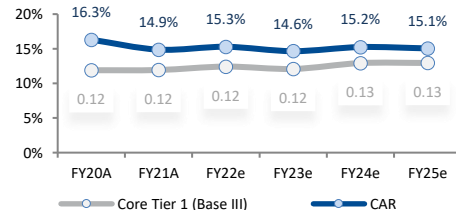
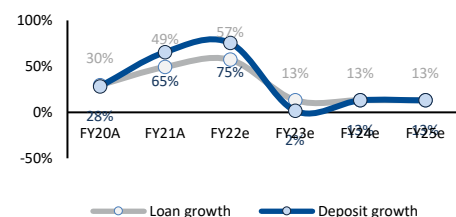
Last closing price	2.5
52 Week range	1.7-3.1
Market cap (JOD m)	639
Market cap (USD m)	901
Average Daily Traded Value (JOD m)	0.00
Average Daily Traded Value (USD m)	0.4
Free float (%)	38%

Year-end (local m)	2020	2021	2022e	2023e
Revenues	110	138	201	256
Pre-provisioning profit	62	65	101	151
EPS	0.13	0.39	0.34	0.38
P/E (x) (mkt price)	18.7	6.2	7.1	6.4
BVPS	1.5	1.8	2.4	2.6
Tangible BVPS	1.4	1.7	2.3	2.5
P/B (x) (mkt price)	1.6	1.3	1.0	0.9
P/TBVPS (x) (mkt price)	1.7	1.5	1.1	1.0
DPS	0.12	0.15	0.15	0.18
Div. yield (%)	4.9	6.2	6.2	7.4
EPPS	(0.04)	0.13	0.06	0.07
RoAA (%)	1.1	2.2	1.6	1.4
RoRWA (%)	1.4	3.3	2.4	2.3
RoATE (%)	9.0	25.5	19.2	15.8
RoECC (%)	9.4	26.6	18.0	17.8
RAROC (%)	9.4	21.2	7.2	7.4
Net LtD ratio (%)	84.5	76.3	68.4	76.2
Risk Weighted Assets (bn)	1.8	2.4	3.7	4.3
Core Equity T1 ratio (%)	11.9	11.9	12.4	12.1
Tier 1 capital ratio (%)	14.5	13.2	14.3	13.7
Total capital ratio (%)	16.3	14.9	15.3	14.6
NPL ratio (%)	6.6	6.7	7.2	7.0
Coverage ratio (%)	72.8	82.1	91.9	90.8
Number of shares	200	200	263	263

Price Performance



Abacus Arqaam Capital Fundamental Data

Profitability

NIM

Credit Quality

Capital Ratios

Growth

CAPITAL BANK OF JORDAN

Year-end	2020	2021	2022e	2023e	2024e	2025e
Performance analysis						
Net Interest Margin (%)	3.13	3.14	2.95	2.99	3.03	3.02
Asset yield (%)	5.91	5.56	5.55	5.98	5.98	5.98
Cost of Funds (%)	3.24	2.73	2.91	3.35	3.30	3.30
Risk Adjusted Margins (%)	2.03	2.53	2.80	2.70	2.73	2.70
Cost / Income (%)	43.6	52.5	49.9	41.1	37.5	35.0
Net Interest Income / total income (%)	62.6	74.2	76.9	80.1	80.3	80.4
Fees & Commissions / operating income (%)	22.1	18.1	16.8	14.8	14.7	14.6
Trading gains / operating income (%)	3.6	2.7	(0.4)	0.6	0.6	0.6
RoATE (%)	9.0	25.5	19.2	15.8	17.8	18.9
Pre-prov. RoATE (%)	17.6	29.7	16.3	18.3	20.2	21.5
RoAA (%)	1.1	2.2	1.6	1.4	1.5	1.5
Revenue / RWA (%)	6.04	5.77	5.37	6.01	6.02	5.98
Costs / RWA (%)	2.63	3.03	2.68	2.47	2.26	2.09
PPP / RWA (%)	3.41	2.74	2.70	3.54	3.76	3.89
Cost of Risk / RWA (%)	1.33	0.84	0.21	0.48	0.48	0.52
RoRWA (%)	1.42	3.31	2.40	2.33	2.52	2.60
RoRWA (%) (adj. for gross-up of associates)	1.42	3.31	2.40	2.33	2.52	2.60
Year-end	2020	2021	2022e	2023e	2024e	2025e
Asset Quality						
Provisions charge / avg. gross loans (%)	2.0	1.1	0.3	0.6	0.6	0.6
Past due not impaired / gross loans (%)	3.3	3.1	3.4	4.4	4.2	4.0
NPL / gross loans (%)	6.6	6.7	7.2	7.0	7.0	7.0
NPL coverage ratio (%)	72.8	82.1	91.9	90.8	87.7	85.4
Provisions / avg. gross loans (%)	3.3	3.1	3.4	4.4	4.2	4.0
Provisions charge / operating income (%)	38.9	30.6	9.7	17.6	13.4	14.1
Year-end	2020	2021	2022e	2023e	2024e	2025e
Funding and Liquidity						
Net Loans / Deposits (%)	84.5	76.3	68.4	76.2	76.4	76.5
Cash and interbank / assets (%)	10.9	8.3	12.9	4.7	3.6	2.8
Deposits / liabilities (%)	70.0	70.7	77.9	69.8	69.6	69.4
Year-end	2020	2021	2022e	2023e	2024e	2025e
Capital and leverage ratios						
Core Tier 1 ratio (Basel III) (%)	11.9	11.9	12.4	12.1	12.9	12.9
Tier 1 ratio (%)	14.5	13.2	14.3	13.7	14.4	14.2
Total capital ratio (%)	16.3	14.9	15.3	14.6	15.2	15.1
Tangible equity / assets (%)	12.9	9.1	9.5	9.1	8.8	8.6
RWA / assets (%)	66.4	55.3	54.1	54.8	55.2	55.4
Year-end	2020	2021	2022e	2023e	2024e	2025e
Growth						
Revenues (%)	21.7	24.6	45.9	27.8	14.2	12.7
Cost (%)	(0.2)	50.1	38.5	5.3	4.2	5.0
Pre-Provision Operating Profit Growth (%)	46.5	4.9	54.1	50.1	21.1	17.3
Provisions (%)	505.8	(17.6)	(60.1)	157.5	13.0	23.3
Net Profit (%)	3.4	203.6	13.4	11.1	23.5	17.1
Assets (%)	25.7	56.8	60.0	13.0	13.0	13.0
Loans (%)	29.6	49.3	57.3	13.3	13.3	13.2
Deposits (%)	28.2	65.5	75.4	1.7	13.0	13.0
Risk Weighted Assets (%)	12.1	30.6	56.5	14.3	13.9	13.5

Abacus Arqaam Capital Fundamental Data

Company Profile

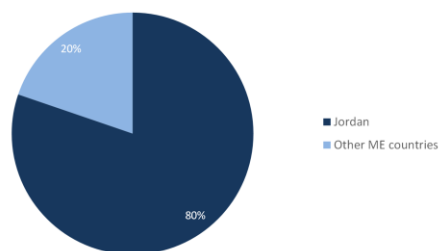
The bank is a public shareholding company registered and incorporated in Jordan on 30 August 1995. The bank provides its banking services through its 23 branches located in Amman – Jordan and its subsidiaries Capital Investment and Brokerage Company in Jordan Ltd (third largest Jordanian bank in assets with a market share of 8.9% and the fastest growing since 2020), National Bank of Iraq in Iraq, Capital Investment Fund Company in Bahrain, and Capital Bank Corporate Advisory (Dubai International Finance Center) Ltd.

CAPL has secured a Ba3 LT counterparty risk rating (foreign and domestic).

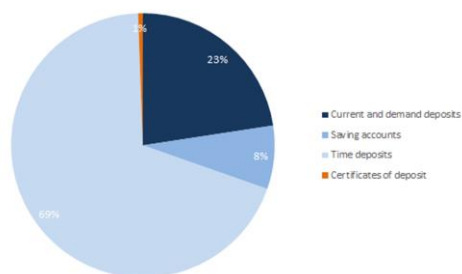
All Board of Directors are non-executive and 6 out of the 13 are independent.

Capital Bank implements a regular Environmental & Social performance assessment through an E&S board-approved policy that is based on IFC standards.

Geographical breakdown (Credit)



Deposit breakdown



Management

Chairman, Non-Executive
Group CEO

Bassem Al-Salem
Dawod Al Ghoul

Major Shareholders

Public Investment Fund (PIF) 23.97%
Saad Asem Aljanabi 7.42%
Social Security Corp 7.19%
Said Samih Darwazah 5.36%

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Year-end	2020	2021	2022e	2023e	2024e	2025e
Income statement (JODmn)						
Interest income	130	181	290	410	464	524
Interest expense	61	79	136	205	229	259
Net Interest Income	69	102	154	205	235	265
Fee income	24	25	34	38	43	48
Net investment income	4	3	(1)	1	1	1
Other operating income	13	7	14	12	13	15
Total operating income	110	138	201	256	293	330
Total operating expenses	48	72	100	105	110	115
Pre-provision operating profit	62	65	101	151	183	214
Net provisions	24	20	8	20	23	29
Other provisions / impairment	-	-	-	-	-	-
Operating profit	38	45	93	131	160	186
Associates	-	-	-	-	-	-
Pre-tax profit	38	71	118	131	160	186
Taxation	8	10	18	20	24	28
Net profit	30	61	100	111	136	158
Minorities	4	(18)	6	7	8	9
ADT1 coupon	-	-	5	5	5	5
Others	-	-	-	-	-	-
Attributable net profit	26	79	89	99	123	144
Diluted EPS	0.13	0.39	0.34	0.38	0.47	0.55
DPS	0.12	0.15	0.15	0.18	0.23	0.26
BVPS	1.54	1.82	2.37	2.57	2.80	3.09
Tangible BVPS	1.43	1.66	2.28	2.49	2.74	3.04

Year-end	2020	2021	2022e	2023e	2024e	2025e
Balance sheet (JODmn)						
Gross loans and advances	1,393	2,187	3,499	3,954	4,468	5,049
Less: loan loss provisions	90	156	174	187	202	220
Net loans and advances	1,415	2,114	3,325	3,767	4,266	4,829
Cash and central bank	296	426	754	852	962	1,086
Due from banks	143	313	500	565	639	722
Investment, net	653	1,183	1,892	2,138	2,416	2,730
Fixed assets, net	39	66	58	64	70	77
Other assets	181	180	345	390	440	498
Total assets	2,749	4,311	6,898	7,795	8,808	9,953
Customer deposits	1,674	2,771	4,860	4,943	5,585	6,311
Due to banks	138	381	363	1,053	1,281	1,533
Debt	358	443	500	500	500	500
Other liabilities	222	325	519	587	663	749
Total liabilities	2,393	3,919	6,242	7,083	8,029	9,094
Total equity	356	392	656	712	779	859
Risk Weighted Assets (bn)	2	2	4	4	5	6
Average Interest-Earning Assets	2,205	3,249	5,221	6,855	7,755	8,771
Average Interest-Bearing Liabilities	1,892	2,883	4,659	6,110	6,931	7,855
Common shareholders	286	333	599	656	722	800
Core Equity Tier 1 (Basel III)	217	285	464	516	628	714
Tier 1 capital	266	314	535	587	699	785

Jaap Meijer, MBA, CFA
jaap.meijer@arqaamcapital.com
+971 4 507 1744

Hussein Fares, CFA
Hussein.fares@arqaamcapital.com

Exhibit 1: Capital Bank of Jordan Q3 22A review – a miss on higher OpEx

SARm	Q3 22A	AC Q3 22e	vs. AC	Q2 22A	q/q 22	Q3 21A	Q2 21A	q/q 21	y/y Q3	y/y Q2	9m 22A	9m 21A	9m y/y
Interest Income	86	78	9.5%	76	12.4%	49	46	5.0%	76.5%	64.8%	217	131	66.0%
Interest expense	46	37	22.8%	39	17.2%	22	20	10.1%	110.0%	97.2%	108	58	87.8%
Net interest income	40	41	(2.5%)	37	7.4%	27	27	1.2%	49.4%	40.7%	109	73	48.9%
Fee Income	7	10	(29.7%)	10	(31.1%)	5	7	(28.0%)	35.2%	41.1%	23	18	31.0%
Net Trading Income	0	0	(100.0%)	-2	nm	0	0	nm	nm	nm	-2	0	nm
Other Income	5	3	45.7%	5	(5.6%)	3	3	12.3%	43.7%	70.9%	14	8	79.3%
Non-Interest income	12	13	(11.0%)	14	(13.4%)	8	10	(15.9%)	38.6%	34.6%	35	25	39.3%
Total income	52	54	(4.5%)	51	1.9%	35	37	(3.5%)	46.8%	39.0%	144	98	46.4%
Operating expenses	29	26	12.7%	26	12.1%	18	17	7.8%	60.1%	54.0%	74	47	57.3%
Operating profit	23	29	(20.0%)	25	(8.7%)	17	20	(13.1%)	32.8%	26.3%	70	52	36.5%
LLP	1	2	(59.0%)	-1	nm	5	8	(39.5%)	nm	(110.2%)	6	16	(61.9%)
Taxes	2	4	(40.9%)	6	(56.5%)	3	3	(0.1%)	(5.3%)	117.5%	10	7	32.9%
Group Net income	20	22	(11.4%)	20	(0.8%)	10	8	16.4%	105.3%	140.9%	80	53	51.9%
Attributable NI	18.6	21	(12.7%)	19	0.4%	8.0	-15	(152.0%)	133.3%	(220.9%)	76	49	53.4%
Annualised NIMs	2.63%	2.71%		2.65%		3.02%	3.26%				4.35%	4.93%	
Cost/income	55.9%	47.3%		50.8%		51.3%	45.9%				51.1%	47.6%	
Loans to deposits	77.0%			78.3%		83.6%	84.8%				77.0%	83.6%	
Annualized LLP	0.09%			-0.10%		0.96%	1.68%				0.17%	0.78%	
Gross Loans	3,563		#DIV/0!	3,421	4.2%	2,075	1,958		71.7%	74.7%	3,563	2,075	71.7%
Net Loans	3,297	3,242		3,161	4.3%	2,005	1,905		64.4%	66.0%	3,297	2,005	64.4%
Customer deposits	4,626		#DIV/0!	4,368	5.9%	2,483	2,311		86.3%	89.0%	4,626	2,483	86.3%

Source: Company Data, Arqaam Capital Research

Exhibit 2: Earnings estimate changes- we sharply raise our deposit growth estimates

AED m	New	FY 22e Old	Δ	New	FY 23e Old	Δ	New	FY 24e Old	Δ	New	FY 25e Old	Δ	New	FY 26e Old	Δ
Net interest income	154	156	(1.0%)	205	199	3.0%	235	230	2.1%	265	260	2.0%	299	294	1.9%
Fee income	34	36	(6.2%)	38	40	(4.6%)	43	44	(2.8%)	48	49	(2.0%)	53	55	(2.0%)
Investment income	(1)	(1)	–	1	1	–	1	1	–	1	1	–	1	1	–
Non-Interest income	46	44	4.7%	51	52	(1.0%)	58	57	0.6%	65	64	1.5%	72	71	1.5%
Total income	201	200	0.3%	256	251	2.2%	293	287	1.8%	330	324	1.9%	371	364	1.8%
Opex	100	97	3.3%	105	102	3.3%	110	106	3.3%	115	112	3.4%	121	117	3.4%
Operating income	101	103	(2.6%)	151	149	1.4%	183	181	1.0%	214	212	1.2%	250	247	1.1%
Loan loss provision	8	9	(6.7%)	20	20	–	23	23	–	29	29	–	38	38	–
Other provision	0	0	(74.8%)	–	–	–	–	–	–	–	–	–	–	–	–
Net income reported	94	96	(1.5%)	104	103	1.7%	128	126	1.1%	149	147	1.3%	170	167	1.3%
Net income adjusted	89	91	(1.6%)	99	98	1.7%	123	121	1.2%	144	142	1.4%	165	162	1.4%
Ratios															
NIM	2.95%	2.98%	-0.03%	2.99%	2.91%	0.09%	3.03%	2.97%	0.06%	3.02%	2.96%	0.06%	3.02%	2.96%	0.06%
Cost/income	49.9%	48.4%	1.5%	41.1%	40.6%	0.4%	37.5%	37.0%	0.5%	35.0%	34.5%	0.5%	32.6%	32.1%	0.5%
LLP	N/a	N/a		N/a	N/a		N/a	N/a		N/a	N/a		N/a	N/a	
NPL	3.6%	3.6%	0.00%	3.6%	3.6%	0.00%	3.6%	3.6%	0.00%	3.6%	3.6%	0.00%	3.6%	3.6%	0.00%
Coverage	91.9%	1.6%	90.26%	90.8%	1.6%	89.18%	87.7%	1.6%	86.11%	85.4%	1.6%	83.81%	84.3%	1.6%	82.64%
Growth															
Assets	60%	60%	–	13%	13%	–	13%	13%	–	13%	13%	–	13%	13%	–
Loan	60%	60%	–	13%	13%	–	13%	13%	–	13%	13%	–	13%	13%	–
Deposit	75%	58%	17.5%	2%	13%	(11.3%)	13%	13%	–	13%	13%	–	13%	13%	–
AED															
EPS	0.34	0.35	(1.6%)	0.38	0.37	1.7%	0.47	0.46	1.2%	0.55	0.54	1.4%	0.63	0.62	1.4%
TP	3.9	3.9	(0.5%)												

Source: Company Data, Arqaam Capital Research

Exhibit 3: Capital Bank of Jordan EVA

	2016	2017	2018	2019	2020	2021	2022e	2023e	2024e	2025e	2026e	perp	subtotal	% of total
1. DCF														
Net profit	12	24	31	25	26	79	89	99	123	144	165	171		
Other adjustments (comprehensive income and GW amor)	--	--	--	--	--	--	--	--	--	--	--	--		
Minus: excess return excess capital	8	9	8	9	5	3	9	8	7	7	7	7		
Risk free rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%		
Tax shelter	--	--	--	--	--	--	--	--	--	--	--	--		
Adjusted net profit	5	16	23	16	21	76	81	91	115	137	158	164		
Capital requirements	191	182	178	196	219	286	448	512	583	662	743	772		
RoTE	2.5%	8.7%	13.0%	8.3%	9.4%	26.6%	18.0%	17.8%	19.8%	20.6%	21.3%	21.3%		
Cost of capital	14.0%	14.0%	14.0%	14.0%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%		
Capital charge	27	25	25	27	32	41	65	74	85	96	108	112		
Economic profit	(22)	(10)	(2)	(11)	(11)	35	16	17	31	41	50	52		
Discount factor	--	--	--	--	--	--	1.00	0.87	0.76	0.67	0.58	0.51		
NPV of Economic Profit	--	--	--	--	--	--	16	15	24	27	29	26		
DCF EVA Forecast period													111	10.8%
Perpetual growth rate (nominal GDP)													4.0%	
Terminal Value													497	
Terminal value discounted													252	24.7%
Required Capital													448	43.9%
Value of the bank operations													811	79.4%
2. Capital surplus/deficit														
Available capital:														
Shareholders equity	278	292	287	294	307	363	623	675	737	813	896			
Minorities	56	58	50	54	48	29	32	37	41	47	53			
Less Goodwill & intangibles	(6)	(6)	(11)	(3)	(22)	(31)	(24)	(20)	(16)	(12)	(10)			
Less non equity elements reported shareholders equity														
Less Dividends (if included in reported equity)	(10)	(20)	(20)	--	(24)	(30)	(39)	(47)	(60)	(68)	(82)			
Tangible equity	319	324	306	344	310	332	592	645	703	778	857			
Capital needs														
RWAs (Basel II)	1,590	1,514	1,486	1,630	1,826	2,385	3,732	4,268	4,859	5,515	6,189			
RWAs (Basel III)	1,590	1,514	1,486	1,630	1,826	2,385	3,732	4,268	4,859	5,515	6,189			
Equity as % RWA	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%			
Financial stakes	--	--	--	--	--	--	--	--	--	--	--			
Capital Requirements	191	182	178	196	219	286	448	512	583	662	743			
Surplus capital	128	142	128	149	91	46	144	133	120	117	114		46	4.5%
3. Other adjustments														
Capital increase during 2022													131	
ADT1													35	
Underprovisioning													(42)	
Total adjustments													125	12.2%
4. Dividends													39	3.9%
Total Fair Value													1,021	100%
Fully diluted number of shares													263	
Fair value per share													3.9	
Current share price													2.5	
Upside													52.8%	
Implied P/E (x)	62.4	31.9	25.1	30.9	29.9	9.8	11.4	10.3	8.3					
Implied P/NAV (x)	2.8	2.7	2.8	2.7	2.7	2.3	1.7	1.6	1.4					

Source: Company Data, Arqaam Capital Research

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