Asian Credit Daily

2 February 2024

Market Commentary:

- The SGD SORA curve traded lower yesterday, with short tenors trading 2-4bps lower, belly tenors trading 4-5bps lower, and the 10Y trading 3bps lower.

- Flows in SGD corporates were heavy, with flows in STTGDC 5.7%-PERP, LLOYDS 5.25% '33s

- According to Bloomberg, Byju's Alpha Inc., was declared bankrupt in the US by a court-appointed agent after it defaulted on USD1.2bn in debt. Byju's Alpha Inc. lacked the money to continue their legal battles with their parent company, according to court papers filed by the unit's Chief Executive Officer Timothy Pohl. Lenders of Byju's Alpha Inc. required the company to file bankruptcy before they would continue funding them.

- In the US, the weaker than expected recent earnings announcement of New York Community Bancorp ("NYCB") has raised new questions on the state of the US regional banking sector and its relatively higher exposure to commercial real estate. Its ratings are now on review for downgrade following the weak earnings. A similar development occurred in Japan with Aozora Bank Ltd also disclosing losses tied to US commercial real estate with loan loss reserves of JPY32.4bn likely to result in the bank recording a net loss in its next earnings announcement.

- Yesterday, Bloomberg Asia USD Investment Grade spreads widened by 4bps to 105bps while the Asia USD High Yield spreads widened by 9bps to 686bps, per Bloomberg.

- There were no notable bond issuances in the Asiadollar and the Singdollar market yesterday.

Credit Summary:

- **CapitaLand Ascott Trust ("ART"):** ART announced that it is divesting Citadines Mount Sophia Singapore (154-units) to an unrelated third party for SGD148mn where net proceeds are expected at ~SGD138.6mn. The property will be divested at 19.4% above book value as at 31 December 2023.

- **Julius Baer Group Ltd ("JBG"):** JBG announced its 2023 annual results that reflected the recent announcements and media reports regarding a material drop in net profit from higher loan loss provisions and management changes.

- **Lendlease Global Commercial REIT ("LREIT"):** LREIT reported its 1HFY2024 results ended 31 December 2023.

- **Frasers Hospitality Trust ("FHREIT"):** FHREIT announced the business update for the first quarter of the financial year ending 30 September 2024 ("1QFY2024").

- **BNP Paribas SA ("BNPP"):** BNPP announced 2023 results with reported net income of EUR10.98bn up 11.4% y/y due to several one offs.

- **CapitaLand Ascendas REIT ("AREIT"):** AREIT announced 2023 results. Overall results are decent with strong rental reversion and performance continued to be underpinned by Singapore assets. The only concern is the considerably lower valuation and occupancy rate of the US assets, in particular the Business Space assets.

- **Deutsche Bank AG ("DB"):** DB reported its highest profit before tax result in 16 years with 2023 profit before tax up 1.5% y/y to EUR5.68bn. This was driven by solid net revenue performance that was partially offset by a 23% jump in provisions for credit losses.

Key Market Movements

	2-Feb	1W chg (bps)	1M chg (bps)		2-Feb	1W chg	1M chg
iTraxx Asiax IG	103	2	11	Brent Crude Spot ($/bbl)	79.1	-5.3%	4.3%
iTraxx SovX APAC	0	0	0	Gold Spot ($/oz)	2,056	1.9%	-0.1%
iTraxx Japan	58	2	0	CRB Commodity Index	270	-1.0%	2.7%
iTraxx Australia	70	1	2	S&P Commodity Index - GSCI	548	-2.5%	3.2%
CDX NA IG	55	1	-3	VIX	13.9	3.2%	5.2%
CDX NA HY	106	0	0	US10Y Yield	3.88%	-26bp	-5bp
iTraxx Eur Main	61	3	-1				
iTraxx Eur XO	330	15	5	AUD/USD	0.660	0.3%	-2.4%
iTraxx Eur Snr Fin	71	4	0	EUR/USD	1.088	0.3%	-0.5%
iTraxx Eur Sub Fin	133	9	2	USD/SGD	1.336	0.4%	-0.7%
				AUD/SGD	0.881	0.1%	1.8%
USD Swap Spread 10Y	-36	1	6	ASX200	7,699	1.9%	0.9%
USD Swap Spread 30Y	-71	0	2	DJIA	38,520	1.2%	2.1%
				SPX	4,906	0.2%	3.4%
China 5Y CDS	66	1	5	MSCI Asiax	610	-0.5%	-4.2%
Malaysia 5Y CDS	46	1	4	HSI	15,567	-2.4%	-7.3%
Indonesia 5Y CDS	76	0	4	STI	3,181	0.7%	-1.5%
Thailand 5Y CDS	42	0	2	KLCI	1,520	1.0%	4.5%
Australia 5Y CDS	17	0	0	JCI	7,199	0.9%	-1.7%
				EU Stoxx 50	4,639	1.2%	2.8%

Source: Bloomberg

Credit Headlines:

CapitaLand Ascott Trust ("ART")

- ART announced that it is divesting Citadines Mount Sophia Singapore (154-units) to an unrelated third party for SGD148mn where net proceeds are expected at ~SGD138.6mn. The property will be divested at 19.4% above book value as at 31 December 2023.
- The exit yield is ~3.2% and ART will recognise a net gain of ~SGD14.6mn. This transaction is small relative to ART's total assets of SGD8.7bn as at 31 December 2023. This divestment taken together with divestments (including those announced but not yet completed) in 2023 is ~SGD408mn.
- Per ART, it aims to use capital from divestments to reduce debt, fund asset enhancement initiatives or redeploy it into higher-yielding investments. (Company, OCBC)

Julius Baer Group Ltd ("JBG")

- JBG announced its 2023 annual results that reflected the recent announcements and media reports regarding a material drop in net profit from higher loan loss provisions and management changes. Key details include:
    - Net profit down 52% y/y to CHF454mn reflecting CHF606mn in net credit losses driven by exposures in the private debt business as first mentioned in November 2023.
    - Wind-down and exit from the private debt business that is reflected in the full loss allowance of CHF586mn for JBG's largest private debt exposure. There is ~CHF800mn in remaining private debt exposures which represent 2% of the total loan book. Going forward, JBG will refocus on its Lombard and mortgage lending.
    - Changes in management composition and compensation including Chief Executive Officer Philipp Rickenbacher stepping down by mutual agreement with the board and current deputy Chief Executive Officer and Chief Operations Officer Nic Dreckmann being appointed on an interim basis. In addition, Chair of the Governance and Risk Committee, David Nicol, is not standing for re-election at 2024 Annual General Meeting.
- On an underlying basis, net profit was down 10% y/y to CHF947mn against the strong FY2022 performance that was impacted by a stronger Swiss franc, lower volatility and reduced client trading activity and higher adjusted operating expenses from growth investments. These offset the benefit of higher interest rates.
- JBG's CET1 ratio of 14.6% as at 31 December 2023 is up y/y (14.0% as at 31 December 2022) but down h/h (15.5% as at 30 June 2023) and nevertheless remains above the Group's 11% floor and 8.3% regulatory minimum. The CET1 ratio is also above the 14% share buy-back floor however the board has decided to forego a new share buy-back programme at this point in time. The tier 1 leverage ratio of 4.9% as at 31 December 2023 (4.3% as at 31 December 2022) was also above the 3.0% regulatory minimum.
- 2023 was expected to be a year of strength given the change in the competitive landscape within private banking and investments in growth (95 net increase in relationship managers). However, the year has instead ended with questions on risk management and corporate governance. The full loss allowance looks conservative but was likely necessary together with management changes to address market concerns on management of the underlying business.
- We continue to review the earnings announcement. (Company, OCBC)

Lendlease Global Commercial REIT ("LREIT")

- LREIT reported its 1HFY2024 results ended 31 December 2023.
- **Decent NPI improvements even excluding supplementary rent:** 1HFY2024 net property income ("NPI") increased 22.2% y/y to SGD93.4mn due to improved operational performance from the retail malls and recognition of supplementary rent from the lease restructure with Sky Italia. Excluding the supplementary rent, NPI increased 5.1% y/y to SGD80.3mn.
- **Strong retail rental reversion:** LREIT recorded a strong retail rental reversion of 15.7% in1HFY2024. Management guided a strong outlook ahead, foreseeing a double-digit rental reversion for FY2024 and FY2025.

- **Largely stable leverage though ICR fell somewhat excluding supplementary rent:** As at 31 December 2023, aggregate leverage ratio remained stable at 40.5% (September 2023: 40.6%). Meanwhile, adjusted interest coverage ratio (including perpetual distribution) remained unchanged q/q at 1.9x while weighted average cost of debt increased somewhat to 3.37% (September 2023: 2.94%). Excluding the 2-year supplementary rent contribution, we believe the adjusted interest coverage ratio could be ~1.6x.
- **Base case to call back the perpetual:** The management responded to the questions on perpetual LREIT 5.25% PERP that is callable on 11 April 2025. The management responded that the base case is that LREIT will call back the perpetual given the high potential reset yield (5.83% based on rate as at 1 February 2023). Unless the SORA rates fall substantially (eg <1%), LREIT will more likely than not to call back the perpetual.
- **Strong operating metrics:** Operating metrics were strong with tenant sales increased 0.6% y/y in 1HFY2024 with visitation trending close to pre-COVID-19 average levels. Tenant sales are 10-15% higher than pre-pandemic average levels in 2019 based on our estimation.
- **Much lower occupancy due to lease restructuring, but highly likely manageable:** Portfolio committed occupancy fell to 87.9% as at 31 December 2023 (Sep 2023: 99.9%) due to the lease restructuring with Sky Italia which completed in December 2023.
    - Occupancy of Jem and 313@somerset remained unchanged q/q at 100% and 98.9% respectively.
    - Sky Complex Building 3 has been returned to LREIT. In return, LREIT will get 2 years of supplementary rent from Sky Italia.
    - Per the management, there are some queries from potential tenants on Sky Complex Building 3, though time is needed to fill up the building.
    - We believe 2 years of supplementary rent is sufficient to cover the time needed to bring in new tenants for the building.
- As a reminder, the highlights of lease agreement with Sky Italia in December 2023 are as below:
    - Lease of Buildings 1 and 2 will be extended to December 2032 (9 years lease), with option for Sky Italia renewing another 6 more years (Dec 2038)
    - Meanwhile, Sky Italia will not have the option to terminate the lease.
    - Annual rents of buildings 1 and 2 will be 1.5% higher than the previous lease, the increase is in addition to the 5.9% rental increase in May 2023. The new lease will also include inflation adjustment according to ISTAT CPI (only upward)
    - Building 3 will be returned to LREIT in 1Q2024, Sky Italia will compensate 2 years of existing annual rent of Building 3.
    - Building 3 will be rented out to other tenants in the future, reducing tenant concentration risks. (Company, OCBC)

Frasers Hospitality Trust ("FHREIT")

- FHREIT announced the business update for the first quarter of the financial year ending 30 September 2024 ("1QFY2024").
    - Revenue per available room ("RevPAR") for most of the country portfolios were higher y/y in 1QFY2024; however, Singapore and the UK fell y/y.
    - **Singapore**: RevPAR declined 16.6% y/y in 1QFY2024 where occupancy fell by 14 percentage point (fell 16 percentage point q/q) although average daily rate ("ADR") grew 1.36% y/y which partly mitigate the occupancy fall. Per company, occupancy for the InterContinental Singapore softened, with easing of pent-up travel demand and new supply. For Frasers Suites Singapore, a serviced apartment catering to minimum requirement of seven days, the property saw weaker demand. We understand from management that FHREIT holds the right of first refusal on Capri by Fraser at Changi City (313-rooms, in the vicinity of the Expo MRT) and as such will be evaluating this asset given that the property is on the market.
    - **Australia**: RevPAR increased 5.7% y/y in 1QFY2024 in AUD-terms, driven by an increase in occupancy which per company was supported by recovery of corporate, meetings, incentives, conferences and exhibitions ("MICE") and group segments. ADR stayed relatively flat y/y.

  - **UK**: RevPAR was slightly lower by 1.6% y/y in GBP-terms. ADR was flat y/y though occupancy fell by one percentage point. While management expects costs to still increase from inflationary pressures, the pace of increase has softened.
  - **Japan**: RevPAR increased 12.9% y/y in JPY-terms, boosted by an 8.8% y/y increase in ADR and a three percentage points increase in occupancy. Per company, FHREIT's sole property in Kobe saw recovery in tandem with broader recovery of the Kobe hotel market and remains optimistic over positive spillover effects from MICE and tourism developments in neighbouring Osaka in the coming years. FHREIT announced that Apex Group Trust (Japan) Company Limited (the "Lessor") which holds the legal title to ANA Crowne Plaza Kobe and acting as trustee for a Japanese trust which is beneficially held by FHREIT, has issued a termination notice to a wholly-owned subsidiary of the TCC Group to terminate the retail master lease agreement. TCC Group is a major shareholder of FHREIT. The Lessor will pay the termination sum (to be computed per terms of the retail master lease agreement, determined by independent valuer) and shall be no more than JPY4.25bn (~SGD38.8mn). It is intended for a wholly-owned subsidiary of FHREIT to continue as the new master lessee of the retail component of this property on the termination date. Other properties in FHREIT's portfolio have no retail mall component.
  - **Malaysia**: FHREIT's sole property The Westin Kuala Lumpur saw RevPAR increase markedly by 22.1% in MYR-terms, driven by both an increase in ADR and an eight percentage point increase in occupancy to hit 87% in 1QFY2024. Per management, the property is benefiting from strong corporate (eg: oil and gas related demand) and leisure demand.
  - **Germany**: RevPAR improved y/y, supported by recovery in domestic travel and MICE.
- **Stable credit metrics though faces significant maturities in FY2025:**
  - As at 31 December 2023, FHREIT's reported aggregate leverage was healthy at 34.5% though came up slightly from 34.0% as at 30 September 2023 which per company is due to increase in working capital. Assuming the payment in relation to the ANA Crowne Kobe retail mall is paid with debt, reported aggregate leverage may rise to ~36%. Reported interest coverage for the 12 months to 31 December 2023 was 3.4x, higher than the 3.0x from the year before, despite higher cost of debt following the increase in benchmark rates.
  - As at 31 December 2023, SGD149mn (representing 21% of total debt) is due in the remaining in FY2024. Maturities due in FY2025 is even higher at SGD270mn (representing 37% of total debt). In FY2025, this includes SGD120mn of bonds due in November 2024, FHREIT's sole SGD-denominated bonds. That said, bulk of FHREIT's debt are unsecured debt and the portfolio can be used to raise secured funding if need be. Borrowings on fixed rate remains relatively high at 73.8% as at 31 December 2023 (30 September 2023: 75.5%). (Business Times, Company, OCBC)

BNP Paribas SA ("BNPP")

- BNPP announced 2023 results with reported net income of EUR10.98bn up 11.4% y/y due to several one offs including:
  - EUR775mn in net losses for risk of invalidation or non-enforceability on financial instruments granted. Specifically, the amount includes provisions on Polish mortgage loans (EUR450mn), provisions for litigation in Personal Finance (EUR221mn) and provisions for risk on receivables (EUR104mn).
  - EUR2.95bn in net income from discontinued activities that relates to the gain on sale of Bank of the West on 1 February 2023.
- These one-offs offset a 4.4% y/y fall in reported operating income to EUR12.01bn in FY2023. Driving this was negative JAWS with reported revenues up 1.0% y/y to EUR45.87bn as net interest income and banking and securities performance in Corporate and Institutional Banking was mitigated by a EUR938mn impact from changes in the terms of the targeted longer-term refinancing operations program and a EUR125mn provision for litigation. At the same time, operating expenses and depreciation rose 3.7% y/y from restructuring and adaptation costs as well as IT investments.

  - BNPP also reports adjusted operating income that reflects contribution to distributable net income and excludes extraordinary impacts – using this approach, revenues rose 3.3% y/y to EUR46.93bn while adjusted operating expenses fell 1.0% y/y to EUR29.58bn to achieve positive JAWS.
- Cost of risk was down 3.2% y/y to EUR2.91bn.
  - BNPP's cost of risk equates to 32bps of outstanding customer loans and is below the bank's 40bps guidance over 2022- 2025 as part of its current GTS (Growth, Technology and Sustainability) strategic plan.
  - The EUR2.91bn recognised in 2023 included EUR517mn in releases for stage 1 & 2 or performing loans in Corporate and Institutional Banking and a EUR158mn provision for commercial real estate exposures.
  - The ratio of doubtful loans to total loans remained stable y/y at 1.7% as at 31 December 2023. The stage 3 coverage ratio fell from 72.5% to 71.7% over the same period.
  - By segment performance on an operating income basis (and including the net losses for risk on financial instruments), Commercial, Personal Banking & Services (includes two thirds of Private Banking) was stable y/y (+0.3% to EUR6.94bn) while Corporate and Institutional Banking was up 6.7% y/y to EUR5.75bn from transaction banking and capital markets revenues. Conversely, Investment & Protection Services (comprises Insurance, Wealth and Asset Management) was down 11.2% y/y to EUR2.01bn on the impact of lower Real Estate and Principal Investments performance that offset better Wealth Management, Insurance and Asset Management from net asset inflows.
- BNPP's CET1 ratio of 13.2% as at 31 December 2023 was down 20bps q/q (13.4% as at 30 September 2023) but up 90bps y/y (12.3% as at 31 December 2022). The q/q movement reflects earnings net of dividend payouts while the YTD movement also reflects the sale of Bank of the West.
  - BNPP's capital position remains well above its CET1 requirement as of 1 January 2024 of 10.19% that includes 1.50% for the global systemically important banks ("G-SIB") buffer, 2.50% for the capital conservation buffer, 0.88% for Pillar 2 requirement and 0.58% for the countercyclical buffer.
  - This translates to a EUR21.0bn distance to its Maximum Distributable Amount ("MDA") restrictions level.
- BNPP's outlook is mixed. On one hand, management have highlighted the influence of recent regulatory decisions and the operating environment that will subdue financial performance. On the other hand however, BNPP's stable underlying fundamentals and strong market position in its key markets is expected to improve BNPP's market share over the short to medium term. The former however is likely to weaken earnings and as such management have revised certain 2025 strategic targets slightly lower, in particular return on tangible equity (from ~12% to 11.5%-12%) and CAGR of net income over 2022-2025 (from over 9% to ~8%). Other targets were reaffirmed.
- Another strategic angle for BNPP is capital reallocation, having redeployed EUR3.0bn of capital since January 2022 and a further EUR4.6bn of capital to be redeployed, as well as growing its transition financing business through the simultaneous growth in financing low-carbon energy and reducing financing of fossil fuels. Its target to have 80% of energy financing in low-carbon energies was moved forward two years to 2028. Per Dealogic, BNPP is the largest provider of ESG loans and bonds globally. (Company, OCBC)

CapitaLand Ascendas REIT ("AREIT")

- AREIT announced 2023 results. **Overall results are decent with strong rental reversion and performance continued to be underpinned by Singapore assets. The only concern is the considerably lower valuation and occupancy rate of the US assets, in particular the Business Space assets.**
- **Higher NPI due primarily to acquisitions:** FY2023 net property income ("NPI") grew 5.6% y/y to SGD1.02bn, underpinned primarily by (1) contributions from acquisitions of four properties and one development completed during 2023, (2) full year contributions from seven Logistics properties in 2022 and (3) positive rental reversions. Meanwhile, 2H2023 NPI grew by 4.6% y/y to SGD514mn.
- **Well anchored by Singapore assets:** Valuation of investment properties stood at SGD16.9bn as at 31 December 2023, spreading across:
  - Singapore (64%)
  - Australia (14%)

  - The US (12%)
  - The UK/Europe (10%).
- **Slightly lower though still healthy occupancy:** As of 31 December 2023, the occupancy rate for the portfolio fell 0.3ppts q/q and 0.4ppts y/y to 94.2%.
  - Singapore portfolio remained unchanged q/q at 92.7% (September 2023: 92.7%).
  - US portfolio declined q/q to 90.4% (September 2023: 92.1%) largely due to lower occupancy rates in Portland. Meanwhile, occupancy fell somewhat compared to 94.0% in December 2022.
  - Australia was slightly lower q/q at 98.7% (September 2023: 99.0%).
  - The UK/Europe portfolio remained unchanged q/q at 99.3%
- **Strong rental reversion:** Positive average rental reversion of 13.4% for leases that were renewed in 2023:
  - Singapore +13.8%
  - the US +10.7%
  - Australia +19.4%
  - The UK/Europe +1.6%
- **Lower valuation, dragged primarily by US Business Space:** Same-store portfolio valuation was lower by 1.8% y/y SGD16.0bn as at 31 December 2023 (December 2022: SGD16.3bn) due primarily to weaknesses from the US and Australia.
  - US assets declined by 18.5% y/y or SGD466 million to SGD2.05bn, with Business Space (an asset class similar to office in our view) and Logistics falling by 20% y/y to SGD1.72bn and -7% y/y to SGD0.34bn respectively.
  - Australia assets declined by SGD102 million y/y or 4.5% to SGD2.30bn
  - Singapore assets rose by SGD239mn or 2.4% to SGD10.82bn
  - UK/Europe assets rose by SGD41mn or 2.7% to SGD1.74bn
- **Largely stable credit metrics though Adjusted ICR weakened somewhat y/y amidst higher rates** - As of 31 December 2023, the aggregate leverage rose slightly q/q and y/y to 37.9% (September 2023: 37.2%, December 2022: 36.3%). Meanwhile, adjusted interest coverage ratio (including perpetual distribution) weakened to 3.7x (September 2023: 3.8x, December 2022: 5.2x) as weighted average debt cost increased to 3.5% (September 2023: 3.3%, December 2022: 2.5%). Reported net debt / annualised EBTIDA remained stable at 7.8x (June 2023: 7.7x, December 2022: 7.8x). (Company, OCBC)

Deutsche Bank AG ("DB")

- DB reported its highest profit before tax result in 16 years with 2023 profit before tax up 1.5% y/y to EUR5.68bn. This was driven by solid net revenue performance that was partially offset by a 23% jump in provisions for credit losses.
- DB's provision for credit losses of EUR1.5bn translate to a credit cost of 31bps of average loans, above the bank's credit losses provision guidance of around 25-30bps of average loans in 2024.
  - The result reflects headwinds to DB's exposures from the macro-economic environment and higher interest rates. The EUR488mn in 4Q2023 provisions is the highest quarterly provisioning since the pandemic.
  - Specifically, the higher provision is due to higher stage 3 provisions in the Investment Bank that are tied to commercial real estate as well as the Private Bank. Non-recourse commercial real estate loans of EUR38bn are around 8% of total loans – of these EUR31bn are classified as higher risk (7% of total loans) and have a weighted average LTV of ~64%. Over half of these loans are tied to US commercial real estate with refinancing the main risk according to management.
  - DB's ratio of stage 3 loans to total loans was 2.8% as at 31 December 2023, up from 2.5% as at 31 December 2022.
- Otherwise, DB's net revenues rose 6% y/y to EUR28.88bn (8% excluding non-recurring prior year gains and current year negative debt valuation adjustments). Management have indicated that revenues from more stable and recurring revenue streams is now 78% of net revenues, up from 71% in 2020:

  - Improvement in y/y performance was driven by Private Banking revenues of EUR9.6bn that were up 5% y/y on a reported basis (+10% on an unadjusted basis) due to solid deposit business from higher net interest margins, particularly in Germany (German Private Banking revenues rose 14% y/y to EUR6.1bn while international Private Bank revenues were down 8% y/y). Assets under management of EUR559bn rose 7.7% y/y largely due to net inflows of EUR29bn.
  - Corporate Bank with revenues of EUR7.7bn up 22% y/y from net interest income performance. Improvement was broad based across Corporate Treasury Services, Institutional Client Services and Business Banking.
  - On the flipside, Investment Banking revenues were down 9% y/y to EUR9.2bn due to a high base, particularly in Fixed Income and Currencies and lower revenues in Foreign Exchange, Rates and Emerging Markets due to lower market volatility and client activity. Debt origination revenues rose while Advisory revenues fell.
  - Asset Management net revenues of EUR2.4bn was down 9% y/y on lower management fees. Assets under Management of EUR896bn rose 9.1% or EUR75bn y/y including net inflows of EUR28bn.
- Non-interest expenses also rose 6% y/y to EUR21.69bn and include EUR1.1bn in non-operating costs tied to strategy execution (EUR474mn in 2022). Excluding these costs, non-interest expenses rose 3% y/y. DB's cost to income ratio was 75% for FY2023 which was stable y/y.
- DB's CET1 ratio of 13.7% as at 31 December 2023 was down 20bps q/q but up 40bps y/y and remains well above its 13.0% ambition. Improvement in the capital position was partially driven by EUR13bn in risk weighted asset ("RWA") reductions as part of its program to achieve EUR25-300bn in RWA efficiency gains by 2025 as well as earnings performance. DB's capital position translates to a 258bps buffer to its Maximum Distributable Amount ("MDA") restrictions level. Given the results, management are initiating EUR1.6bn in shareholder returns in 1H2024 made up of EUR675mn in share repurchases and EUR900mn in dividends, a 50% increase over 2022.
- Given the solid earnings performance in 2023, management are continuing with its Global Hausbank strategy and have raised annual revenue growth targets to 5.5%-6.5% from 3.5%-4.5% with target revenues of EUR32bn in 2025. At the same time, the bank is continuing to drive for efficiency gains as part of its EUR2.5bn operational efficiency program with EUR900mn achieved to date. Further efficiency gains are expected by infrastructure and technology improvements that will result in lower staff levels.
- DB's outlook remains constructive considering its recent financial performance, progress of its restructuring and plans to increase returns to shareholders. (Company, OCBC)

Mandates:

- Greenko Mauritius is planning to issue a benchmark sized 144A/Regulation S USD-denominated guaranteed senior bond.

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