Capricorn Group Limited
FY21 Results Review
November 2021

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Capricorn Group Ltd

FY21 Results Review

Target Price (c)	***1246***
Current Price (c)	1318

Year End 30 June	FY19A	FY20A	FY21A	FY22E	FY23E
Net interest income (N$ million)	2,034	2,184	2,255	2,496	2,658
Non-interest income (N$ million)	1,275	1,425	1,476	1,529	1,584
Profit after tax (N$ million)	1,035	1,012	1,024	1,182	1,262
HEPS (c)	182	149	171	201	214
DPS (c)	66	50	60	66	71
DY (%)	5.1	3.9	4.5	5.0	5.3
P/E	7.2	8.6	7.8	6.6	6.2
P/B	1.1	1.0	1.0	0.9	0.8

Source: Capricorn Group, IJG Securities

Recommendation	HOLD
NSX Code	CGP
Market Cap (N$ m)	6,843
Shares in Issue (m)	519
Free Float (%)	26.1
52-Week High	1350
52-Week Low	1000
Expected Total Return (%)	-0.5%

FY21 Results Review

Capricorn Group Ltd (CGP) released results for the year ended 30 June 2021 (FY21). Profit after tax from continuing operations posted moderate growth of 1.2% y/y to N$1.02 billion and headline earnings per share increased by 10.3% from 157.2 cps to 173.4 cps. ROE for the year came in at 14.2%, while the ROE from continuing operations amounted to 14.8% (FY20: 15.7%). A final dividend of 38 cps was declared, bringing the total dividends for the financial year to 60 cps (FY20: 50 cps).

CGP restated their FY20 statement of comprehensive income due to interest on loans and advances in stage 3, and the corresponding increase in the impairment unwind on expected credit losses for stage 3, not being recognised in accordance with IFRS 9.

The FY21 results were driven by a sharp contraction in interest expenses of 29.1% y/y or N$739.8 million to N$1.80 billion following last year's interest rate cuts by the BoN, and a 62.6% y/y increase in share of associates' results to N$103.6 million. Paratus Group was the biggest driver of this increase, reporting a N$29.7 million increase in CGP's share of profit after tax, followed by Sanlam Namibia, recording an N$11.7 million increase. CGP completely disposed of its 17.7% stake in Paratus Namibia Holdings during the period, management explains that this was done in line with their initial intention to only have one investment at Paratus Group to benefit from the company's diversification into Africa.

Total assets contracted by 0.6% y/y to N$56.0 billion. Gross loans and advances grew by 2.4% or N$997.9 million to N$42.1 billion, more or less in line with PSCE growth of 2.55% over the same period, and slightly quicker than the other listed banks. Bank Windhoek grew its gross advances by 4.0% y/y, attributable to sturdy commercial and mortgage loans and overdrafts growth. The decline in total assets is primarily due to a N$1.52 billion decline in assets held for sale, following the disposal of Cavmont. Normalising for this sees total assets increase by 2.2% y/y in FY21. Placements with other banks posted a strong increase of 19.1% y/y to N$3.57 billion. Cash and balances with the central bank posted similarly strong growth of 45.1% y/y to N$1.32 billion, reversing the decline recorded in this line item in FY20. Entrepo, CGP's microlending subsidiary, saw its net interest income increase by 16.1% y/y and grew its loans and advances book by 16.0% y/y.

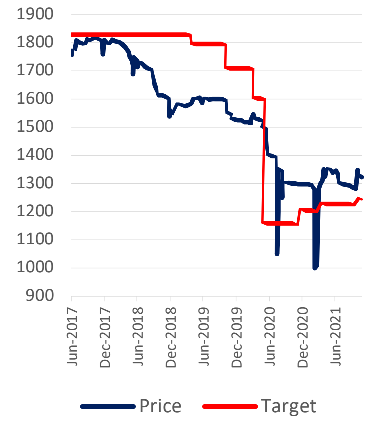
Deposits grew by 2.2% to N$40.2 billion, with current account deposits increasing by 16.1% y/y to N$8.91 billion and was largely offset by a 39.9% y/y decline in savings accounts to N$1.59 billion. NCDs increased by 16.2% y/y to N$8.66 million.

Non-performing loans increased from 4.7% to 5.2% of total advances, increasing by 28.1% y/y to N$2.46 billion. Impairment charges rose by 8.9% y/y from an upward revised N$407.4 million in FY20 to N$443.7 million in FY21, coming in higher than our forecast of N$360.7 million for the year. This resulted in CGP's credit loss ratio increasing from 0.99% at FY20 to 1.05% at FY21.

Non-interest income displayed steady growth of 3.6% y/y to N$1.48 billion, stemming primarily from strong growth in fee and commission income of 13.3% y/y, which management stated is driven by increased transaction volumes, assisted by a behavioural pricing methodology. Capricorn Asset Management posted asset management fee growth of 17.2% y/y. Trading revenues however suffered a decline of 49.7% y/y, with management noting that this is due to base effects after forex volatility dropped in FY21. Net insurance premium income rose by N$10.3 million or 6.7% y/y and was partially offset by a N$4.8 million (15.5%) increase in net claims and benefits paid.

Operating expenses increased by 5.1% y/y to N$2.00 billion, quicker than inflation of 4.1% y/y over the same period. Staff costs, which make up the largest portion of expenses, increased by 2.9% y/y, or

CGP Share Price vs Target Price (c)



Dividends

A final dividend of 38 cents per share has been declared.

- Last Day to Trade: 01 October 2021
- Ex-Dividend Date: 04 October 2021
- Record Date: 08 October 2021
- Payment Date: 22 October 2021

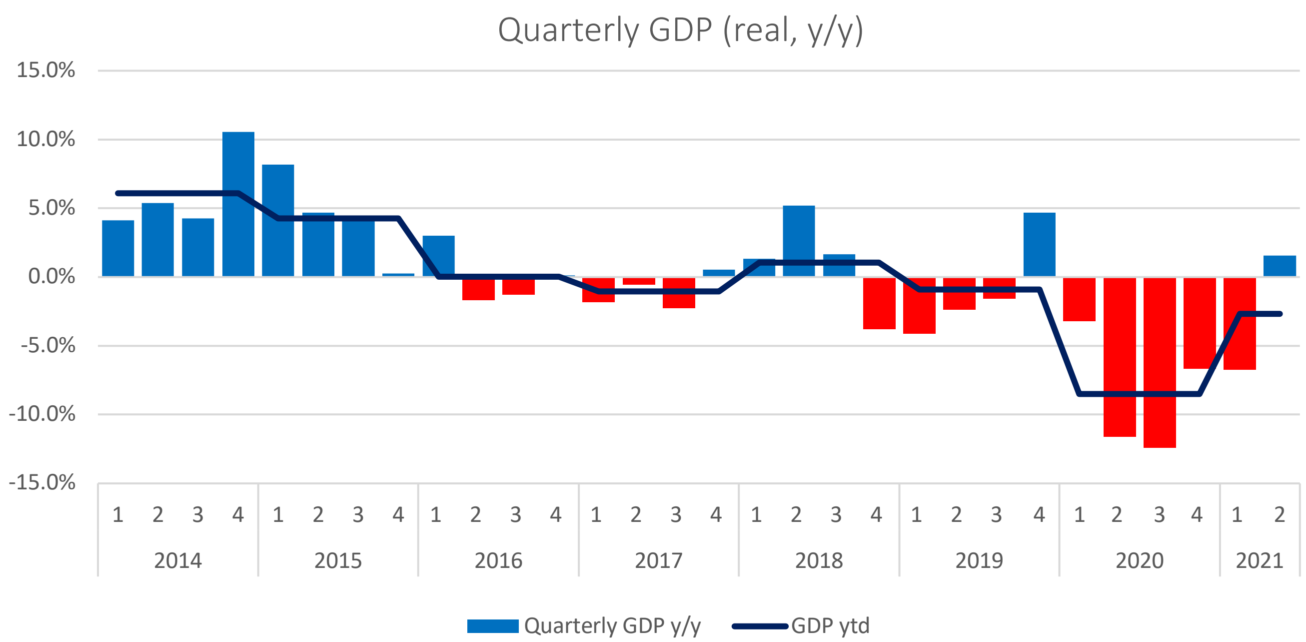
N$32.0 million to N$1.12 billion. Depreciation expenses increased by 22.2% to N$157.6 million and the other operating expenses line item recorded an increase of 36.1% to N$77.2 million. CGP's cost-to-income ratio increased from 59.4% at FY20 to 60.7% at FY21.

Overall, CGP's diversified portfolio assisted the group in reporting reasonably resilient results given the economic environment. Using a panel of standard valuation techniques, a cost of equity of 15.6% and a long-term sustainable return on equity of 15.0%, we derive a **target price of N$c1246** per share. Coupled with an expected dividend of 66.2cps, we derive a potential total return of -0.5%. Based on this, we view the current share price as fairly valued and retain our **HOLD** recommendation on CGP.

Banking Sector Macro

Growth Environment

The Namibia Statistics Agency's Q2 GDP data shows Q2 GDP grew marginally by 3.7% q/q and 1.6% y/y. This follows the 8.5% contraction in 2020, the deepest in Namibian history. The data further indicated that twelve of the last eighteen quarters, or since the start of 2017, have posted contractions on an annual basis, separated by six quarters of very subdued growth.



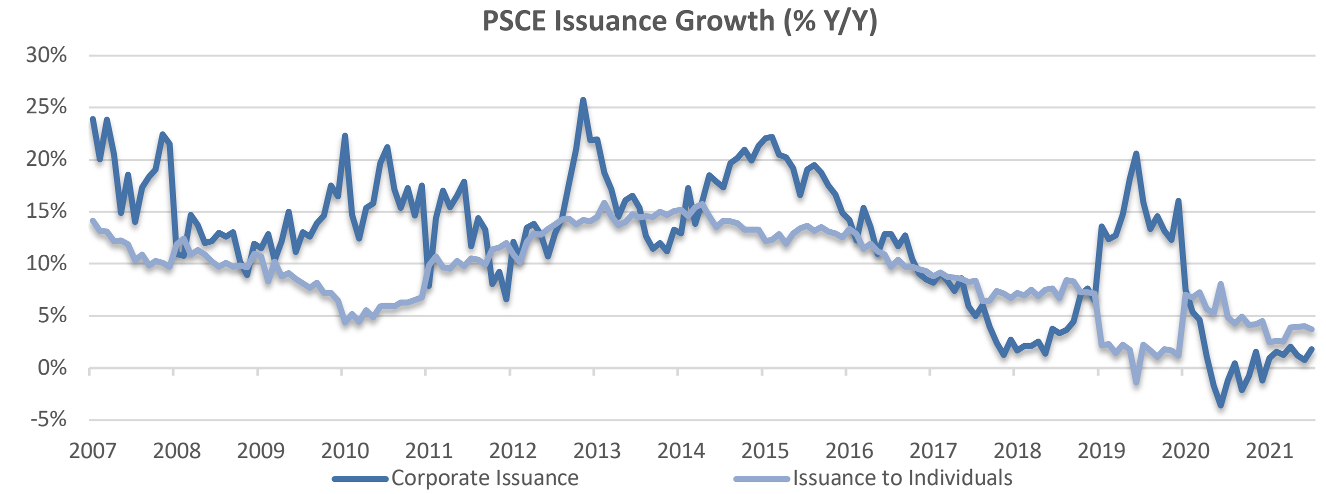
Source: NSA, IJG Securities

The Namibian economy is expected to grow by 1.4% in 2021 and 3.4% in 2022, according to the Bank of Namibia's August 2021 Economic Outlook. This effectively means that the economy will still be 4.1% smaller in 2022 than it was in 2019 and, at the current expected pace of recovery, will likely not reach its pre-pandemic levels until at least 2024.

Namibia has been ranked as the country with the second highest unemployment rate in the world, at 33.4%, on a global list of 82 countries scrutinised by Bloomberg. While some recovery is expected in economic output in the short-term, the longer-term growth outlook remains precarious with low vaccination uptake, the threat of more Covid-19 infection waves, declining per capita income, weak consumer and business confidence all still threatening the recovery path.

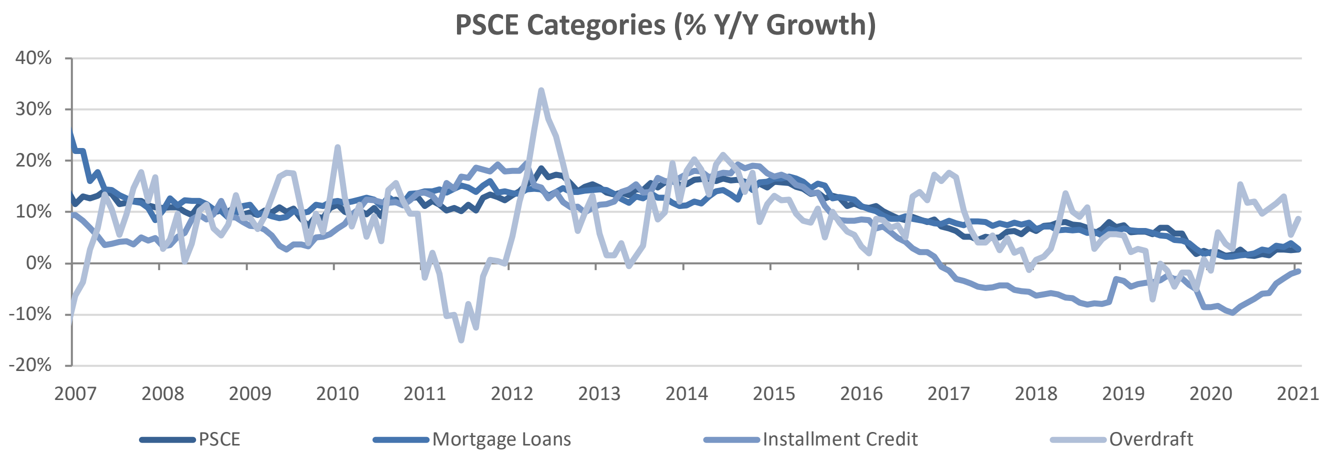
Private Sector Credit Extension

The highly accommodative Namibian interest rate environment has not stimulated much lending over the last 19 months. Private sector credit extension growth has been hovering around the low single digit territory since April last year, averaging 2.2% y/y since then, and stood at 2.7% y/y by the end of July. Individuals have been taking up the vast majority (78.4%) of credit extended over the last 12 months, due to reasonably strong mortgage demand by individuals, which has made up 65.3% of total private sector credit extended over the past 12 months.



Source: Bank of Namibia, IJG Securities

Corporate demand for instalment and leasing credit has been contracting for 18 consecutive months on an annual basis, indicating that corporates are hanging on to their existing fleet and machinery. Much of the corporate issuance over the last 12 months has been driven by short-term debt uptake in the form of overdraft facilities and 'Other Loans and Advances' (credit card debt and term loans), which is relatively more expensive, and typically used to cover day-to-day expenses, rather than to invest in larger capital projects.

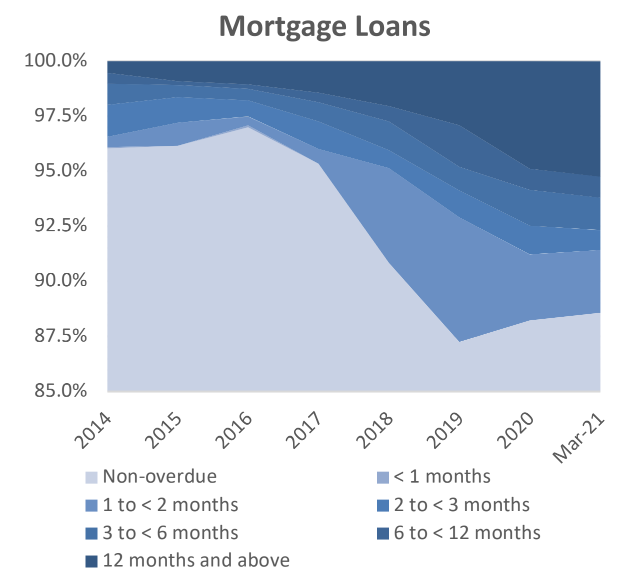


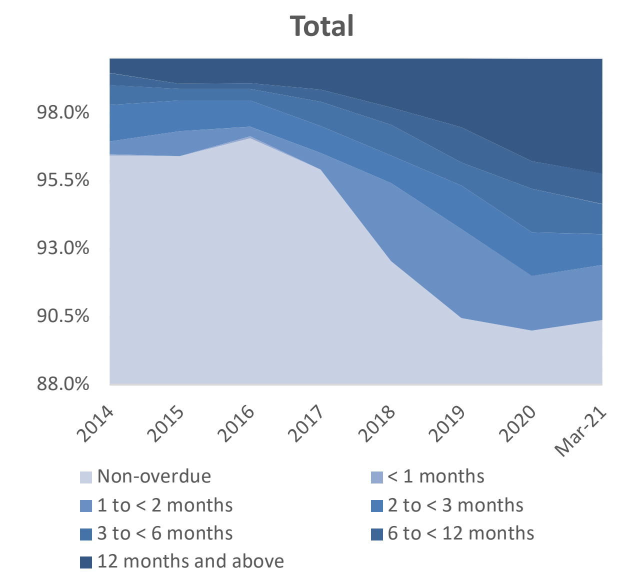
Source: Bank of Namibia, IJG Securities

Given the current economic environment we do not expect private sector credit extension to exhibit a rapid recovery. With little reason to expand their productive capacity, we expect overall credit appetite by corporates to remain low over the medium term. As a result of the above-mentioned factors, namely low economic growth, higher unemployment, and lower per capita incomes, we expect private credit sector extension to remain subdued. Over the next two years, we expect to see PSCE growth average between 2.5% and 4.5% annual growth.

Banking Sector Credit Quality

The quality of banking assets has been negatively impacted by the economic slowdown since 2016, and according to the Bank of Namibia's aggregated industry results, 11.4% of Namibia's mortgage loans are in arrears, 7.7% are more than 90 days in arrears while 5.2% are more than 12 months in arrears. A similar trend can be observed when considering all outstanding loans and advances, 9.6% are at least one payment behind, 6.5% are more than 90 days in arrears and 4.2% are more than twelve months behind. The trend has been steadily deteriorating since 2016, as the figures below show.





Source: Bank of Namibia, IJG Securities

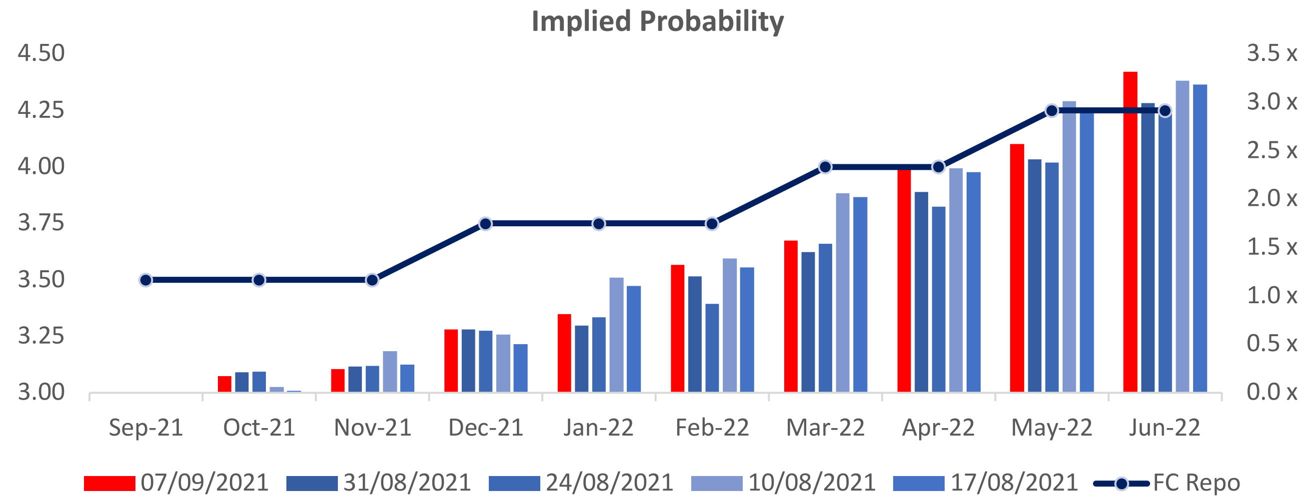
The value of mortgage loans more than 12 months in arrears now totals N$2.90 billion, roughly 5.2% of the total amount outstanding. Commercial banks continue to find themselves in a difficult position, as repossessing properties is often viewed as a very last resort. However, with non-performing loans climbing rapidly, this route is already being followed when other options fail. This means that the number of properties sold on auction should increase in the coming years and this may put increased pressure on housing prices, negatively impacting mortgage loan collateral values.

Interest Rates

The rebound in global economic growth has shifted the focus of monetary policy from supporting downside risks toward eventual normalisation. US inflation surprising to the upside in several months this year has spurred the debate whether the spike in inflation really is as transitory as the US Federal Reserve would have everyone believe, or whether the record amounts of stimulus, increased consumer spending and a global chip shortage has resulted in global inflation staying higher for longer.

We believe that the world is moving closer toward monetary policy normalisation. It is likely that the path will start off with the tapering of bond asset purchase programmes, followed by a gradual rise in interest rates. The Fed may start tapering towards the end of 2021 and start hiking interest rates towards the end of next year, at the earliest.

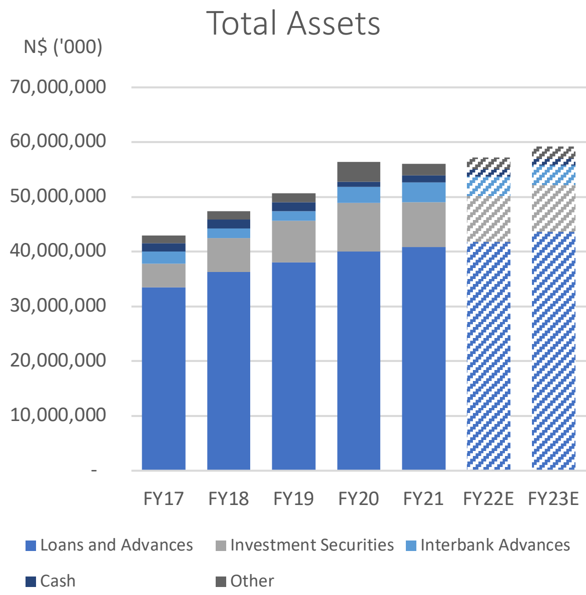
Closer to home, South Africa's annual inflation rate fell to the lowest level in three months in July, providing more leeway to the Reserve Bank to delay raising rates. Slowing inflation could allow the central bank to stay dovish, although increasing fuel prices continue to put pressure on the inflation basket. As the figure below indicates, the Forward Rate Agreement curve currently points to a 25-basis point hike in Q4, although we see this scenario as somewhat unlikely given that economic growth remains sluggish and inflation should be contained below the mid-point of the SARB's target range. Additionally we do not anticipate the last SARB meeting for the year to rock the boat, given reasonable inflation prints in October and September. We believe that we will only see the first 25-basis point hike in the first quarter of 2022.



Source: Bloomberg, IJG Securities

On the Namibian front, the Bank of Namibia has left rates steady at all MPC meetings this year. Inflationary pressure has remained muted for the most part this year, despite food and fuel prices driving up the inflation print. We anticipate the BoN will follow suit on any rate decisions by the SARB and that the central bank will likely keep the current 25-basis point buffer intact to support Namibia's reserve position. As such, we anticipate the BoN to only start hiking rates from early 2022.

Asset Base



Source: Capricorn Group, IJG Securities

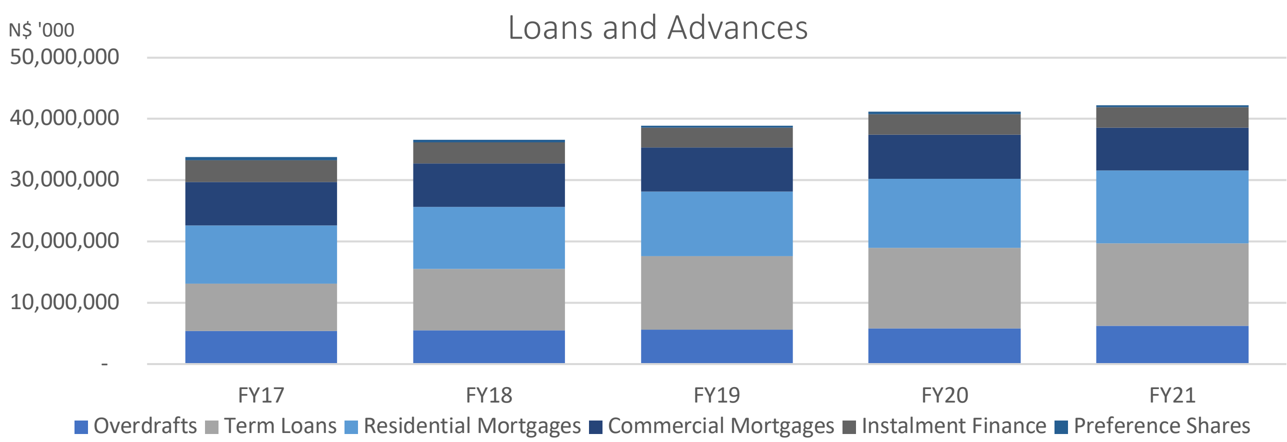
CGP's total assets contracted by 0.6% y/y to N$56.0 billion. The decline is primarily due to a N$1.52 billion decline in assets held for sale following the disposal of Cavmont. Normalising for this sees total assets increase by 2.2% y/y in FY21. Gross loans and advances increased by 2.4% or N$997.9 million to N$42.1 billion, in line with PSCE growth of 2.55% over the same period, and slightly quicker than the other listed banks. Placements with other banks posted a strong increase of 19.1% y/y to N$3.57 billion. Cash and balances with the central bank posted stronger growth still at 45.1% y/y to N$1.32 billion, reversing the decline recorded in this line item in FY20. Investment securities decreased by 6.6% y/y to N$8.2 billion and made up 14.7% of total assets at FY21.

Loan Growth

Bank Windhoek grew loans and advances by 3.1% y/y to N$33.7 billion attributable to sturdy mortgage loans and overdrafts growth, and now makes up 82.5% of the total book. Entrepo's loans and advances book posted growth of 3.5% y/y to N$1.42 billion, while Bank Gaborone's advances book declined by 5.5% y/y to N$6.32 billion.

The makeup of the loans and advances book is effectively unchanged from FY20, with mortgages making up 44.7% of loans and advances, while overdrafts have grown slightly to make up 14.7% of the book (compared to 14.2% in FY20). Term loans continue to make up 32.0% of the book.

Management noted that there is not a lack of opportunities in the market and that they see demand for credit. We expect CGP's advances growth to be in line with PSCE growth over the next two years and to average 2.5% and 4.5%.



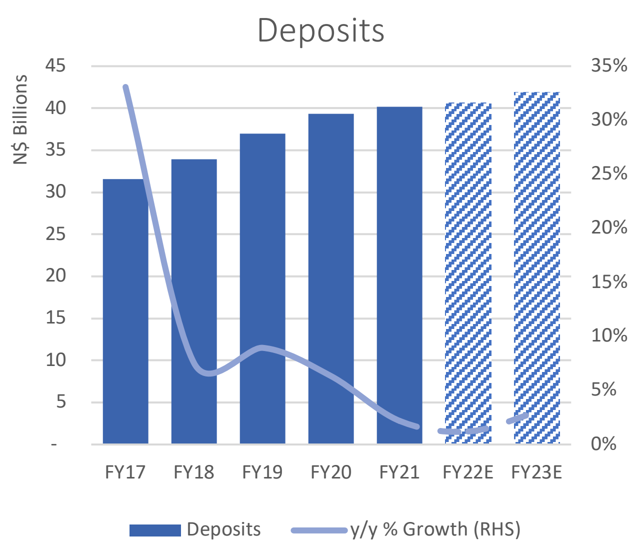
Source: Capricorn Group, IJG Securities

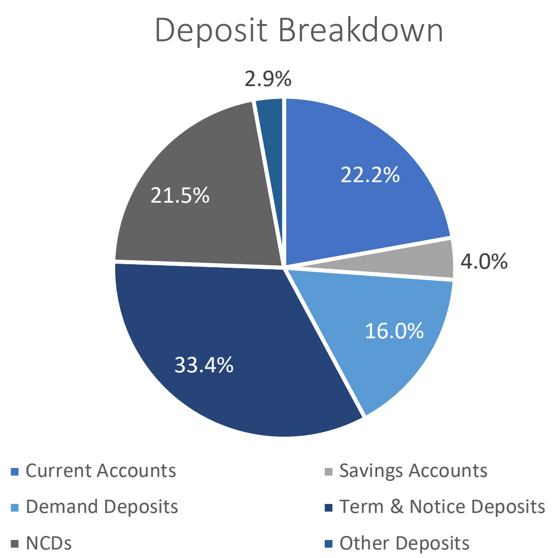
Funding and Deposits

Capricorn's increase in loans and advances was funded mainly through an increase in deposits, which grew by N$856.4 million or 2.2% y/y to a total of N$40.2 billion. The growth was driven by increases in current account deposits of 16.1% or N$1.23 billion to N$8.91 billion and an increase in the relatively more expensive NCD funding of 16.2% or N$1.21 billion to N$8.66 billion.

At the end of September, Bank Windhoek completed the second phase of its rollout of cash deposit ATMs in the countries northern, coastal and central regions, following a successful trial and testing phase earlier in the year. The bank expects the rollout of the next phase, which will see the installation of these ATMs in 16 more towns, to be complete before the end of the year.

Term and notice deposits, which make up the largest portion of deposit funding at 33.4%, remained relatively steady at N$13.4 billion. Five new debt securities, including a sustainability bond, were issued during the year, resulting in an increase of 7.2% y/y in debt securities to N$6.05 billion.





Source: Capricorn Group, IJG Securities

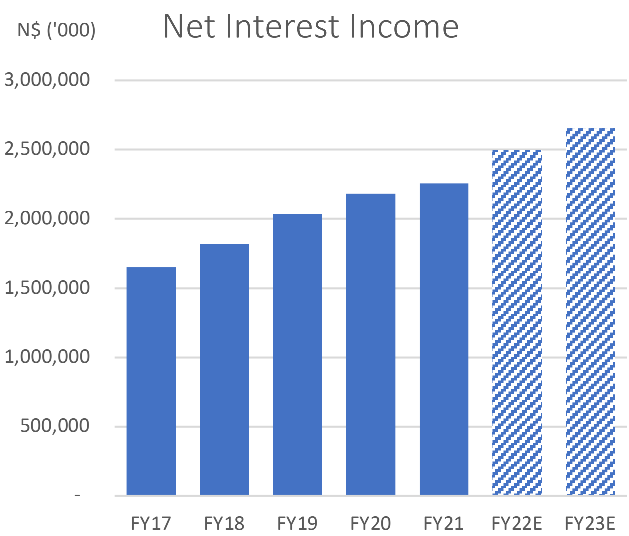
Net Interest Income

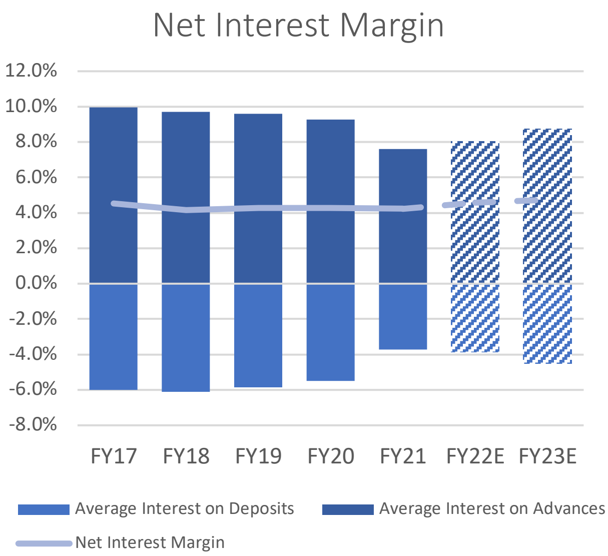
The 275-basis point drop in the repo rate last year resulted in CGP's interest income declining by N$668.5 million (or 14.1% y/y) to N$4.06 billion. Bank Windhoek's interest income fell by 18.7% y/y, while Bank Gaborone's interest income increased by 1.4% y/y.

According to management, the treasury teams placed emphasis on repricing funding to minimise the endowment effect and resulted in interest expense decreasing by 29.1% y/y to N$1.80 billion. CGP's average cost of funding fell by 1.2% y/y and is 2.0% lower than its pre-pandemic level.

Entrepo's interest income was less affected by the interest rate cuts, as its loans are issued at fixed rates, while funding repriced downwards, resulting in its net interest income increasing by 16.1% y/y to N$139.9 million.

CGP's net interest margin for the period came in at 4.2%, about in line with FY20's 4.3%.

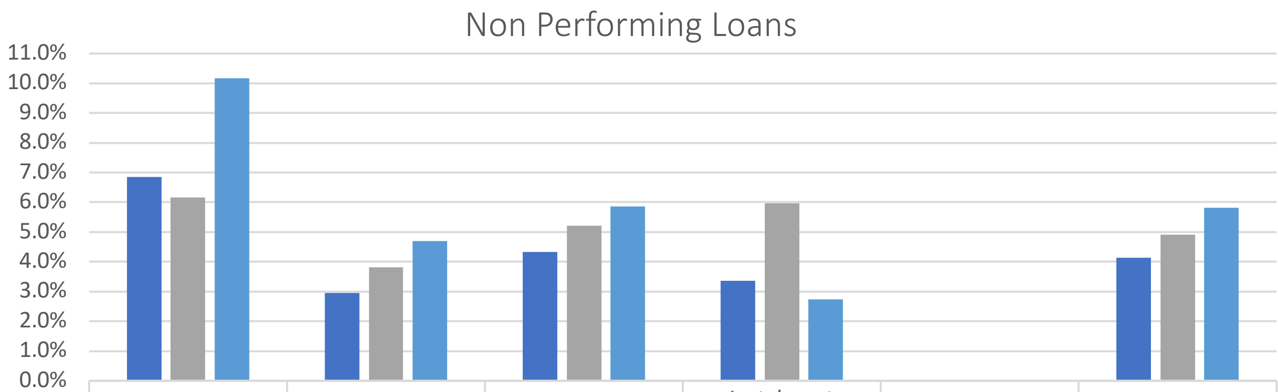




Source: Capricorn Group, IJG Securities

Impairments

CGP restated its credit impairment losses for FY20 after it was discovered that interest on loans and advances in stage 3 and the corresponding increase in the impairment unwind on expected credit losses for stage 3 were not being recognised in accordance with IFRS 9. This resulted in an upward revision of N$103.1 million in impairment losses for FY20 to N$407.4 million. In FY21, impairment charges rose by 8.9% y/y to N$443.7 million, coming in higher than our forecast for the year. This resulted in CGP's credit loss ratio increasing from 0.99% at FY20 to 1.05% at FY21.



	Overdrafts	Term Loans	Mortgages	Instalment Finance	Preference Shares	Total
FY19	6.86%	2.96%	4.32%	3.35%	0.00%	4.14%
FY20	6.17%	3.81%	5.22%	5.97%	0.00%	4.91%
FY21	10.17%	4.69%	5.86%	2.74%	0.00%	5.82%

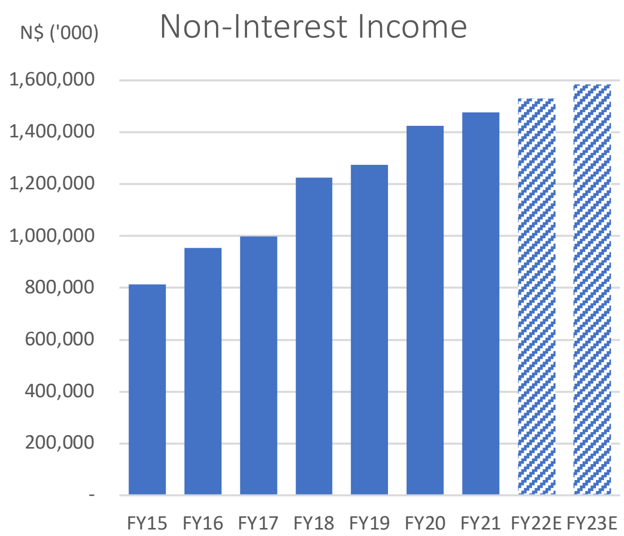
Source: Capricorn Group, IJG Securities

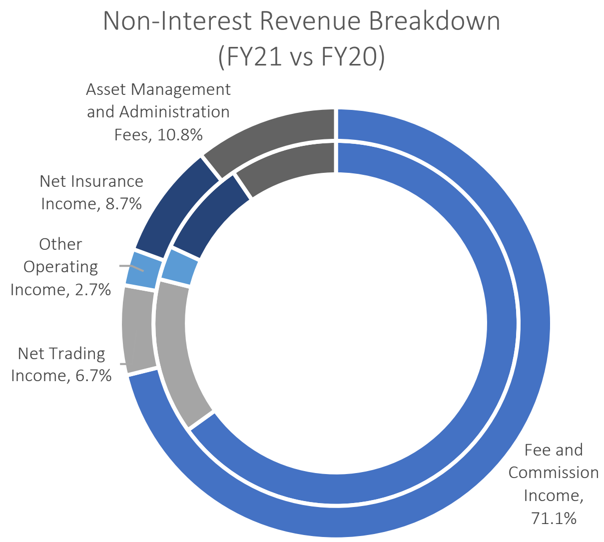
Non-performing loans increased by N$437.0 million and made up 5.8% of gross advances, compared to 4.9% at FY20. Overdrafts saw the largest increase in NPLs, increasing from 6.2% to 10.2%, and account for 25.6% of total NPLs. Mortgage loans continue to be the largest contributor to CGP's NPLs, with 9.9% non-performing, up from 5.2%, and account for 44.9% of NPLs. With the economic recovery path uncertain, we do not expect to see NPLs dropping to pre-pandemic levels in the short-term.

Non-Interest Revenue

CGP posted steady non-interest income growth of 3.6% y/y to N$1.48 billion. This is mostly made up of fee and commission income which rose by 13.3% y/y to N$1.05 billion, driven by increased transaction volumes. Bank Windhoek increased non-interest income by 4.3% y/y, following a move to a tiered pricing methodology for cash withdrawals and EasyWallet transactions. Management noted that non-interest income was more volatile month-on-month than in previous years.

Unlike some of the other listed banks, CGP's management team do not expect fee income to be materially impacted by the implementation of Payment System Determination (PSD) 5 and 10, related to Basic Bank Accounts and Standards for Fees and Charges for Payment System Services, due to a large portion of CGP's client base being in a higher income bracket.





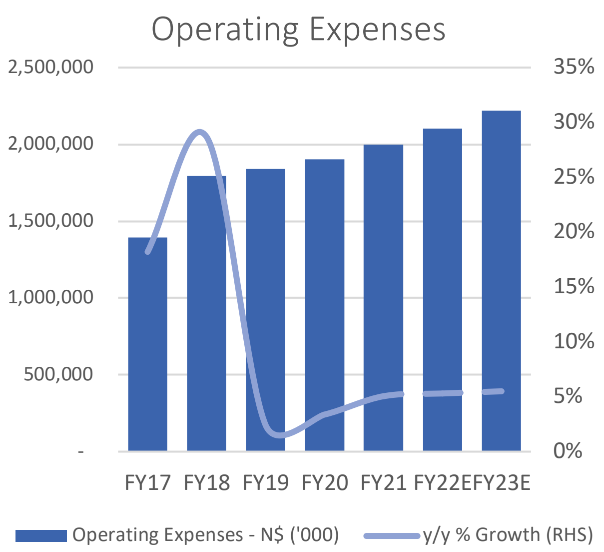
Source: Capricorn Group, IJG Securities

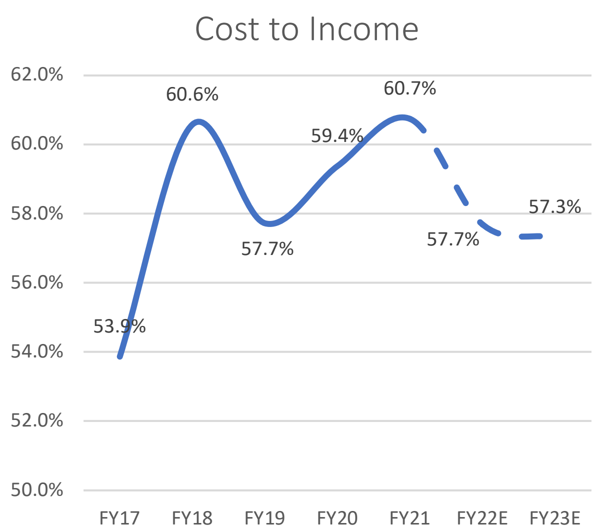
Net trading income fell by 49.7% y/y to N$99.2 million. Currency volatility led to higher trading income in FY20, but has normalised in FY21, coupled with lower forex demand due to lower tourism activity. Asset management fees increased by 17.2% y/y to N$158.7 million on the back of strong asset under management growth. Entrepo managed to increase its net premium income by 3.5% y/y to N$192.3 million.

We expect non-interest income growth to remain modest at roughly 4.0% p.a. over the next three years.

Operating Expenditure

Operating expenses increased by 5.1% y/y to N$2.00 billion, quicker than inflation of 4.1% y/y over the same period.





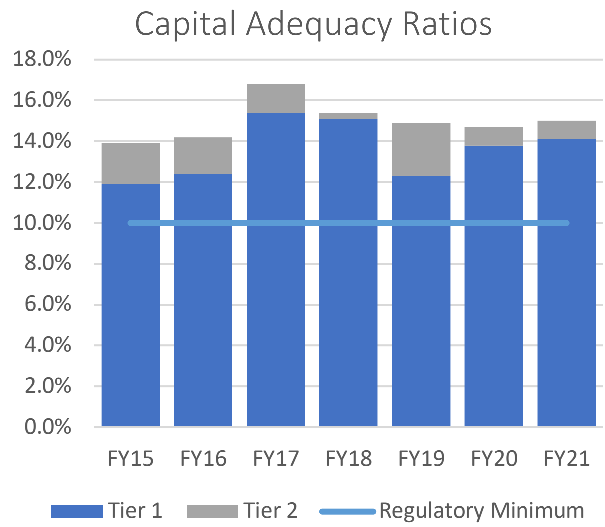
Source: Capricorn Group, IJG Securities

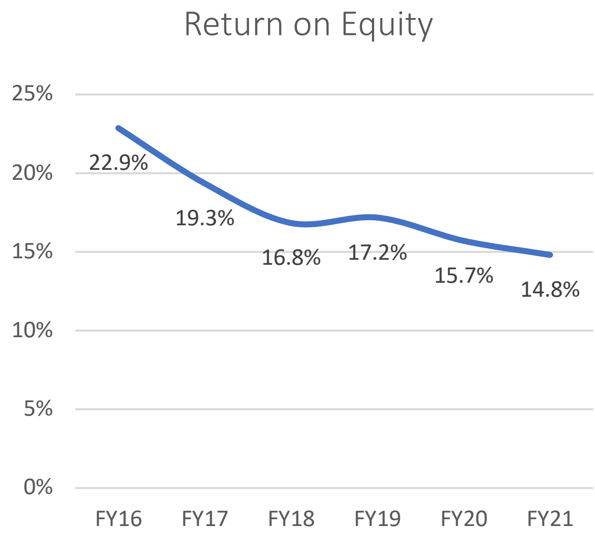
Staff costs, which make up the largest portion of expenses (60.6%), increased by 2.9% y/y, or N$32.0 million to N$1.12 billion, following an increase in IT personnel. Staff cost increases were however contained by freezing non-essential vacancies and limiting salary increases to only unionised employees. Depreciation expenses increased by 22.2% to N$157.6 million and the other operating expenses line item recorded an increase of 36.1% to N$77.2 million. CGP's cost-to-income ratio increased from 59.4% at FY20 to 60.7% at FY21.

Technology costs rose 8.4% y/y to N$155.5 million. The increase was ascribed to the depreciating USDZAR and licences which were renewed during the period. In line with the other listed banks, CGP has placed a renewed focus on digital transformation by launching a three-year digital transformation programme. According to the annual report, significant financial investment is planned for 2023. As such, we expect technology cost increases to remain elevated in the short- to medium-term, before leading to cost efficiencies in the long run.

Capital Adequacy and Returns

CGP remains well capitalised with a total risk-based capital adequacy ratio of 15.0%, matching its pre-pandemic level. The group's tier 1 capital adequacy ratio stood at 14.1% at FY21, compared to 13.8% a year ago.





Source: Capricorn Group, IJG Securities

As has been the case with the other listed banks, CGP's ROE has been deteriorating since FY16. We do however expect to see an improvement from the current 14.8% in FY22 when interest rates start increasing, and expect to see CGP's ROE ranging between 14.8% and 15.9% over the next three years.

Valuation

We value the shares of the Capricorn Group using a panel of valuation techniques to reduce the overreliance on a single methodology. This includes two discounted cash flow methodologies and two justified multiple approaches. The outputs of the different methodologies were equally weighted.

Two of the main valuation input assumptions are the cost of equity and long-term sustainable growth rate. The cost of equity was calculated using the capital asset pricing model (CAPM). The resultant cost of equity amounted to 15.6%, based on a risk-free rate equal to the IJG generic 10-year government bond and an equity risk premium of 5%. A long-term sustainable return on equity of 15.0% and a pay-out ratio of 33% of profit after tax has been used to determine the sustainable growth rate. Seeing as the valuation is very sensitive to these inputs, a sensitivity analysis can be found in the annexures to illustrate the effect of changes in these inputs.

The output of our valuation model is presented below:

	Value (NS'000)	Price per Share	Price to Earnings	Forward PE	Price to Book	Forward PB	Dividend Yield	Forward DY	Weight
Residual Income	7,197,203	13.86	8.12	6.91	1.01	0.92	4.33%	4.78%	25%
Dividend Discount	5,541,474	10.67	6.25	5.32	0.78	0.71	5.62%	6.21%	25%
Justified Price to Earnings	6,186,084	11.92	6.98	5.94	0.87	0.79	5.04%	5.56%	25%
Justified Price to Book	6,946,799	13.38	7.84	6.67	0.98	0.89	4.48%	4.95%	25%
Weighted Average	**6,467,890**	**12.46**	**7.30**	**6.21**	**0.91**	**0.83**	**4.87%**	**5.37%**	**100%**

Source: IJG Securities

Based on the table below, we derive a **target price of N$c1246** per share and coupled with an expected dividend of 66.2cps, we derive a potential total return of -0.5%. Based on this, we view the current share price as fairly valued and retain our **HOLD** recommendation on CGP.

Summary of Financials

Income Statement

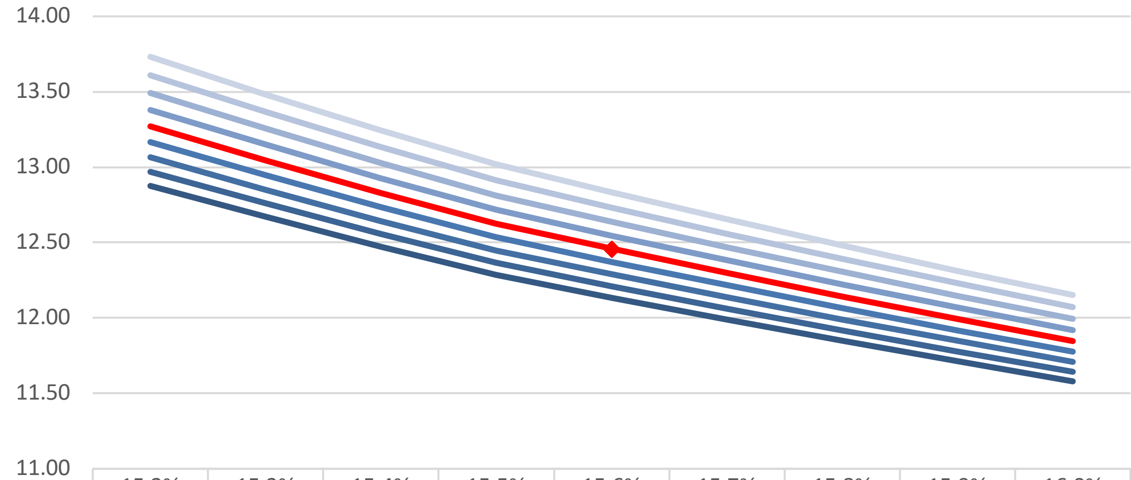
Year End June (N$ 000)	FY19	FY20	FY21	FY22E	FY23E
Interest and similar income	4,547,733	4,725,908	4,057,427	4,387,263	4,906,514
Interest and similar expense	(2,513,987)	(2,541,932)	(1,802,124)	(1,891,344)	(2,248,957)
Net interest income	**2,033,746**	**2,183,976**	**2,255,303**	**2,495,919**	**2,657,557**
% Growth		7.4%	3.3%	10.7%	6.5%
Impairment losses	(123,698)	(407,448)	(443,748)	(379,953)	(371,565)
Non-Interest Income	1,275,253	1,424,711	1,475,911	1,529,044	1,584,089
Operating expenses	(1,838,732)	(1,900,877)	(1,996,935)	(2,102,773)	(2,218,425)
Operating Profit	**1,346,569**	**1,300,362**	**1,290,531**	**1,542,237**	**1,651,657**
% Growth		-3.4%	-0.8%	19.5%	7.1%
Share of profit from joint ventures	3,675	2,817	-	-	-
Share of profit from associates	72,657	63,711	103,613	83,733	83,733
Profit before tax	**1,422,901**	**1,366,890**	**1,394,144**	**1,625,970**	**1,735,390**
Income tax expense	(387,750)	(354,795)	(369,843)	(443,890)	(473,761)
Profit for the year	**1,035,151**	**1,012,095**	**1,024,301**	**1,182,080**	**1,261,629**
% Growth		-2.2%	1.2%	15.4%	6.7%
Other comprehensive income	(11,250)	(85,268)	(146,856)	-	-
Total Comprehensive Income	**1,023,901**	**926,827**	**877,445**	**1,182,080**	**1,261,629**

Balance Sheet

	Actual			Forecast	
Year End June (N$ 000)	FY19	FY20	FY21	FY22E	FY23E
ASSETS					
Cash and Balances with Central Bank	1,572,616	909,117	1,319,389	1,319,389	1,319,389
Financial Assets Designated at Fair Value through Pro	2,037,188	2,314,333	2,250,127	2,250,127	2,250,127
Financial Assets at Amortised Cost	860,314	712,757	850,057	850,057	850,057
Investment Securities	4,742,725	5,773,633	5,120,236	5,361,592	5,447,127
Due from Other Banks	1,724,043	2,996,527	3,568,665	3,568,665	3,568,665
Loans and Advances to Customers	38,049,583	40,078,622	40,829,687	41,768,770	43,648,364
Investment in Associates	348,716	581,800	524,938	524,938	524,938
Investment in Joint Ventures	11,016	-	-	-	-
Other Assets	554,420	398,656	419,142	419,142	419,142
Property, Plant and Equipment	284,444	602,494	609,798	609,798	609,798
Intangible Assets	275,839	287,451	284,789	284,789	284,789
Current Tax Asset	109,549	110,404	122,694	122,694	122,694
Deferred Tax Asset	107,502	54,938	113,469	113,469	113,469
Assets Held for Sale	-	1,517,394	-	-	-
Total Assets	**50,677,955**	**56,338,126**	**56,012,991**	**57,193,430**	**59,158,559**
LIABILITIES					
Derivative Financial Instruments	-	-	-	-	-
Due to Other Banks	245,703	969,143	762,313	762,313	762,313
Other Borrowings	996,372	861,502	692,719	692,719	692,719
Other Deposits	-	-	-	-	-
Debt Securities in Issue	5,670,974	5,642,291	6,050,509	6,050,509	6,050,509
Due to Customers	36,984,725	39,323,264	40,179,699	40,661,855	41,881,711
Other Liabilities	605,119	1,297,597	1,199,498	1,199,498	1,199,498
Current Tax Liability	2,052	2,256	7,786	7,786	7,786
Deferred Tax Liability	-	192	118	118	118
Post-Employment Benefits	12,232	14,929	16,126	16,126	16,126
Liabilities Held for Sale	-	1,496,888	-	-	-
Total Liabilities	**44,517,177**	**49,608,062**	**48,908,768**	**49,390,924**	**50,610,780**
EQUITY					
Share Capital and Premium	720,302	718,078	714,575	714,575	714,575
Non-Distributable Reserves	85,954	34,617	209,149	209,149	209,149
Distributable Reserves	5,009,140	5,555,410	5,690,210	6,388,493	7,133,766
Non-Controlling Interest	345,382	421,959	490,289	490,289	490,289
Total Equity	**6,160,778**	**6,730,064**	**7,104,223**	**7,802,506**	**8,547,779**
Total Equity and Liabilities	**50,677,955**	**56,338,126**	**56,012,991**	**57,193,430**	**59,158,559**

Sensitivity Analysis

Sensitivity Analysis: CGP



	15.2%	15.3%	15.4%	15.5%	15.6%	15.7%	15.8%	15.9%	16.0%
SGR @ 9.7%	12.88	12.67	12.47	12.28	12.13	11.99	11.85	11.71	11.58
SGR @ 9.8%	12.97	12.76	12.56	12.36	12.21	12.06	11.92	11.78	11.64
SGR @ 9.9%	13.07	12.85	12.64	12.45	12.29	12.14	11.99	11.85	11.71
SGR @ 10.0%	13.17	12.95	12.73	12.53	12.37	12.22	12.07	11.92	11.78
SGR @ 10.1%	13.27	13.05	12.83	12.62	12.46	12.30	12.14	11.99	11.85
SGR @ 10.2%	13.38	13.15	12.93	12.72	12.55	12.38	12.22	12.07	11.92
SGR @ 10.3%	13.49	13.26	13.03	12.81	12.64	12.47	12.31	12.15	11.99
SGR @ 10.4%	13.61	13.37	13.13	12.91	12.73	12.56	12.39	12.23	12.07
SGR @ 10.5%	13.73	13.48	13.24	13.02	12.83	12.65	12.48	12.31	12.15

Source: IJG Securities

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