

# BANKING

**Maintain POSITIVE**

## Jul-23 Banking Stats: Muted figures

### KEY INVESTMENT HIGHLIGHTS

- **Yays:** (1) Loan pipeline in 2HCY23 is promising, according to banks
- **Nays:** (1) Current loan growth is still lacklustre, (2) CASA attrition begins again, FD take-up is weak
- **Okays:** (1) Leading indicators continue to flip-flop, (2) Heavy write-offs keep GILs under control, though there is stress in some pockets, (3) NIM recovery is slow, year-end deposit competition does not help
- **Maintain POSITIVE call:** Headwinds continue to loom, but banks are guiding for at least stronger loan and deposit growth in 2HCY23. NIM and NOII recovery continue to buoy the sector. Vulnerable banks may face further asset quality and provisioning issues in the following quarter

### Loan growth: 4.2%yoy, 0.2%mom. Slow mom growth.

- Retail loans remain resilient while business loans continue to decline, this month by a steeper -0.4%mom.
- **Retail loans.** Property and personal financing loans continue to push up overall retail figures.
- **Business loans.** Working capital loans continue to contract on a sequential monthly basis, while non-residential property and construction see close to no change.
- **Leading indicators.** Both applications and approvals see good pickup. However, this is nothing new: Both have been flip-flopping between positive and negative monthly growth as of late.

### Deposits: 5.3%yoy, -0.5% mom. A weak month, with FD growth still weak.

- **FD growth: 8.6%yoy, 0.3%mom. Growth was a bit weak – we assume some banks are continuing their strategy of letting pricier FDs mature.**
- **CASA ratio: 30.4%, -0.3%yoy, -2.4%mom. Growth: -4.2yoy, -1.4%mom. After two months of growth, CASA attrition resumes.**
- **LCR is stable at a high 155%.**
- **Loan/Deposit ratio 90.1%, +0.5%mom.** There has been a pickup in this figure as banks are letting their pricier FDs expire as part of their NIM optimisation plan.

### GIL ratio: 1.76%, +0bps mom. Broadly stable, though there have been marked movements in certain segments. Banks have been talking about sizeable recoveries expected within the quarter.

- **Notable deteriorations, mom:** Construction +12bps, Personal financing +7bps, Credit cards +5bps, Securities +6bps.
- **Notable improvements, mom:** -
- **LLC: 92%, +0bps mom.**

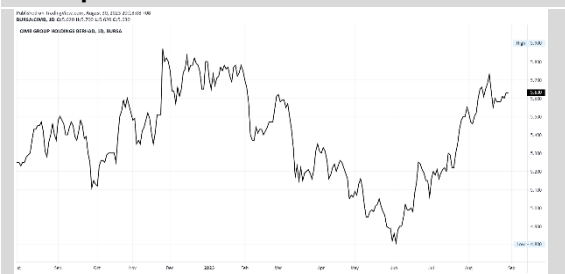
### COMPANY IN FOCUS

#### CIMB

Maintain **BUY** | Unchanged Target price: RM6.43  
Price @ 30 August 2023: RM5.63

- Lucrative overseas exposure
- Good OPEX control, following cost restructuring exercise

#### Share price chart



#### Public Bank

Maintain **BUY** | Unchanged Target price: RM4.76  
Price @ 30 August 2023: RM4.23

- Excellent defensive pick
- Continues to acquire loan and deposit market share

#### Share price chart




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**Interest spread: +4bps mom. FD rates are improving, albeit slowly.**

- Conventional FD rates see some uptick. Islamic rates, on the other hand, show improvement in certain brackets.

**Have a look at:**

- 6-9-month FDs have been the most popular as of late.** This segment has been posting the most impressive month-on-month growth figures for close to five months now, though growth figures have been tapering down steadily every month. It gels well with the high system LCR of 155%. In contrast, 1-3 month FDs have been steadily losing popularity for months.
- SME approval rates leap to a staggering 64% in Jun-23.** This was the highest-ever value since Aug-22. In contrast, system loans posted a more mediocre approval rate of 51.6% in that month.
- Unsecured loans are as popular as ever...** Banks clearly still view them as a popular means of NIM optimisation. They continue to ramp up, growing at +4.5%mom, while most other loan segments post muted to mediocre growth.
- ...and take the GIL limelight.** Residential mortgages largely dominated last quarter's discussion. This time around, credit card and personal financing segments reported an uptick of +5bps mom and +7bps mom respectively, and with loans most vulnerable to the May-23 OPR hike finally being able to be recognised as delinquent, we should continue seeing deterioration in this end.

**Maintain POSITIVE call.** According to banks, we should see the next couple of months post more impressive loan and deposit figures. NIM continues to recover at snail's pace – year-end deposit competition does not help as well. May-23 OPR hike should hit certain banks harder than others, from an asset quality and provisioning perspective. We advise investors to be more selective with their picks, following recent share repricing. **Top Picks: CIMB (BUY, TP: RM6.43) and Public Bank (BUY, TP: RM4.76).** 

**PEER COMPARISON TABLE**

Bank	Rec	Share P*	Target P	Upside	Mkt Cap	P/E (x)		P/B (x)		ROE (%)		Div Yield (%)	
		(RM)	(RM)	(%)		(RM b)	FY23	FY24	FY23	FY24	FY23	FY24	FY23
MAY	NEUTRAL	9.11	9.28	1.9	109.0	11.9	11.1	1.2	1.2	10.5	10.9	6.7	7.2
CIMB	BUY	5.63	6.43	14.2	58.7	9.0	8.3	0.9	0.8	10.1	10.3	6.1	6.0
PBK	BUY	4.23	4.76	12.5	82.1	11.5	11.4	1.5	1.4	13.6	12.9	4.3	4.4
RHB	BUY	5.61	6.66	18.7	23.5	8.0	7.5	0.8	0.7	9.9	10.1	6.8	7.2
HLBK	BUY	19.96	22.96	15.0	40.9	10.2	9.6	1.1	1.0	11.3	11.0	3.4	3.7
HLFG	BUY	18.22	23.71	30.1	20.7	7.4	6.8	0.7	0.7	10.0	10.0	2.7	2.9
AMMB	BUY	3.73	3.98	6.7	15.6	8.8	8.2	0.8	0.8	9.5	9.5	5.0	5.4
BIMB	NEUTRAL	2.09	2.04	-2.4	5.0	9.6	8.7	0.7	0.7	7.4	7.7	6.6	6.9
AFFIN	NEUTRAL	1.92	1.70	-11.3	4.2	9.3	7.3	0.4	0.4	4.1	5.1	3.2	4.0
ABMB	BUY	3.45	3.90	13.1	5.3	7.7	7.1	0.7	0.7	10.0	10.2	6.5	7.1
<b>Simple avg (ex-HLFG)</b>						<b>9.5</b>	<b>8.8</b>	<b>0.9</b>	<b>0.9</b>	<b>9.6</b>	<b>9.7</b>	<b>5.4</b>	<b>5.8</b>
<b>Weighted avg (ex-HLFG)</b>						<b>10.6</b>	<b>10.0</b>	<b>1.1</b>	<b>1.1</b>	<b>11.1</b>	<b>11.0</b>	<b>5.5</b>	<b>5.8</b>

\*Closing prices from 30 Aug 2023.

^AMMB, ABMB, HLBK & HLFG uses FY24F/25F values.

Source: BNM, MIDFR

## A. SYSTEM LOAN & CONSTITUENTS

Visualisation tables here: [\(link\)](#)

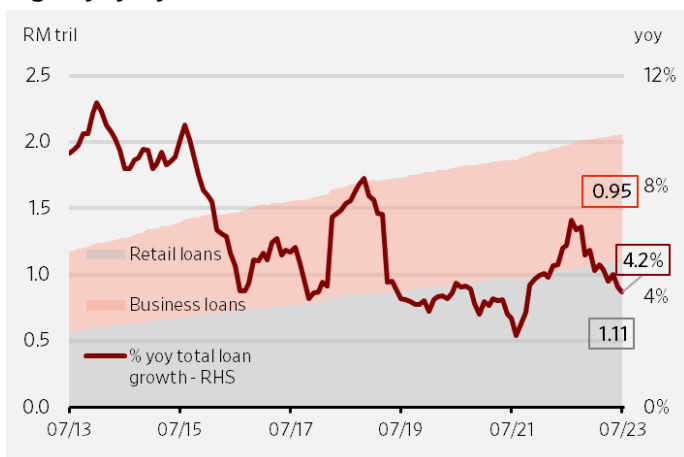
**Fig 1: Core Figures & Forecasts**

	yoy Growth rates (%)				YTD Ann. (%)	mom Growth rates (%)			
	Jul-23	Jun-23	May-23	Apr-23		Jul-23	Jun-23	May-23	Apr-23
<b>Total loans</b>	<b>4.2</b>	<b>4.4</b>	<b>4.8</b>	<b>4.6</b>	<b>2.7</b>	<b>0.2</b>	<b>0.2</b>	<b>0.5</b>	<b>0.0</b>
Retail loans	7.1	7.0	7.1	6.9	6.6	0.6	0.6	0.5	0.5
Business loans	0.9	1.4	2.3	2.0	-1.6	-0.4	-0.2	0.5	-0.5
SME*	-	2.3	1.9	1.7	0.2	-	1.1	1.0	-0.4
<b>Total deposits</b>	<b>5.3</b>	<b>5.9</b>	<b>6.7</b>	<b>6.4</b>	<b>2.6</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.5</b>	<b>-0.4</b>
CASA	-4.2	-4.2	-4.9	-6.4	-3.7	-1.4	1.4	0.3	-1.3
FD	8.6	9.5	10.2	10.0	7.2	0.3	0.1	0.8	0.5
Total provisions	-5.6	-6.1	-1.9	-1.5	-5.3	0.3	-3.7	0.4	0.3
Total GIL	-0.6	2.4	5.4	8.2	6.8	0.6	-2.2	1.5	2.2
<b>Leading indicators</b>									
3MA applications	2	0	8	8	31	6	-5	5	5
Retail	1	-3	4	8	34	5	-5	4	4
Business	3	6	12	9	28	7	-5	7	7
3MA approvals	3	-0	13	16	0	7	-5	9	6
Retail	4	1	10	13	41	4	-5	7	6
Business	3	-1	16	20	9	10	-5	11	6
	<b>Jul-23</b>	<b>Jun-23</b>	<b>May-23</b>	<b>Apr-23</b>	<b>Jul-22</b>	<b>Period</b>	<b>Forecast</b>	<b>Formerly</b>	
Interest spread	2.75	2.71	2.68	2.76	2.08	Loan growth	CY23	4.5-5.0%	
Loan approval rate	53	52	54	51	49	GDP	CY23	4.2%	
SME approval rate*	-	64	53	49	53	OPR	CY23	3.25%	
GIL ratio	1.76	1.76	1.80	1.78	1.85				
SME GIL ratio*	-	3.03	2.93	2.91	2.98				
LLC ratio	92	92	93	94	96				
CASA ratio	30.4	30.7	30.3	30.4	32.8				
Loan/Deposit ratio	90.1	89.6	89.5	89.5	89.5				
Liquidity coverage ratio	155	155	151	154	150				
CET 1	15.1	14.4	14.6	14.8	14.6				
Tier 1 Capital	15.6	15.0	15.1	15.4	15.2				
Total Capital	18.8	18.2	18.3	18.5	18.3				

\*SME data until Jun-23

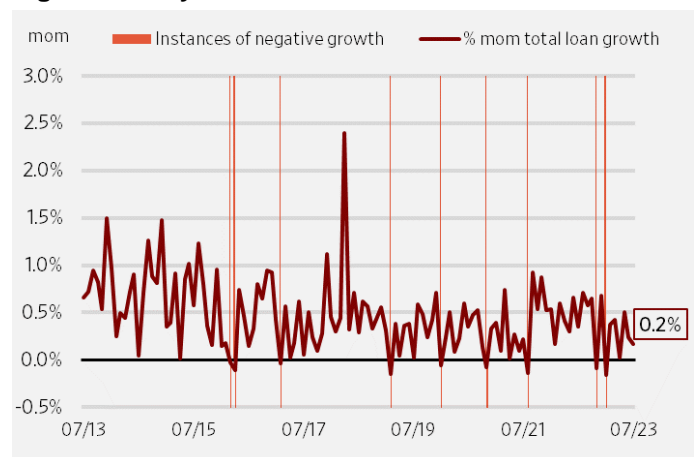
Source: BNM, MIDFR

**Fig 2: yoy System loans**



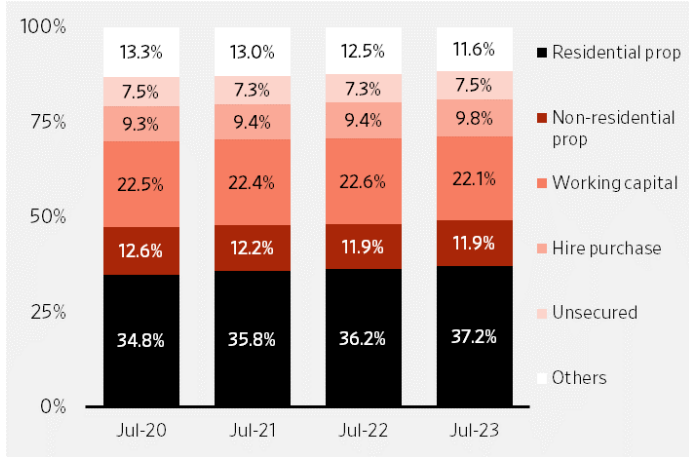
Source: BNM, MIDFR

**Fig 3: mom System loans**



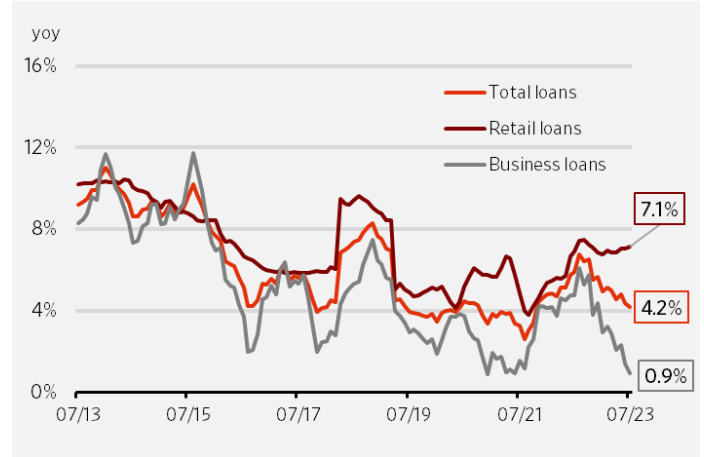
Source: BNM, MIDFR

**Fig 4: Loan breakdown by type**



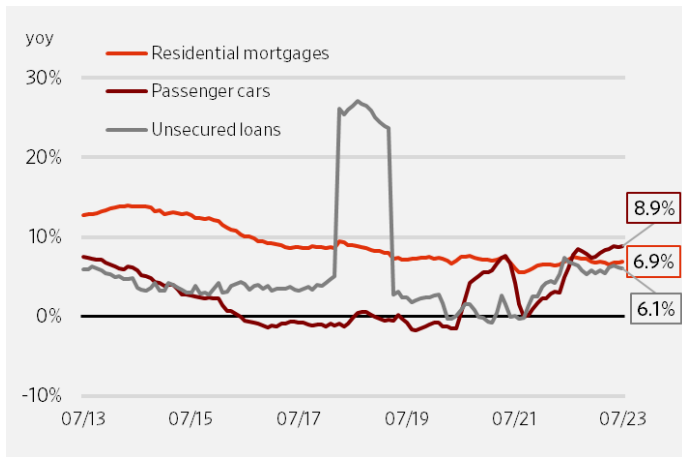
Source: BNM, MIDFR

**Fig 5: Retail & business loan growth**



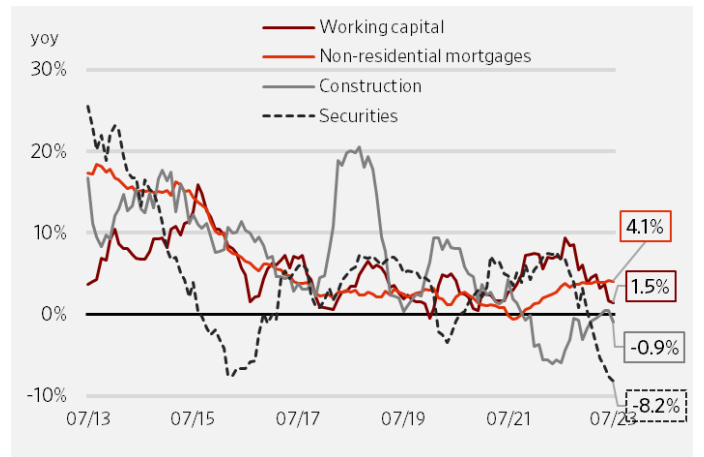
Source: BNM, MIDFR

**Fig 6: Retail loan constituents**



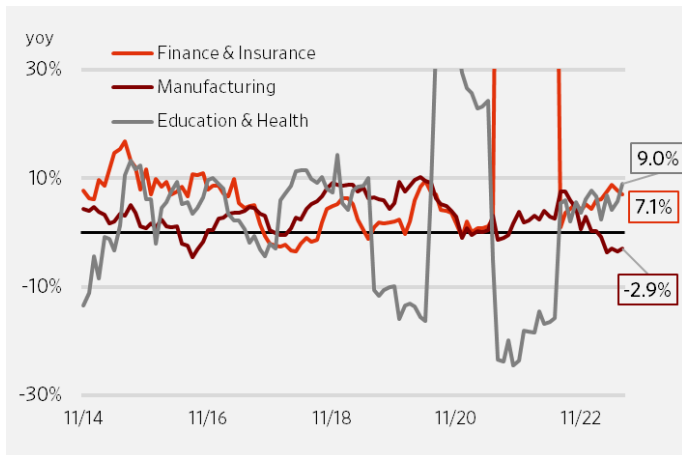
Source: BNM, MIDFR

**Fig 7: Business loan constituents**



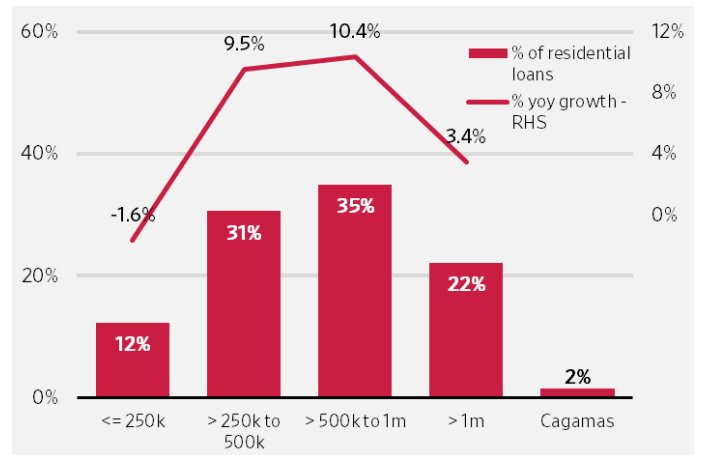
Source: BNM, MIDFR

**Fig 8: Loan growth of other sectors**



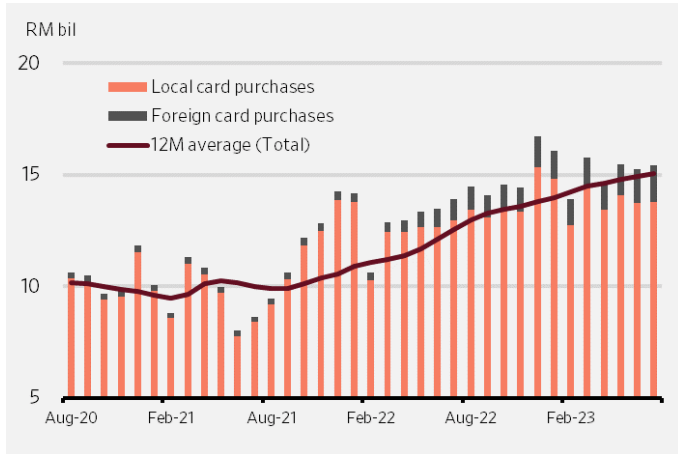
Source: BNM, MIDFR

**Fig 9: Residential loans by segment**



Source: BNM, MIDFR

**Fig 10: Credit card purchases**

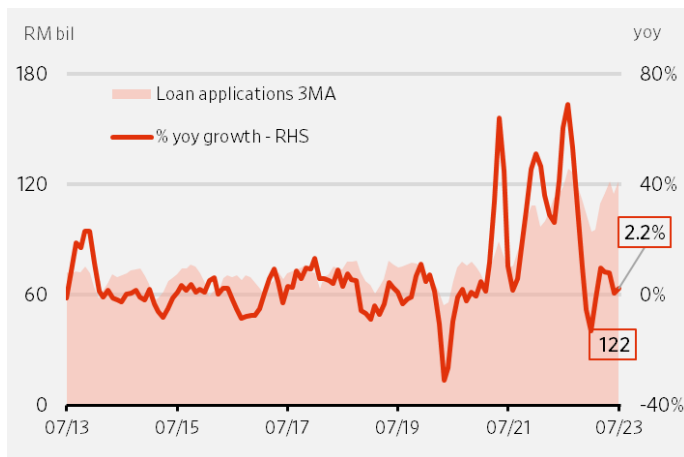


Source: BNM, MIDFR

## B. LEADING INDICATOR TRENDS

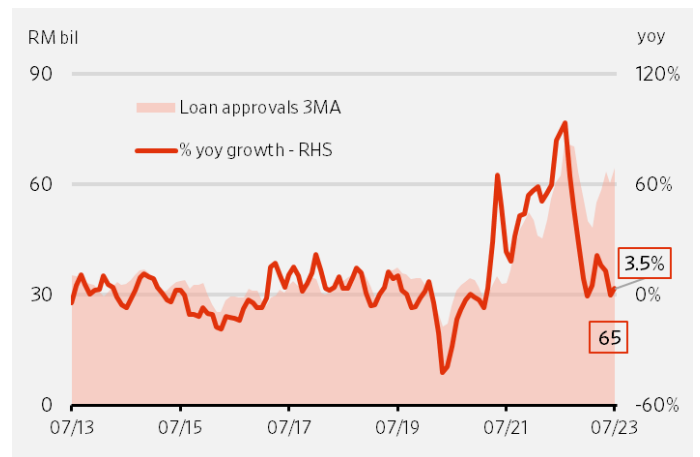
Heatmaps visible here: [\(link\)](#)

**Fig 11: Loan applications (3-mth average)**



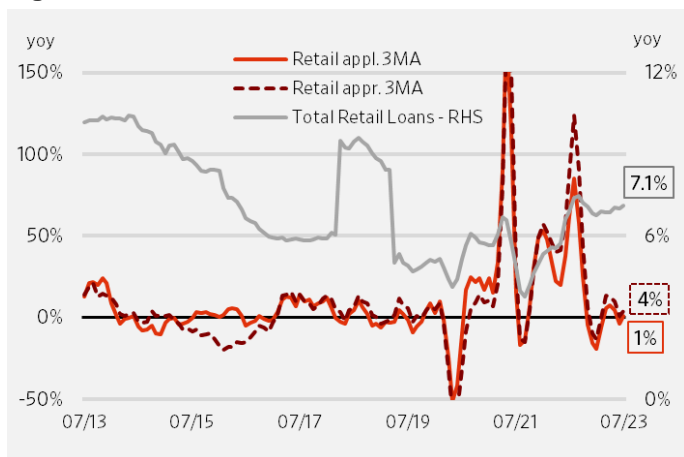
Source: BNM, MIDFR

**Fig 12: Loan approvals (3-mth average)**



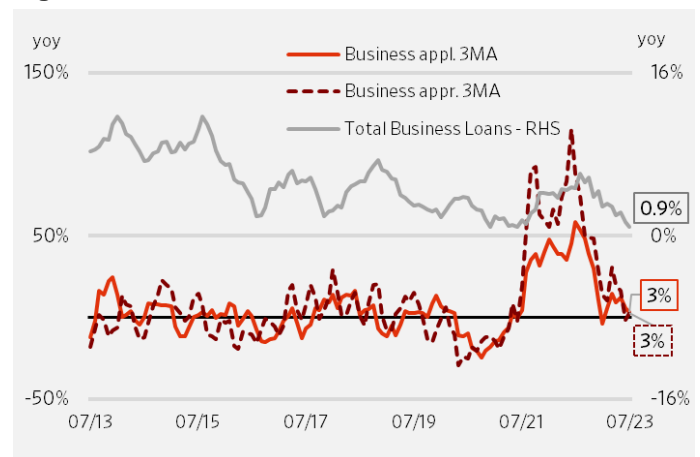
Source: BNM, MIDFR

**Fig 13: Retail loan indicators**



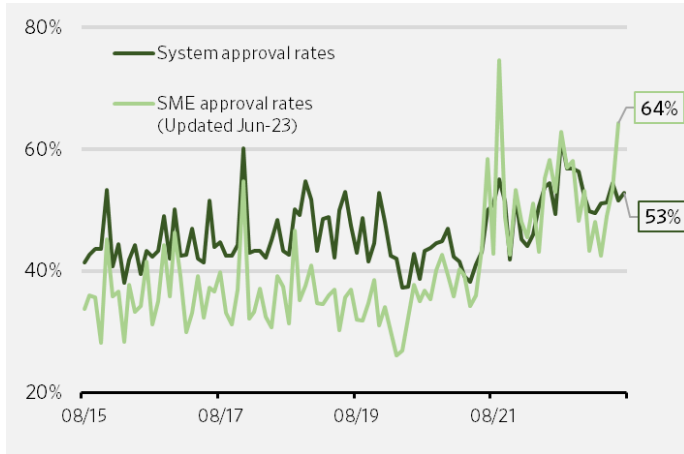
Source: BNM, MIDFR

**Fig 14: Business loan indicators**



Source: BNM, MIDFR

**Fig 15: System approval rates**

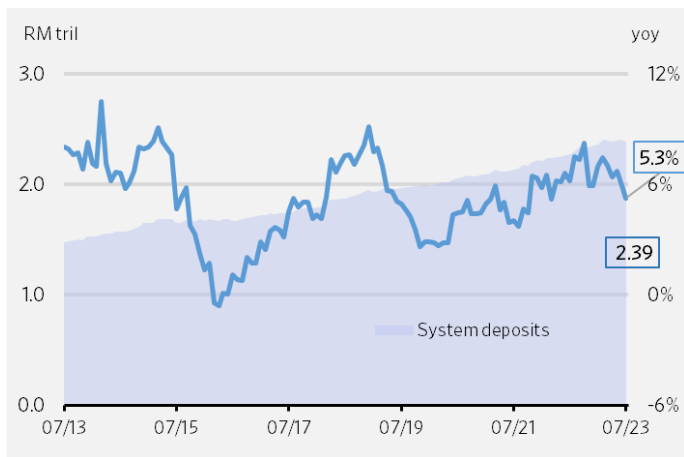


Source: BNM, MIDFR

## C. DEPOSITS & LIQUIDITY

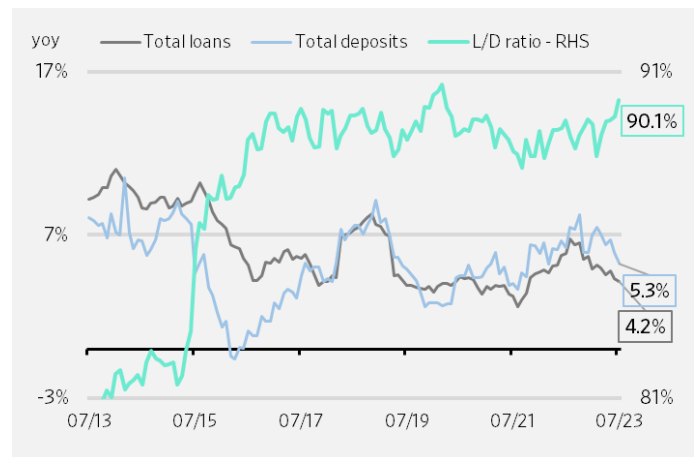
Heatmaps visible here: [\(link\)](#)

**Fig 16: yoy System deposits**



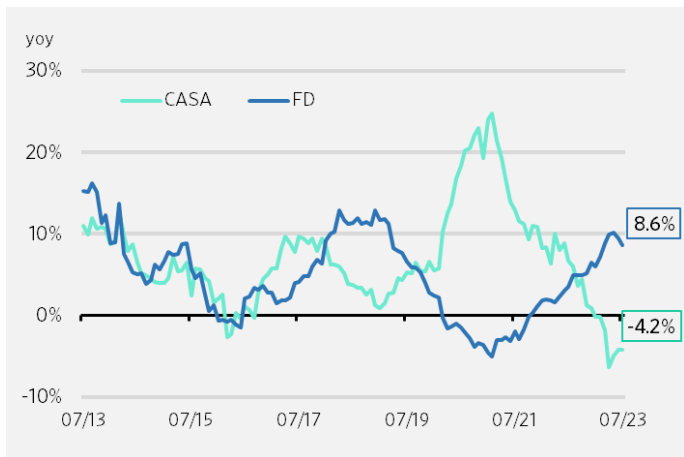
Source: BNM, MIDFR

**Fig 17: Loan/Deposit ratio**



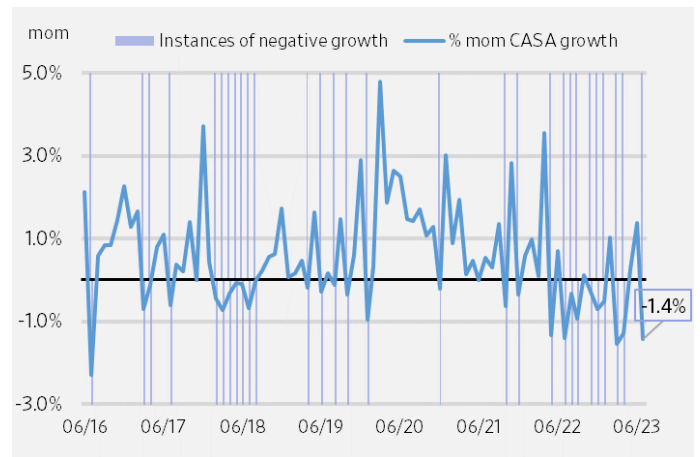
Source: BNM, MIDFR

**Fig 18: yoy CASA & FD growth**



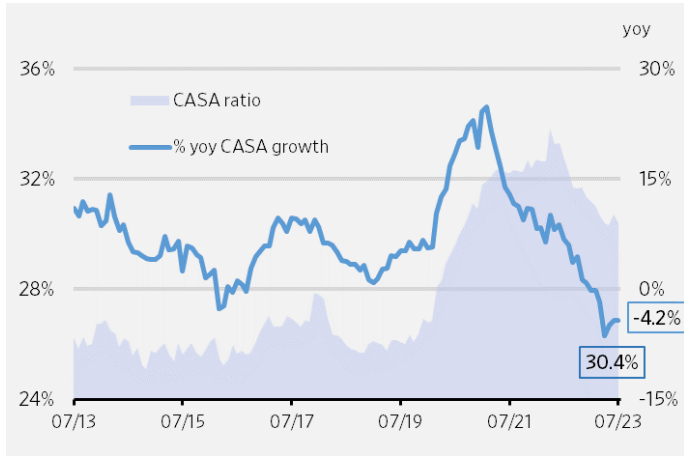
Source: BNM, MIDFR

**Fig 19: mom CASA growth**



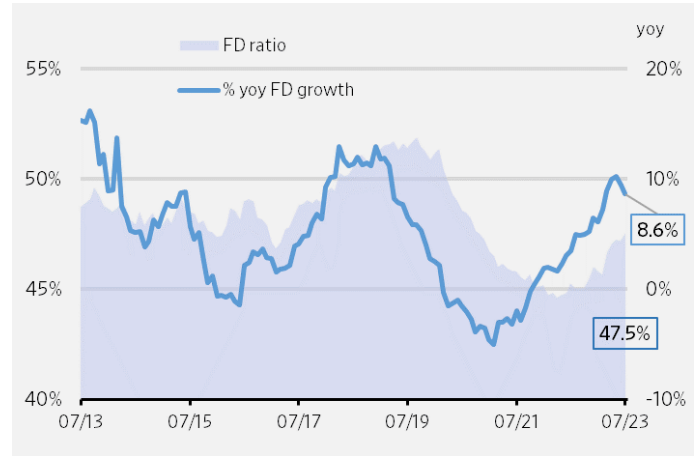
Source: BNM, MIDFR

**Fig 20: CASA ratio**



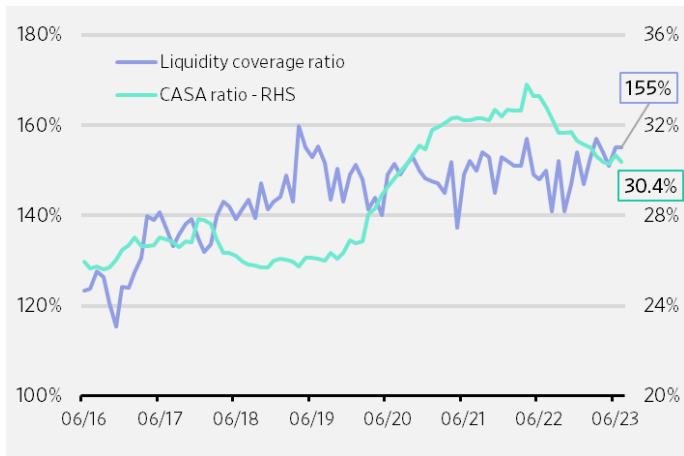
Source: BNM, MIDFR

**Fig 21: FD ratio**



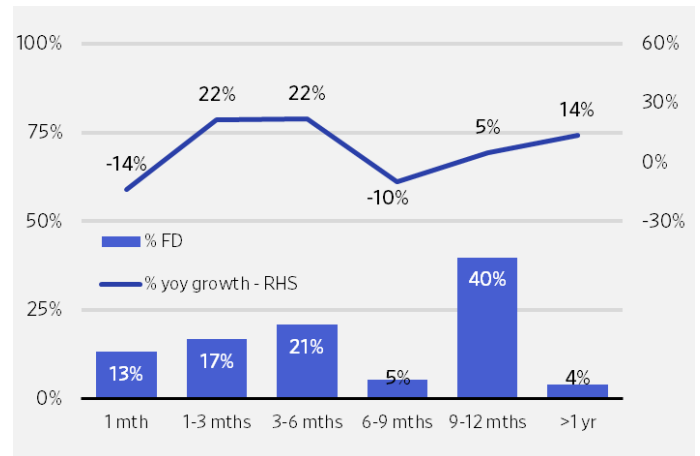
Source: BNM, MIDFR

**Fig 22: Liquidity coverage ratio**



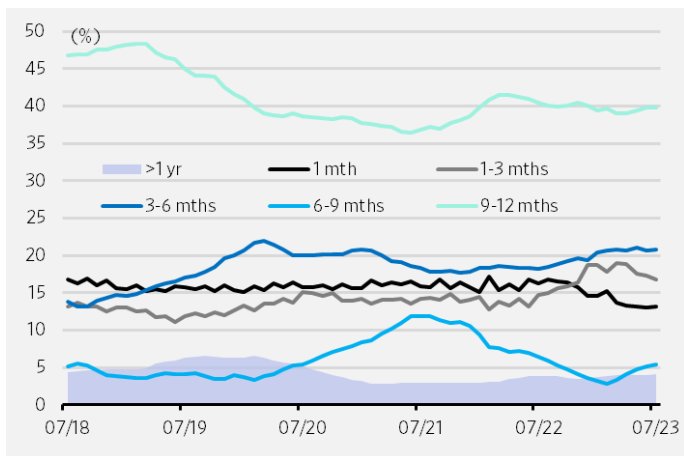
Source: BNM, MIDFR

**Fig 23: FD by maturity brackets and yoy growth**



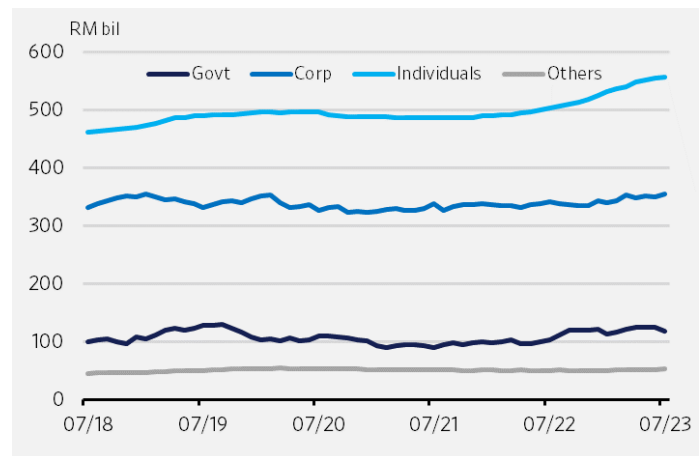
Source: BNM, MIDFR

**Fig 24: FD by maturity brackets (% Proportion)**



Source: BNM, MIDFR

**Fig 25: FD by depositor**

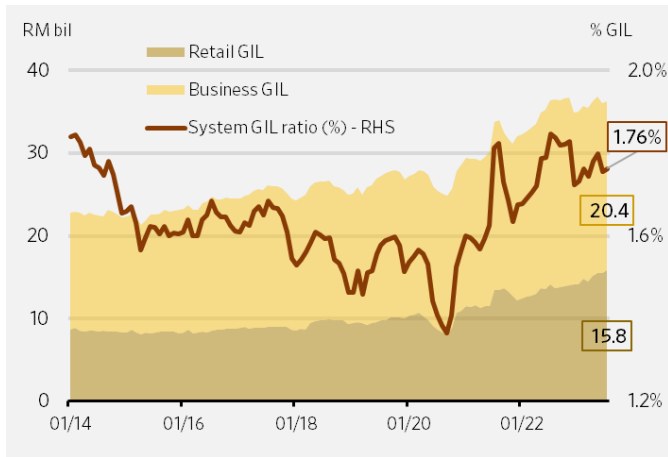


Source: BNM, MIDFR

## D. ASSET QUALITY & PROVISIONING

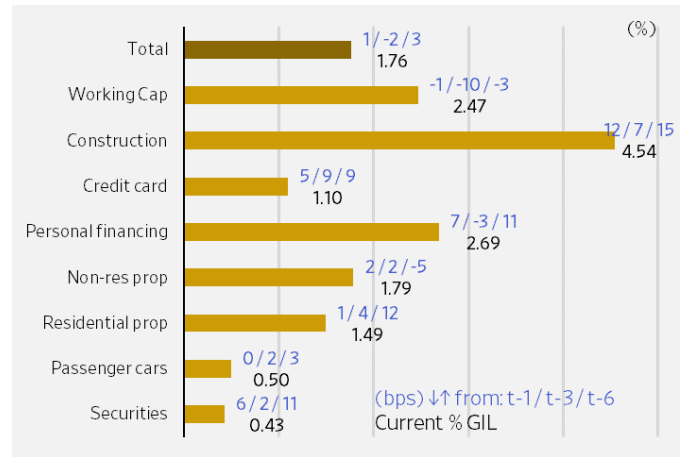
Heatmaps visible here: [\(link\)](#)

**Fig 26: System gross impaired loans**



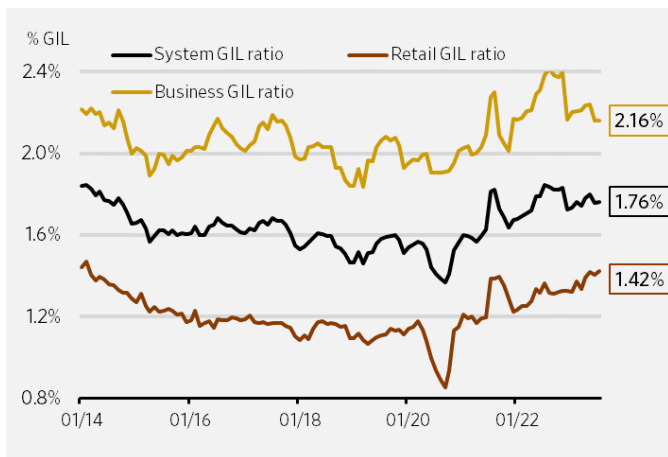
Source: BNM, MIDFR

**Fig 27: GIL ratio by segment**



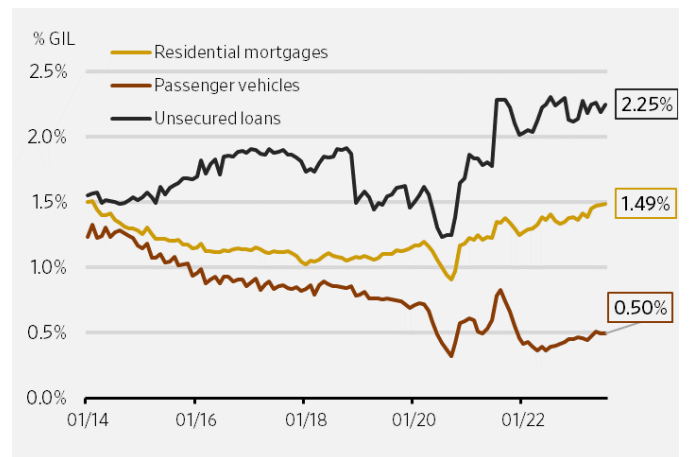
Source: BNM, MIDFR

**Fig 28: System, Retail, Business GIL ratios**



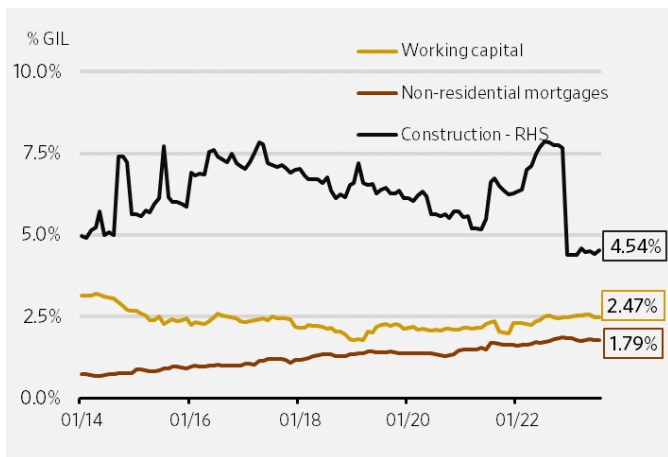
Source: BNM, MIDFR

**Fig 29: Retail GIL ratios**



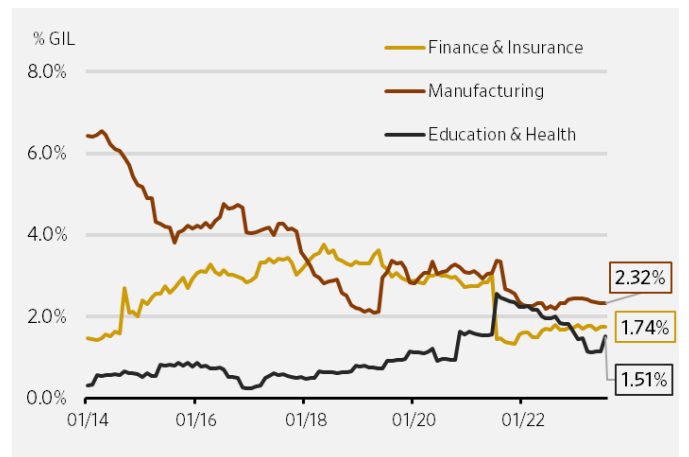
Source: BNM, MIDFR

**Fig 30: Business GIL ratios**



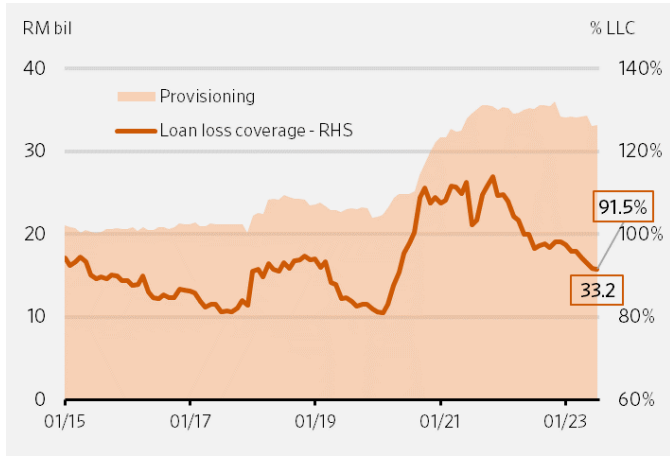
Source: BNM, MIDFR

**Fig 31: GIL ratios of other sectors**



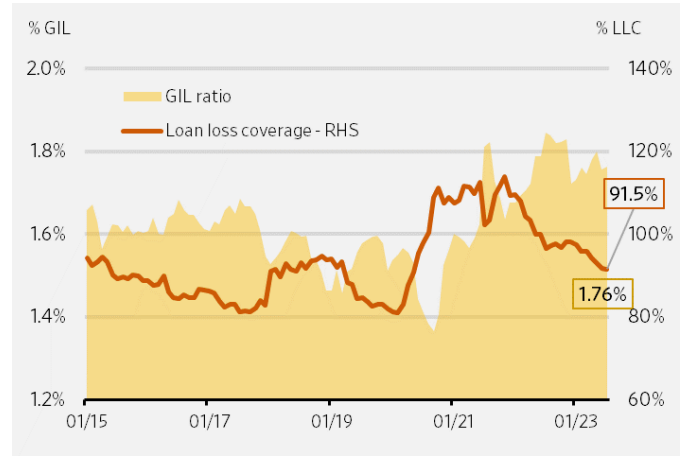


**Fig 32: Provisions & loan loss coverage**



Source: BNM, MIDFR

**Fig 33: LLC and GIL ratio**

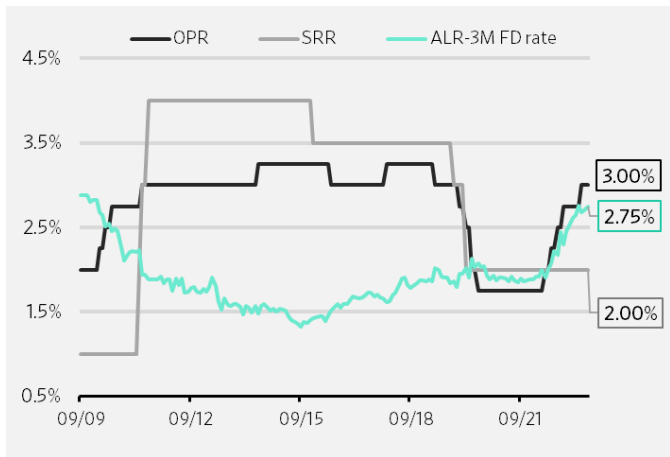


Source: BNM, MIDFR

## E. INTEREST SPREAD AND CAPITAL

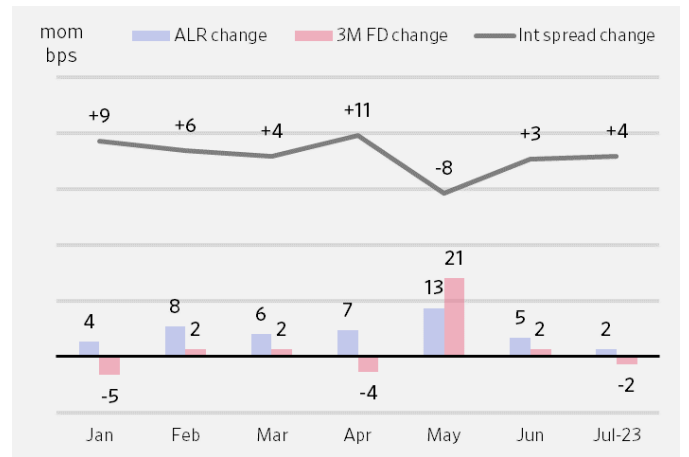
Heatmaps visible here: [\(link\)](#)

**Fig 34: Interest spread, OPR, SRR**



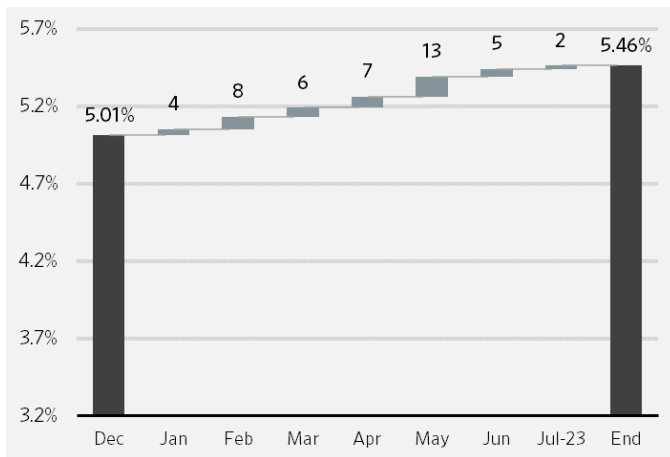
Source: BNM, MIDFR

**Fig 35: mom Changes in Interest spreads**



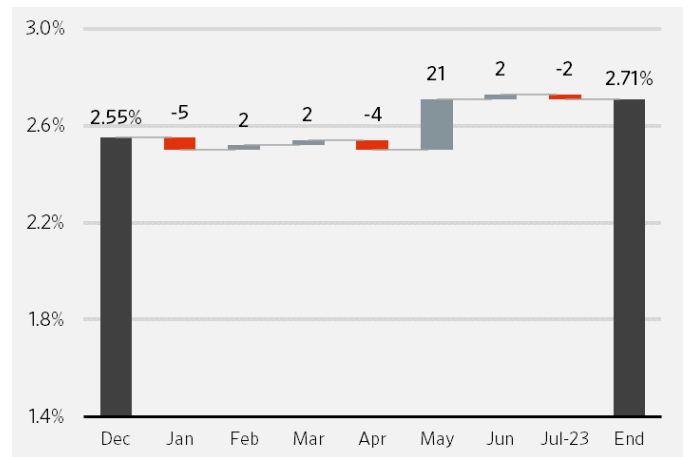
Source: BNM, MIDFR

**Fig 36: Changes in Average Lending Rate**



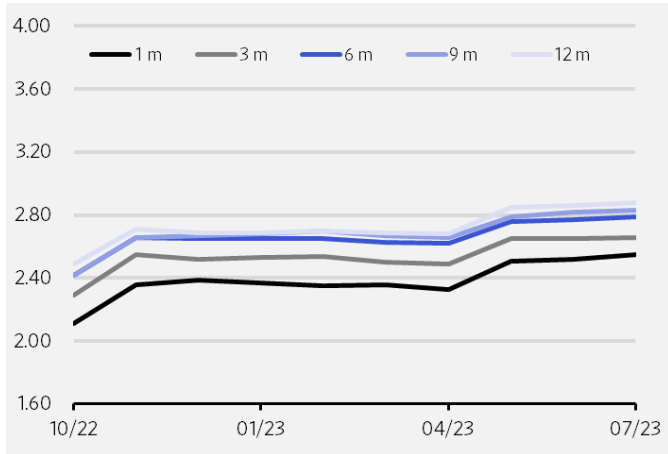
Source: BNM, MIDFR

**Fig 37: Changes in 3M FD rate**



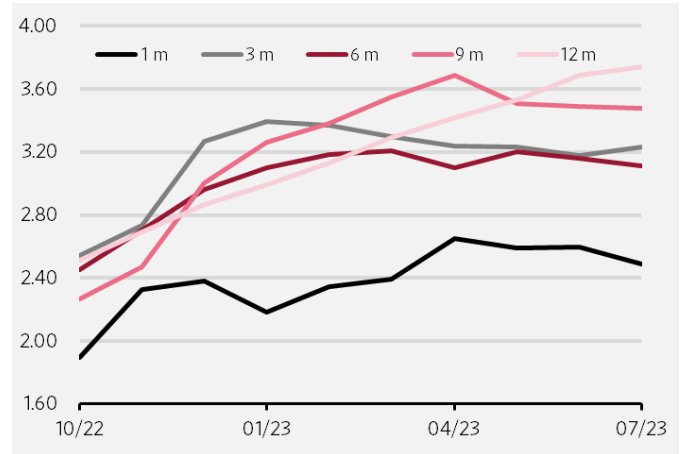
Source: BNM, MIDFR

**Fig 38: Weighted avg Conventional FD rates by bracket**



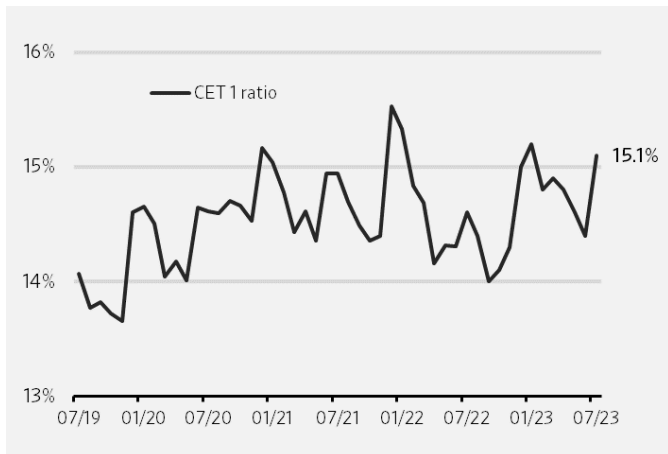
Source: BNM, MIDFR

**Fig 39: Weighted avg Islamic FD rates by bracket**



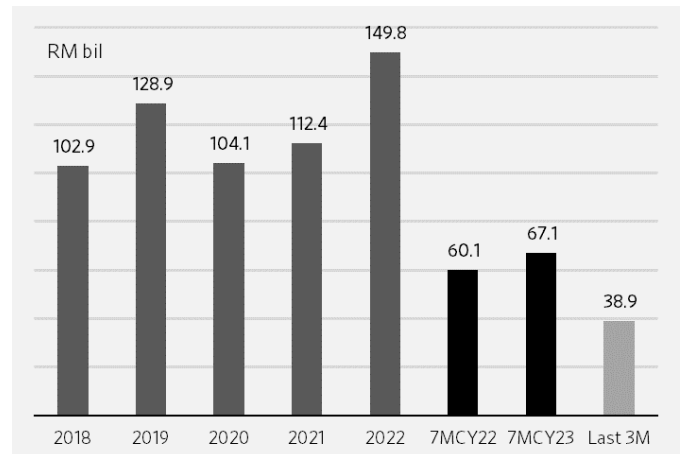
Source: BNM, MIDFR

**Fig 40: CET 1 ratio**



Source: BNM, MIDFR

**Fig 41: Bond/Sukuk issuances**

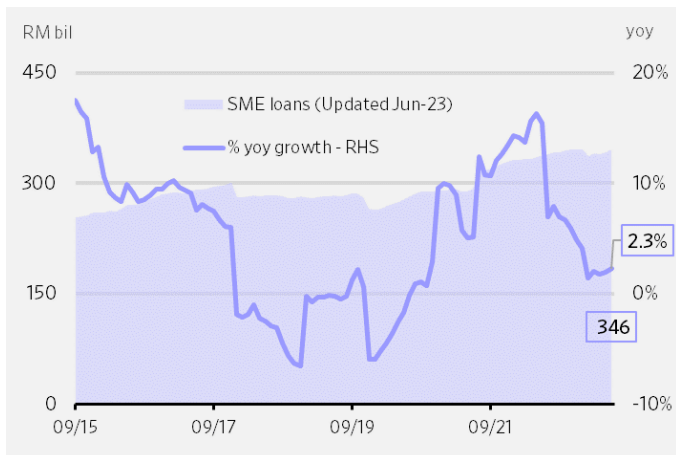


Source: BNM, MIDFR

## F. SME DATA

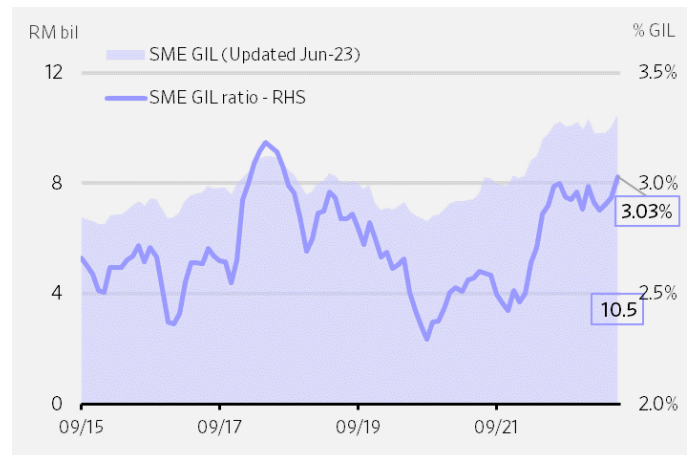
Heatmaps visible here: [\(link\)](#)

**Fig 42: SME loans**



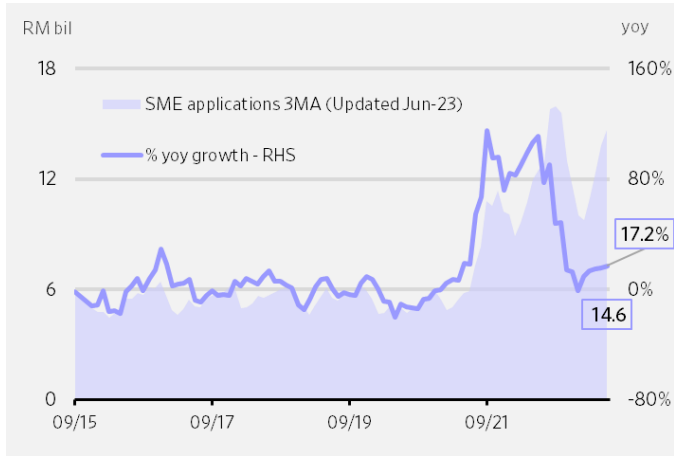
Source: BNM, MIDFR

**Fig 43: SME GILs**



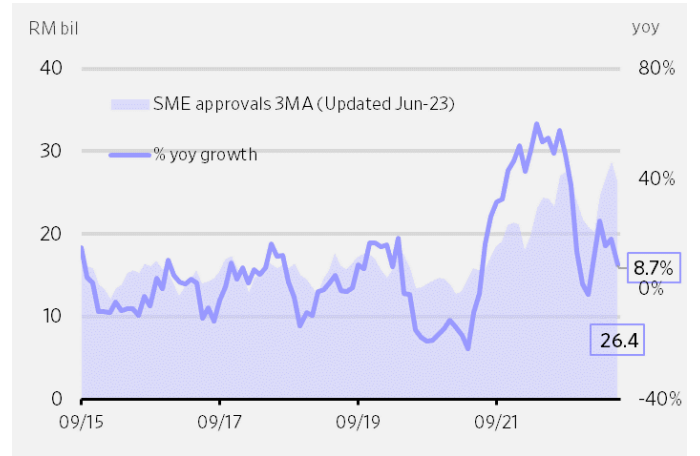
Source: BNM, MIDFR

**Fig 44: SME applications (3-mth-average)**



Source: BNM, MIDFR

**Fig 45: SME approvals (3-mth-average)**



Source: BNM, MIDFR

## G. SERIES OF VISUALISATION TABLES

**Fig 46: System loans**

	Total loans (RM tr)	Growth (% yoy)	Growth (% mom)	Retail			Business		
				Growth (% yoy)	Growth (% mom)	% of total	Growth (% yoy)	Growth (% mom)	% of total
Aug-21	1.86	2.6	-0.1	4.0	0.1	52.1	1.1	-0.4	47.9
Sep-21	1.88	3.0	0.9	3.8	0.6	52.0	2.2	1.3	48.0
Oct-21	1.89	3.4	0.5	4.2	0.8	52.1	2.6	0.3	47.9
Nov-21	1.91	4.4	0.9	4.6	0.8	52.0	4.2	1.0	48.0
Dec-21	1.92	4.6	0.5	5.0	0.9	52.2	4.2	0.1	47.8
Jan-22	1.93	4.8	0.5	5.4	0.6	52.3	4.1	0.5	47.7
Feb-22	1.93	4.8	0.2	5.4	0.2	52.3	4.2	0.1	47.7
Mar-22	1.94	4.7	0.6	5.6	0.6	52.3	3.7	0.6	47.7
Apr-22	1.95	5.1	0.4	5.6	0.5	52.4	4.6	0.3	47.6
May-22	1.95	5.1	0.3	5.7	0.3	52.4	4.5	0.2	47.6
Jun-22	1.97	5.7	0.7	6.6	0.7	52.4	4.8	0.7	47.6
<b>Jul-22</b>	<b>1.97</b>	<b>5.9</b>	<b>0.3</b>	<b>6.9</b>	<b>0.5</b>	<b>52.5</b>	<b>4.7</b>	<b>0.1</b>	<b>47.5</b>
Aug-22	1.99	6.8	0.7	7.4	0.6	52.4	6.1	0.8	47.6
Sep-22	2.00	6.4	0.6	7.5	0.7	52.5	5.3	0.5	47.5
Oct-22	2.01	6.5	0.6	7.2	0.6	52.4	5.7	0.7	47.6
Nov-22	2.01	5.5	-0.1	7.1	0.6	52.8	3.8	-0.9	47.2
Dec-22	2.02	5.7	0.7	6.8	0.7	52.8	4.4	0.7	47.2
Jan-23	2.02	4.9	-0.2	6.8	0.5	53.2	2.9	-0.9	46.8
Feb-23	2.03	5.1	0.4	6.9	0.4	53.2	3.2	0.4	46.8
Mar-23	2.04	5.0	0.4	6.9	0.6	53.3	2.9	0.3	46.7
Apr-23	2.04	4.6	0.0	6.9	0.5	53.5	2.0	-0.5	46.5
May-23	2.05	4.8	0.5	7.1	0.5	53.5	2.3	0.5	46.5
Jun-23	2.05	4.4	0.2	7.0	0.6	53.7	1.4	-0.2	46.3
<b>Jul-23</b>	<b>2.06</b>	<b>4.2</b>	<b>0.2</b>	<b>7.1</b>	<b>0.6</b>	<b>54.0</b>	<b>0.9</b>	<b>-0.4</b>	<b>46.0</b>

Source: BNM, MIDFR

Fig 47: yoy Loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Aug-21	5.6	1.5	-0.3	3.0	-0.6	2.0	3.6
Sep-21	5.6	0.0	-0.1	3.8	-0.4	1.5	5.1
Oct-21	5.8	0.3	1.4	4.9	0.1	0.1	4.0
Nov-21	6.0	0.9	2.6	7.2	0.6	-0.7	6.0
Dec-21	6.4	1.8	2.5	7.4	0.8	-0.1	4.2
Jan-22	6.5	2.3	3.7	7.5	1.3	-3.9	5.5
Feb-22	6.5	2.6	4.2	7.4	1.4	-3.7	6.2
Mar-22	6.5	3.1	4.5	5.6	2.0	-5.6	7.0
Apr-22	6.5	3.4	4.2	7.1	2.3	-5.6	7.5
May-22	6.5	3.4	5.3	6.9	2.5	-6.0	7.3
Jun-22	6.9	5.4	7.3	7.2	2.8	-5.6	7.6
<b>Jul-22</b>	<b>7.2</b>	<b>6.3</b>	<b>6.8</b>	<b>6.9</b>	<b>3.4</b>	<b>-6.0</b>	<b>6.7</b>
Aug-22	7.5	8.1	6.6	9.4	3.8	-4.3	6.8
Sep-22	7.4	8.7	6.4	8.5	3.3	-3.0	5.0
Oct-22	7.3	8.5	5.8	8.6	3.7	-0.5	3.9
Nov-22	7.3	8.1	5.3	5.5	3.7	-0.7	0.9
Dec-22	6.9	7.6	5.9	6.1	4.0	-3.0	3.2
Jan-23	6.8	7.8	5.5	3.8	3.8	-1.6	0.4
Feb-23	6.9	8.1	5.8	4.5	3.8	-0.9	-1.3
Mar-23	6.8	8.5	5.5	4.9	4.1	-0.5	-3.6
Apr-23	6.6	8.4	6.2	3.2	3.9	-0.1	-5.4
May-23	6.7	8.9	6.5	3.7	4.0	0.5	-6.4
Jun-23	6.8	8.8	6.2	1.7	4.2	0.5	-7.5
<b>Jul-23</b>	<b>6.9</b>	<b>8.9</b>	<b>6.1</b>	<b>1.5</b>	<b>4.1</b>	<b>-0.9</b>	<b>-8.2</b>

Source: BNM, MIDFR

Fig 48: mom Loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Aug-21	0.3	-0.9	-1.4	-0.4	-0.0	-1.7	0.4
Sep-21	0.7	0.2	-0.3	0.9	0.8	-0.5	2.5
Oct-21	0.7	0.7	1.1	1.1	0.2	-1.9	0.7
Nov-21	0.7	1.0	2.1	1.2	0.3	-0.6	2.7
Dec-21	0.9	1.1	2.5	0.1	0.2	-0.2	-1.2
Jan-22	0.6	0.6	6.2	1.1	0.3	-1.6	0.4
Feb-22	0.4	0.0	1.7	0.4	0.1	-0.4	-0.1
Mar-22	0.6	0.8	2.9	0.5	0.6	-0.7	0.4
Apr-22	0.5	0.7	1.9	0.7	0.1	-0.4	0.4
May-22	0.4	0.2	2.0	0.4	0.2	-0.0	0.1
Jun-22	0.6	0.8	3.4	1.1	0.3	0.5	-0.1
<b>Jul-22</b>	<b>0.5</b>	<b>0.5</b>	<b>4.1</b>	<b>-0.5</b>	<b>0.2</b>	<b>1.5</b>	<b>0.3</b>
Aug-22	0.5	0.8	4.6	1.9	0.3	-0.0	0.5
Sep-22	0.6	0.8	4.8	0.1	0.3	0.9	0.7
Oct-22	0.6	0.5	5.0	1.1	0.7	0.7	-0.3
Nov-22	0.7	0.7	5.1	-1.7	0.3	-0.8	-0.2
Dec-22	0.6	0.7	5.9	0.7	0.5	-2.6	1.0
Jan-23	0.6	0.8	1.7	-1.1	0.1	-0.1	-2.4
Feb-23	0.4	0.5	1.3	1.1	0.1	0.4	-1.7
Mar-23	0.5	1.1	1.4	0.9	0.9	-0.3	-1.9
Apr-23	0.3	0.8	3.0	-0.9	-0.0	-0.0	-1.5
May-23	0.5	0.6	3.4	0.8	0.3	0.5	-1.0
Jun-23	0.6	0.8	4.1	-0.7	0.5	0.6	-1.3
<b>Jul-23</b>	<b>0.7</b>	<b>0.6</b>	<b>4.5</b>	<b>-0.7</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.4</b>

Source: BNM, MIDFR

**Fig 49: Loan applications & approvals (3MA)**

	Applied (3MA) (RM b)	Growth (% yoy)	Growth (% mom)	Approved (3MA) (RM b)	Growth (% yoy)	Growth (% mom)
Aug-21	76.1	1.7	2.4	36.7	18.5	10.6
Sep-21	82.6	5.7	8.5	43.1	31.9	17.4
Oct-21	91.1	19.8	10.4	47.8	43.2	11.0
Nov-21	101.8	30.9	11.7	49.7	43.8	3.9
Dec-21	108.7	45.4	6.8	52.4	54.1	5.5
Jan-22	108.4	51.2	-0.3	50.2	56.4	-4.2
Feb-22	96.7	46.4	-10.8	46.0	59.0	-8.5
Mar-22	99.9	35.9	3.4	45.2	50.8	-1.6
Apr-22	106.3	29.2	6.3	50.2	54.9	11.0
May-22	112.5	26.2	5.9	56.1	59.8	11.9
Jun-22	114.4	41.1	1.7	60.5	84.1	7.8
<b>Jul-22</b>	<b>119.2</b>	<b>60.5</b>	<b>4.2</b>	<b>62.4</b>	<b>88.2</b>	<b>3.1</b>
Aug-22	128.6	69.0	7.9	70.9	93.2	13.6
Sep-22	126.6	53.3	-1.6	70.8	64.3	-0.2
Oct-22	119.9	31.6	-5.3	70.3	47.0	-0.7
Nov-22	112.1	10.1	-6.5	63.6	27.9	-9.6
Dec-22	103.0	-5.3	-8.1	57.0	8.7	-10.4
Jan-23	94.2	-13.1	-8.6	50.0	-0.5	-12.3
Feb-23	95.6	-1.1	1.5	48.3	5.0	-3.4
Mar-23	109.5	9.5	14.5	55.0	21.6	13.9
Apr-23	115.3	8.5	5.3	58.4	16.3	6.1
May-23	121.4	7.9	5.3	63.5	13.2	8.8
Jun-23	114.9	0.4	-5.4	60.4	-0.2	-4.9
<b>Jul-23</b>	<b>121.8</b>	<b>2.2</b>	<b>6.0</b>	<b>64.6</b>	<b>3.5</b>	<b>6.9</b>

Source: BNM, MIDFR

**Fig 50: Loan approval rates**

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
Aug-21	51.0	37.2	61.5	42.9
Sep-21	55.2	39.6	74.8	74.6
Oct-21	51.4	40.9	68.3	48.9
Nov-21	41.8	40.9	43.1	42.7
Dec-21	52.2	42.9	66.6	53.3
Jan-22	45.2	39.8	53.8	48.1
Feb-22	44.1	41.2	48.0	45.5
Mar-22	46.0	43.1	49.7	51.2
Apr-22	50.6	45.6	56.5	43.1
May-22	53.7	43.8	68.6	55.2
Jun-22	54.5	44.5	67.6	58.3
<b>Jul-22</b>	<b>49.4</b>	<b>46.5</b>	<b>52.1</b>	<b>53.0</b>
Aug-22	61.7	46.3	79.3	62.9
Sep-22	56.8	45.1	68.8	57.1
Oct-22	56.9	45.1	69.0	58.0
Nov-22	56.4	44.3	69.7	48.2
Dec-22	52.3	44.6	63.0	53.2
Jan-23	49.9	43.9	57.9	43.3
Feb-23	49.5	43.2	57.4	48.2
Mar-23	51.1	46.2	57.1	42.6
Apr-23	51.3	47.3	56.3	49.1
May-23	54.5	46.3	64.2	53.4
Jun-23	51.6	46.7	57.6	64.3
<b>Jul-23</b>	<b>52.9</b>	<b>45.5</b>	<b>61.2</b>	-

\*SME data until Jun-23

Source: BNM, MIDFR

Fig 51: yoy Loan application growth (3MA) by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Aug-21	(6)	(55)	(13)	10	37	66	67
Sep-21	(5)	(35)	(20)	24	30	54	21
Oct-21	11	10	(10)	36	30	28	26
Nov-21	35	47	1	23	40	(15)	45
Dec-21	55	68	12	38	49	(26)	58
Jan-22	60	71	17	44	43	(21)	65
Feb-22	51	75	17	55	36	(11)	19
Mar-22	32	59	16	55	26	1	15
Apr-22	20	40	12	67	24	3	1
May-22	16	40	14	63	20	8	(1)
Jun-22	30	88	23	61	30	57	9
<b>Jul-22</b>	<b>47</b>	<b>188</b>	<b>42</b>	<b>76</b>	<b>36</b>	<b>161</b>	<b>11</b>
Aug-22	64	266	63	56	54	231	(5)
Sep-22	40	135	65	52	46	215	(1)
Oct-22	14	46	48	36	36	137	(2)
Nov-22	(12)	0	25	44	15	64	(18)
Dec-22	(24)	(12)	13	25	(2)	26	(24)
Jan-23	(28)	(11)	9	8	(6)	51	(31)
Feb-23	(14)	4	15	7	14	62	(5)
Mar-23	(1)	15	20	8	32	87	(12)
Apr-23	3	12	19	(4)	33	38	(9)
May-23	(1)	9	22	(6)	32	47	(2)
Jun-23	(10)	1	19	(4)	23	1	(27)
<b>Jul-23</b>	<b>(5)</b>	<b>7</b>	<b>21</b>	<b>(2)</b>	<b>25</b>	<b>(34)</b>	<b>(30)</b>

Source: BNM, MIDFR

Fig 52: yoy Loan approval growth (3MA) by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Aug-21	14	(54)	(26)	30	87	51	58
Sep-21	0	(34)	(32)	79	93	85	47
Oct-21	11	6	(18)	85	81	48	45
Nov-21	34	36	(6)	57	96	33	15
Dec-21	61	54	6	77	86	11	17
Jan-22	67	66	13	70	92	(11)	37
Feb-22	55	76	13	91	86	(9)	60
Mar-22	43	71	15	65	76	9	43
Apr-22	39	60	16	100	76	37	14
May-22	40	54	24	100	74	50	10
Jun-22	48	104	39	144	95	113	19
<b>Jul-22</b>	<b>64</b>	<b>207</b>	<b>62</b>	<b>75</b>	<b>85</b>	<b>233</b>	<b>22</b>
Aug-22	86	335	89	86	92	245	0
Sep-22	66	169	88	51	52	260	(9)
Oct-22	32	65	59	54	57	155	1
Nov-22	(2)	13	32	45	34	131	30
Dec-22	(19)	(1)	16	17	33	55	26
Jan-23	(23)	(4)	10	13	8	51	(1)
Feb-23	(9)	9	17	(1)	12	74	(15)
Mar-23	10	18	21	29	17	110	(15)
Apr-23	10	14	19	4	23	106	(11)
May-23	6	14	21	6	33	72	0
Jun-23	(5)	4	22	(12)	32	22	(16)
<b>Jul-23</b>	<b>(2)</b>	<b>7</b>	<b>26</b>	<b>14</b>	<b>30</b>	<b>(33)</b>	<b>(25)</b>

Source: BNM, MIDFR

**Fig 53: System deposits**

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
Aug-21	2,138	3.7	0.1	88.5
Sep-21	2,173	4.7	1.7	88.1
Oct-21	2,164	4.4	-0.5	88.9
Nov-21	2,200	6.4	1.7	88.4
Dec-21	2,222	6.3	1.0	88.4
Jan-22	2,207	5.8	-0.7	89.2
Feb-22	2,233	6.5	1.2	88.4
Mar-22	2,240	5.2	0.3	88.8
Apr-22	2,243	6.2	0.1	89.2
May-22	2,248	6.1	0.2	89.2
Jun-22	2,266	6.6	0.8	89.3
<b>Jul-22</b>	<b>2,269</b>	<b>6.2</b>	<b>0.1</b>	<b>89.5</b>
Aug-22	2,298	7.5	1.3	89.0
Sep-22	2,333	7.4	1.5	88.7
Oct-22	2,342	8.3	0.4	89.0
Nov-22	2,331	5.9	-0.5	89.3
Dec-22	2,354	5.9	1.0	89.5
Jan-23	2,361	7.0	0.3	89.4
Feb-23	2,400	7.5	1.7	88.4
Mar-23	2,398	7.0	-0.1	89.1
Apr-23	2,387	6.4	-0.4	89.5
May-23	2,399	6.7	0.5	89.5
Jun-23	2,400	5.9	0.0	89.6
<b>Jul-23</b>	<b>2,389</b>	<b>5.3</b>	<b>-0.5</b>	<b>90.1</b>

Source: BNM, MIDFR

**Fig 54: CASA & FD ratios**

	CASA (RM b)	Growth (% yoy)	Growth (% mom)	CASA ratio (%)	FD (RM b)	Growth (% yoy)	Growth (% mom)	FD ratio (%)
Aug-21	680	11.7	0.3	32.3	958	-2.8	-0.7	45.5
Sep-21	689	11.3	1.4	32.3	968	-1.7	1.1	45.4
Oct-21	685	9.4	-0.6	32.2	970	-0.2	0.2	45.7
Nov-21	704	11.1	2.8	32.7	972	0.4	0.2	45.1
Dec-21	702	10.9	-0.3	32.4	977	1.1	0.6	45.1
Jan-22	706	8.3	0.6	32.7	976	1.9	-0.1	45.2
Feb-22	713	8.4	1.0	32.7	976	2.0	0.0	44.7
Mar-22	713	6.4	0.1	32.6	980	1.8	0.3	44.8
Apr-22	739	10.1	3.5	33.8	975	1.7	-0.5	44.6
May-22	729	8.1	-1.3	33.3	981	2.3	0.6	44.8
Jun-22	734	8.8	0.7	33.3	988	3.0	0.7	44.8
<b>Jul-22</b>	<b>724</b>	<b>6.7</b>	<b>-1.4</b>	<b>32.8</b>	<b>998</b>	<b>3.5</b>	<b>1.1</b>	<b>45.3</b>
Aug-22	721	6.1	-0.3	32.3	1,006	5.0	0.7	45.0
Sep-22	715	3.7	-0.9	31.7	1,016	4.9	1.0	45.0
Oct-22	715	4.5	0.1	31.7	1,018	5.0	0.2	45.1
Nov-22	713	1.3	-0.3	31.7	1,023	5.2	0.4	45.4
Dec-22	708	0.9	-0.7	31.3	1,041	6.5	1.8	46.0
Jan-23	705	-0.2	-0.5	31.2	1,035	6.1	-0.5	45.8
Feb-23	712	-0.2	1.0	31.0	1,047	7.2	1.1	45.6
Mar-23	701	-1.8	-1.6	30.6	1,067	8.9	1.9	46.7
Apr-23	692	-6.4	-1.3	30.4	1,072	10.0	0.5	47.1
May-23	693	-4.9	0.3	30.3	1,081	10.2	0.8	47.2
Jun-23	703	-4.2	1.4	30.7	1,081	9.5	0.1	47.2
<b>Jul-23</b>	<b>693</b>	<b>-4.2</b>	<b>-1.4</b>	<b>30.4</b>	<b>1,084</b>	<b>8.6</b>	<b>0.3</b>	<b>47.5</b>

Source: BNM, MIDFR

**Fig 55: Impaired loans and loan loss coverage**

	Impaired loans (RM b)	Growth (% mom)	GIL ratio (%)	Total provisions (RM b)	LLC ratio (%)
Aug-21	34.0	0.5	1.82	35.1	103
Sep-21	32.5	-4.3	1.73	35.6	110
Oct-21	31.9	-2.0	1.69	35.6	112
Nov-21	31.2	-2.2	1.64	35.5	114
Dec-21	32.1	3.0	1.68	35.1	109
Jan-22	32.3	0.7	1.68	35.4	109
Feb-22	32.6	1.0	1.69	35.3	108
Mar-22	33.1	1.4	1.71	34.5	104
Apr-22	33.5	1.3	1.72	34.7	104
May-22	35.0	4.2	1.79	35.0	100
Jun-22	35.2	0.7	1.79	35.2	100
<b>Jul-22</b>	<b>36.4</b>	<b>3.5</b>	<b>1.85</b>	<b>35.2</b>	<b>96</b>
Aug-22	36.5	0.2	1.84	35.5	97
Sep-22	36.4	-0.4	1.82	35.6	98
Oct-22	36.7	0.8	1.82	35.5	97
Nov-22	36.8	0.3	1.83	36.1	98
Dec-22	34.9	-5.2	1.72	34.2	98
Jan-23	35.0	0.4	1.73	34.1	97
Feb-23	35.7	2.1	1.76	34.3	96
Mar-23	35.6	-0.6	1.75	34.1	96
Apr-23	36.3	2.2	1.78	34.2	94
May-23	36.8	1.5	1.80	34.3	93
Jun-23	36.0	-2.2	1.76	33.1	92
<b>Jul-23</b>	<b>36.2</b>	<b>0.6</b>	<b>1.76</b>	<b>33.2</b>	<b>92</b>

Source: BNM, MIDFR

**Fig 56: ALR, 3M-FD rates & Interest spreads**

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
Aug-21	3.40	1.55	1.85
Sep-21	3.45	1.56	1.89
Oct-21	3.42	1.56	1.86
Nov-21	3.44	1.56	1.88
Dec-21	3.45	1.57	1.88
Jan-22	3.44	1.55	1.89
Feb-22	3.48	1.55	1.92
Mar-22	3.48	1.56	1.92
Apr-22	3.56	1.56	2.00
May-22	3.68	1.77	1.91
Jun-22	3.79	1.79	2.00
<b>Jul-22</b>	<b>4.09</b>	<b>2.01</b>	<b>2.08</b>
Aug-22	4.24	2.02	2.22
Sep-22	4.43	2.25	2.18
Oct-22	4.68	2.24	2.44
Nov-22	4.80	2.50	2.30
Dec-22	5.01	2.55	2.46
Jan-23	5.05	2.50	2.55
Feb-23	5.13	2.52	2.61
Mar-23	5.19	2.54	2.65
Apr-23	5.26	2.50	2.76
May-23	5.39	2.71	2.68
Jun-23	5.44	2.73	2.71
<b>Jul-23</b>	<b>5.46</b>	<b>2.71</b>	<b>2.75</b>

Source: BNM, MIDFR



**Fig 57: SME loan data**

	Total SME loans (RM b)	Growth (% yoy)	Growth (% mom)	As a % of industry loans	SME GIL ratio (%)
Jul-21	317	12.4	8.1	17.0	2.59
Aug-21	317	10.7	-0.0	17.0	2.59
Sep-21	320	10.7	1.1	17.0	2.50
Oct-21	323	12.0	0.9	17.1	2.46
Nov-21	326	12.6	1.0	17.1	2.42
Dec-21	330	13.5	1.1	17.2	2.51
Jan-22	332	14.3	0.7	17.2	2.46
Feb-22	332	14.1	-0.0	17.2	2.50
Mar-22	333	13.7	0.5	17.2	2.64
Apr-22	333	15.6	-0.1	17.1	2.71
May-22	336	16.3	0.8	17.2	2.86
<b>Jun-22</b>	<b>338</b>	<b>15.4</b>	<b>0.7</b>	<b>17.2</b>	<b>2.90</b>
Jul-22	339	7.0	0.2	17.2	2.98
Aug-22	342	7.9	0.8	17.2	3.00
Sep-22	342	6.9	0.2	17.1	2.94
Oct-22	344	6.7	0.6	17.1	2.93
Nov-22	345	5.9	0.3	17.2	2.96
Dec-22	346	4.9	0.1	17.1	2.88
Jan-23	346	4.1	0.0	17.1	2.99
Feb-23	337	1.4	-2.6	16.6	2.91
Mar-23	340	2.1	1.1	16.7	2.88
Apr-23	339	1.7	-0.4	16.6	2.91
May-23	342	1.9	1.0	16.7	2.93
<b>Jun-23</b>	<b>346</b>	<b>2.3</b>	<b>1.1</b>	<b>16.8</b>	<b>3.03</b>

SME data until Jun-23

Source: BNM, MIDFR

**Fig 58: SME applications & approvals (3MA)**

	Applications			Applications		
	3MA (RM b)	Growth (% yoy)	Growth (% mom)	3MA (RM b)	Growth (% yoy)	Growth (% mom)
Jul-21	15.6	-0.5	1.9	7.3	54.8	23.5
Aug-21	17.2	-0.9	-1.7	8.3	67.5	13.8
Sep-21	18.5	0.2	-0.5	10.8	115.5	29.9
Oct-21	19.1	0.7	-1.9	10.5	95.4	-2.5
Nov-21	21.0	1.0	-0.6	11.4	96.2	7.8
Dec-21	21.4	1.1	-0.2	10.2	72.2	-10.0
Jan-22	21.2	0.6	-1.6	10.1	84.1	-1.4
Feb-22	18.1	0.0	-0.4	8.9	83.1	-11.6
Mar-22	19.8	0.8	-0.7	9.6	90.7	8.1
Apr-22	23.1	0.7	-0.4	10.8	98.6	11.8
May-22	24.4	0.2	-0.0	12.0	106.6	11.2
<b>Jun-22</b>	<b>24.3</b>	<b>0.8</b>	<b>0.5</b>	<b>12.5</b>	<b>111.3</b>	<b>4.4</b>
Jul-22	23.3	0.5	1.5	12.9	77.2	3.5
Aug-22	27.1	0.8	-0.0	15.8	90.4	22.3
Sep-22	27.5	0.8	0.9	15.9	47.7	0.8
Oct-22	26.2	0.5	0.7	15.6	48.3	-2.1
Nov-22	23.9	0.7	-0.8	13.0	14.3	-16.9
Dec-22	21.7	0.7	-2.6	11.5	12.7	-11.3
Jan-23	20.8	0.8	-0.1	10.0	-0.5	-13.0
Feb-23	20.2	0.5	0.4	9.8	9.5	-2.6
Mar-23	24.7	1.1	-0.3	11.0	13.9	12.5
Apr-23	26.8	0.8	-0.0	12.4	14.8	12.7
May-23	28.8	0.6	0.5	13.9	15.7	12.1
<b>Jun-23</b>	<b>26.4</b>	<b>0.8</b>	<b>0.6</b>	<b>14.6</b>	<b>17.2</b>	<b>5.7</b>

SME data until Jun-23

Source: BNM, MIDFR

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### MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

#### STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	Stock price is expected to <i>rise</i> by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	Stock price is expected to <i>fall</i> by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.

#### SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

#### ESG RECOMMENDATIONS\* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

\* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology