

BANKING

Maintain POSITIVE

Aug-23 Banking Stats: Concerning movements in FD rates

KEY INVESTMENT HIGHLIGHTS

- **Yays:** (1) Loan applications hit new highs, (2) CASA seems to be buoyed by non-retail contributions, (3) Conventional FD rates finally show uniform improvement
- **Nays:** (1) Deposit growth is weak, dragged by FD rundown, (2) Islamic FD rates show sharp increase mom
- **Okays:** (1) Loan growth still sluggish, but retail contributions are strong, (2) Nothing too concerning in asset quality space
- **Maintain POSITIVE call:** Asset quality and possible deposit competition ahead, but better valuations (following recent share repricing), NOII contributions and a stronger corporate loan pipeline should provide 2HCY23 with some uplift.

Loan growth: +4.2yoy, +0.7%mom. **Loan growth continues to be sluggish, though sequential month growth is more promising.**

- The prevalent trend of strong retail loan showings, and lacklustre business loan contributions remain.
- **Retail loans.** Hire purchase, residential mortgages and unsecured loans continue to boast exceptional figures.
- **Business loans.** There was some weakness but do note high base effects from last year.
- **Leading indicators.** Applications this month hit new highs. So did approvals.

Deposits: +4.6%oyoy, +0.6% mom. **Some rundown in FDs, while CASA shows month-on-month growth.**

- **FD growth:** +7.2yoy, -0.6%mom. **Banks are likely continuing to let pricier FDs expire.**
- **CASA ratio:** 30.8%, -1.5%oyoy, +0.4%mom. **Growth:** -2.3%oyoy, +1.7%mom.
- **LCR shows a notable decline.**
- **Loan/Deposit ratio 90.4%, +0.3%mom.**

GIL ratio: 1.78%, +2bps mom. **Uptick is minor, but notable deterioration in working capital segment.**

- **Notable deteriorations, mom:** Working capital +9bps mom.
- **Notable improvements, mom:** Personal financing -5bps mom.
- **LLC: 91%, -1%mom.** Banks continue to signal that they are comfortable with provisioning levels.

Interest spread: -3bps mom. **Conventional and Islamic FD rates moved in opposite directions.**

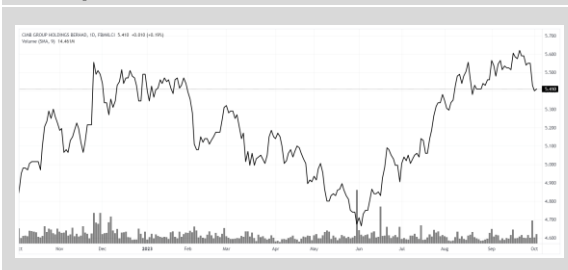
COMPANY IN FOCUS

CIMB

Maintain **BUY** | Unchanged Target price: RM6.43
Price @ 3 October 2023: RM5.41

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

Share price chart

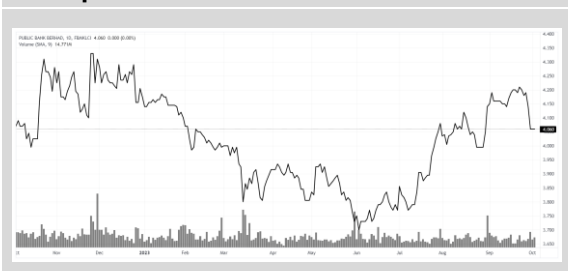


Public Bank

Maintain **BUY** | Unchanged Target price: RM4.76
Price @ 3 October 2023: RM4.06

- Defensive pick (Good asset quality and NCC)
- Continues to acquire loan and deposit market share

Share price chart



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Have a look at:

- FD rates show interesting movements.** This is the first time since Apr-23 that Conv FD rates have shown uniform improvement. Conversely, Islamic FD rates show sharp spike within the month.
- CASA levels are being buoyed by non-retail segments.** On the flipside, retail CASA continues to plunge.
- Loan applications and approval have hit a high.** This month particularly saw surges across the board. In the case of applications, notably for securities, personal loans and working capital purposes.

Maintain POSITIVE call. While 2HCY23 has its fair share of deposit competition, asset quality and provisioning-related headwinds, banks have guided for a stronger corporate loan pipeline, lighter OPEX and steady NOII outlook to buoy the sector. Dividend yields as usual remain highly attractive, especially with the recent negative 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	8.77	9.28	5.8	105.0	11.4	10.7	1.2	1.1	10.5	10.9	7.0	7.5
CIMB	BUY	5.41	6.43	18.9	56.4	8.7	8.0	0.9	0.8	10.1	10.3	6.3	6.3
PBK	BUY	4.06	4.76	17.2	78.8	11.1	10.9	1.5	1.4	13.6	12.9	4.5	4.6
RHB	BUY	5.42	6.66	22.9	22.7	7.8	7.2	0.8	0.7	9.9	10.1	7.0	7.5
HLBK	BUY	19.46	22.96	18.0	39.9	9.9	9.3	1.1	1.0	11.3	11.0	3.5	3.8
HLFG	BUY	17.68	23.71	34.1	20.0	7.2	6.6	0.7	0.6	10.0	10.0	2.8	3.0
AMMB	BUY	3.72	3.98	7.0	15.6	8.8	8.2	0.8	0.8	9.5	9.5	5.0	5.4
BIMB	NEUTRAL	2.13	2.04	-4.2	5.1	9.8	8.9	0.7	0.7	7.4	7.7	6.4	6.8
AFFIN	NEUTRAL	2.10	1.70	-18.9	4.6	10.2	7.9	0.4	0.4	4.1	5.1	2.9	3.6
ABMB	BUY	3.37	3.90	15.8	5.2	7.5	6.9	0.7	0.7	10.0	10.2	6.7	7.2
Simple avg (ex-HLFG)						9.4	8.7	0.9	0.8	9.6	9.7	5.5	5.8
Weighted avg (ex-HLFG)						10.2	9.6	1.1	1.0	11.1	11.0	5.7	6.0

*Closing prices from 02 Oct 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 (%)			
	Aug-23	Jul-23	Jun-23	May-23		Aug-23	Jul-23	Jun-23	May-23
Total loans	4.2	4.2	4.4	4.8	3.4	0.7	0.2	0.2	0.5
Retail loans	7.4	7.1	7.0	7.1	7.0	0.8	0.6	0.6	0.5
Business loans	0.6	0.9	1.4	2.3	-0.6	0.5	-0.4	-0.2	0.5
SME*	-	2.5	2.3	1.9	0.9	-	0.4	1.1	1.0
Total deposits	4.6	5.3	5.9	6.7	3.2	0.6	-0.5	0.0	0.5
CASA	-2.3	-4.2	-4.2	-4.9	-0.7	1.7	-1.4	1.4	0.3
FD	7.2	8.6	9.5	10.2	5.4	-0.6	0.3	0.1	0.8
Total provisions	-6.1	-5.6	-6.1	-1.9	-3.9	0.6	0.3	-3.7	0.4
Total GIL	0.8	-0.6	2.4	5.4	8.4	1.6	0.6	-2.2	1.5
Leading indicators									
3MA applications	-2	2	0	8	33	3	6	-5	5
Retail	-3	1	-3	4	29	-0	5	-5	4
Business	-2	3	6	12	37	7	7	-5	7
3MA approvals	-8	3	-0	13	0	2	7	-5	9
Retail	-1	4	1	10	38	1	4	-5	7
Business	-13	3	-1	16	11	2	10	-5	11
	Aug-23	Jul-23	Jun-23	May-23	Aug-22	Period	Forecast	Formerly	
Interest spread	2.72	2.75	2.71	2.68	2.22	Loan growth	CY23 4.5-5.0%		
Loan approval rate	52	53	52	54	62	GDP	CY23 4.2%		
SME approval rate*	-	56	64	53	63	OPR	CY23 3.00%		
GIL ratio	1.78	1.76	1.76	1.80	1.84				
SME GIL ratio*	-	3.09	3.03	2.93	3.00				
LLC ratio	91	92	92	93	97				
CASA ratio	30.8	30.4	30.7	30.3	32.3				
Loan/Deposit ratio	90.4	90.1	89.6	89.5	89.0				
Liquidity coverage ratio	149	155	155	151	141				
CET 1	14.5	15.1	14.4	14.6	14.4				
Tier 1 Capital	15.1	15.6	15.0	15.1	15.0				
Total Capital	18.2	18.8	18.2	18.3	18.1				

*SME data until Jul-23

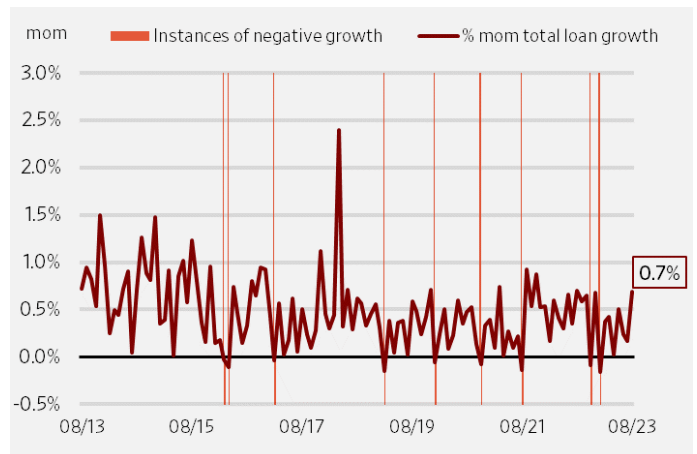
Source: BNM, MIDFR

Fig 2: yoy System loans



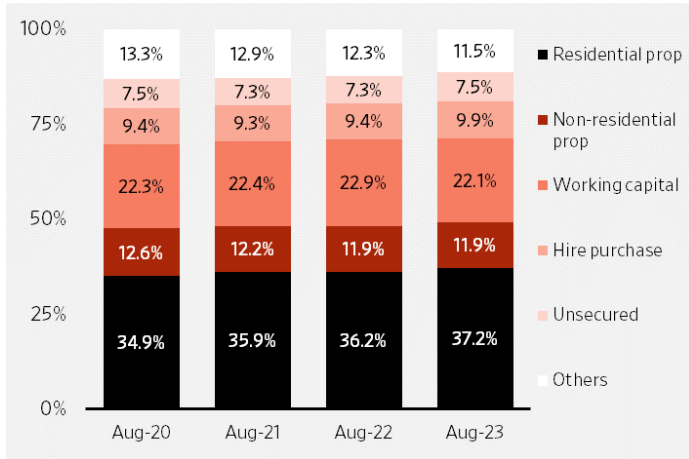
Source: BNM, MIDFR

Fig 3: mom System loans



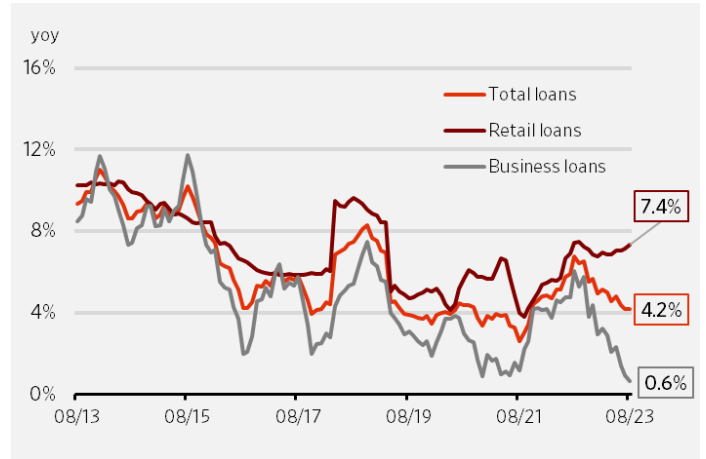
Source: BNM, MIDFR

Fig 4: Loan breakdown by type



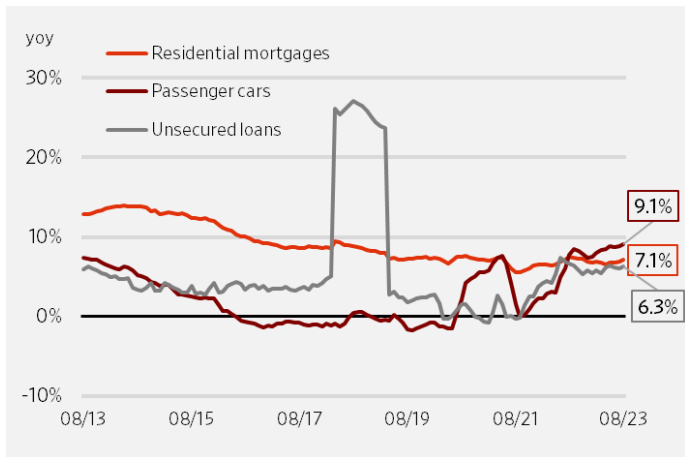
Source: BNM, MIDFR

Fig 5: Retail & business loan growth



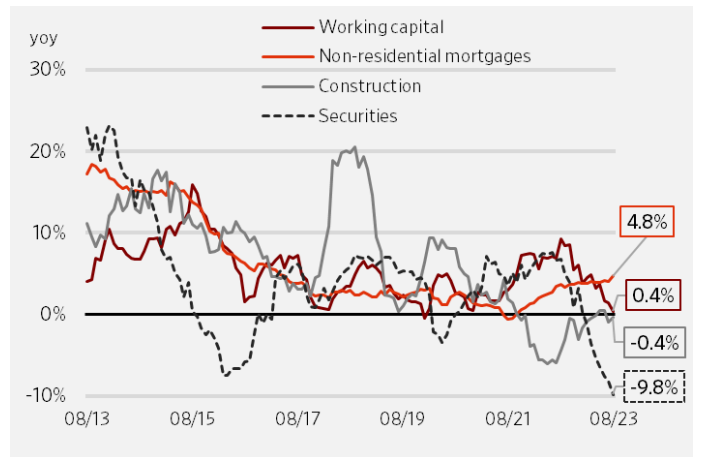
Source: BNM, MIDFR

Fig 6: Retail loan constituents



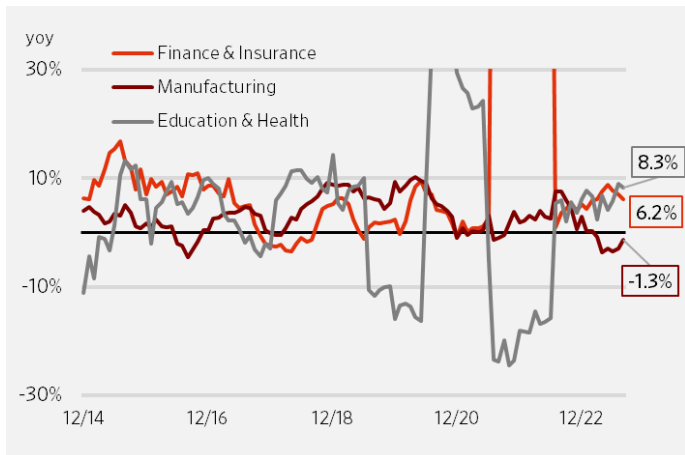
Source: BNM, MIDFR

Fig 7: Business loan constituents



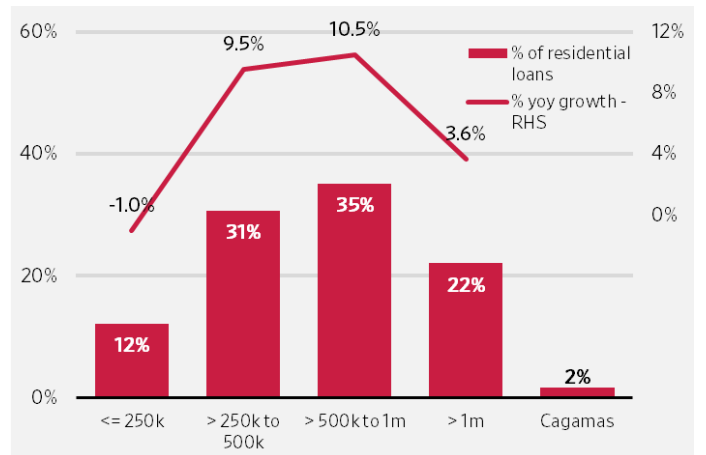
Source: BNM, MIDFR

Fig 8: Loan growth of other sectors



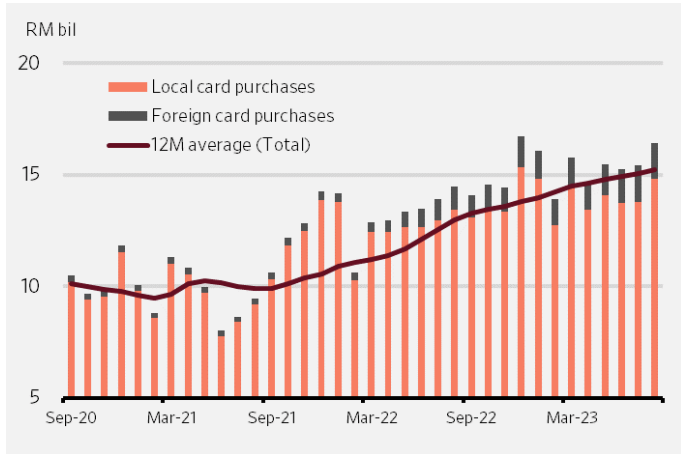
Source: BNM, MIDFR

Fig 9: Residential loans by segment



Source: BNM, MIDFR

Fig 10: Credit card purchases

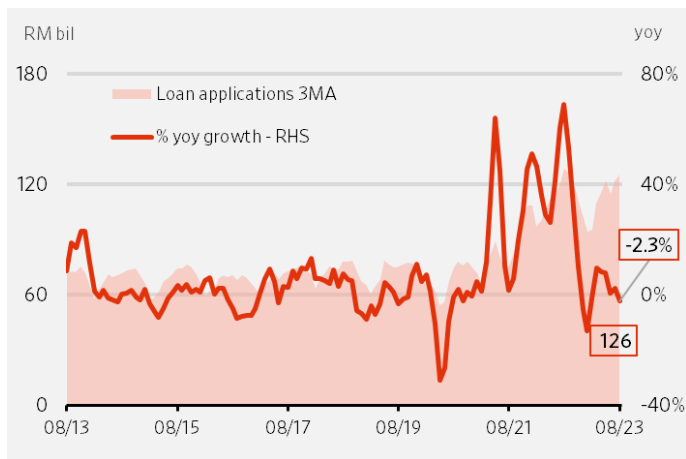


Source: BNM, MIDFR

B. LEADING INDICATOR TRENDS

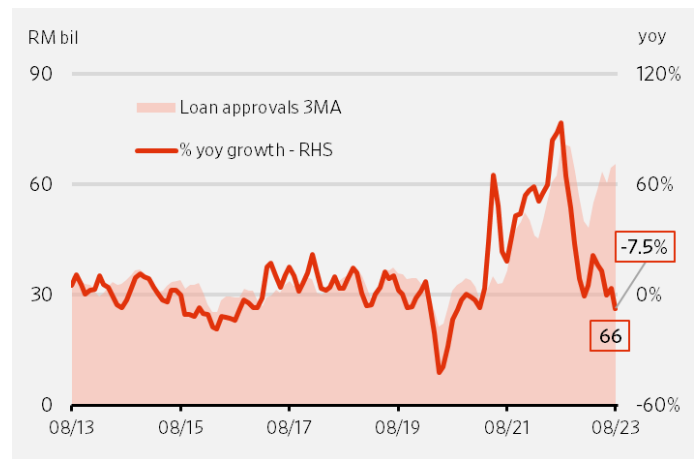
Heatmaps visible here: [\(link\)](#)

Fig 11: Loan applications (3-mth average)



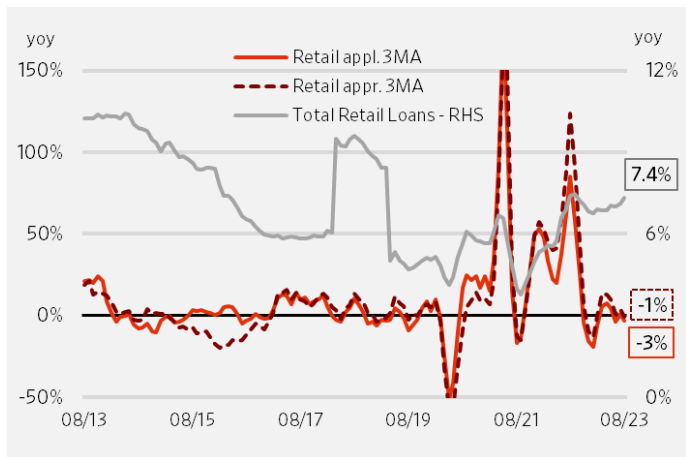
Source: BNM, MIDFR

Fig 12: Loan approvals (3-mth average)



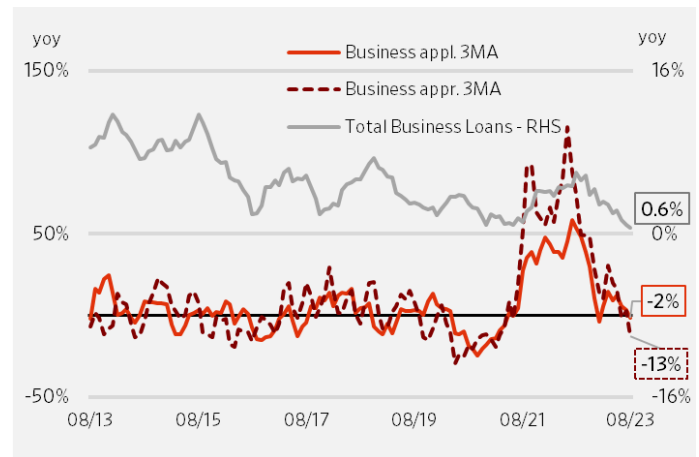
Source: BNM, MIDFR

Fig 13: Retail loan indicators



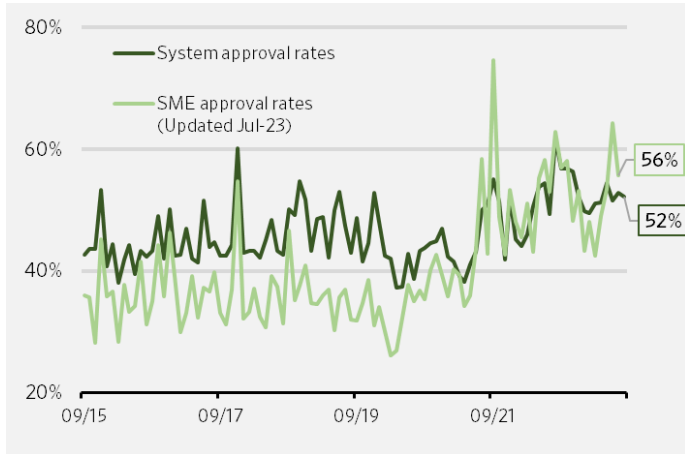
Source: BNM, MIDFR

Fig 14: Business loan indicators



Source: BNM, MIDFR

Fig 15: System approval rates

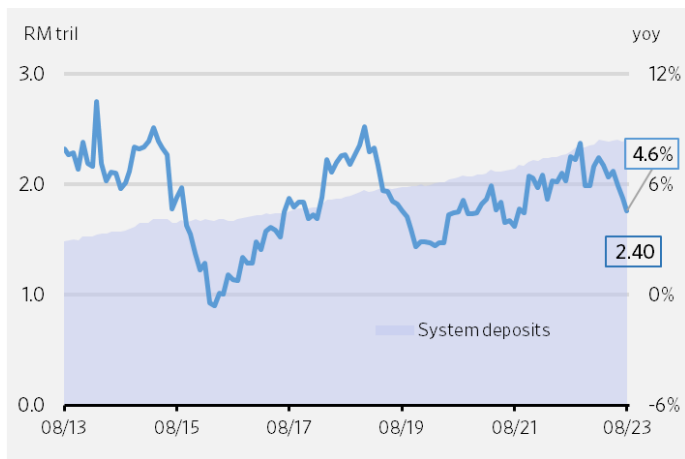


Source: BNM, MIDFR

C. DEPOSITS & LIQUIDITY

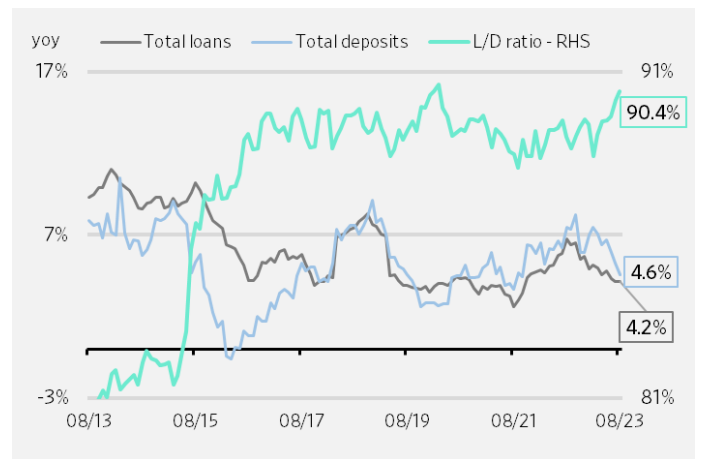
Heatmaps visible here: [\(link\)](#)

Fig 16: yoy System deposits



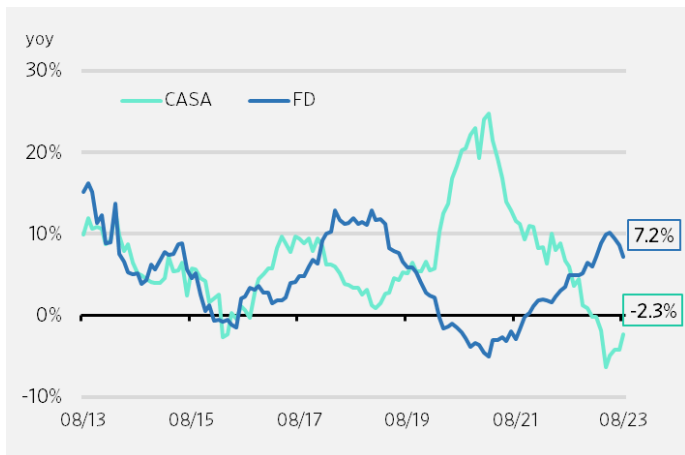
Source: BNM, MIDFR

Fig 17: Loan/Deposit ratio



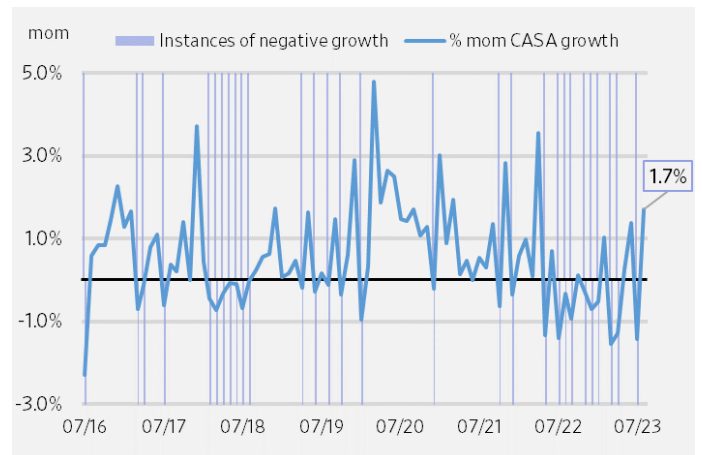
Source: BNM, MIDFR

Fig 18: yoy CASA & FD growth



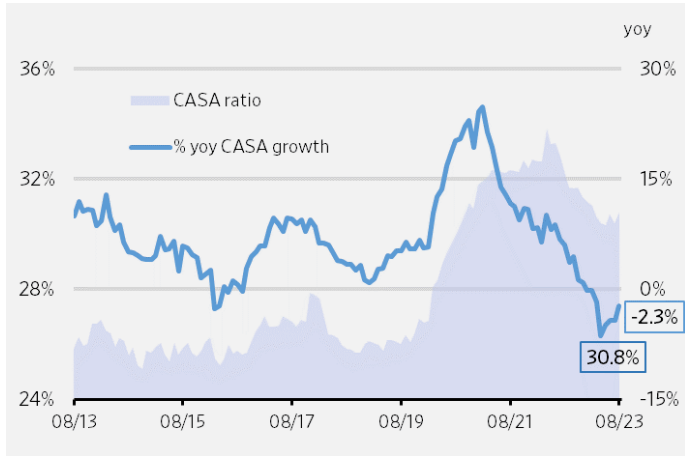
Source: BNM, MIDFR

Fig 19: mom CASA growth



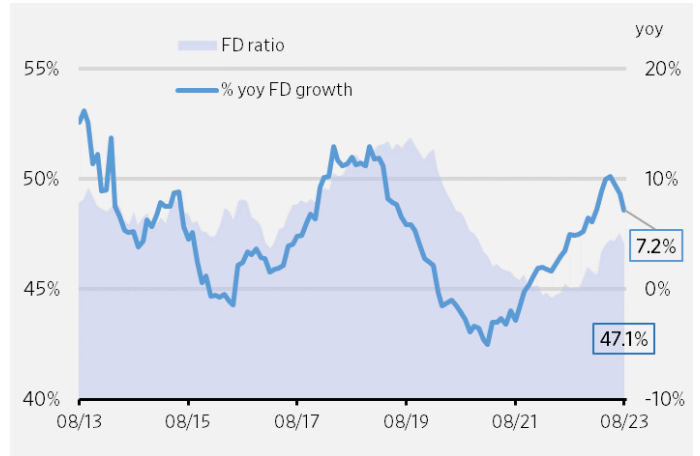
Source: BNM, MIDFR

Fig 20: CASA ratio



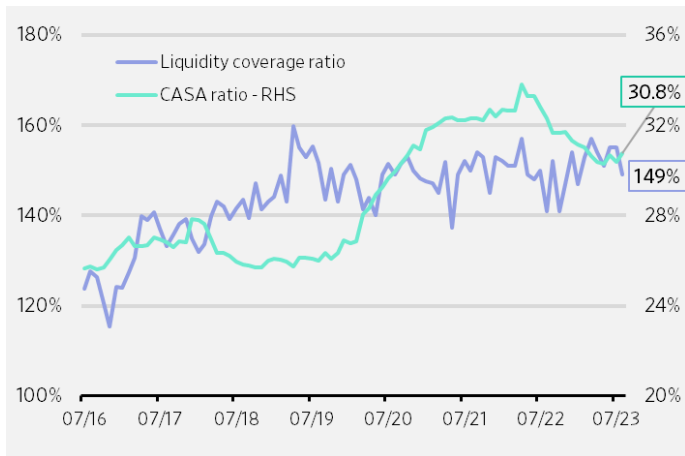
Source: BNM, MIDFR

Fig 21: FD ratio



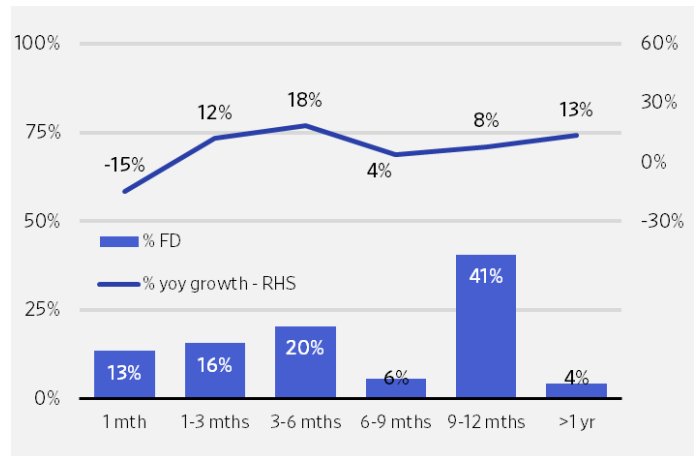
Source: BNM, MIDFR

Fig 22: Liquidity coverage ratio



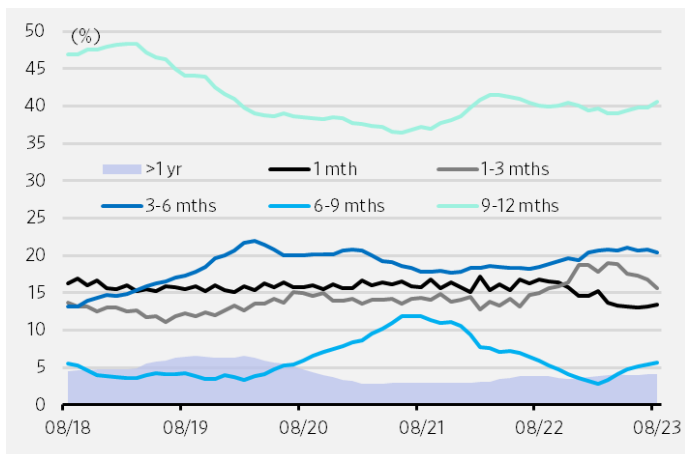
Source: BNM, MIDFR

Fig 23: FD by maturity brackets and yoy growth



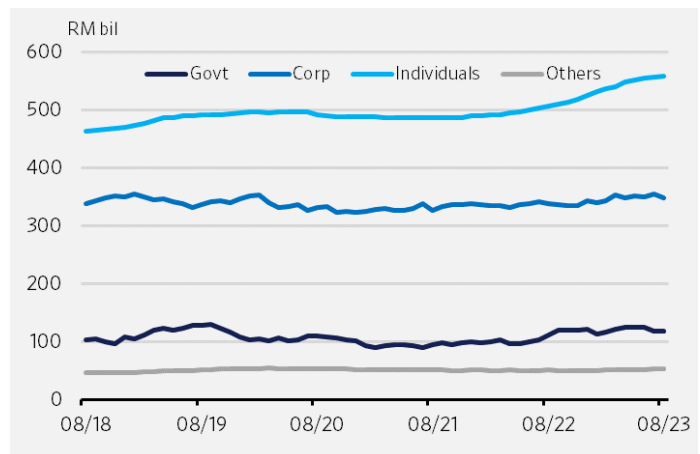
Source: BNM, MIDFR

Fig 24: FD by maturity brackets (% Proportion)



Source: BNM, MIDFR

Fig 25: FD by depositor

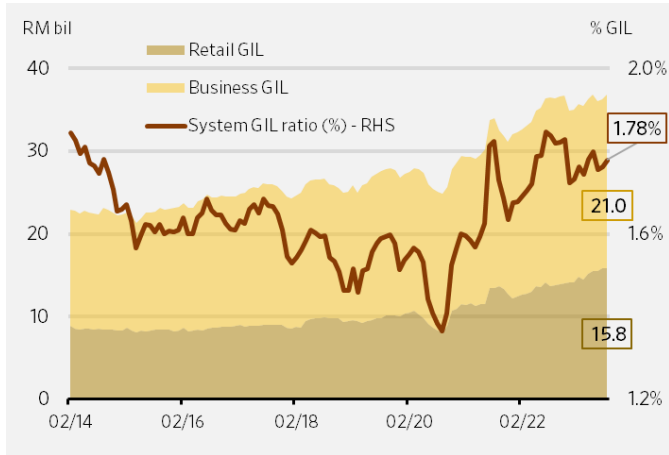


Source: BNM, MIDFR

D. ASSET QUALITY & PROVISIONING

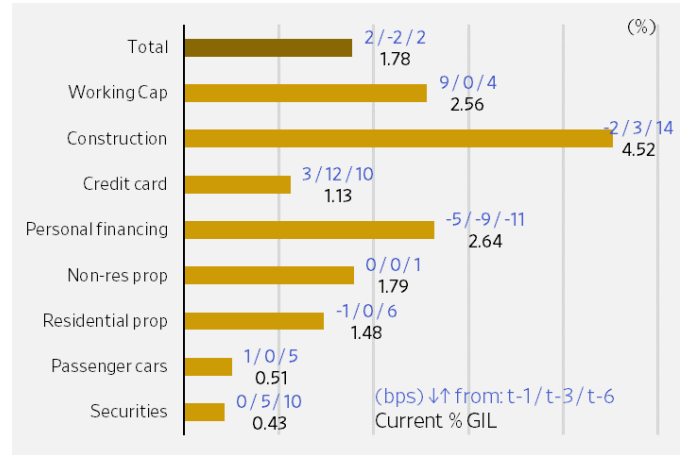
Heatmaps visible here: [\(link\)](#)

Fig 26: System gross impaired loans



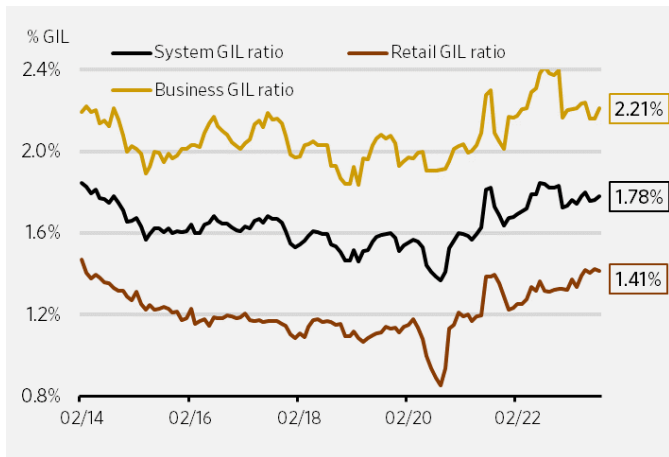
Source: BNM, MIDFR

Fig 27: GIL ratio by segment



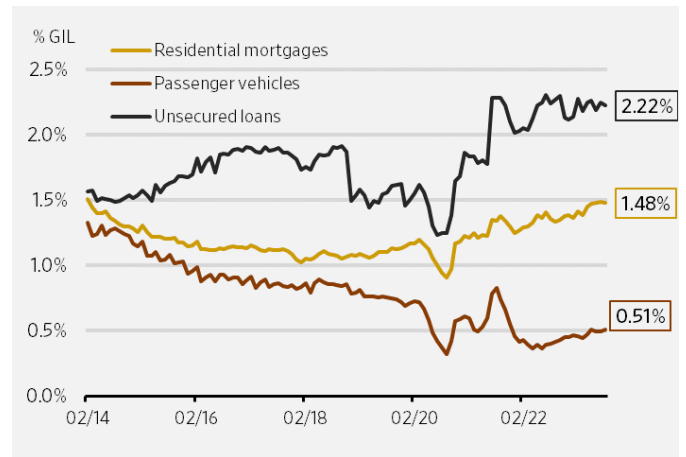
Source: BNM, MIDFR

Fig 28: System, Retail, Business GIL ratios



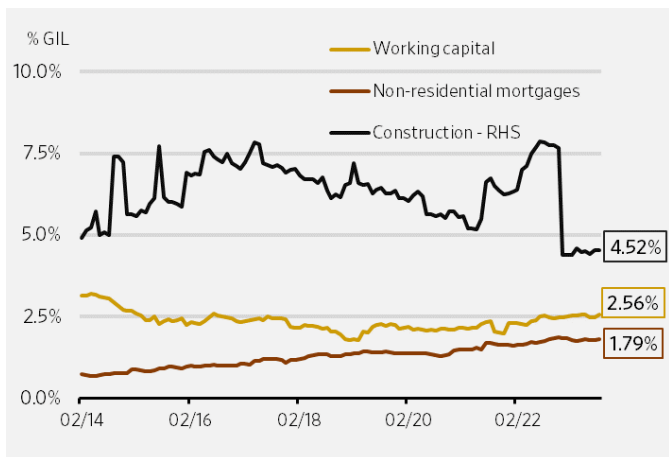
Source: BNM, MIDFR

Fig 29: Retail GIL ratios



Source: BNM, MIDFR

Fig 30: Business GIL ratios



Source: BNM, MIDFR

Fig 31: GIL ratios of other sectors

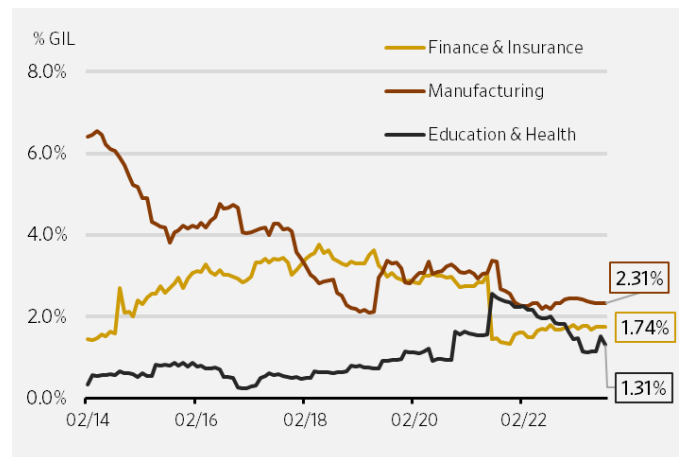
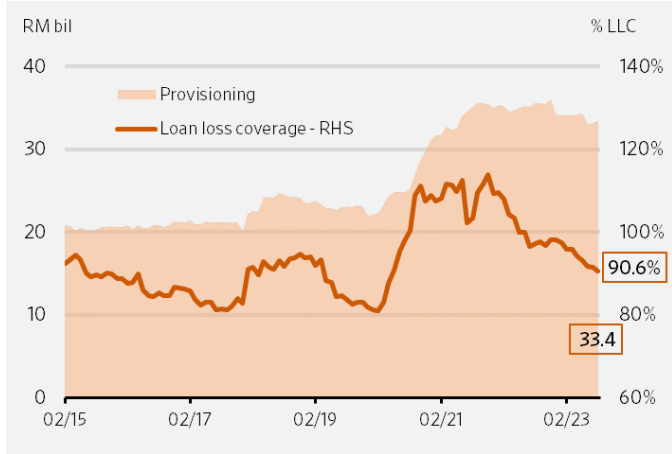
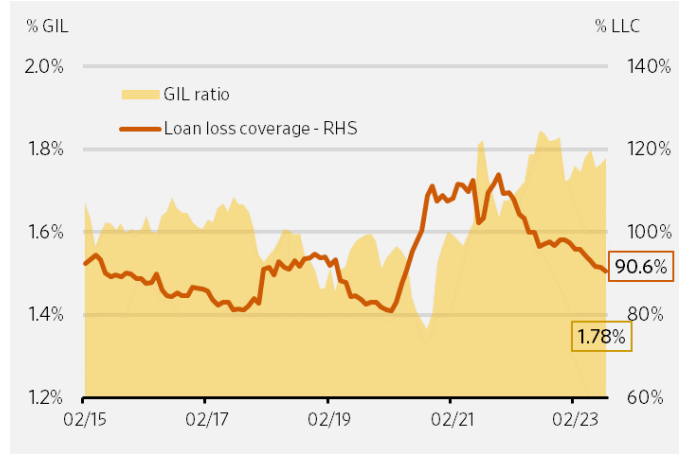


Fig 32: Provisions & loan loss coverage



Source: BNM, MIDFR

Fig 33: LLC and GIL ratio

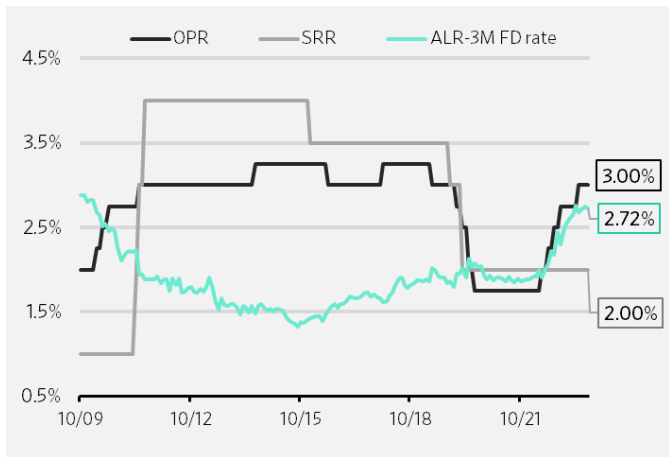


Source: BNM, MIDFR

E. INTEREST SPREAD AND CAPITAL

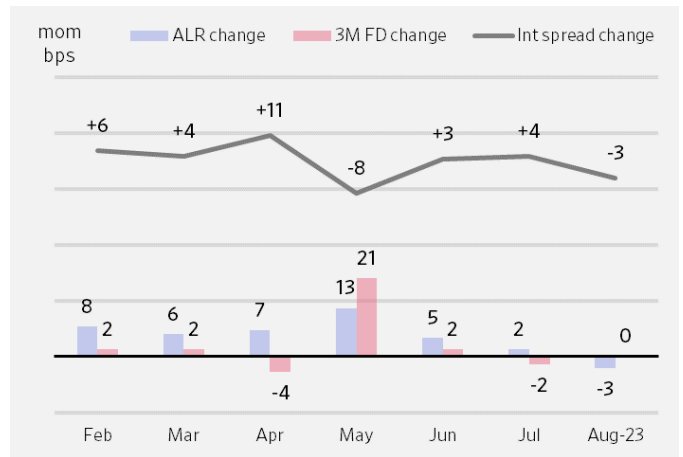
Heatmaps visible here: [\(link\)](#)

Fig 34: Interest spread, OPR, SRR



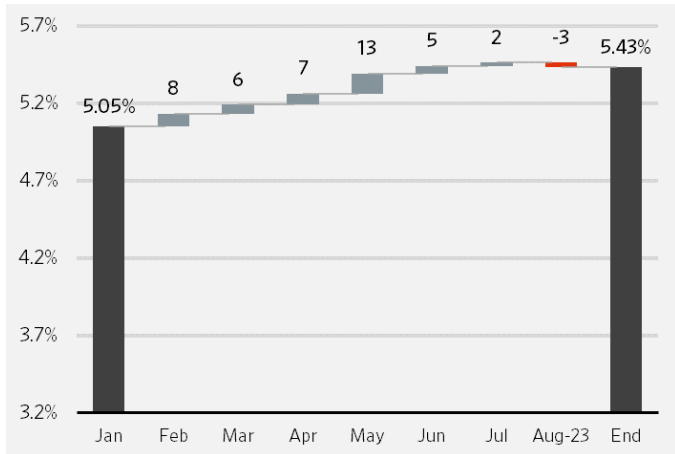
Source: BNM, MIDFR

Fig 35: mom Changes in Interest spreads



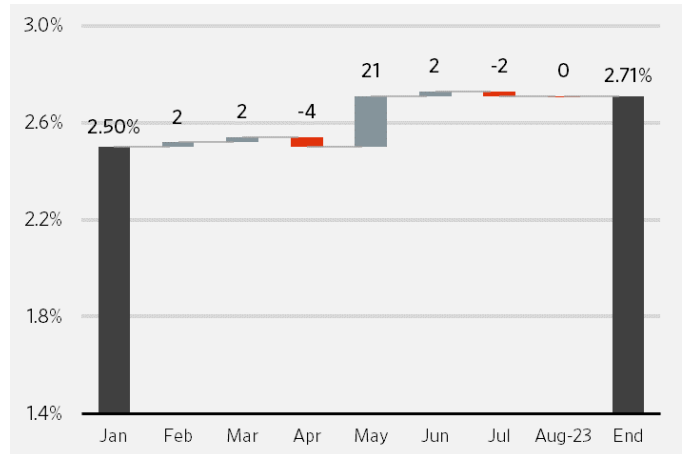
Source: BNM, MIDFR

Fig 36: Changes in Average Lending Rate



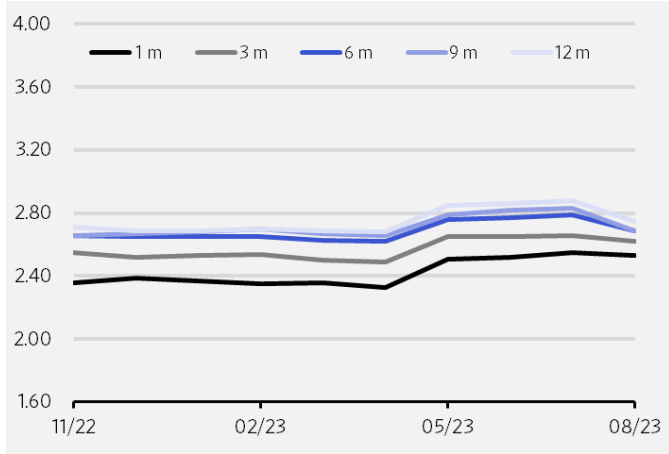
Source: BNM, MIDFR

Fig 37: Changes in 3M FD rate



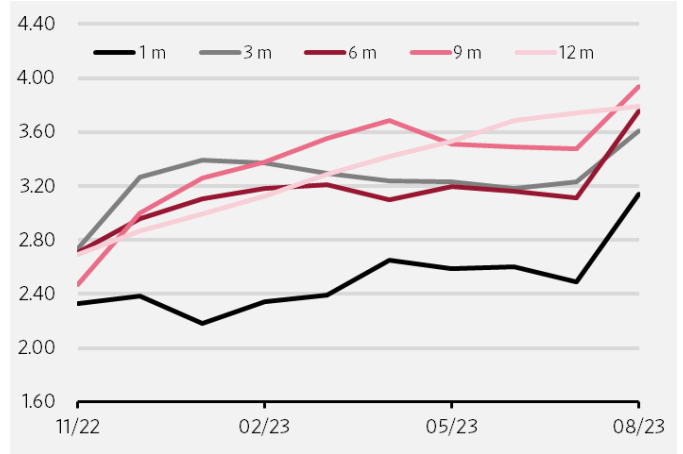
Source: BNM, MIDFR

Fig 38: Weighted avg Conventional FD rates by bracket



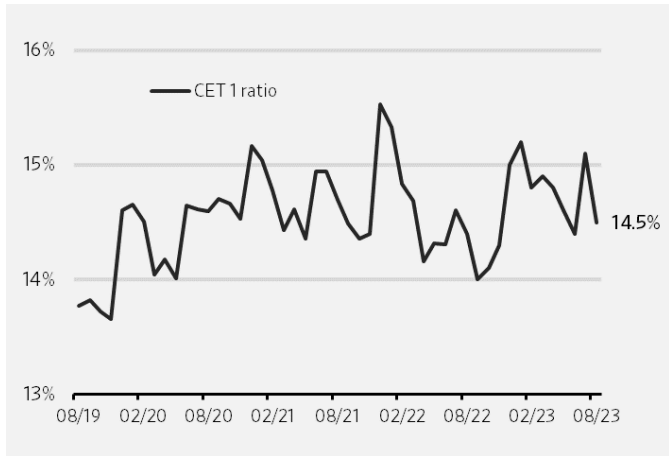
Source: BNM, MIDFR

Fig 39: Weighted avg Islamic FD rates by bracket



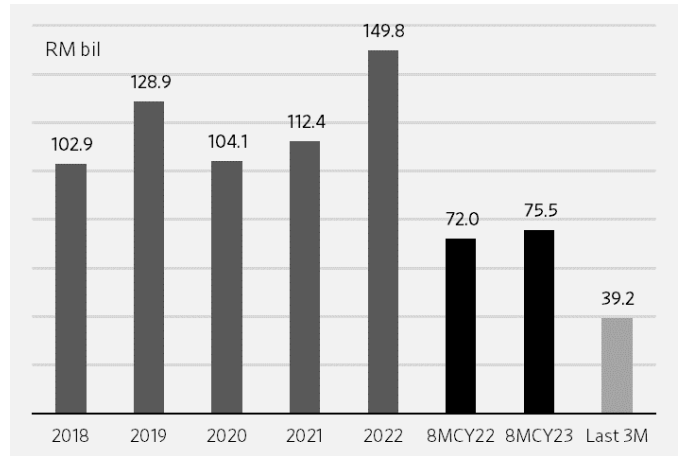
Source: BNM, MIDFR

Fig 40: CET 1 ratio



Source: BNM, MIDFR

Fig 41: Bond/Sukuk issuances

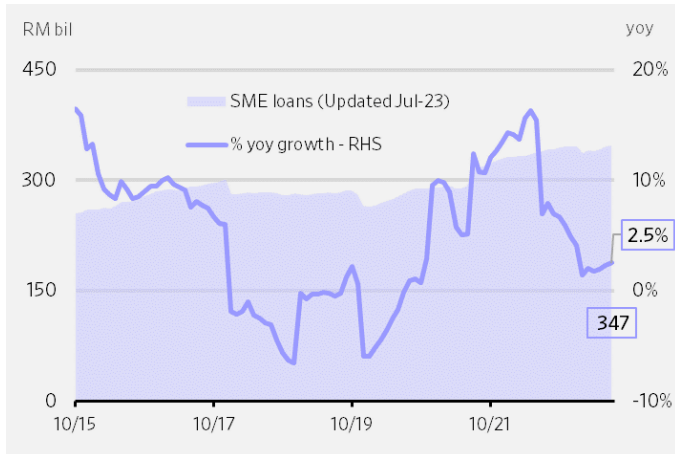


Source: BNM, MIDFR

F. SME DATA

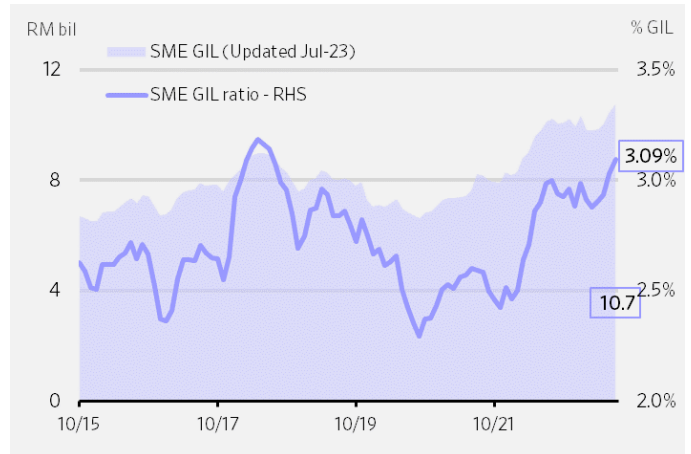
Heatmaps visible here: [\(link\)](#)

Fig 42: SME loans



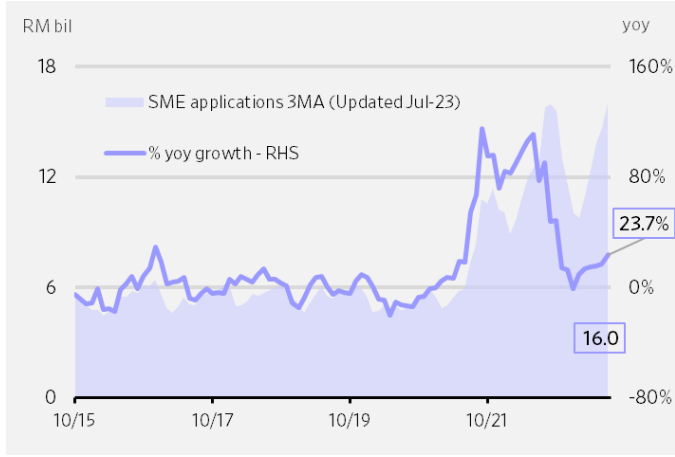
Source: BNM, MIDFR

Fig 43: SME GILs



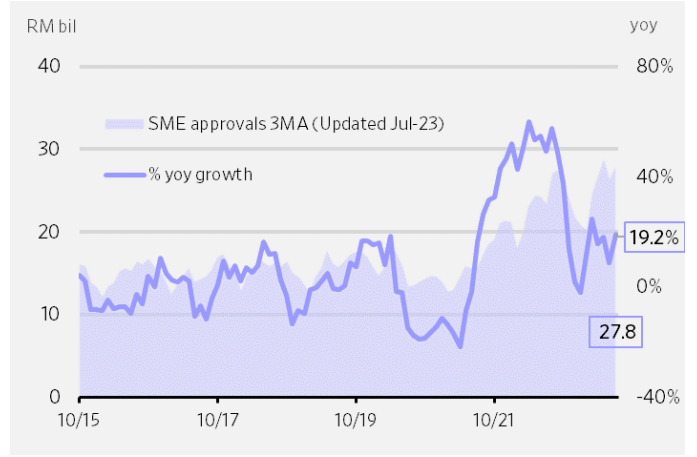
Source: BNM, MIDFR

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
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
Jul-22	1.97	5.9	0.3	6.9	0.5	52.5	4.7	0.1	47.5
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
Jul-23	2.06	4.2	0.2	7.1	0.6	54.0	0.9	-0.4	46.0
Aug-23	2.07	4.2	0.7	7.4	0.8	54.0	0.6	0.5	46.0

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
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
Jul-22	7.2	6.3	6.8	6.9	3.4	-6.0	6.7
Aug-22	7.5	8.1	6.6	9.3	3.7	-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
Jul-23	6.9	8.9	6.1	1.5	4.1	-0.9	-8.2
Aug-23	7.1	9.1	6.3	0.4	4.8	-0.4	-9.8

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
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
Jul-22	0.5	0.5	4.1	-0.5	0.2	1.5	0.3
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	0.4	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
Jul-23	0.7	0.6	4.5	-0.7	0.1	0.0	-0.4
Aug-23	0.7	1.0	5.3	0.8	0.9	0.6	-1.2

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)
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
Jul-22	119.2	60.5	4.2	62.4	88.2	3.1
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
Jul-23	121.8	2.2	6.0	64.6	3.5	6.9
Aug-23	125.6	-2.3	3.1	65.6	-7.5	1.5

Source: BNM, MIDFR

Fig 50: Loan approval rates

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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
Jul-22	49.4	46.5	52.1	53.0
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
Jul-23	52.9	45.5	61.2	55.7
Aug-23	52.2	48.0	56.3	-

*SME data until Jul-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
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
Jul-22	47	188	42	76	36	161	11
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)
Jul-23	(5)	7	21	(2)	25	(34)	(30)
Aug-23	(8)	0	13	3	14	(50)	(1)

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
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
Jul-22	64	207	62	75	85	233	22
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)
Jul-23	(2)	7	26	14	30	(33)	(25)
Aug-23	(4)	(5)	24	(23)	17	(44)	(0)

Source: BNM, MIDFR

Fig 53: System deposits

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
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
Jul-22	2,269	6.2	0.1	89.5
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
Jul-23	2,389	5.3	-0.5	90.1
Aug-23	2,403	4.6	0.6	90.4

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 (%)
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
Jul-22	724	6.7	-1.4	32.8	998	3.5	1.1	45.3
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
Jul-23	693	-4.2	-1.4	30.4	1,084	8.6	0.3	47.5
Aug-23	705	-2.3	1.7	30.8	1,078	7.2	-0.6	47.1

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 (%)
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
Jul-22	36.4	3.5	1.85	35.2	96
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
Jul-23	36.2	0.6	1.76	33.2	92
Aug-23	36.8	1.6	1.78	33.4	91

Source: BNM, MIDFR

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

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
Jul-22	4.09	2.01	2.08
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
Jul-23	5.46	2.71	2.75
Aug-23	5.43	2.71	2.72

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 (%)
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
Jun-22	338	15.4	0.7	17.2	2.90
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
Jun-23	346	2.3	1.1	16.8	3.03
Jul-23	347	2.5	0.4	16.9	3.09

SME data until Jul-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)
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
Jun-22	24.3	0.8	0.5	12.5	111.3	4.4
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
Jun-23	26.4	0.8	0.6	14.6	17.2	5.7
Jul-23	27.8	0.6	0.0	16.0	23.7	9.2

SME data until Jul-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