

BANKING

Upgrade to POSITIVE

(Previously NEUTRAL)

Apr-24 Banking Stats: Loan Growth Momentum Resilient

KEY INVESTMENT HIGHLIGHTS

- ▲ (1) Loan growth momentum continues to build
- ▼ (1) Sequential quarter contraction seen in deposits, mostly driven by CASA by business depositors
- ▶ (1) Both conventional and Islamic FD rates remain flattish, (2) Not much change to system GIL ratio (though some segments see action), (3) Leading indicators flattish
- Upgrade to POSITIVE call: Initial expectations of a tough CY24 sector situation have been assuaged by more positive guidance in the latest results briefings

Headed Where?	Banks have confirmed that initial worries concerning CY24's performance were overblown. Hence, we upgrade our call premised on a stronger topline and balance sheet growth outlook.
Strategy	As a fallback, most banks remain solid dividend picks. But several players remain undervalued, due to negative sentiment-related reasons or initial expectations of a weaker sector performance in CY24.
Core Themes	<ol style="list-style-type: none"> ▲ COF should continue to improve – while loan yield compression is not expected to be mild for now. ▲ Large-scale infrastructure projects to drive business loans in 2HCY24, while retail pipeline remains resilient. ▲ NOII outlook is attractive, with better investor demand, strong loan growth and large projects as retail and wholesale drivers. ▶ CASA and deposit outlook will vary between banks, but initiatives by the government and BNM are bolstering local liquidity outlook. ▶ Sector valuations are less attractive than last year, but buying opportunities exist.
Side Themes	<ol style="list-style-type: none"> ▶ While GIL ratios should continue creeping up, asset quality and NCC are largely normalised – with some banks still guiding for large recoveries. ▼ Steep OPEX inflation likely to persist, due to wage adjustments.

▲ **Loan growth** +6.1%yoy / +0.1%mom

Slight contraction in business loans – likely due to festive season effects.

- ▲ **Retail loans:** +8.0%yoy / +0.5%mom
 - Some contraction was seen in unsecured loans – but other drivers remained resilient.
- ▶ **Business loans:** +4.0%yoy / -0.4%mom
 - Working capital loans took a slight tumble on a sequential month basis – but it has always been inconsistent.

COMPANY IN FOCUS

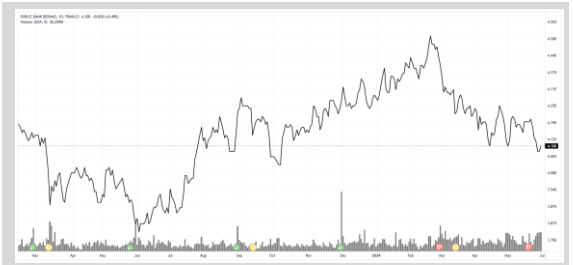
Public Bank

Maintain **BUY** | Unchanged Target price: RM4.25

Price @ 31 May 2024: RM4.10

- Dividend payouts are gradually improving.
- Major writebacks expected in FY24.
- SME loan growth is improving.

Share price chart



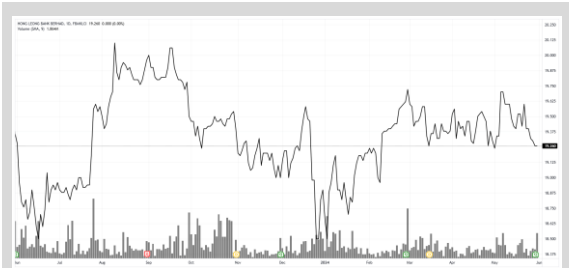
HL Bank

Maintain **BUY** | Unchanged Target price: RM21.38

Price @ 31 May 2024: RM19.26

- CIR is still among best in industry.
- Asset quality among the best.
- While BOCD's earnings are expected to moderate, it remains a solid growth driver.

Share price chart



Analyst
Samuel Woo
samuel.woo@midf.com.my

► **Leading indicators**

Approval and application volumes were almost identical to that of last month.

- **Approval rate: 51%.**

▼ **Deposits** +5.1%yoy / -0.3%mom

Decline on a sequential-quarter basis was due to CASA contraction, mostly from the business side.

- ► **FD growth: +3.4%yoy / +0.3%mom**
- ▼ **CASA growth: +6.7%yoy / -1.2%mom**

- **Loan/Deposit ratio: 90.3%.**

- *This figure has risen again (from 89.9% last quarter), as loan growth outstrips deposit growth this month.*

► **GIL ratio** 1.63% / +1bps mom

Major deteriorations seen on business end.

- ▲ **Notable deteriorations, mom:** Working cap +6bps, Construction +11bps.
- ▼ **Notable improvements, mom:** Securities: -5bps.

Interest rates

Trend and drivers/decliners

- ► **FD rates (Conv.):** Flattish.
- ▲ **FD rates (Isl.):** Minor movements, mostly toward the lower end.

Have a look at:

1. ▲ **Working capital and construction applications have picked up once again.** This comes following a slow couple of months. Most banks were guiding for a stronger 2HCY24 for business loans – current leading indicators are implying a push towards that direction.
2. ► **After stagnating, sector CASA levels have declined once more.** Since Nov-23, the sector CASA ratio has remained at the 31.0-31.2% level range. Apr-24 has seen it decline to 30.8% -- though it could either be due to a seasonal effect (excessive spending during Hari Raya) or an indicator that remaining at the >31.0% level was never sustainable. Demand deposit declines mainly came from business and government depositors, with sector saving deposit volumes flattish.
3. ▼ **Expect significant activity on business GILs end.** Last quarter, some banks reported a slew of SME and corporate impairments. We expect this trend to persist in 2QCY24. We are already seeing a significant sequential month uptick in construction and working capital impairments – though the prospect of recoveries and writebacks remain very large.

Upgrade to POSITIVE call. *(Our comprehensive list of sector drivers is on the first page).* We have become positive once again, largely due to (1) Local COF situation outlook is improving, bolstered by government and BNM initiatives to preserve liquidity in the economy, (2) Retail loan yields remaining resilient, while loan pipeline is still strong – hence we are not expecting any slowdown in take-up until at least next year, (3) Positive market sentiment should drive NOII via retail fee income component.

Top downside risks include:

1. Slowdown to global economy.
2. Sharp asset quality deterioration persists.
3. Lending yields continue to compress, adding pressure to NIMs.

Top Picks: Public Bank (BUY, TP: RM4.25) and HL Bank (BUY, TP: RM21.38). *(Our comprehensive list of sector picks is below).*

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)	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
MAY	NEUTRAL	9.93	10.03	1.0	119.7	12.3	11.5	1.2	1.2	10.1	10.6	6.5	7.0
CIMB	BUY	6.84	7.17	4.8	73.1	9.7	9.1	1.0	1.0	10.7	10.8	5.5	5.8
PBK	BUY	4.10	4.78	16.6	79.6	11.7	11.1	1.4	1.3	12.0	12.0	4.5	4.8
RHB	BUY	5.49	6.06	10.4	23.5	8.2	7.7	0.7	0.7	9.1	9.3	7.2	7.5
HLBK	BUY	19.26	21.38	11.0	39.5	9.8	9.2	1.1	1.0	11.4	11.2	3.6	3.8
HLFG	BUY	17.02	20.94	23.0	19.3	6.6	6.1	0.7	0.6	10.5	10.3	3.1	3.3
AMMB	BUY	4.25	4.75	11.8	14.1	7.9	7.5	0.7	0.7	8.9	8.9	5.1	6.0
BIMB	BUY	2.51	2.88	14.7	5.6	9.4	8.8	0.7	0.7	8.0	8.3	6.0	6.1
AFFIN	SELL	2.52	1.82	-27.8	5.8	11.7	11.2	0.5	0.5	4.4	4.4	2.5	2.6
ABMB	BUY	3.87	4.28	10.5	6.0	8.2	7.7	0.8	0.7	9.8	9.8	5.5	5.9
Simple avg (ex-HLFG)						9.9	9.3	0.9	0.9	9.4	9.5	5.1	5.5
Weighted avg (ex-HLFG)						10.9	10.2	1.1	1.1	10.5	10.7	5.4	5.8

*Closing prices from 31 May 2024.

^AMMB, ABMB uses FY25F/26F values.

Source: BNM, MIDFR

A. SYSTEM LOAN & CONSTITUENTS

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

Fig 1: Core Figures & Forecasts

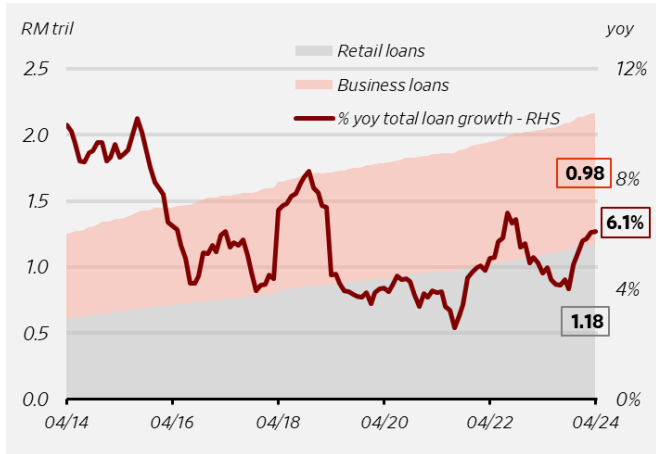
	yoy Growth rates (%)				YTD Ann. (%)	mom Growth rates (%)			
	Apr-24	Mar-24	Feb-24	Jan-24		Apr-24	Mar-24	Feb-24	Jan-24
Total loans	6.1	6.0	5.8	5.7	4.3	0.1	0.6	0.4	0.3
Retail loans	8.0	7.9	8.0	7.9	6.7	0.5	0.5	0.4	0.8
Business loans	4.0	3.9	3.4	3.3	1.4	-0.4	0.7	0.5	-0.3
SME*	-	-	8.0	4.7	-400.0		-	0.4	0.1
Deposits + repo	5.0	5.0	4.0	5.2	2.4	-0.5	0.8	0.5	-0.1
Total deposits	5.1	5.0	4.0	5.1	3.6	-0.3	0.7	0.4	0.4
CASA	6.7	6.6	4.6	5.1	1.6	-1.2	0.4	0.5	0.9
FD	3.4	3.6	4.3	4.3	7.7	0.3	1.3	1.1	-0.1
Total provisions	-5.4	-5.4	-5.4	-5.1	0.0	0.4	-1.0	0.1	0.5
Total GIL	-2.9	-1.5	-1.4	-0.1	0.8	0.8	-0.7	0.8	-0.5
Leading indicators									
3MA applications	-4	1	17	25	0	-0	-1	-5	-6
Retail	-5	-0	15	26	-27	-1	-2	-5	-1
Business	-3	3	20	24	-41	0	1	-4	-11
3MA approvals	-5	0	25	34	0	0	-8	-10	-9
Retail	-7	-2	22	33	-46	1	-8	-6	-2
Business	-3	3	27	34	-96	-0	-8	-14	-14
	Apr-24	Mar-24	Feb-24	Jan-24	Apr-23	Period	Forecast	Formerly	
Interest spread^	2.68	2.68	2.66	2.71	2.76	Loan growth	CY24 5.5-6.0%	4.5-5.0%	
Loan approval rate	51	52	46	50	51	GDP	CY24 4.7%		
SME approval rate*	-	-	44	47	49	OPR	CY24 3.00%		
GIL ratio	1.63	1.62	1.64	1.64	1.78				
SME GIL ratio*	-	-	2.99	2.98	2.91				
LLC ratio	92	92	92	93	94				
CASA ratio	30.8	31.1	31.2	31.2	30.4				
Loan/Deposit ratio	90.3	89.9	90.0	90.0	89.5				
Liquidity coverage ratio	152	150	154	160	154				
CET 1	14.5	14.6	14.6	15.0	14.8				
Tier 1 Capital	15.0	15.1	15.1	15.5	15.4				
Total Capital	18.1	18.3	18.2	18.6	18.5				

*SME data until Feb-24

^Conventional interest rates not released this month

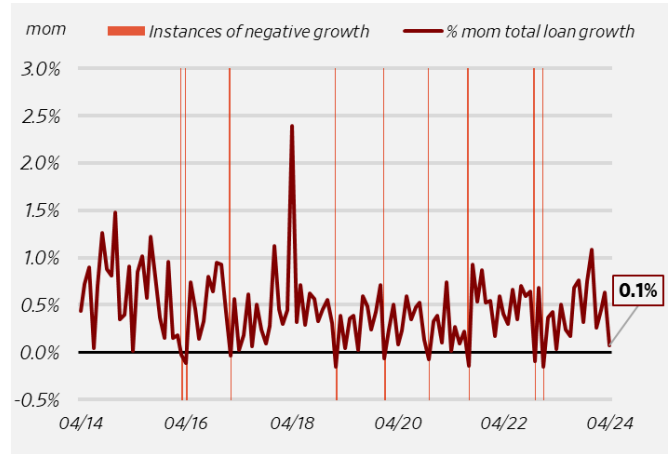
Source: BNM, MIDFR

Fig 2: yoy System loans



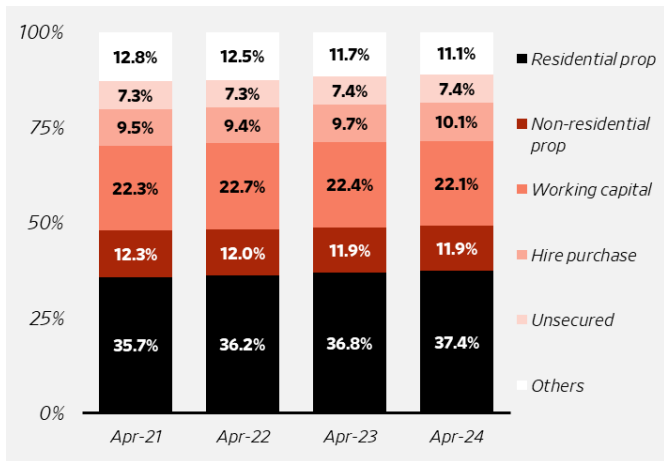
Source: BNM, MIDFR

Fig 3: mom System loans



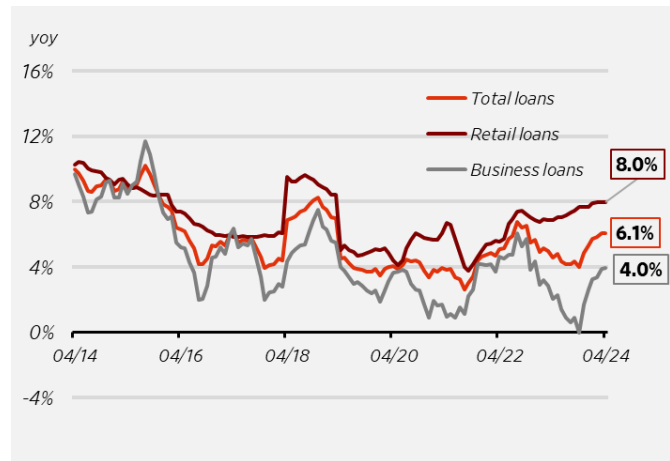
Source: BNM, MIDFR

Fig 4: Loan breakdown by type



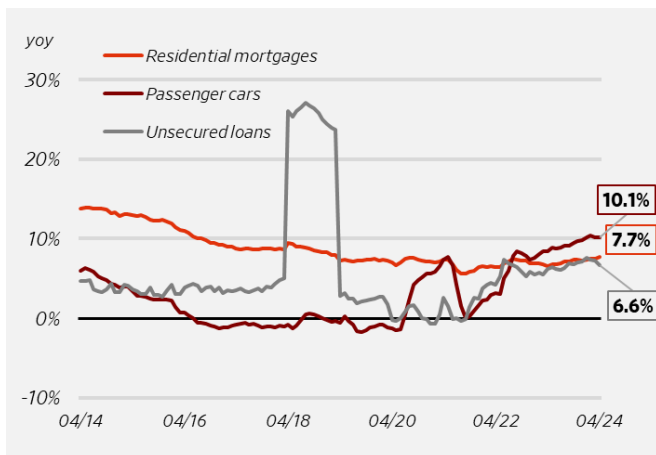
Source: BNM, MIDFR

Fig 5: Retail & business loan growth



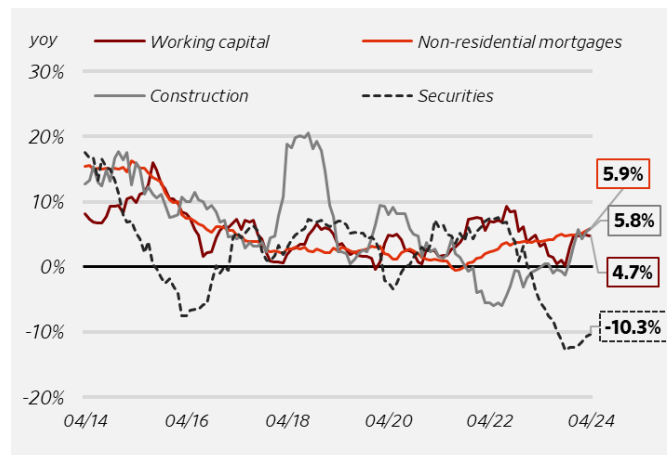
Source: BNM, MIDFR

Fig 6: Retail loan constituents



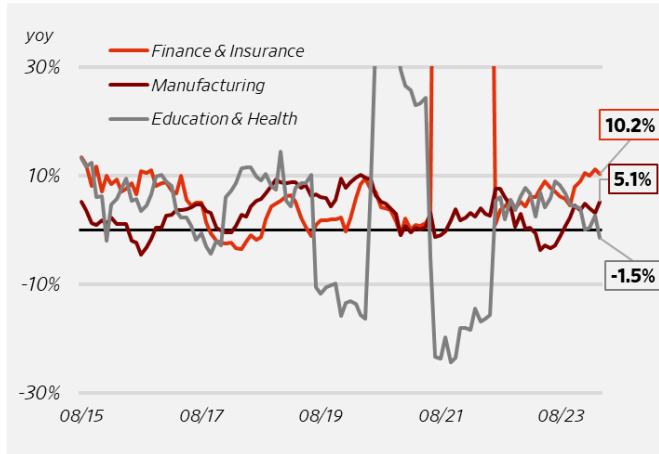
Source: BNM, MIDFR

Fig 7: Business loan constituents



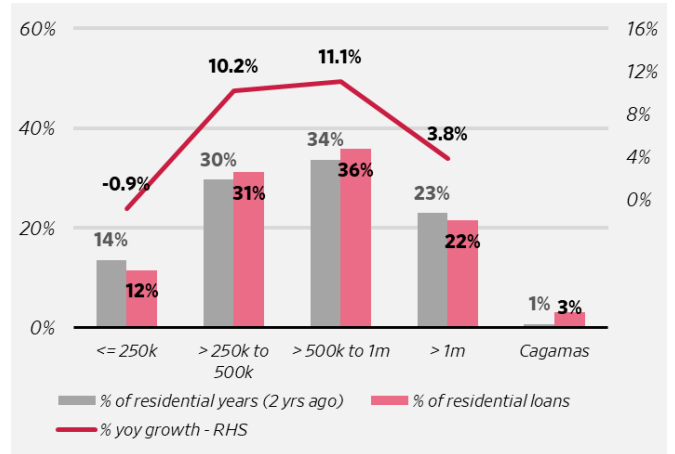
Source: BNM, MIDFR

Fig 8: Loan growth of other sectors



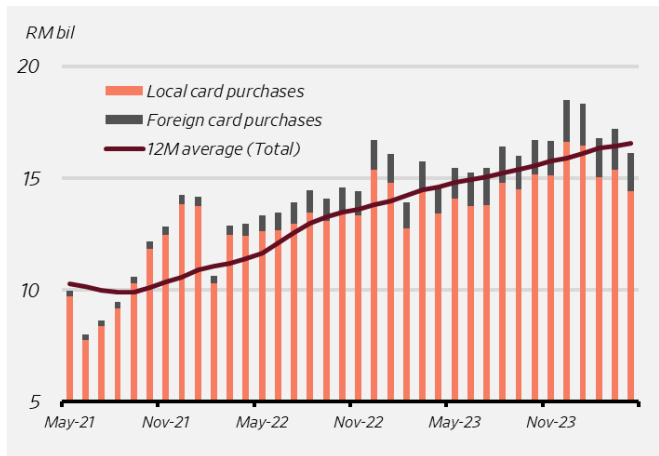
Source: BNM, MIDFR

Fig 9: Residential loans by segment



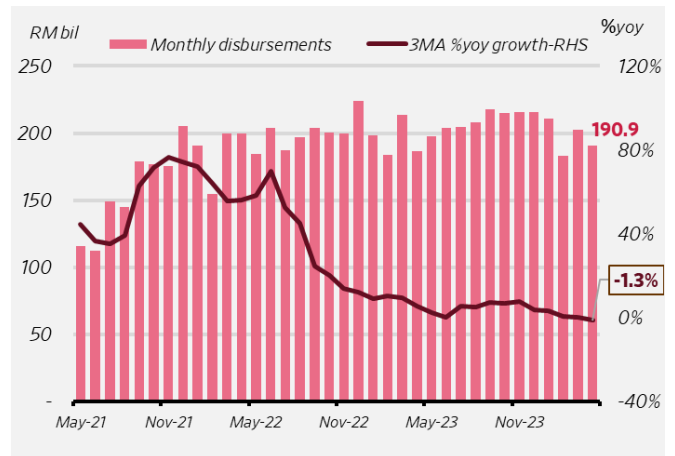
Source: BNM, MIDFR

Fig 10: Credit card purchases



Source: BNM, MIDFR

Fig 11: Monthly loan disbursements

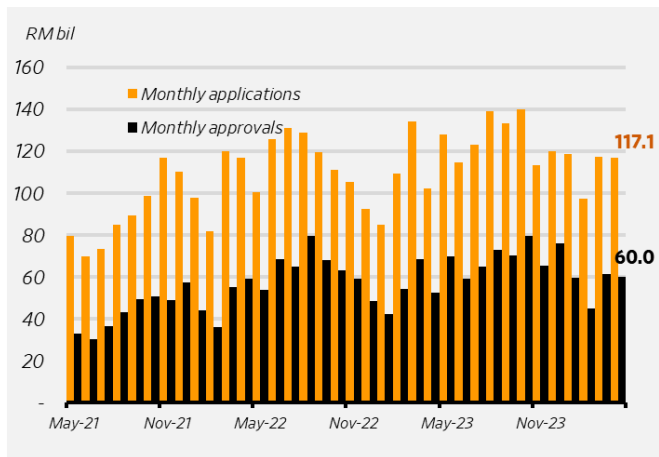


Source: BNM, MIDFR

B. LEADING INDICATOR TRENDS

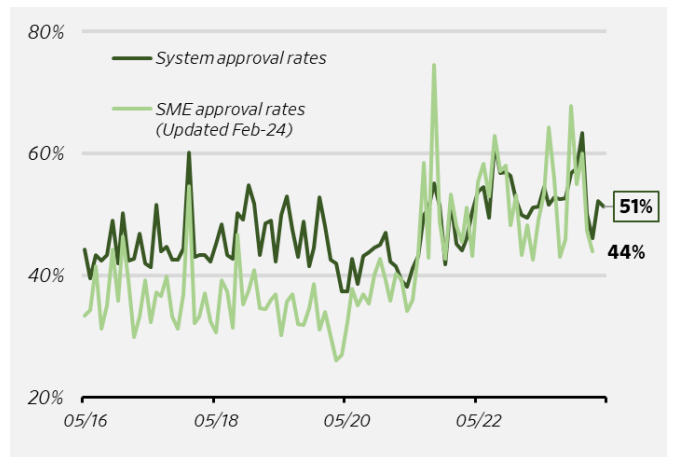
Heatmaps visible here: [\(link\)](#)

Fig 12: Monthly applications & approvals



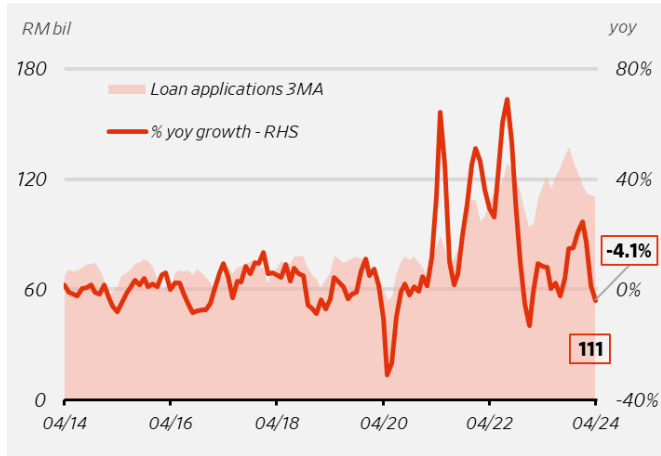
Source: BNM, MIDFR

Fig 13: System & SME approval rates



Source: BNM, MIDFR

Fig 14: Loan applications (3-mth average)



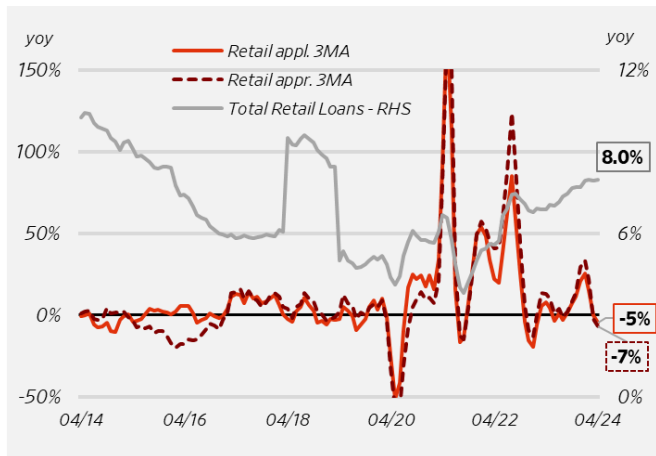
Source: BNM, MIDFR

Fig 15: Loan approvals (3-mth average)



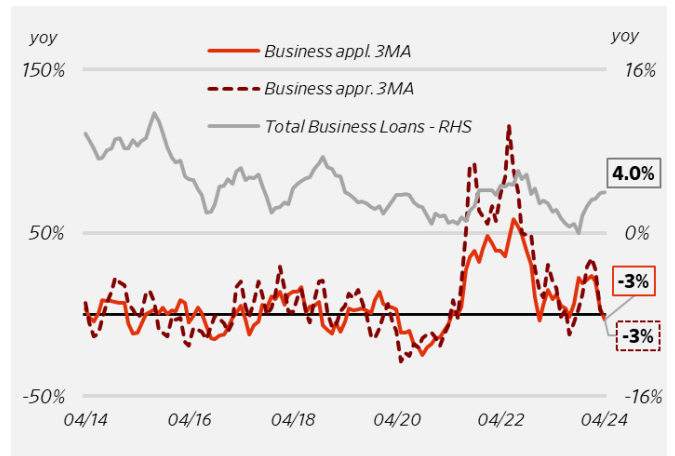
Source: BNM, MIDFR

Fig 16: Retail loan indicators



Source: BNM, MIDFR

Fig 17: Business loan indicators

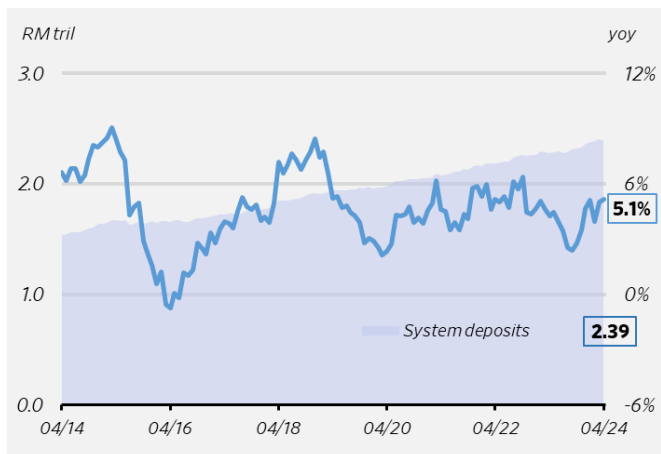


Source: BNM, MIDFR

C. DEPOSITS & LIQUIDITY

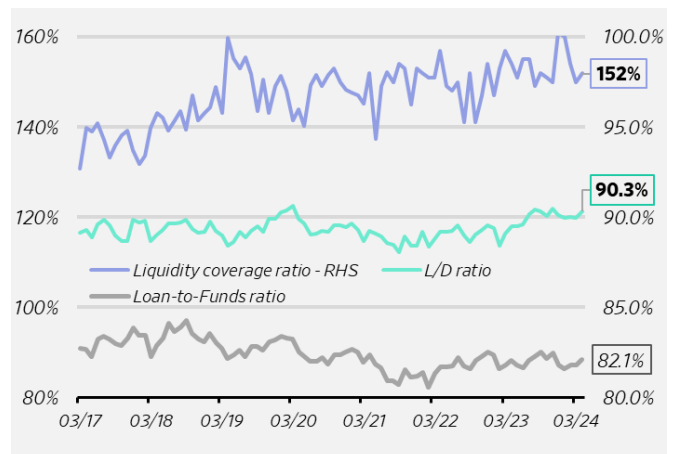
Heatmaps visible here: [\(link\)](#)

Fig 18: yoy System deposits



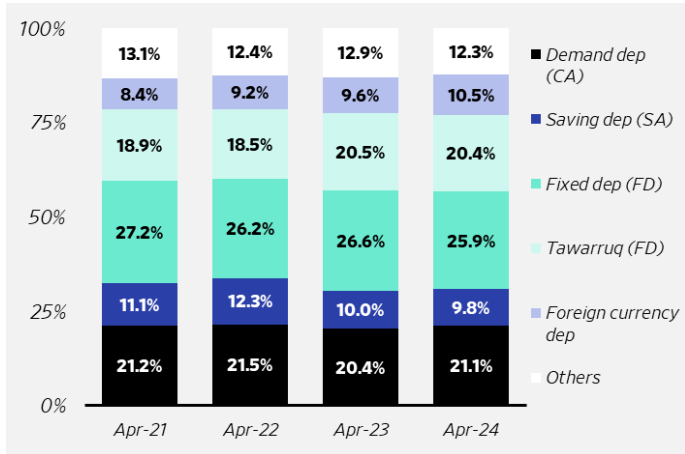
Source: BNM, MIDFR

Fig 19: LCR, LDR & LTF ratio



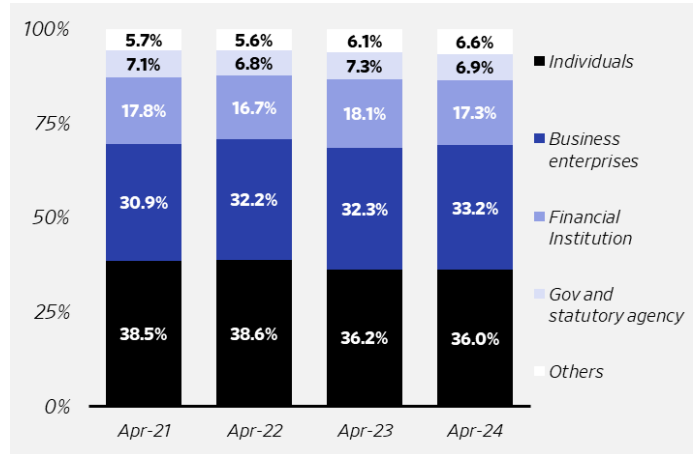
Source: BNM, MIDFR

Fig 20: Deposit breakdown by type



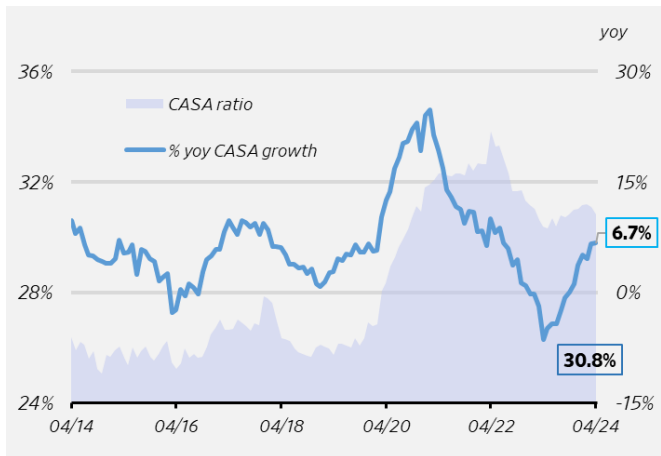
Source: BNM, MIDFR

Fig 21: Deposit breakdown by holder



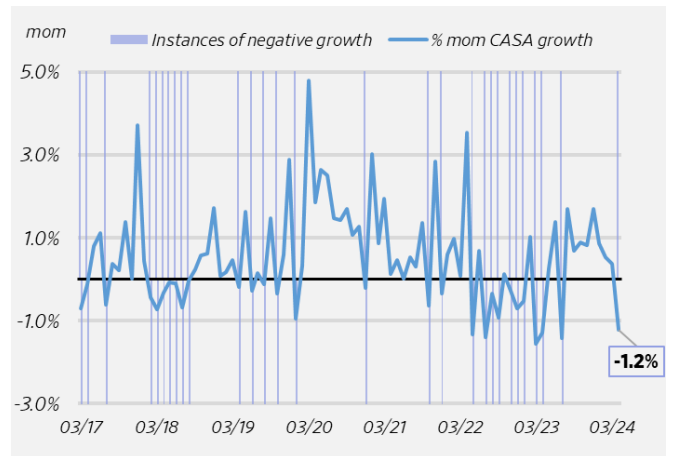
Source: BNM, MIDFR

Fig 22: CASA ratio and yoy growth



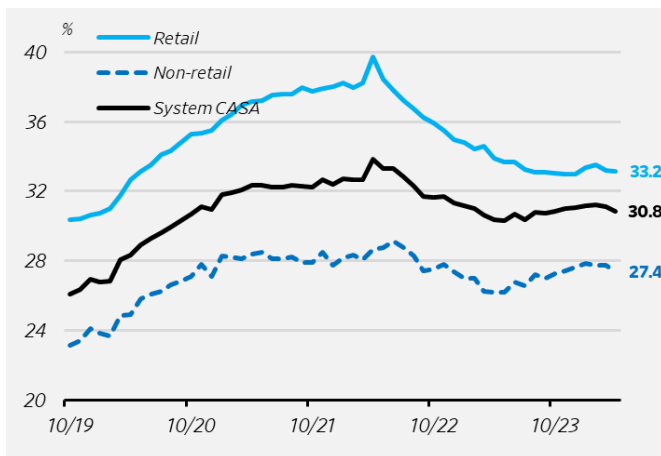
Source: BNM, MIDFR

Fig 23: mom CASA growth



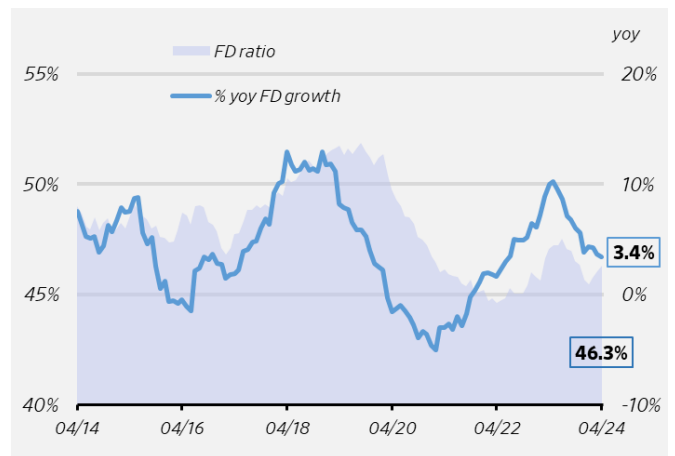
Source: BNM, MIDFR

Fig 24: CASA ratio by holder



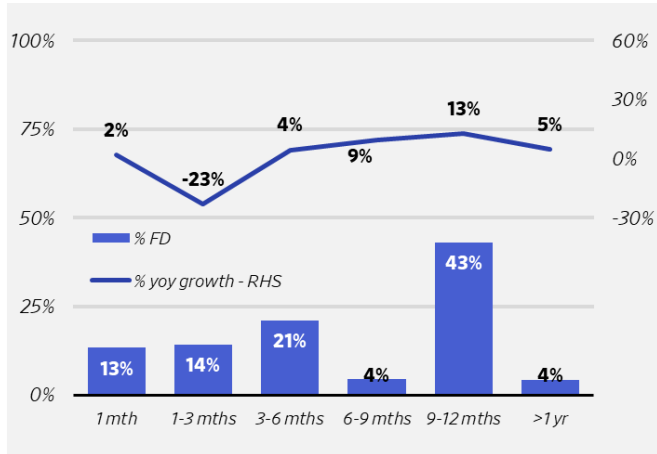
Source: BNM, MIDFR

Fig 25: FD ratio and yoy growth



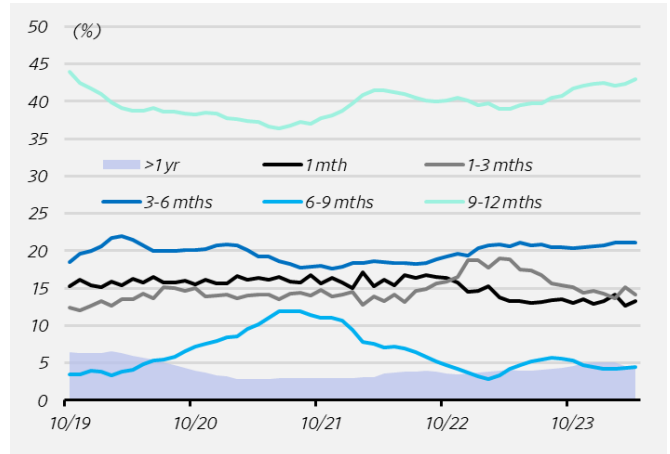
Source: BNM, MIDFR

Fig 26: FD by maturity brackets and yoy growth



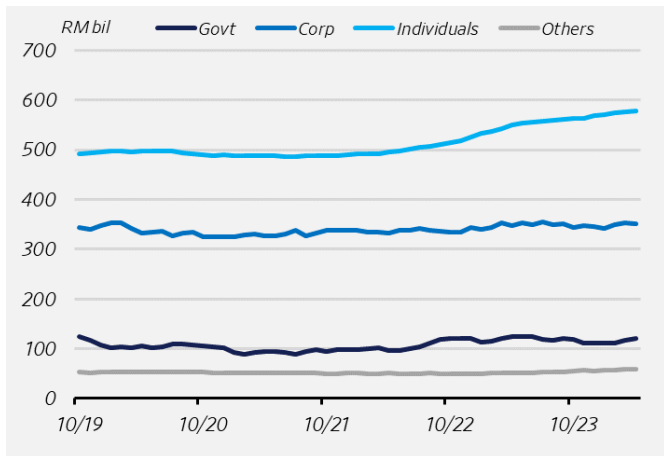
Source: BNM, MIDFR

Fig 27: FD by maturity brackets (% Proportion)



Source: BNM, MIDFR

Fig 28: FD by depositor



Source: BNM, MIDFR

D. ASSET QUALITY & PROVISIONING

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

Fig 29: System gross impaired loans

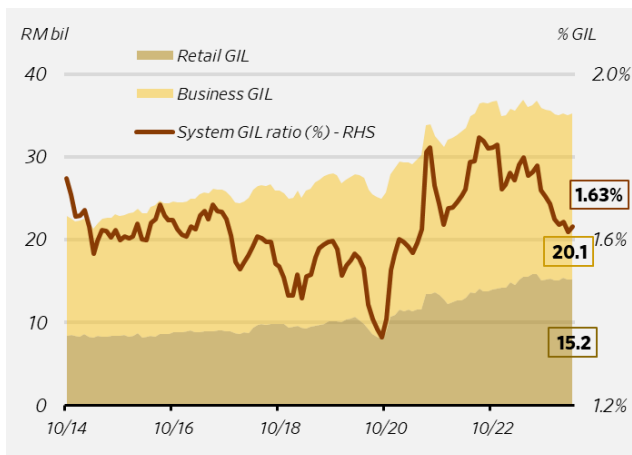
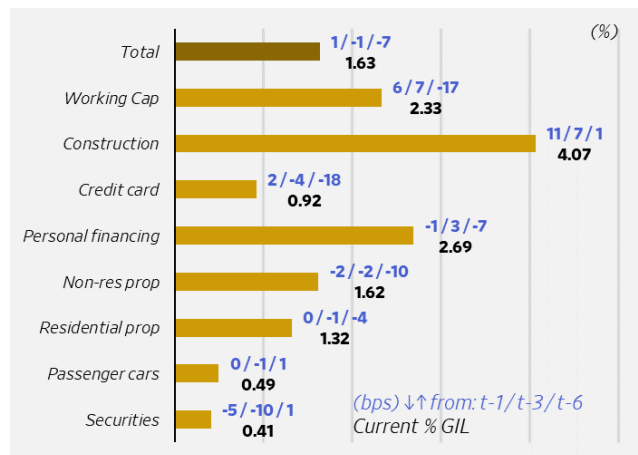
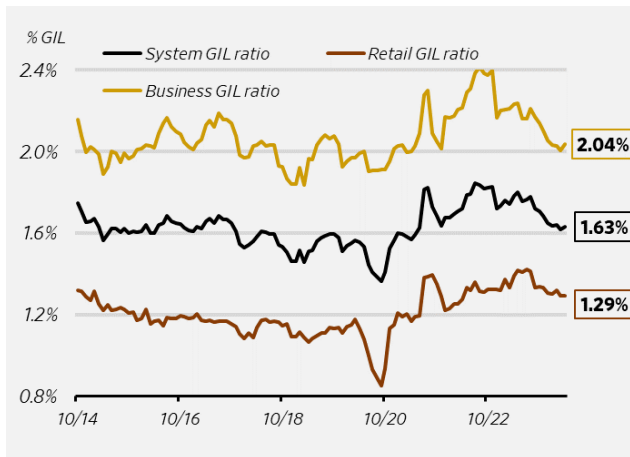


Fig 30: Segmental GIL ratio changes



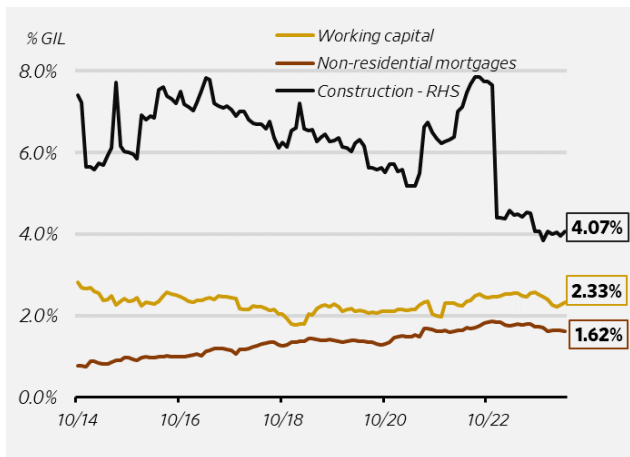
Source: BNM, MIDFR

Fig 31: System, Retail, Business GIL ratios



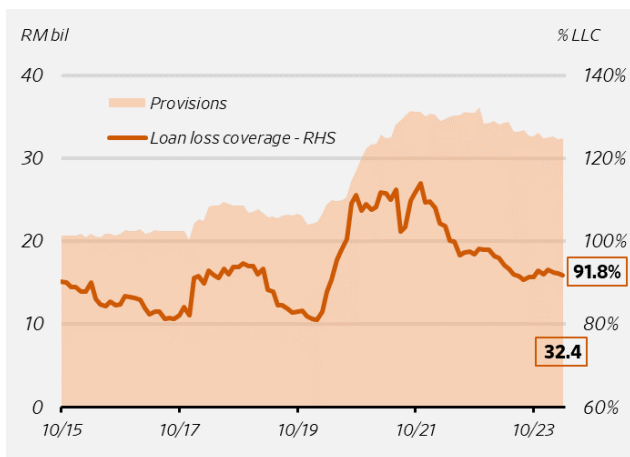
Source: BNM, MIDFR

Fig 33: Business GIL ratios



Source: BNM, MIDFR

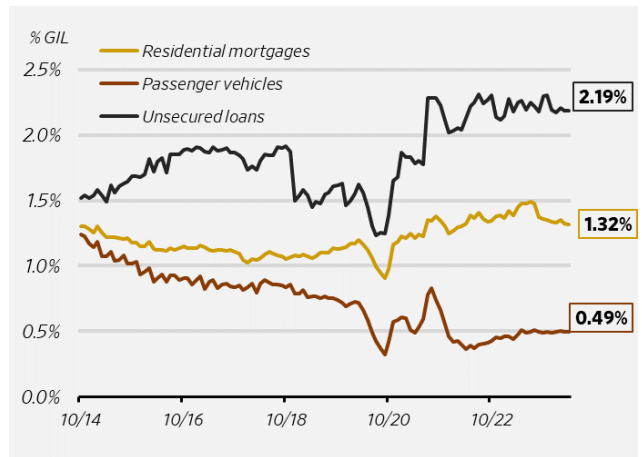
Fig 35: Provisions & loan loss coverage



Source: BNM, MIDFR

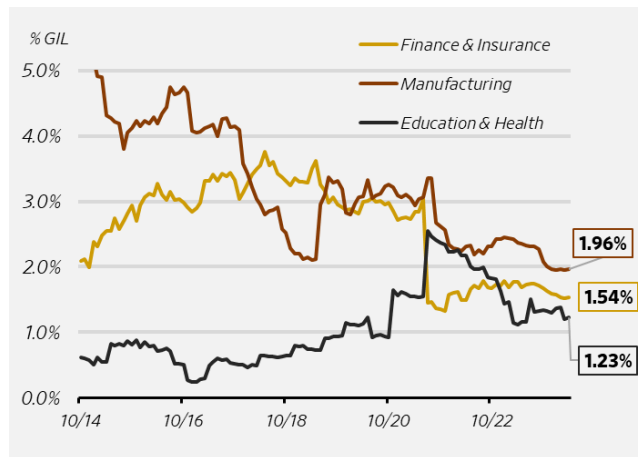
Source: BNM, MIDFR

Fig 32: Retail GIL ratios



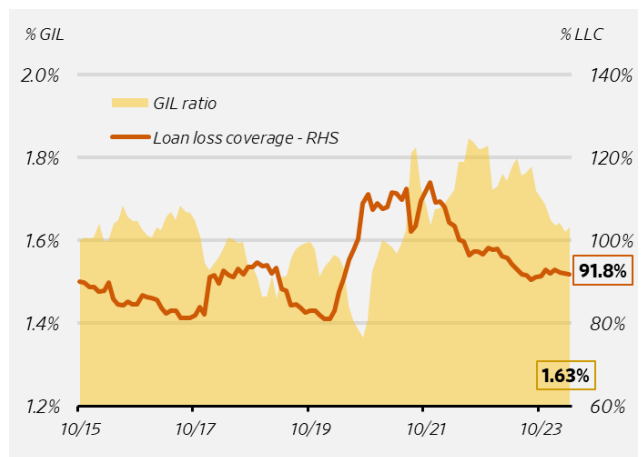
Source: BNM, MIDFR

Fig 34: GIL ratios of other sectors



Source: BNM, MIDFR

Fig 36: LLC & GIL ratio relationship

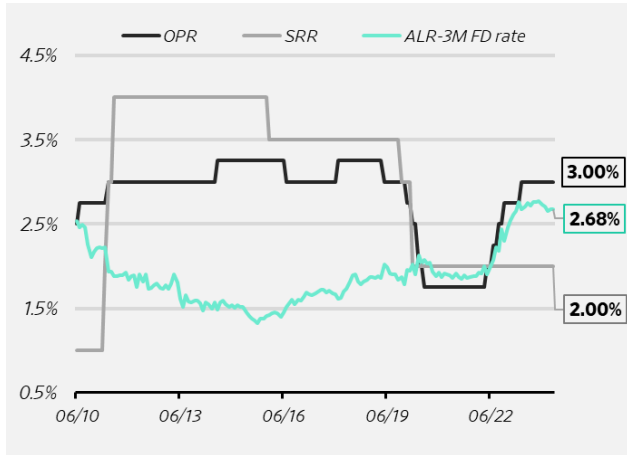


Source: BNM, MIDFR

E. INTEREST SPREAD AND CAPITAL

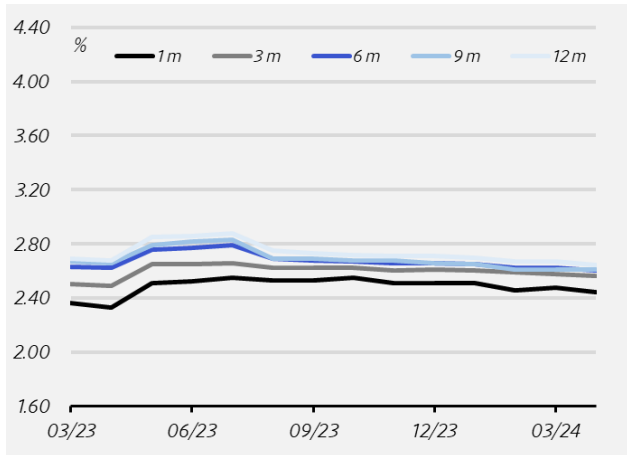
Heatmaps visible here: [\(link\)](#)

Fig 37: Interest spread, OPR, SRR



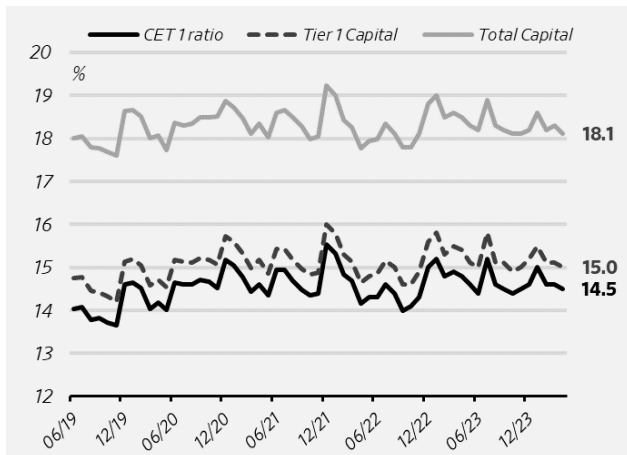
Source: BNM, MIDFR

Fig 39: Weighted avg Conv. FD rates by bracket



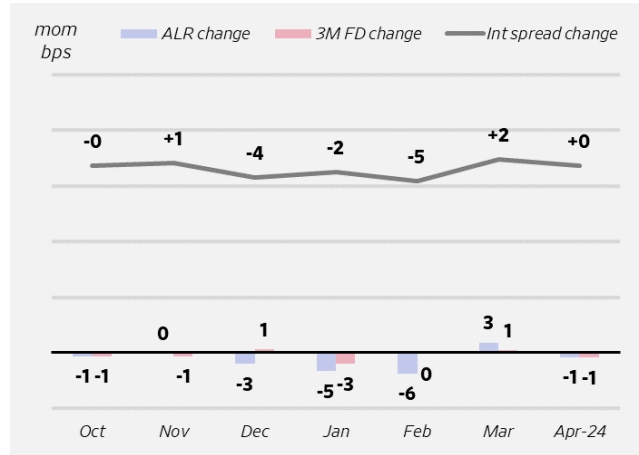
Source: BNM, MIDFR

Fig 41: Capital ratios



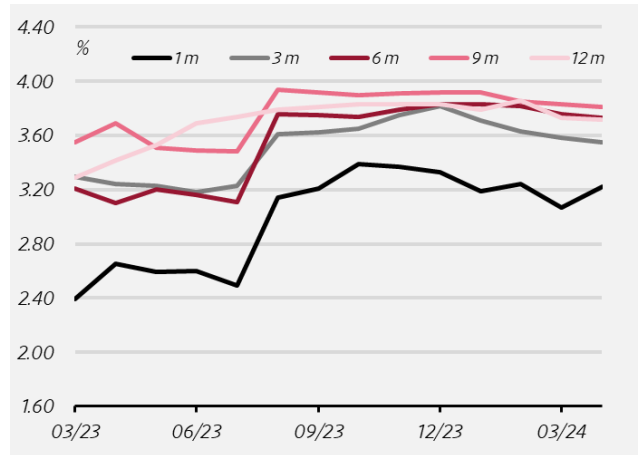
Source: BNM, MIDFR

Fig 38: mom Changes in Interest spreads



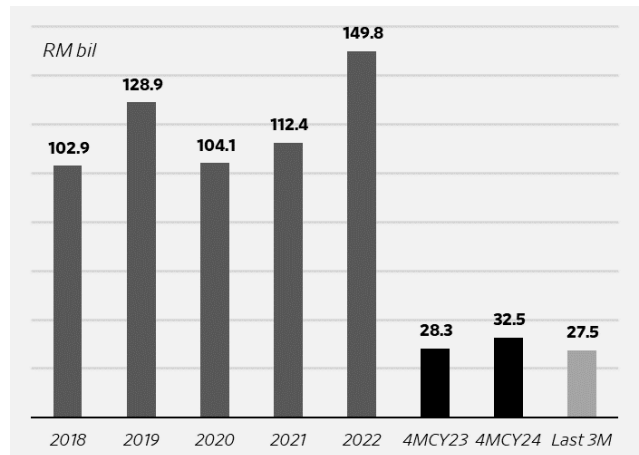
Source: BNM, MIDFR

Fig 40: Weighted avg Isl. FD rates by bracket



Source: BNM, MIDFR

Fig 42: Bond/Sukuk issuances



Source: BNM, MIDFR

F. SERIES OF VISUALISATION TABLES

Fig 43: System loans

	Total loans (RM tr)	Growth (% yoy)	Growth (% mom)	Retail			Business		
				Growth (% yoy)	Growth (% mom)	% of total	Growth (% yoy)	Growth (% mom)	% of total
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
Sep-23	2.09	4.3	0.8	7.5	0.8	54.0	0.9	0.8	46.0
Oct-23	2.09	4.0	0.3	7.7	0.7	54.3	-0.0	-0.2	45.7
Nov-23	2.11	4.9	0.8	7.7	0.7	54.2	1.7	0.9	45.8
Dec-23	2.13	5.3	1.1	7.7	0.7	54.0	2.6	1.5	46.0
Jan-24	2.14	5.7	0.3	7.9	0.8	54.3	3.3	-0.3	45.7
Feb-24	2.15	5.8	0.4	8.0	0.4	54.3	3.4	0.5	45.7
Mar-24	2.16	6.0	0.6	7.9	0.5	54.2	3.9	0.7	45.8
Apr-24	2.16	6.1	0.1	8.0	0.5	54.4	4.0	-0.4	45.6

Source: BNM, MIDFR

Fig 44: yoy Loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Sep-23	7.2	9.0	6.9	1.1	5.1	-0.7	-11.2
Oct-23	7.4	9.4	6.8	0.2	4.7	-1.3	-12.8
Nov-23	7.3	9.7	7.0	3.1	4.9	0.8	-12.3
Dec-23	7.3	9.7	7.2	4.7	4.9	3.1	-12.3
Jan-24	7.4	10.2	7.6	4.7	5.0	5.8	-12.0
Feb-24	7.5	10.4	7.3	5.1	5.2	4.3	-11.5
Mar-24	7.5	10.1	7.3	4.9	5.6	5.5	-10.7
Apr-24	7.7	10.0	6.6	4.7	5.9	5.8	-10.3

Source: BNM, MIDFR

Fig 45: mom Loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Sep-23	0.7	0.7	6.2	0.8	0.7	0.6	-0.9
Oct-23	0.8	0.9	6.1	0.3	0.3	0.1	-2.1
Nov-23	0.6	0.9	6.4	1.1	0.5	1.3	0.3
Dec-23	0.6	0.7	7.2	2.3	0.5	-0.4	1.0
Jan-24	0.7	1.2	6.2	-1.0	0.3	2.4	-2.0
Feb-24	0.5	0.7	2.2	1.4	0.2	-1.0	-1.1
Mar-24	0.6	0.8	1.8	0.8	1.2	0.8	-1.0
Apr-24	0.5	0.8	1.4	-1.1	0.3	0.3	-1.2

Source: BNM, MIDFR

Fig 46: Loan applications & approvals (3MA)

	Applied (3MA) (RM b)	Growth (% yoy)	Growth (% mom)	Approved (3MA) (RM b)	Growth (% yoy)	Growth (% mom)
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	65.7	-7.3	1.7
Sep-23	131.8	4.1	5.0	69.4	-1.9	5.6
Oct-23	137.5	14.6	4.3	74.3	5.6	7.0
Nov-23	128.9	15.0	-6.3	71.7	12.7	-3.5
Dec-23	124.5	20.9	-3.4	73.6	29.2	2.7
Jan-24	117.4	24.7	-5.7	66.9	33.9	-9.1
Feb-24	112.1	17.2	-4.5	60.2	24.6	-10.1
Mar-24	111.1	1.5	-0.9	55.2	0.4	-8.2
Apr-24	110.6	-4.1	-0.5	55.4	-5.1	0.3

Source: BNM, MIDFR

Fig 47: Loan approval rates

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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	52.5	47.4	57.5	43.1
Sep-23	52.7	45.5	58.7	45.9
Oct-23	56.8	45.3	67.7	67.7
Nov-23	57.6	46.6	70.6	54.9
Dec-23	63.3	51.3	80.1	60.0
Jan-24	50.1	43.0	59.1	47.4
Feb-24	46.1	44.5	48.0	43.9
Mar-24	52.2	43.5	63.3	-
Apr-24	51.2	45.5	58.2	-

*SME data until Feb-24
Source: BNM, MIDFR

Fig 48: yoy Loan application growth (3MA) by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Sep-23	-2	4	10	-6	33	-39	94
Oct-23	5	11	11	5	41	-13	105
Nov-23	9	20	8	-3	45	27	56
Dec-23	13	25	39	7	28	34	24
Jan-24	19	30	39	14	37	19	42
Feb-24	7	19	34	6	18	22	49
Mar-24	-4	10	1	-8	10	-5	8
Apr-24	-9	1	0	-12	0	5	-25

Source: BNM, MIDFR

Fig 49: yoy Loan approval growth (3MA) by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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	-5	-6	24	-22	17	-45	-35
Sep-23	0	-2	17	-12	10	-52	21
Oct-23	8	5	18	-17	7	-21	70
Nov-23	11	15	17	-5	9	-12	62
Dec-23	11	19	107	11	7	19	69
Jan-24	14	25	111	17	22	38	64
Feb-24	3	13	101	22	22	34	69
Mar-24	-6	2	4	-3	21	-4	10
Apr-24	-10	-6	3	-5	16	-24	-15

Source: BNM, MIDFR

Fig 50: System deposits

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
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
Sep-23	2,433	4.3	1.2	90.3
Oct-23	2,443	4.3	0.4	90.1
Nov-23	2,454	5.3	0.4	90.5
Dec-23	2,486	5.6	1.3	90.1
Jan-24	2,484	5.2	-0.1	90.0
Feb-24	2,497	4.0	0.5	90.0
Mar-24	2,518	5.0	0.8	89.9
Apr-24	2,506	5.0	-0.5	90.3

Source: BNM, MIDFR

Fig 51: CASA & FD ratios

	CASA (RM b)	Growth (% yoy)	Growth (% mom)	CASA ratio (%)	FD (RM b)	Growth (% yoy)	Growth (% mom)	FD ratio (%)
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
Sep-23	710	-0.7	0.7	30.7	1,085	6.8	0.7	47.0
Oct-23	716	0.1	0.9	30.8	1,080	6.1	-0.5	46.5
Nov-23	722	1.2	0.8	31.0	1,080	5.6	-0.0	46.3
Dec-23	734	3.7	1.7	31.0	1,081	3.9	0.1	45.7
Jan-24	741	5.1	0.9	31.2	1,080	4.3	-0.1	45.5
Feb-24	744	4.6	0.5	31.2	1,092	4.3	1.1	45.8
Mar-24	747	6.6	0.4	31.1	1,106	3.6	1.3	46.0
Apr-24	738	6.7	-1.2	30.8	1,109	3.4	0.3	46.3

Source: BNM, MIDFR

Fig 52: Impaired loans and loan loss coverage

	Impaired loans (RM b)	Growth (% mom)	GIL ratio (%)	Total provisions (RM b)	LLC ratio (%)
May-22	1,954.1	4.2	1.79	35.0	100
Jun-22	1,967.0	0.7	1.79	35.1	100
Jul-22	1,973.8	3.5	1.85	35.2	96
Aug-22	1,987.8	0.2	1.84	35.5	97
Sep-22	1,999.3	-0.4	1.82	35.4	97
Oct-22	2,012.0	0.8	1.82	35.5	97
Nov-22	2,010.4	0.3	1.83	36.1	98
Dec-22	2,024.6	-5.2	1.72	34.1	98
Jan-23	2,021.2	0.4	1.73	34.3	98
Feb-23	2,028.4	2.1	1.76	34.4	96
Mar-23	2,037.7	-0.6	1.74	34.1	96
Apr-23	2,037.7	2.2	1.78	34.2	94
May-23	2,048.4	1.5	1.80	34.3	93
Jun-23	2,053.2	-2.2	1.76	33.1	92
Jul-23	2,056.3	0.6	1.76	33.2	92
Aug-23	2,070.4	1.6	1.78	33.4	91
Sep-23	2,086.5	-2.6	1.72	32.7	91
Oct-23	2,092.8	-0.5	1.70	32.6	91
Nov-23	2,108.6	-0.4	1.69	33.0	93
Dec-23	2,131.5	-1.1	1.65	32.4	92
Jan-24	2,136.9	-0.5	1.64	32.5	93
Feb-24	2,146.5	0.8	1.64	32.6	92
Mar-24	2,160.2	-0.7	1.62	32.2	92
Apr-24	2,161.8	0.8	1.63	32.4	92

Source: BNM, MIDFR

Fig 53: ALR, 3M-FD rates & Interest spreads

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
Sep-23	5.49	2.73	2.76
Oct-23	5.48	2.72	2.76
Nov-23	5.48	2.71	2.77
Dec-23	5.45	2.72	2.73
Jan-24	5.40	2.69	2.71
Feb-24	5.34	2.69	2.66
Mar-24	5.37	2.69	2.68
Apr-24	5.36	2.68	2.68

Source: BNM, MIDFR

Income Statement

Core NP – Core Net Profit
 PPOP – Pre-Provisioning Operating Profit
 NII – Net Interest Income
 NIM – Net Interest Margin
 COF – Cost of Funds
 NOII – Non-Interest Income
 MTM – Mark to Market
 CIR – Cost to Income Ratio
 OPEX – Operational Expenses

Balance Sheet

LCR – Liquidity Coverage ratio
 L/D ratio – Loan/Deposit ratio
 CASA – Current & Savings accounts
 FD – Fixed Deposits
 GIL – Gross Impaired Loans
 NIL – Net Impaired Loans
 LLC – Loan Loss Coverage
 NCC – Net Credit Costs
 GCC – Gross Credit Costs
 CET 1 – Common Equity Tier 1

Valuations & Sector

ROE – Return on Equity
 GGM – Gordon Growth Model
 P/BV – Price to Book Value
 BVPS – Book Value per Share
 BNM – Bank Negara Malaysia
 OPR – Overnight Policy Rate
 SRR – Statutory Reserve Requirement
 SBR – Standardised Base Rate
 ALR – Average Lending Rate

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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