

# BANKING

**Maintain NEUTRAL**

## Feb-24 Banking Stats: Festive Season Slows Leading Indicators

### KEY INVESTMENT HIGHLIGHTS

- ▲ (1) Loan and deposit growth were still excellent, (2) Improvement in some Islamic FD brackets
- ▼ (1) Leading indicators much weaker this quarter – though likely be festive season effects
- ▶ (1) GIL stable, (2) LCR felt quite a bit
- **Maintain NEUTRAL call: Profitability outlook is mixed, though balance sheet growth fares much better**

<b>Headed Where?</b>	Sector has mostly been priced in, but dividend yields remain excellent. While balance sheet growth looks optimistic, the profitability outlook is mixed.
<b>Strategy</b>	Look to dividend yields, no immediate positive share rerating drivers in the near term
<b>Core Themes</b>	<ol style="list-style-type: none"> <li>▲ Attractive dividend yields despite Basel III concerns.</li> <li>▲ Business loans expected to benefit from large infrastructure projects – retail loan demand still resilient.</li> <li>▶ Asset quality and NCC outlook normalised. Heavy writebacks are only concentrated in a few banks.</li> <li>▶ Mixed NIM outlook – mainly due to competitive loan yields.</li> <li>▼ Valuations are no longer as attractive.</li> </ol>
<b>Side Themes</b>	<ol style="list-style-type: none"> <li>▶ OPEX outlook varies between banks but CIR targets remain elevated across the board.</li> <li>▶ NOII outlook also uncertain – unlikely to repeat CY23's exceptional result.</li> </ol>

▲ **Loan growth** +5.7%yoy / +0.3%mom  
*Remains steady, with both retail and business loans reporting strong figures.*

- ▲ **Retail loans: +7.9%yoy / +0.8%mom**
  - Hire purchase, residential mortgage and personal loans continue to post strong growth – however, credit cards did see some contraction on a sequential month basis.
- ▲ **Business loans: +3.2%yoy, /-0.4%mom**
  - Aside from weaker construction segment growth, most other categories saw decent performance.

▼ **Leading indicators**  
*Leading indicators saw a tumble across all loan classes – notably in residential mortgages. We think it's because of the festive season effects. Approval rates fell sharply in the month.*

- **Approval rate: 50%.**

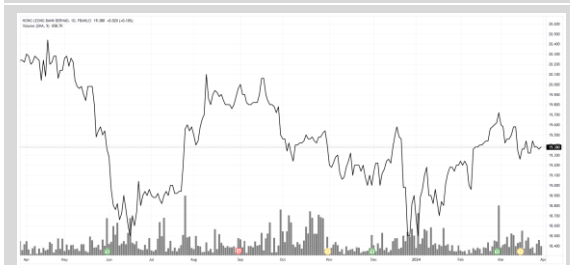
### COMPANY IN FOCUS

#### HL Bank

Maintain **BUY** | Unchanged Target price: RM21.38  
 Price @ 29 March 2024: RM19.38

- Excellent asset quality and NCC outlook
- BOCD remains strong profitability driver
- Good cost control, though CIR expected to remain elevated these few years

#### Share price chart

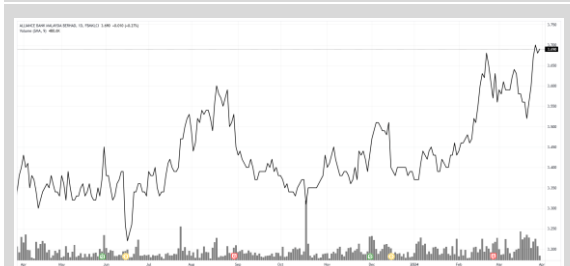


#### ABMB

Maintain **BUY** | Unchanged Target price: RM4.08  
 Price @ 29 March 2024: RM3.69

- Worst of asset quality woes already over, can look to large recoveries in coming quarters
- Excellent loan growth
- NOII has seen some weakness but should normalise in the coming quarters.

#### Share price chart



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▲ **Deposits** +5.1%yoy / +0.4%mom

*While deposits saw some weakness on a sequential year basis, sequential month growth was healthy – driven primarily by a return in FD growth.*

- ▲ **FD growth: +4.3%yoy / -0.1%mom**
  - By far the strongest figure in months.
- ▲ **CASA growth: +5.1%yoy / +0.9%mom**
  - CASA growth, while still healthy, slowed down a bit in the month, after reporting stronger figures in the previous few months.
- LCR: 160%.**
  - As expected, LCR fell down sharply in the month, as the more intense festive deposit competition starts to fade.
- Loan/Deposit ratio: 90.0%.**

► **GIL ratio** 1.64% / -1bps mom

*As with previous months, GIL ratio has been pretty stable as of late.*

- ▲ **Notable deteriorations, month-on-month:** Construction +4bps, Personal financing +6bps,
- ▼ **Notable improvements, month-on-month:** Working capital -3bps, Credit card -5bps, Securities.

Interest rates

- FD rates (Conv.):** Unfortunately, BNM has not released this month's figures.
- ▲ **FD rates (Isl.):** Improvement seen in certain brackets – while some worsening in others.

**Maintain NEUTRAL call.** (Our comprehensive list of sector drivers is on the first page).

**Top downside risks include:**

- GDP slowdown affects balance sheet growth.
- Tighter-than-expected NIM compression because of competitive loan yields.
- Lacklustre NOII results.

**Top Picks: HL Bank (BUY, TP: RM21.38) and ABMB (BUY, TP: RM4.08).** (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
MAY	NEUTRAL	9.69	9.71	0.2	116.8	12.1	11.2	1.2	1.2	10.1	10.6	6.6	7.2
CIMB	NEUTRAL	6.64	6.95	4.7	71.0	9.5	9.0	1.0	0.9	10.6	10.6	5.7	5.8
PBK	NEUTRAL	4.22	4.48	6.2	81.9	12.1	11.5	1.4	1.3	12.0	12.0	4.4	4.6
RHB	BUY	5.67	6.00	5.8	24.3	8.2	7.8	0.8	0.7	9.4	9.5	7.1	7.4
HLBK	BUY	19.38	21.38	10.3	39.7	9.9	9.3	1.1	1.0	11.4	11.2	3.6	3.8
HLFG	BUY	16.58	20.79	25.4	18.8	6.7	6.2	0.6	0.6	10.0	10.0	3.0	3.2
AMMB	NEUTRAL	4.19	4.23	1.0	17.5	10.3	9.2	0.9	0.8	9.0	9.4	4.3	4.8
BIMB	NEUTRAL	2.51	2.68	6.8	5.6	9.4	8.8	0.7	0.7	8.0	8.3	6.0	6.1
AFFIN	SELL	2.50	1.70	-32.0	5.8	11.7	11.1	0.5	0.5	4.4	4.4	2.5	2.6
ABMB	BUY	3.69	4.08	10.5	5.7	8.7	8.0	0.8	0.8	9.4	9.6	5.7	6.2
Simple avg (ex-HLFG)						10.2	9.5	0.9	0.9	9.4	9.5	5.1	5.4
Weighted avg (ex-HLFG)						10.9	10.2	1.1	1.1	10.5	10.7	5.4	5.8

\*Closing prices from 22 Feb 2024.

Source: BNM, MIDFR

## A. SYSTEM LOAN & CONSTITUENTS

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

**Fig 1: Core Figures & Forecasts**

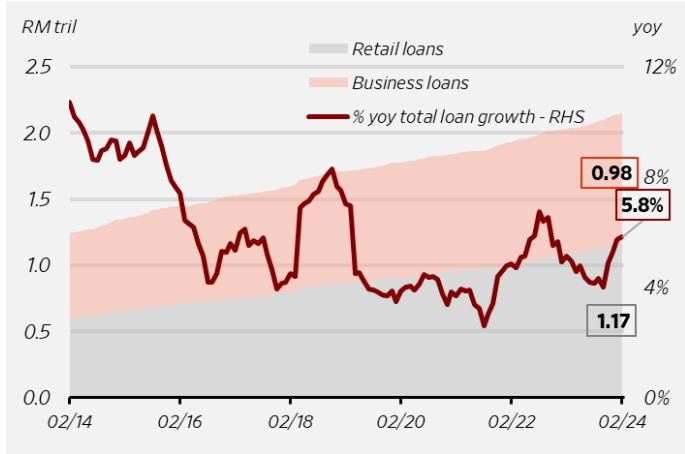
	yoy Growth rates (%)				YTD Ann. (%)	mom Growth rates (%)			
	Feb-24	Jan-24	Dec-23	Nov-23		Feb-24	Jan-24	Dec-23	Nov-23
<b>Total loans</b>	<b>5.8</b>	<b>5.7</b>	<b>5.3</b>	<b>4.9</b>	<b>4.2</b>	<b>0.4</b>	<b>0.3</b>	<b>1.1</b>	<b>0.8</b>
Retail loans	8.0	7.9	7.7	7.7	7.2	0.4	0.8	0.7	0.7
Business loans	3.4	3.3	2.6	1.7	0.8	0.5	-0.3	1.5	0.9
SME*	-	4.7	4.6	3.3	1.3	-	0.1	1.3	0.9
<b>Deposits + repo</b>	<b>4.0</b>	<b>5.2</b>	<b>5.6</b>	<b>5.3</b>	<b>2.7</b>	<b>0.5</b>	<b>-0.1</b>	<b>1.3</b>	<b>0.4</b>
<b>Total deposits</b>	<b>4.0</b>	<b>5.1</b>	<b>4.6</b>	<b>3.5</b>	<b>5.0</b>	<b>0.4</b>	<b>0.4</b>	<b>1.5</b>	<b>0.3</b>
CASA	4.6	5.1	3.7	1.2	8.4	0.5	0.9	1.7	0.8
FD	4.3	4.3	3.9	5.6	6.2	1.1	-0.1	0.1	-0.0
Total provisions	-5.4	-5.1	-5.1	-8.5	3.9	0.1	0.5	-2.0	1.4
Total GIL	-1.4	-0.1	0.8	-3.3	1.5	0.8	-0.5	-1.1	-0.4
<b>Leading indicators</b>									
3MA applications	17	25	21	15	0	-5	-6	-3	-6
Retail	15	26	21	11	-34	-5	-1	5	-4
Business	20	24	21	19	-89	-4	-11	-11	-8
3MA approvals	13	18	13	7	0	-8	-8	-5	-7
Retail	5	14	12	12	-50	-5	-3	-5	-7
Business	21	22	14	3	-125	-10	-12	-5	-7
	<b>Feb-24</b>	<b>Jan-24</b>	<b>Dec-23</b>	<b>Nov-23</b>	<b>Feb-23</b>	<b>Period</b>	<b>Forecast</b>	<b>Formerly</b>	
Interest spread^	0.00	2.71	2.73	2.77	2.61	Loan growth	CY24 4.5-5.0%		
Loan approval rate	46	50	50	51	49	GDP	CY24 4.7%		
SME approval rate*	-	47	60	55	48	OPR	CY24 3.00%		
GIL ratio	1.64	1.64	1.65	1.69	1.76				
SME GIL ratio*	-	2.98	3.07	3.12	2.91				
LLC ratio	92	93	92	93	96				
CASA ratio	31.2	31.2	31.0	31.0	31.0				
Loan/Deposit ratio	90.0	90.0	90.1	90.5	88.4				
Liquidity coverage ratio	154	160	161	150	153				
CET 1	14.6	15.0	14.6	14.5	14.8				
Tier 1 Capital	15.1	15.5	15.2	15.0	15.3				
Total Capital	18.2	18.6	18.2	18.1	18.5				

\*SME data until Jan-24

^Conventional interest rates not released this month

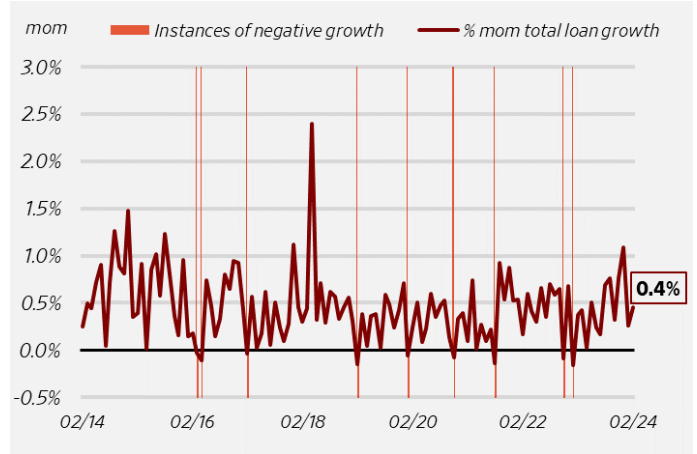
Source: BNM, MIDFR

**Fig 2: yoy System loans**



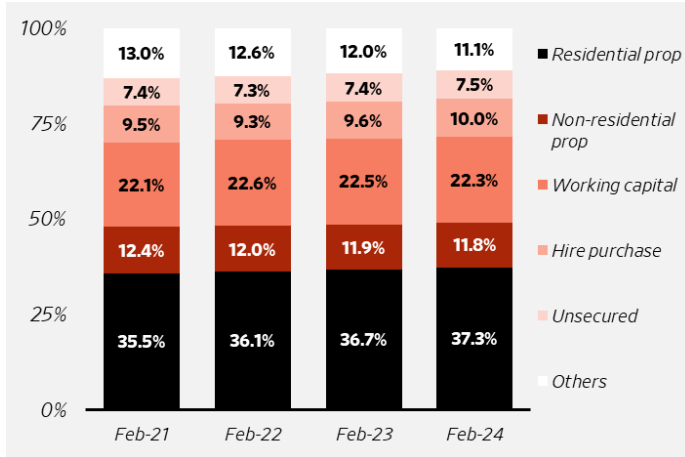
Source: BNM, MIDFR

**Fig 3: mom System loans**



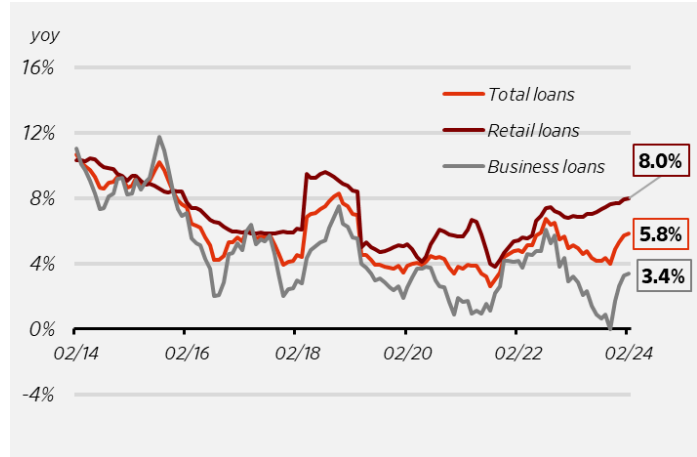
Source: BNM, MIDFR

**Fig 4: Loan breakdown by type**



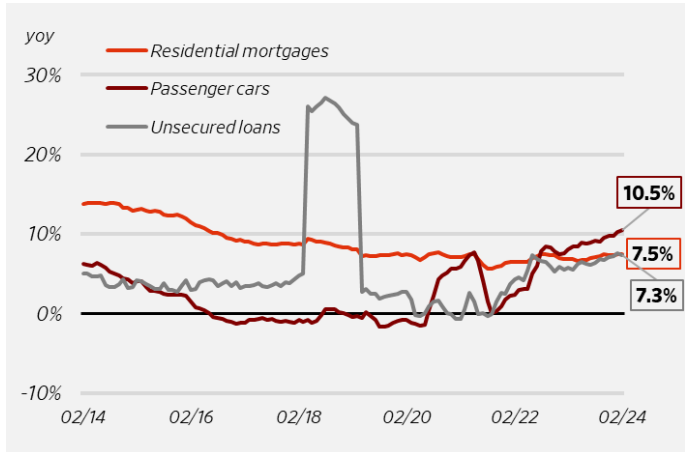
Source: BNM, MIDFR

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



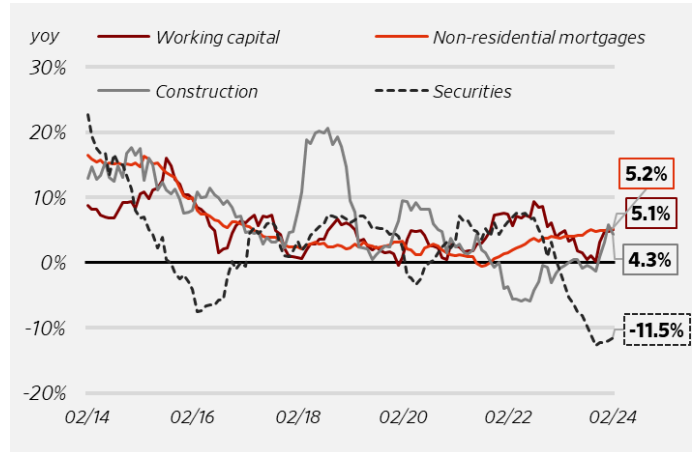
Source: BNM, MIDFR

**Fig 6: Retail loan constituents**



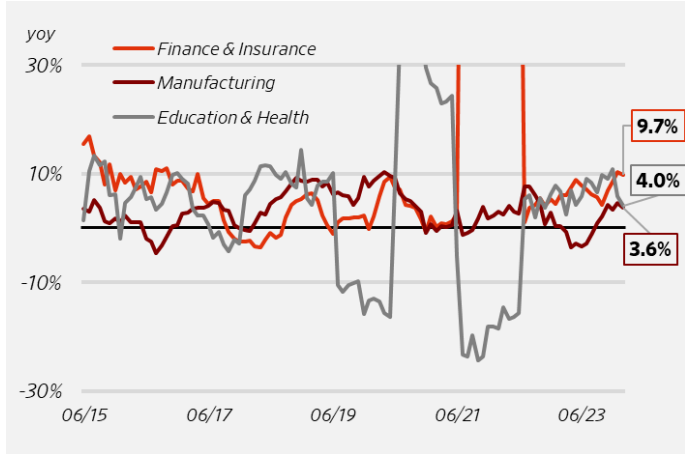
Source: BNM, MIDFR

**Fig 7: Business loan constituents**



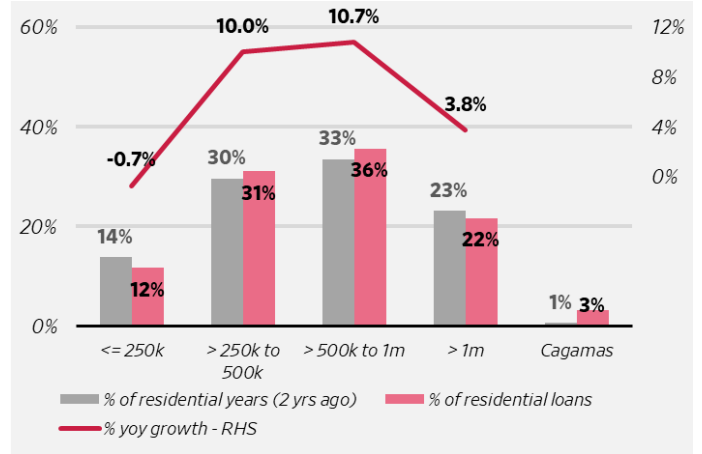
Source: BNM, MIDFR

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



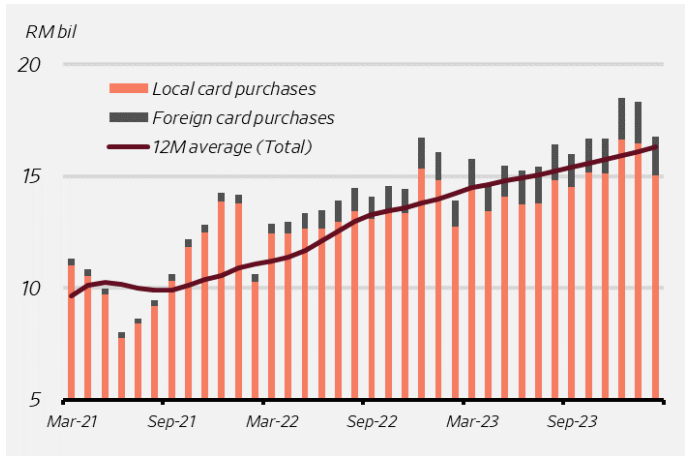
Source: BNM, MIDFR

**Fig 9: Residential loans by segment**



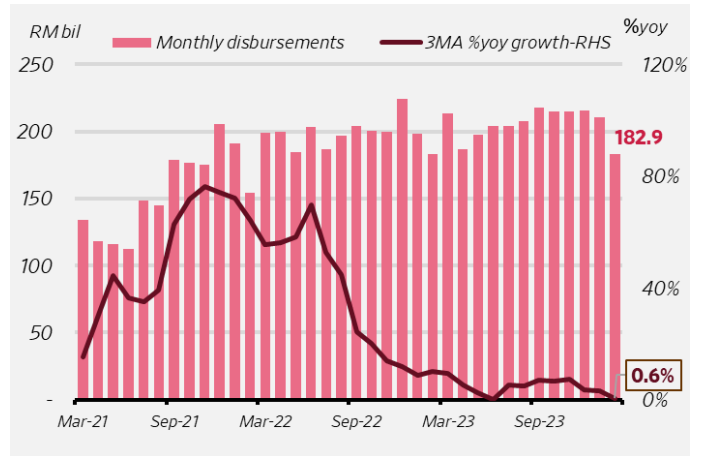
Source: BNM, MIDFR

**Fig 10: Credit card purchases**



Source: BNM, MIDFR

**Fig 11: Monthly loan disbursements**

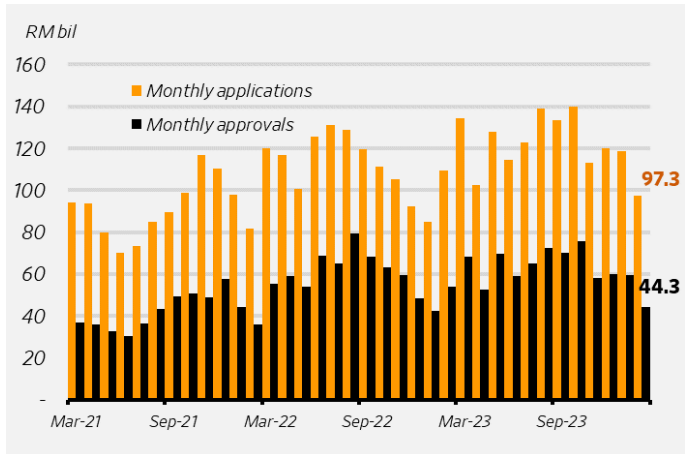


Source: BNM, MIDFR

## B. LEADING INDICATOR TRENDS

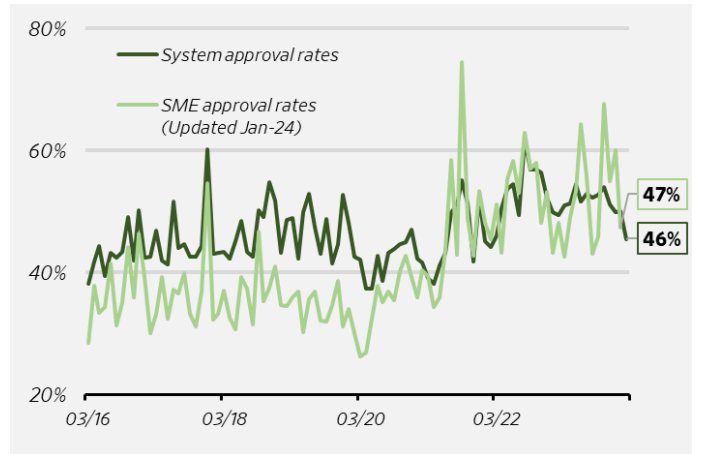
Heatmaps visible here: [\(link\)](#)

**Fig 12: Monthly applications & approvals**



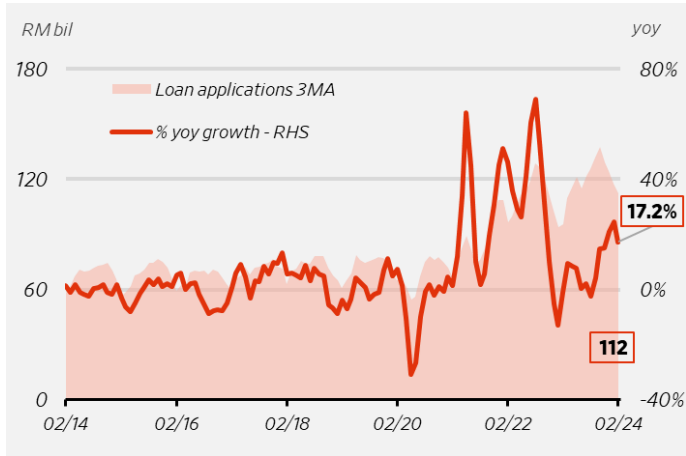
Source: BNM, MIDFR

**Fig 13: System & SME approval rates**



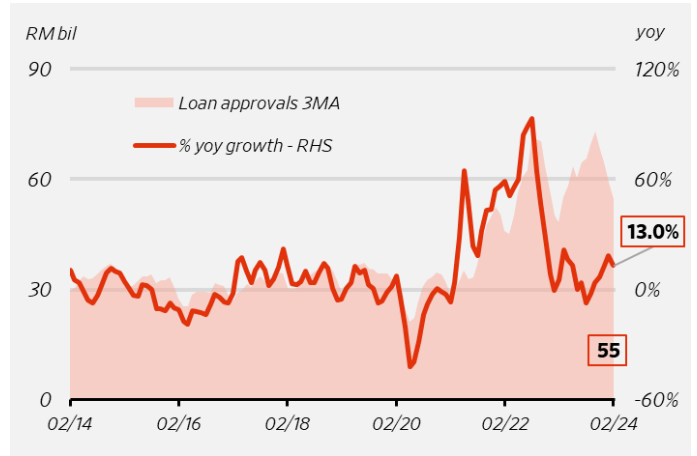
Source: BNM, MIDFR

**Fig 14: Loan applications (3-mth average)**



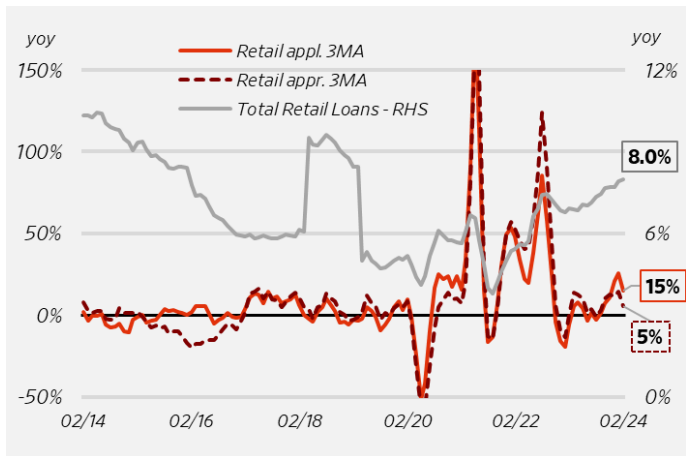
Source: BNM, MIDFR

**Fig 15: Loan approvals (3-mth average)**



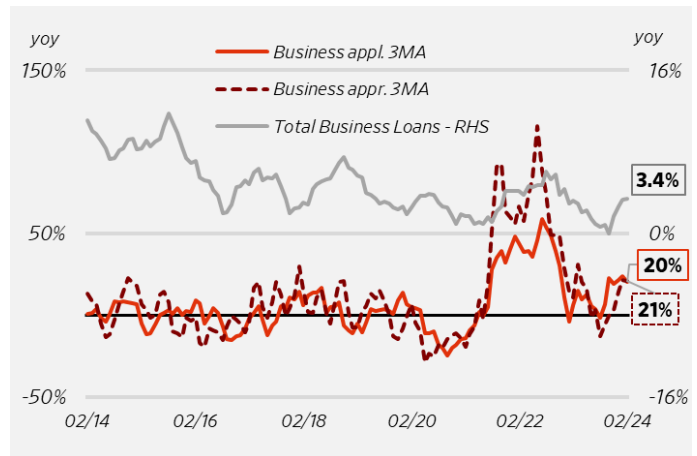
Source: BNM, MIDFR

**Fig 16: Retail loan indicators**



Source: BNM, MIDFR

**Fig 17: Business loan indicators**

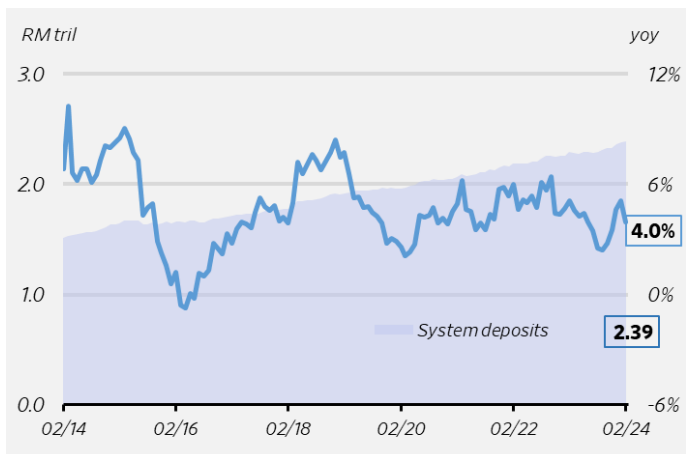


Source: BNM, MIDFR

## C. DEPOSITS & LIQUIDITY

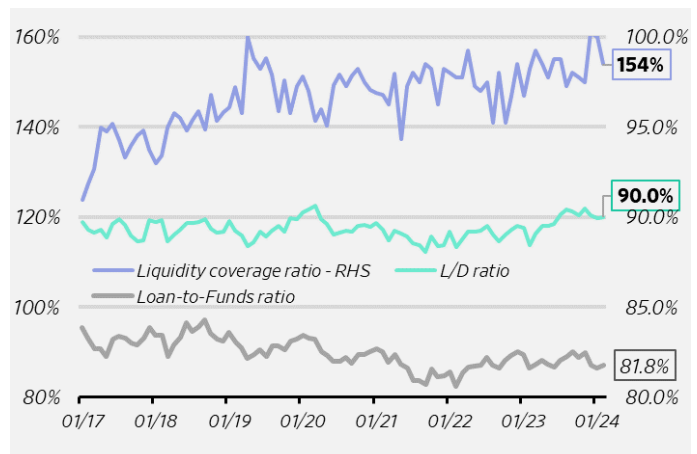
Heatmaps visible here: [\(link\)](#)

**Fig 18: yoy System deposits**



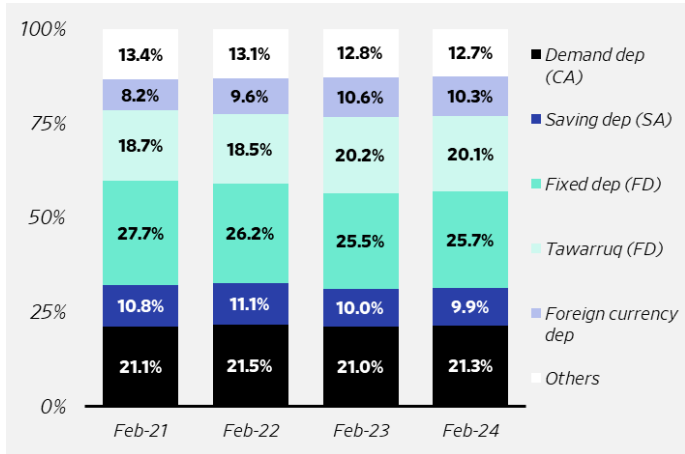
Source: BNM, MIDFR

**Fig 19: LCR, LDR & LTF ratio**



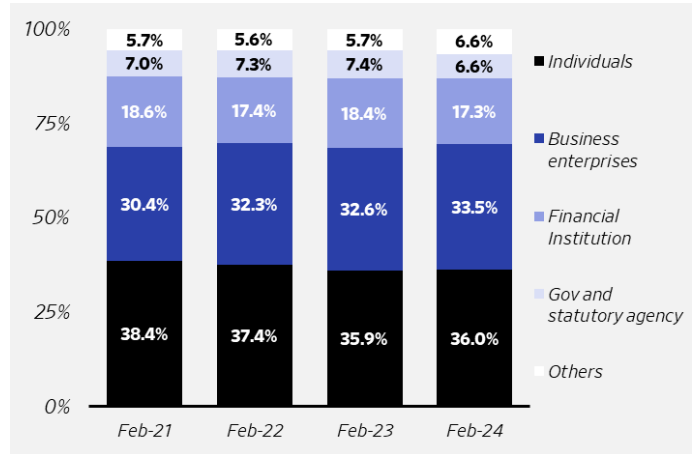
Source: BNM, MIDFR

**Fig 20: Deposit breakdown by type**



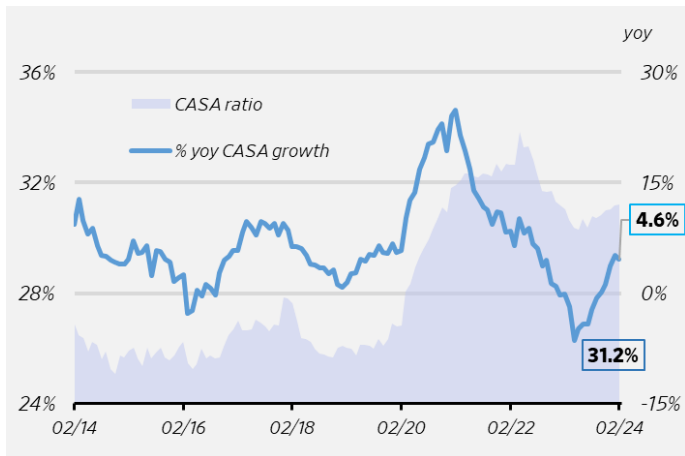
Source: BNM, MIDFR

**Fig 21: Deposit breakdown by holder**



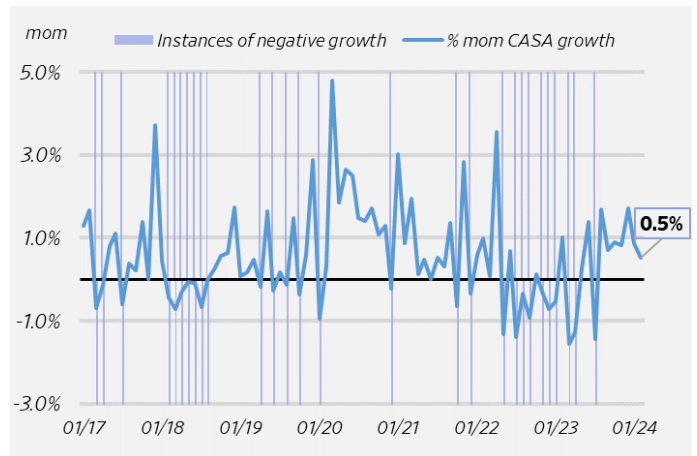
Source: BNM, MIDFR

**Fig 22: CASA ratio and yoy growth**



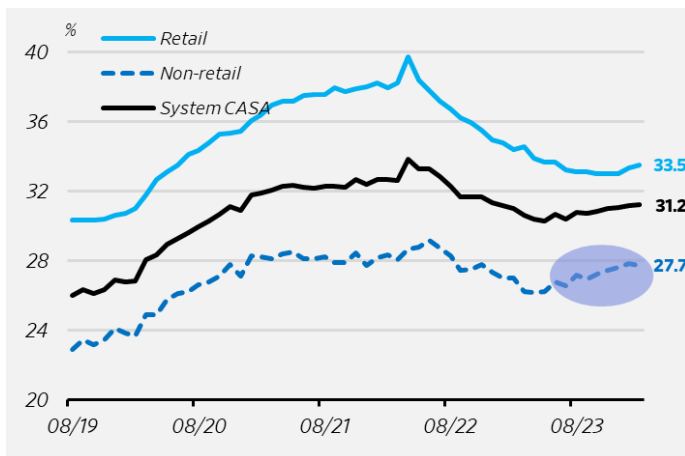
Source: BNM, MIDFR

**Fig 23: mom CASA growth**



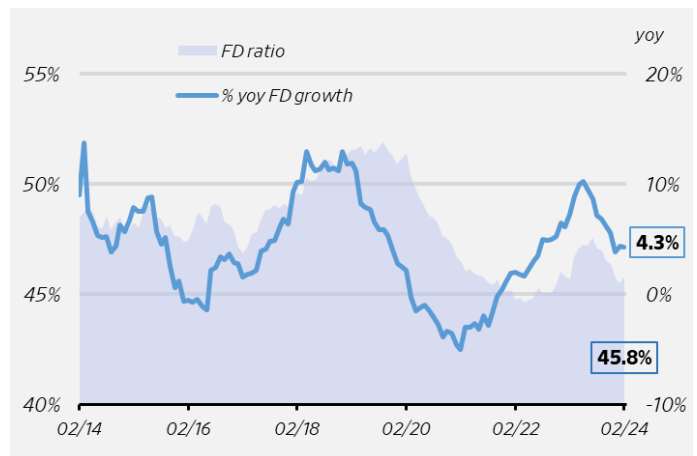
Source: BNM, MIDFR

**Fig 24: CASA ratio by holder**



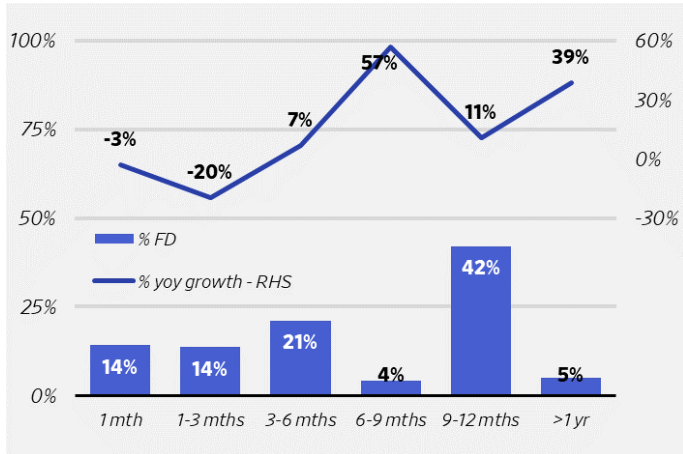
Source: BNM, MIDFR

**Fig 25: FD ratio and yoy growth**



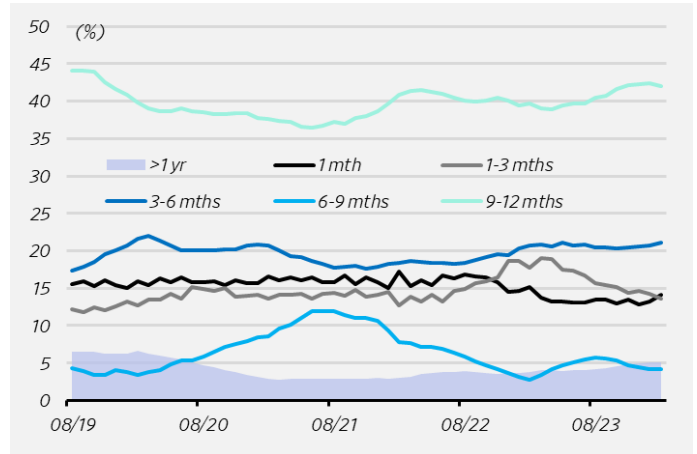
Source: BNM, MIDFR

**Fig 26: FD by maturity brackets and yoy growth**



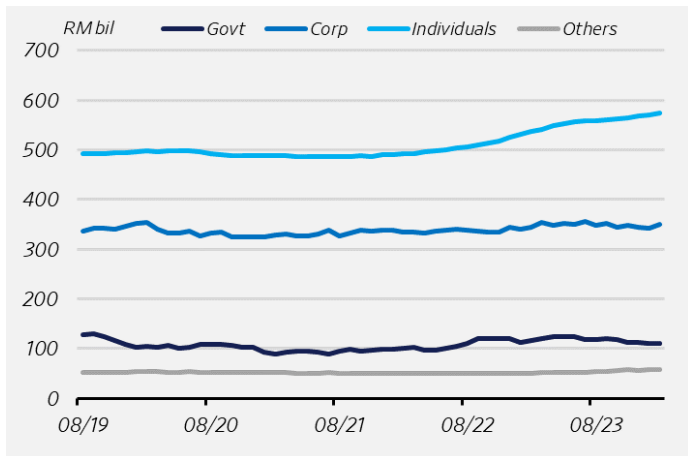
Source: BNM, MIDFR

**Fig 27: FD by maturity brackets (% Proportion)**



Source: BNM, MIDFR

**Fig 28: FD by depositor**

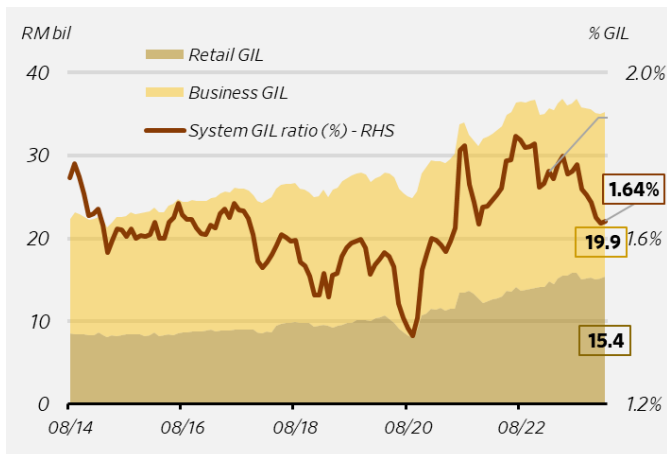


Source: BNM, MIDFR

## D. ASSET QUALITY & PROVISIONING

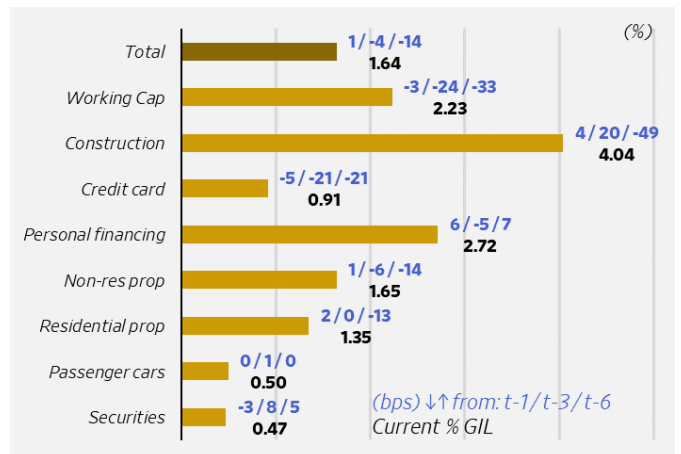
Heatmaps visible here: [\(link\)](#)

**Fig 29: System gross impaired loans**



Source: BNM, MIDFR

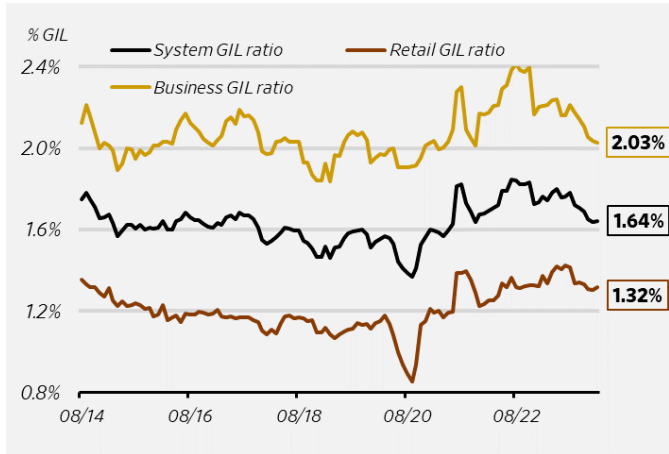
**Fig 30: Segmental GIL ratio changes**



Source: BNM, MIDFR

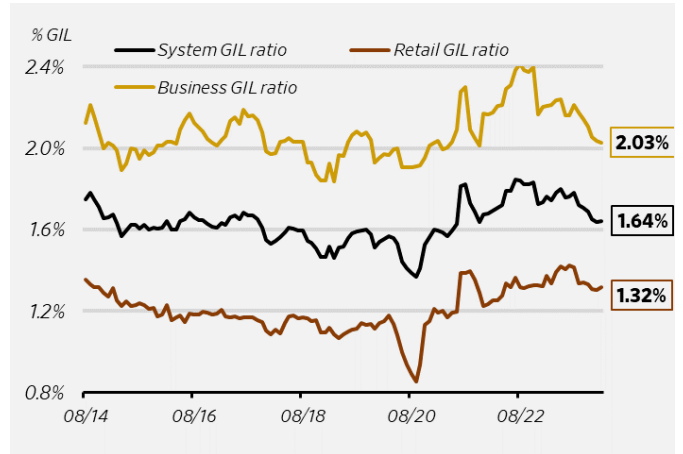


**Fig 31: System, Retail, Business GIL ratios**



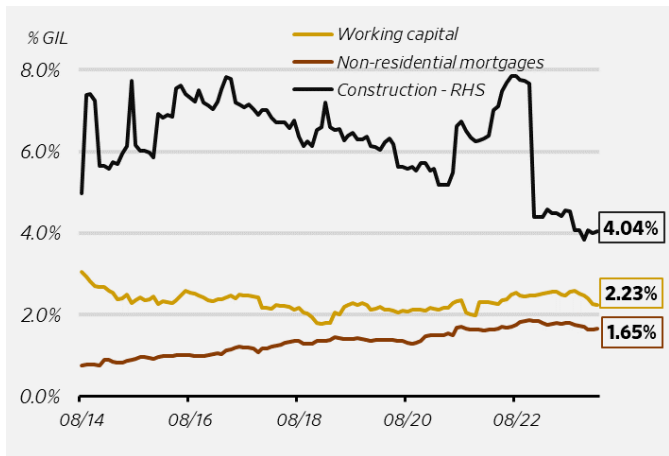
Source: BNM, MIDFR

**Fig 32: Retail GIL ratios**



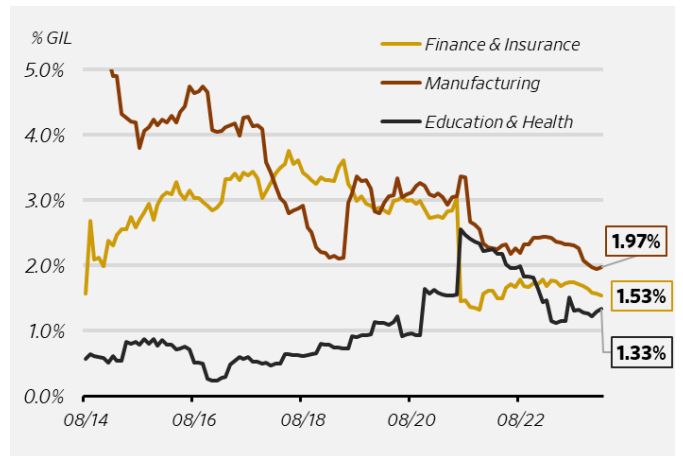
Source: BNM, MIDFR

**Fig 33: Business GIL ratios**



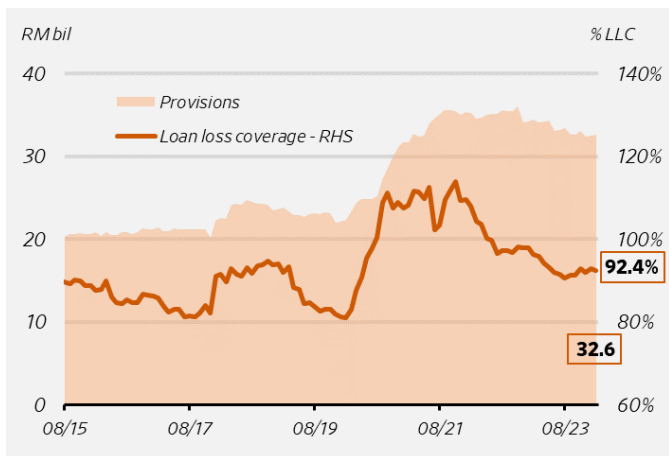
Source: BNM, MIDFR

**Fig 34: GIL ratios of other sectors**



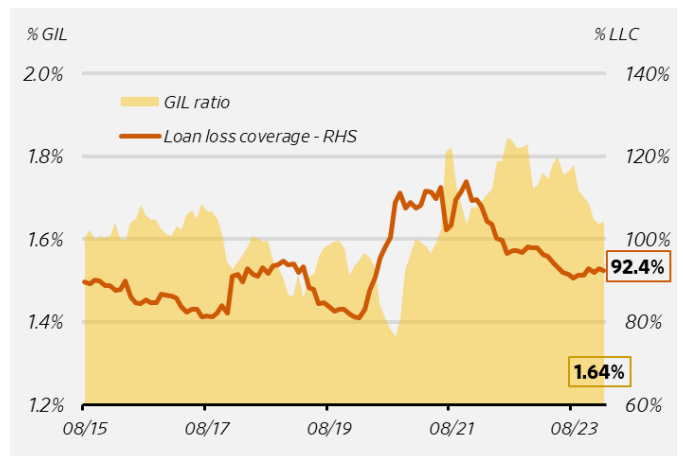
Source: BNM, MIDFR

**Fig 35: Provisions & loan loss coverage**



Source: BNM, MIDFR

**Fig 36: LLC & GIL ratio relationship**

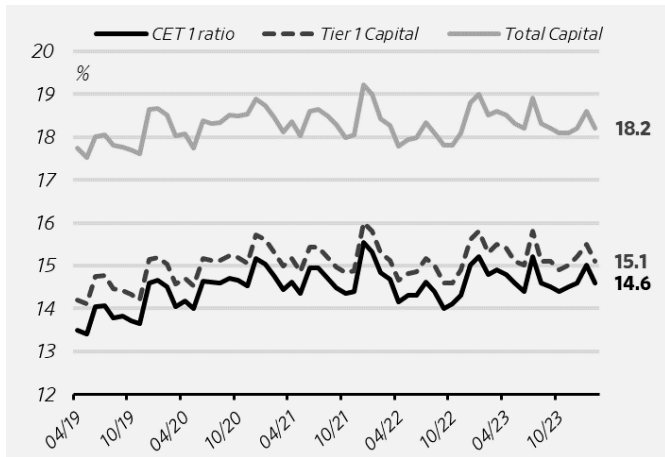


Source: BNM, MIDFR

## E. INTEREST SPREAD AND CAPITAL

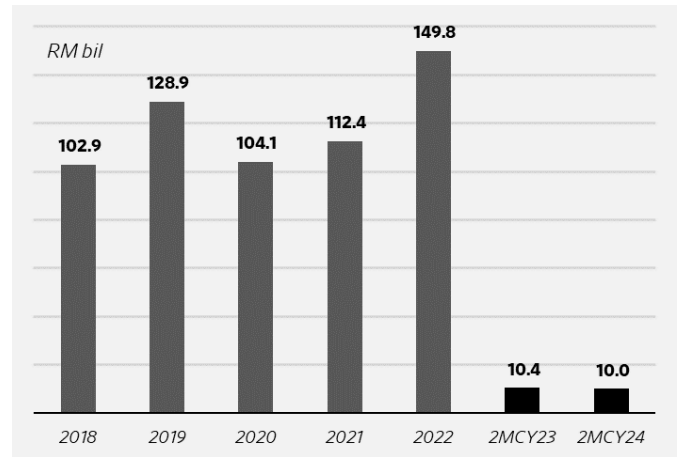
Heatmaps visible here: [\(link\)](#)

**Fig 37: Capital ratios**



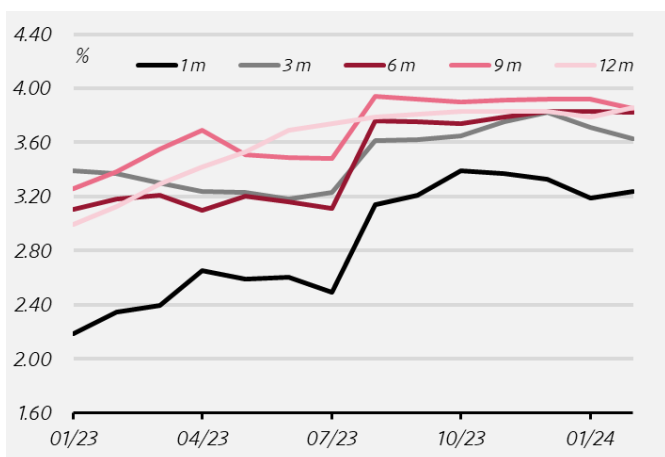
Source: BNM, MIDFR

**Fig 38: Bond/Sukuk issuances**



Source: BNM, MIDFR

**Fig 39: Weighted avg Isl. FD rates by bracket**

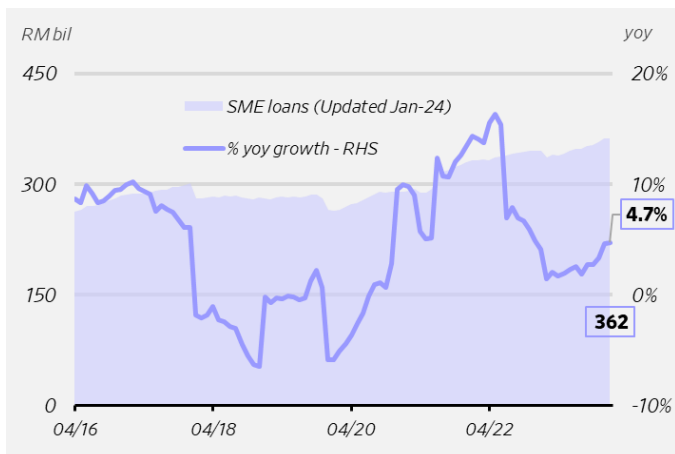


Source: BNM, MIDFR

## F. SME DATA

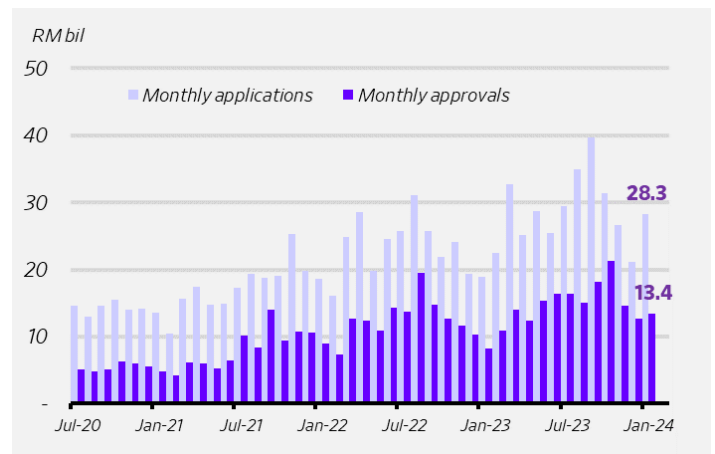
Heatmaps visible here: [\(link\)](#)

**Fig 40: SME loans**



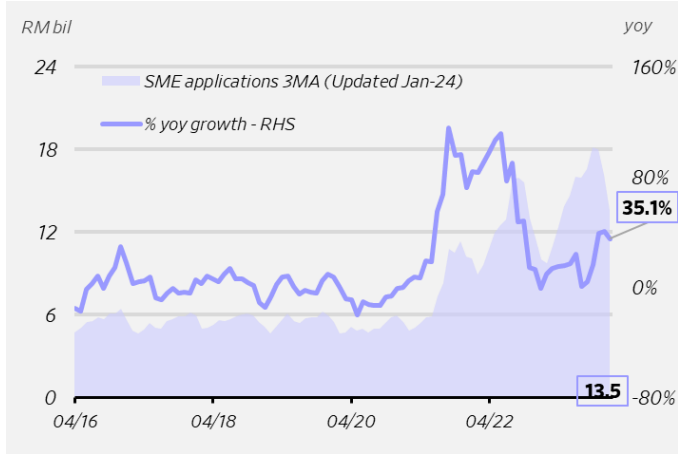
Source: BNM, MIDFR

**Fig 41: SME Monthly leading indicators**



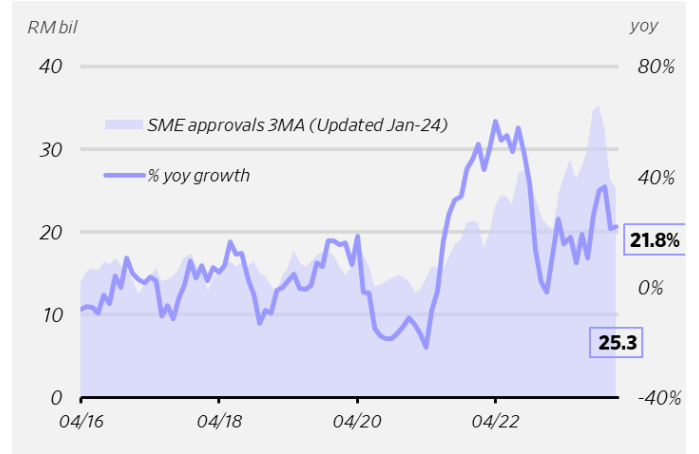
Source: BNM, MIDFR

**Fig 42: SME applications (3-mth-average)**



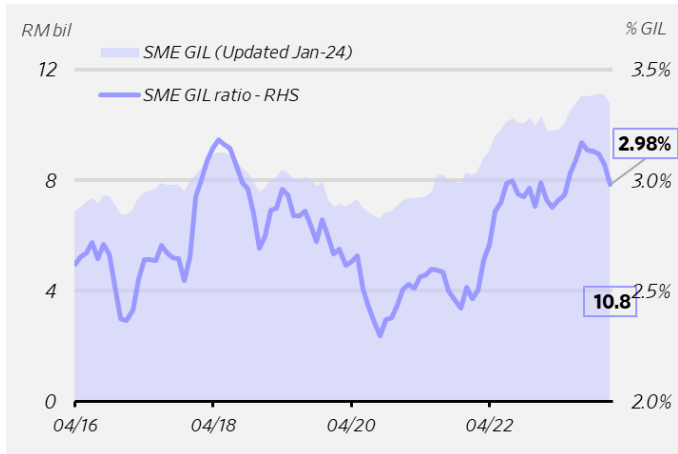
Source: BNM, MIDFR

**Fig 43: SME approvals (3-mth-average)**



Source: BNM, MIDFR

**Fig 44: SME GILs**



Source: BNM, MIDFR

## G. SERIES OF VISUALISATION TABLES

**Fig 45: System loans**

	Total loans (RM tr)	Growth (% yoy)	Growth (% mom)	Retail			Business		
				Growth (% yoy)	Growth (% mom)	% of total	Growth (% yoy)	Growth (% mom)	% of total
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
<b>Feb-23</b>	<b>2.03</b>	<b>5.1</b>	<b>0.4</b>	<b>6.9</b>	<b>0.4</b>	<b>53.2</b>	<b>3.2</b>	<b>0.4</b>	<b>46.8</b>
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
<b>Feb-24</b>	<b>2.15</b>	<b>5.8</b>	<b>0.4</b>	<b>8.0</b>	<b>0.4</b>	<b>54.3</b>	<b>3.4</b>	<b>0.5</b>	<b>45.7</b>

Source: BNM, MIDFR

**Fig 46: yoy Loan growth by purpose**

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
<b>Feb-23</b>	<b>6.9</b>	<b>8.1</b>	<b>5.8</b>	<b>4.5</b>	<b>3.8</b>	<b>-0.9</b>	<b>-1.3</b>
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
<b>Feb-24</b>	<b>7.5</b>	<b>10.4</b>	<b>7.3</b>	<b>5.1</b>	<b>5.2</b>	<b>4.3</b>	<b>-11.5</b>

Source: BNM, MIDFR

**Fig 47: mom Loan growth by purpose**

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
<b>Feb-23</b>	<b>0.4</b>	<b>0.5</b>	<b>1.3</b>	<b>1.1</b>	<b>0.1</b>	<b>0.4</b>	<b>-1.7</b>
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
<b>Feb-24</b>	<b>0.5</b>	<b>0.7</b>	<b>2.2</b>	<b>1.4</b>	<b>0.2</b>	<b>-1.0</b>	<b>-1.1</b>

Source: BNM, MIDFR

**Fig 48: Loan applications & approvals (3MA)**

	Applied (3MA) (RM b)	Growth (% yoy)	Growth (% mom)	Approved (3MA) (RM b)	Growth (% yoy)	Growth (% mom)
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
<b>Feb-23</b>	<b>95.6</b>	<b>-1.1</b>	<b>1.5</b>	<b>48.3</b>	<b>5.0</b>	<b>-3.4</b>
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
Sep-23	131.8	4.1	5.0	69.3	-2.1	5.6
Oct-23	137.5	14.6	4.3	72.8	3.6	5.1
Nov-23	128.9	15.0	-6.3	67.9	6.9	-6.7
Dec-23	124.5	20.9	-3.4	64.5	13.2	-5.0
Jan-24	117.4	24.7	-5.7	59.1	18.2	-8.4
<b>Feb-24</b>	<b>112.1</b>	<b>17.2</b>	<b>-4.5</b>	<b>54.5</b>	<b>13.0</b>	<b>-7.7</b>

Source: BNM, MIDFR

**Fig 49: Loan approval rates**

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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
<b>Feb-23</b>	<b>49.5</b>	<b>43.2</b>	<b>57.4</b>	<b>48.2</b>
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	43.1
Sep-23	52.7	46.2	58.2	45.9
Oct-23	54.0	45.9	61.7	67.7
Nov-23	51.1	44.1	59.4	54.9
Dec-23	49.9	34.3	71.8	60.0
Jan-24	50.0	43.0	58.8	47.4
<b>Feb-24</b>	<b>45.5</b>	<b>44.5</b>	<b>46.6</b>	<b>-</b>

\*SME data until Jan-24  
Source: BNM, MIDFR

**Fig 50: yoy Loan application growth (3MA) by purpose**

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
<b>Feb-23</b>	<b>-14</b>	<b>4</b>	<b>15</b>	<b>7</b>	<b>14</b>	<b>62</b>	<b>-5</b>
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
<b>Feb-24</b>	<b>7</b>	<b>19</b>	<b>34</b>	<b>6</b>	<b>18</b>	<b>22</b>	<b>49</b>

Source: BNM, MIDFR

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

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
<b>Feb-23</b>	<b>-9</b>	<b>9</b>	<b>17</b>	<b>-1</b>	<b>12</b>	<b>74</b>	<b>-15</b>
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
Sep-23	1	-1	17	-14	10	-52	77
Oct-23	9	6	18	-20	7	-21	117
Nov-23	12	16	7	-9	8	-14	75
Dec-23	11	19	-2	4	5	20	55
Jan-24	13	25	-2	9	20	42	45
<b>Feb-24</b>	<b>3</b>	<b>13</b>	<b>-2</b>	<b>15</b>	<b>20</b>	<b>38</b>	<b>46</b>

Source: BNM, MIDFR

**Fig 52: System deposits**

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
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
<b>Feb-23</b>	<b>2,400</b>	<b>7.5</b>	<b>1.7</b>	<b>88.4</b>
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
<b>Feb-24</b>	<b>2,497</b>	<b>4.0</b>	<b>0.5</b>	<b>90.0</b>

Source: BNM, MIDFR

**Fig 53: CASA & FD ratios**

	CASA (RM b)	Growth (% yoy)	Growth (% mom)	CASA ratio (%)	FD (RM b)	Growth (% yoy)	Growth (% mom)	FD ratio (%)
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
<b>Feb-23</b>	<b>712</b>	<b>-0.2</b>	<b>1.0</b>	<b>31.0</b>	<b>1,047</b>	<b>7.2</b>	<b>1.1</b>	<b>45.6</b>
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
<b>Feb-24</b>	<b>744</b>	<b>4.6</b>	<b>0.5</b>	<b>31.2</b>	<b>1,092</b>	<b>4.3</b>	<b>1.1</b>	<b>45.8</b>

Source: BNM, MIDFR

**Fig 54: Impaired loans and loan loss coverage**

	Impaired loans (RM b)	Growth (% mom)	GIL ratio (%)	Total provisions (RM b)	LLC ratio (%)
Mar-22	1,940.4	1.4	1.71	34.5	104
Apr-22	1,948.3	1.3	1.72	34.7	104
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
<b>Feb-23</b>	<b>2,028.4</b>	<b>2.1</b>	<b>1.76</b>	<b>34.4</b>	<b>96</b>
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
<b>Feb-24</b>	<b>2,146.5</b>	<b>0.8</b>	<b>1.64</b>	<b>32.6</b>	<b>92</b>

Source: BNM, MIDFR



Fig 55: ALR, 3M-FD rates &amp; Interest spreads

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
<b>Feb-23</b>	<b>5.13</b>	<b>2.52</b>	<b>2.61</b>
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
<b>Feb-24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Source: BNM, MIDFR

Fig 56: SME loan data

	Total SME loans (RM b)	Growth (% yoy)	Growth (% mom)	As a % of industry loans	SME GIL ratio (%)
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
<b>Jan-23</b>	<b>346</b>	<b>4.1</b>	<b>0.0</b>	<b>17.1</b>	<b>2.99</b>
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
Aug-23	348	1.8	0.2	16.8	3.17
Sep-23	352	2.7	1.1	16.9	3.14
Oct-23	354	2.7	0.6	16.9	3.13
Nov-23	357	3.3	0.9	16.9	3.12
Dec-23	362	4.6	1.3	17.0	3.07
<b>Jan-24</b>	<b>362</b>	<b>4.7</b>	<b>0.1</b>	<b>16.9</b>	<b>2.98</b>

SME data until Jan-24

Source: BNM, MIDFR

**Fig 57: SME applications & approvals (3MA)**

	Applications			Applications		
	3MA (RM b)	Growth (% yoy)	Growth (% mom)	3MA (RM b)	Growth (% yoy)	Growth (% mom)
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
<b>Jan-23</b>	<b>20.8</b>	<b>0.8</b>	<b>-0.1</b>	<b>10.0</b>	<b>-0.5</b>	<b>-13.0</b>
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
Aug-23	29.9	1.0	0.6	15.9	0.7	-0.5
Sep-23	34.7	0.7	0.6	16.5	3.7	3.9
Oct-23	35.3	0.9	0.1	18.2	16.4	9.8
Nov-23	32.5	0.9	1.3	18.0	38.9	-0.8
Dec-23	26.4	0.7	-0.4	16.2	40.4	-10.3
<b>Jan-24</b>	<b>25.3</b>	<b>1.2</b>	<b>2.4</b>	<b>13.5</b>	<b>35.1</b>	<b>-16.3</b>

SME data until Jan-24

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