

BANKING

Maintain NEUTRAL

Mar-24 Banking Stats: An excellent return to form

KEY INVESTMENT HIGHLIGHTS

- ▲ (1) Strong loan growth and leading indicators, (2) Deposit and CASA growth still healthy, (3) GIL ratio well managed, (4) Islamic FD rates finally show a convincing decline
- ▶ (1) Conventional rates remain flattish
- **Maintain NEUTRAL call: Sector is mostly priced in, but dividend yields remain excellent. Balance sheet growth remains core theme of this year, but profitability outlook is more mixed**

Headed Where?	Sector has been mostly priced in, but dividend yields remain excellent. Profitability outlook is mixed, but balance sheet growth looks encouraging.
Strategy	There exist buying opportunities, induced from negative sentiment surrounding some counters.
Core Themes	<ol style="list-style-type: none"> ▲ Dividend yields are still attractive, though they may be patchy due to Basel III implementation concerns. ▲ Large-scale infrastructure projects to drive business loans, while retail loan demand still seems resilient. ▶ Asset quality and NCC outlook are more normalised now. Heavy writebacks are concentrated in only a few banks. ▶ Mixed NIM outlook – because of competitive loan yields. ▶ While sector valuations are less attractive than last year, there still exist several buying opportunities.
Side Themes	<ol style="list-style-type: none"> ▶ OPEX outlook varies between banks, but CIR to remain elevated as a result of tech spend. ▶ NOII outlook remains uncertain.

▲ **Loan growth** +6.0%yoy / +0.6%mom

Loan growth continues to heat up further – so we increase our forecasts to 5.5-6.0% (from 4.5-5.0%).

- ▲ **Retail loans: +7.9%yoy / +0.5%mom**
 - *As always, retail loans remain as resilient as ever.*
- ▲ **Business loans: +3.9%yoy / +0.7%mom**
 - *In line with what banks have been guiding, business loans continue gaining traction.*

▲ **Leading indicators**

After last month's weak performance (festive season induced), leading indicators resume their strong pace.

- **Approval rate: 52%.**

▲ **Deposits** +5.0%yoy / +0.7%mom

Deposits saw a strong month, reporting exceptional sequential month growth.

- ▲ **FD growth: +3.6%vov / +1.3%mom**

COMPANY IN FOCUS

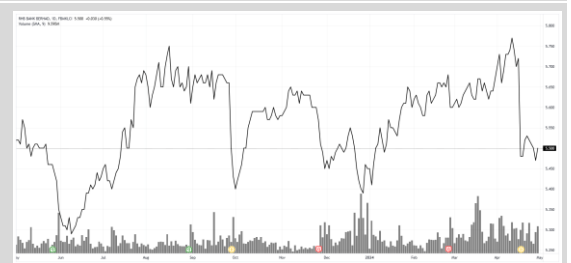
RHB Bank

Maintain **BUY** | Unchanged Target price: RM6.00

Price @ 30 April 2024: RM5.50

- Despite a mixed fundamental outlook, valuations are extremely cheap.
- CASA should still see growth, providing a buffer for NIM shocks.
- Dividend yields among best in industry.

Share price chart



HLFG

Maintain **BUY** | Unchanged Target price: RM20.79

Price @ 30 April 2024: RM16.72

- Bank of Chengdu is still an excellent earnings driver.
- Negative China-related sentiment makes valuations very attractive.
- High profitability and cost efficient.

Share price chart



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▲ **GIL ratio** 1.62% / -2bps mom

Continues to fall.

- ▲ **Notable deteriorations, mom:** Working cap +4bps.
- ▼ **Notable improvements, mom:** Construction -8bps, Residential property -3bps.

Interest rates

Trend and drivers/decliners

- ► **FD rates (Conv.):** As usual, stable.
- ▲ **FD rates (Isl.):** We are finally seeing more convincing signs that Islamic rates are coming down.
- ▲ **Lending rates:** A slight rebound after 3 straight months of decline.

Have a look at:

1. ► **The monthly disbursements growth rate has slowed down – but will we see further improvement in later months?**
2. ▲ **While loan growth is showing good improvement – SME loans have ramped up even further.** Feb-23 reported a staggering +8.0%yoy growth – the strongest value in over a year. Leading indicators, however, have tapered down sharper than that of system loans.
3. ▲ **Personal financing loans, while reporting increasingly impressive sequential year numbers, are seeing a tapering of sequential month growth.**
4. ▲ **As of late, business enterprises are showing extremely strong deposit growth – far outstripping that of individuals.**

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

Top downside risks include:

1. Economic decline leading to weaker loan growth.
2. Loan yields narrow sharper than expected.
3. OPEX growth still remains highly elevated.

Top Picks: RHB Bank (BUY, TP: RM6.00) and HLFG (BUY, TP: RM20.79). (*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	9.73	9.71	-0.2	117.3	12.1	11.2	1.2	1.2	10.1	10.6	6.6	7.1
CIMB	BUY	6.61	6.95	5.1	70.7	9.5	8.9	1.0	0.9	10.6	10.6	5.7	5.9
PBK	NEUTRAL	4.12	4.48	8.7	80.0	11.8	11.2	1.4	1.3	12.0	12.0	4.5	4.7
RHB	BUY	5.50	6.00	9.1	23.5	8.0	7.6	0.7	0.7	9.4	9.5	7.4	7.6
HLBK	BUY	19.30	21.38	10.8	39.6	9.8	9.2	1.1	1.0	11.4	11.2	3.6	3.8
HLFG	BUY	16.72	20.79	24.3	19.0	6.8	6.3	0.7	0.6	10.0	10.0	3.0	3.2
AMMB	NEUTRAL	4.20	4.23	0.7	17.6	10.3	9.2	0.9	0.8	9.0	9.4	4.3	4.8
BIMB	NEUTRAL	2.56	2.68	4.7	5.8	9.6	9.0	0.8	0.7	8.0	8.3	5.9	6.0
AFFIN	SELL	2.55	1.70	-33.4	5.9	11.9	11.4	0.5	0.5	4.4	4.4	2.5	2.6
ABMB	BUY	3.82	4.08	6.8	5.9	9.1	8.3	0.8	0.8	9.4	9.6	5.5	6.0
Simple avg (ex-HLFG)						10.2	9.6	0.9	0.9	9.4	9.5	5.1	5.4
Weighted avg (ex-HLFG)						10.8	10.1	1.1	1.1	10.5	10.7	5.5	5.8

*Closing prices from 31/4/24.

Source: BNM, MIDFR

A. SYSTEM LOAN & CONSTITUENTS

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

Fig 1: Core Figures & Forecasts

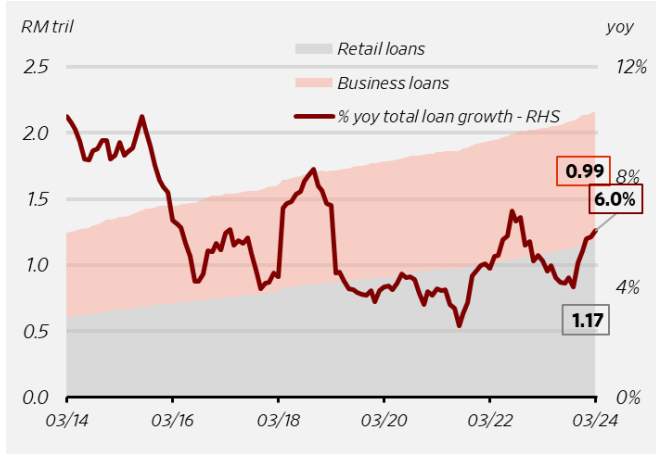
	yoy Growth rates (%)				YTD Ann. (%)	mom Growth rates (%)			
	Mar-24	Feb-24	Jan-24	Dec-23		Mar-24	Feb-24	Jan-24	Dec-23
Total loans	6.0	5.8	5.7	5.3	5.4	0.6	0.4	0.3	1.1
Retail loans	7.9	8.0	7.9	7.7	7.0	0.5	0.4	0.8	0.7
Business loans	3.9	3.4	3.3	2.6	3.5	0.7	0.5	-0.3	1.5
SME*	-	8.0	4.7	4.6	3.0	-	0.4	0.1	1.3
Deposits + repo	5.0	4.0	5.2	5.6	5.1	0.8	0.5	-0.1	1.3
Total deposits	5.0	4.0	5.1	4.6	6.1	0.7	0.4	0.4	1.5
CASA	6.6	4.6	5.1	3.7	7.1	0.4	0.5	0.9	1.7
FD	3.6	4.3	4.3	3.9	9.2	1.3	1.1	-0.1	0.1
Total provisions	-5.4	-5.4	-5.1	-5.1	-1.4	-1.0	0.1	0.5	-2.0
Total GIL	-1.5	-1.4	-0.1	0.8	-2.0	-0.7	0.8	-0.5	-1.1
Leading indicators									
3MA applications	1	17	25	21	0	-1	-5	-6	-3
Retail	-0	15	26	21	-32	-2	-5	-1	5
Business	3	20	24	21	-56	1	-4	-11	-11
3MA approvals	-0	13	18	13	0	1	-8	-8	-5
Retail	-2	5	14	12	-11	6	-5	-3	-5
Business	2	21	22	14	-96	-4	-10	-12	-5
	Mar-24	Feb-24	Jan-24	Dec-23	Mar-23	Period	Forecast	Formerly	
Interest spread^	2.68	2.66	2.71	2.73	2.65	Loan growth	CY24 4.5-5.0%		
Loan approval rate	52	46	50	50	51	GDP	CY24 4.7%		
SME approval rate*	-	44	47	60	43	OPR	CY24 3.00%		
GIL ratio	1.62	1.64	1.64	1.65	1.74				
SME GIL ratio*	-	2.99	2.98	3.07	2.88				
LLC ratio	92	92	93	92	96				
CASA ratio	31.1	31.2	31.2	31.0	30.6				
Loan/Deposit ratio	89.9	90.0	90.0	90.1	89.1				
Liquidity coverage ratio	150	154	160	161	157				
CET 1	14.6	14.6	15.0	14.6	14.9				
Tier 1 Capital	15.1	15.1	15.5	15.2	15.5				
Total Capital	18.3	18.2	18.6	18.2	18.6				

*SME data until Feb-24

^Conventional interest rates not released this month

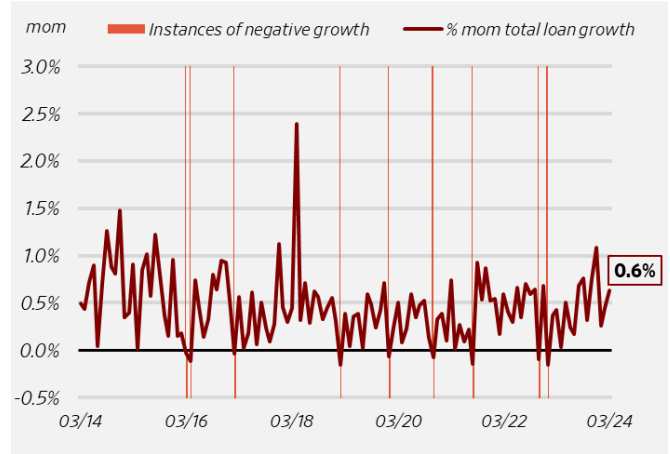
Source: BNM, MIDFR

Fig 2: yoy System loans



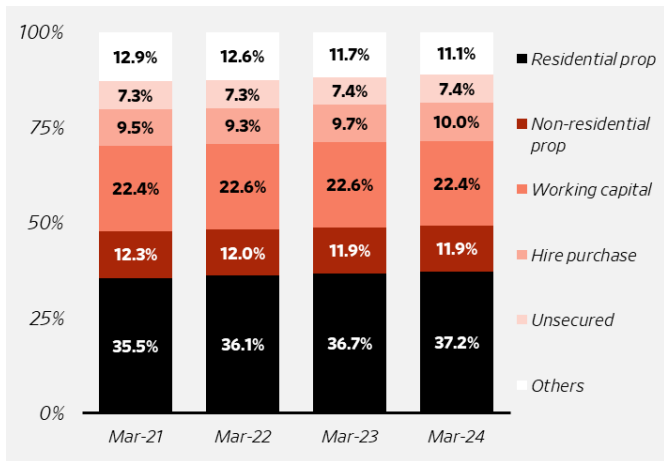
Source: BNM, MIDFR

Fig 3: mom System loans



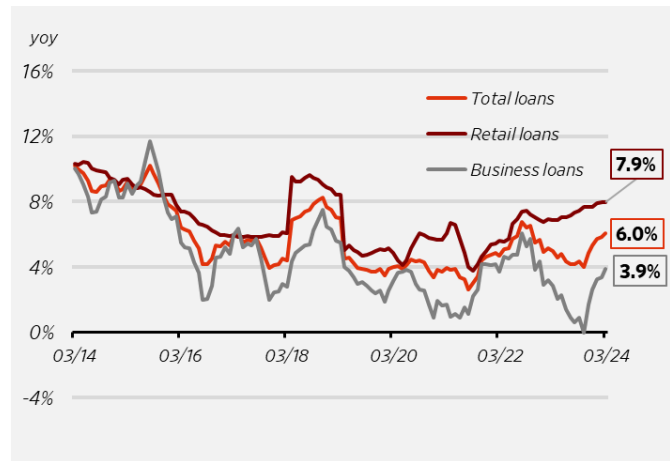
Source: BNM, MIDFR

Fig 4: Loan breakdown by type



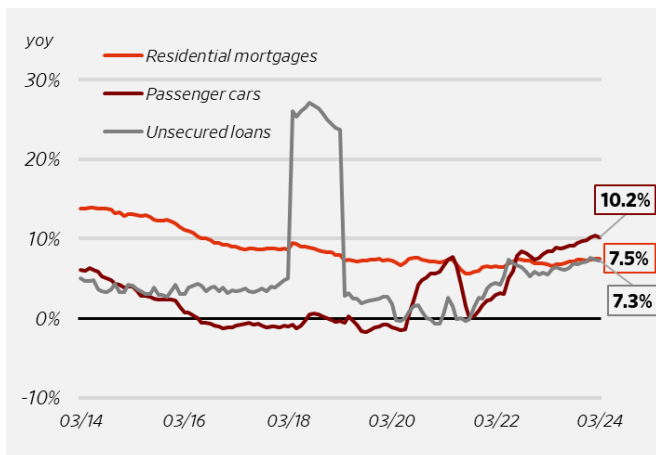
Source: BNM, MIDFR

Fig 5: Retail & business loan growth



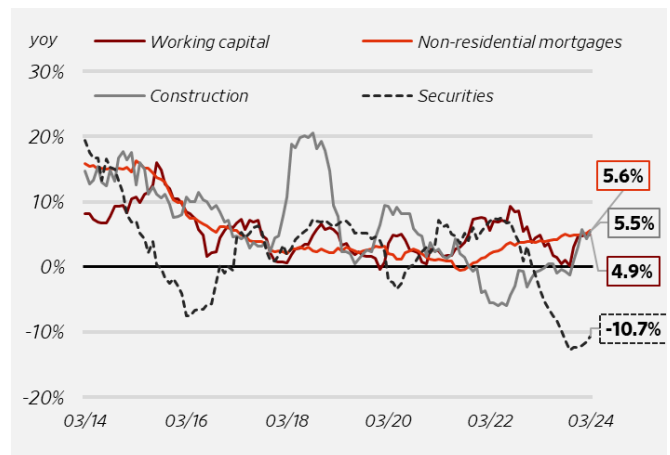
Source: BNM, MIDFR

Fig 6: Retail loan constituents



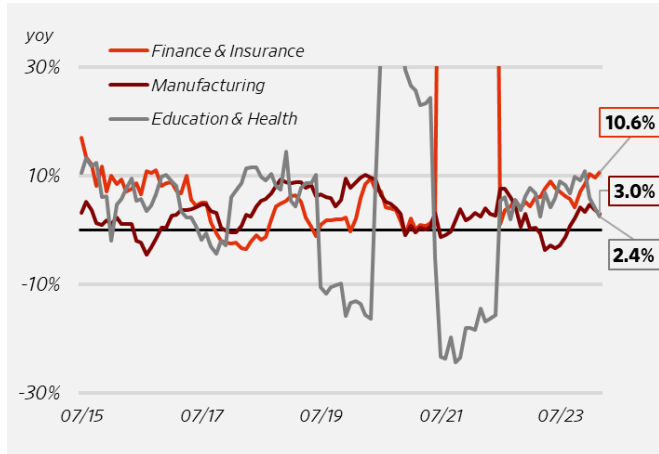
Source: BNM, MIDFR

Fig 7: Business loan constituents



Source: BNM, MIDFR

Fig 8: Loan growth of other sectors



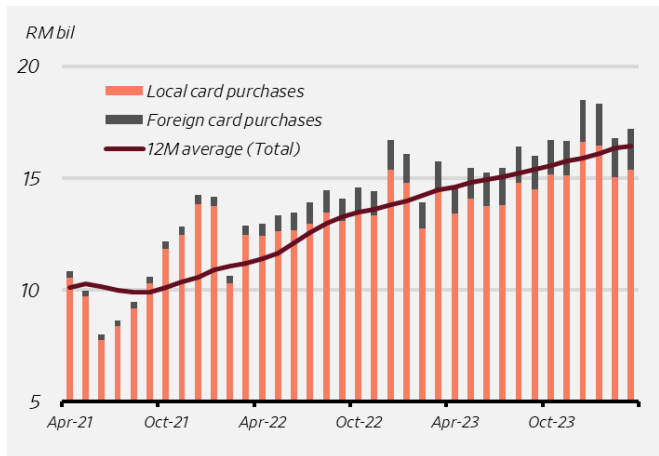
Source: BNM, MIDFR

Fig 9: Residential loans by segment



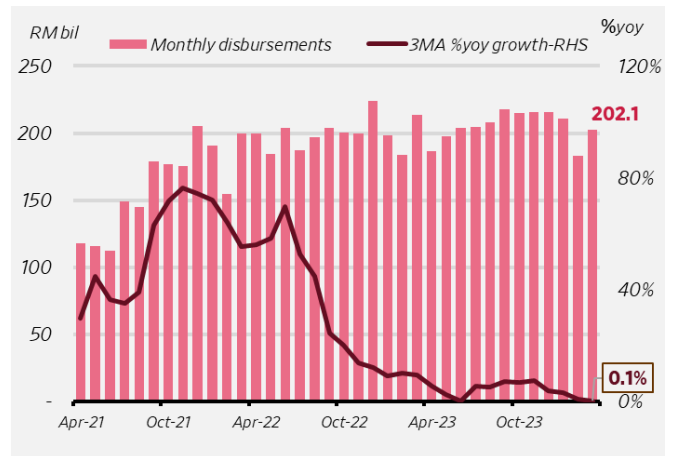
Source: BNM, MIDFR

Fig 10: Credit card purchases



Source: BNM, MIDFR

Fig 11: Monthly loan disbursements

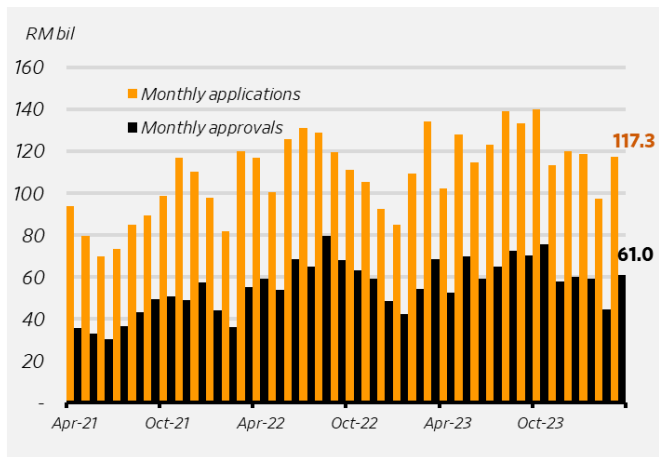


Source: BNM, MIDFR

B. LEADING INDICATOR TRENDS

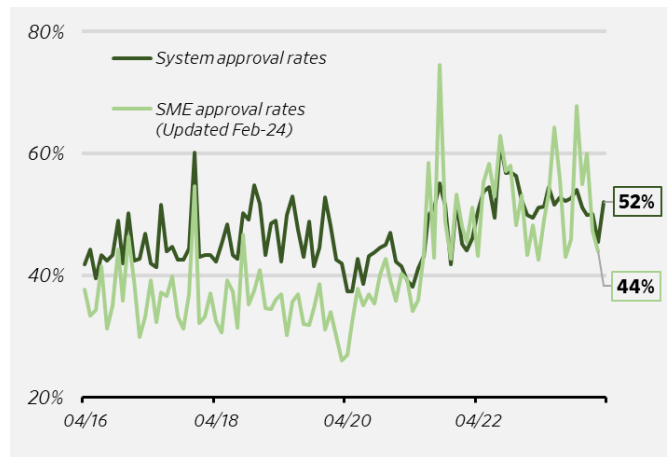
Heatmaps visible here: [\(link\)](#)

Fig 12: Monthly applications & approvals



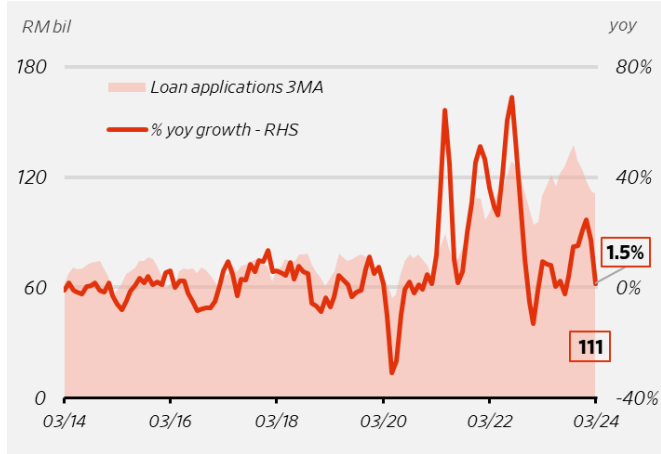
Source: BNM, MIDFR

Fig 13: System & SME approval rates



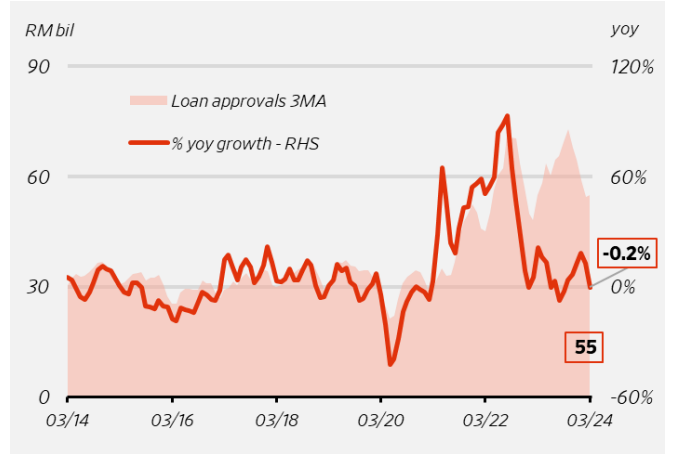
Source: BNM, MIDFR

Fig 14: Loan applications (3-mth average)



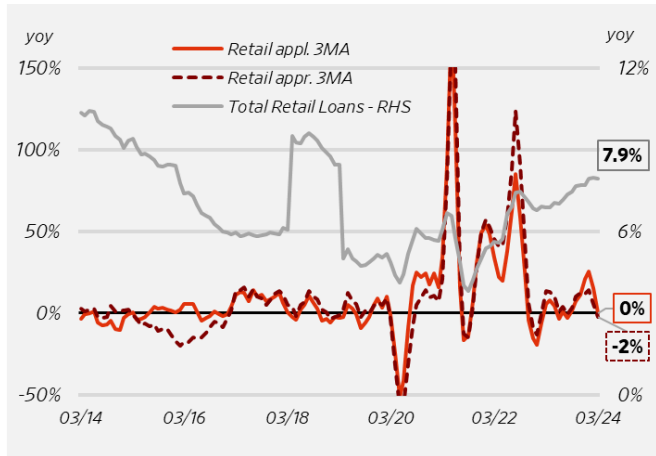
Source: BNM, MIDFR

Fig 15: Loan approvals (3-mth average)



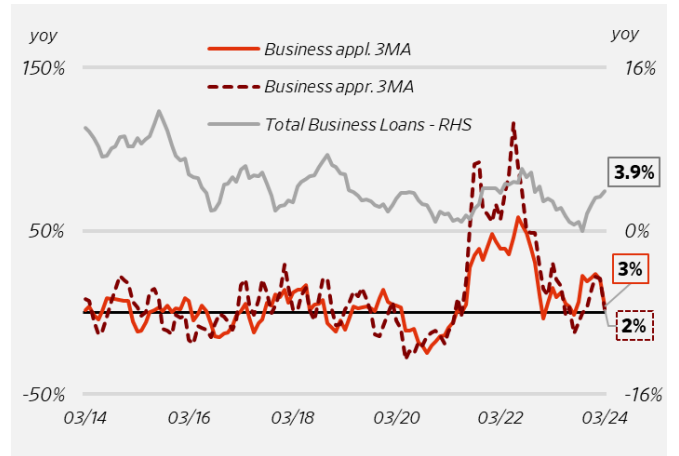
Source: BNM, MIDFR

Fig 16: Retail loan indicators



Source: BNM, MIDFR

Fig 17: Business loan indicators

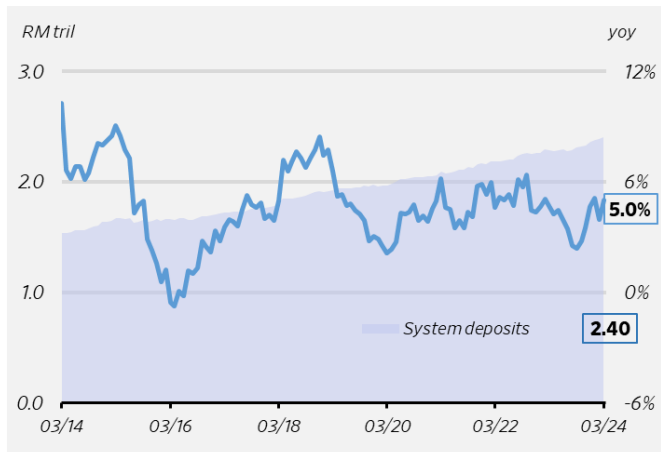


Source: BNM, MIDFR

C. DEPOSITS & LIQUIDITY

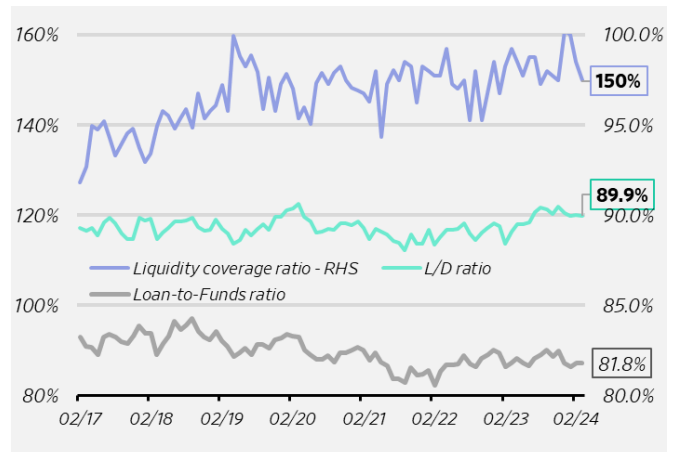
Heatmaps visible here: [\(link\)](#)

Fig 18: yoy System deposits



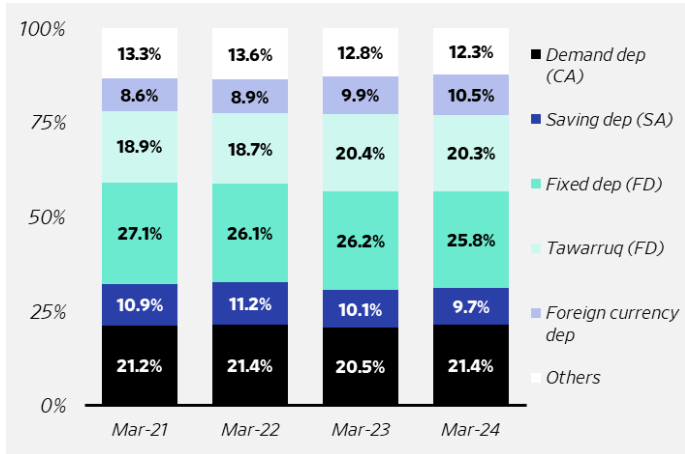
Source: BNM, MIDFR

Fig 19: LCR, LDR & LTF ratio



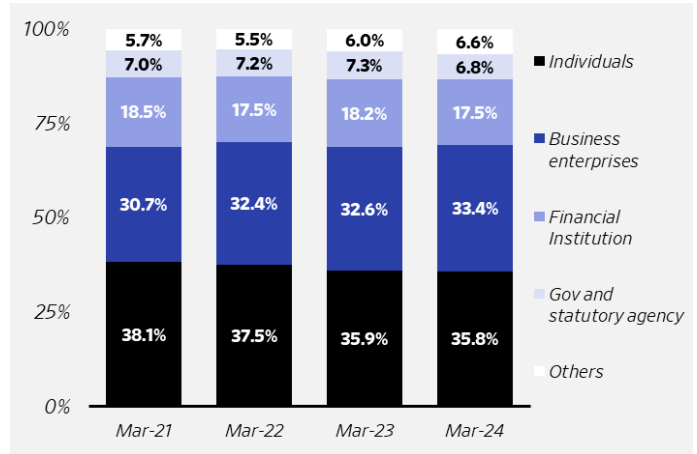
Source: BNM, MIDFR

Fig 20: Deposit breakdown by type



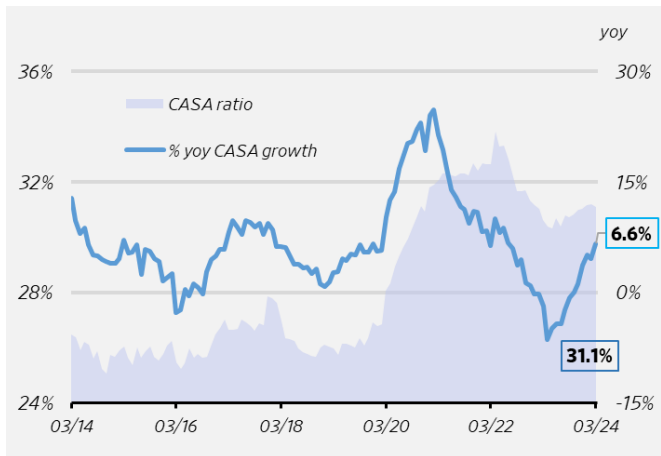
Source: BNM, MIDFR

Fig 21: Deposit breakdown by holder



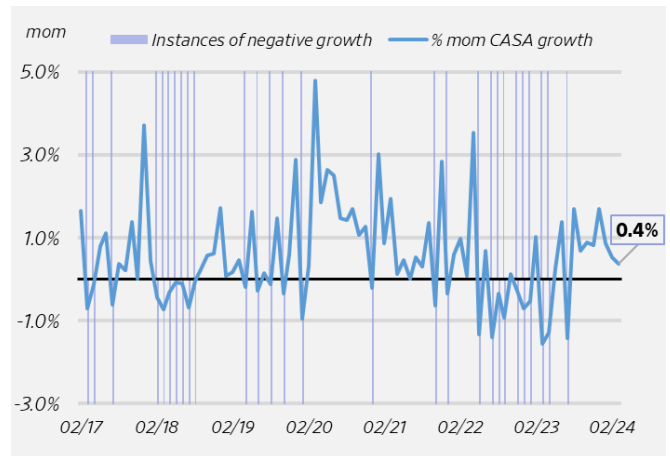
Source: BNM, MIDFR

Fig 22: CASA ratio and yoy growth



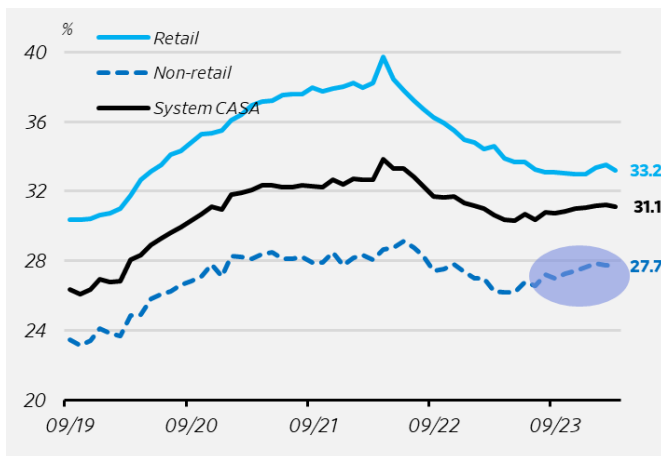
Source: BNM, MIDFR

Fig 23: mom CASA growth



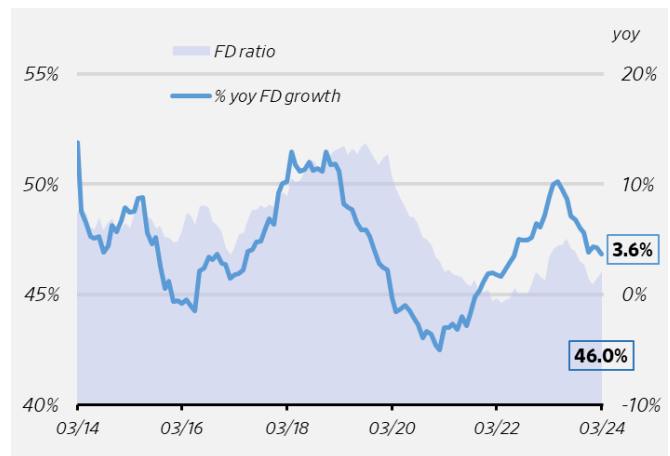
Source: BNM, MIDFR

Fig 24: CASA ratio by holder



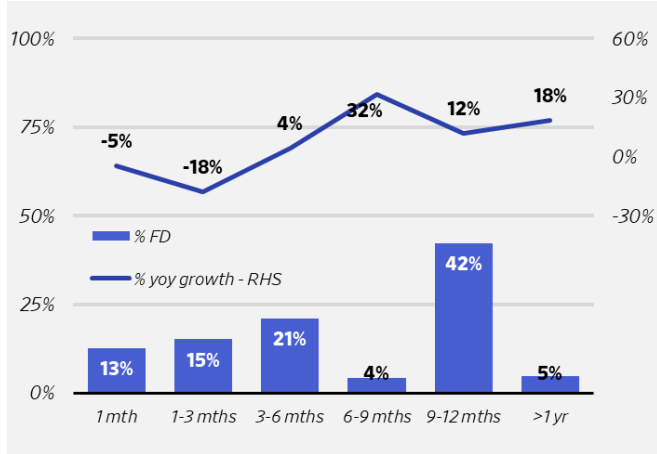
Source: BNM, MIDFR

Fig 25: FD ratio and yoy growth



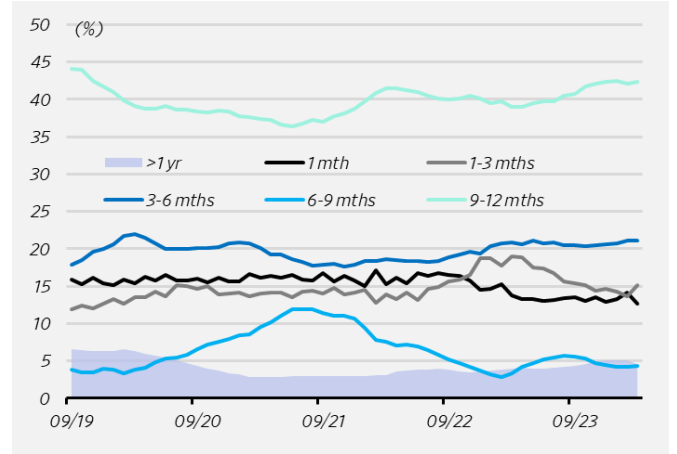
Source: BNM, MIDFR

Fig 26: FD by maturity brackets and yoy growth



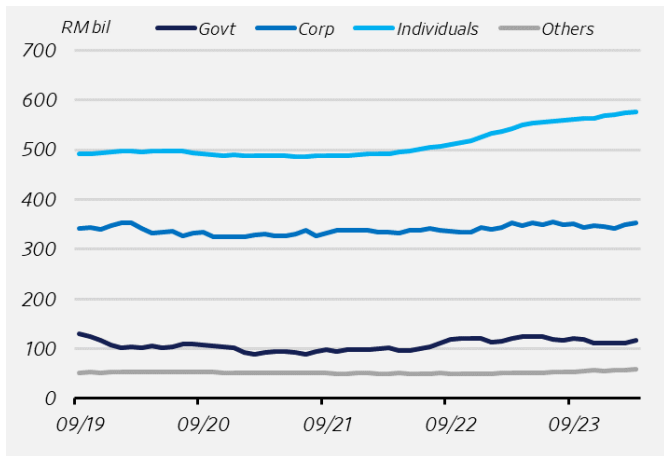
Source: BNM, MIDFR

Fig 27: FD by maturity brackets (% Proportion)



Source: BNM, MIDFR

Fig 28: FD by depositor

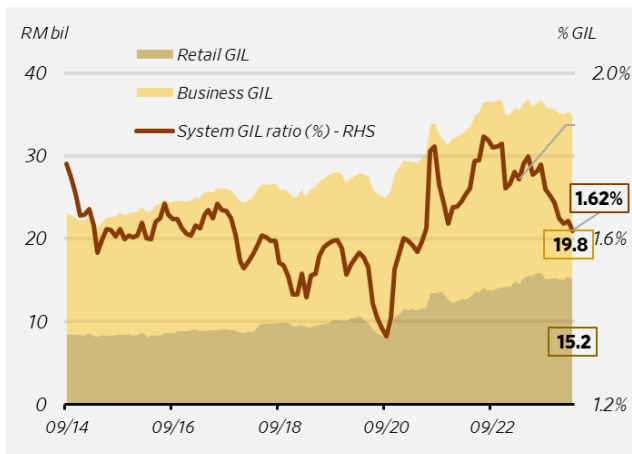


Source: BNM, MIDFR

D. ASSET QUALITY & PROVISIONING

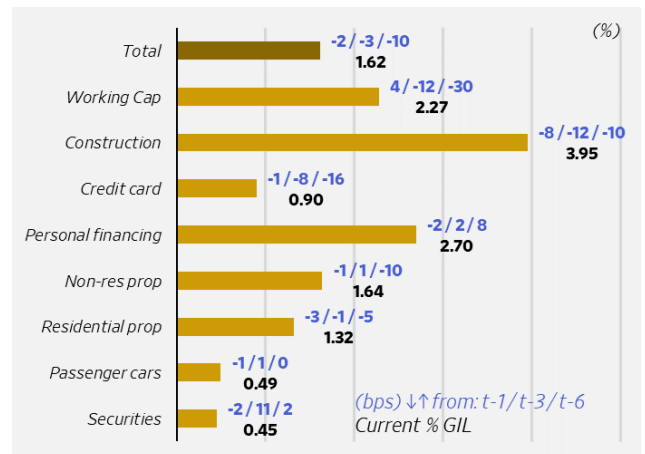
Heatmaps visible here: [\(link\)](#)

Fig 29: System gross impaired loans



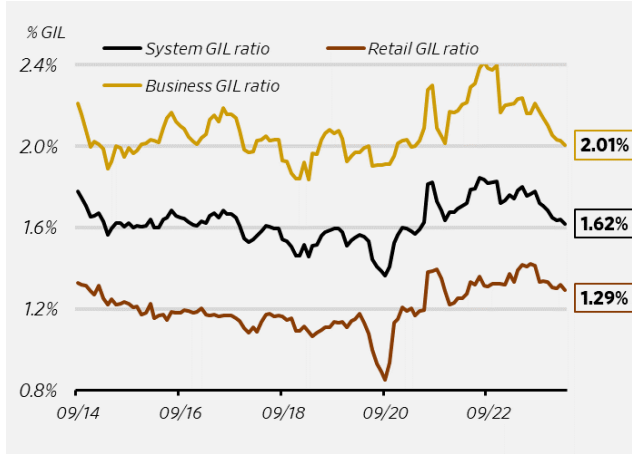
Source: BNM, MIDFR

Fig 30: Segmental GIL ratio changes



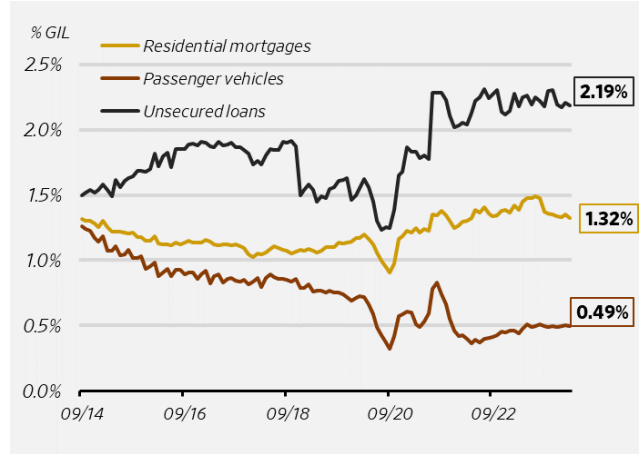
Source: BNM, MIDFR

Fig 31: System, Retail, Business GIL ratios



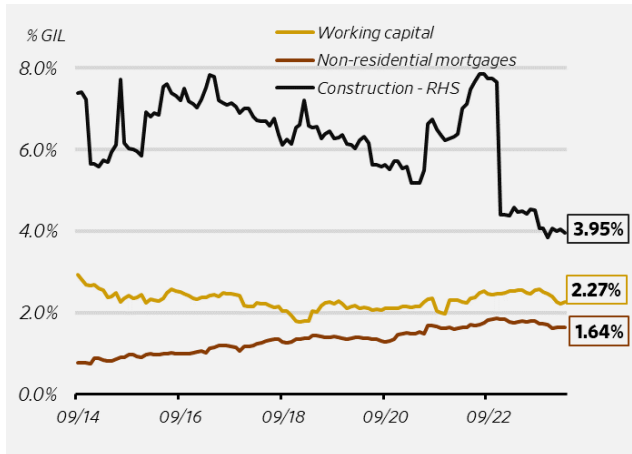
Source: BNM, MIDFR

Fig 32: Retail GIL ratios



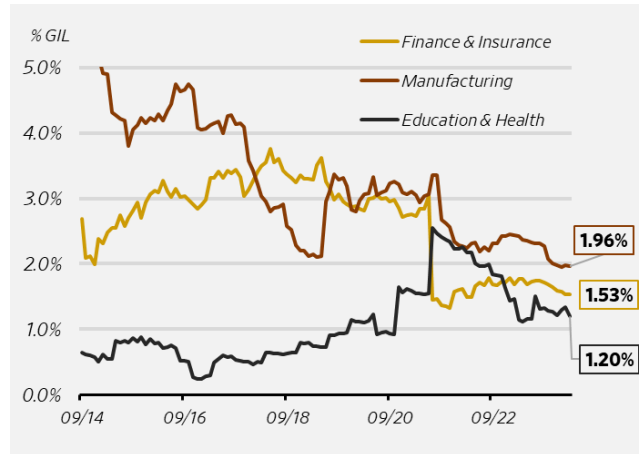
Source: BNM, MIDFR

Fig 33: Business GIL ratios



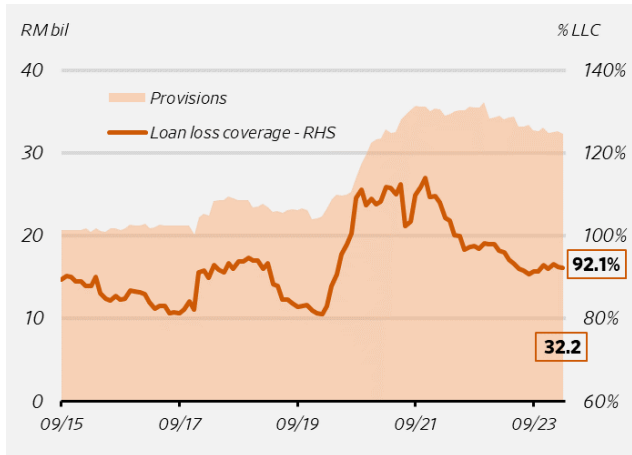
Source: BNM, MIDFR

Fig 34: GIL ratios of other sectors



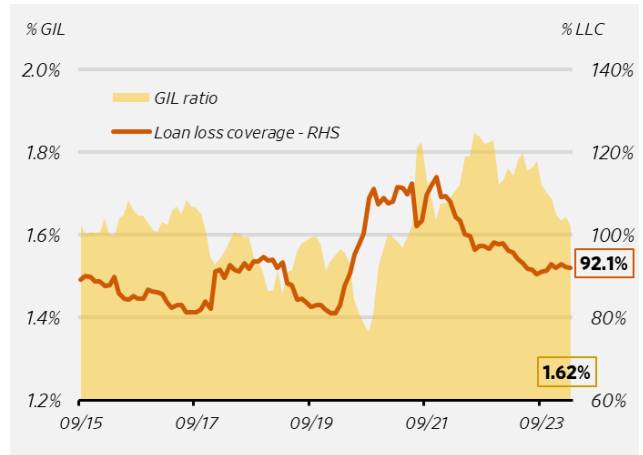
Source: BNM, MIDFR

Fig 35: Provisions & loan loss coverage



Source: BNM, MIDFR

Fig 36: LLC & GIL ratio relationship

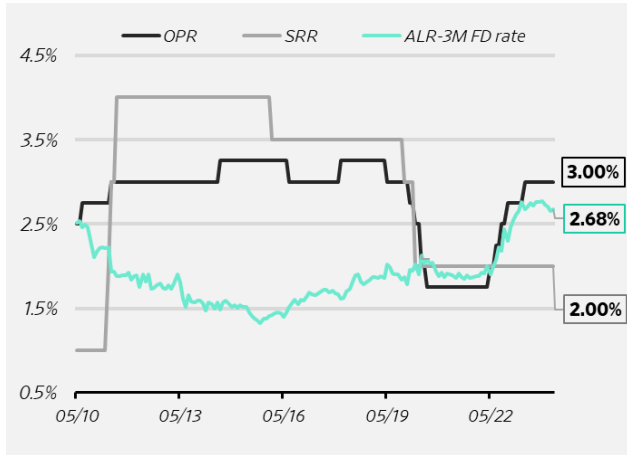


Source: BNM, MIDFR

E. INTEREST SPREAD AND CAPITAL

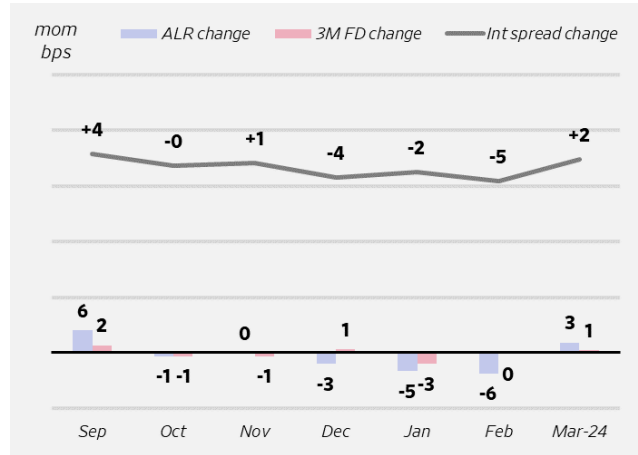
Heatmaps visible here: [\(link\)](#)

Fig 37: Interest spread, OPR, SRR



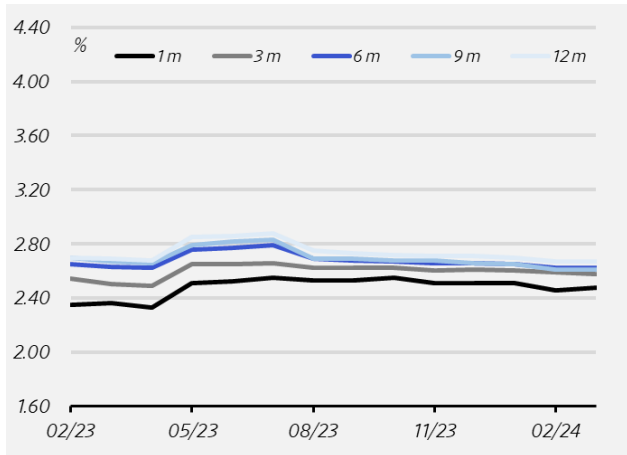
Source: BNM, MIDFR

Fig 38: mom Changes in Interest spreads



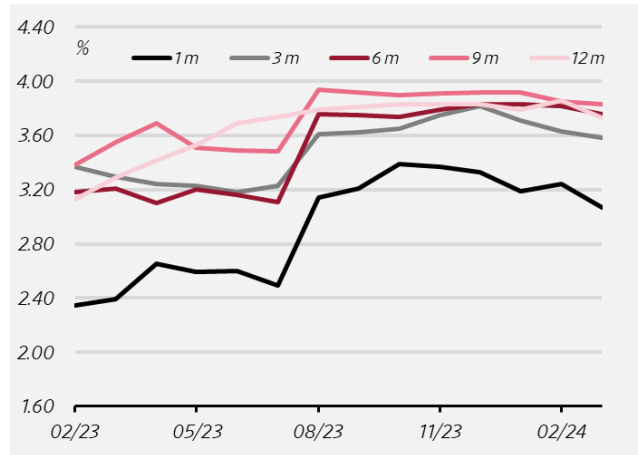
Source: BNM, MIDFR

Fig 39: Weighted avg Conv. FD rates by bracket



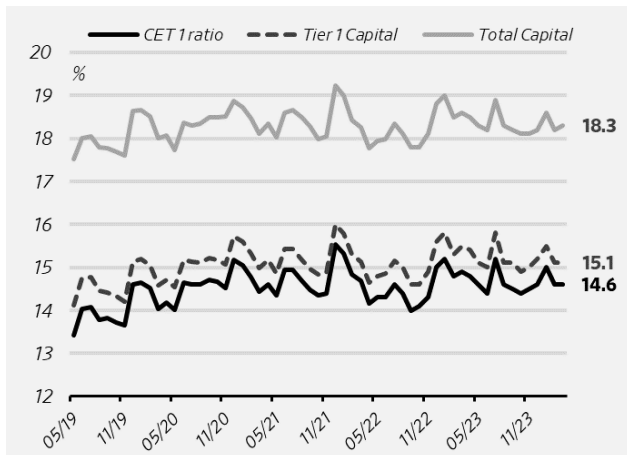
Source: BNM, MIDFR

Fig 40: Weighted avg Isl. FD rates by bracket



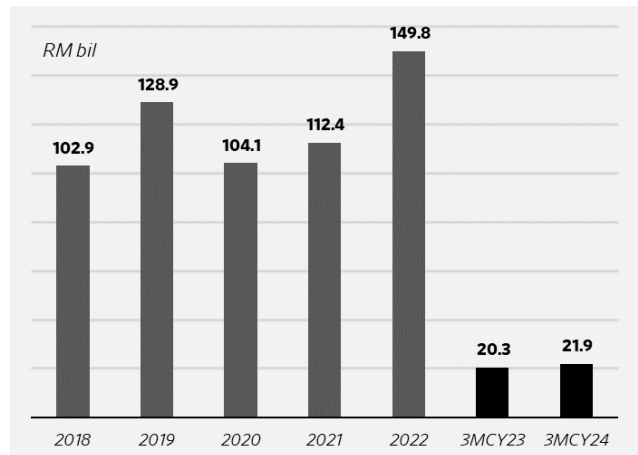
Source: BNM, MIDFR

Fig 41: Capital ratios



Source: BNM, MIDFR

Fig 42: Bond/Sukuk issuances

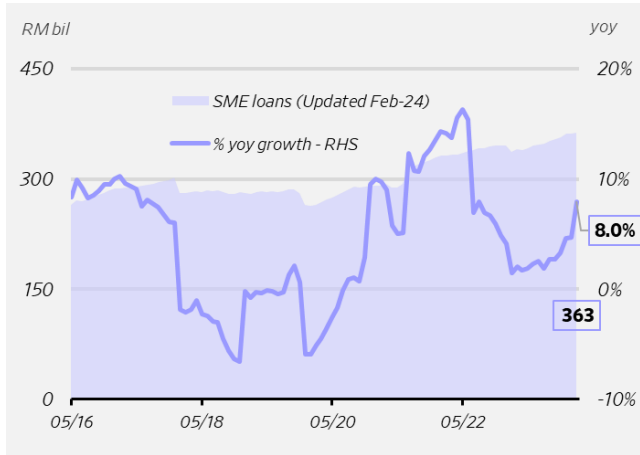


Source: BNM, MIDFR

F. SME DATA

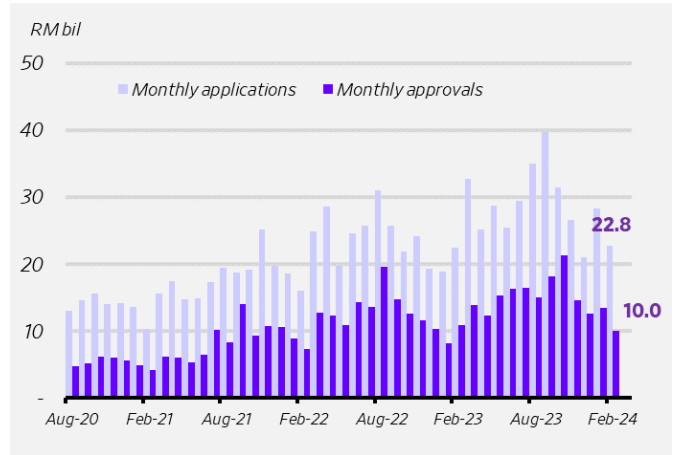
Heatmaps visible here: [\(link\)](#)

Fig 43: SME loans



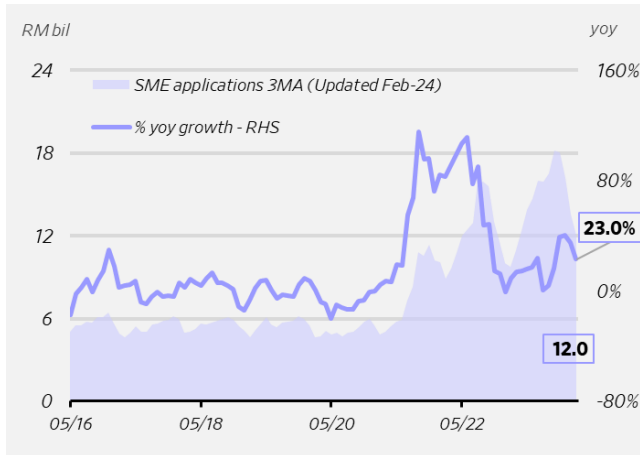
Source: BNM, MIDFR

Fig 44: SME Monthly leading indicators



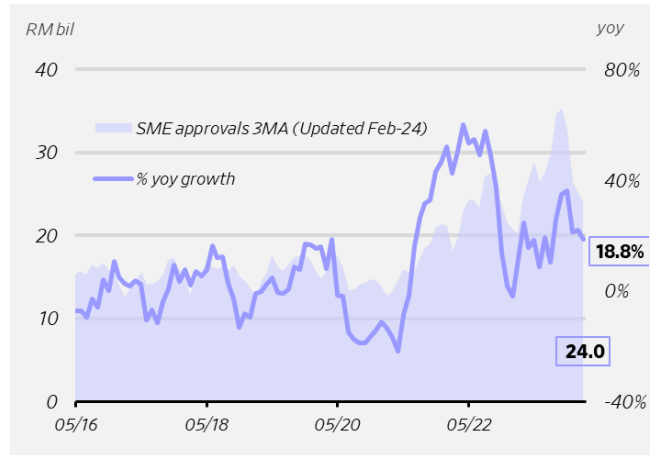
Source: BNM, MIDFR

Fig 45: SME applications (3-mth-average)



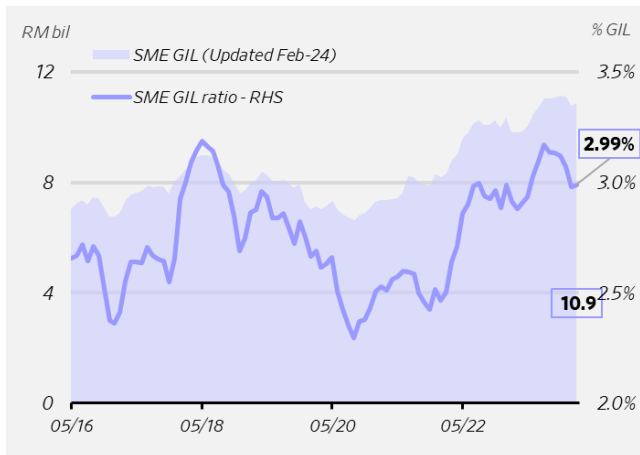
Source: BNM, MIDFR

Fig 46: SME approvals (3-mth-average)



Source: BNM, MIDFR

Fig 47: SME GILs



Source: BNM, MIDFR

G. SERIES OF VISUALISATION TABLES

Fig 48: System loans

		Total loans (RM tr)	Growth (% yoy)	Growth (% mom)	Retail			Business		
					Growth (% yoy)	Growth (% mom)	% of total	Growth (% yoy)	Growth (% mom)	% of total
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
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

Source: BNM, MIDFR

Fig 49: yoy Loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
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

Source: BNM, MIDFR

Fig 50: mom Loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
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

Source: BNM, MIDFR

Fig 51: Loan applications & approvals (3MA)

	Applied (3MA) (RM b)	Growth (% yoy)	Growth (% mom)	Approved (3MA) (RM b)	Growth (% yoy)	Growth (% mom)
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
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
Feb-24	112.1	17.2	-4.5	54.5	13.0	-7.7
Mar-24	111.1	1.5	-0.9	54.9	-0.2	0.6

Source: BNM, MIDFR

Fig 52: Loan approval rates

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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	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
Feb-24	45.5	44.5	46.6	43.9
Mar-24	52.0	43.4	62.9	-

*SME data until Feb-24

Source: BNM, MIDFR

Fig 53: yoy Loan application growth (3MA) by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
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

Source: BNM, MIDFR

Fig 54: yoy Loan approval growth (3MA) by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
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
Feb-24	3	13	-2	15	20	38	46
Mar-24	-6	2	3	-5	20	-5	9

Source: BNM, MIDFR

Fig 55: System deposits

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
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
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

Source: BNM, MIDFR

Fig 56: CASA & FD ratios

	CASA (RM b)	Growth (% yoy)	Growth (% mom)	CASA ratio (%)	FD (RM b)	Growth (% yoy)	Growth (% mom)	FD ratio (%)
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
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

Source: BNM, MIDFR

Fig 57: Impaired loans and loan loss coverage

	Impaired loans (RM b)	Growth (% mom)	GIL ratio (%)	Total provisions (RM b)	LLC ratio (%)
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
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

Source: BNM, MIDFR

Fig 58: ALR, 3M-FD rates & Interest spreads

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
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

Source: BNM, MIDFR

Fig 59: SME loan data

	Total SME loans (RM b)	Growth (% yoy)	Growth (% mom)	As a % of industry loans	SME GIL ratio (%)
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
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
Jan-24	362	4.7	0.1	16.9	2.98
Feb-24	363	8.0	0.4	16.9	2.99

SME data until Feb-24

Source: BNM, MIDFR

Fig 60: SME applications & approvals (3MA)

	Applications			Applications		
	3MA (RM b)	Growth (% yoy)	Growth (% mom)	3MA (RM b)	Growth (% yoy)	Growth (% mom)
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
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
Jan-24	25.3	1.2	2.4	13.5	35.1	-16.3
Feb-24	24.0	0.7	-1.0	12.0	23.0	-11.4

SME data until Feb-24
Source: BNM, MIDFR

Income Statement	Balance Sheet	Valuations & Sector
Core NP – Core Net Profit	LCR – Liquidity Coverage ratio	ROE – Return on Equity
PPOP – Pre-Provisioning Operating Profit	L/D ratio – Loan/Deposit ratio	GGM – Gordon Growth Model
NII – Net Interest Income	CASA – Current & Savings accounts	P/BV – Price to Book Value
NIM – Net Interest Margin	FD – Fixed Deposits	BVPS – Book Value per Share
COF – Cost of Funds	GIL – Gross Impaired Loans	BNM – Bank Negara Malaysia
NOII – Non-Interest Income	NIL – Net Impaired Loans	OPR – Overnight Policy Rate
MTM – Mark to Market	LLC – Loan Loss Coverage	SRR – Statutory Reserve Requirement
CIR – Cost to Income Ratio	NCC – Net Credit Costs	SBR – Standardised Base Rate
OPEX – Operational Expenses	GCC – Gross Credit Costs	ALR – Average Lending Rate
	CET 1 – Common Equity Tier 1	

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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