

# BANKING

**Maintain POSITIVE**

## Jul-24 Banking Stats: Highest Monthly Applications Ever

### KEY INVESTMENT HIGHLIGHTS

- ▲ (1) Solid loan growth, (2) Strong showing from loan applications
- ▼ (1) ALR is starting to see compression, (2) CASA growth decline
- ▶ (1) Asset quality well contained, (2) Interest rates remain relatively stable
- **Maintain POSITIVE call: Solid, lasting fundamental outlook and excellent dividend yields – though be wary of near-term profit-taking exercises**

<b>Headed Where?</b>	A solid economic outlook and various government development projects are good for growth and earnings outlook.
<b>Strategy</b>	Be wary of possible profit-taking exercises in the near term. Regardless, a central catalyst the market will be looking for is either (1) Further elevation of dividend payouts, and (2) The banks' ability to sustain it.
<b>Core Themes</b>	<ol style="list-style-type: none"> <li>▲ Positive macroeconomic outlook and government projects drive credit growth.</li> <li>▲ Improved loan growth and forex volatility should continue benefiting NOII.</li> <li>▲ Dividend yields remain solid – with multiple banks actively pushing up the dividend payouts over time.</li> <li>▲ Improved liquidity environment from Fed rate cuts bode well for COF outlook – loan yield compression should remain reasonable in CY24.</li> <li>▶ Some valuations are stretched.</li> </ol>
<b>Side Themes</b>	<ol style="list-style-type: none"> <li>▶ GIL ratios may see some creep up, though for the most part harmless.</li> <li>▼ OPEX growth figures to remain high.</li> </ol>

▲ **Loan growth** +6.4%yoy / +0.1%mom  
*Impressive business loan growth continued to be a driver.*

- ▲ **Retail loans:** +7.7%yoy / +0.5%mom
  - No signs of letting up.
- ▲ **Business loans:** +5.0%yoy / -0.3%mom
  - Sequential month contraction likely due to chunky repayments.

▲ **Leading indicators**  
*A stellar month, posting the highest-ever number of applications – only Oct-23's volume comes close.*

- **Approval rate:** 52%.

▶ **Deposits** +4.8%yoy / -0.3%mom  
*Loan growth was outstripping deposit growth.*

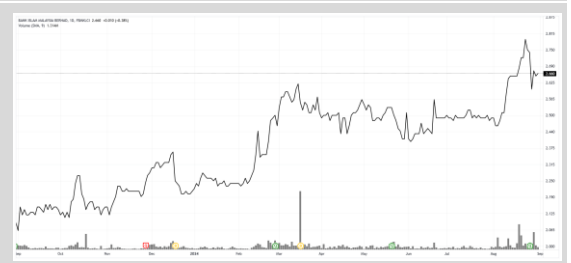
### COMPANY IN FOCUS

#### BIMB

Maintain **BUY** | Unchanged Target price: RM3.06  
 Price @ 30 August 2024: RM2.66

- Core beneficiary of civil servant rate hike (given large customer base exposure).
- Beneficiary of Gear uP initiative by MOF.
- Large chunk of clientele based outside central region, goes with recent economic corridor developments.

#### Share price chart

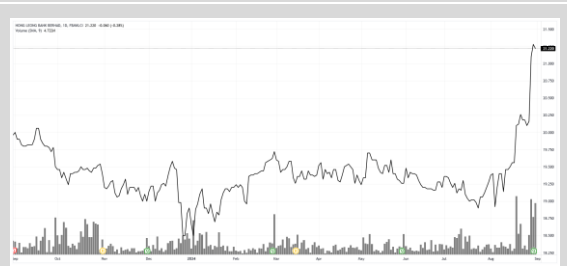


#### HL Bank

Maintain **BUY** | Unchanged Target price: RM22.76  
 Price @ 30 August 2024: RM21.22

- Dividend payout to improve over time.
- Lucrative BOCD exposure.
- To build up regional presence.

#### Share price chart



**Analyst**  
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- ▲ **FD growth: +2.8%yoy / +1.2%mom**
- ▼ **CASA growth: +6.4%yoy / -1.5%mom**
- **Loan/Deposit ratio: 91.6%.**
  - *This ratio was at its highest ever – but multiple banks seem confident in turning to the debt market to maintain the asset growth trend.*

► **GIL ratio 1.58% / -2bps mom**

**Flattish.**

- ▲ **Notable deteriorations, mom:** Personal financing +3bps
- ▼ **Notable improvements, mom:** Working cap -10bps, Residential property -2bps.

**Interest rates**

- ► **FD rates (Conv.):** Stable.
- ► **FD rates (Isl.):** Stable.
- ▼ **Lending rates:** ALR has declined for the second consecutive month.

**Have a look at:**

1. ▲ **A stellar month, reporting the highest-ever number of applications – only Oct-23's volume comes close.** Improvements were seen across the board, in both business and retail categories – interestingly, loan applications for “other purposes” showed one of the most dramatic increases.
2. ▲ **Debt financing is in.** Jul-24 saw RM14.9m worth of new bond/sukuk issues – the largest figure since Oct-23. Most fall into the “Finance, Insurance, Real Estate and Business Services” category – in line with what banks have been guiding for this quarter. It seems that banks are taking advantage of the improved liquidity situation stemming from improved capital inflows, supplemented by a high likelihood of Fed rate cut.
3. ▼ **ALR is being compressed.** This has been the second consecutive month of compression: altogether -5bps since May. Residential mortgages and SME segments remain highly competitive – though banks cite that “trendier” corporate segments (such as datacentre or construction plays) remain lucrative.

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

**Top downside risks include:**

1. Weak economic activity causes a slowdown in credit growth.
2. Asset quality issues resurface.
3. Adverse bond yield movements affectively non-fee NOII.

**Top Picks: BIMB (BUY, TP: RM3.06) and HL Bank (BUY, TP: RM22.76).**

## PEER COMPARISON TABLE

Bank	Rec	Share P*	Target P	Upside	Mkt Cap	P/E (x)		P/B (x)		ROE (%)		Div Yield (%)	
		(RM)	(RM)	(%)	(RM b)	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
MAY	BUY	10.78	12.11	12.3	130.0	13.4	12.4	1.3	1.3	10.1	10.6	6.0	6.4
CIMB	BUY	8.20	9.11	11.1	87.7	11.7	10.9	1.2	1.2	10.7	11.0	5.8	4.8
PBK	BUY	4.82	5.16	7.1	93.6	13.8	13.1	1.6	1.5	12.0	12.0	3.8	4.1
RHB	BUY	6.13	6.60	7.7	26.2	9.2	8.6	0.8	0.8	9.1	9.3	6.4	6.7
HLBK	BUY	21.22	22.76	7.3	43.5	9.7	9.0	1.1	1.0	11.6	11.6	3.6	3.9
HLFG	BUY	18.70	23.13	23.7	21.2	6.5	6.0	0.6	0.6	10.4	10.4	3.1	3.3
AMMB	NEUTRAL	5.20	5.18	-0.4	17.2	9.4	9.0	0.8	0.8	9.2	9.1	4.2	5.0
BIMB	BUY	2.66	3.06	15.0	6.0	10.0	9.4	0.8	0.8	8.0	8.3	5.7	5.8
AFFIN	SELL	3.28	1.82	-44.6	7.6	15.3	14.6	0.7	0.6	4.4	4.4	1.9	2.0
ABMB	NEUTRAL	4.31	4.64	7.5	6.7	9.1	8.5	0.9	0.8	9.8	9.8	4.9	5.3
Simple avg (ex-HLFG)						11.3	10.6	1.0	1.0	9.4	9.6	4.7	4.9
Weighted avg (ex-HLFG)						12.2	11.4	1.3	1.2	10.6	10.8	5.1	5.1

\*Closing prices from 30 Aug 2024.

^AMMB, ABMB, HLBK &amp; HLFG uses FY25F/26F values.

Source: BNM, MIDFR

## A. SYSTEM LOAN & CONSTITUENTS

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

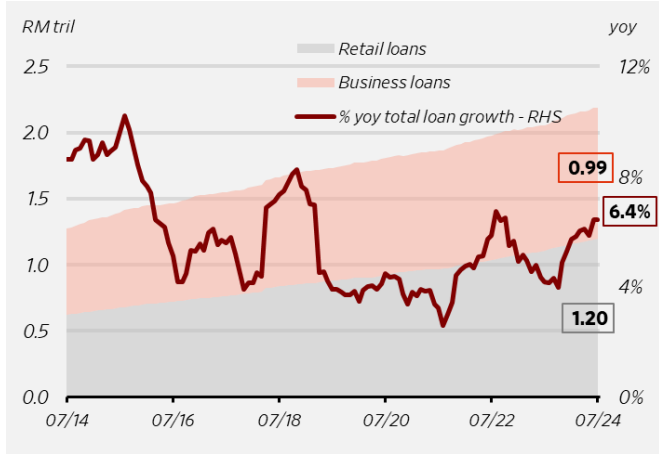
Fig 1: Core Figures & Forecasts

	yoy Growth rates (%)				YTD Ann. (%)	mom Growth rates (%)			
	Jul-24	Jun-24	May-24	Apr-24		Jul-24	Jun-24	May-24	Apr-24
<b>Total loans</b>	6.4	6.5	5.9	6.1	4.6	0.1	0.8	0.3	0.1
Retail loans	7.7	7.8	7.9	7.9	6.5	0.5	0.5	0.5	0.5
Business loans	5.0	4.9	3.5	4.0	2.3	-0.3	1.2	-0.0	-0.4
SME*	-	9.4	8.9	9.4	9.3	-	1.6	0.4	0.2
<b>Deposits + repo</b>	4.7	4.9	4.9	5.0	1.1	-0.6	-0.0	0.5	-0.5
<b>Total deposits</b>	4.8	4.7	5.0	5.1	1.7	-0.3	-0.2	0.3	-0.3
CASA	6.4	6.5	7.4	6.7	0.7	-1.5	0.6	0.9	-1.2
FD	2.8	1.8	2.6	3.4	5.3	1.2	-0.7	0.0	0.2
Total provisions	-4.4	-3.7	-6.7	-5.4	-3.5	-0.5	-0.4	-1.0	0.4
Total GIL	-4.7	-3.3	-4.3	-2.9	-2.9	-0.8	-1.2	0.1	0.7
<b>Leading indicators</b>									
3MA applications	7	6	0	-4	0	8	-0	11	-1
Retail	7	5	1	-5	10	6	-1	11	-1
Business	8	6	-1	-4	3	10	1	10	-0
3MA approvals	6	5	-1	-5	0	8	1	13	1
Retail	6	4	-2	-7	3	6	1	12	1
Business	6	7	0	-2	-23	10	1	14	1
	Jul-24	Jun-24	May-24	Apr-24	Jul-23	Period	Forecast	Formerly	
Interest spread	2.67	2.65	2.67	2.68	2.75	Loan growth	CY24 6.0-6.5%		
Loan approval rate	52	55	50	52	53	GDP	CY24 4.7%		
SME approval rate*	-	56	54	52	56	OPR	CY24 3.00%		
GIL ratio	1.58	1.59	1.63	1.63	1.76				
SME GIL ratio*	-	3.00	3.05	3.04	3.09				
LLC ratio	92	92	91	92	92				
CASA ratio	30.9	31.2	31.0	30.8	30.4				
Loan/Deposit ratio	91.6	91.2	90.3	90.3	90.1				
Liquidity coverage ratio	151	155	150	152	155				
CET 1	14.8	14.3	14.4	14.5	15.2				
Tier 1 Capital	15.4	14.8	14.9	15.0	15.8				
Total Capital	18.5	17.9	18.1	18.1	18.9				

\*SME data until Jun-24

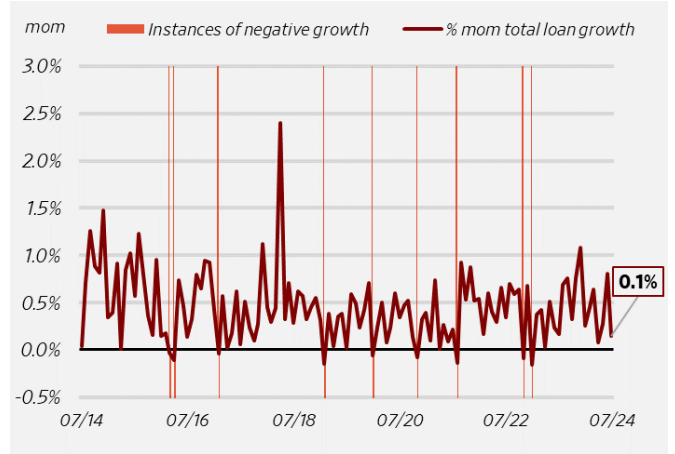
Source: BNM, MIDFR

**Fig 2: yoy System loans**



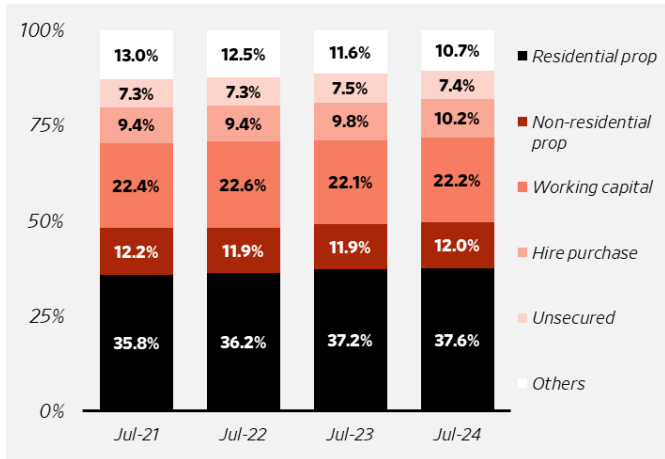
Source: BNM, MIDFR

**Fig 3: mom System loans**



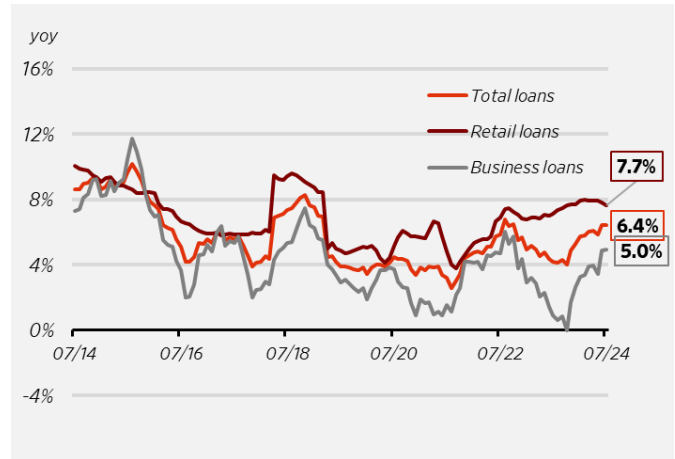
Source: BNM, MIDFR

**Fig 4: Loan breakdown by type**



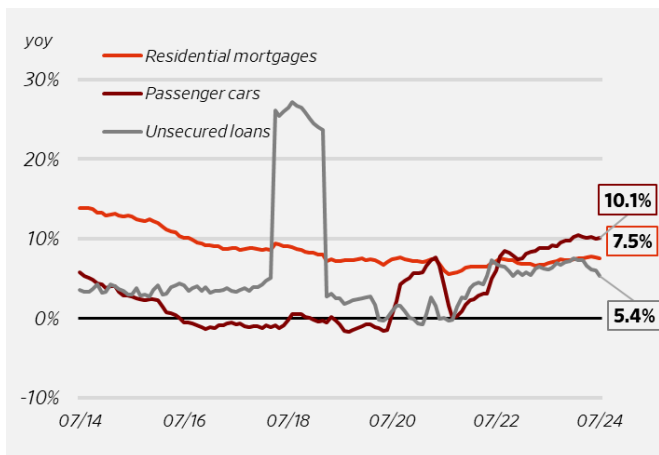
Source: BNM, MIDFR

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



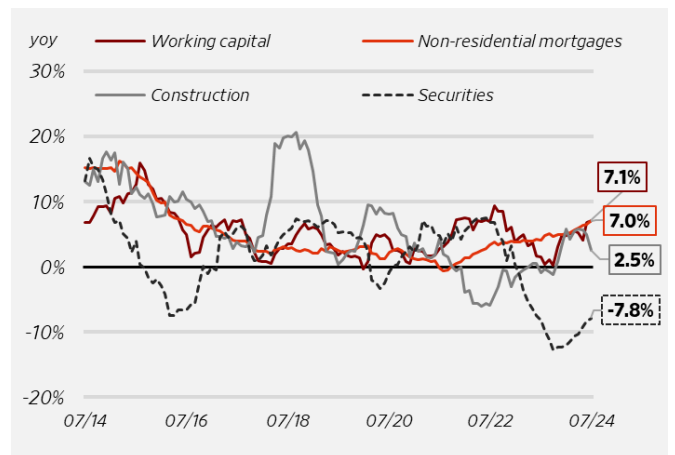
Source: BNM, MIDFR

**Fig 6: Retail loan constituents**



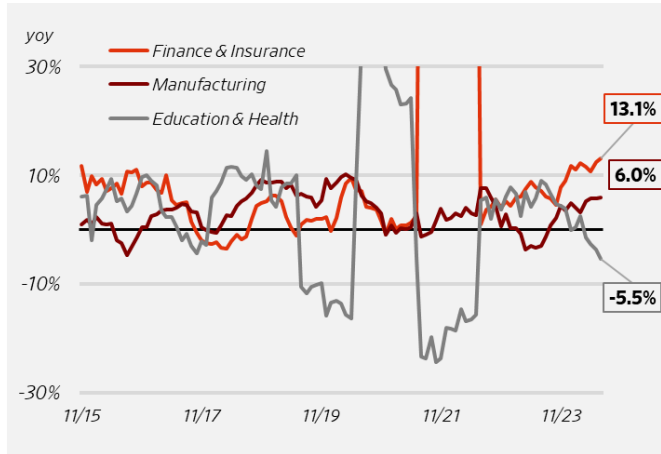
Source: BNM, MIDFR

**Fig 7: Business loan constituents**



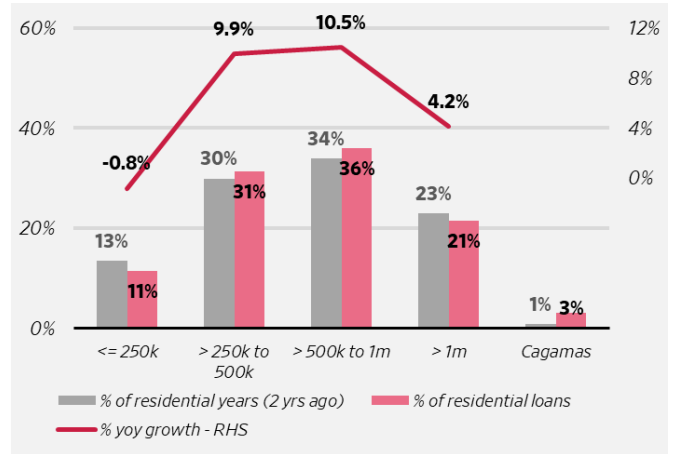
Source: BNM, MIDFR

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



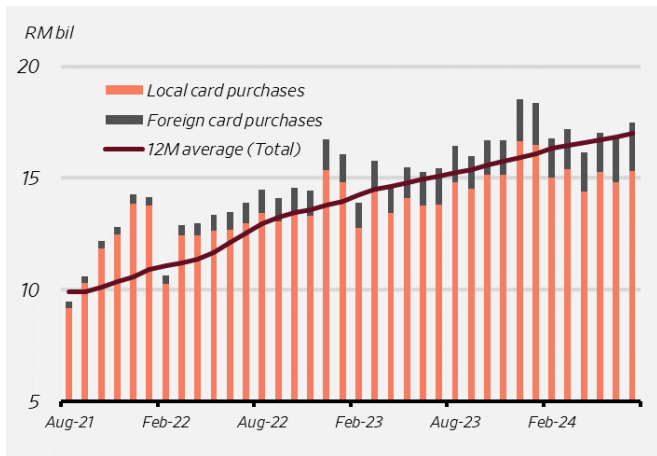
Source: BNM, MIDFR

**Fig 9: Residential loans by segment**



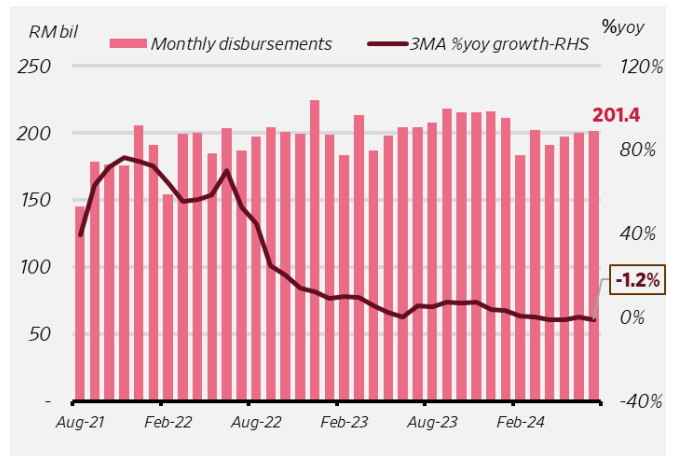
Source: BNM, MIDFR

**Fig 10: Credit card purchases**



Source: BNM, MIDFR

**Fig 11: Monthly loan disbursements**

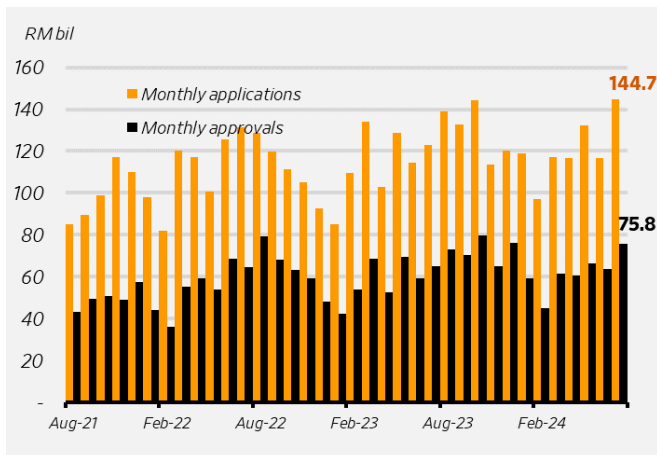


Source: BNM, MIDFR

## B. LEADING INDICATOR TRENDS

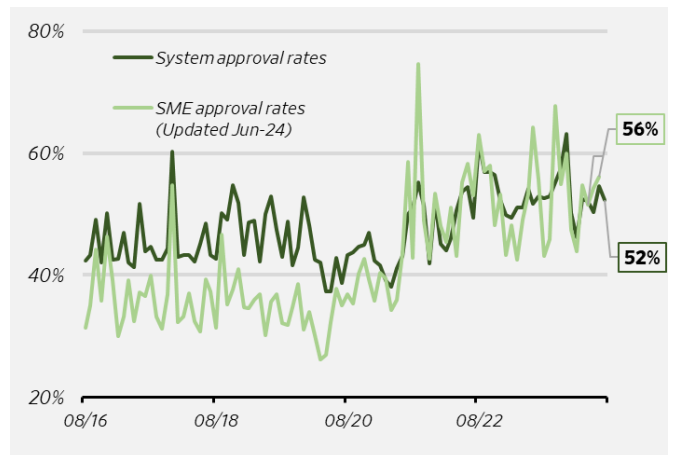
Heatmaps visible here: [\(link\)](#)

**Fig 12: Monthly applications & approvals**



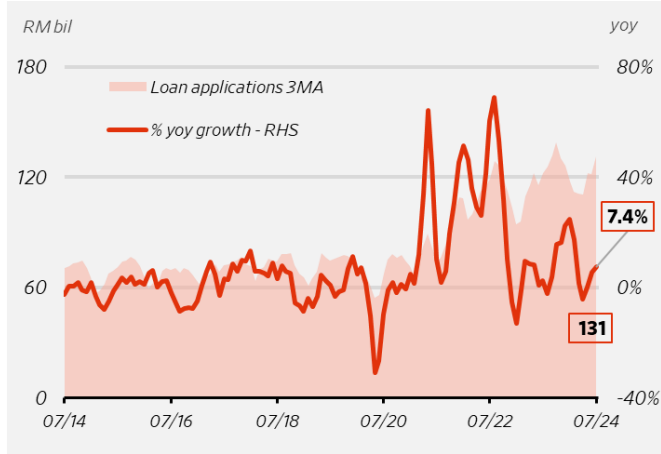
Source: BNM, MIDFR

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



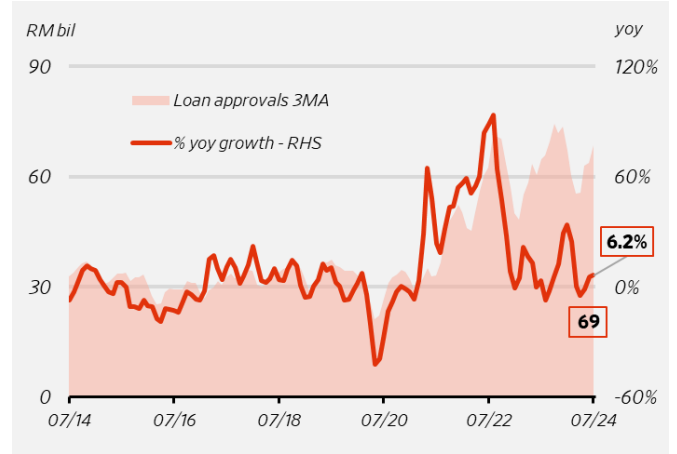
Source: BNM, MIDFR

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



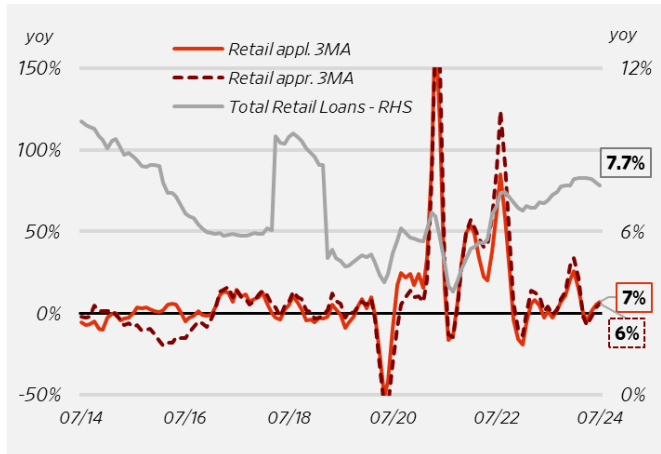
Source: BNM, MIDFR

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



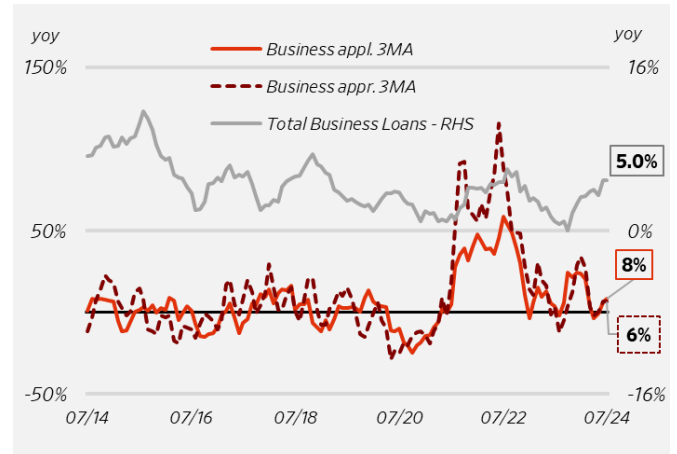
Source: BNM, MIDFR

**Fig 16: Retail loan indicators**



Source: BNM, MIDFR

**Fig 17: Business loan indicators**

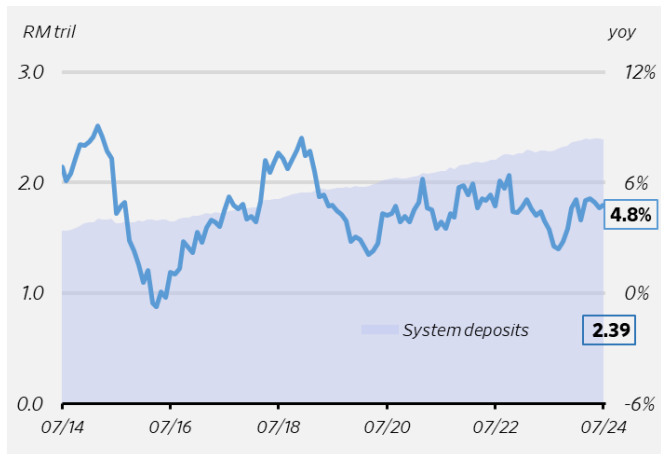


Source: BNM, MIDFR

## C. DEPOSITS & LIQUIDITY

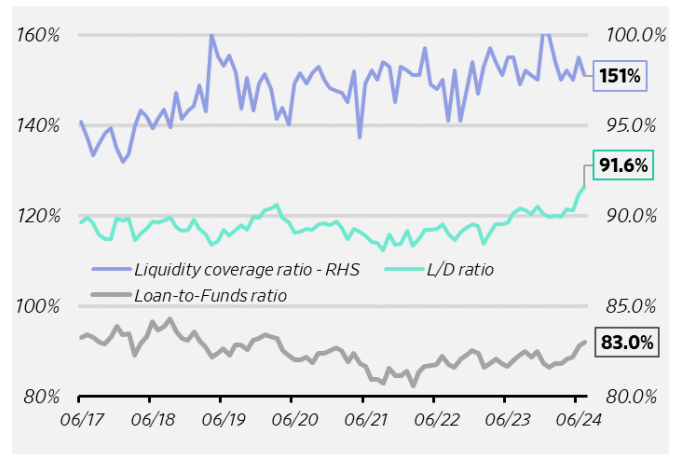
Heatmaps visible here: [\(link\)](#)

**Fig 18: yoy System deposits**



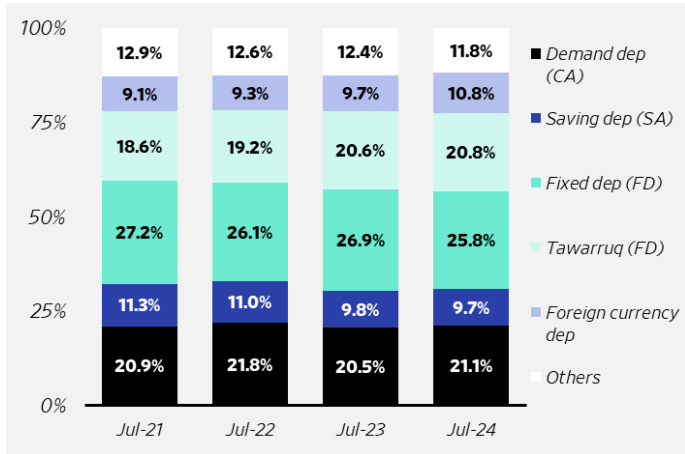
Source: BNM, MIDFR

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



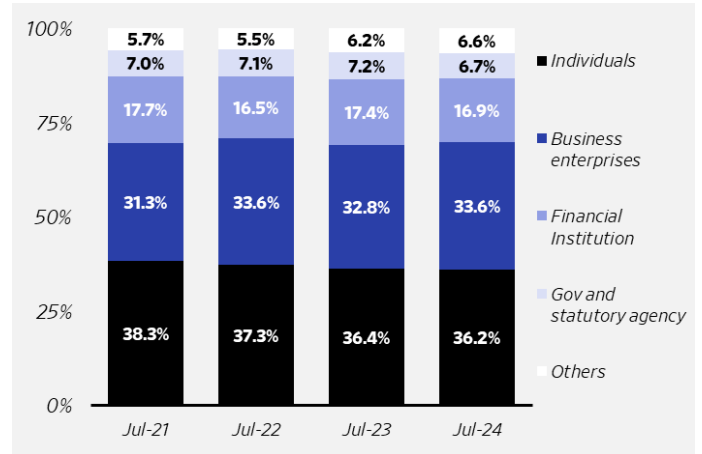
Source: BNM, MIDFR

**Fig 20: Deposit breakdown by type**



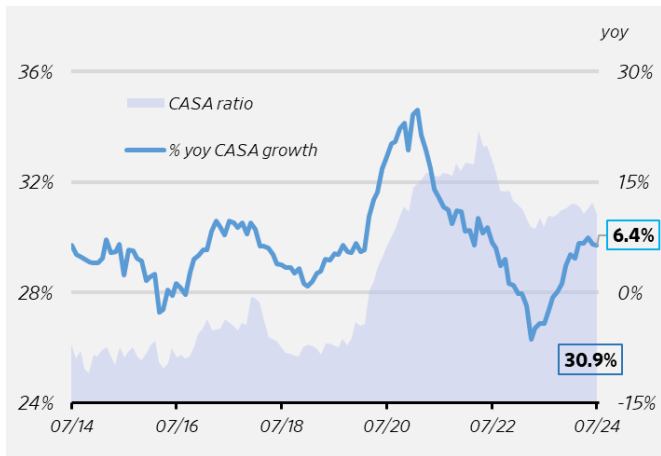
Source: BNM, MIDFR

**Fig 21: Deposit breakdown by holder**



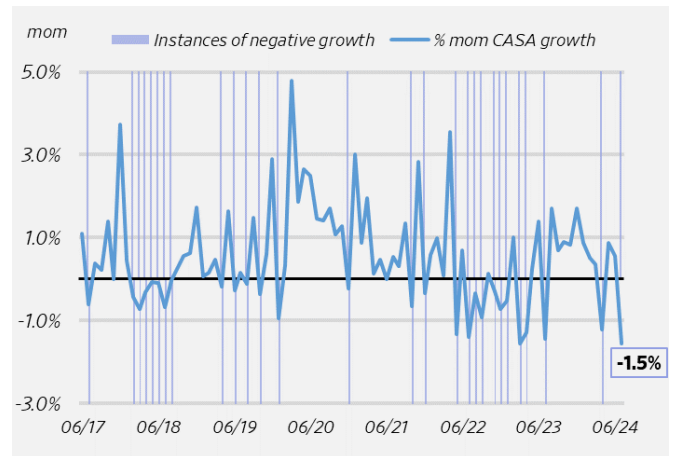
Source: BNM, MIDFR

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



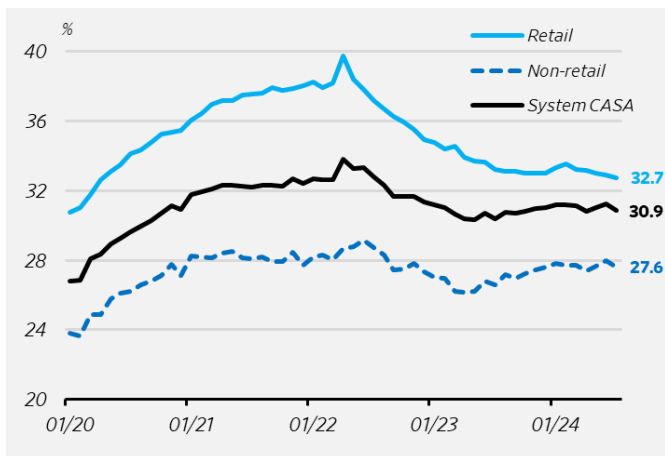
Source: BNM, MIDFR

**Fig 23: mom CASA growth**



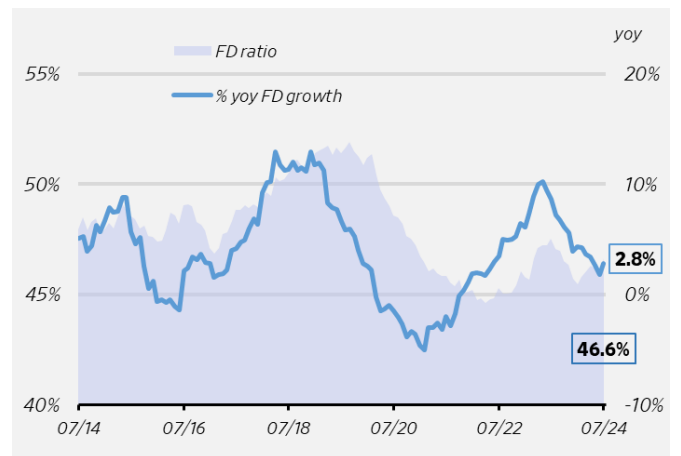
Source: BNM, MIDFR

**Fig 24: CASA ratio by holder**



Source: BNM, MIDFR

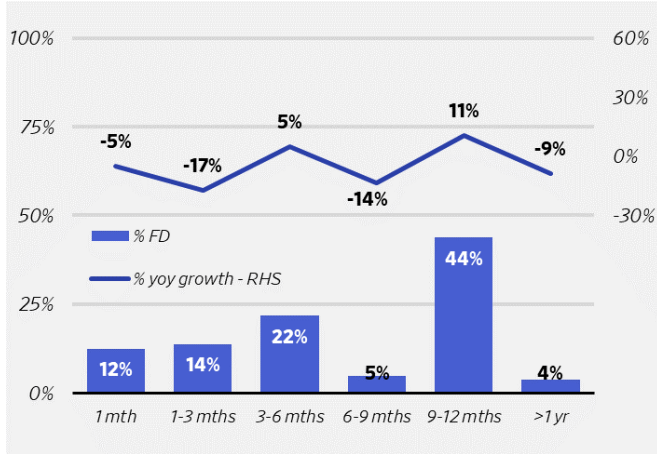
**Fig 25: FD ratio and yoy growth**



Source: BNM, MIDFR

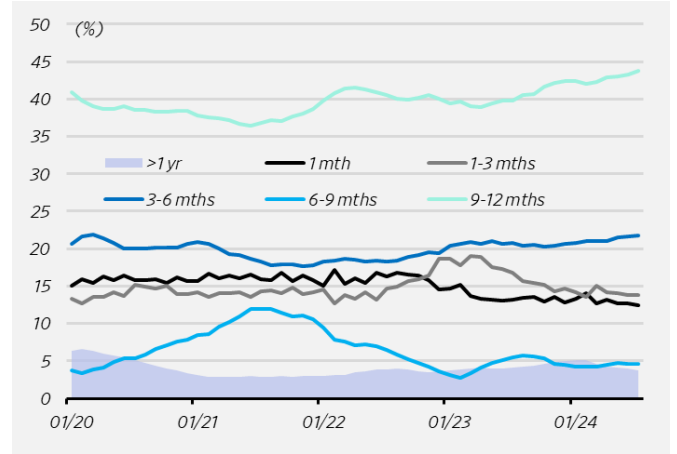


**Fig 26: FD by maturity brackets and yoy growth**



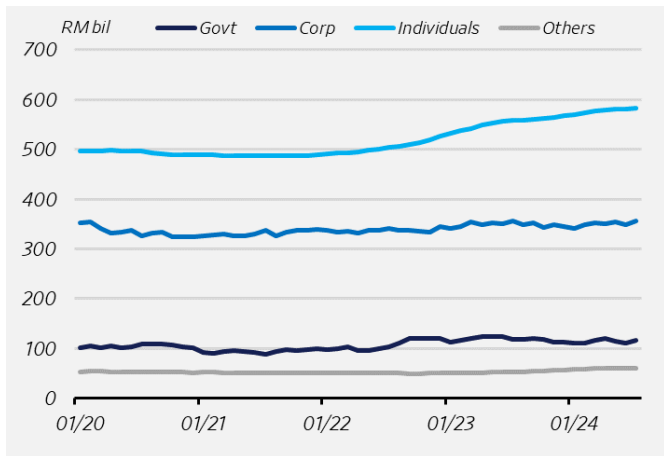
Source: BNM, MIDFR

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



Source: BNM, MIDFR

**Fig 28: FD by depositor**

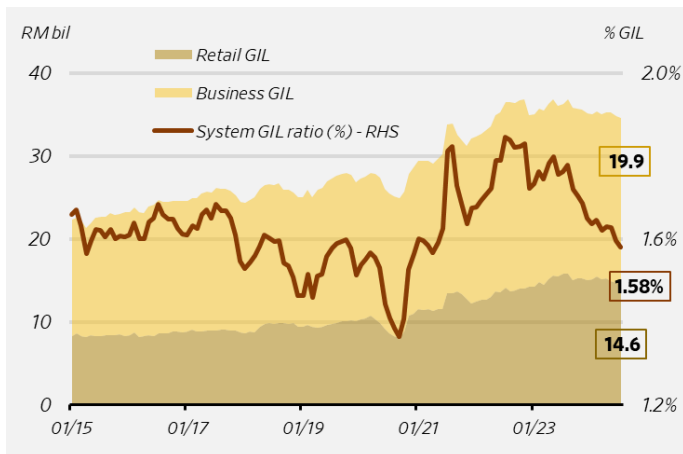


Source: BNM, MIDFR

## D. ASSET QUALITY & PROVISIONING

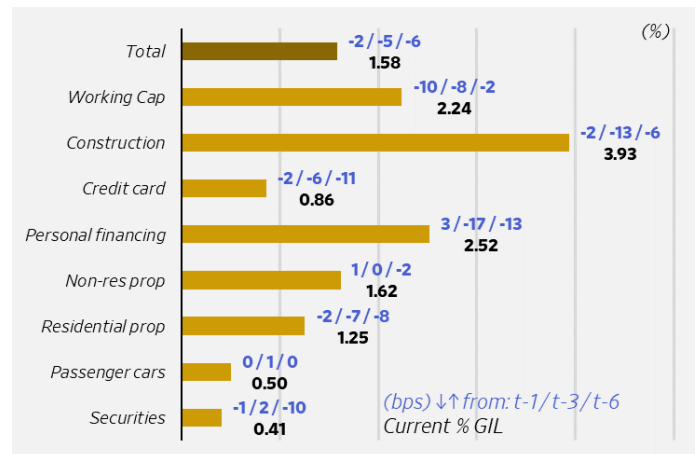
Heatmaps visible here: [\(link\)](#)

**Fig 29: System gross impaired loans**



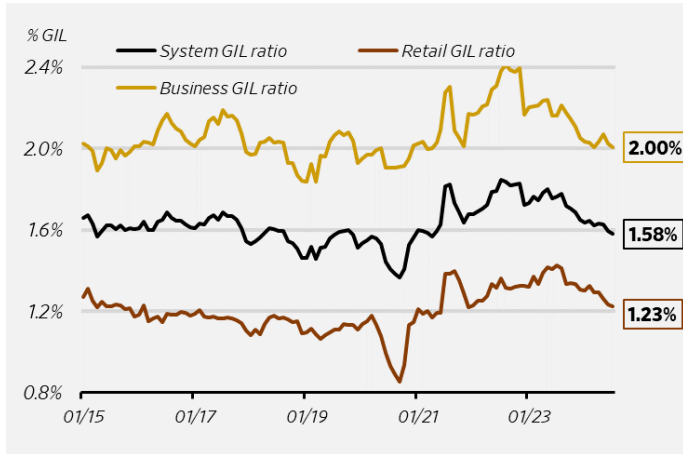
Source: BNM, MIDFR

**Fig 30: Segmental GIL ratio changes**



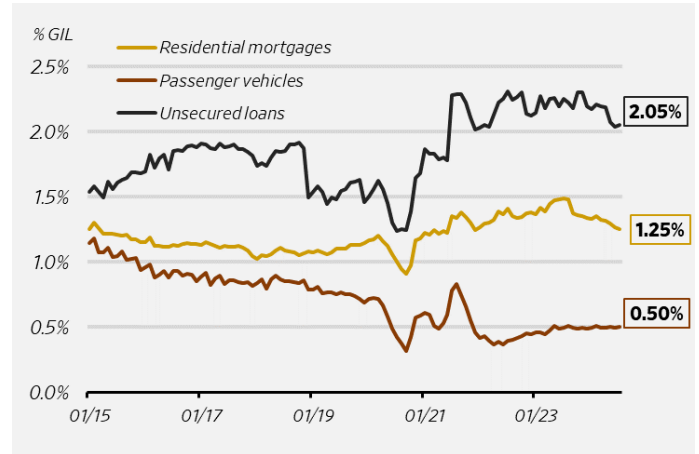
Source: BNM, MIDFR

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



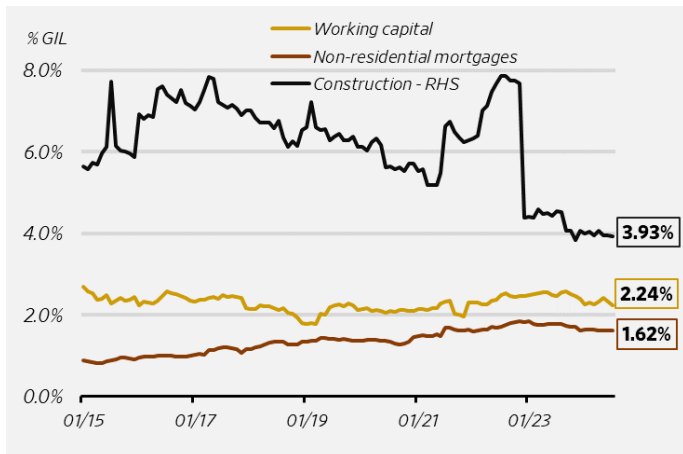
Source: BNM, MIDFR

**Fig 32: Retail GIL ratios**



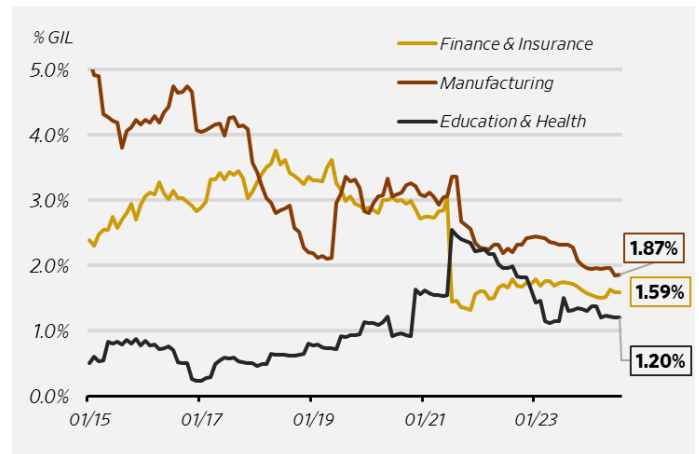
Source: BNM, MIDFR

**Fig 33: Business GIL ratios**



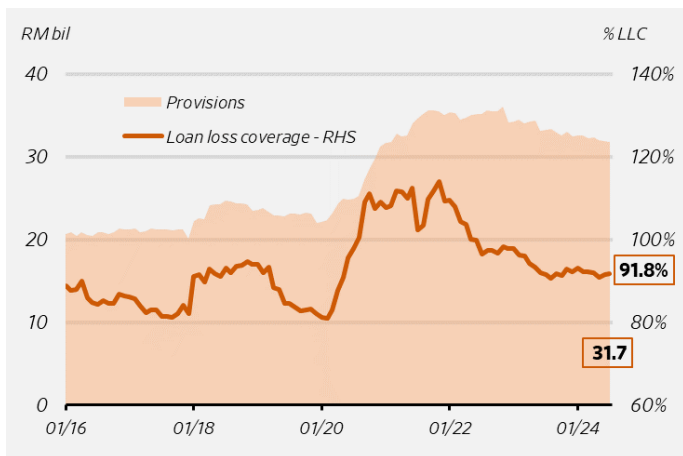
Source: BNM, MIDFR

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



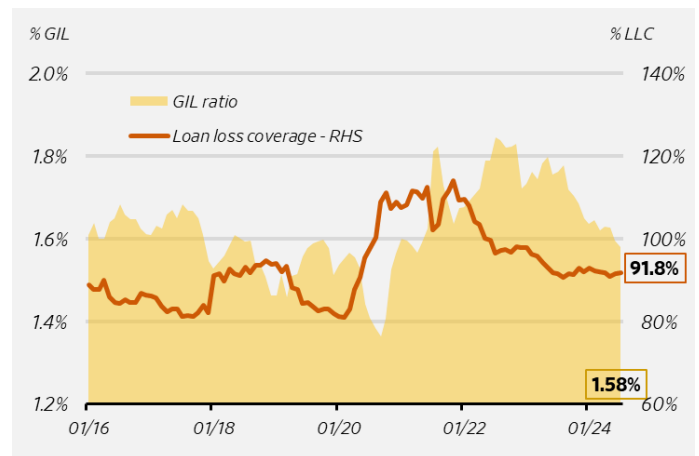
Source: BNM, MIDFR

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



Source: BNM, MIDFR

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

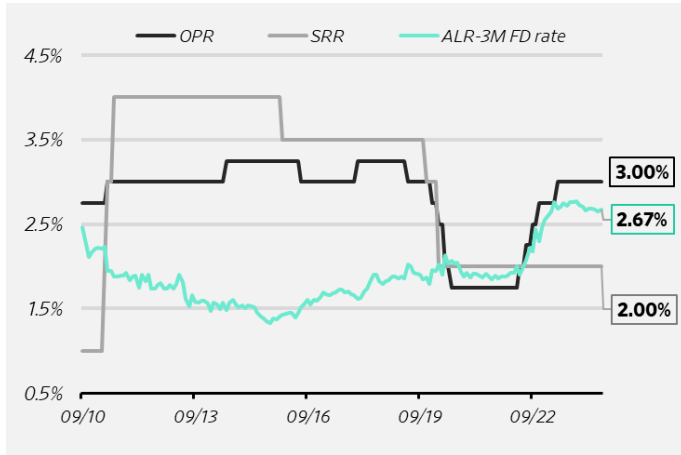


Source: BNM, MIDFR

## E. INTEREST SPREAD AND CAPITAL

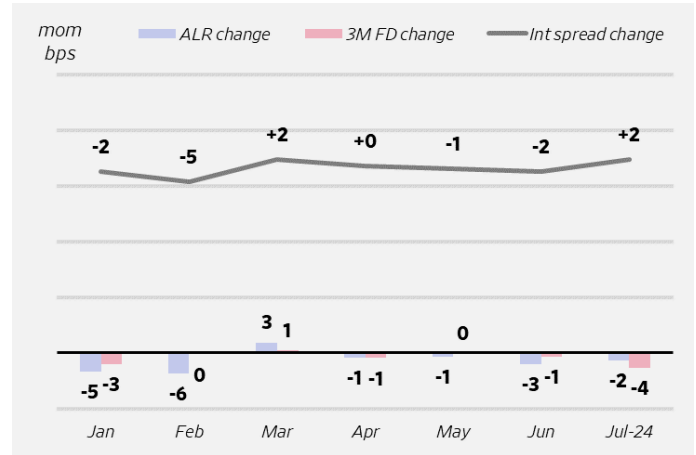
Heatmaps visible here: [\(link\)](#)

**Fig 37: Interest spread, OPR, SRR**



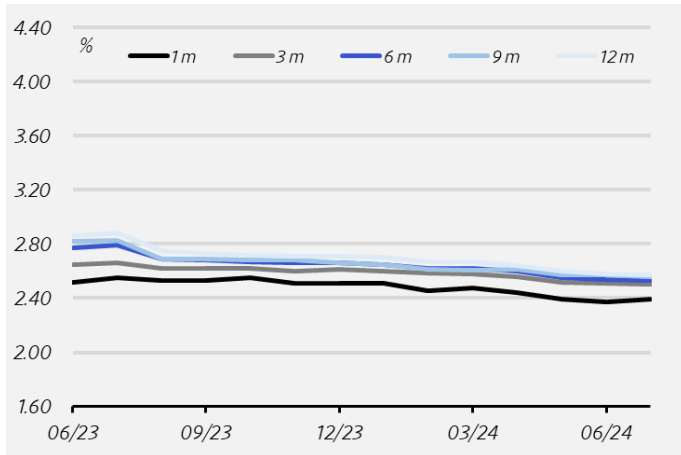
Source: BNM, MIDFR

**Fig 38: mom Changes in Interest spreads**



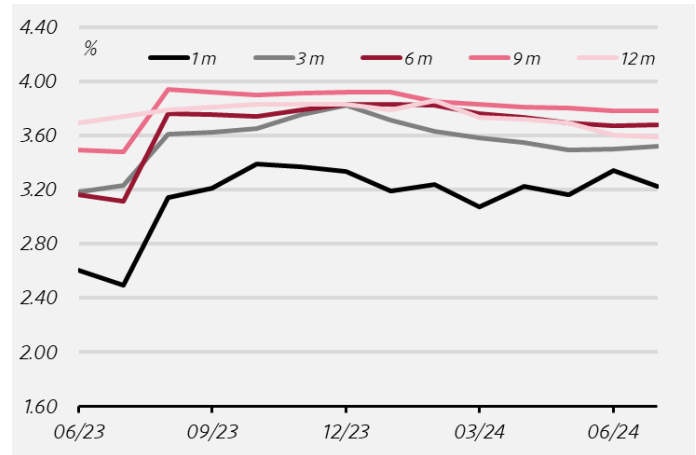
Source: BNM, MIDFR

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



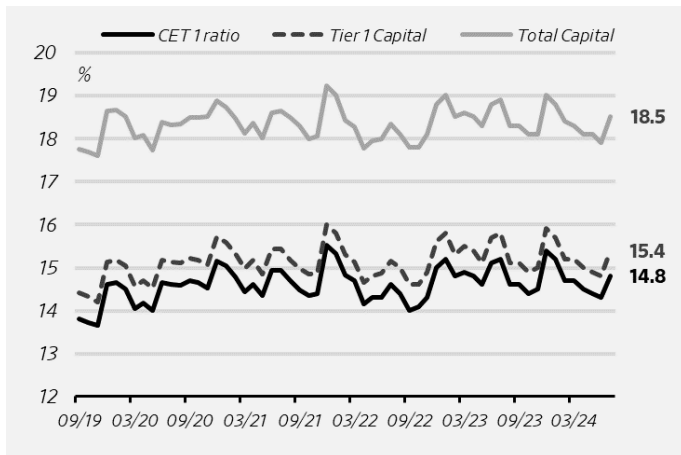
Source: BNM, MIDFR

**Fig 40: Weighted avg Isl. FD rates by bracket**



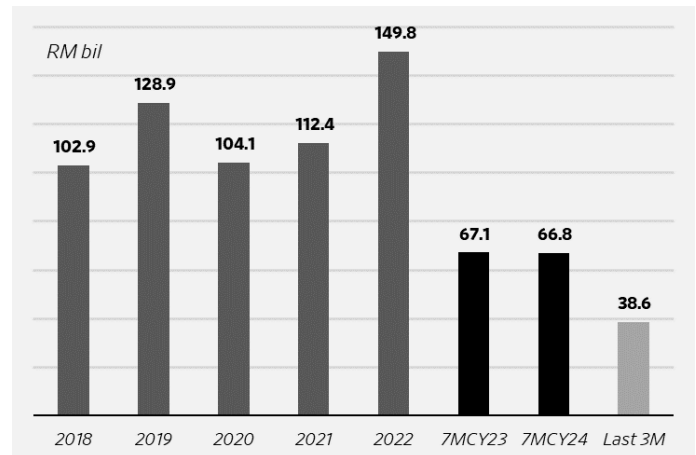
Source: BNM, MIDFR

**Fig 41: Capital ratios**



Source: BNM, MIDFR

**Fig 42: Bond/Sukuk issuances**

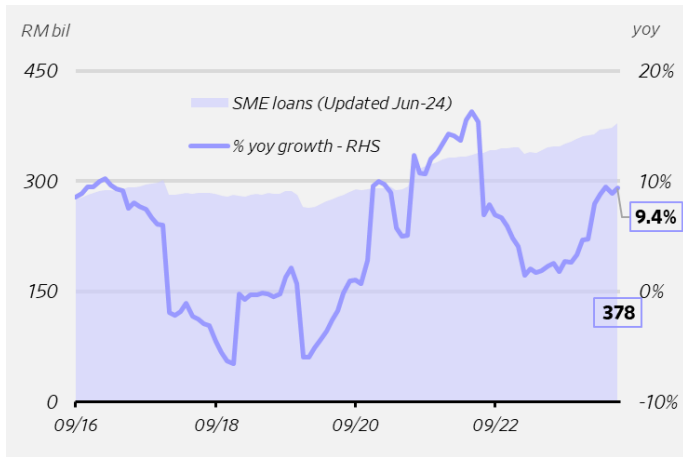


Source: BNM, MIDFR

## F. SME DATA

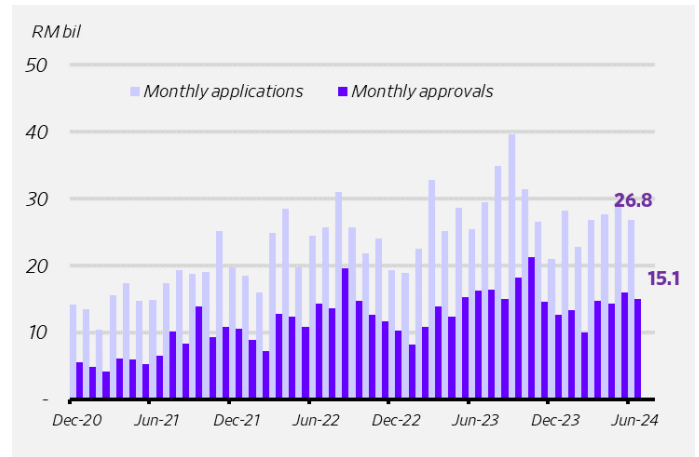
Heatmaps visible here: [\(link\)](#)

**Fig 43: SME loans**



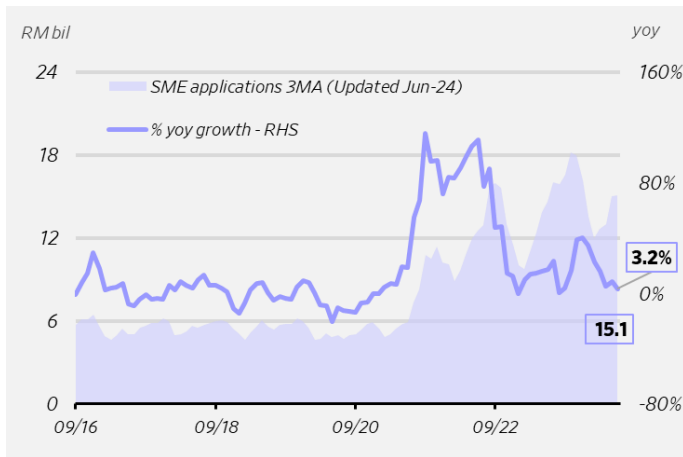
Source: BNM, MIDFR

**Fig 44: SME Monthly leading indicators**



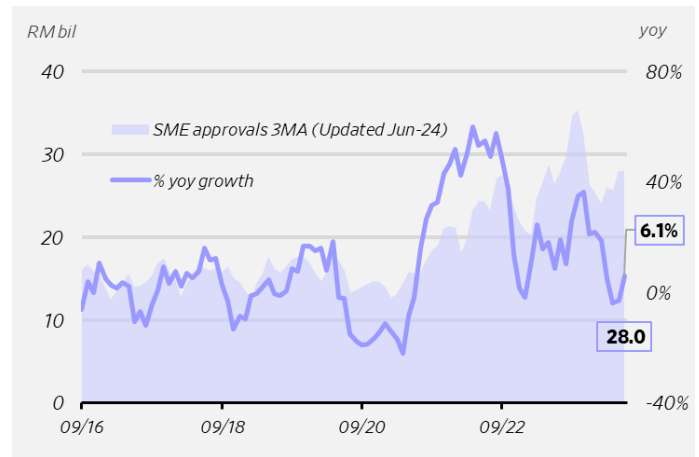
Source: BNM, MIDFR

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



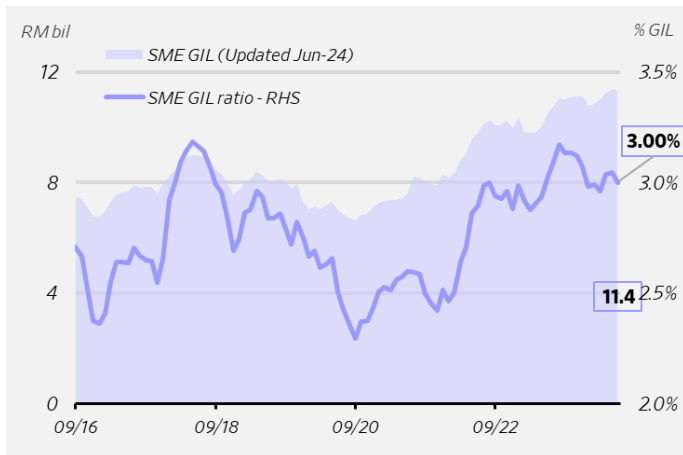
Source: BNM, MIDFR

**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
Aug-22		1.99	6.8	0.7	7.4	0.6	52.4	6.1	0.8	47.6
Sep-22		2.00	6.4	0.6	7.5	0.7	52.5	5.3	0.5	47.5
Oct-22		2.01	6.5	0.6	7.2	0.6	52.4	5.7	0.7	47.6
Nov-22		2.01	5.5	-0.1	7.1	0.6	52.8	3.8	-0.9	47.2
Dec-22		2.02	5.7	0.7	6.8	0.7	52.8	4.4	0.7	47.2
Jan-23		2.02	4.9	-0.2	6.8	0.5	53.2	2.9	-0.9	46.8
Feb-23		2.03	5.1	0.4	6.9	0.4	53.2	3.2	0.4	46.8
Mar-23		2.04	5.0	0.4	6.9	0.6	53.3	2.9	0.3	46.7
Apr-23		2.04	4.6	0.0	6.9	0.5	53.5	2.0	-0.5	46.5
May-23		2.05	4.8	0.5	7.1	0.5	53.5	2.3	0.5	46.5
Jun-23		2.05	4.4	0.2	7.0	0.6	53.7	1.4	-0.2	46.3
<b>Jul-23</b>		<b>2.06</b>	<b>4.2</b>	<b>0.2</b>	<b>7.1</b>	<b>0.6</b>	<b>54.0</b>	<b>0.9</b>	<b>-0.4</b>	<b>46.0</b>
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	7.9	0.5	54.4	4.0	-0.4	45.6
May-24		2.17	5.9	0.3	7.9	0.5	54.6	3.5	-0.0	45.4
Jun-24		2.19	6.5	0.8	7.8	0.5	54.4	4.9	1.2	45.6
<b>Jul-24</b>		<b>2.19</b>	<b>6.4</b>	<b>0.1</b>	<b>7.7</b>	<b>0.5</b>	<b>54.6</b>	<b>5.0</b>	<b>-0.3</b>	<b>45.4</b>

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
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
<b>Jul-23</b>	<b>6.9</b>	<b>8.9</b>	<b>6.1</b>	<b>1.5</b>	<b>4.1</b>	<b>-0.9</b>	<b>-8.2</b>
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	5.4	5.6	5.5	-10.6
Apr-24	7.7	10.0	6.6	5.3	5.9	5.9	-10.3
May-24	7.7	10.2	6.1	4.0	6.3	5.6	-9.2
Jun-24	7.6	9.9	6.0	6.8	6.5	4.9	-8.3
<b>Jul-24</b>	<b>7.5</b>	<b>10.1</b>	<b>5.4</b>	<b>7.1</b>	<b>7.0</b>	<b>2.5</b>	<b>-7.8</b>

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
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
<b>Jul-23</b>	<b>0.7</b>	<b>0.6</b>	<b>4.5</b>	<b>-0.7</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.4</b>
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	1.3	1.3	0.8	-1.0
Apr-24	0.5	0.8	1.4	-1.1	0.3	0.3	-1.1
May-24	0.6	0.7	1.0	-0.4	0.6	0.3	0.2
Jun-24	0.5	0.5	1.9	1.9	0.8	-0.1	-0.2
<b>Jul-24</b>	<b>0.6</b>	<b>0.7</b>	<b>1.6</b>	<b>-0.4</b>	<b>0.6</b>	<b>-2.2</b>	<b>0.1</b>

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)
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	9.6	14.6	55.0	21.6	13.9
Apr-23	115.5	8.6	5.4	58.4	16.3	6.1
May-23	121.8	8.3	5.5	63.5	13.2	8.8
Jun-23	115.3	0.8	-5.4	60.4	-0.2	-4.9
<b>Jul-23</b>	<b>122.0</b>	<b>2.4</b>	<b>5.9</b>	<b>64.6</b>	<b>3.5</b>	<b>6.9</b>
Aug-23	125.4	-2.4	2.8	65.7	-7.3	1.7
Sep-23	131.5	3.9	4.9	69.4	-1.9	5.6
Oct-23	138.6	15.6	5.4	74.3	5.6	7.0
Nov-23	130.2	16.1	-6.1	71.7	12.7	-3.5
Dec-23	126.0	22.4	-3.2	73.6	29.2	2.7
Jan-24	117.5	24.8	-6.7	66.9	33.9	-9.1
Feb-24	112.1	17.3	-4.6	60.2	24.6	-10.1
Mar-24	111.0	1.4	-1.0	55.3	0.5	-8.1
Apr-24	110.3	-4.5	-0.6	55.7	-4.5	0.8
May-24	121.9	0.1	10.5	62.9	-1.0	12.9
Jun-24	121.7	5.6	-0.1	63.6	5.3	1.2
<b>Jul-24</b>	<b>131.1</b>	<b>7.4</b>	<b>7.7</b>	<b>68.6</b>	<b>6.2</b>	<b>7.8</b>

Source: BNM, MIDFR

**Fig 52: Loan approval rates**

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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	51.0	46.2	57.0	42.6
Apr-23	51.1	46.9	56.2	49.1
May-23	54.2	46.1	63.7	53.4
Jun-23	51.6	46.7	57.7	64.3
<b>Jul-23</b>	<b>52.9</b>	<b>45.5</b>	<b>61.2</b>	<b>55.7</b>
Aug-23	52.6	47.4	57.7	43.1
Sep-23	52.9	45.5	59.1	45.9
Oct-23	55.2	45.3	64.1	67.7
Nov-23	57.5	46.6	70.3	54.9
Dec-23	63.2	51.3	79.8	60.0
Jan-24	50.1	43.0	59.1	47.4
Feb-24	46.2	44.5	48.1	43.9
Mar-24	52.5	43.6	63.9	54.8
Apr-24	52.1	45.6	60.3	51.6
May-24	50.3	45.4	56.2	54.3
Jun-24	54.6	46.5	64.3	56.2
<b>Jul-24</b>	<b>52.4</b>	<b>45.6</b>	<b>59.8</b>	<b>-</b>

\*SME data until Jun-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
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	88	-12
Apr-23	3	12	21	-3	33	37	-9
May-23	-1	9	25	-6	32	48	-2
Jun-23	-10	1	22	-3	23	1	-29
<b>Jul-23</b>	<b>-5</b>	<b>7</b>	<b>22</b>	<b>-2</b>	<b>25</b>	<b>-33</b>	<b>-33</b>
Aug-23	-8	0	13	3	14	-49	-31
Sep-23	-2	4	10	-7	33	-39	54
Oct-23	5	11	11	4	41	-13	61
Nov-23	9	20	8	-4	45	25	38
Dec-23	13	25	39	7	28	33	12
Jan-24	19	30	39	15	37	15	36
Feb-24	7	19	34	7	18	19	50
Mar-24	-4	10	1	-8	10	-8	9
Apr-24	-9	1	-1	-12	0	2	-25
May-24	0	3	1	-3	2	-2	-7
Jun-24	7	5	1	3	9	19	4
<b>Jul-24</b>	<b>7</b>	<b>7</b>	<b>4</b>	<b>-3</b>	<b>16</b>	<b>17</b>	<b>56</b>

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
Aug-22	86	335	89	86	92	245	0
Sep-22	66	169	88	51	52	260	-9
Oct-22	32	65	59	54	57	155	1
Nov-22	-2	13	32	45	34	131	30
Dec-22	-19	-1	16	17	33	55	26
Jan-23	-23	-4	10	13	8	51	-1
Feb-23	-9	9	17	-1	12	74	-15
Mar-23	10	18	21	29	17	110	-15
Apr-23	10	14	19	4	23	106	-11
May-23	6	14	21	6	33	72	0
Jun-23	-5	4	22	-12	32	22	-16
<b>Jul-23</b>	<b>-2</b>	<b>7</b>	<b>26</b>	<b>14</b>	<b>30</b>	<b>-33</b>	<b>-25</b>
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	-5	14
Apr-24	-10	-6	3	-5	17	-23	-10
May-24	-3	-6	7	-0	8	-17	-16
Jun-24	6	-3	6	7	-0	9	17
<b>Jul-24</b>	<b>10</b>	<b>-3</b>	<b>9</b>	<b>-4</b>	<b>7</b>	<b>21</b>	<b>18</b>

Source: BNM, MIDFR

Fig 55: System deposits

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
Aug-22	2,298	7.5	1.3	89.0
Sep-22	2,333	7.4	1.5	88.7
Oct-22	2,342	8.3	0.4	89.0
Nov-22	2,331	5.9	-0.5	89.3
Dec-22	2,354	5.9	1.0	89.5
Jan-23	2,361	7.0	0.3	89.4
Feb-23	2,400	7.5	1.7	88.4
Mar-23	2,398	7.0	-0.1	89.1
Apr-23	2,387	6.4	-0.4	89.5
May-23	2,399	6.7	0.5	89.5
Jun-23	2,400	5.9	0.0	89.6
<b>Jul-23</b>	<b>2,389</b>	<b>5.3</b>	<b>-0.5</b>	<b>90.1</b>
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	2,505	5.0	-0.5	90.3
May-24	2,517	4.9	0.5	90.3
Jun-24	2,517	4.9	-0.0	91.2
<b>Jul-24</b>	<b>2,502</b>	<b>4.7</b>	<b>-0.6</b>	<b>91.6</b>

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 (%)
Aug-22	721	6.1	-0.3	32.3	1,006	5.0	0.7	45.0
Sep-22	715	3.7	-0.9	31.7	1,016	4.9	1.0	45.0
Oct-22	715	4.5	0.1	31.7	1,018	5.0	0.2	45.1
Nov-22	713	1.3	-0.3	31.7	1,023	5.2	0.4	45.4
Dec-22	708	0.9	-0.7	31.3	1,041	6.5	1.8	46.0
Jan-23	705	-0.2	-0.5	31.2	1,035	6.1	-0.5	45.8
Feb-23	712	-0.2	1.0	31.0	1,047	7.2	1.1	45.6
Mar-23	701	-1.8	-1.6	30.6	1,067	8.9	1.9	46.7
Apr-23	692	-6.4	-1.3	30.4	1,072	10.0	0.5	47.1
May-23	693	-4.9	0.3	30.3	1,081	10.2	0.8	47.2
Jun-23	703	-4.2	1.4	30.7	1,081	9.5	0.1	47.2
<b>Jul-23</b>	<b>693</b>	<b>-4.2</b>	<b>-1.4</b>	<b>30.4</b>	<b>1,084</b>	<b>8.6</b>	<b>0.3</b>	<b>47.5</b>
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	3.7	1.3	46.0
Apr-24	738	6.7	-1.2	30.8	1,108	3.4	0.2	46.3
May-24	745	7.4	0.9	31.0	1,109	2.6	0.0	46.2
Jun-24	749	6.5	0.6	31.2	1,101	1.8	-0.7	45.9
<b>Jul-24</b>	<b>737</b>	<b>6.4</b>	<b>-1.5</b>	<b>30.9</b>	<b>1,114</b>	<b>2.8</b>	<b>1.2</b>	<b>46.6</b>

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 (%)
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
<b>Jul-23</b>	<b>2,056.3</b>	<b>0.6</b>	<b>1.76</b>	<b>33.2</b>	<b>92</b>
Aug-23	2,070.4	1.6	1.78	33.4	91
Sep-23	2,086.5	-2.6	1.72	32.9	92
Oct-23	2,092.9	-0.5	1.70	32.6	91
Nov-23	2,108.6	-0.4	1.69	33.0	93
Dec-23	2,131.7	-1.1	1.65	32.4	92
Jan-24	2,137.1	-0.5	1.64	32.5	93
Feb-24	2,146.9	1.0	1.64	32.6	92
Mar-24	2,160.2	-0.9	1.62	32.2	92
Apr-24	2,161.9	0.7	1.63	32.4	92
May-24	2,167.8	0.1	1.63	32.0	91
Jun-24	2,185.3	-1.2	1.59	31.9	92
<b>Jul-24</b>	<b>2,188.5</b>	<b>-0.8</b>	<b>1.58</b>	<b>31.7</b>	<b>92</b>

Source: BNM, MIDFR

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

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
Aug-22	4.24	2.02	2.22
Sep-22	4.43	2.25	2.18
Oct-22	4.68	2.24	2.44
Nov-22	4.80	2.50	2.30
Dec-22	5.01	2.55	2.46
Jan-23	5.05	2.50	2.55
Feb-23	5.13	2.52	2.61
Mar-23	5.19	2.54	2.65
Apr-23	5.26	2.50	2.76
May-23	5.39	2.71	2.68
Jun-23	5.44	2.73	2.71
<b>Jul-23</b>	<b>5.46</b>	<b>2.71</b>	<b>2.75</b>
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
May-24	5.35	2.68	2.67
Jun-24	5.32	2.67	2.65
<b>Jul-24</b>	<b>5.30</b>	<b>2.63</b>	<b>2.67</b>

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 (%)
Jul-22	339	7.0	0.2	17.2	2.98
Aug-22	342	7.9	0.8	17.2	3.00
Sep-22	342	6.9	0.2	17.1	2.94
Oct-22	344	6.7	0.6	17.1	2.93
Nov-22	345	5.9	0.3	17.2	2.96
Dec-22	346	4.9	0.1	17.1	2.88
Jan-23	346	4.1	0.0	17.1	2.99
Feb-23	337	1.4	-2.6	16.6	2.91
Mar-23	340	2.1	1.1	16.7	2.88
Apr-23	339	1.7	-0.4	16.6	2.91
May-23	342	1.9	1.0	16.7	2.93
<b>Jun-23</b>	<b>346</b>	<b>2.3</b>	<b>1.1</b>	<b>16.8</b>	<b>3.03</b>
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
Mar-24	370	8.8	1.9	17.1	2.96
Apr-24	371	9.4	0.2	17.1	3.04
May-24	372	8.9	0.4	17.2	3.05
<b>Jun-24</b>	<b>378</b>	<b>9.4</b>	<b>1.6</b>	<b>17.3</b>	<b>3.00</b>

SME data until Jun-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)
Jul-22	23.3	0.5	1.5	12.9	77.2	3.5
Aug-22	27.1	0.8	-0.0	15.8	90.4	22.3
Sep-22	27.5	0.8	0.9	15.9	47.7	0.8
Oct-22	26.2	0.5	0.7	15.6	48.3	-2.1
Nov-22	23.9	0.7	-0.8	13.0	14.3	-16.9
Dec-22	21.7	0.7	-2.6	11.5	12.7	-11.3
Jan-23	20.8	0.8	-0.1	10.0	-0.5	-13.0
Feb-23	20.2	0.5	0.4	9.8	9.5	-2.6
Mar-23	24.7	1.1	-0.3	11.0	13.9	12.5
Apr-23	26.8	0.8	-0.0	12.4	14.8	12.7
May-23	28.8	0.6	0.5	13.9	15.7	12.1
<b>Jun-23</b>	<b>26.4</b>	<b>0.8</b>	<b>0.6</b>	<b>14.6</b>	<b>17.2</b>	<b>5.7</b>
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
Mar-24	26.0	0.8	0.8	12.7	15.7	5.8
Apr-24	25.8	0.8	0.3	13.0	5.1	2.4
May-24	28.0	0.7	0.3	15.0	8.3	15.4
<b>Jun-24</b>	<b>28.0</b>	<b>0.5</b>	<b>-0.1</b>	<b>15.1</b>	<b>3.2</b>	<b>0.8</b>

SME data until Jun-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