

# BANKING

**Maintain POSITIVE**

## Oct-24 Banking Stats: Loans Growth Reaccelerated

### KEY INVESTMENT HIGHLIGHTS

- ▲ (1) Stable asset quality, (2) Loans growth reaccelerated, (3) FD rates come off
- ▼ (1) ALR is starting to see compression, (2) Lower CASA growth
- ▶ (1) Lower loans application
- **Maintain POSITIVE call: Solid, lasting fundamental outlook and excellent dividend yields – any profit-taking exercises should be an opportunity to accumulate**

<b>Headed Where?</b>	<b>A solid economic outlook will be good for growth and earnings outlook.</b>
<b>Strategy</b>	<b>Be wary of possible profit-taking exercises in the near term. Nevertheless, solid dividend yields, and stable asset quality should moderate downside risk.</b>
<b>Core Themes</b>	<ol style="list-style-type: none"> <li>▲ Positive macroeconomic outlook and government projects drive credit growth.</li> <li>▲ Reaccelerated loan growth.</li> <li>▲ Dividend yields remain solid – with multiple banks actively pushing up the dividend payouts over time.</li> <li>▲ Asset quality continue to improve</li> </ol>
<b>Side Themes</b>	<ol style="list-style-type: none"> <li>▶ Potential for deposit competition which need to be monitored.</li> <li>▼ OPEX growth figures to remain high.</li> </ol>

### ▲ **Loan growth** +6.0%yoy / +0.7%mom

**A good start to 4QCY24, with solid acceleration of growth (Sept-24 loans grew +5.6%yoy and +0.4%mom). This was led by faster pace business loans growth.**

- ▶ **Retail loans: +7.2%yoy / +0.6%mom**
  - Robust loans for purchasing residential and passenger cars
  - Slightly lower year-on-year but keeping pace with Sept-24's month-on-month
- ▲ **Business loans: +4.6%yoy / +0.8%mom**
  - Higher growth pace for construction and working capital loans

### ▶ **Leading indicators**

**Lower application than in previous month but could be due to seasonality, approaching the end of the year.**

- **Approval rate: 53%.**

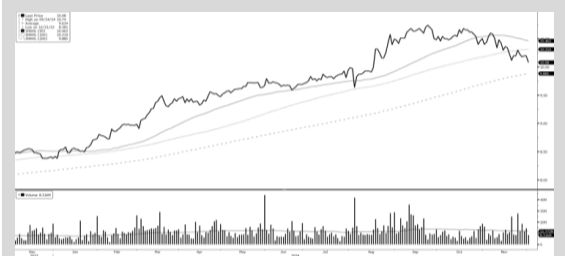
### COMPANY IN FOCUS

#### Maybank

Maintain **BUY** | Unchanged Target price: RM12.11  
Price @ 2 December 2024: RM10.08

- Excellent dividend yields.
- Loan growth target of 7-8% is healthy.
- Strong NOII growth

#### Share price chart

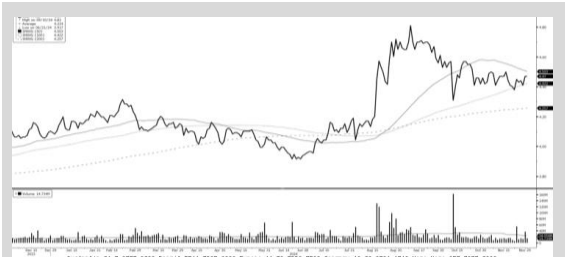


#### Public Bank

Maintain **BUY** | Unchanged Target price: RM4.47  
Price @ 2 December 2024: RM5.16

- Robust loans growth
- Deposits growth keeping pace with loans growth
- Improvement in NIM
- Asset quality remains robust and improving

#### Share price chart



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▲ **Deposits** +3.5%yoy / +0.5%mom

### **CASA growth rebounded**

- ▲ **FD growth:** +3.5%yoy / +0.2%mom
- ▶ **CASA growth:** +4.0%yoy / -0.2%mom
- **Loan/Deposit ratio:** 92.3%.
  - This ratio saw another month of being highest ever (beating Sept-24's).

▲ **GIL ratio** 1.53% / -2bps mom

**Asset quality in the banking system continue to improve. This is the lowest since Apr-21.**

- ▲ **Notable improvements, mom:** Personal use, -4.6bps mom

### **Interest rates**

#### **Trend and drivers/decliners**

- ▲ **FD rates (Conv.):** Decrease for all maturities with the highest from 6-month (-6bps mom).
- ▲ **FD rates (Isl.):** Islamic FD rates came in lower for the month with 9-month maturity coming off -3bps mom. An encouraging signal that liquidity remains ample.
- ▼ **Lending rates:** ALR has declined for the fifth consecutive month possibly indicating some competitions for loans.

### **Have a look at:**

- ▲ **GIL ratio improvement again.** Improvement in asset quality continued for another month, being the lowest since Apr-21. This indicates that asset quality remains stable. We believe that this is possibly due to the robust economic performance and stable labour market conditions. Hence, we are not concern on asset quality of the banking sector at current juncture.
- ▲ **FD rates fell in the month.** Deposits continue to grow led by FD growth. While this may be a cause for concern, we are allayed by the fall in FD rates across all maturities for both conventional and Islamic. As such, we expect NIM compression will be manageable.
- ▼ **ALR is being compressed.** This has been the fourth consecutive month of compression: altogether -14bps since May-24. Residential mortgages and SME segments remain highly competitive.

**Maintain POSITIVE call.** We continue to be **POSITIVE** on the sector as loans growth continue to be robust while asset quality remains stable. *(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. Deposit competition which would lead to NIM compression.

**Top Picks: Maybank (BUY, TP: RM12.11) and Public Bank (BUY, TP: RM5.16).** *(Our comprehensive list of sector picks is below).*

## PEER COMPARISON TABLE

Bank	Rec	Share P*	Target P	Upside	Mkt Cap	P/E (x)		P/B (x)		ROE (%)		Div Yield (%)	
		(RM)	(RM)	(%)	(RM b)	FY24	FY25	FY24	FY25	FY24	FY25	FY24	FY25
MAY	BUY	10.08	12.11	20.1	121.5	12.5	11.6	1.3	1.2	10.1	10.6	6.4	6.9
CIMB	BUY	8.21	9.11	11.0	87.8	11.7	10.9	1.2	1.2	10.7	11.0	5.8	4.8
PBK	BUY	4.47	5.16	15.4	86.8	12.8	12.1	1.5	1.4	12.0	12.0	4.1	4.4
RHB	NEUTRAL	6.56	6.60	0.6	28.1	9.8	9.2	0.9	0.8	9.1	9.3	6.0	6.3
HLBK	BUY	20.56	22.76	10.7	42.1	9.4	8.7	1.0	1.0	11.6	11.6	3.7	4.0
HLFG	BUY	18.48	23.13	25.2	21.0	6.4	5.9	0.6	0.6	10.4	10.4	3.1	3.4
AMMB	NEUTRAL	5.37	5.18	-3.5	17.8	9.7	9.3	0.9	0.8	9.2	9.1	4.1	4.8
BIMB	BUY	2.58	3.06	18.6	5.8	9.7	9.1	0.8	0.7	8.0	8.3	5.9	6.0
AFFIN	SELL	2.93	2.35	-19.8	6.8	13.7	13.1	0.6	0.6	4.4	4.4	2.2	2.2
ABMB	NEUTRAL	4.83	4.64	-4.0	7.5	10.2	9.6	1.0	0.9	9.8	9.8	4.4	4.7
Simple avg (ex-HLFG)						11.1	10.4	1.0	1.0	9.4	9.6	4.7	4.9
Weighted avg (ex-HLFG)						11.7	11.0	1.2	1.2	10.6	10.8	5.3	5.3

\*Closing prices from 02 Dec 2024.

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

Source: BNM, MIDFR

## A. SYSTEM LOAN & CONSTITUENTS

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

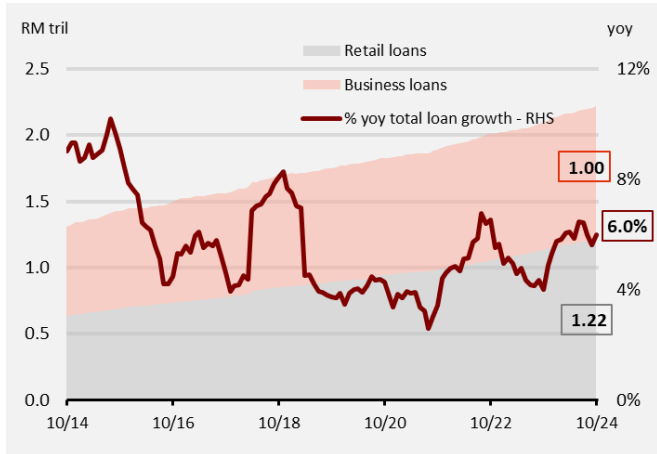
Fig 1: Core Figures & Forecasts

	yoy Growth rates (%)					YTD Ann. (%)	mom Growth rates (%)			
	Oct-24	Sep-24	Aug-24	Jul-24	Oct-24		Sep-24	Aug-24	Jul-24	
<b>Total loans</b>	<b>6.0</b>	<b>5.6</b>	<b>6.0</b>	<b>6.4</b>	<b>4.9</b>	<b>0.7</b>	<b>0.4</b>	<b>0.3</b>	<b>0.1</b>	
Retail loans	7.2	7.4	7.6	7.7	6.9	0.6	0.6	0.7	0.5	
Business loans	4.6	3.6	4.1	5.0	2.6	0.8	0.2	-0.2	-0.3	
SME*	-	8.8	9.4	9.0	7.7	-	0.5	0.6	0.0	
<b>Deposits + repo</b>	<b>3.1</b>	<b>3.3</b>	<b>3.8</b>	<b>4.7</b>	<b>1.6</b>	<b>0.3</b>	<b>0.7</b>	<b>-0.3</b>	<b>-0.6</b>	
<b>Total deposits</b>	<b>3.5</b>	<b>3.5</b>	<b>4.0</b>	<b>4.8</b>	<b>1.9</b>	<b>0.5</b>	<b>0.3</b>	<b>-0.3</b>	<b>-0.3</b>	
CASA	4.0	5.2	4.8	6.4	1.7	-0.2	1.0	0.2	-1.5	
FD	3.5	2.8	3.3	2.8	4.1	0.2	0.2	-0.1	1.2	
Total provisions	-5.3	-5.9	-6.0	-4.4	-5.6	-0.2	-1.4	-1.2	-0.5	
Total GIL	-5.1	-5.0	-5.9	-4.7	-4.5	-0.6	-1.8	0.3	-0.8	
<b>Leading indicators</b>										
3MA applications	-1	4	7	7	0	-0	2	2	8	
Retail	1	6	6	7	1	-4	-1	-1	6	
Business	-4	2	7	8	21	4	6	5	10	
3MA approvals	-3	4	7	6	0	1	2	3	8	
Retail	-3	3	4	6	-9	-4	-3	-1	6	
Business	-2	4	10	6	3	4	6	6	10	
	<b>Oct-24</b>	<b>Sep-24</b>	<b>Aug-24</b>	<b>Jul-24</b>	<b>Oct-23</b>	<b>Period</b>	<b>Forecast</b>	<b>Formerly</b>		
Interest spread	2.62	2.60	2.63	2.67	2.76	Loan growth	CY24 6.0-6.5%			
Loan approval rate	53	54	52	52	55	GDP	CY24 5.0%			
SME approval rate*	-	46	51	60	68	OPR	CY24 3.00%			
GIL ratio	1.53	1.54	1.58	1.58	1.70					
SME GIL ratio*	-	3.01	3.07	3.04	3.13					
LLC ratio	91	91	91	92	91					
CASA ratio	31.0	31.2	31.0	30.9	30.8					
Loan/Deposit ratio	92.3	92.2	92.1	91.6	90.1					
Liquidity coverage ratio	147	148	145	151	151					
CET 1	14.4	14.5	14.6	14.8	14.4					
Tier 1 Capital	14.9	15.0	15.1	15.4	14.9					
Total Capital	18.0	18.2	18.2	18.5	18.1					

\*SME data until Sep-24

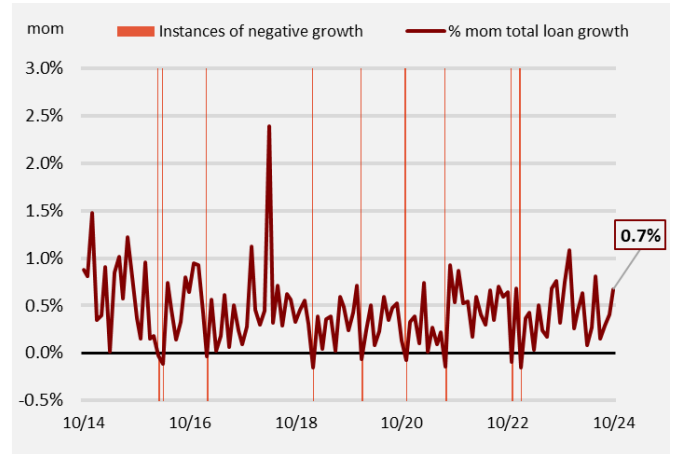
Source: BNM, MIDFR

**Fig 2: yoy System loans**



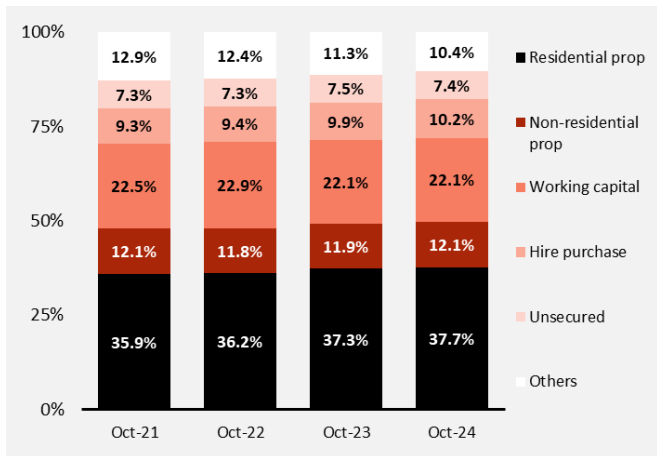
Source: BNM, MIDFR

**Fig 3: mom System loans**



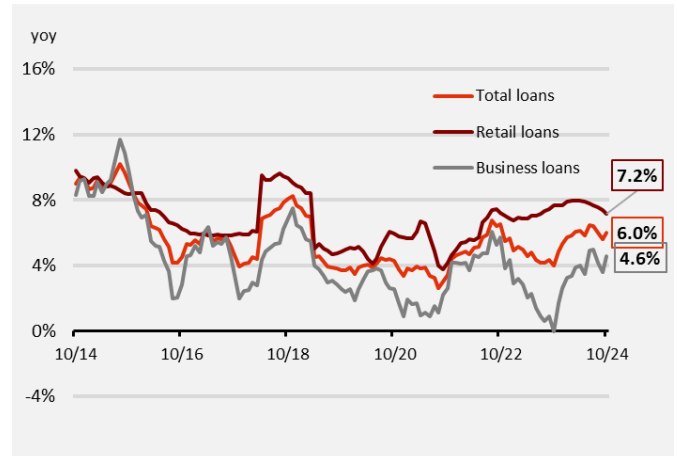
Source: BNM, MIDFR

**Fig 4: Loan breakdown by type**



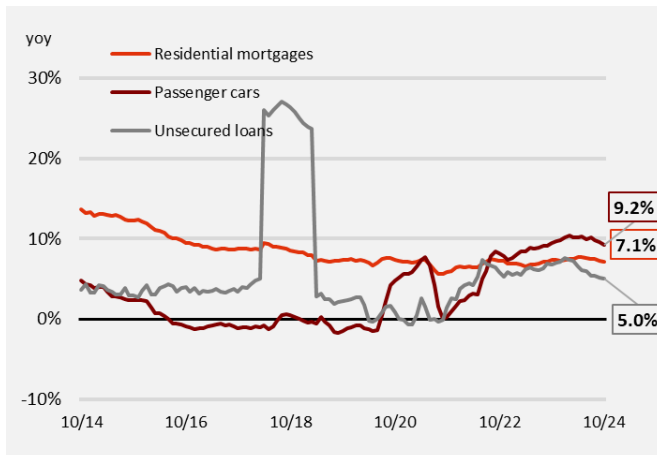
Source: BNM, MIDFR

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



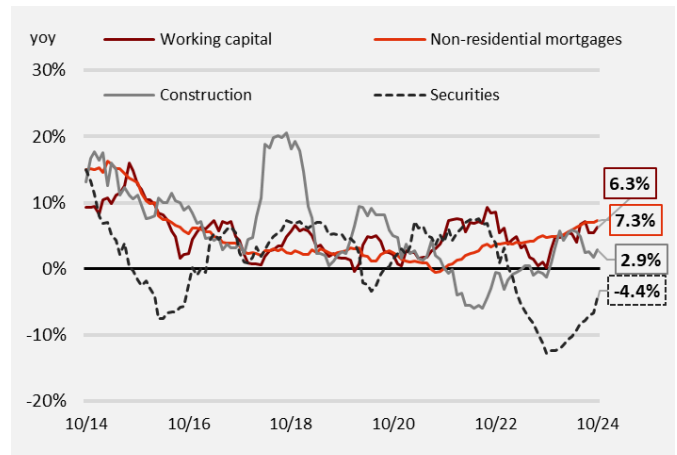
Source: BNM, MIDFR

**Fig 6: Retail loan constituents**



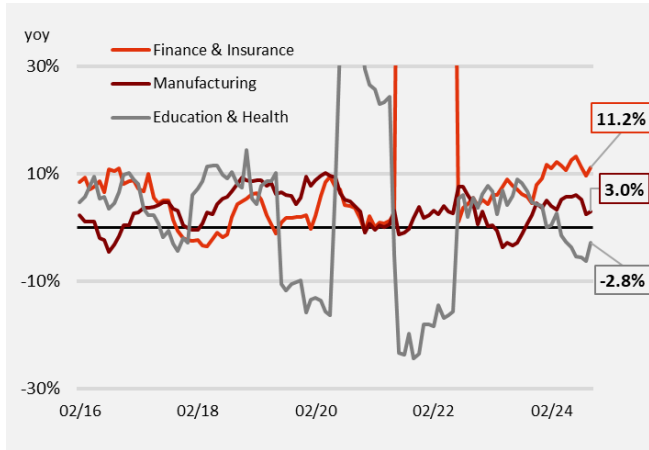
Source: BNM, MIDFR

**Fig 7: Business loan constituents**



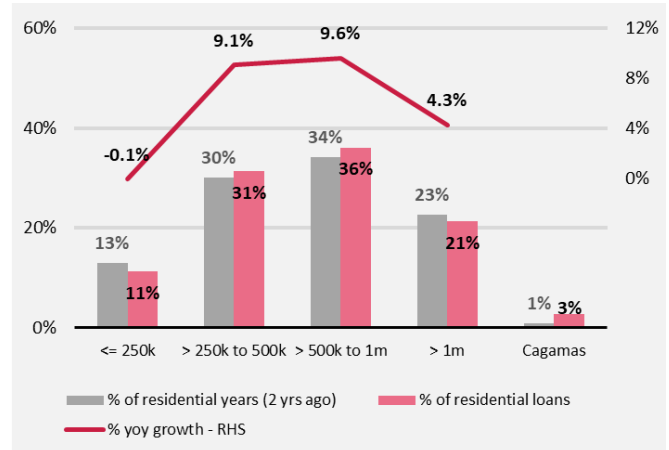
Source: BNM, MIDFR

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



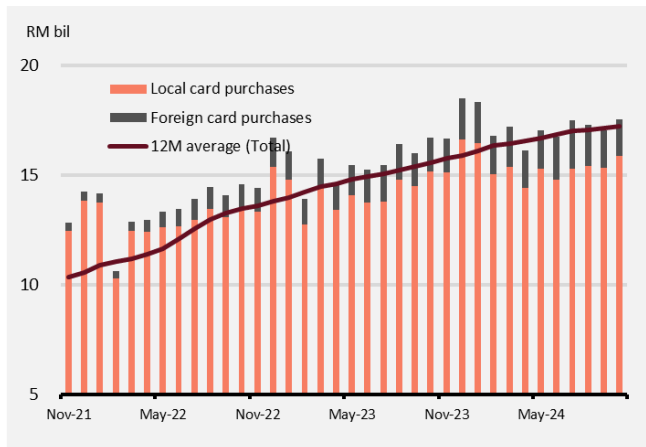
Source: BNM, MIDFR

**Fig 9: Residential loans by segment**



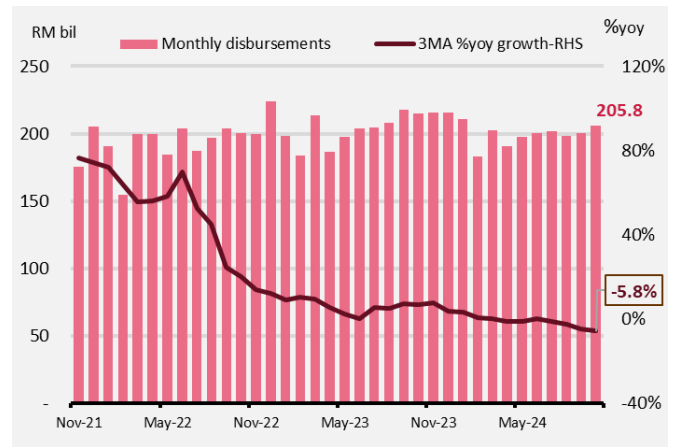
Source: BNM, MIDFR

**Fig 10: Credit card purchases**



Source: BNM, MIDFR

**Fig 11: Monthly loan disbursements**

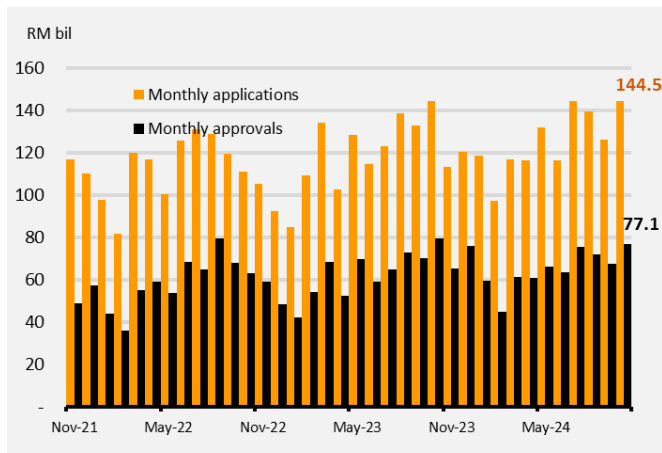


Source: BNM, MIDFR

## B. LEADING INDICATOR TRENDS

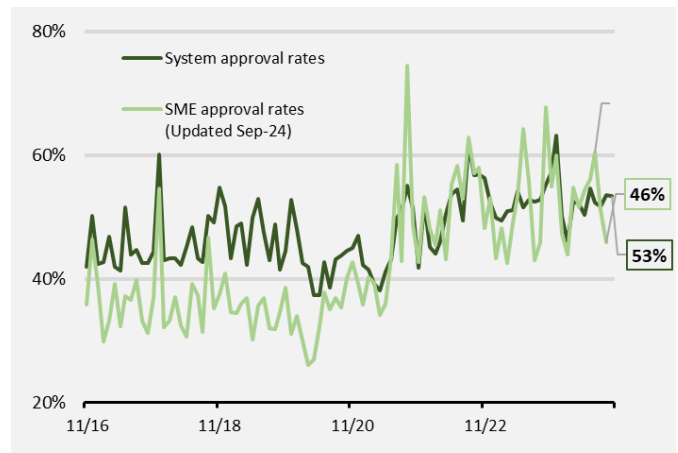
Heatmaps visible here: [\(link\)](#)

**Fig 12: Monthly applications & approvals**



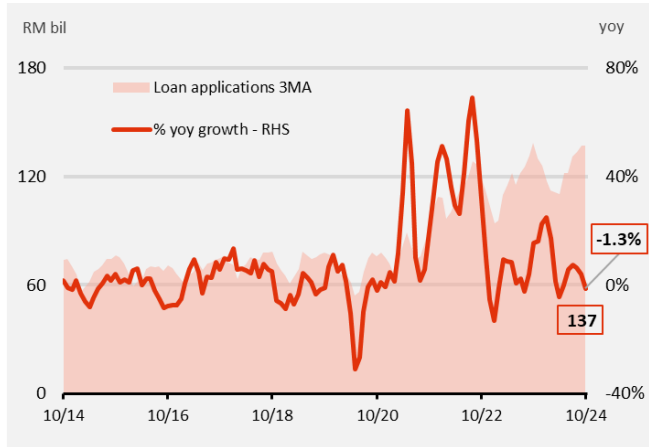
Source: BNM, MIDFR

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



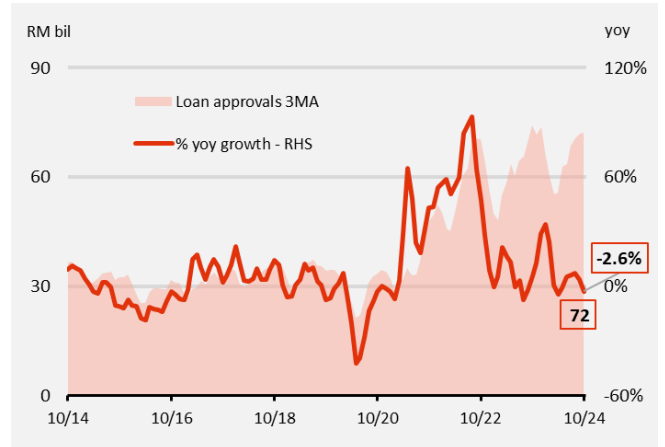
Source: BNM, MIDFR

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



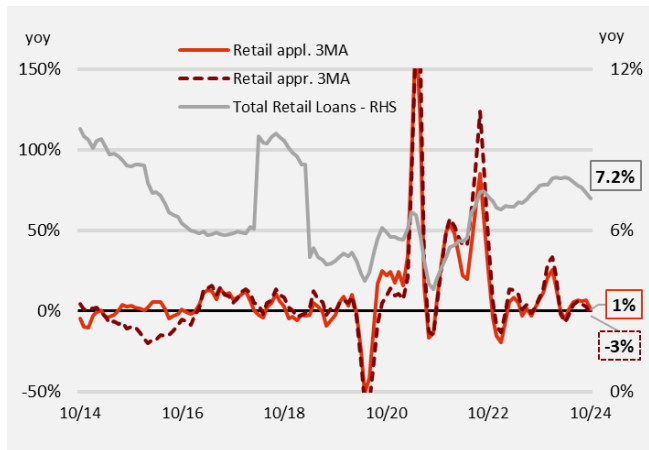
Source: BNM, MIDFR

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



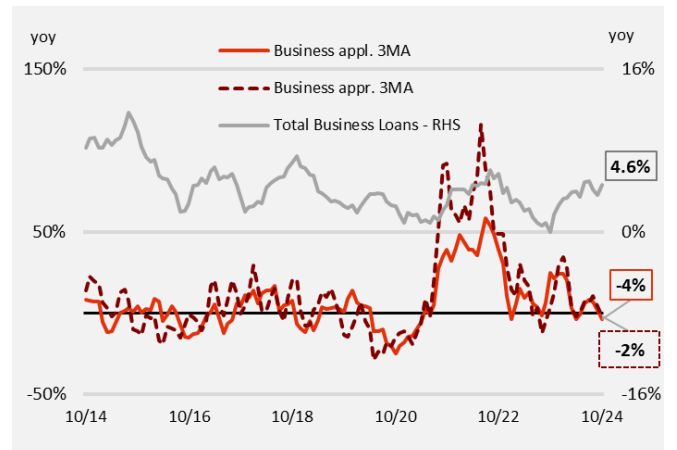
Source: BNM, MIDFR

**Fig 16: Retail loan indicators**



Source: BNM, MIDFR

**Fig 17: Business loan indicators**

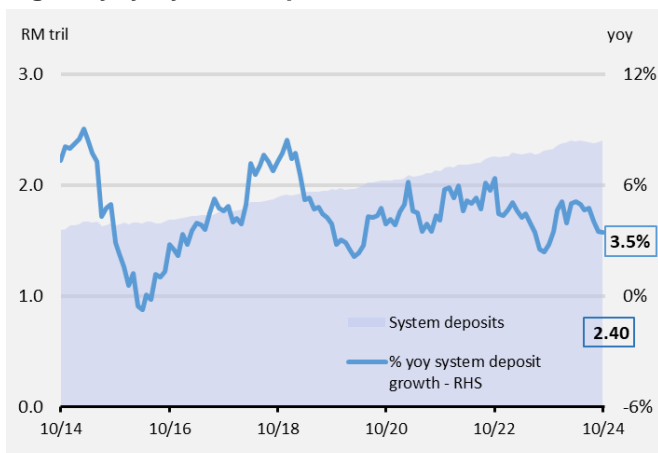


Source: BNM, MIDFR

## C. DEPOSITS & LIQUIDITY

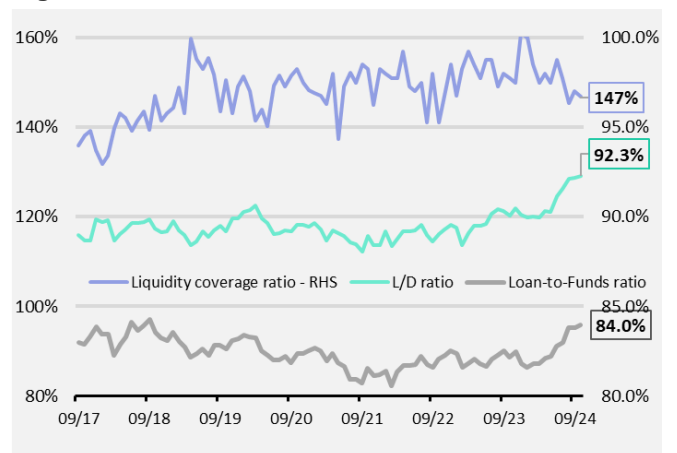
Heatmaps visible here: [\(link\)](#)

**Fig 18: yoy System deposits**



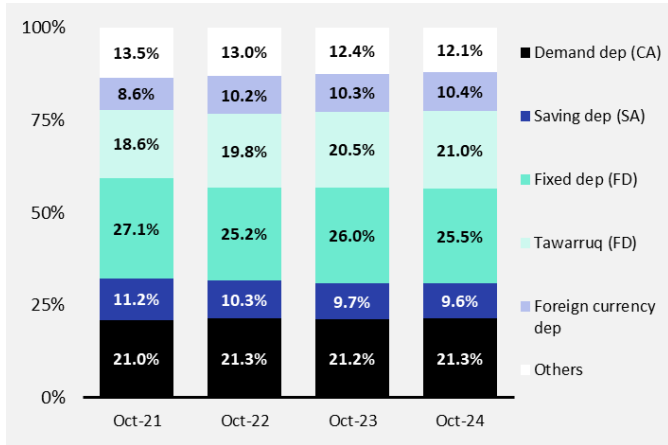
Source: BNM, MIDFR

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



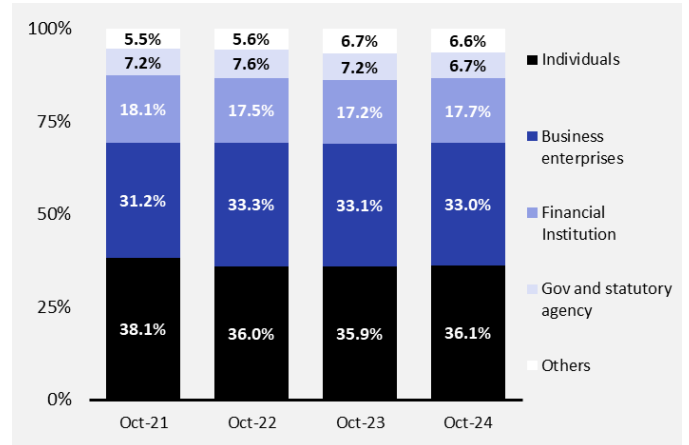
Source: BNM, MIDFR

**Fig 20: Deposit breakdown by type**



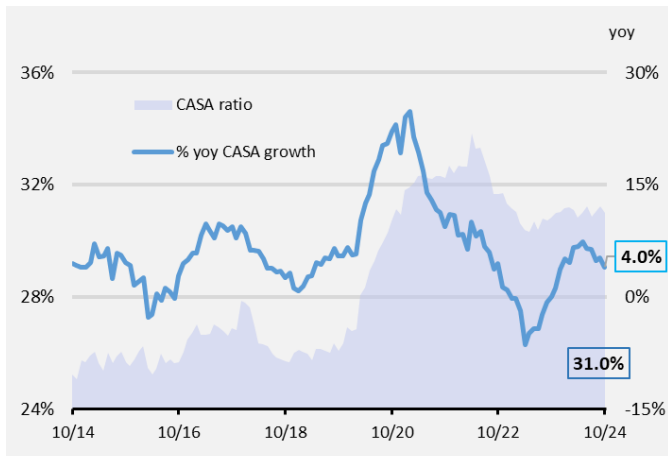
Source: BNM, MIDFR

**Fig 21: Deposit breakdown by holder**



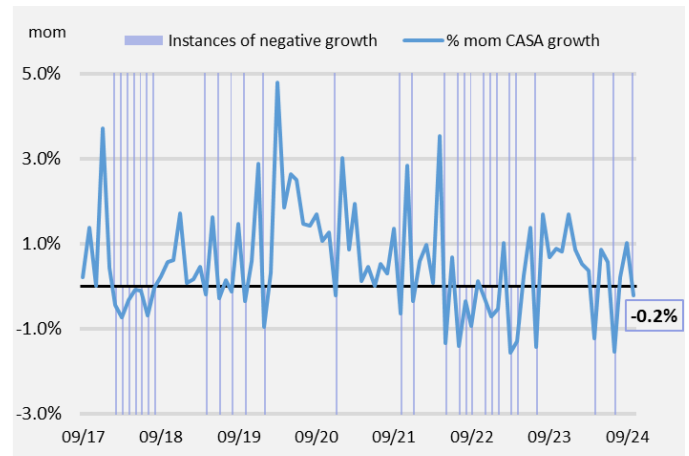
Source: BNM, MIDFR

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



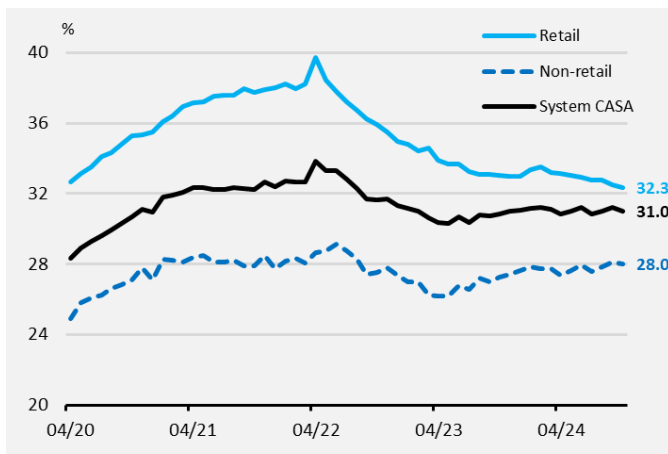
Source: BNM, MIDFR

**Fig 23: mom CASA growth**



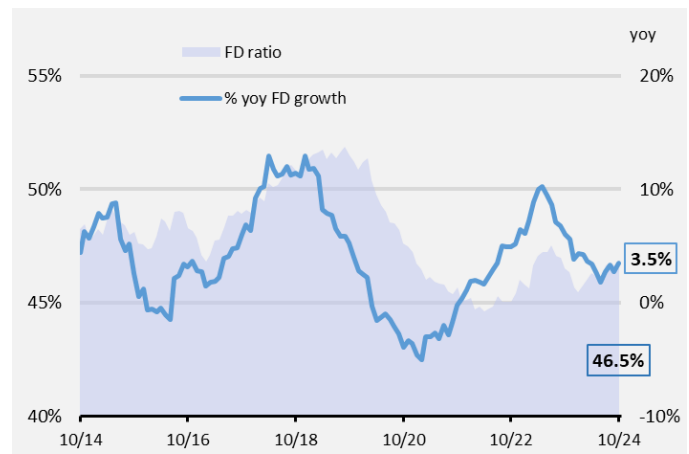
Source: BNM, MIDFR

**Fig 24: CASA ratio by holder**



Source: BNM, MIDFR

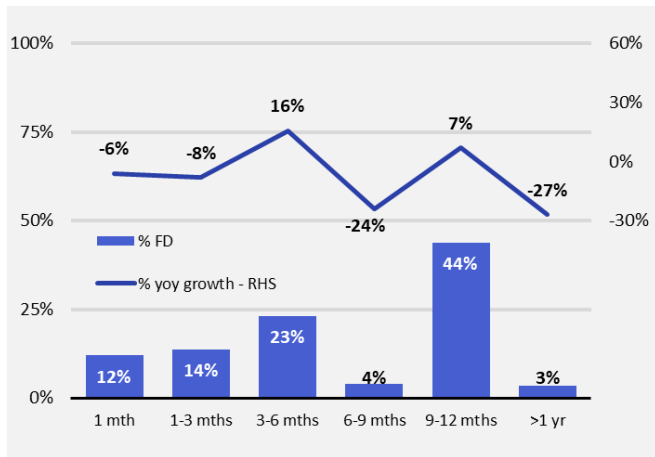
**Fig 25: FD ratio and yoy growth**



Source: BNM, MIDFR

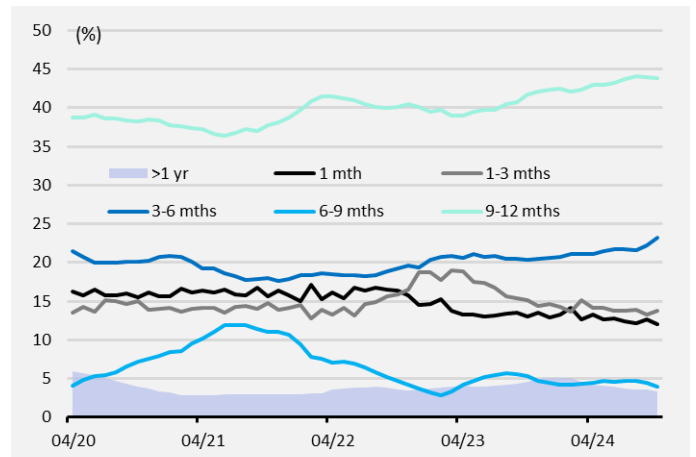


**Fig 26: FD by maturity brackets and yoy growth**



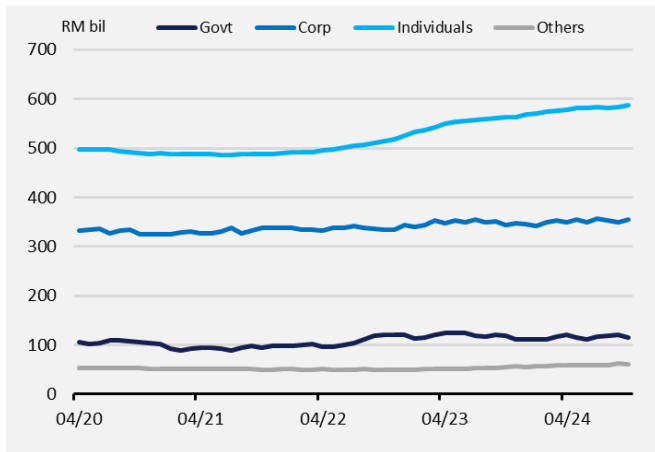
Source: BNM, MIDFR

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



Source: BNM, MIDFR

**Fig 28: FD by depositor**

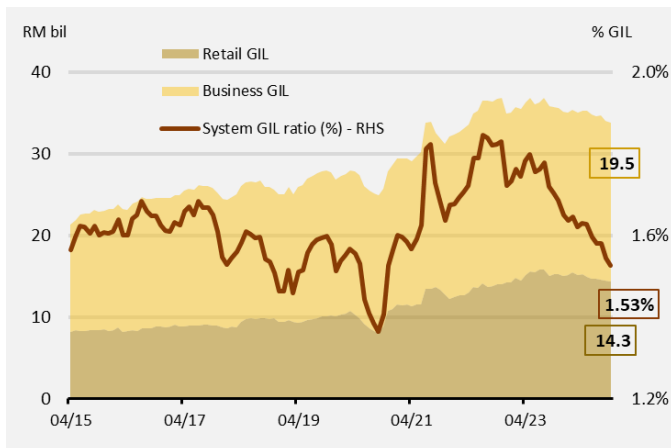


Source: BNM, MIDFR

## D. ASSET QUALITY & PROVISIONING

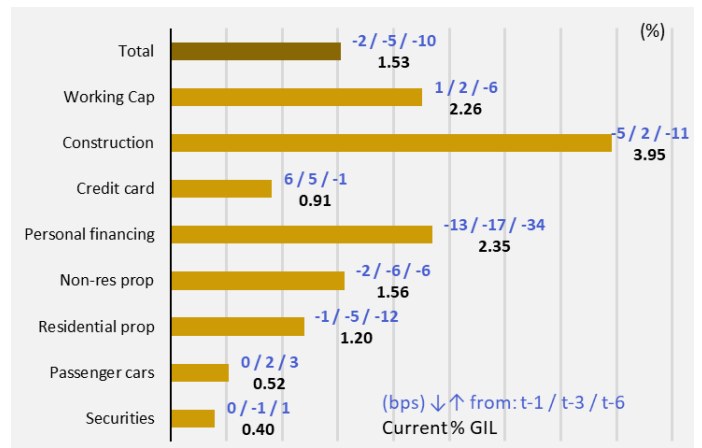
Heatmaps visible here: [\(link\)](#)

**Fig 29: System gross impaired loans**



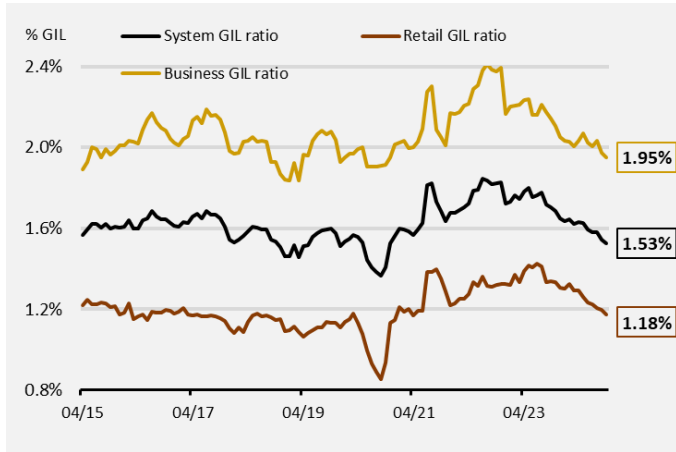
Source: BNM, MIDFR

**Fig 30: Segmental GIL ratio changes**



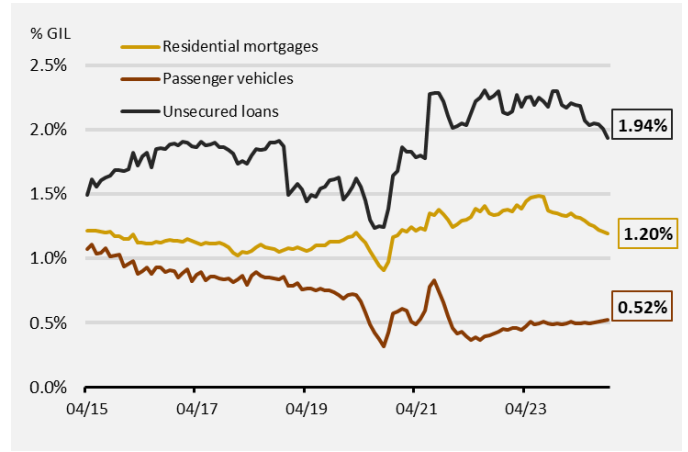
Source: BNM, MIDFR

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



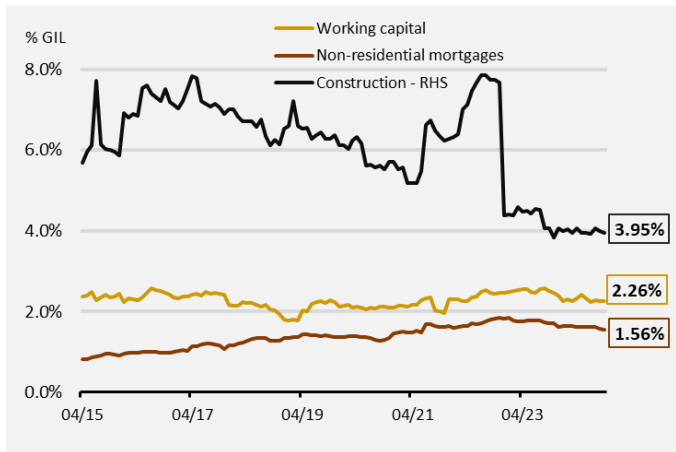
Source: BNM, MIDFR

**Fig 32: Retail GIL ratios**



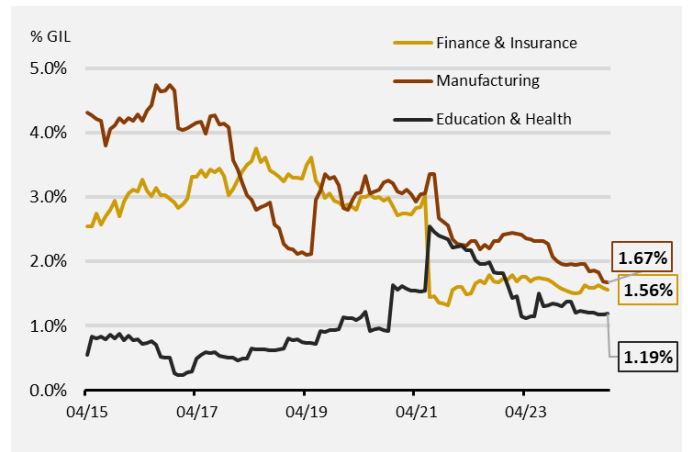
Source: BNM, MIDFR

**Fig 33: Business GIL ratios**



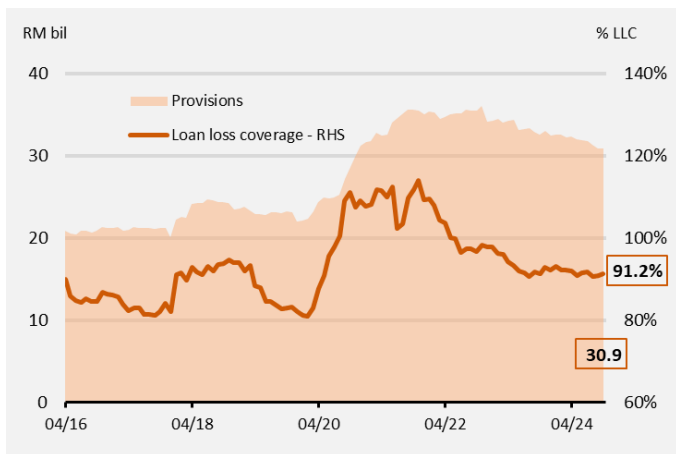
Source: BNM, MIDFR

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



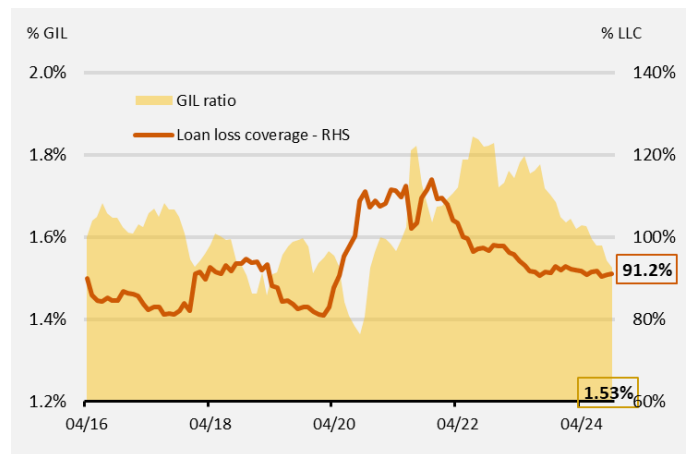
Source: BNM, MIDFR

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



Source: BNM, MIDFR

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

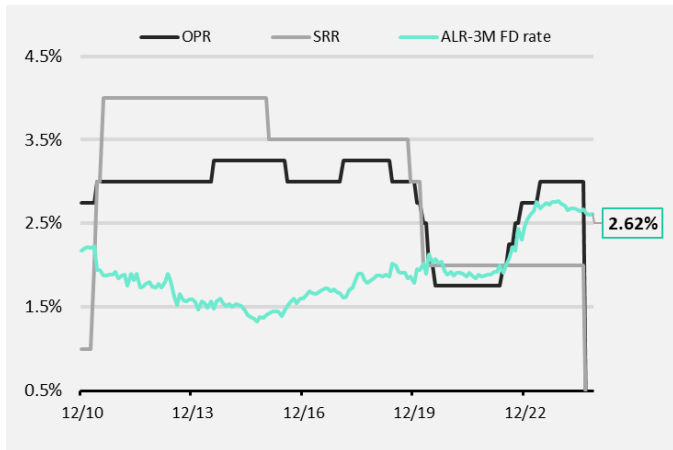


Source: BNM, MIDFR

## E. INTEREST SPREAD AND CAPITAL

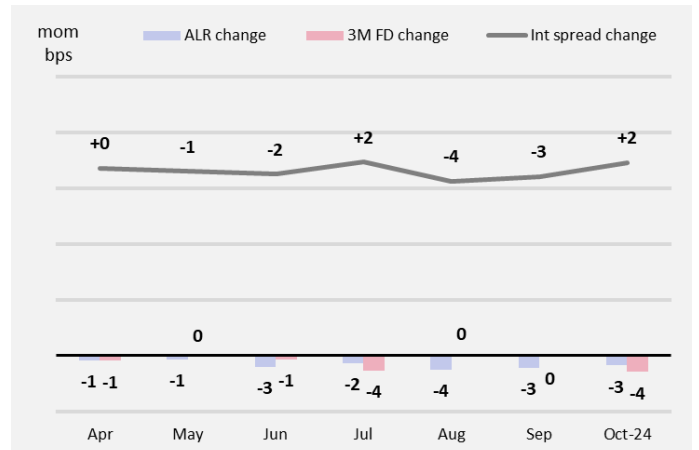
Heatmaps visible here: [\(link\)](#)

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



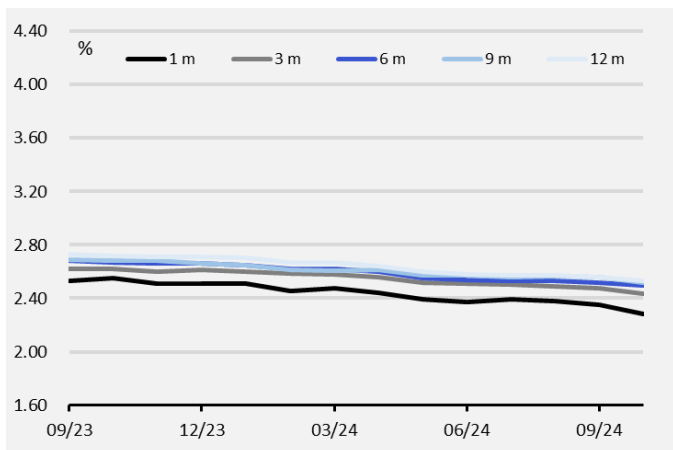
Source: BNM, MIDFR

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



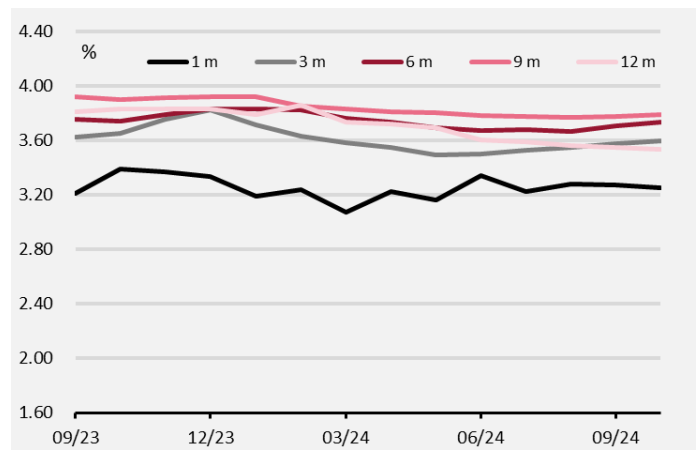
Source: BNM, MIDFR

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



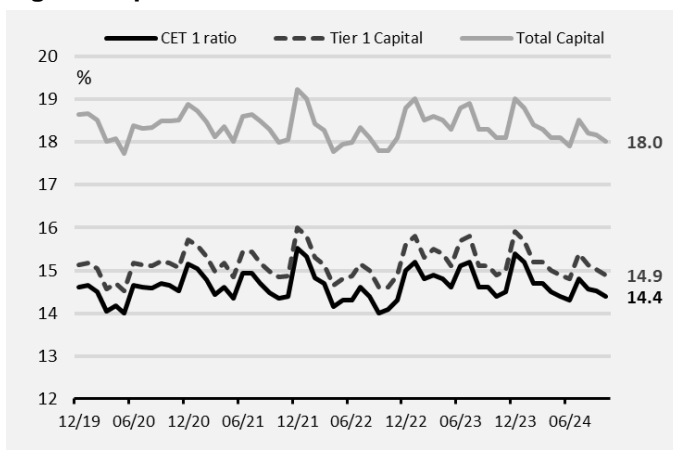
Source: BNM, MIDFR

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



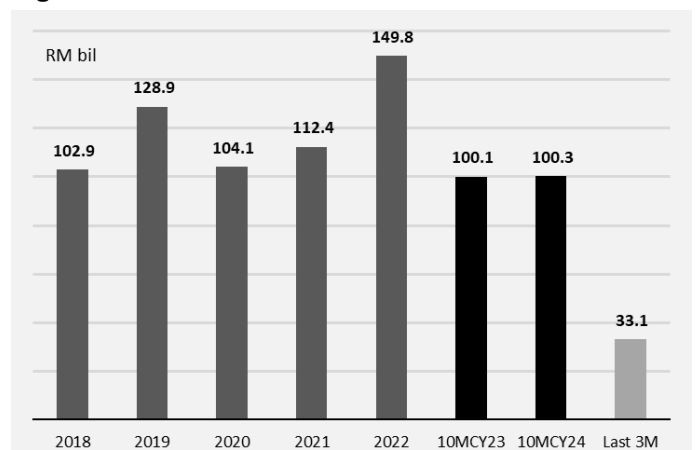
Source: BNM, MIDFR

**Fig 41: Capital ratios**



Source: BNM, MIDFR

**Fig 42: Bond/Sukuk issuances**

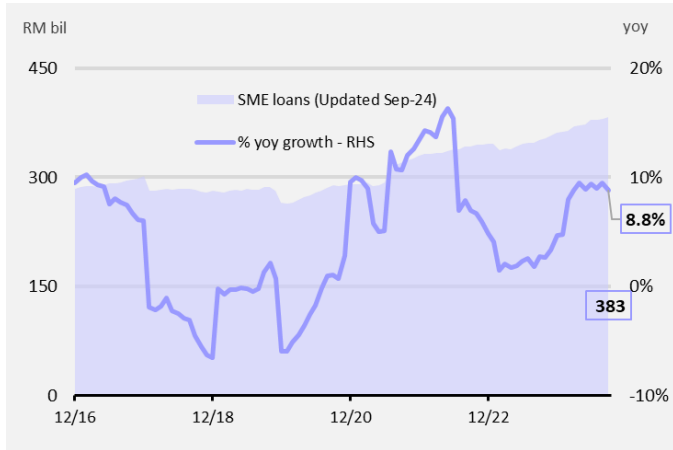


Source: BNM, MIDFR

## F. SME DATA

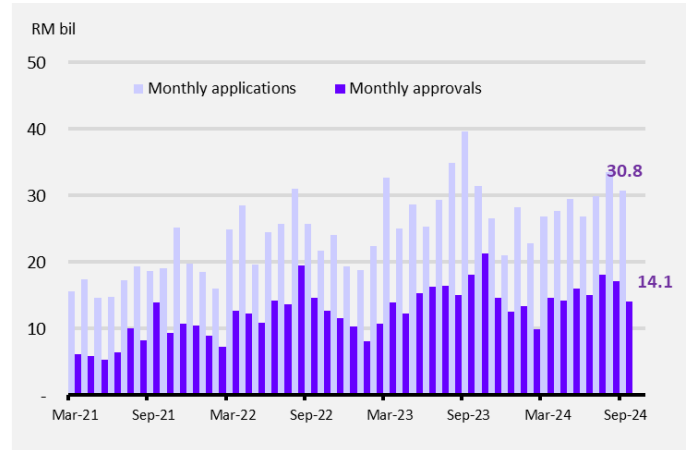
Heatmaps visible here: [\(link\)](#)

**Fig 43: SME loans**



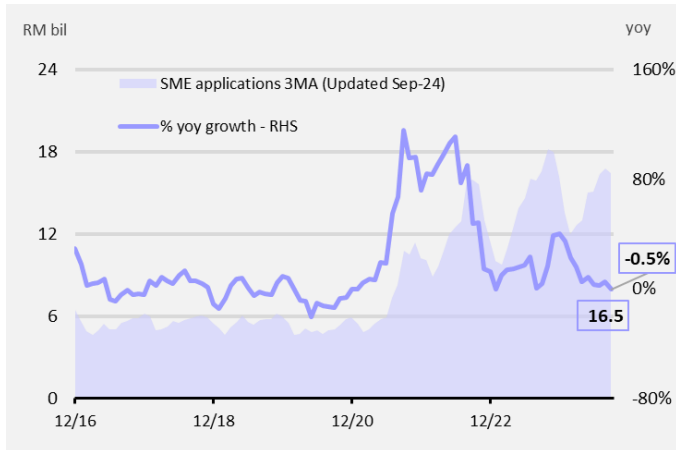
Source: BNM, MIDFR

**Fig 44: SME Monthly leading indicators**



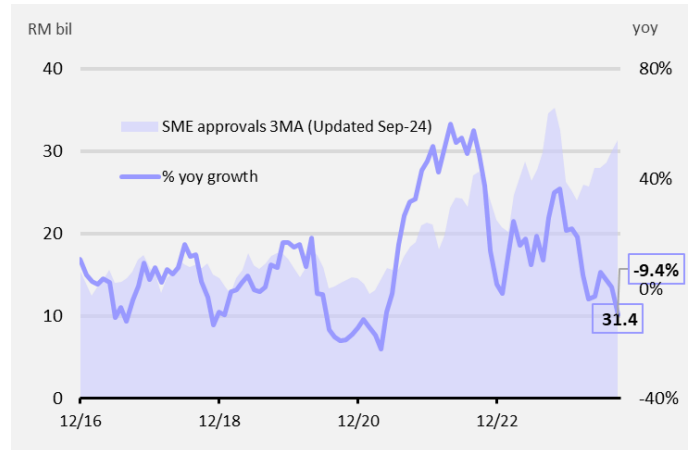
Source: BNM, MIDFR

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



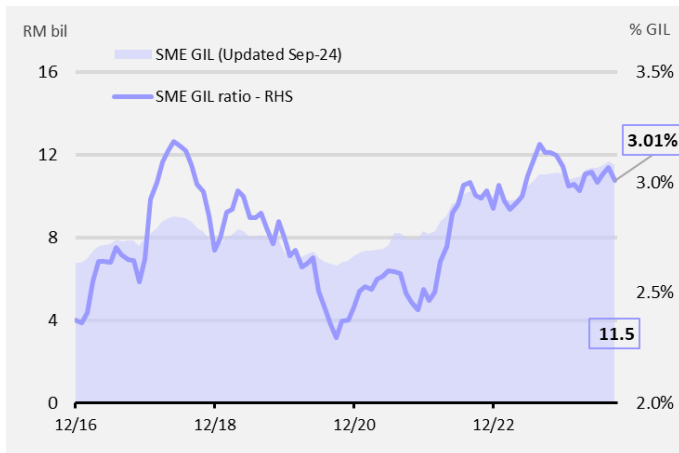
Source: BNM, MIDFR

**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
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
<b>Oct-23</b>	<b>2.09</b>	<b>4.0</b>	<b>0.3</b>	<b>7.7</b>	<b>0.7</b>	<b>54.3</b>	<b>-0.0</b>	<b>-0.2</b>	<b>45.7</b>
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
Jul-24	2.19	6.4	0.1	7.7	0.5	54.6	5.0	-0.3	45.4
Aug-24	2.19	6.0	0.3	7.6	0.7	54.9	4.1	-0.2	45.1
Sep-24	2.20	5.6	0.4	7.4	0.6	54.9	3.6	0.2	45.1
<b>Oct-24</b>	<b>2.22</b>	<b>6.0</b>	<b>0.7</b>	<b>7.2</b>	<b>0.6</b>	<b>54.9</b>	<b>4.6</b>	<b>0.8</b>	<b>45.1</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
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
<b>Oct-23</b>	<b>7.4</b>	<b>9.4</b>	<b>6.8</b>	<b>0.2</b>	<b>4.7</b>	<b>-1.3</b>	<b>-12.8</b>
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
Jul-24	7.5	10.1	5.4	7.1	7.0	2.5	-7.8
Aug-24	7.5	9.7	5.4	5.4	7.0	2.6	-7.1
Sep-24	7.3	9.4	5.1	5.4	7.0	1.7	-6.6
<b>Oct-24</b>	<b>7.1</b>	<b>9.1</b>	<b>5.0</b>	<b>6.3</b>	<b>7.3</b>	<b>2.9</b>	<b>-4.4</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
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
<b>Oct-23</b>	<b>0.8</b>	<b>0.9</b>	<b>6.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.1</b>	<b>-2.1</b>
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
Jul-24	0.6	0.7	1.6	-0.4	0.6	-2.2	0.1
Aug-24	0.7	0.7	2.7	-0.8	0.8	0.6	-0.4
Sep-24	0.5	0.5	3.5	0.8	0.7	-0.3	-0.3
<b>Oct-24</b>	<b>0.6</b>	<b>0.6</b>	<b>3.5</b>	<b>1.1</b>	<b>0.6</b>	<b>1.2</b>	<b>0.1</b>

Source: BNM, MIDFR

Fig 51: Loan applications &amp; approvals (3MA)

	Applied (3MA) (RM b)	Growth (% yoy)	Growth (% mom)	Approved (3MA) (RM b)	Growth (% yoy)	Growth (% mom)
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
Jul-23	122.0	2.4	5.9	64.6	3.5	6.9
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
<b>Oct-23</b>	<b>138.6</b>	<b>15.6</b>	<b>5.4</b>	<b>74.3</b>	<b>5.6</b>	<b>7.0</b>
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
Jul-24	131.1	7.4	7.7	68.6	6.2	7.8
Aug-24	133.6	6.5	1.9	70.6	7.4	2.8
Sep-24	136.9	4.1	2.4	71.9	3.5	1.8
<b>Oct-24</b>	<b>136.8</b>	<b>-1.3</b>	<b>-0.0</b>	<b>72.3</b>	<b>-2.6</b>	<b>0.6</b>

Source: BNM, MIDFR

Fig 52: Loan approval rates

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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
Jul-23	52.9	45.5	61.2	55.7
Aug-23	52.6	47.4	57.7	43.1
Sep-23	52.9	45.5	59.1	45.9
<b>Oct-23</b>	<b>55.2</b>	<b>45.3</b>	<b>64.1</b>	<b>67.7</b>
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
Jul-24	52.4	45.6	59.8	60.5
Aug-24	51.7	45.1	58.4	51.1
Sep-24	53.5	42.4	64.2	46.0
<b>Oct-24</b>	<b>53.3</b>	<b>44.6</b>	<b>61.2</b>	<b>-</b>

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
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
Jul-23	-5	7	22	-2	25	-33	-33
Aug-23	-8	0	13	3	14	-49	-31
Sep-23	-2	4	10	-7	33	-39	54
<b>Oct-23</b>	<b>5</b>	<b>11</b>	<b>11</b>	<b>4</b>	<b>41</b>	<b>-13</b>	<b>61</b>
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
Jul-24	7	7	4	-3	16	17	56
Aug-24	6	6	6	-8	23	8	81
Sep-24	5	5	10	9	4	2	-3
<b>Oct-24</b>	<b>-0</b>	<b>0</b>	<b>6</b>	<b>13</b>	<b>-1</b>	<b>13</b>	<b>-20</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
Nov-22	-2	13	32	45	34	131	30
Dec-22	-19	-1	16	17	33	55	26
Jan-23	-23	-4	10	13	8	51	-1
Feb-23	-9	9	17	-1	12	74	-15
Mar-23	10	18	21	29	17	110	-15
Apr-23	10	14	19	4	23	106	-11
May-23	6	14	21	6	33	72	0
Jun-23	-5	4	22	-12	32	22	-16
Jul-23	-2	7	26	14	30	-33	-25
Aug-23	-5	-6	24	-22	17	-45	-35
Sep-23	0	-2	17	-12	10	-52	21
<b>Oct-23</b>	<b>8</b>	<b>5</b>	<b>18</b>	<b>-17</b>	<b>7</b>	<b>-21</b>	<b>70</b>
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
Jul-24	10	-3	9	-4	7	21	18
Aug-24	8	-3	2	-1	23	41	44
Sep-24	6	-6	6	-9	36	31	26
<b>Oct-24</b>	<b>-1</b>	<b>-10</b>	<b>2</b>	<b>5</b>	<b>23</b>	<b>11</b>	<b>-21</b>

Source: BNM, MIDFR

Fig 55: System deposits

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
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
<b>Oct-23</b>	<b>2,443</b>	<b>4.3</b>	<b>0.4</b>	<b>90.1</b>
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
Jul-24	2,502	4.7	-0.6	91.6
Aug-24	2,494	3.8	-0.3	92.1
Sep-24	2,512	3.3	0.7	92.2
<b>Oct-24</b>	<b>2,520</b>	<b>3.1</b>	<b>0.3</b>	<b>92.3</b>

Source: BNM, MIDFR



Fig 56: CASA &amp; FD ratios

	CASA (RM b)	Growth (% yoy)	Growth (% mom)	CASA ratio (%)	FD (RM b)	Growth (% yoy)	Growth (% mom)	FD ratio (%)
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
<b>Oct-23</b>	<b>716</b>	<b>0.1</b>	<b>0.9</b>	<b>30.8</b>	<b>1,080</b>	<b>6.1</b>	<b>-0.5</b>	<b>46.5</b>
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
Jul-24	737	6.4	-1.5	30.9	1,114	2.8	1.2	46.6
Aug-24	739	4.8	0.2	31.0	1,113	3.3	-0.1	46.7
Sep-24	746	5.2	1.0	31.2	1,115	2.8	0.2	46.7
<b>Oct-24</b>	<b>745</b>	<b>4.0</b>	<b>-0.2</b>	<b>31.0</b>	<b>1,118</b>	<b>3.5</b>	<b>0.2</b>	<b>46.5</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 (%)
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	32.9	92
<b>Oct-23</b>	<b>2,092.9</b>	<b>-0.5</b>	<b>1.70</b>	<b>32.6</b>	<b>91</b>
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
Jul-24	2,188.5	-0.8	1.58	31.7	92
Aug-24	2,194.7	0.3	1.58	31.4	91
Sep-24	2,203.7	-1.8	1.54	30.9	91
<b>Oct-24</b>	<b>2,218.4</b>	<b>-0.6</b>	<b>1.53</b>	<b>30.9</b>	<b>91</b>

Source: BNM, MIDFR

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

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
<b>Oct-23</b>	<b>5.48</b>	<b>2.72</b>	<b>2.76</b>
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
Jul-24	5.30	2.63	2.67
Aug-24	5.26	2.63	2.63
Sep-24	5.23	2.63	2.60
<b>Oct-24</b>	<b>5.20</b>	<b>2.59</b>	<b>2.62</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 (%)
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
<b>Sep-23</b>	<b>352</b>	<b>2.7</b>	<b>1.1</b>	<b>16.9</b>	<b>3.14</b>
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
Jun-24	378	9.4	1.6	17.3	3.00
Jul-24	378	9.0	0.0	17.3	3.04
Aug-24	381	9.4	0.6	17.3	3.07
<b>Sep-24</b>	<b>383</b>	<b>8.8</b>	<b>0.5</b>	<b>17.4</b>	<b>3.01</b>

SME data until Sep-24

Source: BNM, MIDFR

Fig 60: SME applications &amp; approvals (3MA)

	Applications			Applications		
	3MA (RM b)	Growth (% yoy)	Growth (% mom)	3MA (RM b)	Growth (% yoy)	Growth (% mom)
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
<b>Sep-23</b>	<b>34.7</b>	<b>0.7</b>	<b>0.6</b>	<b>16.5</b>	<b>3.7</b>	<b>3.9</b>
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
Jun-24	28.0	0.5	-0.1	15.1	3.2	0.8
Jul-24	28.7	0.7	-2.2	16.4	2.4	8.4
Aug-24	30.1	0.7	0.6	16.8	5.3	2.3
<b>Sep-24</b>	<b>31.4</b>	<b>0.5</b>	<b>-0.3</b>	<b>16.5</b>	<b>-0.5</b>	<b>-1.8</b>

SME data until Sep-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 news flow.
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