BANKING

***Maintain* POSITIVE**

May-22 Banking Stats: Loan approvals continue to cool

KEY INVESTMENT HIGHLIGHTS

- **Retail loans saw jump in credit card segment, while working capital segment depressed business loans**
- **Loan approvals show signs of cooling, with all segments following the OPR hike**
- **CASA drops, FDs rises as BNM hikes OPR rate**
- **GIL ratio pressed on upward, provisions move in similar direction but on a lesser scale**
- **Interest spread narrowed as lending rates fall behind sharp FD rate hike, likely due to loan profile normalisation following graduation of RA loans**
- **We maintain our POSITIVE stance for attractive valuations and lower credit costs, in spite of looming headwinds**

Loan growth maintained. May-22 saw total loan growth remain flattish at +5.0%yoy and +0.3%mom, with both retail and business loans maintaining its stable trajectory. In spite of a weaker future outlook, we maintain our previously conservative +5.0%yoy system loan growth expectations for CY22.

Retail loans maintain upward growth trend. Retail loans grew by +5.6%yoy, with residential and hire purchase loans again acting as reliable growth drivers. Notably, credit card loans have jumped to +5.8%yoy [Apr-22: +2.0%yoy], the highest value since pre-pandemic times. We believe that this may be artificially elevated by Hari Raya spending, adding on to already robust pent-up demand. Going forward we believe retail loans will further fall off, given the trend in loan applications.

Working capital (WC) loans fall off. Business loans saw growth of +4.6%yoy, a slight downturn from Apr-22's +4.7%yoy. Although non-residential mortgages maintain its strong upward trajectory, weaker WC loan performance offset the gains. This lapse likely stemmed from reduced business activity during the festive season rather than a weaker consumer sentiment.

Loan applications show signs of cooling. Loan applications rose by +5.2%yoy but eased by -10.0%mom. On a segmental month basis, loan applications generally fell across all segments, mostly dragged by contracting mortgage (residential & non-residential), vehicle and WC loans.

The lackluster applications are likely early signs of loan growth cooling within the medium term, following the recent OPR hike. We expect loan applications to contract further in 2HCY22: the upcoming expiry for SST exemption on private vehicle purchase (end-June), expectations of further OPR hikes as well as inflationary pressure may cloud consumer sentiment all serve as decelerators to further loan applications.

Loan approvals were similarly mixed, experiencing +22.9%yoy and -5.4%mom growth respectively. Credit card, non-residential mortgage and hire purchase loan segments saw substantial double-digit sequential year growth.

COMPANY IN FOCUS

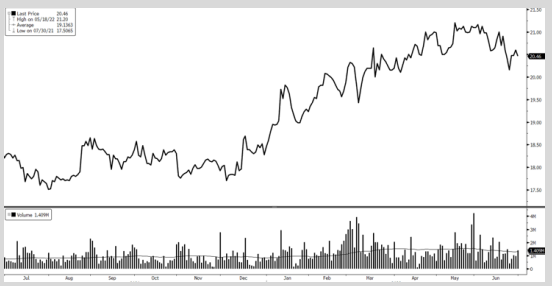
Hong Leong Bank

Maintain **BUY** | Unchanged Target price: RM23.55

Price @ 30th June 2022: RM20.46

- Excellent ROE, CIR and NCC
- Defensive play: Asset quality and loan loss coverage among best in industry
- Bank of Chengdu as strong driver of growth

Share price chart



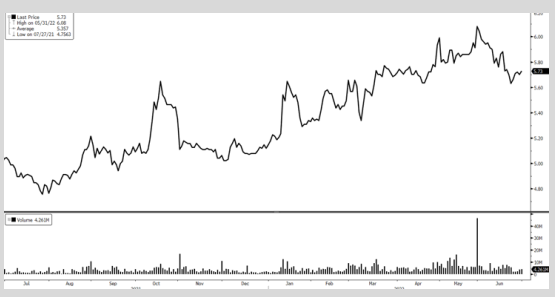
RHB Bank

Maintain **BUY** | Unchanged Target price: RM7.13

Price @ 30th June 2022: RM5.73

- Higher positive impact from OPR hikes relative to large-cap peers
- Above-average loan growth
- High CET-1 ratio offers headroom for attractive dividend yield

Share price chart



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Deposits remain flattish. While expanding by +5.0%yoy, total deposits remained relatively flattish on a sequential month basis. CASA contracted by -1.3%mom, as depositors diverted funds to fixed deposits following the recent OPR hike. CASA growth is expected to taper in the following months, in line with further expectations of OPR hikes in 2HCY22. As a result, the deposit taking landscape is expected to remain competitive within the coming quarters.

GIL ratio continues to rise. The system GIL ratio predictable leapt to 1.64% (+7bps mom) as further repayment assistance (RA) loans graduate. By 3QCY22, the vast majority of graduated loans should be subject to a sufficient timeframe warranting impairment classification (usually 3 months). Although asset quality is further pressured by inflation fears and commodity volatility, we expect any potential deterioration to be manageable given the conservative pre-emptive provisions undertaken by industry players.

On a more positive note, URUS take-ups so far have been minimal. Banks have reported minimal borrowers missing RA loans in 1QCY22, with the proportion of missed-payment RA loans making up low to mid-single digit as a percentage of initial RA loans. This may have been artificially elevated by tighter cash flow requirements during festive periods.

Provisions tick upwards. May-22 provisions rose by +0.7%mom. We expect the majority of future provisions to be centred around credit-related provisions for graduating RA loans. In contrast, we expect far lesser macroeconomic overlays and O&G sector exposure, both of which are likely to be maintained instead, given heavy provisioning allocated in previous months.

Interest spread narrows by -9bps. 3-month deposit rate increased by +21bps mom to 1.77%, while average lending rates similarly moved by +12bps mom to 3.68%. The higher jump in deposit rates could be due to a normalisation in the loan profile following RA programme graduations in addition to pent-up demand from FD depositors eagerly waiting for improved FD rates. Banks are still expected to benefit from subsequent OPR hikes, though the magnitude could be capped by the normalisation of CASA mix, weaker loan growth as well as hiking deposit competition.

Maintain POSITIVE. The banking industry has a number of headwinds in the near-term: reduced loan demand, CASA normalisation, and asset quality being compromised by inflation pressure and recession fears. In spite of this, banks can still look to less instances of chunky provisioning, high loan loss coverage already in place, and the positive impact on lending yields brought about by OPR hikes. Additionally, valuations are cheap, following the recent risk-off in global markets. Our top picks for the sector are **Hong Leong Bank (BUY, TP: RM23.55)** and **RHB Bank (BUY, TP: RM7.13)**.

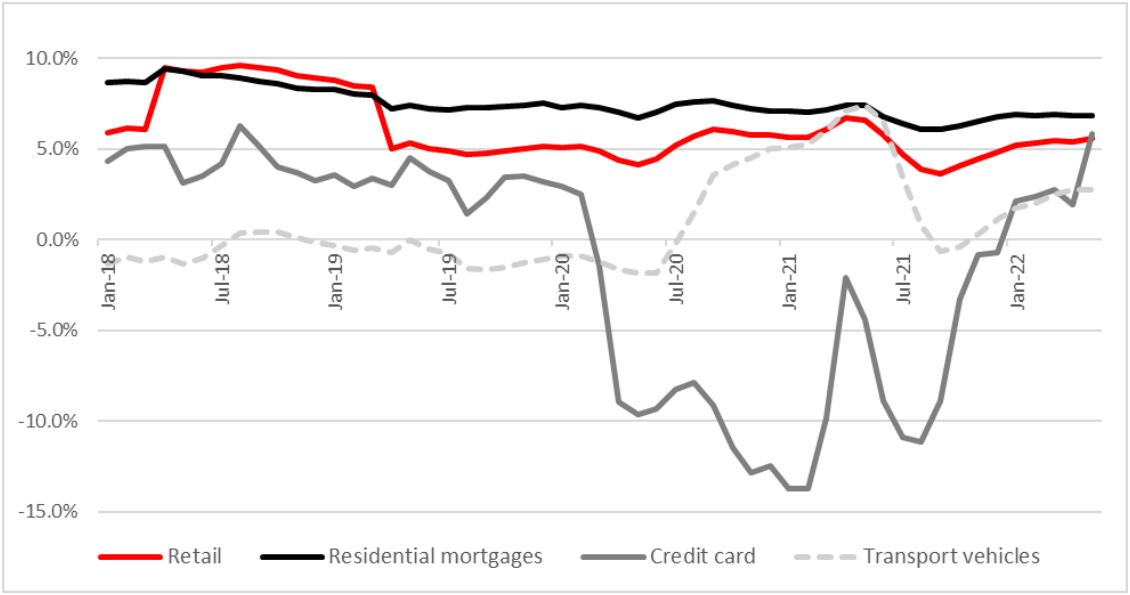
PEER COMPARISON TABLE

Company	Rec.	Share P*	Target P	Mkt Cap	PER (x)		P/B (x)		ROE (%)		Net Div Yield (%)	
		(RM)	(RM)	(RM 'b)	FY22/23	FY23/24	FY22/23	FY23/24	FY22/23	FY23/24	FY22/23	FY23/24
Maybank	BUY	8.59	9.52	102.04	10.7	9.5	1.1	1.1	10.3	11.4	8.4	9.5
CIMB	BUY	4.96	6.14	50.70	10.7	8.4	0.8	0.8	7.7	9.4	4.7	6.0
RHB	BUY	5.73	7.13	23.74	7.8	7.1	0.8	0.7	10.1	10.5	6.4	7.1
Public Bank	BUY	4.37	5.67	84.83	14.5	12.5	1.6	1.6	11.7	12.6	3.5	4.0
HLB	BUY	20.46	23.55	44.36	13.8	12.2	1.4	1.3	10.5	11.0	2.7	3.5
HLFG	BUY	18.50	23.16	21.24	8.6	7.6	1.3	1.2	10.3	11.2	2.7	3.0
ABMB	NEUTRAL	3.18	3.72	4.92	7.3	6.8	0.7	0.6	10.0	9.8	6.9	7.3
Bank Islam	BUY	2.68	3.69	5.78	12.6	10.9	1.0	0.9	7.8	8.3	4.0	4.6
Affin Bank	BUY	1.88	2.53	3.99	7.2	6.0	0.4	0.4	5.5	6.4	3.8	2.3
AMMB	BUY	3.73	4.07	12.36	7.8	7.3	0.6	0.6	8.6	8.7	6.5	4.8
Average					**10.1**	**8.8**	**1.0**	**0.9**	**9.3**	**9.9**	**4.9**	**5.2**

**Closing prices from 30th June 2022*

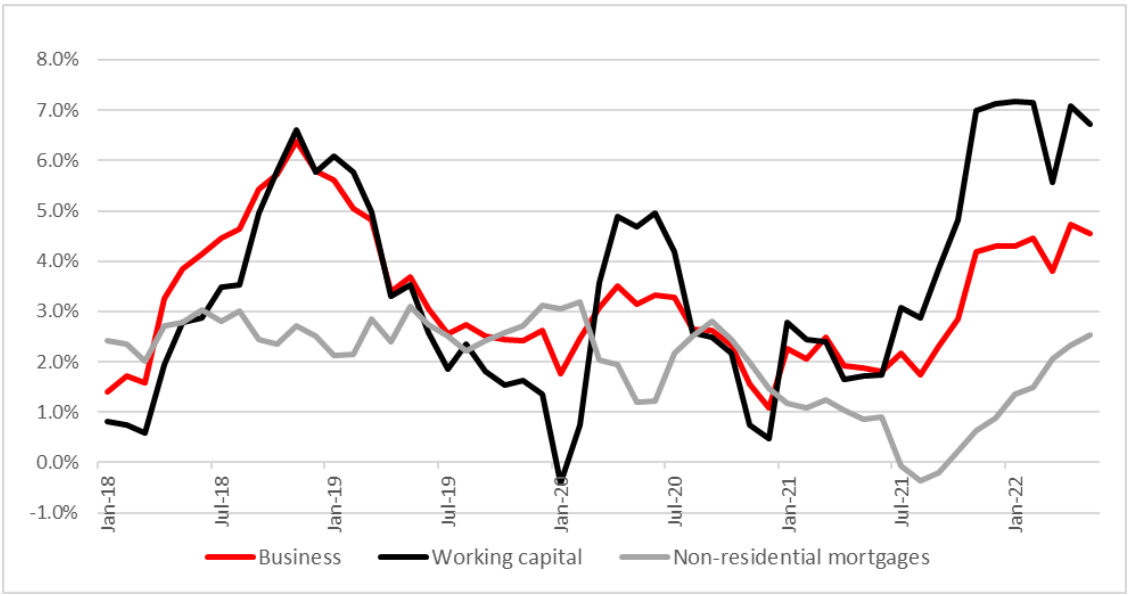
Source: BNM, MIDFR

EXHIBIT 1: RETAIL LOANS AND MAJOR CONSTITUENTS YOY GROWTH



Source: BNM, MIDFR

EXHIBIT 2: BUSINESS LOANS AND MAJOR CONSTITUENTS YOY GROWTH



Source: BNM, MIDFR

EXHIBIT 3: BANKING SYSTEM TOTAL LOANS AND LOAN GROWTH (TABLE)

	Total loans (RM b)	Growth (yoy)	Growth (mom)	Retail		Business	
				Growth (yoy)	% of total	Growth (yoy)	% of total
May-20	1,789.2	3.9%	0.2%	4.1%	50.8%	3.1%	44.5%
Jun-20	1,799.8	4.1%	0.6%	4.4%	50.8%	3.3%	44.4%
Jul-20	1,806.1	4.5%	0.3%	5.2%	51.2%	3.3%	44.2%
Aug-20	1,814.7	4.4%	0.5%	5.7%	51.4%	2.7%	44.0%
Sep-20	1,824.1	4.4%	0.5%	6.1%	51.6%	2.6%	43.9%
Oct-20	1,826.6	4.3%	0.1%	5.9%	51.7%	2.3%	43.8%
Nov-20	1,825.2	3.8%	-0.1%	5.8%	51.9%	1.6%	43.7%
Dec-20	1,831.2	3.4%	0.3%	5.7%	52.0%	1.1%	43.5%

Jan-21	1,838.3	3.8%	0.4%	5.7%	52.0%	2.3%	43.6%
Feb-21	1,840.1	3.7%	0.1%	5.6%	52.0%	2.1%	43.6%
Mar-21	1,853.6	3.9%	0.7%	6.1%	51.9%	2.5%	43.8%
Apr-21	1,853.9	3.9%	0.0%	6.7%	52.1%	1.9%	43.6%
May-21	1,858.8	3.9%	0.3%	6.6%	52.1%	1.9%	43.6%
Jun-21	1,860.5	3.4%	0.1%	5.8%	51.9%	1.8%	43.8%
Jul-21	1,862.8	3.1%	0.1%	4.7%	51.9%	2.2%	43.7%
Aug-21	1,859.8	2.5%	-0.2%	3.9%	52.1%	1.7%	43.6%
Sep-21	1,877.8	2.9%	1.0%	3.6%	51.9%	2.3%	43.6%
Oct-21	1,887.5	3.3%	0.5%	4.0%	52.0%	2.8%	43.6%
Nov-21	1,903.6	4.3%	0.9%	4.5%	52.0%	4.2%	43.6%
Dec-21	1,913.7	4.5%	0.5%	4.9%	52.2%	4.3%	43.4%
Jan-22	1,923.9	4.7%	0.5%	5.2%	52.3%	4.3%	43.4%
Feb-22	1,926.9	4.7%	0.2%	5.3%	52.3%	4.5%	43.5%
Mar-22	1,938.1	4.6%	0.6%	5.4%	52.3%	3.8%	43.5%
Apr-22	1,946.2	5.0%	0.4%	5.4%	52.4%	4.7%	43.5%
May-22	1,951.6	5.0%	0.3%	5.6%	52.4%	4.6%	43.4%

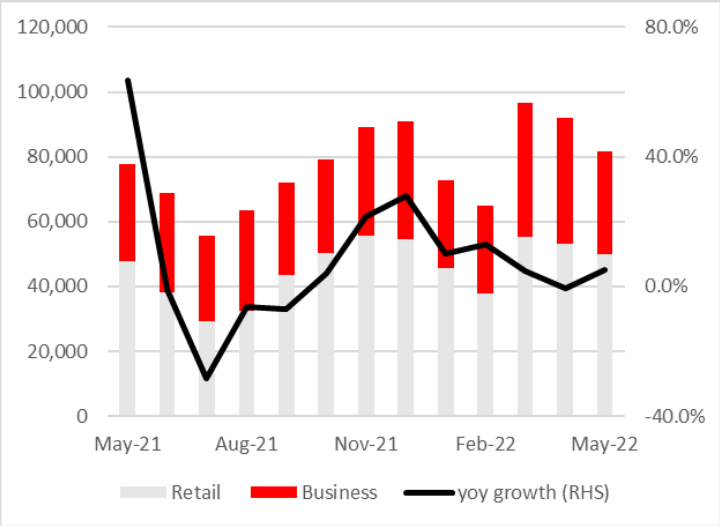
Source: BNM, MIDFR

EXHIBIT 4: LOAN GROWTH BY SPECIFIC PURPOSE

	Residential property	Non-residential property	Working capital	Transport vehicles	Personal use	Credit card	Securities
May-20	6.7%	1.2%	4.7%	-1.9%	3.5%	-9.6%	-3.4%
Jun-20	7.0%	1.2%	5.0%	-1.8%	4.0%	-9.3%	-2.5%
Jul-20	7.5%	2.2%	4.2%	-0.2%	4.6%	-8.2%	-0.8%
Aug-20	7.6%	2.5%	2.6%	1.5%	5.4%	-7.9%	0.1%
Sep-20	7.6%	2.8%	2.5%	3.6%	6.1%	-9.1%	0.3%
Oct-20	7.4%	2.5%	2.2%	4.1%	6.0%	-11.4%	1.5%
Nov-20	7.2%	2.0%	0.8%	4.5%	5.4%	-12.8%	2.3%
Dec-20	7.1%	1.5%	0.5%	5.0%	5.2%	-12.5%	3.0%
Jan-21	7.1%	1.2%	2.8%	5.1%	4.9%	-13.7%	2.2%
Feb-21	7.0%	1.1%	2.4%	5.3%	4.6%	-13.7%	3.4%
Mar-21	7.2%	1.2%	2.4%	6.0%	4.5%	-9.8%	7.1%
Apr-21	7.4%	1.0%	1.6%	7.1%	4.3%	-2.1%	6.2%
May-21	7.4%	0.9%	1.7%	7.4%	3.7%	-4.4%	6.4%
Jun-21	6.8%	0.9%	1.7%	6.5%	3.1%	-8.9%	5.0%
Jul-21	6.4%	-0.1%	3.1%	3.4%	1.2%	-10.9%	4.5%
Aug-21	6.1%	-0.4%	2.9%	0.8%	0.3%	-11.1%	3.3%
Sep-21	6.1%	-0.2%	3.8%	-0.6%	-0.5%	-8.9%	4.8%
Oct-21	6.3%	0.2%	4.8%	-0.4%	-0.5%	-3.3%	3.6%
Nov-21	6.5%	0.6%	7.0%	0.3%	0.2%	-0.9%	5.7%
Dec-21	6.8%	0.9%	7.1%	1.1%	0.7%	-0.7%	3.9%
Jan-22	6.9%	1.4%	7.2%	1.7%	1.4%	2.1%	5.2%
Feb-22	6.9%	1.5%	7.1%	2.0%	2.0%	2.4%	5.9%
Mar-22	6.9%	2.1%	5.6%	2.5%	2.1%	2.8%	6.9%
Apr-22	6.8%	2.3%	7.1%	2.8%	2.0%	2.0%	7.5%
May-22	6.8%	2.5%	6.7%	2.7%	2.2%	5.8%	7.3%

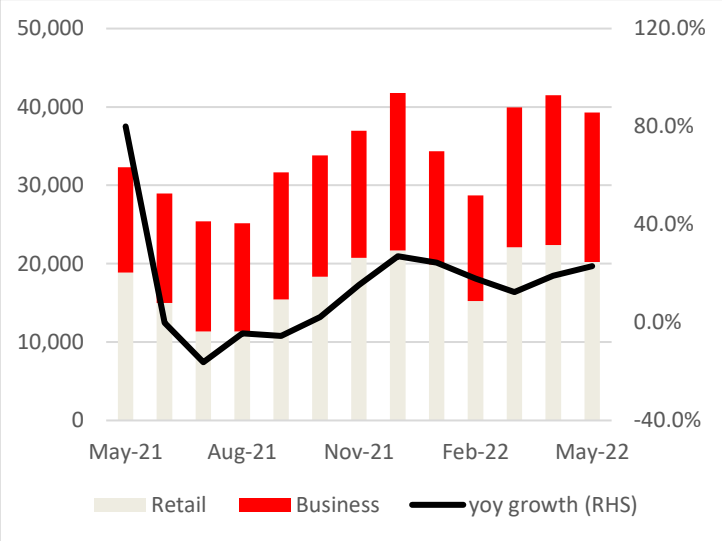
Source: BNM, MIDFR

EXHIBIT 5: LOANS APPLICATIONS SEGMENTS AND YOY GROWTH



Source: BNM, MIDFR

EXHIBIT 6: LOANS APPROVED SEGMENTS AND YOY GROWTH



Source: BNM, MIDFR

EXHIBIT 7: LOANS APPLIED AND LOANS APPROVED

	Applied (RM b)	Growth (yoy)	Growth (mom)	Approved (RM b)	Growth (yoy)	Growth (mom)	Approval rate
May-20	48.7	-39.1%	-0.2%	18.2	-54.4%	0.0%	37.4%
Jun-20	70.7	8.0%	45.2%	30.2	-12.7%	66.3%	42.8%
Jul-20	82.8	5.3%	17.1%	32.0	-14.3%	5.8%	38.7%
Aug-20	71.0	-13.7%	-14.2%	30.7	-13.2%	-4.0%	43.3%
Sep-20	80.6	16.6%	13.5%	35.3	4.8%	15.0%	43.8%
Oct-20	76.7	-6.1%	-4.8%	34.2	0.8%	-3.1%	44.6%
Nov-20	75.9	-5.1%	-1.0%	34.2	-4.2%	-0.1%	45.0%
Dec-20	71.7	12.3%	-5.6%	33.7	-0.1%	-1.4%	47.0%
Jan-21	67.4	9.7%	-6.1%	28.5	-3.5%	-15.4%	42.3%
Feb-21	59.0	-15.9%	-12.4%	24.5	-17.8%	-14.0%	41.6%
Mar-21	94.2	43.9%	59.7%	36.9	34.0%	50.4%	39.1%
Apr-21	93.6	92.1%	-0.7%	35.7	96.3%	-3.2%	38.2%
May-21	79.6	63.6%	-14.9%	32.7	80.0%	-8.3%	41.1%
Jun-21	70.0	-1.0%	-12.1%	30.2	-0.1%	-7.7%	43.2%

Jul-21	59.3	-28.4%	-15.3%	26.8	-16.2%	-11.3%	45.2%
Aug-21	66.7	-6.1%	12.5%	29.3	-4.4%	9.5%	44.0%
Sep-21	75.0	-7.0%	12.5%	33.4	-5.4%	13.7%	44.5%
Oct-21	79.9	4.2%	6.6%	34.9	2.2%	4.7%	43.8%
Nov-21	92.3	21.5%	15.5%	39.4	15.3%	12.7%	42.7%
Dec-21	91.7	27.9%	-0.6%	42.8	27.0%	8.7%	46.7%
Jan-22	74.1	10.0%	-19.2%	35.5	24.4%	-17.1%	47.9%
Feb-22	66.7	13.0%	-10.0%	28.9	18.0%	-18.5%	43.4%
Mar-22	98.6	4.6%	47.8%	41.5	12.5%	43.4%	42.1%
Apr-22	93.1	-0.5%	-5.6%	42.5	19.1%	2.5%	45.7%
May-22	83.8	5.2%	-10.0%	40.2	22.9%	-5.4%	48.1%
5MCY21	393.8	33.7%		158.4	28.5%		40.2%
5MCY22	416.2	5.7%		188.7	19.1%		45.3%

Source: BNM, MIDFR

EXHIBIT 8: LOANS APPLIED SEGMENTAL GROWTH RATE

	Retail	Business	Residential property	Non-residential property	Working capital	Passenger cars	Credit cards
May-20	-60.7%	-10.3%	-59.5%	-68.9%	25.7%	-58.8%	-67.6%
Jun-20	19.8%	-0.2%	20.0%	-33.3%	31.5%	66.1%	-18.8%
Jul-20	18.9%	-11.9%	19.3%	-30.8%	8.1%	63.7%	-5.9%
Aug-20	12.4%	-35.3%	16.8%	-39.8%	-28.9%	47.7%	-20.0%
Sep-20	46.1%	-9.9%	51.1%	-11.9%	-12.9%	84.0%	3.6%
Oct-20	11.0%	-19.8%	19.5%	-21.2%	-12.4%	17.4%	-24.8%
Nov-20	18.4%	-15.3%	27.3%	-30.8%	-22.0%	31.8%	-19.0%
Dec-20	23.5%	-4.2%	34.3%	-1.8%	-17.7%	24.9%	-13.3%
Jan-21	31.0%	-10.4%	61.7%	3.9%	-15.4%	8.1%	-23.0%
Feb-21	-5.9%	-26.1%	2.1%	-25.1%	-37.2%	-17.7%	-28.2%
Mar-21	82.7%	8.2%	103.4%	33.5%	-21.2%	103.5%	1.1%
Apr-21	448.6%	-0.5%	451.2%	397.9%	-43.8%	1527.3%	130.9%
May-21	190.2%	2.4%	215.8%	201.4%	-36.2%	168.7%	122.5%
Jun-21	-4.1%	9.4%	6.6%	51.7%	-17.7%	-53.1%	12.4%
Jul-21	-39.9%	-12.4%	-34.3%	1.0%	-28.4%	-74.5%	-11.9%
Aug-21	-25.9%	23.2%	-24.3%	9.8%	24.0%	-54.1%	28.7%
Sep-21	-11.4%	-2.3%	-12.3%	12.6%	-2.3%	-14.5%	28.2%
Oct-21	11.5%	-3.9%	9.7%	24.2%	-16.7%	36.7%	3.5%
Nov-21	27.9%	8.4%	36.1%	33.6%	22.3%	32.8%	8.6%
Dec-21	26.7%	42.0%	33.8%	29.8%	56.7%	32.9%	17.5%
Jan-22	12.0%	10.9%	6.5%	1.3%	8.1%	47.6%	29.7%
Feb-22	13.0%	15.5%	8.5%	11.2%	29.4%	45.1%	38.9%
Mar-22	-0.9%	16.6%	-2.3%	10.1%	41.5%	5.6%	20.0%
Apr-22	-5.5%	10.9%	-9.0%	4.3%	22.9%	3.2%	32.3%
May-22	4.9%	5.8%	-3.3%	3.9%	16.9%	36.9%	38.9%
5MCY21	88.8%	-5.1%	114.5%	52.8%	-32.7%	88.9%	12.2%
5MCY22	3.4%	12.0%	-1.2%	6.0%	24.6%	23.0%	31.4%

Source: BNM, MIDFR

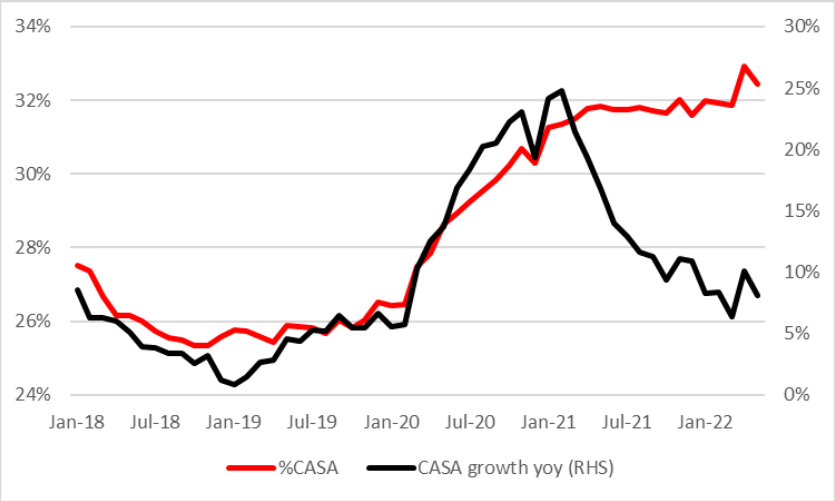
EXHIBIT 9: LOANS APPROVED SEGMENTAL GROWTH RATE

	Retail	Business	Residential property	Non-residential property	Working capital	Passenger cars	Credit cards
May-20	-67.9%	-37.2%	-68.6%	-73.1%	-8.5%	-66.7%	-80.8%
Jun-20	-19.6%	-1.6%	-35.1%	-64.2%	39.0%	29.5%	-51.3%
Jul-20	-5.1%	-28.1%	-18.0%	-33.3%	-14.3%	40.5%	-34.0%
Aug-20	-2.2%	-20.2%	-5.9%	-22.4%	-11.6%	31.1%	-39.9%
Sep-20	25.6%	-8.4%	20.8%	-24.9%	2.5%	67.1%	-19.9%
Oct-20	7.2%	-5.7%	5.8%	-18.7%	6.5%	34.0%	-43.4%
Nov-20	10.3%	-14.0%	9.8%	-23.4%	-10.1%	37.4%	-44.1%
Dec-20	11.7%	-14.9%	10.6%	-36.9%	-1.7%	32.5%	-37.2%
Jan-21	9.2%	-15.8%	25.9%	10.0%	-26.8%	3.5%	-49.2%
Feb-21	-0.5%	-24.7%	15.9%	-0.7%	-21.9%	-8.6%	-54.8%
Mar-21	57.7%	19.2%	69.4%	57.4%	3.8%	87.3%	-27.4%

Apr-21	482.4%	7.8%	403.8%	73.8%	-31.3%	2737.2%	228.7%
May-21	220.1%	17.3%	252.2%	221.4%	-21.0%	227.8%	165.8%
Jun-21	19.7%	-14.6%	68.6%	124.6%	-44.8%	-48.1%	4.2%
Jul-21	-36.0%	18.9%	-12.9%	56.7%	-4.6%	-73.4%	-37.9%
Aug-21	-35.5%	11.6%	-26.3%	13.4%	12.9%	-54.9%	-35.2%
Sep-21	-19.9%	4.9%	-18.4%	57.8%	-22.8%	-15.4%	-29.0%
Oct-21	-4.1%	9.6%	-6.1%	18.3%	12.7%	0.2%	23.9%
Nov-21	12.6%	13.0%	16.7%	39.0%	8.3%	7.5%	23.7%
Dec-21	26.4%	44.7%	37.9%	31.6%	66.5%	14.6%	36.6%
Jan-22	26.5%	25.0%	25.3%	51.7%	30.5%	33.9%	63.5%
Feb-22	7.1%	37.8%	-1.8%	49.3%	36.1%	31.2%	62.9%
Mar-22	12.6%	13.3%	14.4%	29.9%	15.2%	10.3%	50.6%
Apr-22	5.8%	39.4%	0.8%	27.8%	47.4%	7.6%	62.5%
May-22	7.2%	41.9%	-2.7%	50.1%	35.6%	22.5%	85.0%
5MCY21	76.9%	0.2%	98.2%	50.6%	-19.8%	90.6%	-15.3%
5MCY22	11.4%	30.7%	6.5%	40.4%	32.1%	19.2%	64.3%

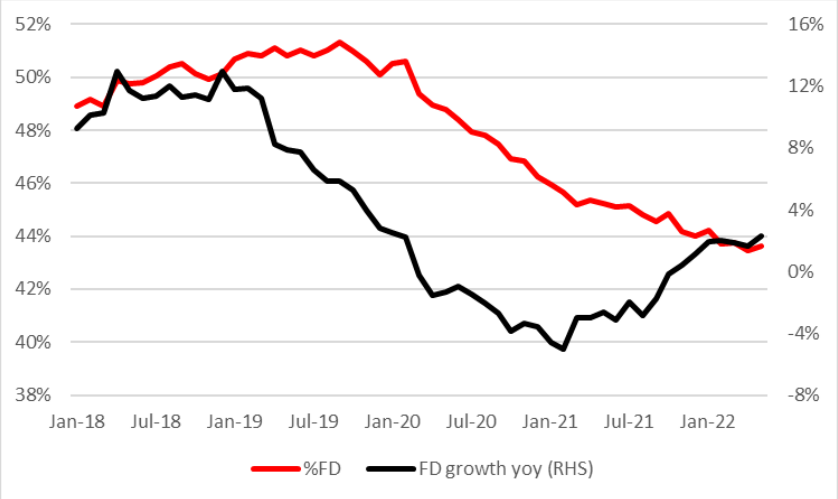
Source: BNM, MIDFR

EXHIBIT 10: CASA RATIO AND YOY GROWTH (%)



Source: BNM, MIDFR

EXHIBIT 11: FD RATIO AND YOY GROWTH (%)



Source: BNM, MIDFR

EXHIBIT 12: BANKING SYSTEM TOTAL DEPOSITS AND DEPOSITS GROWTH

	Total deposits (RM b)	Growth (yoy)	CASA (RM b)	Growth (yoy)	FD (RM b)	Growth (yoy)	CASA Ratio	L/D Ratio
May-20	1,996.0	2.7%	577.4	13.7%	984.3	-1.3%	28.9%	89.6%
Jun-20	2,021.3	4.3%	591.9	16.8%	990.5	-1.0%	29.3%	89.0%
Jul-20	2,026.7	4.2%	600.6	18.4%	984.1	-1.5%	29.6%	89.1%
Aug-20	2,033.4	4.3%	609.1	20.2%	985.9	-2.1%	30.0%	89.2%
Sep-20	2,045.2	4.7%	619.5	20.5%	985.6	-2.7%	30.3%	89.2%
Oct-20	2,040.2	3.9%	626.2	22.2%	971.8	-3.9%	30.7%	89.5%
Nov-20	2,038.1	4.2%	634.2	23.0%	968.2	-3.4%	31.1%	89.6%
Dec-20	2,046.5	3.9%	632.8	19.3%	966.5	-3.6%	30.9%	89.5%
Jan-21	2,050.3	4.5%	651.9	24.1%	957.8	-4.6%	31.8%	89.7%
Feb-21	2,060.4	5.0%	657.6	24.8%	957.6	-5.0%	31.9%	89.3%
Mar-21	2,090.0	6.2%	670.4	21.4%	962.1	-3.0%	32.1%	88.7%
Apr-21	2,077.2	4.6%	671.3	19.3%	958.7	-3.0%	32.3%	89.2%
May-21	2,086.1	4.5%	674.5	16.8%	958.4	-2.6%	32.3%	89.1%
Jun-21	2,092.2	3.5%	674.5	14.0%	959.1	-3.2%	32.2%	88.9%
Jul-21	2,105.5	3.9%	678.1	12.9%	964.6	-2.0%	32.2%	88.5%
Aug-21	2,104.7	3.5%	680.1	11.7%	957.9	-2.8%	32.3%	88.4%
Sep-21	2,134.0	4.3%	689.3	11.3%	968.5	-1.7%	32.3%	88.0%
Oct-21	2,124.4	4.1%	684.9	9.4%	970.2	-0.2%	32.2%	88.9%
Nov-21	2,155.4	5.8%	704.3	11.1%	971.9	0.4%	32.7%	88.3%
Dec-21	2,166.4	5.9%	701.8	10.9%	977.5	1.1%	32.4%	88.3%
Jan-22	2,159.7	5.3%	706.0	8.3%	976.1	1.9%	32.7%	89.1%
Feb-22	2,183.3	6.0%	712.9	8.4%	976.5	2.0%	32.7%	88.3%
Mar-22	2,186.2	4.6%	713.5	6.4%	979.7	1.8%	32.6%	88.7%
Apr-22	2,184.2	5.1%	738.8	10.1%	974.6	1.7%	33.8%	89.1%
May-22	2,190.7	5.0%	729.0	8.1%	980.5	2.3%	33.3%	89.1%

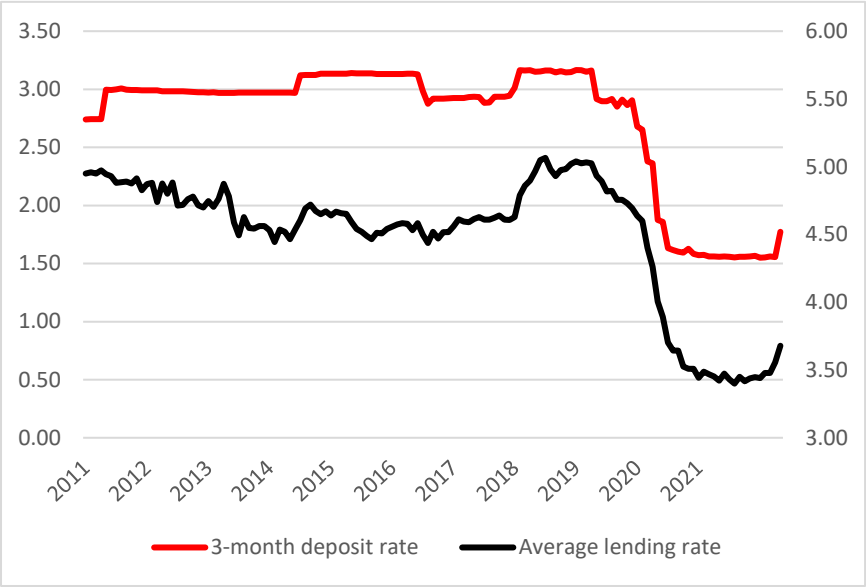
Source: BNM, MIDFR

EXHIBIT 13: BANKING SYSTEM GROSS IMPAIRED LOANS AND LOAN LOSS COVERAGE RATIOS

	Impaired Loans/ Financing (RM b)	GIL Ratio (%)	Total Provisions (RM b)	Loan Loss Coverage Ratio (%)
May-20	27,401.1	1.53	24,863.4	90.7
Jun-20	25,975.1	1.44	24,794.6	95.5
Jul-20	25,436.0	1.41	24,890.0	97.9
Aug-20	25,117.5	1.38	25,218.9	100.4
Sep-20	24,900.6	1.37	27,140.3	109.0
Oct-20	25,711.0	1.41	28,567.9	111.1
Nov-20	27,844.8	1.53	29,907.3	107.4
Dec-20	28,631.5	1.56	31,185.8	108.9
Jan-21	29,434.1	1.60	31,661.6	107.6
Feb-21	29,347.5	1.59	31,747.5	108.2
Mar-21	29,353.1	1.58	32,777.8	111.7
Apr-21	29,059.2	1.57	32,387.2	111.5
May-21	29,598.5	1.59	32,532.6	109.9
Jun-21	30,231.3	1.62	33,997.0	112.5
Jul-21	31,031.8	1.67	34,614.4	111.5
Aug-21	31,062.8	1.67	35,191.7	113.3
Sep-21	29,477.1	1.57	35,518.5	120.5
Oct-21	28,661.6	1.52	35,632.3	124.3
Nov-21	28,007.2	1.47	35,491.8	126.7
Dec-21	27,575.1	1.44	35,565.6	129.0
Jan-22	28,910.8	1.50	36,303.0	125.6
Feb-22	29,389.5	1.53	36,181.6	123.1
Mar-22	29,833.2	1.54	34,528.4	115.7
Apr-22	30,622.4	1.57	34,721.9	113.4
May-22	32,054.0	1.64	34,983.2	109.1

Source: BNM, MIDFR

EXHIBIT 14: INTEREST SPREAD



Source: BNM, MIDFR

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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 *rise* 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 *fall* 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