BANKING

***Maintain* POSITIVE**

Oct-22 Banking Stats: Leading indicators soften

KEY INVESTMENT HIGHLIGHTS

- **Loan growth of +6.5%yoy: But should taper down in CY23**
- **Leading indicators: Applications plummet, but still on the higher end. Approval rate of 53.5% is still fairly elevated**
- **Deposit growth: Slight CASA mom rebound, but unlikely to dissuade prevailing trends**
- **System GIL ratio: Flat at 1.82% -- Banks have been performing heavy write-offs recently**
- **Interest spread: Considerable ALR increase may lead to interest spread peak**
- **Maintain POSITIVE call – Dividend yields and decent valuations, despite diminishing tailwinds**

Monthly highlights:

Loan growth ticks upwards but should continue downward movement. Oct-22 saw system loan growth rise by a solid pace of +6.5%yoy, rising by +0.6% mom. On an annualised basis, loan growth was +6.1%. Loan growth should continue tapering down in 1HCY23 in a less liquidity-rich environment – most banks are already registering high loan/deposit ratios. We maintain our loan growth projections listed in Exhibit 1 below.

Retail loan growth still strong. Retail loans grew by an solid +7.2%yoy. We believe that this may have peaked at +7.5%yoy in the previous month. This translates to +0.6%mom and an annualised growth figure of +6.5%. While hire purchase and residential mortgages continue to act as core drivers, they seem have come off their peaks slightly. Unsecured loans, on the other hand, scored a stellar +5.0%mom increase.

Credit card loans make up 1.9% of system loans. These were up by a strong +13.6%yoy. Total purchases in Malaysia by both local and foreign cardholders exhibit strong sequential month growth (+3%mom, +7%mom respectively) – note the proportion of total local card purchases continues to skew further toward foreign cardholders.

Business loans also resilient. Business loans rose to a strong +5.7%yoy (Annualised: +5.6%) – it rose by +0.7%mom. Working capital served as the core driver, reporting a healthy +1.1%mom growth. Non-residential mortgages and construction also saw good sequential month growth.

Leading indicators plummet. Despite still reporting robust figures, 3M system loan applications contracted by -6.3%mom. Core contributors to the steep decline were reduction in hire purchase, residential mortgages and working capital loans. Working capital loan applications was one of the few categories that did not see a sequential month contraction, registering a meagre +1.9%mom growth, having contracted by -20%mom in Aug-22.

COMPANY IN FOCUS

Public Bank
Maintain **BUY** | Unchanged Target price: RM5.39
Price @ 1 December 2022: RM4.47

- Defensive pick: Excellent asset quality + portfolio skewed towards retail end.
- Significant market share, especially for retail loans.
- Superb cost management ability.

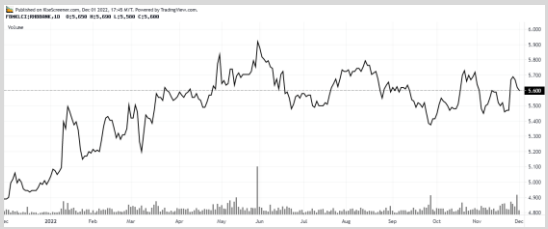
Share price chart



RHB Bank
Maintain **BUY** | Unchanged Target price: RM6.94
Price @ 1 December 2022: RM5.60

- Attractive dividend yields.
- Considerable capital levels may offer buffer to tight liquidity situation in following quarter.
- Building considerable regional footprint.

Share price chart



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System loan approvals dropped by a steeper -12%mom following more restrictive financing from banks. Approval rates have gone down further to 53.5% (from Aug-22's peak of 61.0%), with a notable reduction in business loan approval rate. Note that this approval rate is still relatively high.

Deposits make a slight mom rebound. Oct-22 system deposits rose by a reported its highest yoy growth of +8.3%yoy, +0.4%mom (Annualised: +6.5%). Growth was primarily driven by FDs (+0.2%mom), though CASA growth also reported +0.1%yoy expansion, after several straight months of contractions. L/D stands at 89.0% -- it seems to have normalised around that range.

Impaired loans. GIL volume fell by rose +0.8%mom, with system GIL ratio remaining flat at 1.82%. Retail and Business loan GIL ratios moved +1bps and -1bps respectively. Banks have been heavily utilising overlays within the past quarter – this will prevent system GIL from going up any further.

Interest spread likely have peaked. Interest spread has leapt by a considerable +24bps mom. ALR rose by +25bps mom. 3-month FD rate fell by -1bps mom. Interest spread has likely reached its peak in this month, and we expect FD rates to start repricing in the following month.

Maintain POSITIVE. Valuations and dividend yields remain fairly attractive, as banking remains a "safe" sector in the face of a possible economic downturn. Sector can also look to improving non-interest income. Nevertheless, tailwinds seem to be thinning, as the sector must contend with rising deposit competition, falling CASA rates, sticky tech and personnel costs, further macroeconomic overlays, and further threats to asset quality in the following year. Our top picks for the sector are **Public Bank (BUY, TP: RM5.39)** and **RHB (BUY, TP: RM6.94).**

PEER COMPARISON TABLE

Company	Rec.	Share P*	Target P	Upside	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	NEUTRAL	8.62	8.83	2.4	100.18	12.0	10.3	1.2	1.1	9.7	11.0	6.7	7.8
CIMB	BUY	5.75	6.16	7.1	57.63	11.1	9.5	0.9	0.9	8.6	9.6	4.5	5.3
Public Bk	BUY	4.47	5.39	20.6	86.77	14.8	12.8	1.7	1.6	11.9	12.9	3.4	3.9
RHB	BUY	5.60	6.94	24.0	22.68	8.7	6.9	0.8	0.7	9.1	10.7	5.8	7.2
HL Bank	BUY	20.68	24.88	20.3	42.38	11.0	10.1	1.3	1.2	12.3	12.5	3.2	3.5
HL FG	BUY	18.76	23.69	26.3	21271.63	7.7	7.1	0.7	0.7	10.1	9.5	1.1	1.1
AMMB	BUY	4.20	5.12	21.9	13.86	7.8	7.3	0.8	0.7	10.3	10.5	3.8	4.1
BIMB	NEUTRAL	2.58	2.66	3.0	6.30	13.1	10.5	0.9	0.9	7.4	8.6	3.8	4.7
Affin Bk	NEUTRAL	2.09	2.23	6.7	4.41	23.5	8.0	0.5	0.4	1.9	5.6	12.4	3.8
ABMB	BUY	3.80	4.35	14.5	5.88	8.6	8.1	0.8	0.8	10.2	10.3	5.8	6.2
Simple avg						**11.8**	**9.1**	**1.0**	**0.9**	**9.2**	**10.1**	**5.0**	**4.7**

**Closing prices from 1st December 2022*

Source: BNM, MIDFR

A. SYSTEM LOAN & CONSTITUENTS

Heatmaps visible here: (link)

EXHIBIT 1: CORE FIGURES & FORECASTS

Metric	Growth rates yoy (%)				YTD Ann.
	Oct-22	Sep-22	Aug-22	Jul-22	
Total loans	**6.5%**	**6.4%**	**6.8%**	**5.9%**	**6.1%**
Retail loans	7.2%	7.5%	7.4%	6.9%	6.5%
Business loans	5.7%	5.3%	6.1%	4.7%	5.6%
Total deposits	**8.3%**	**7.4%**	**7.5%**	**6.2%**	**6.5%**
CASA	4.5%	3.7%	6.1%	6.7%	2.3%
FD	5.0%	4.9%	5.0%	3.5%	5.0%
Total provisions	-0.4%	-0.1%	1.2%	1.8%	1.4%
Total GIL	15.1%	12.0%	7.6%	7.9%	17.1%
Leading indicators					
3MA applications	31.9%	53.7%	69.4%	60.9%	12.7%
Retail	25.4%	58.3%	85.3%	62.3%	-6.6%
Business	39.5%	49.2%	54.6%	59.3%	41.8%
3MA approvals	43.7%	63.4%	92.5%	88.2%	37.3%
Retail	45.0%	92.4%	125.2%	88.9%	4.6%
Business	42.8%	47.2%	72.5%	87.5%	72.4%

Growth rates mom (%)			
Oct-22	Sep-22	Aug-22	Jul-22
0.6%	**0.6%**	**0.7%**	**0.3%**
0.6%	0.7%	0.6%	0.5%
0.7%	0.5%	0.8%	0.1%
0.4%	**1.5%**	**1.3%**	**0.1%**
0.1%	-0.9%	-0.3%	-1.4%
0.2%	1.0%	0.7%	1.1%
-0.3%	0.1%	1.1%	-0.1%
0.8%	-0.4%	0.2%	3.5%

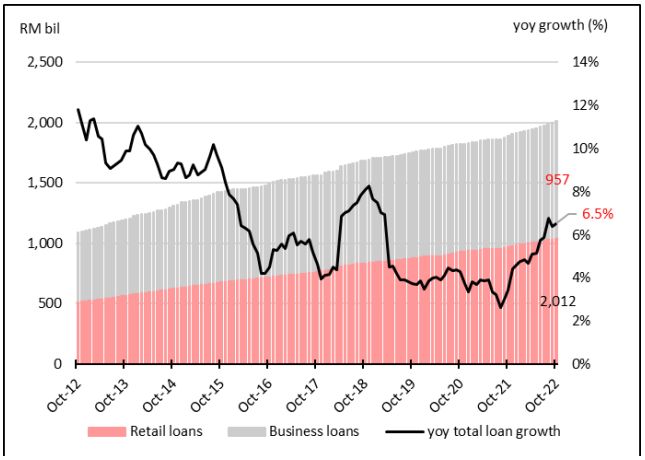
Other ratios	Oct-22	Sep-22	Aug-22	Jul-22	Dec-21
Interest spread	2.44%	2.18%	2.22%	2.08%	1.88%
Loan approval rate	54%	57%	61%	49%	52%
SME approval rate*	-	-	60%	58%	53%
GIL ratio	1.82%	1.82%	1.84%	1.85%	1.68%
LLC ratio	97%	98%	97%	96%	109%
CASA ratio	31.7%	31.7%	32.3%	32.8%	32.4%
Loan/Deposit ratio	89.0%	88.7%	89.0%	89.5%	88.4%
CET 1	14.1%	14.0%	14.4%	14.6%	15.5%
Tier 1 Capital	14.6%	14.6%	15.0%	15.2%	16.0%
Total Capital	17.8%	17.8%	18.1%	18.3%	19.2%

**SME data may lag*

Metric	Period	Forecast	Previously
Loan growth	CY22	5.7-6.0%	
	CY23	4.5-5.0%	
GDP	CY22	6.6%	
	CY23	4.2%	
GIL ratio	CY22	<2.1%	
OPR	CY22	2.75%	
	1HCY23	3.00%	

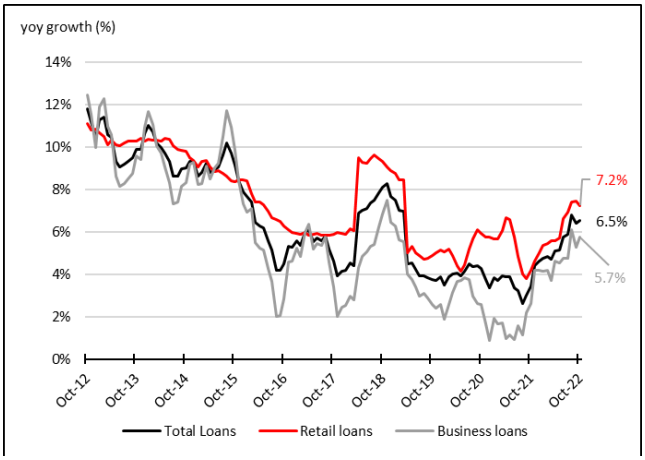
Source: BNM, MIDFR

EXHIBIT 2: SYSTEM LOANS



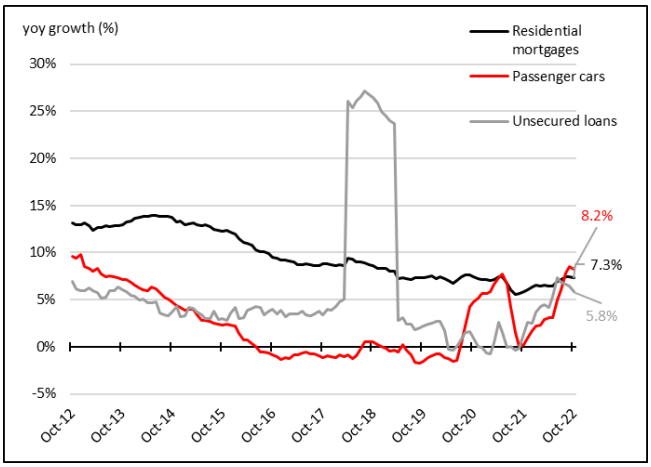
Source: BNM, MIDFR

EXHIBIT 3: RETAIL & BUSINESS LOAN GROWTH



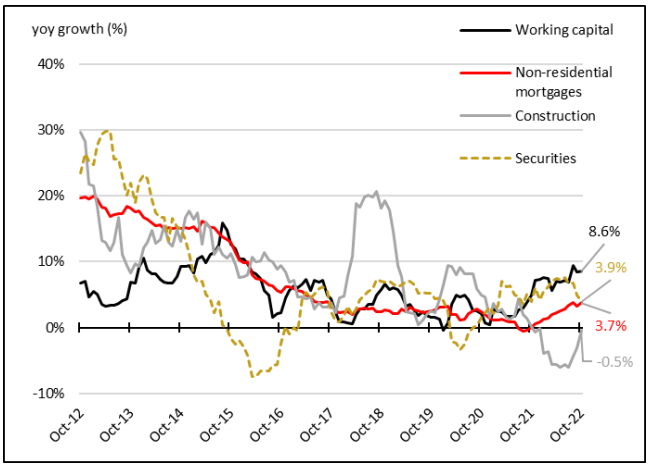
Source: BNM, MIDFR

EXHIBIT 4: RETAIL LOAN CONSTIUTENTS



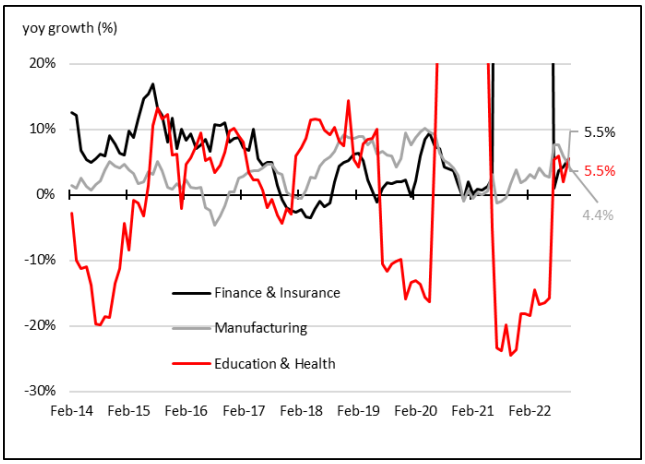
Source: BNM, MIDFR

EXHIBIT 5: BUSINESS LOAN CONSTITUENTS



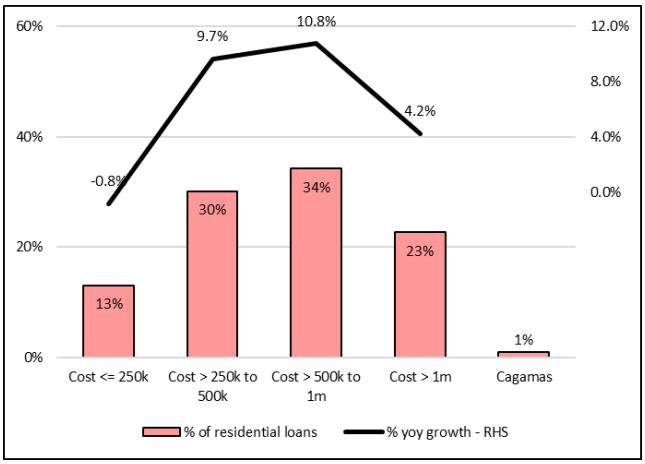
Source: BNM, MIDFR

EXHIBIT 6: LOAN GROWTH OF OTHER SECTORS



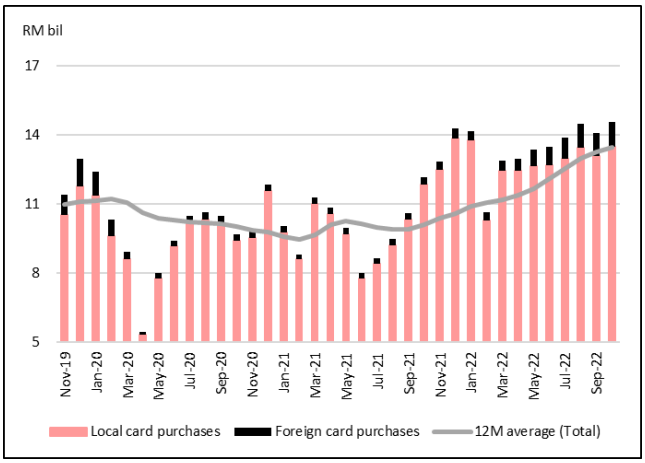
Source: BNM, MIDFR

EXHIBIT 7: RESIDENTIAL LOANS BY SEGMENT



Source: BNM, MIDFR

EXHIBIT 8: CREDIT CARD PURCHASES

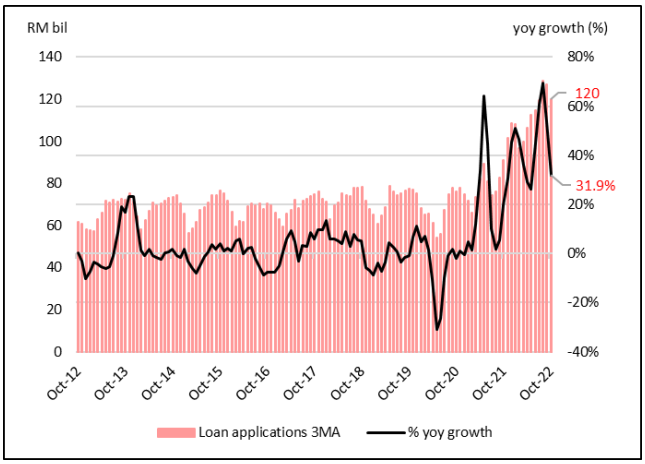


Source: BNM, MIDFR

B. LEADING INDICATOR TRENDS

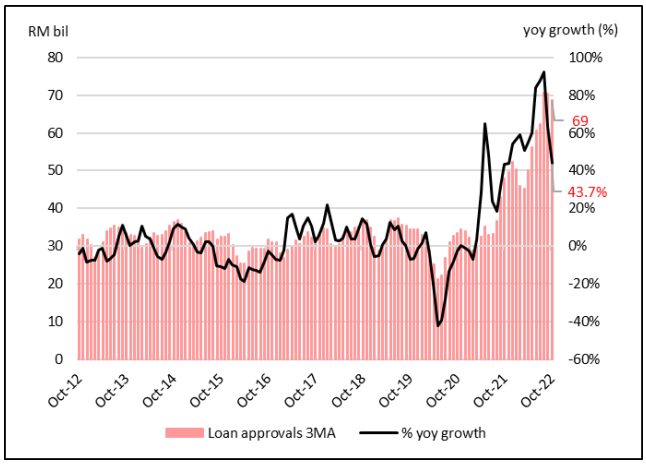
Heatmaps visible here: (link)

EXHIBIT 9: APPLICATIONS (3-M MOVING AVERAGE)



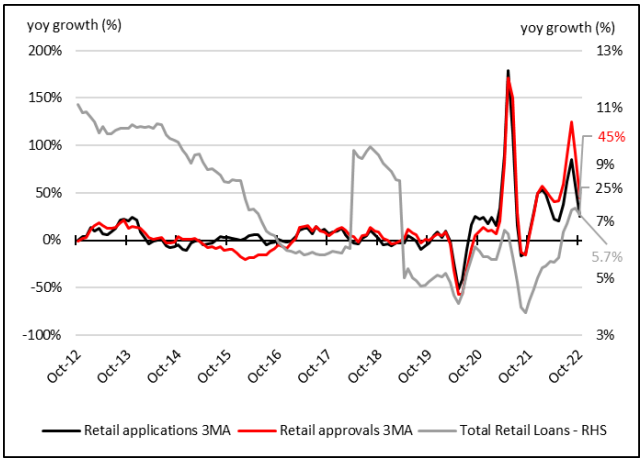
Source: BNM, MIDFR

EXHIBIT 10: APPROVALS (3-M MOVING AVERAGE)



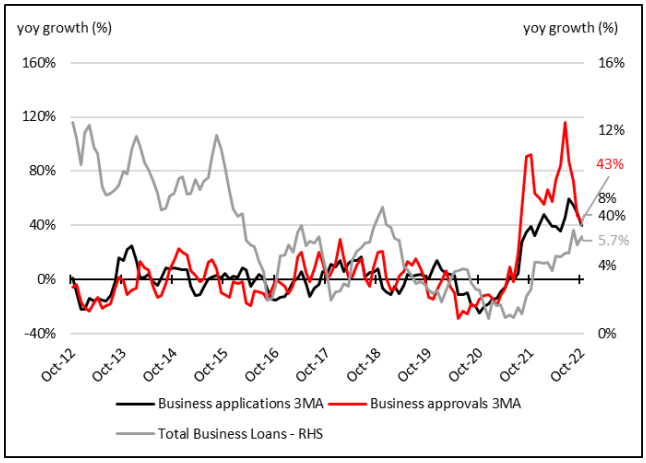
Source: BNM, MIDFR

EXHIBIT 11: RETAIL LOAN INDICATORS



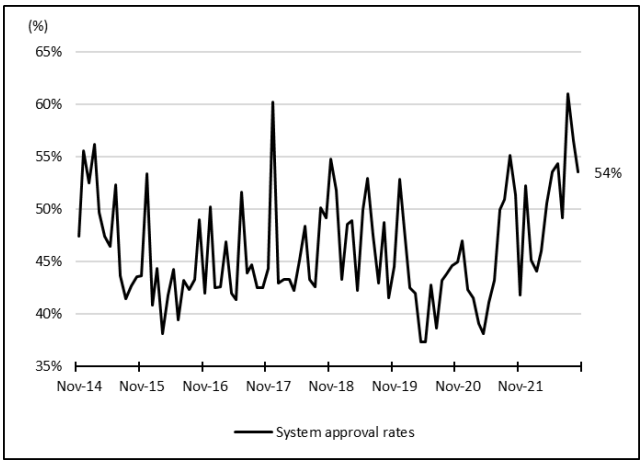
Source: BNM, MIDFR

EXHIBIT 12: BUSINESS LOAN INDICATORS



Source: BNM, MIDFR

EXHIBIT 13: SYSTEM APPROVAL RATES

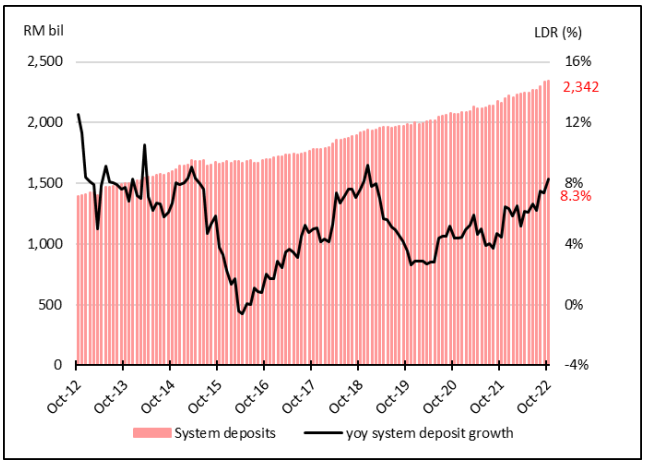


Source: BNM, MIDFR

C. DEPOSITS & LIQUIDITY

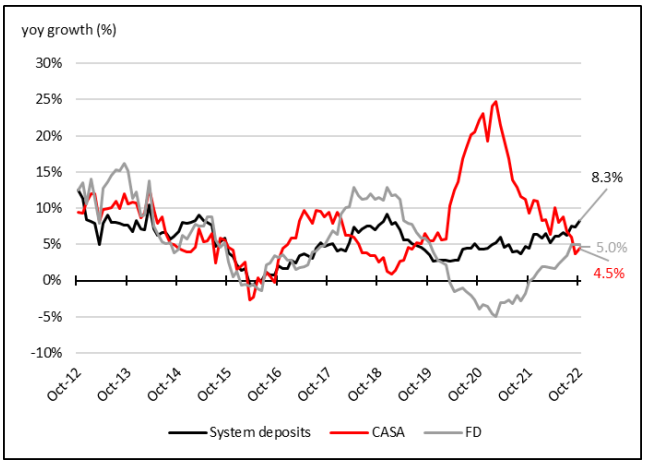
Heatmaps visible here: (link)

EXHIBIT 14: SYSTEM DEPOSITS & LDR



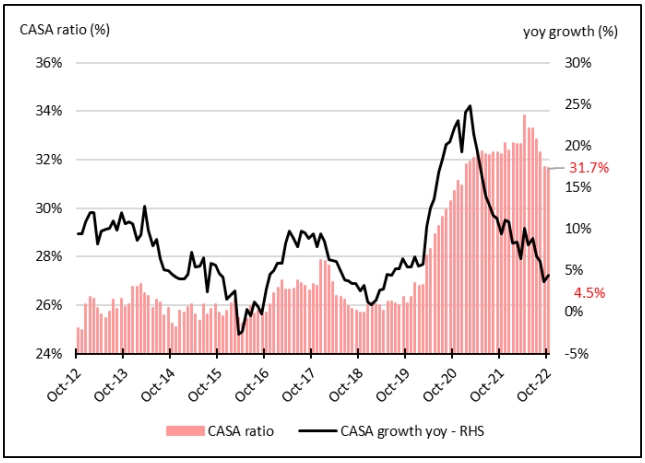
Source: BNM, MIDFR

EXHIBIT 15: CASA & FD GROWTH



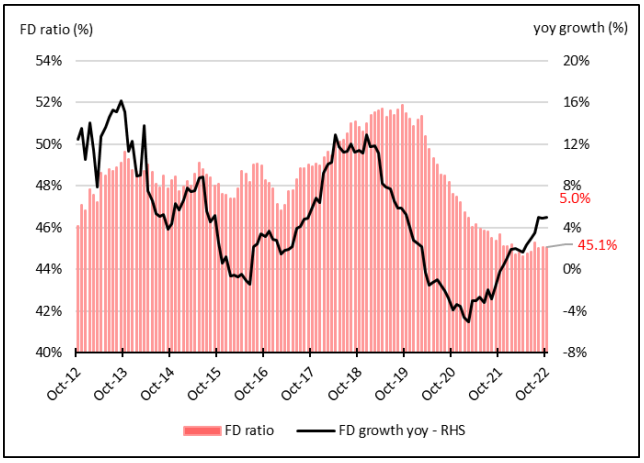
Source: BNM, MIDFR

EXHIBIT 16: CASA RATIO



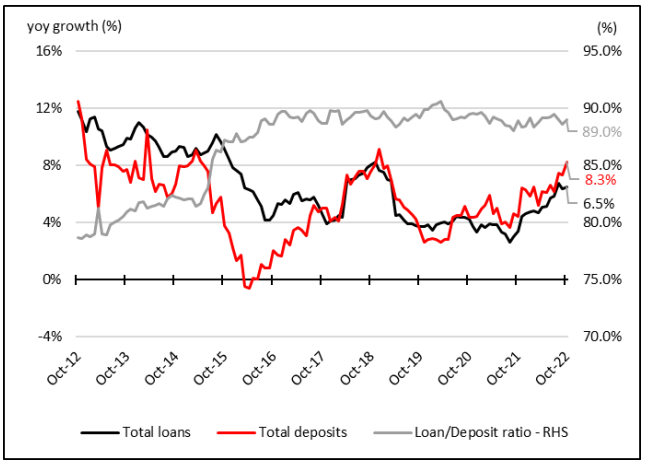
Source: BNM, MIDFR

EXHIBIT 17: FD RATIO



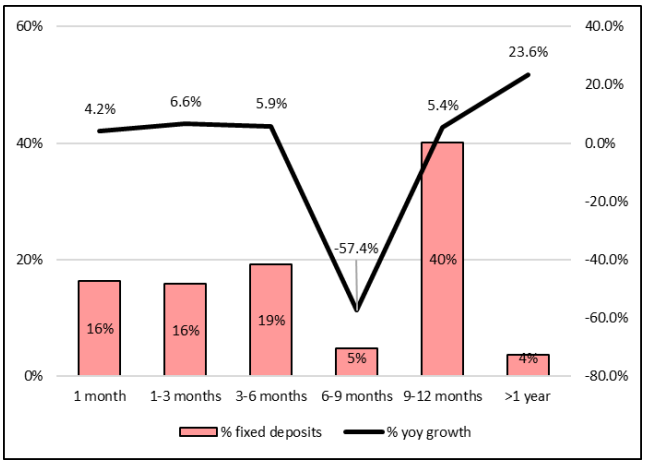
Source: BNM, MIDFR

EXHIBIT 18: LOAN/DEPOSIT RATIO



Source: BNM, MIDFR

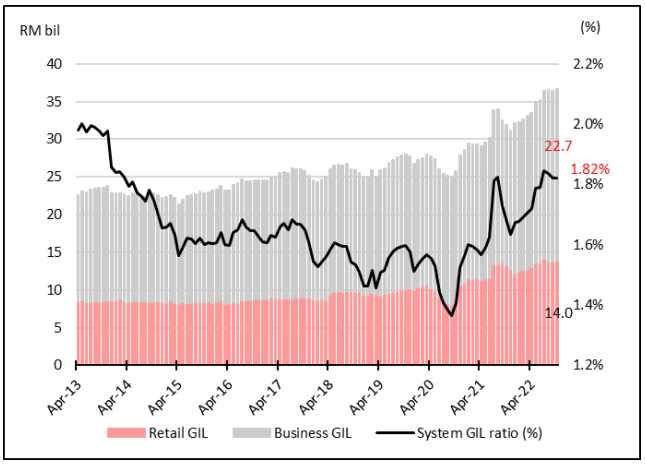
EXHIBIT 19: FIXED DEPOSITS BY MATURITY



D. ASSET QUALITY & PROVISIONING

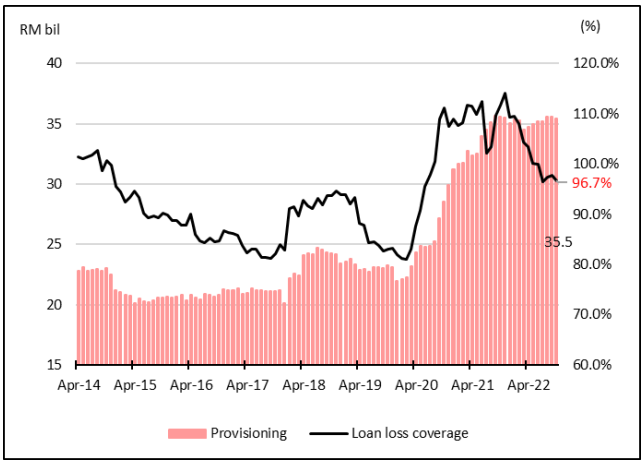
Heatmaps visible here: (link)

EXHIBIT 20: SYSTEM GROSS IMPAIRED LOANS



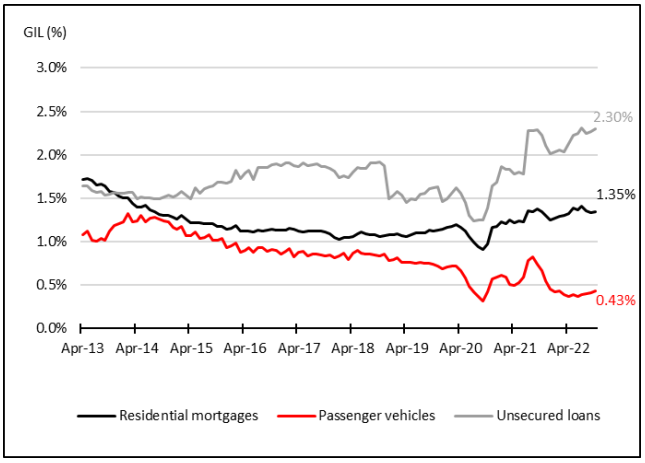
Source: BNM, MIDFR

EXHIBIT 21: PROVISIONS & LOAN LOSS COVERAGE



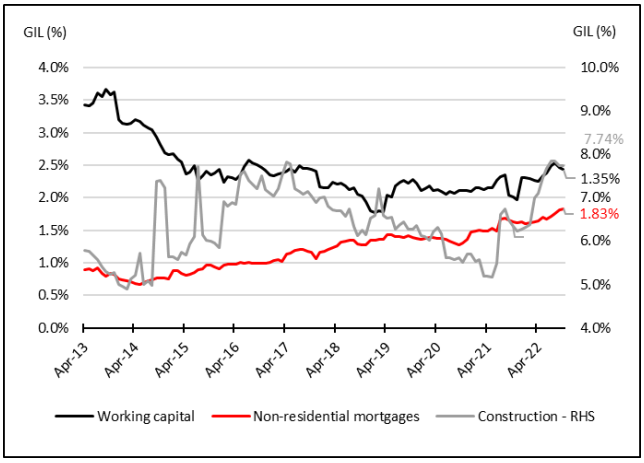
Source: BNM, MIDFR

EXHIBIT 22: RETAIL GIL RATIOS



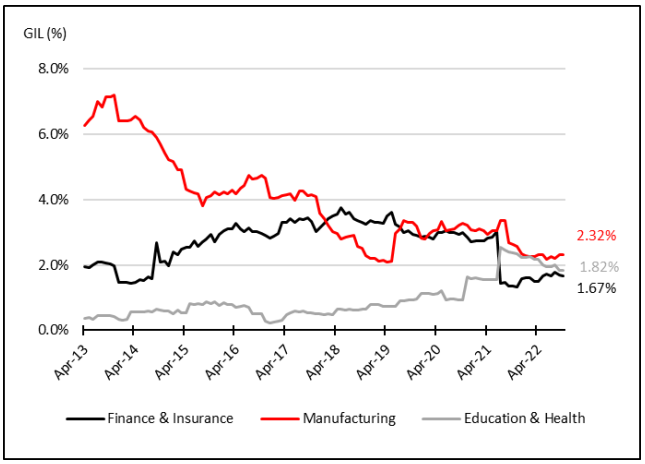
Source: BNM, MIDFR

EXHIBIT 23: BUSINESS GIL RATIOS



Source: BNM, MIDFR

EXHIBIT 24: GIL RATIOS OF OTHER SECTORS

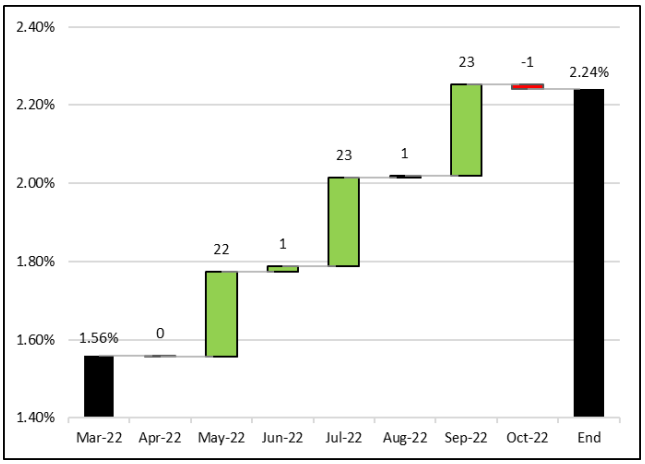


Source: BNM, MIDFR

E. INTEREST SPREAD AND CAPITAL

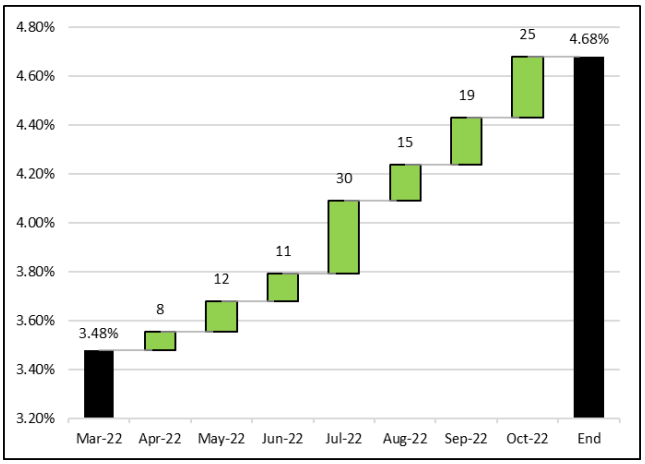
Heatmaps visible here: (link)

EXHIBIT 25: CHANGES IN 3-MONTH FD RATE



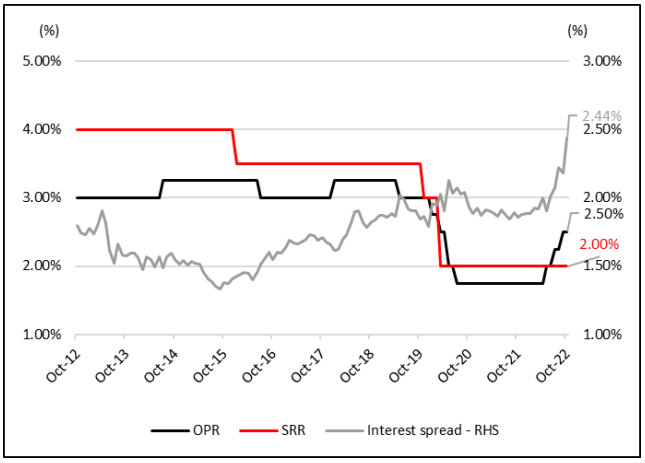
Source: BNM, MIDFR

EXHIBIT 26: CHANGES IN AVERAGE LENDING RATE



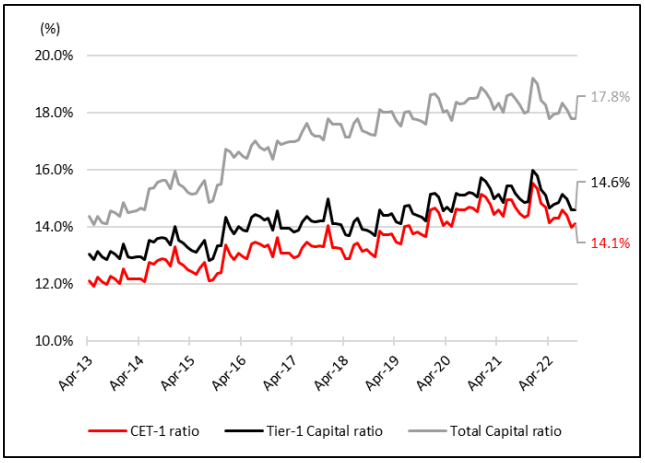
Source: BNM, MIDFR

EXHIBIT 27: INTEREST SPREAD, OPR, SRR



Source: BNM, MIDFR

EXHIBIT 28: CAPITAL RATIOS



Source: BNM, MIDFR

F. SERIES OF HEATMAPS

EXHIBIT 29: SYSTEM LOANS

	Total loans (RM b)	Growth (yoy)	Growth (mom)	Retail			Business		
				Growth (yoy)	Growth (mom)	% of total	Growth (yoy)	Growth (mom)	% of total
Nov-20	1,825	3.8%	-0.1%	5.8%	0.4%	51.9%	1.7%	-0.6%	48.1%
Dec-20	1,831	3.4%	0.3%	5.7%	0.5%	52.0%	0.9%	0.1%	48.0%
Jan-21	1,838	3.8%	0.4%	5.7%	0.3%	52.0%	1.9%	0.5%	48.0%
Feb-21	1,840	3.7%	0.1%	5.6%	0.2%	52.0%	1.6%	0.0%	48.0%
Mar-21	1,854	3.9%	0.7%	6.1%	0.5%	51.9%	1.7%	1.0%	48.1%
Apr-21	1,854	3.9%	0.0%	6.7%	0.5%	52.1%	0.9%	-0.5%	47.9%
May-21	1,859	3.9%	0.3%	6.6%	0.2%	52.1%	1.1%	0.3%	47.9%
Jun-21	1,861	3.4%	0.1%	5.8%	-0.2%	51.9%	0.9%	0.4%	48.1%
Jul-21	1,865	3.2%	0.2%	4.8%	0.3%	52.0%	1.6%	0.2%	48.0%
Aug-21	1,862	2.6%	-0.1%	4.0%	0.1%	52.1%	1.1%	-0.4%	47.9%
Sep-21	1,879	3.0%	0.9%	3.8%	0.6%	52.0%	2.2%	1.3%	48.0%
Oct-21	1,889	3.4%	0.5%	4.2%	0.8%	52.1%	2.6%	0.3%	47.9%
Nov-21	1,906	4.4%	0.9%	4.6%	0.8%	52.0%	4.2%	1.0%	48.0%

Dec-21	1,916	4.6%	0.5%	5.0%	0.9%	52.2%	4.2%	0.1%	47.8%
Jan-22	1,926	4.8%	0.5%	5.4%	0.6%	52.3%	4.1%	0.5%	47.7%
Feb-22	1,929	4.8%	0.2%	5.4%	0.2%	52.3%	4.2%	0.1%	47.7%
Mar-22	1,941	4.7%	0.6%	5.6%	0.6%	52.3%	3.7%	0.6%	47.7%
Apr-22	1,949	5.1%	0.4%	5.6%	0.5%	52.4%	4.6%	0.3%	47.6%
May-22	1,954	5.1%	0.3%	5.7%	0.3%	52.4%	4.5%	0.2%	47.6%
Jun-22	1,967	5.7%	0.7%	6.6%	0.7%	52.4%	4.8%	0.7%	47.6%
Jul-22	1,974	5.9%	0.3%	6.9%	0.5%	52.5%	4.7%	0.1%	47.5%
Aug-22	1,988	6.8%	0.7%	7.4%	0.6%	52.4%	6.1%	0.8%	47.6%
Sep-22	2,000	6.4%	0.6%	7.5%	0.7%	52.5%	5.3%	0.5%	47.5%
Oct-22	2,012	6.5%	0.6%	7.2%	0.6%	52.4%	5.7%	0.7%	47.6%

Source: BNM, MIDFR

EXHIBIT 30: YOY LOAN GROWTH BY PURPOSE

	Retail			Business			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Nov-20	7.2%	4.5%	0.0%	0.8%	2.0%	4.7%	2.3%
Dec-20	7.1%	5.0%	-0.1%	0.5%	1.5%	1.6%	3.0%
Jan-21	7.1%	5.1%	-0.7%	2.8%	1.2%	3.7%	2.2%
Feb-21	7.0%	5.3%	-0.8%	2.4%	1.1%	2.4%	3.4%
Mar-21	7.2%	6.0%	0.5%	2.4%	1.2%	2.8%	7.1%
Apr-21	7.4%	7.1%	2.6%	1.6%	1.0%	1.5%	6.2%
May-21	7.4%	7.4%	1.5%	1.7%	0.9%	1.3%	6.4%
Jun-21	6.8%	6.5%	-0.1%	1.7%	0.9%	1.9%	5.0%
Jul-21	6.1%	4.2%	0.0%	2.8%	-0.1%	4.3%	4.8%
Aug-21	5.6%	1.5%	-0.3%	3.0%	-0.6%	2.0%	3.6%
Sep-21	5.6%	0.0%	-0.1%	3.8%	-0.4%	1.5%	5.1%
Oct-21	5.8%	0.3%	1.4%	4.9%	0.1%	0.1%	4.0%
Nov-21	6.0%	0.9%	2.6%	7.2%	0.6%	-0.7%	6.0%
Dec-21	6.4%	1.8%	2.5%	7.4%	0.8%	-0.1%	4.2%
Jan-22	6.5%	2.3%	3.7%	7.5%	1.3%	-3.9%	5.5%
Feb-22	6.5%	2.6%	4.2%	7.4%	1.4%	-3.7%	6.2%
Mar-22	6.5%	3.1%	4.5%	5.6%	2.0%	-5.6%	7.0%
Apr-22	6.5%	3.4%	4.2%	7.1%	2.3%	-5.6%	7.5%
May-22	6.5%	3.4%	5.3%	6.9%	2.5%	-6.0%	7.3%
Jun-22	6.9%	5.4%	7.3%	7.2%	2.8%	-5.6%	7.6%
Jul-22	7.2%	6.3%	6.8%	6.9%	3.4%	-6.0%	6.7%
Aug-22	7.5%	8.1%	6.6%	9.4%	3.8%	-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%

Source: BNM, MIDFR

EXHIBIT 31: MOM LOAN GROWTH BY PURPOSE

	Retail			Business			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Nov-20	0.5%	0.4%	-0.8%	-0.9%	-0.2%	0.2%	0.7%
Dec-20	0.6%	0.3%	-0.1%	0.0%	0.0%	-0.9%	0.5%
Jan-21	0.5%	0.1%	-8.0%	1.0%	-0.2%	2.4%	-0.8%
Feb-21	0.4%	-0.1%	-8.2%	0.5%	0.0%	-0.7%	-0.8%
Mar-21	0.6%	0.2%	-4.8%	2.2%	0.0%	1.2%	-0.3%
Apr-21	0.6%	0.5%	-3.0%	-0.6%	-0.2%	-0.4%	-0.1%
May-21	0.4%	0.3%	-4.5%	0.6%	0.0%	0.4%	0.3%
Jun-21	0.2%	-1.0%	-5.8%	0.8%	0.1%	0.1%	-0.3%
Jul-21	0.3%	-0.5%	-3.0%	-0.3%	-0.4%	1.9%	1.1%
Aug-21	0.3%	-0.9%	-1.4%	-0.4%	0.0%	-1.7%	0.4%
Sep-21	0.7%	0.2%	-0.3%	0.9%	0.8%	-0.5%	2.5%
Oct-21	0.7%	0.7%	1.1%	1.1%	0.2%	-1.9%	0.7%
Nov-21	0.7%	1.0%	2.1%	1.2%	0.3%	-0.6%	2.7%
Dec-21	0.9%	1.1%	2.5%	0.1%	0.2%	-0.2%	-1.2%
Jan-22	0.6%	0.6%	6.2%	1.1%	0.3%	-1.6%	0.4%
Feb-22	0.4%	0.0%	1.7%	0.4%	0.1%	-0.4%	-0.1%
Mar-22	0.6%	0.8%	2.9%	0.5%	0.6%	-0.7%	0.4%

Apr-22	0.5%	0.7%	1.9%	0.7%	0.1%	-0.4%	0.4%
May-22	0.4%	0.2%	2.0%	0.4%	0.2%	0.0%	0.1%
Jun-22	0.6%	0.8%	3.4%	1.1%	0.3%	0.5%	-0.1%
Jul-22	0.5%	0.5%	4.1%	-0.5%	0.2%	1.5%	0.3%
Aug-22	0.5%	0.8%	4.6%	1.9%	0.3%	0.0%	0.5%
Sep-22	0.6%	0.8%	4.8%	0.1%	0.3%	0.9%	0.7%
Oct-22	0.6%	0.5%	5.0%	1.1%	0.7%	0.7%	-0.3%

Source: BNM, MIDFR

EXHIBIT 32: LOAN APPLICATIONS & APPROVALS

	Applied (RM b)	Growth (yoy)	Growth (mom)	Approved (RM b)	Growth (yoy)	Growth (mom)
Nov-20	75.9	-5%	-1%	34.2	-4%	0%
Dec-20	71.7	12%	-6%	33.7	0%	-1%
Jan-21	67.4	10%	-6%	28.5	-3%	-15%
Feb-21	59.0	-16%	-12%	24.5	-18%	-14%
Mar-21	94.2	44%	60%	36.9	34%	50%
Apr-21	93.6	92%	-1%	35.7	96%	-3%
May-21	79.6	64%	-15%	32.7	80%	-8%
Jun-21	70.0	-1%	-12%	30.2	0%	-8%
Jul-21	73.2	-12%	5%	36.6	14%	21%
Aug-21	85.0	20%	16%	43.3	41%	19%
Sep-21	89.4	11%	5%	49.3	40%	14%
Oct-21	98.9	29%	11%	50.8	49%	3%
Nov-21	117.0	54%	18%	49.0	43%	-4%
Dec-21	110.2	54%	-6%	57.5	71%	18%
Jan-22	97.9	45%	-11%	44.2	55%	-23%
Feb-22	81.8	39%	-16%	36.1	47%	-18%
Mar-22	120.1	27%	47%	55.3	50%	53%
Apr-22	116.9	25%	-3%	59.1	66%	7%
May-22	100.9	27%	-14%	54.0	65%	-9%
Jun-22	126.0	80%	25%	68.5	127%	27%
Jul-22	131.6	80%	4%	64.7	77%	-5%
Aug-22	129.0	52%	-2%	78.7	82%	22%
Sep-22	120.0	34%	-7%	67.8	37%	-14%
Oct-22	111.5	13%	-7%	59.7	17%	-12%

Source: BNM, MIDFR

EXHIBIT 33: LOAN APPROVAL RATES

	System loans	Retail loans	Business loans	SME loans
Nov-20	45.0%	42.4%	48.4%	42.7%
Dec-20	47.0%	39.7%	58.0%	39.3%
Jan-21	42.3%	38.6%	48.0%	35.8%
Feb-21	41.6%	42.6%	40.3%	40.3%
Mar-21	39.1%	35.2%	44.9%	39.4%
Apr-21	38.2%	37.7%	38.9%	34.2%
May-21	41.1%	39.6%	43.3%	36.0%
Jun-21	43.2%	39.2%	47.9%	43.7%
Jul-21	49.9%	37.0%	61.8%	55.2%
Aug-21	51.0%	37.2%	61.5%	43.0%
Sep-21	55.2%	39.6%	74.8%	76.5%
Oct-21	51.4%	40.9%	68.3%	50.4%
Nov-21	41.8%	40.9%	43.1%	44.5%
Dec-21	52.2%	42.9%	66.6%	53.0%
Jan-22	45.2%	39.8%	53.8%	49.2%
Feb-22	44.1%	41.2%	48.0%	46.6%
Mar-22	46.0%	43.1%	49.7%	48.4%
Apr-22	50.6%	45.6%	56.5%	49.6%
May-22	53.5%	43.7%	68.3%	49.3%
Jun-22	54.4%	44.5%	67.4%	54.5%
Jul-22	49.2%	47.1%	51.2%	57.8%
Aug-22	61.0%	46.5%	77.3%	59.8%
Sep-22	56.5%	45.3%	67.9%	-
Oct-22	53.5%	45.1%	62.1%	-

Source: BNM, MIDFR

EXHIBIT 34: YOY LOAN APPLICATION GROWTH BY PURPOSE

	Retail			Business			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Nov-20	27%	32%	-9%	-22%	-31%	22%	34%
Dec-20	34%	25%	-1%	-18%	-2%	41%	7%
Jan-21	62%	8%	-8%	-15%	4%	-39%	-15%
Feb-21	2%	-18%	-15%	-37%	-25%	19%	-3%
Mar-21	103%	104%	21%	-21%	33%	62%	133%
Apr-21	451%	1527%	206%	-44%	398%	80%	156%
May-21	216%	169%	127%	-36%	201%	98%	19%
Jun-21	7%	-53%	11%	-18%	52%	31%	113%
Jul-21	-15%	-67%	-26%	-11%	43%	55%	13%
Aug-21	-7%	-41%	-19%	72%	18%	110%	82%
Sep-21	5%	8%	-16%	23%	28%	11%	-20%
Oct-21	35%	72%	6%	17%	43%	-6%	28%
Nov-21	68%	67%	15%	29%	50%	-34%	116%
Dec-21	65%	65%	16%	79%	54%	-33%	-5%
Jan-22	48%	84%	19%	29%	24%	39%	47%
Feb-22	37%	81%	15%	58%	29%	-13%	12%
Mar-22	19%	31%	14%	72%	26%	-6%	-3%
Apr-22	11%	28%	8%	69%	18%	23%	-1%
May-22	18%	72%	23%	48%	15%	7%	2%
Jun-22	72%	297%	44%	67%	62%	201%	21%
Jul-22	57%	327%	65%	112%	33%	304%	6%
Aug-22	63%	203%	84%	13%	77%	192%	-36%
Sep-22	10%	35%	49%	50%	37%	149%	53%
Oct-22	-15%	-7%	23%	56%	8%	52%	1%

Source: BNM, MIDFR

EXHIBIT 35: YOY LOAN APPROVAL GROWTH BY PURPOSE

	Retail			Business			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Nov-20	10%	37%	-14%	-10%	-23%	-13%	-21%
Dec-20	11%	33%	-6%	-2%	-37%	-26%	-26%
Jan-21	26%	3%	-18%	-27%	10%	-15%	-17%
Feb-21	16%	-9%	-26%	-22%	-1%	-51%	-32%
Mar-21	69%	87%	6%	4%	57%	60%	19%
Apr-21	404%	2737%	219%	-31%	74%	117%	164%
May-21	252%	228%	116%	-21%	221%	114%	103%
Jun-21	69%	-48%	1%	-45%	125%	-26%	41%
Jul-21	2%	-69%	-41%	66%	104%	164%	37%
Aug-21	-9%	-42%	-31%	121%	52%	42%	98%
Sep-21	7%	10%	-23%	58%	122%	63%	9%
Oct-21	33%	46%	1%	88%	68%	41%	35%
Nov-21	64%	54%	8%	25%	98%	10%	0%
Dec-21	89%	64%	11%	118%	94%	-14%	15%
Jan-22	48%	83%	22%	67%	84%	-28%	114%
Feb-22	25%	83%	6%	73%	79%	50%	57%
Mar-22	54%	54%	15%	59%	68%	33%	-3%
Apr-22	34%	52%	26%	171%	81%	35%	6%
May-22	35%	56%	33%	83%	71%	81%	35%
Jun-22	80%	355%	60%	184%	139%	267%	19%
Jul-22	83%	455%	98%	5%	52%	313%	18%
Aug-22	94%	272%	110%	100%	89%	130%	-25%
Sep-22	28%	50%	60%	30%	18%	308%	-7%
Oct-22	-5%	7%	24%	21%	70%	18%	28%

Source: BNM, MIDFR

EXHIBIT 36: SYSTEM DEPOSITS

	Total deposits (RM b)	Growth (yoy)	Growth (mom)	L/D Ratio
Nov-20	2,068	4.4%	-0.2%	89.6%
Dec-20	2,089	4.4%	1.1%	89.5%
Jan-21	2,085	5.0%	-0.2%	89.7%
Feb-21	2,097	5.2%	0.6%	89.3%
Mar-21	2,129	5.9%	1.5%	88.7%
Apr-21	2,113	4.6%	-0.8%	89.2%
May-21	2,119	5.0%	0.3%	89.1%
Jun-21	2,126	3.9%	0.3%	88.9%
Jul-21	2,137	4.0%	0.5%	88.6%
Aug-21	2,138	3.7%	0.1%	88.5%
Sep-21	2,173	4.7%	1.7%	88.1%
Oct-21	2,164	4.4%	-0.5%	88.9%
Nov-21	2,200	6.4%	1.7%	88.4%
Dec-21	2,222	6.3%	1.0%	88.4%
Jan-22	2,207	5.8%	-0.7%	89.2%
Feb-22	2,233	6.5%	1.2%	88.4%
Mar-22	2,240	5.2%	0.3%	88.8%
Apr-22	2,243	6.2%	0.1%	89.2%
May-22	2,248	6.1%	0.2%	89.2%
Jun-22	2,266	6.6%	0.8%	89.3%
Jul-22	2,269	6.2%	0.1%	89.5%
Aug-22	2,298	7.5%	1.3%	89.0%
Sep-22	2,333	7.4%	1.5%	88.7%
Oct-22	2,342	8.3%	0.4%	89.0%

Source: BNM, MIDFR

EXHIBIT 37: CASA & FD RATIOS

	CASA (RM b)	Growth (yoy)	Growth (mom)	CASA ratio	FD (RM b)	Growth (yoy)	Growth (mom)	FD ratio
Nov-20	634	23.0%	1.3%	31.1%	968	-3.4%	-0.4%	47.5%
Dec-20	633	19.3%	-0.2%	30.9%	967	-3.6%	-0.2%	47.2%
Jan-21	652	24.1%	3.0%	31.8%	958	-4.6%	-0.9%	46.7%
Feb-21	658	24.8%	0.9%	31.9%	958	-5.0%	0.0%	46.5%
Mar-21	670	21.4%	1.9%	32.1%	962	-3.0%	0.5%	46.0%
Apr-21	671	19.3%	0.1%	32.3%	959	-3.0%	-0.4%	46.2%
May-21	674	16.8%	0.5%	32.3%	958	-2.6%	0.0%	45.9%
Jun-21	674	14.0%	0.0%	32.2%	959	-3.2%	0.1%	45.8%
Jul-21	678	12.9%	0.5%	32.2%	965	-2.0%	0.6%	45.8%
Aug-21	680	11.7%	0.3%	32.3%	958	-2.8%	-0.7%	45.5%
Sep-21	689	11.3%	1.4%	32.3%	968	-1.7%	1.1%	45.4%
Oct-21	685	9.4%	-0.6%	32.2%	970	-0.2%	0.2%	45.7%
Nov-21	704	11.1%	2.8%	32.7%	972	0.4%	0.2%	45.1%
Dec-21	702	10.9%	-0.3%	32.4%	977	1.1%	0.6%	45.1%
Jan-22	706	8.3%	0.6%	32.7%	976	1.9%	-0.1%	45.2%
Feb-22	713	8.4%	1.0%	32.7%	976	2.0%	0.0%	44.7%
Mar-22	713	6.4%	0.1%	32.6%	980	1.8%	0.3%	44.8%
Apr-22	739	10.1%	3.5%	33.8%	975	1.7%	-0.5%	44.6%
May-22	729	8.1%	-1.3%	33.3%	981	2.3%	0.6%	44.8%
Jun-22	734	8.8%	0.7%	33.3%	988	3.0%	0.7%	44.8%
Jul-22	724	6.7%	-1.4%	32.8%	998	3.5%	1.1%	45.3%
Aug-22	721	6.1%	-0.3%	32.3%	1,006	5.0%	0.7%	45.0%
Sep-22	715	3.7%	-0.9%	31.7%	1,016	4.9%	1.0%	45.0%
Oct-22	715	4.5%	0.1%	31.7%	1,018	5.0%	0.2%	45.1%

Source: BNM, MIDFR

EXHIBIT 38: IMPAIRED LOANS AND LOAN LOSS COVERAGE

	Impaired Loans/ Financing (RM b)	Growth (mom)	GIL Ratio	Total Provisions (RM b)	Loan loss coverage ratio
Nov-20	27.8	8.3%	1.53%	29.9	107%
Dec-20	28.6	2.8%	1.56%	31.2	109%
Jan-21	29.4	2.8%	1.60%	31.7	108%
Feb-21	29.3	-0.3%	1.59%	31.7	108%
Mar-21	29.4	0.0%	1.58%	32.8	112%
Apr-21	29.1	-1.0%	1.57%	32.4	111%
May-21	29.6	1.9%	1.59%	32.5	110%
Jun-21	30.2	2.1%	1.62%	34.0	112%
Jul-21	33.8	11.8%	1.81%	34.5	102%
Aug-21	34.0	0.5%	1.82%	35.1	103%
Sep-21	32.5	-4.3%	1.73%	35.6	110%
Oct-21	31.9	-2.0%	1.69%	35.6	112%
Nov-21	31.2	-2.2%	1.64%	35.5	114%
Dec-21	32.1	3.0%	1.68%	35.1	109%
Jan-22	32.3	0.7%	1.68%	35.4	109%
Feb-22	32.6	1.0%	1.69%	35.3	108%
Mar-22	33.1	1.4%	1.71%	34.5	104%
Apr-22	33.5	1.3%	1.72%	34.7	104%
May-22	35.0	4.2%	1.79%	35.0	100%
Jun-22	35.2	0.7%	1.79%	35.2	100%
Jul-22	36.4	3.5%	1.85%	35.2	96%
Aug-22	36.5	0.2%	1.84%	35.5	97%
Sep-22	36.4	-0.4%	1.82%	35.6	98%
Oct-22	36.7	0.8%	1.82%	35.5	97%

Source: BNM, MIDFR

EXHIBIT 39: ALR, 3M FD RATES & INTEREST SPREAD

	Average lending rate	3-month FD rate	Interest spread
Nov-20	3.51%	1.63%	1.88%
Dec-20	3.51%	1.58%	1.93%
Jan-21	3.44%	1.57%	1.87%
Feb-21	3.49%	1.58%	1.91%
Mar-21	3.47%	1.56%	1.91%
Apr-21	3.45%	1.56%	1.89%
May-21	3.42%	1.56%	1.86%
Jun-21	3.47%	1.56%	1.91%
Jul-21	3.43%	1.56%	1.87%
Aug-21	3.40%	1.55%	1.85%
Sep-21	3.45%	1.56%	1.89%
Oct-21	3.42%	1.56%	1.86%
Nov-21	3.44%	1.56%	1.88%
Dec-21	3.45%	1.57%	1.88%
Jan-22	3.44%	1.55%	1.89%
Feb-22	3.48%	1.55%	1.92%
Mar-22	3.48%	1.56%	1.92%
Apr-22	3.56%	1.56%	2.00%
May-22	3.68%	1.77%	1.91%
Jun-22	3.79%	1.79%	2.00%
Jul-22	4.09%	2.01%	2.08%
Aug-22	4.24%	2.02%	2.22%
Sep-22	4.43%	2.25%	2.18%
Oct-22	4.68%	2.24%	2.44%

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