BANKING

***Maintain* POSITIVE**

Nov-22 Banking Stats: Big leap in deposit rates

KEY INVESTMENT HIGHLIGHTS

- **Loan growth of +5.5%yoy was a sharp fall off, dragged by business loans**
- **Leading indicators: Both approvals and applications maintain its downward trajectory**
- **Deposit growth: System deposit growth contracted month-on-month – CASA continued to contract; FDs continued to grow**
- **System GIL ratio: Flattish at 1.83% (+1bps mom) – Banks have been performing heavy write-offs**
- **Interest spread: Deposit rate repricing leads to contraction of -14bps mom**
- **Maintain POSITIVE call – Despite diminishing tailwinds, we can look to solid dividend yields, further OPR-related uplift to NII, and recovering NOII**

Overall loan growth drops off. Nov-22 saw a notable reduction in system loan growth, as the effects of higher lending rates begin to take centre stage. System loans rose by +5.5%yoy (from >+6.4%yoy range in previous 3 months), contracting by -0.1% mom. On an annualised basis, loan growth fell to +5.4%. Loan growth should continue tapering down in 1HCY23 in the presence of less cheap liquidity. As our initial projections were overly optimistic, we reduce our CY2022 loan growth projections to 5.0-5.5% as listed in Exhibit 1 below.

Retail loans still stable and strong. Retail loans maintained its strong growth of +7.1%yoy. This translated to +0.7%mom and an annualised growth figure of +6.5%. In contrast to stable residential mortgages, hire purchase and unsecured loans did see weaker year-on-year growth, though on all 3 segments saw steady growth on a sequential month basis.

Credit card loans make up 2.0% of system loans, up +13.3%yoy. Total purchases in Malaysia by both local and foreign cardholders remained relatively stable.

Business loan growth is weak – attributable to working capital segment. Business loans fell to +3.8%yoy (Annualised: +4.0%) – it contracted by -0.9%mom. The core contributor was working capital loans, which contracted by a significant -1.7%mom. Non-residential mortgages, construction and securities loans also reported weaker growth.

Leading indicators continued downward trajectory. System loan applications continued to decline, contracting by -5.4%mom. Contributors to the steep decline were spread out, though prime drivers were hire purchase loans, residential mortgages and working capital loans.

System loan approvals remained relatively stable (-1.3%mom), as approval rates rise to 55.8%, as the reduction in business loan approval rate seen last month has been reversed.

COMPANY IN FOCUS

Public Bank
Maintain **BUY** | Unchanged Target price: RM5.39
Price @ 30 December 2022: RM4.32

- 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 @ 30 December 2022: RM5.79

- Attractive dividend yields.
- Considerable capital levels may offer buffer to tight liquidity situations.
- Building considerable regional footprint.

Share price chart



Analyst
Samuel Woo
samuel.woo@midf.com.my
03-2173 1669

Deposits see contraction. Nov-22 system deposits rose by a moderate +5.9%yoy while reporting -0.5%mom growth, the first instance of negative growth since Jan-22. CASA growth continues to dwindle, reporting a +5.2%yoy, -0.3%mom growth. FD growth was more promising, reporting +5.2%yoy, +0.4%mom growth. As deposit growth continues to dwindle, L/D ratio has risen to 89.3%. CASA ratio was unchanged at 31.7%.

Impaired loans. GIL volume fell by +0.3%mom, with system GIL ratio ticking upward by +1bps mom to 1.83%. Retail GIL was constant, while business loan GIL ratio rose by +2bps. We are not expecting system GIL to make any more notable increases, given that banks have already begun heavily utilising overlays in the last quarter.

FD rates catch up. Interest spread narrowed by -14bps mom, as deposit rates have repriced upwards. ALR rose by +12bps mom. 3-month FD rate rose by +26bps mom.

Note that at current juncture, we are not discounting OPR to be raised to 3.25% in 1HCY23, as the strong performance of the Malaysian economy gives leeway for further rate hikes.

Maintain POSITIVE call. While the sector must contend with diminishing tailwinds: rising deposit competition, declining CASA ratios, and sticky tech and personnel costs. Nevertheless, we remain optimistic on a further OPR-hike uplifts to NII, improved NOII income outlook, and further overlay writebacks. Additionally, dividend yields remain attractive. Our top picks for the sector remain **Public Bank(BUY, TP: RM5.39)** and **RHB Bank (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	8.70	8.83	1.5	101.11	12.1	10.4	1.2	1.1	9.7	11.0	6.6	7.7
CIMB	BUY	5.80	6.16	6.2	58.13	11.2	9.6	0.9	0.9	8.6	9.6	4.5	5.2
Public Bk	BUY	4.32	5.39	24.8	83.85	14.3	12.4	1.7	1.5	11.9	12.9	3.5	4.0
RHB	BUY	5.79	6.94	19.9	23.45	9.0	7.2	0.8	0.8	9.1	10.7	5.6	7.0
HL Bank	BUY	20.56	24.88	21.0	42.13	10.9	10.1	1.3	1.2	12.3	12.5	3.2	3.5
HL FG	BUY	18.60	23.69	27.4	21.09	7.6	7.1	0.7	0.7	10.1	9.5	1.1	1.1
AMMB	BUY	4.14	5.12	23.7	13.66	7.7	7.2	0.8	0.7	10.3	10.5	3.9	4.2
BIMB	NEUTRAL	2.73	2.66	-2.6	6.67	13.8	11.2	1.0	0.9	7.4	8.6	3.6	4.5
Affin Bk	NEUTRAL	2.03	2.23	9.9	4.29	22.8	7.7	0.5	0.4	1.9	5.6	12.8	3.9
ABMB	BUY	3.67	4.35	18.5	5.68	8.3	7.8	0.8	0.8	10.2	10.3	6.0	6.4
Simple avg						**11.8**	**9.1**	**1.0**	**0.9**	**9.2**	**10.1**	**5.1**	**4.7**

**Closing prices from 30 Dec 2022*

Source: BNM, MIDFR

A. SYSTEM LOAN & CONSTITUENTS

Visualisation tables here: (link)

EXHIBIT 1: CORE FIGURES & FORECASTS

Metric	Growth rates yoy (%)				YTD Ann. (%)	Growth rates mom (%)			
	Nov-22	Oct-22	Sep-22	Aug-22		Nov-22	Oct-22	Sep-22	Aug-22
Total loans	**5.5**	**6.5**	**6.4**	**6.8**	**5.4**	**-0.1**	**0.6**	**0.6**	**0.7**
Retail loans	7.1	7.2	7.5	7.4	6.7	0.6	0.6	0.7	0.6
Business loans	3.8	5.7	5.3	6.1	4.0	-0.9	0.7	0.5	0.8
Total deposits	**5.9**	**8.3**	**7.4**	**7.5**	**5.4**	**-0.5**	**0.4**	**1.5**	**1.3**
CASA	1.3	4.5	3.7	6.1	1.8	-0.3	0.1	-0.9	-0.3
FD	5.2	5.0	4.9	5.0	5.0	0.4	0.2	1.0	0.7
Total provisions	1.6	-0.4	-0.1	1.2	3.2	1.8	-0.3	0.1	1.1
Total GIL	18.0	15.1	12.0	7.6	15.9	0.3	0.8	-0.4	0.2
Leading indicators									
3MA applications	10.4	31.9	53.7	69.4	3.7				
Retail	-3.9	25.4	58.3	85.3	-13.4				
Business	30.7	39.5	49.2	54.6	29.5				
3MA approvals	25.0	43.7	63.4	92.5	20.2				
Retail	6.5	45.0	92.4	125.2	-5.7				
Business	42.6	42.8	47.2	72.5	48.1				

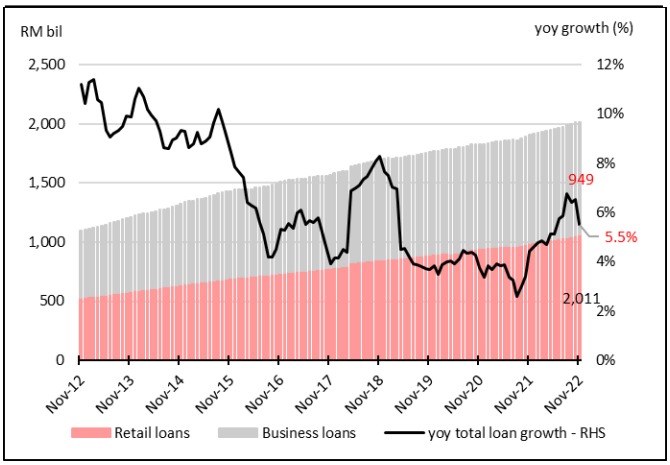
Other ratios	Nov-22	Oct-22	Sep-22	Aug-22	Dec-21
Interest spread	2.30	2.44	2.18	2.22	1.88
Loan approval rate	56	54	57	61	52
SME approval rate*	-	58	57	63	53
GIL ratio	1.83	1.82	1.82	1.84	1.68
LLC ratio	98	97	98	97	109
CASA ratio	31.7	31.7	31.7	32.3	32.4
Loan/Deposit ratio	89.3	89.0	88.7	89.0	88.4
CET 1	14.3	14.1	14.0	14.4	15.5
Tier 1 Capital	14.9	14.6	14.6	15.0	16.0
Total Capital	18.1	17.8	17.8	18.1	19.2

**SME data until Oct-22*

Metric	Period	Forecast (%)	Previously
Loan growth	CY22	5.0-5.5 (↓)	5.7-6.0
	CY23	4.5-5.0	
GDP	CY22	6.6	
	CY23	4.2	
GIL ratio	CY22	<2.10	
OPR	1HCY23	3.25 (↑)	3.00

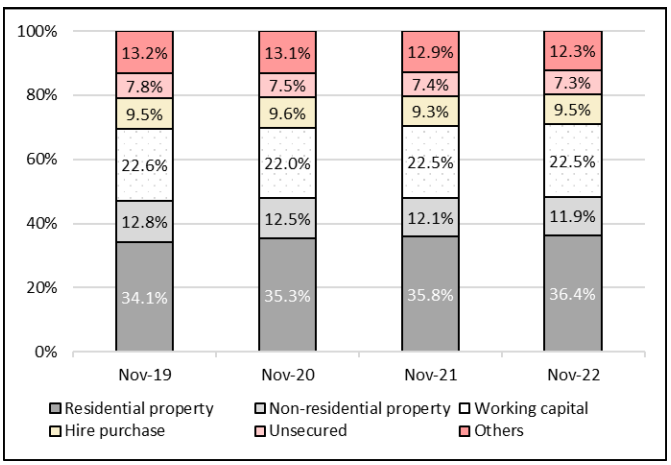
Source: BNM, MIDFR

EXHIBIT 2: SYSTEM LOANS



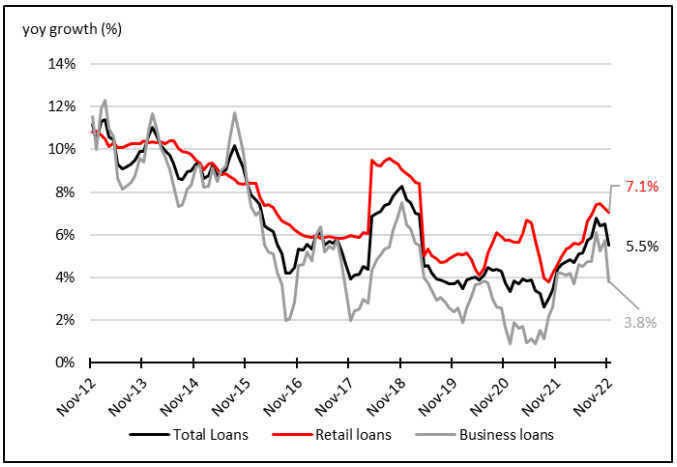
Source: BNM, MIDFR

EXHIBIT 3: LOAN BREAKDOWN BY TYPE



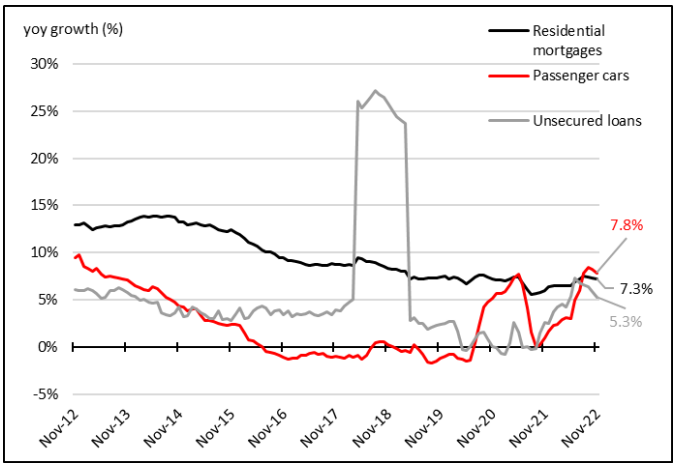
Source: BNM, MIDFR

EXHIBIT 4: RETAIL & BUSINESS LOAN GROWTH



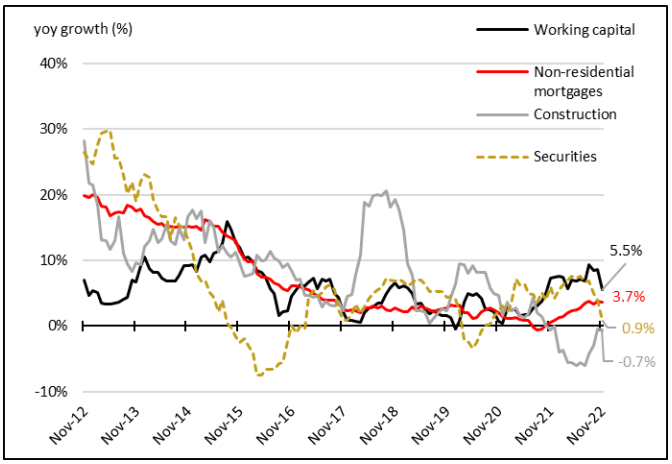
Source: BNM, MIDFR

EXHIBIT 5: RETAIL LOAN CONSTIUTENTS



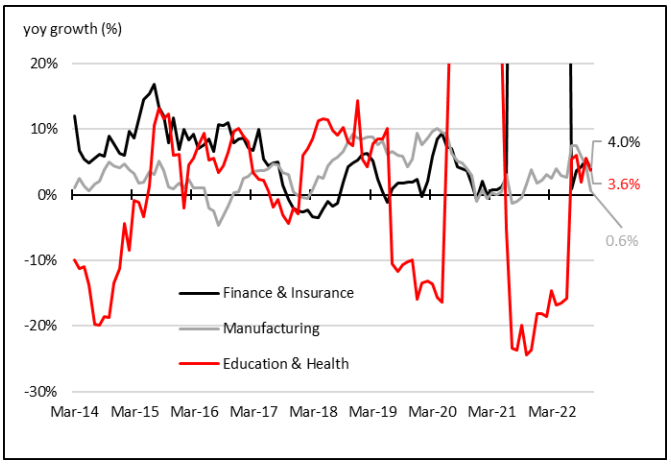
Source: BNM, MIDFR

EXHIBIT 6: BUSINESS LOAN CONSTITUENTS



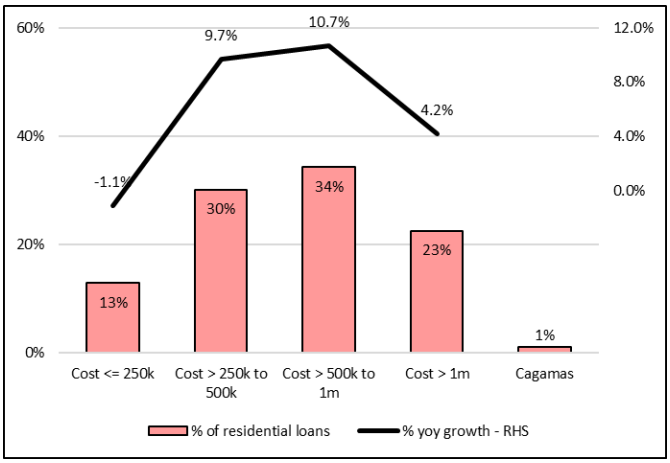
Source: BNM, MIDFR

EXHIBIT 7: LOAN GROWTH OF OTHER SECTORS



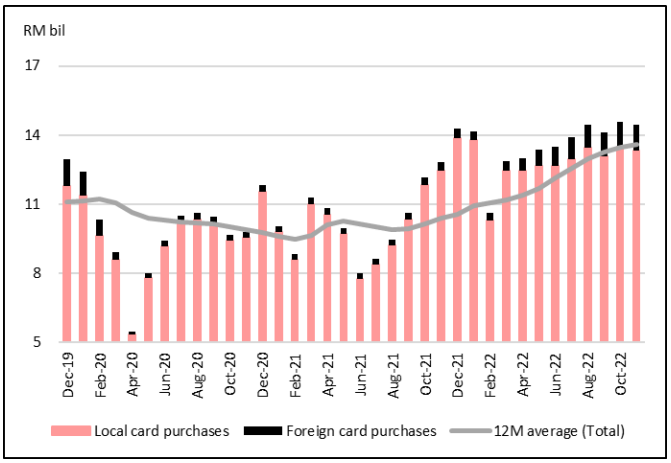
Source: BNM, MIDFR

EXHIBIT 8: RESIDENTIAL LOANS BY SEGMENT



Source: BNM, MIDFR

EXHIBIT 9: CREDIT CARD PURCHASES

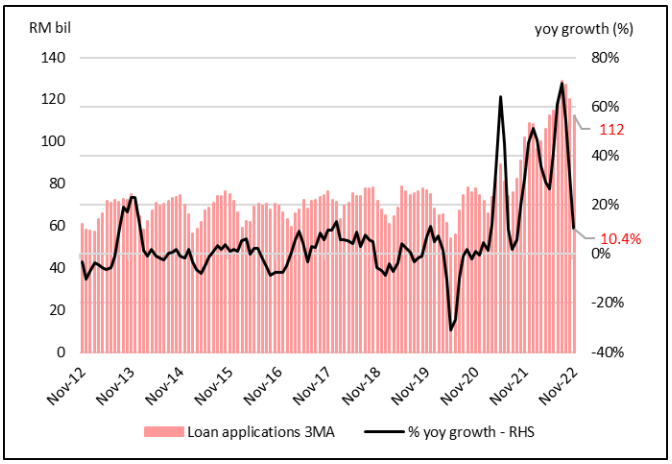


Source: BNM, MIDFR

B. LEADING INDICATOR TRENDS

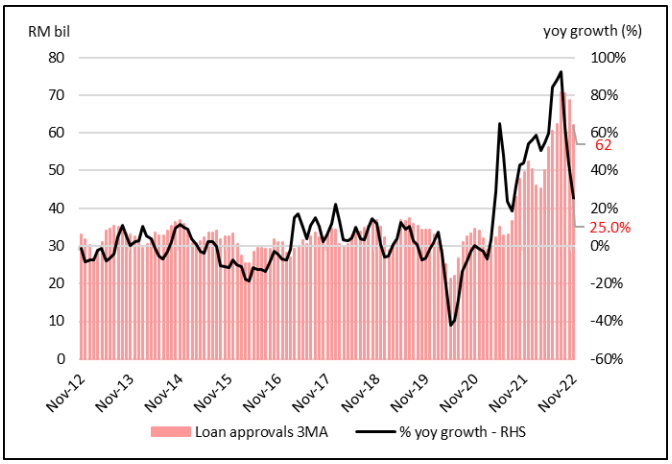
Heatmaps visible here: (link)

EXHIBIT 10: APPLICATIONS (3-M MOVING AVG)



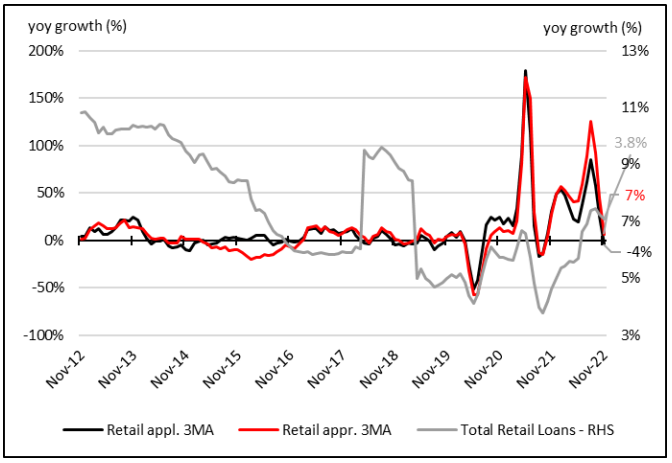
Source: BNM, MIDFR

EXHIBIT 11: APPROVALS (3-M MOVING AVG)



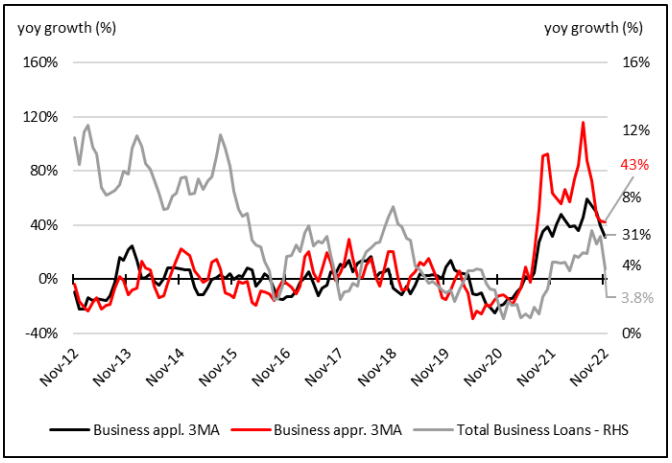
Source: BNM, MIDFR

EXHIBIT 12: RETAIL LOAN INDICATORS



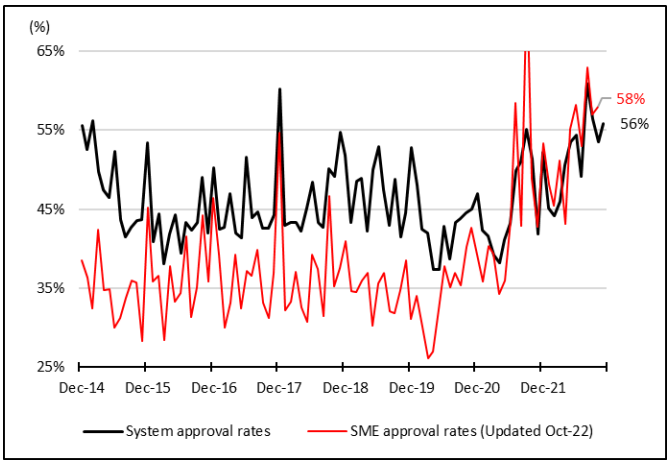
Source: BNM, MIDFR

EXHIBIT 13: BUSINESS LOAN INDICATORS



Source: BNM, MIDFR

EXHIBIT 14: SYSTEM APPROVAL RATES

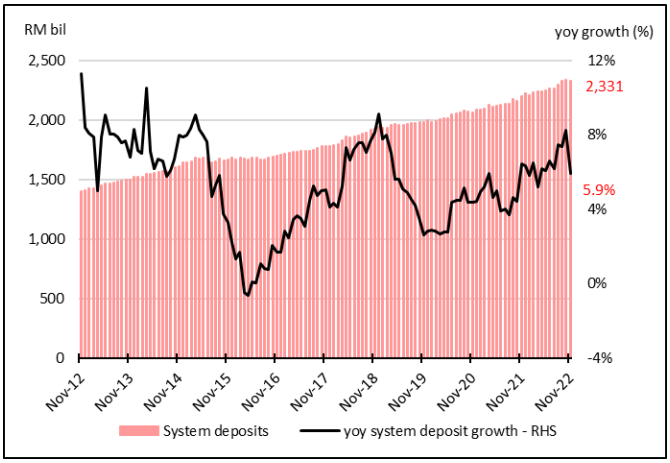


Source: BNM, MIDFR

C. DEPOSITS & LIQUIDITY

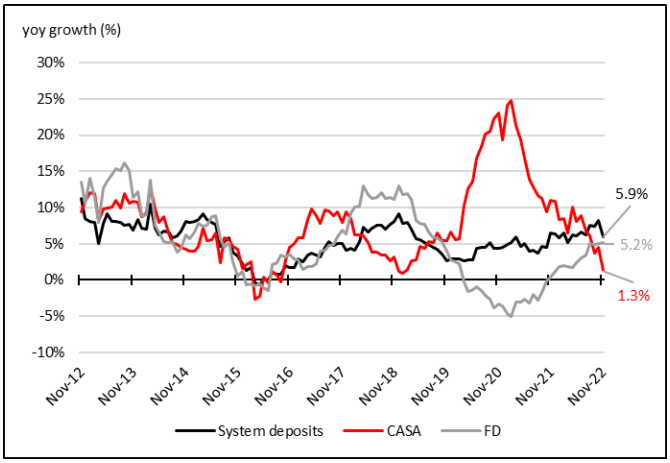
Heatmaps visible here: (link)

EXHIBIT 15: SYSTEM DEPOSITS & GROWTH



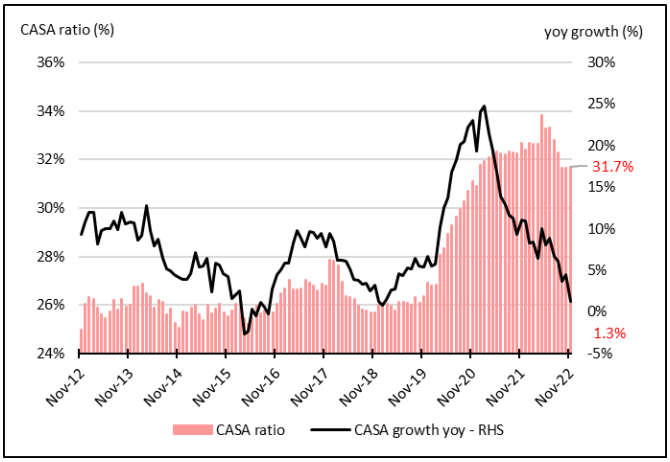
Source: BNM, MIDFR

EXHIBIT 16: CASA & FD GROWTH



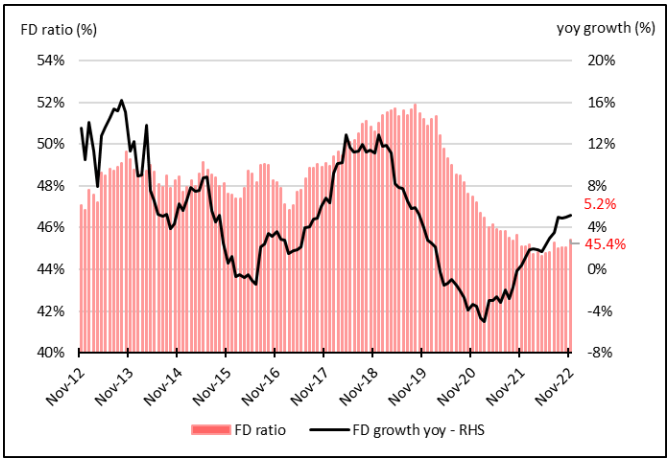
Source: BNM, MIDFR

EXHIBIT 17: CASA RATIO



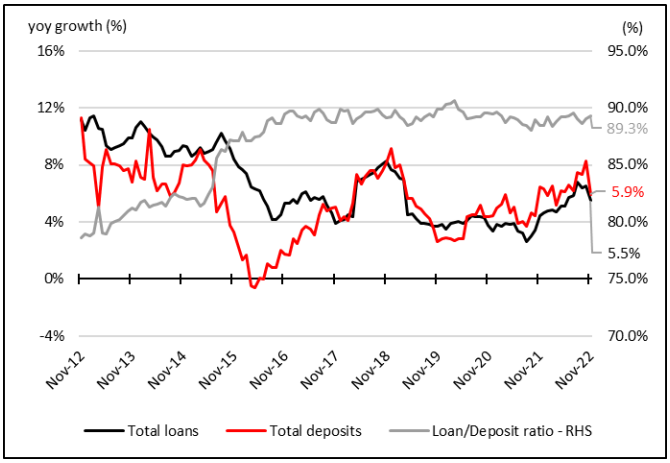
Source: BNM, MIDFR

EXHIBIT 18: FD RATIO



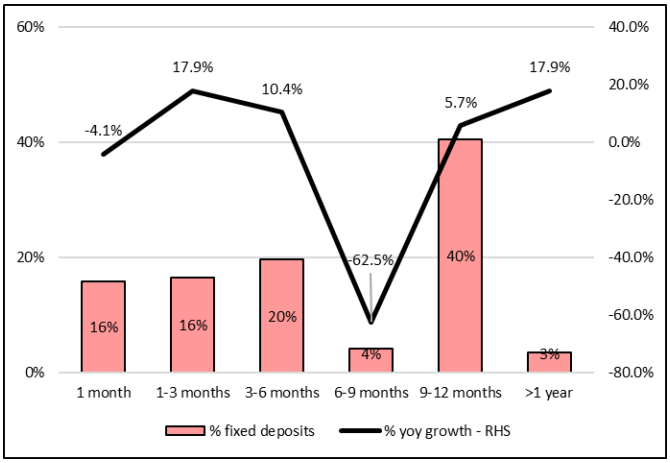
Source: BNM, MIDFR

EXHIBIT 19: LOAN/DEPOSIT RATIO



Source: BNM, MIDFR

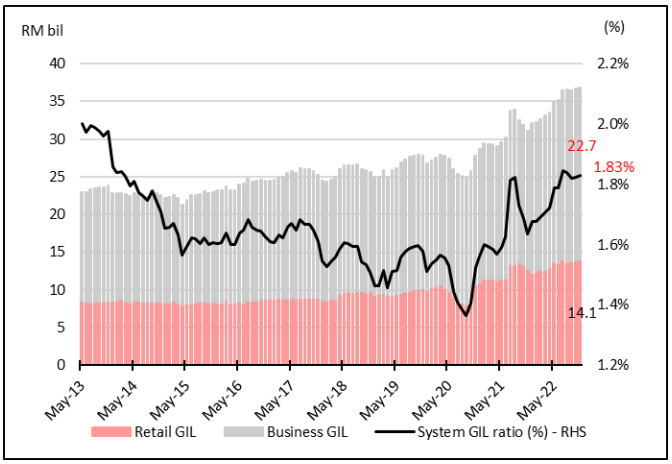
EXHIBIT 20: FIXED DEPOSITS BY MATURITY



D. ASSET QUALITY & PROVISIONING

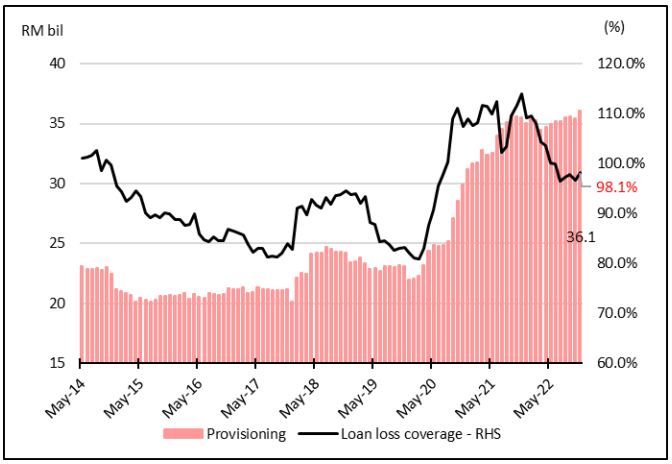
Heatmaps visible here: (link)

EXHIBIT 21: SYSTEM GROSS IMPAIRED LOANS



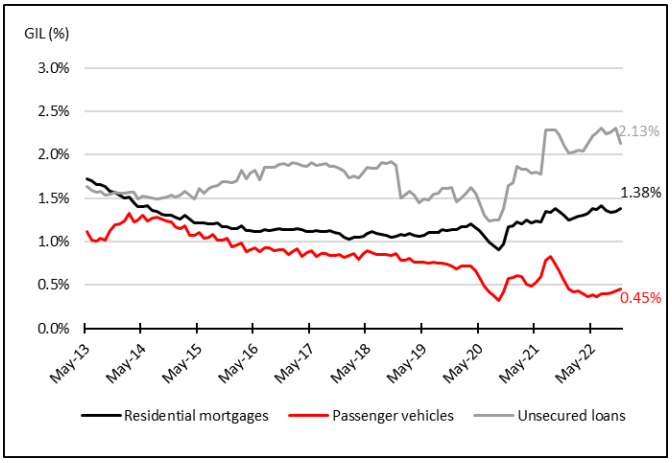
Source: BNM, MIDFR

EXHIBIT 22: PROVISIONS & LOAN LOSS COVERAGE



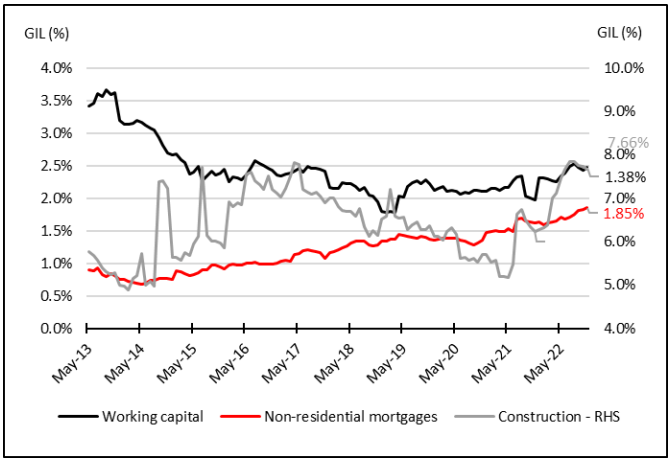
Source: BNM, MIDFR

EXHIBIT 23: RETAIL GIL RATIOS



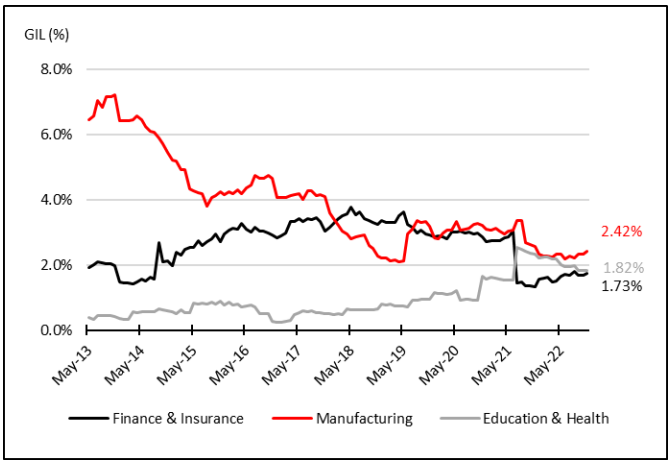
Source: BNM, MIDFR

EXHIBIT 24: BUSINESS GIL RATIOS



Source: BNM, MIDFR

EXHIBIT 25: GIL RATIOS OF OTHER SECTORS

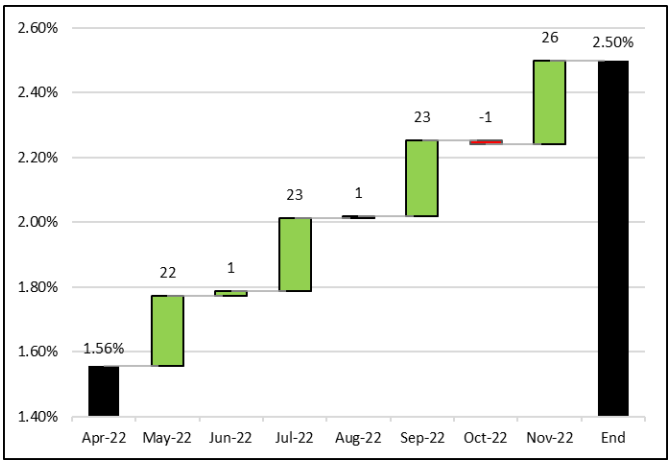


Source: BNM, MIDFR

E. INTEREST SPREAD AND CAPITAL

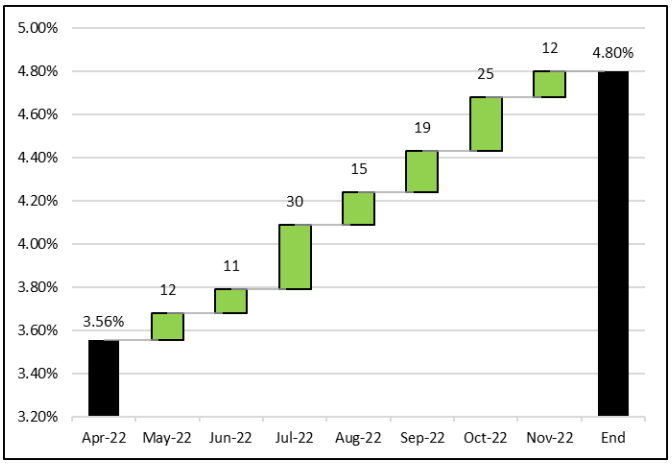
Heatmaps visible here: (link)

EXHIBIT 26: CHANGES IN 3-MONTH FD RATE



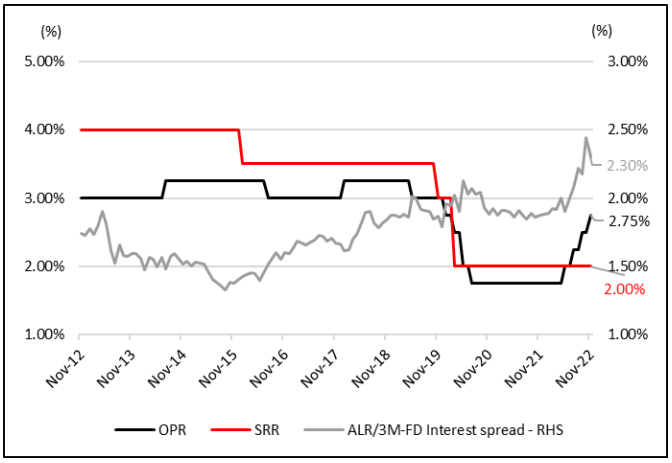
Source: BNM, MIDFR

EXHIBIT 27: CHANGES IN AVERAGE LENDING RATE



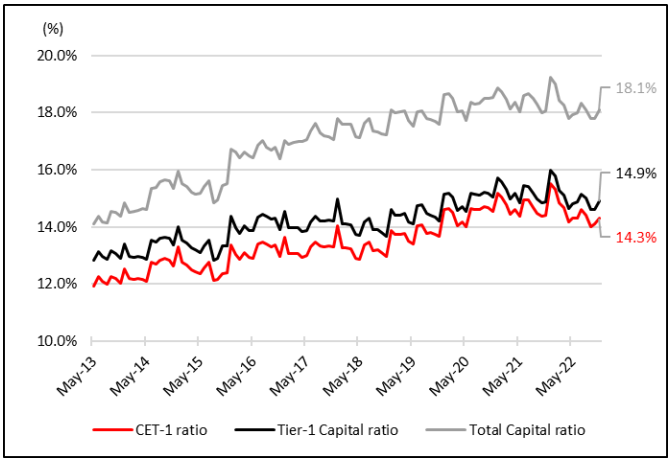
Source: BNM, MIDFR

EXHIBIT 28: INTEREST SPREAD, OPR, SRR



Source: BNM, MIDFR

EXHIBIT 29: CAPITAL RATIOS



Source: BNM, MIDFR

F. SERIES OF VISUALISATION TABLES

EXHIBIT 30: SYSTEM LOANS

	Total loans (RM b)	Growth (% yoy)	Growth (% mom)	Retail			Business		
				Growth (% yoy)	Growth (% mom)	% of total	Growth (% yoy)	Growth (% mom)	% of total
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
Nov-22	**2,011**	**5.5**	**-0.1**	**7.1**	**0.6**	**52.8**	**3.8**	**-0.9**	**47.2**

Source: BNM, MIDFR

EXHIBIT 31: YOY LOAN GROWTH BY PURPOSE

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Nov-22	**7.3**	**8.1**	**5.3**	**5.5**	**3.7**	**-0.7**	**0.9**

Source: BNM, MIDFR

EXHIBIT 32: MOM LOAN GROWTH BY PURPOSE

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Nov-22	**0.7**	**0.7**	**5.1**	**-1.7**	**0.3**	**-0.8**	**-0.2**

Source: BNM, MIDFR

EXHIBIT 33: LOAN APPLICATIONS & APPROVALS

	Applied (RM b)	Growth (% yoy)	Growth (% mom)	Approved (RM b)	Growth (% yoy)	Growth (% mom)
Dec-20	71.7	12.3	-5.6	33.7	-0.1	-1.4
Jan-21	67.4	9.7	-6.1	28.5	-3.5	-15.4
Feb-21	59.0	-15.9	-12.4	24.5	-17.8	-14.0
Mar-21	94.2	43.9	59.7	36.9	34.0	50.4
Apr-21	93.6	92.1	-0.7	35.7	96.3	-3.2
May-21	79.6	63.6	-14.9	32.7	80.0	-8.3
Jun-21	70.0	-1.0	-12.1	30.2	-0.1	-7.7
Jul-21	73.2	-11.5	4.7	36.6	14.3	21.0
Aug-21	85.0	19.8	16.1	43.3	41.1	18.5
Sep-21	89.4	11.0	5.1	49.3	39.7	13.8
Oct-21	98.9	29.0	10.6	50.8	48.6	3.0
Nov-21	117.0	54.0	18.3	49.0	43.3	-3.7
Dec-21	110.2	53.7	-5.8	57.5	70.8	17.5
Jan-22	97.9	45.4	-11.1	44.2	55.2	-23.1
Feb-22	81.8	38.7	-16.4	36.1	47.2	-18.4
Mar-22	120.1	27.4	46.8	55.3	49.9	53.1
Apr-22	116.9	24.9	-2.6	59.1	65.5	6.9
May-22	100.9	26.7	-13.7	54.0	64.9	-8.7
Jun-22	126.0	80.1	24.9	68.5	126.8	26.8
Jul-22	131.6	79.8	4.5	64.7	77.1	-5.5
Aug-22	129.0	51.7	-2.0	78.7	81.5	21.5
Sep-22	120.0	34.2	-7.0	67.8	37.5	-13.8
Oct-22	111.5	12.8	-7.0	59.7	17.5	-11.9
Nov-22	**105.5**	**-9.8**	**-5.4**	**58.9**	**20.4**	**-1.3**

Source: BNM, MIDFR

EXHIBIT 34: LOAN APPROVAL RATES

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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	58.5
Aug-21	51.0	37.2	61.5	42.9
Sep-21	55.2	39.6	74.8	74.6
Oct-21	51.4	40.9	68.3	48.9
Nov-21	41.8	40.9	43.1	42.7
Dec-21	52.2	42.9	66.6	53.3
Jan-22	45.2	39.8	53.8	48.1
Feb-22	44.1	41.2	48.0	45.5
Mar-22	46.0	43.1	49.7	51.2
Apr-22	50.6	45.6	56.5	43.1
May-22	53.5	43.7	68.3	55.2
Jun-22	54.4	44.5	67.4	58.3
Jul-22	49.2	47.1	51.2	53.0
Aug-22	61.0	46.5	77.3	62.9
Sep-22	56.5	45.3	67.9	57.1
Oct-22	53.5	45.1	62.1	58.0
Nov-22	**55.8**	**44.3**	**68.5**	**-**

**SME data until Oct-22*

Source: BNM, MIDFR

EXHIBIT 35: YOY LOAN APPLICATION GROWTH BY PURPOSE

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Nov-22	**-26**	**-17**	**10**	**30**	**1**	**8**	**-49**

Source: BNM, MIDFR

EXHIBIT 36: YOY LOAN APPROVAL GROWTH BY PURPOSE

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Nov-22	**-22**	**-3**	**16**	**95**	**12**	**64**	**52**

Source: BNM, MIDFR

EXHIBIT 37: SYSTEM DEPOSITS

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D Ratio (%)
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
Nov-22	**2,331**	**5.9**	**-0.5**	**89.3**

Source: BNM, MIDFR

EXHIBIT 38: CASA & FD RATIOS

	CASA (RM b)	Growth (% yoy)	Growth (% mom)	CASA ratio (%)	FD (RM b)	Growth (% yoy)	Growth (% mom)	FD ratio (%)
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
Nov-22	**713**	**1.3**	**-0.3**	**31.7**	**1,023**	**5.2**	**0.4**	**45.4**

Source: BNM, MIDFR

EXHIBIT 39: IMPAIRED LOANS AND LOAN LOSS COVERAGE

	Impaired Loans/ Financing (RM b)	Growth (% mom)	GIL Ratio (%)	Total Provisions (RM b)	Loan loss coverage ratio (%)
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
Nov-22	**36.8**	**0.3**	**1.83**	**36.1**	**98**

Source: BNM, MIDFR

EXHIBIT 40: ALR, 3M FD RATES & INTEREST SPREAD

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
Nov-22	**4.80**	**2.50**	**2.30**

Source: BNM, MIDFR

MIDF RESEARCH is part of MIDF Amanah Investment Bank Berhad (197501002077(23878 – X)).
(Bank Pelaburan)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report has been prepared by MIDF AMANAH INVESTMENT BANK BERHAD (197501002077 (23878 – X)) for distribution to and use by its clients to the extent permitted by applicable law or regulation.

Readers should be fully aware that this report is for information purposes only. The opinions contained in this report are based on information obtained or derived from sources that MIDF Investment believes are reliable at the time of publication. All information, opinions and estimates contained in this report are subject to change at any time without notice. Any update to this report will be solely at the discretion of MIDF Investment.

MIDF Investment makes no representation or warranty, expressed or implied, as to the accuracy, completeness or reliability of the information contained therein and it should not be relied upon as such. MIDF Investment and its affiliates and related BNM and each of their respective directors, officers, employees, connected parties, associates and agents (collectively, "Representatives") shall not be liable for any direct, indirect or consequential loess, loss of profits and/or damages arising from the use or reliance by anyone upon this report and/or further communications given in relation to this report.

This report is not, and should not at any time be construed as, an offer, invitation or solicitation to buy or sell any securities, investments or financial instruments. The price or value of such securities, investments or financial instruments may rise or fall. Further, the analyses contained herein are based on numerous assumptions. This report does not take into account the specific investment objectives, the financial situation, risk profile and the particular needs of any person who may receive or read this report. You should therefore independently evaluate the information contained in this report and seek financial, legal and other advice regarding the appropriateness of any transaction in securities, investments or financial instruments mentioned or the strategies discussed or recommended in this report.

The Representatives may have interest in any of the securities, investments or financial instruments and may provide services or products to any company and affiliates of such BNM mentioned herein and may benefit from the information herein.

This document may not be reproduced, copied, distributed or republished in whole or in part in any form or for any purpose without MIDF Investment's prior written consent. This report is not directed or intended for distribution to or use by any person or entity where such distribution or use would be contrary to any applicable law or regulation in any jurisdiction concerning the person or entity.

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