BANKING

***Maintain* POSITIVE**

Dec-22 Banking Stats: Huge FD uptake

KEY INVESTMENT HIGHLIGHTS

- **Loan growth: +5.7%yoy slightly exceeded our CY22 expectations. Good +0.7%mom growth**
- **Leading indicators: Both approvals and applications maintain their downward trajectory**
- **Deposit growth: FDs experience month-on-month leap – seasonal effects + early CNY campaigns**
- **System GIL ratio: -11bps mom to 1.72% – notable write-offs in construction sector**
- **Interest spread: ALR hikes still exceed FD rate hikes, spread widens by +16bps mom**
- **Maintain POSITIVE call – Dividend yields, recovering NOII. Valuations have slightly improved following several players' downward repricing following BNM's decision to keep OPR at 2.75%**

CY22's loan growth ended up slightly higher than our expectations. Dec-22 saw system loan growth remains at relatively stable levels, following Nov-22's sharp contraction. System loans ended up rising by +5.7%yoy and +0.7%mom in CY22, which was slightly higher than our CY22 projection of *+5.0-5.5%.* With lending rates having nearly normalised and liquidity no longer as cheap, our CY23 system loan forecast is a muted *4.5-5.0%.*

Retail loans stable as ever. Retail loans saw stable growth of +6.8%yoy and +0.7%mom. The core drivers of residential mortgages, hire purchase and unsecured loans saw steady growth on a sequential month basis.

Credit card loans make up 2.0% of system loans, up by a strong +3.6%mom, likely bolstered by heightened spending during the festive period.

Business loan growth resumes positive momentum. Business loans grew by a steady +0.7%mom – following Nov-22's contraction of -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 seem to have rebounded from last month's blip.

Leading indicators continue downward trajectory. System loan applications continued to decline, contracting by -12%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 also saw a steep decline of (-18%mom), as approval rates fell to 52% (Nov-22: 56%). Nov-22 SME approval rates also fell to 48% (Oct-22: 58%).

COMPANY IN FOCUS

Public Bank
Maintain **BUY** | Unchanged Target price: RM5.39
Price @ 31 January 2023: RM4.24

- Defensive pick: Excellent asset quality
- Significant market share, especially for retail loans
- Superb cost management ability

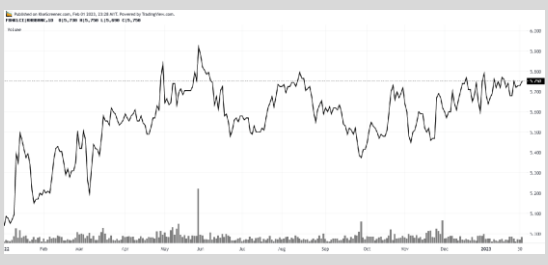
Share price chart



RHB Bank
Maintain **BUY** | Unchanged Target price: RM6.94
Price @ 31 January 2023: RM5.75

- Attractive dividend yields
- Considerable capital levels
- Building a considerable regional footprint

Share price chart



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FD campaigns in full swing. System deposits remained stable, with growth of +5.9%yoy while reporting notable +1.0%mom growth. While CASA continued to contract at -0.7%mom, FDs saw a huge jump, reporting whopping +1.8%mom growth. As expected, banks are clamouring for funding: an early CNY and changes to SRR requirements have exacerbated deposit competition.

L/D ratio has risen to 89.5%, while CASA ratio falls to 31.3%.

Heavy write-offs, especially in construction. GIL volume fell by -5.1%mom, with system GIL ratio falling by -11bps mom to 1.72%. While retail GIL ratio only saw an uptick of +1bps, business loan GIL ratio fell by -12bps. This was largely due to heavy write-offs in construction, with its GIL ratio falling by -327bps to 4.39%. Banks have been guiding for further asset quality issues in 1QCY23, so expect this trend to continue.

FD rates uplift is muted. Interest spread widened by +16bps mom, as the ALR hike was much higher than FD rate increase. ALR rose by +21bps mom. 3-month FD rate rose by +5bps mom. Observing the quarters' figures, interest spread should peak in 4QCY22, before declining steadily following the repricing of FD rates.

Maintain POSITIVE call. The sector must contend with several headwinds in the coming quarters: most notably asset quality issues stemming from RA loan graduation. Additional issues include higher tech spend, cost inflation and liquidity pricing. While the sector no longer remains as attractive, we look to possible further OPR-hike uplifts to NII, improved NOII outlook and attractive dividend yields. Several banking counters have also repriced lower following BNM's decision to keep the OPR at 2.75%. We view this as an opportunity to accumulate on weakness, as the likelihood of BNM raising OPR by at least +25bps in 1HCY23 remains intact. Our top picks for the sector remain **Public Bank (BUY, TP: RM5.39)** and **RHB Bank (BUY, TP: RM6.94).**

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)	FY22	FY23	FY22	FY23	FY22	FY23	FY22	FY23
Maybank	NEUTRAL	8.74	8.83	1.0	101.6	12.2	10.5	1.2	1.1	9.7	11.0	6.6	7.7
CIMB	BUY	5.75	6.16	7.1	57.6	11.1	9.5	0.9	0.9	8.6	9.6	4.5	5.3
PublicBk	BUY	4.24	5.39	27.1	82.3	14.0	12.1	1.6	1.5	11.9	12.9	3.6	4.1
RHB	BUY	5.75	6.94	20.7	23.3	8.9	7.1	0.8	0.7	9.1	10.7	5.6	7.0
HL Bank~	BUY	20.52	24.88	21.2	42.1	10.9	10.0	1.3	1.2	12.3	12.6	3.2	3.5
HL FG~	BUY	18.50	23.69	28.1	21.0	7.6	7.0	0.7	0.7	10.1	9.5	2.8	3.0
AMMB^	BUY	4.08	5.12	25.5	13.5	7.6	7.1	0.8	0.7	10.2	10.3	3.9	4.9
Affin Bk	NEUTRAL	2.12	2.23	5.2	4.5	23.8	8.1	0.5	0.4	1.9	5.6	12.2	3.7
BIMB	NEUTRAL	2.45	2.66	8.6	6.0	12.4	10.0	0.9	0.8	7.4	8.6	4.0	5.0
ABMB^	BUY	3.59	4.36	21.4	5.6	8.1	7.5	0.8	0.8	10.2	10.4	6.1	6.6
Simp. Avg						11.7	8.9	0.9	0.9	9.1	10.1	5.3	5.1

**Closing prices from 31Jan 2023.*
^AMMB & ABMB uses FY23/24 values. ~HL Bank & HL FG uses FY23/24 values.
Source: BNM, MIDFR

A. SYSTEM LOAN & CONSTITUENTS

Visualisation tables here: (link)

Figure 1: Core figures & forecasts

Metric	Growth rates yoy (%)				YTD Ann. (%)
	Dec-22	Nov-22	Oct-22	Sep-22	
Total loans	5.7	5.5	6.5	6.4	5.7
Retail loans	6.8	7.1	7.2	7.5	6.8
Business loans	4.4	3.8	5.7	5.3	4.4
Total deposits	5.9	5.9	8.3	7.4	5.9
CASA	0.9	1.3	4.5	3.7	0.9
FD	6.5	5.2	5.0	4.9	6.5
Total provisions	-2.3	1.6	-0.4	-0.1	-2.3
Total GIL	8.6	18.0	15.1	12.0	8.6
Leading indicators					
3MA applications	-5.1	10.4	31.9	53.7	-5.1
Retail	-15.7	-3.9	25.4	58.3	-15.7
Business	10.9	30.7	39.5	49.2	10.9
3MA approvals	6.1	25.0	43.7	63.4	6.1
Retail	-9.3	6.5	45.0	92.4	-9.3
Business	22.7	42.6	42.8	47.2	22.7

Growth rates mom (%)			
Dec-22	Nov-22	Oct-22	Sep-22
0.7	-0.1	0.6	0.6
0.7	0.6	0.6	0.7
0.7	-0.9	0.7	0.5
1.0	-0.5	0.4	1.5
-0.7	-0.3	0.1	-0.9
1.8	0.4	0.2	1.0
-5.1	1.8	-0.3	0.1
-5.2	0.3	0.8	-0.4

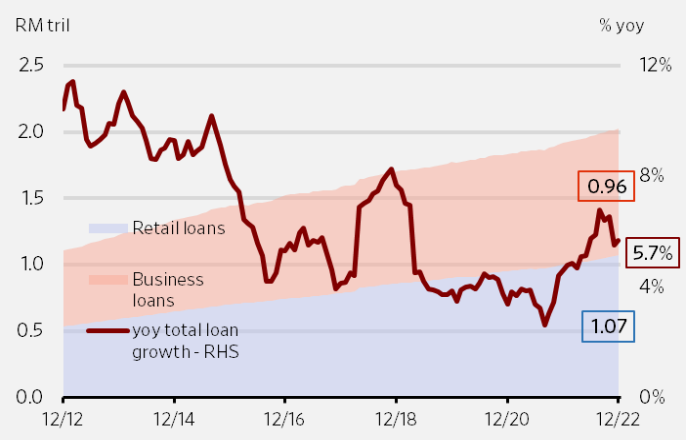
Other ratios	Dec-22	Nov-22	Oct-22	Sep-22	Dec-21
Interest spread	2.46	2.30	2.44	2.18	1.88
Loan approval rate	52	56	54	57	52
SME approval rate*	-	48	58	57	53
GIL ratio	1.72	1.83	1.82	1.82	1.68
LLC ratio	98	98	97	98	109
CASA ratio	31.3	31.7	31.7	31.7	32.4
Loan/Deposit ratio	89.5	89.3	89.0	88.7	88.4
CET 1	14.5	14.3	14.1	14.0	15.5
Tier 1 Capital	15.1	14.9	14.6	14.6	16.0
Total Capital	18.3	18.1	17.8	17.8	19.2

**SME data until Nov-22*

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

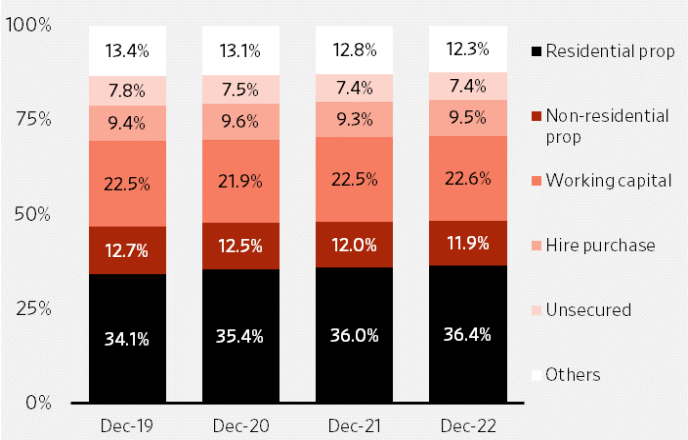
Source: BNM, MIDFR

Figure 2: System loans



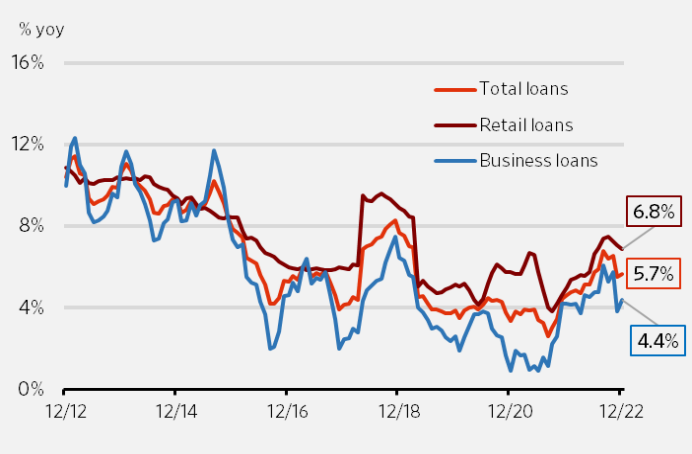
Source: BNM, MIDFR

Figure 3: Loan breakdown by type



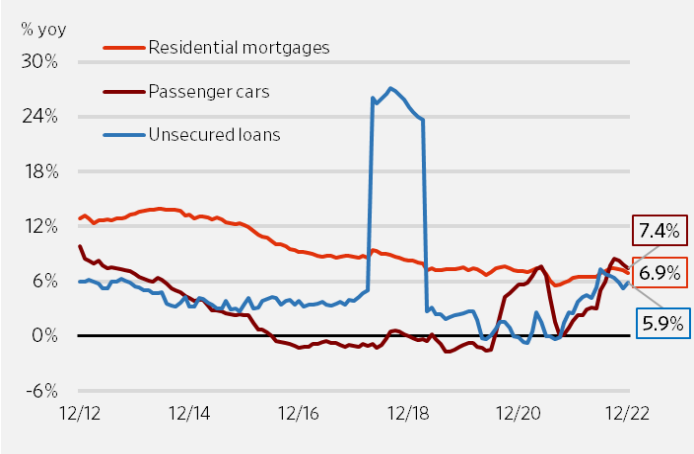
Source: BNM, MIDFR

Figure 4: Retail & business loan growth



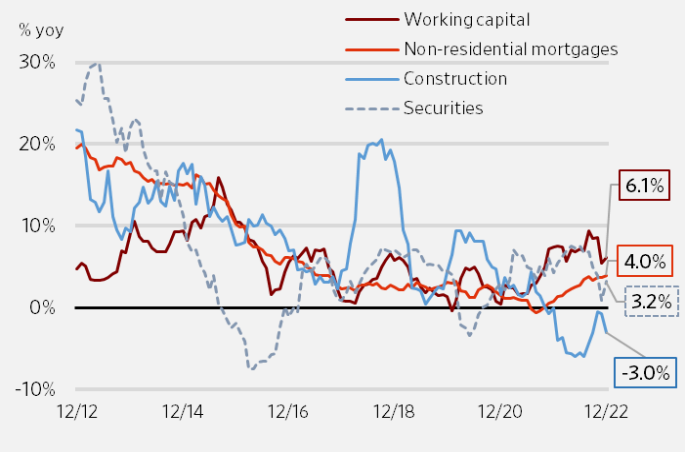
Source: BNM, MIDFR

Figure 5: Retail loan constituents



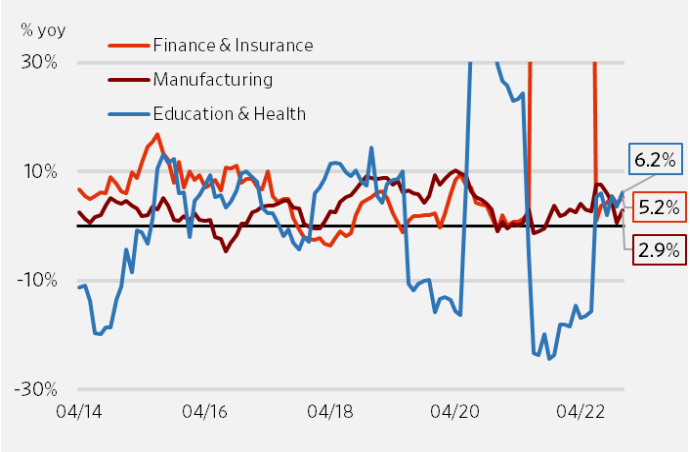
Source: BNM, MIDFR

Figure 6: Business loan constituents



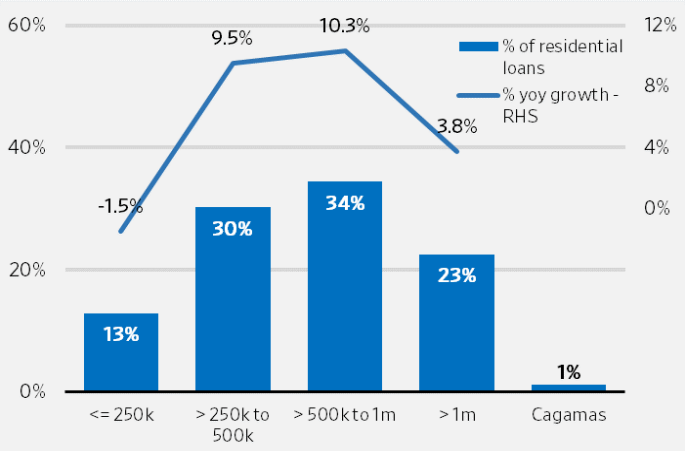
Source: BNM, MIDFR

Figure 7: Loan growth of other sectors



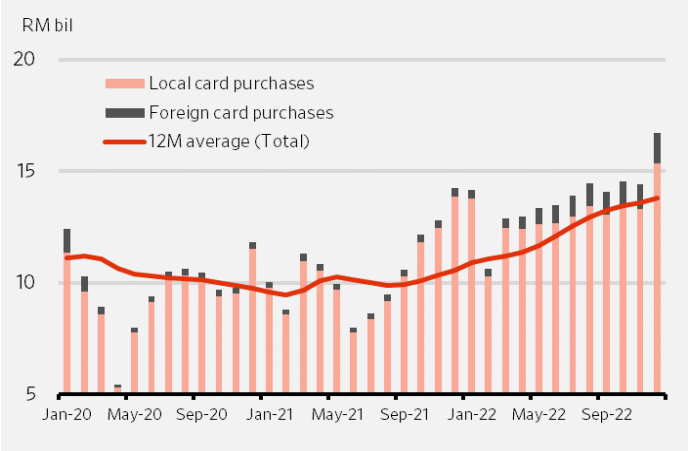
Source: BNM, MIDFR

Figure 8: Residential loans by segment



Source: BNM, MIDFR

Figure 9: Credit card purchases

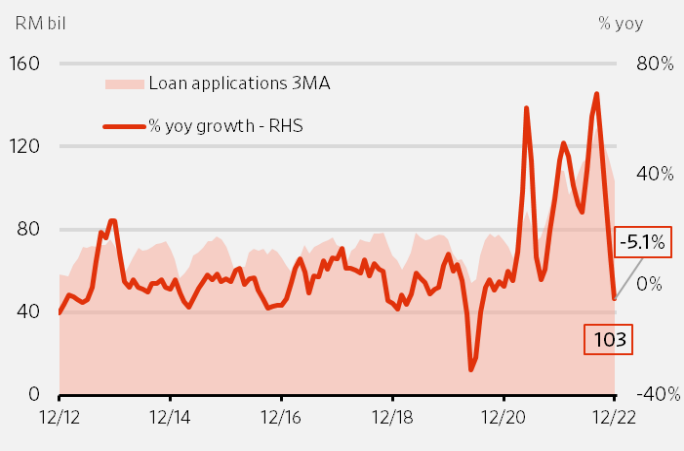


Source: BNM, MIDFR

B. LEADING INDICATOR TRENDS

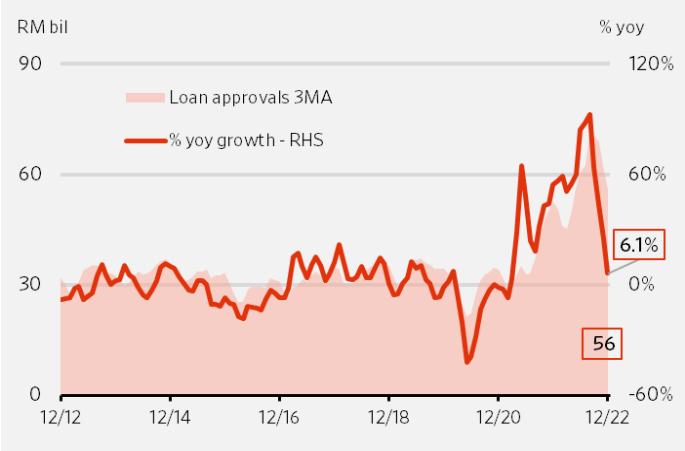
Heatmaps visible here: (link)

Figure 10: Loan applications (3-M moving avg)



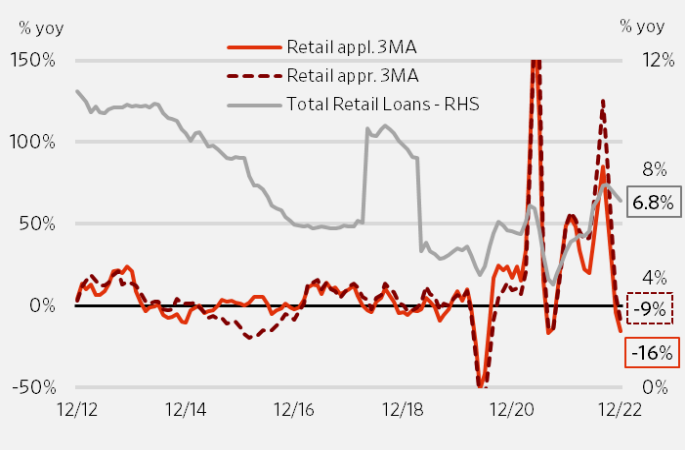
Source: BNM, MIDFR

Figure 11: Loan approvals (3-M moving avg)



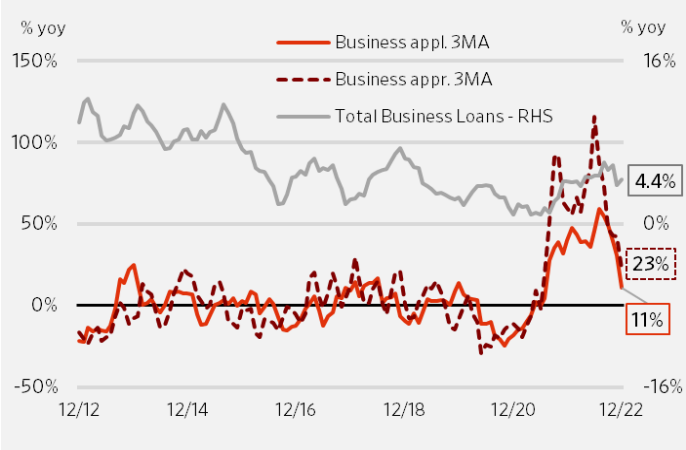
Source: BNM, MIDFR

Figure 12: Retail loan indicators



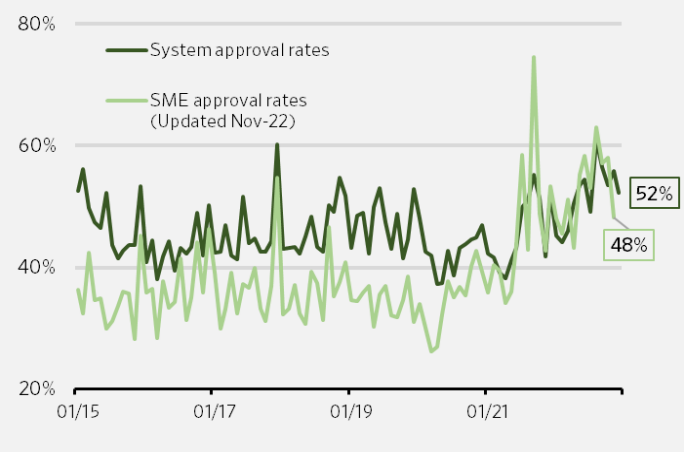
Source: BNM, MIDFR

Figure 13: Business loan indicators



Source: BNM, MIDFR

Figure 14: System approval rates

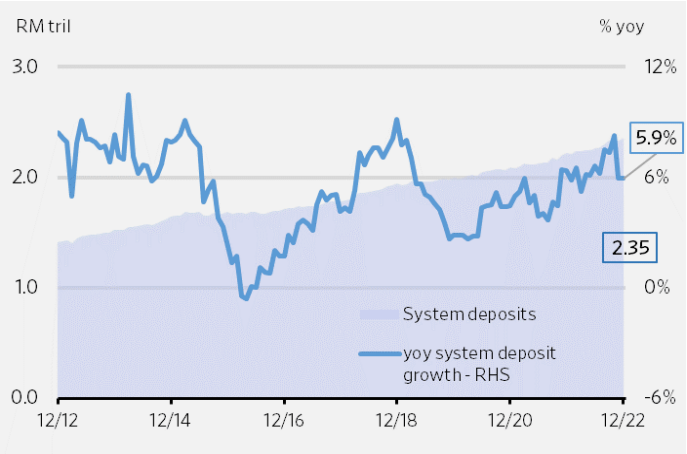


Source: BNM, MIDFR

C. DEPOSITS & LIQUIDITY

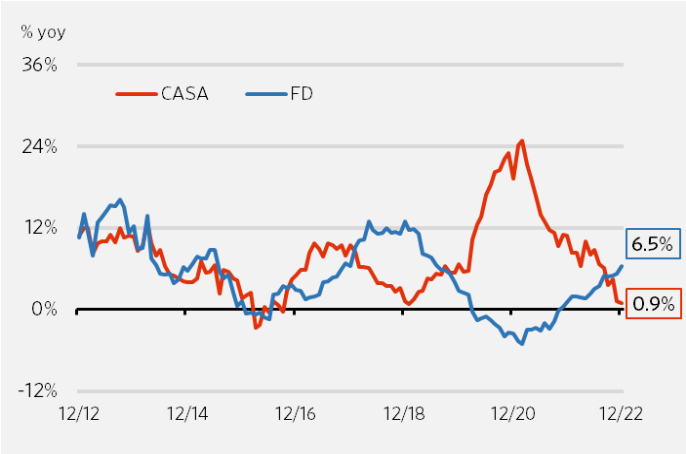
Heatmaps visible here: (link)

Figure 15: System deposits & growth



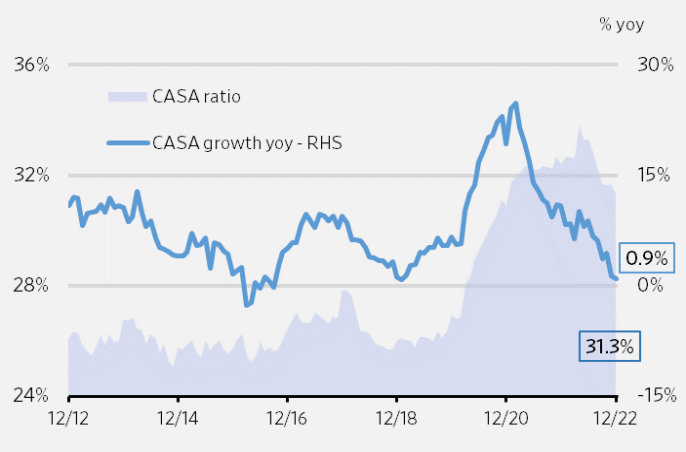
Source: BNM, MIDFR

Figure 16: yoy CASA & FD growth



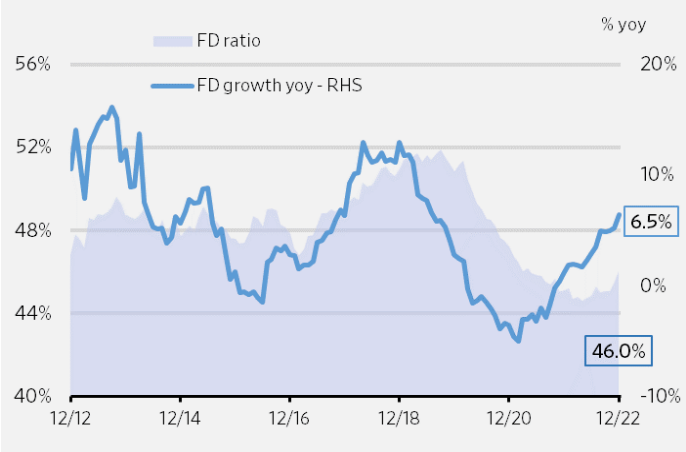
Source: BNM, MIDFR

Figure 17: CASA ratio



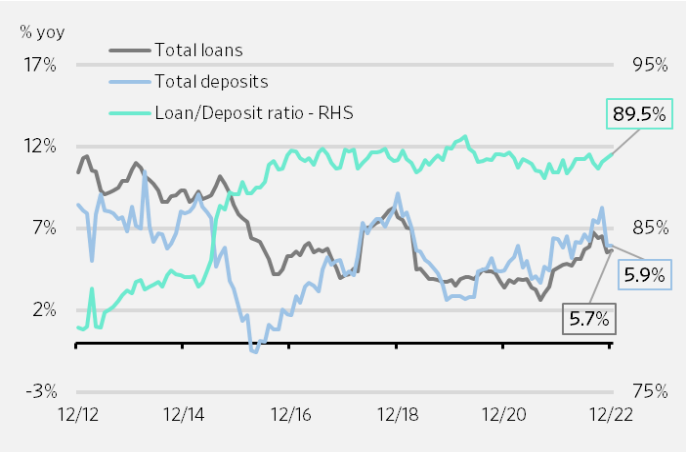
Source: BNM, MIDFR

Figure 18: FD ratio



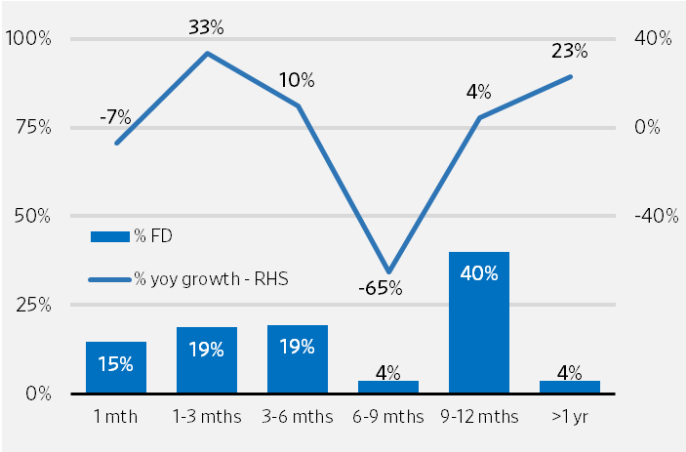
Source: BNM, MIDFR

Figure 19: Loan/Deposit ratio



Source: BNM, MIDFR

Figure 20: FD by maturity

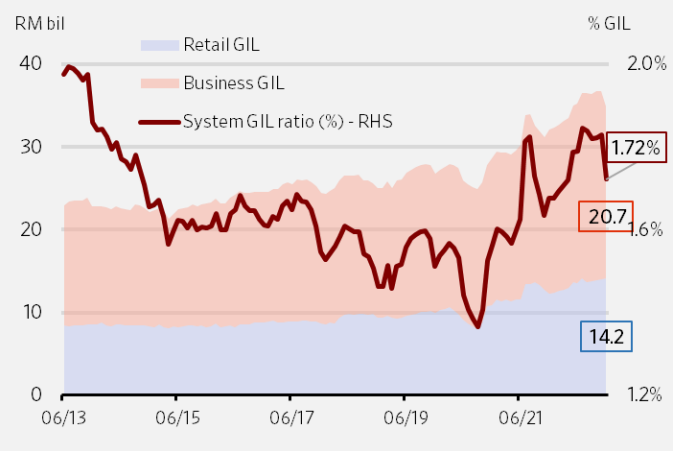


Source: BNM, MIDFR

D. ASSET QUALITY & PROVISIONING

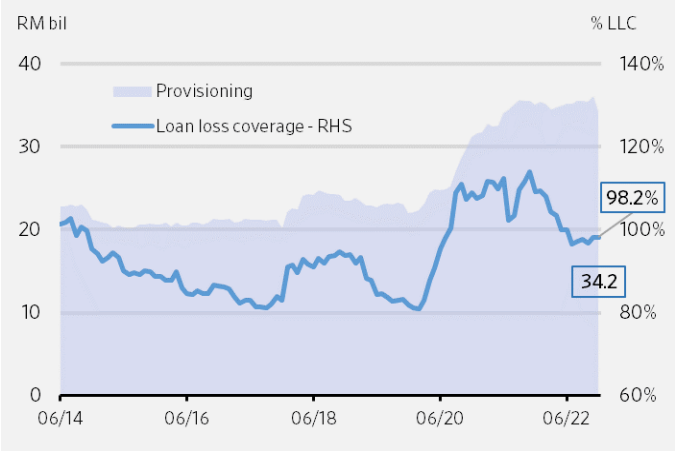
Heatmaps visible here: (link)

Figure 21: System gross impaired loans



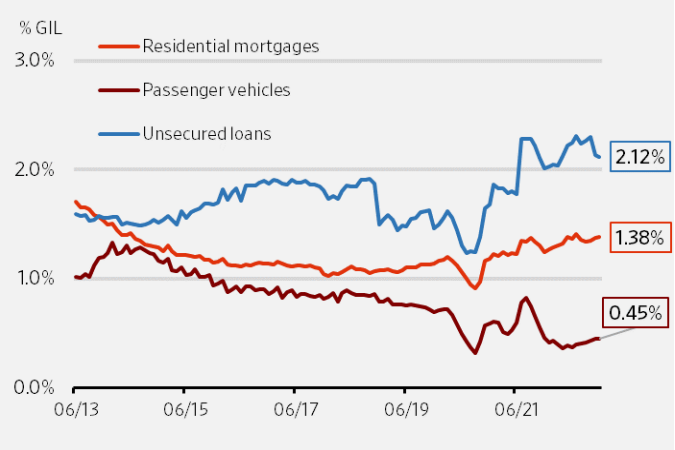
Source: BNM, MIDFR

Figure 22: Provisions & loan loss coverage



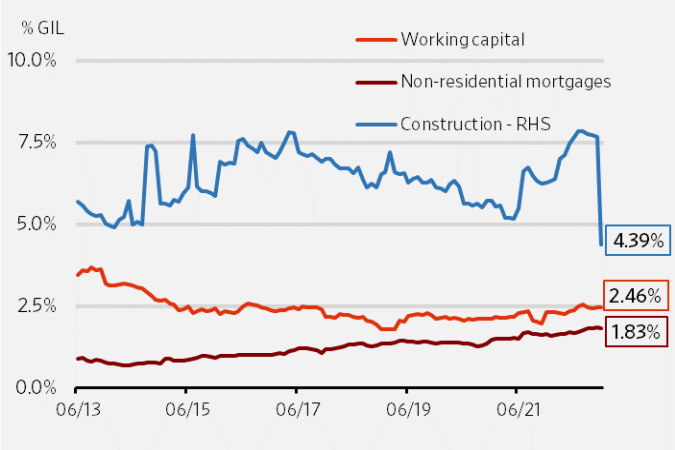
Source: BNM, MIDFR

Figure 23: Retail GIL ratios



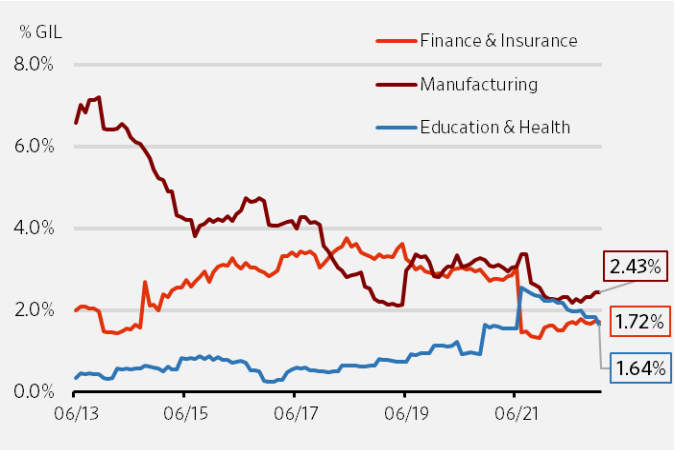
Source: BNM, MIDFR

Figure 24: Business GIL ratios



Source: BNM, MIDFR

Figure 25: GIL ratios of other sectors

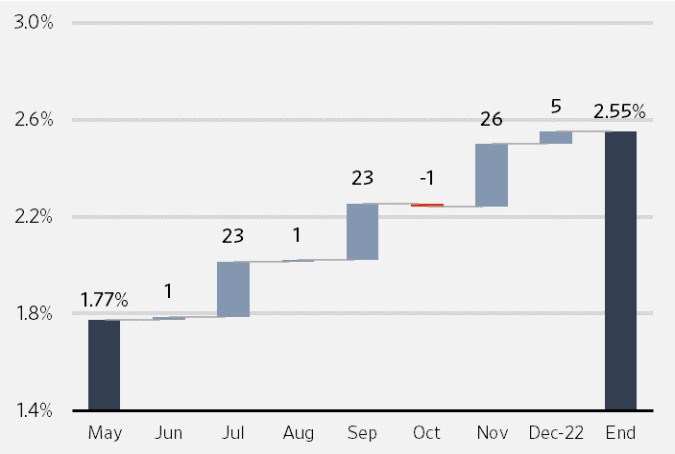


Source: BNM, MIDFR

E. INTEREST SPREAD AND CAPITAL

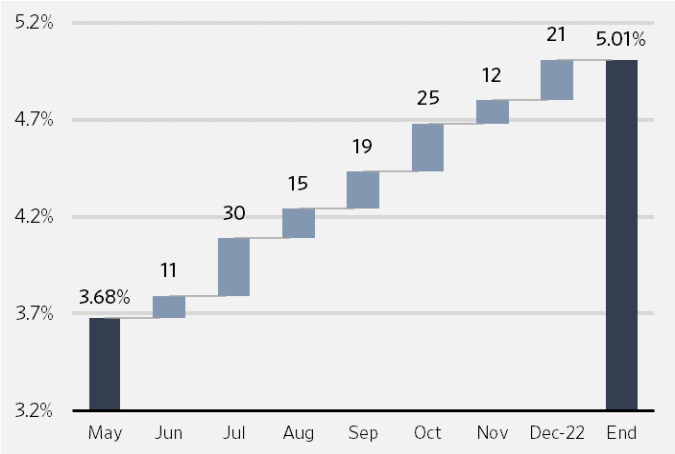
Heatmaps visible here: (link)

Figure 26: Changes in 3-M FD rate



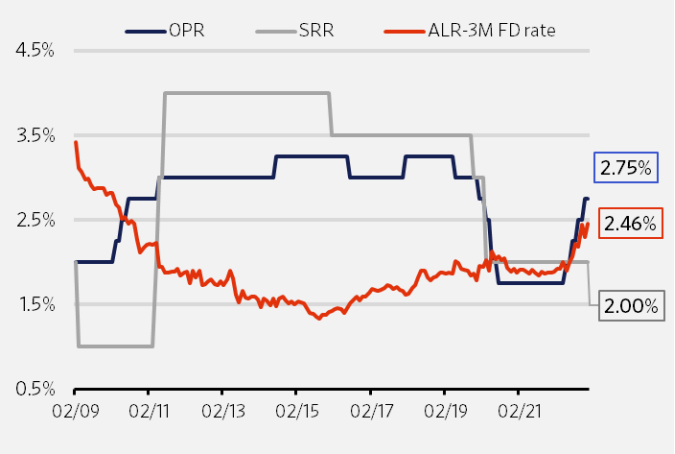
Source: BNM, MIDFR

Figure 27: Changes in Average Lending Rate



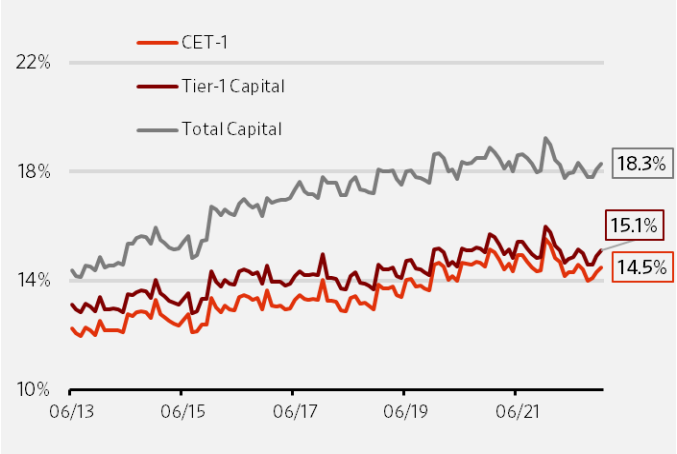
Source: BNM, MIDFR

Figure 28: Interest spread, OPR, SRR



Source: BNM, MIDFR

Figure 29: Capital ratios



Source: BNM, MIDFR

F. SERIES OF VISUALISATION TABLES

Figure 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
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
Dec-22	2,024	5.7	0.7	6.8	0.7	52.8	4.4	0.7	47.2

Source: BNM, MIDFR

Figure 31: yoy loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Dec-22	6.9	7.6	5.9	6.1	4.0	-3.0	3.2

Source: BNM, MIDFR

Figure 32: mom loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Dec-22	0.6	0.7	5.9	0.7	0.5	-2.6	1.0

Source: BNM, MIDFR

Figure 33: Loan applications & approvals

	Applied (RM b)	Growth (%yoy)	Growth (%mom)	Approved (RM b)	Growth (%yoy)	Growth (%mom)
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
Dec-22	92.4	-16.1	-12.4	48.3	-16.1	-18.1

Source: BNM, MIDFR

Figure 34: Loan approval rates

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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	48.2
Dec-22	52.2	44.7	62.7	-

**SME data until Nov-22*

Source: BNM, MIDFR

Figure 35: yoy loan application growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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	1,527	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
Dec-22	-29	-11	7	-7	-15	26	30

Source: BNM, MIDFR

Figure 36: yoy loan approval growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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	2,737	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
Dec-22	-28	0	6	-35	17	68	-25

Source: BNM, MIDFR

Figure 37: System deposits

	Total deposits (RM b)	Growth (%yoy)	Growth (%mom)	L/D Ratio (%)
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
Dec-22	2,354	5.9	1.0	89.5

Source: BNM, MIDFR

Figure 38: CASA & FD ratios

	CASA (RM b)	Growth (%yoy)	Growth (%mom)	CASA ratio (%)	FD (RM b)	Growth (%yoy)	Growth (%mom)	FD ratio (%)
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
Dec-22	708	0.9	-0.7	31.3	1,041	6.5	1.8	46.0

Source: BNM, MIDFR

Figure 39: Impaired loans and loan loss coverage

	Impaired Loans (RM b)	Growth (%mom)	GIL Ratio (%)	Total Provisions (RM b)	LLC ratio (%)
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
Dec-22	34.9	-5.2	1.72	34.2	98

Source: BNM, MIDFR

Figure 40: ALR, 3-M FD rates & Interest spread

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
Dec-22	5.01	2.55	2.46

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