Banking

Mar-25 Stats: Sluggish Trend Persists

NEUTRAL (Maintain)

Analyst
Samuel Woo
samuelwoo.cy@midf.com.my
03-2173 8461

HIGHLIGHTS

- ▲ **(1) Considerable improvement in GIL ratios of nearly every category**
- ▼ **(1) ALR continued to compress, while FD rates remained flattish**
- ► **(1) Loan growth continued to languish, (2) Deposit growth remained sluggish (though interbank lending remained trendy), (3) Decent month for leading indicators**
- **Maintain NEUTRAL call: Despite facing multiple headwinds, the banking sector still serves as a viable safe haven. Given the lack of industry-wide tailwinds, we advocate a bottom-up approach to stock selection, preferring defensive picks**

Our Verdict	**The weaker global economic outlook sours the outlook of banking fundamentals. Still, banking possesses exceptional dividend yields and other defensive qualities. Valuations are attractive but we don't foresee a meaningful rebound until more convincing signs of improvement in the global economic and geopolitical situation are seen.**
Core Themes	1. ▲ Dividend yields remain especially attractive. 2. ► Mixed view on retail loans: Hire purchase and unsecured loans may take centre stage, but their viability may be limited. 3. ► NOII outlook is muted, especially on the fee income side. 4. ► NIM outlook is less optimistic, particularly on the loan yield side. 5. ▼ Expect higher provisioning costs and lower likelihood of large overlay writebacks. 6. ▼ Poor business loan growth outlook – especially in the already overcompetitive SME/Commercial segment. 7. ▼ Geopolitical risks and poor economic outlook to keep valuations depressed in near future.

COMPANY *IN FOCUS*

Public Bank

Maintain BUY | Target Price: RM4.77
Price @ 30 April 2025: RM4.47

- Defensive pick, given its excellent asset quality and NCC.
- Group was always retail-led, hence less dependent on business loans.
- Solid dividend yields, with payout expected to increase over time.

SHARE PRICE CHART



HL Bank

Maintain BUY | Target Price: RM22.10
Price @ 30 April 2025: RM19.98

- Defensive pick.
- We see extremely high rate of fee income growth being maintained.
- Rising dividend yields expected.

SHARE PRICE CHART

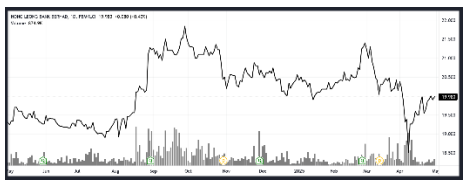


FIG 1: Overview of Major Indicators

Category	Performance	Notes
Loans	▶ **System loans:** +5.2%yoy | +0.6%mom ▶ **Retail loans:** +6.4%yoy | +0.4%mom ▲ **Business loans:** +3.8%yoy | +0.9%mom ▶ **SME loans (Feb-25):** +8.4%yoy | -0.1%mom	Despite a commendable sequential month performance, loan growth performance has been slowing down. Business loans were the standout, boasting a very solid performance.
Leading Indicators	▶ **System:** Solid month **Approval rates:** 55% ▶ **SME (Feb-25):** Decent month **SME Approval rates:** 38%	System leading indicators showed slight improvement from last month's lull.
Deposits	▲ **Deposits + repos:** +3.0%yoy | +0.4%mom ▶ **Deposits (ex-repos):** +2.6%yoy | 0.0%mom ▶ **FD:** +2.3%yoy | +0.3%mom ▶ **CASA:** +3.4%yoy | -0.3%mom **Loan/Deposit ratio:** 92.3% **Loan Coverage ratio:** 152%	Deposit growth continues to flounder. FD growth has been lacklustre for quite some time, while CASA fluctuates regularly. Interbank lending remains very attractive. L/D ratio is slightly higher than normal.
GIL ratio	▲ **System GIL ratio:** 1.42% | -4bps mom ▲ **Retail:** 1.13% | -3bps mom ▲ **Business:** 1.77% | -4bps mom ▶ **SME GIL ratio (Feb-25):** 2.81% | +3bps mom	▼ **Notable deteriorations, mom:** NIL ▲ **Notable improvements, mom:** Construction -10bps, Working capital -6bps, Personal financing -7bps, Residential property -3bps, Passenger cats -3bps.
Interest rates	▶ **FD rates (Conv):** Stable ▶ **FD rates (Isl):** Stable ▼ **Lending rates (ALR):** -3bps mom	Trends persist: FD rates remain stable while ALR compresses.

Maintain NEUTRAL call. *(Our comprehensive list of sector drivers is on the first page.)* We downgrade our FY25 loan growth forecasts to 5.0-5.5% in light of weaker economic outlook (Previously 6.0-6.5%).

Top downside risks include:

1. Continual compression in loan yields.
2. Weaker-than-expected loan growth.
3. Higher provisioning costs.

Top Picks: Public Bank (BUY, TP: RM4.77) and **HL Bank (BUY, TP: RM22.10).**

PEER COMPARISON

Bank	Rec	Share P*	Target P	Upside	Mkt Cap	P/E (x)		P/B (x)		ROE (%)		Div Yield (%)	
		(RM)	(RM)	(%)	(RM b)	FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
MAY	NEUTRAL	9.99	10.20	2.1	120.4	11.6	11.4	1.2	1.2	10.9	10.7	6.9	7.0
CIMB	BUY	7.12	8.10	13.8	76.1	9.8	9.6	1.1	1.0	11.0	10.8	5.6	5.7
PBK	BUY	4.47	4.77	6.7	86.8	11.8	11.2	1.4	1.3	12.4	12.3	4.5	4.9
RHB	NEUTRAL	6.65	6.70	0.8	28.5	9.3	8.8	0.8	0.8	9.3	9.5	6.3	6.6
HLBK	BUY	19.98	22.10	10.6	40.9	9.4	9.1	1.0	0.9	11.3	10.8	3.7	3.9
AMMB	NEUTRAL	5.16	5.33	3.3	17.1	8.7	8.7	0.8	0.8	9.8	9.3	4.8	5.2
BIMB	NEUTRAL	2.45	2.43	-0.8	5.5	9.4	9.1	0.7	0.7	7.7	7.8	6.3	6.6
AFFIN	NEUTRAL	2.65	2.46	-7.0	6.7	11.1	10.4	0.5	0.5	5.0	5.1	2.7	2.8
ABMB	NEUTRAL	4.38	4.57	4.4	6.8	9.0	8.9	0.9	0.8	10.1	9.6	4.4	4.5
Simple avg (ex-HLFG)						**10.0**	**9.7**	**1.0**	**0.9**	**9.7**	**9.6**	**5.0**	**5.2**
Weighted avg (ex-HLFG)						**10.7**	**10.4**	**1.2**	**1.1**	**11.0**	**10.8**	**5.5**	**5.7**

**Closing prices from 30 Apr 2025.*

Source: MIDFR

A. SYSTEM LOAN & CONSTITUENTS

FIG 2: Overview of Major Indicators

	yoy Growth rates (%)				YTD Ann. (%)	mom Growth rates (%)			
	Mar-25	Feb-25	Jan-25	Dec-24		Mar-25	Feb-25	Jan-25	Dec-24
Total loans	**5.2**	**5.3**	**5.7**	**5.5**	**4.3**	**0.6**	**0.1**	**0.4**	**0.8**
Retail loans	6.4	6.6	6.7	6.9	5.3	0.4	0.3	0.6	0.5
Business loans	3.8	3.6	4.4	3.9	3.2	0.9	-0.2	0.1	1.0
SME*	-	8.4	8.9	8.6	1.9	-	-0.1	0.4	1.2
Deposits + repo	**3.0**	**3.5**	**3.1**	**3.0**	**5.1**	**0.4**	**0.9**	**0.0**	**0.7**
Total deposits	**2.6**	**3.3**	**3.1**	**3.3**	**3.2**	**-0.0**	**0.7**	**0.2**	**0.9**
CASA	3.4	4.1	3.2	4.7	2.0	-0.3	1.4	-0.5	1.2
FD	2.3	3.3	4.2	3.9	2.8	0.3	0.2	0.2	0.3
Total provisions	-8.9	-7.9	-7.3	-8.4	-4.2	-2.1	-0.5	1.6	-3.6
Total GIL	-8.0	-7.1	-5.9	-7.7	-3.3	-1.9	-0.3	1.4	-3.8
Leading indicators									
3MA applications	6	1	1	1	0	4	-5	-6	-4
Retail	1	-3	-6	-2	-20	1	-2	-5	1
Business	12	6	11	4	-41	6	-8	-8	-9
3MA approvals	4	-4	-7	-3	0	-1	-7	-12	0
Retail	1	-9	-11	-8	-31	2	-4	-6	3
Business	7	1	-3	0	-110	-3	-10	-17	-2

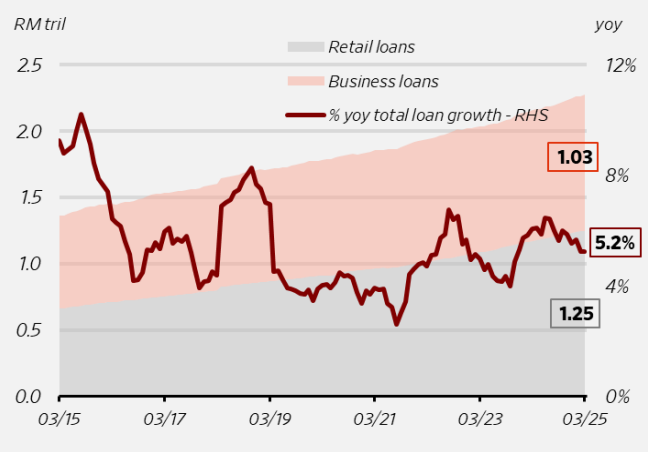
	Mar-25	Feb-25	Jan-25	Dec-24	Mar-24
Interest spread	2.39	2.43	2.49	2.50	2.68
ALR	4.97	5.00	5.06	5.11	5.37
3M FD rate	2.58	2.57	2.57	2.61	2.69
Loan approval rate	55	49	43	62	53
SME approval rate*	-	38	40	67	55
GIL ratio	1.42	1.45	1.46	1.44	1.62
Retail	1.13	1.16	1.16	1.14	1.29
Business	1.77	1.81	1.82	1.81	2.00
SME*	-	2.81	2.78	2.76	2.96
LLC ratio	91.2	91.4	91.6	91.4	92.1
CASA ratio	31.3	31.4	31.2	31.4	31.1
Loan/Deposit ratio	92.3	91.7	92.2	92.0	89.9
Liquidity coverage ratio	152	154	158	161	150
CET 1	14.2	14.3	14.7	14.3	14.7
Tier 1 Capital	14.7	14.8	15.2	14.8	15.2
Total Capital	17.7	17.7	18.2	17.8	18.3

	Period	Forecast	Formerly
Loan growth	CY25	5.0-5.5%	
GDP	CY25	4.6%	
OPR	CY25	3.00%	

**SME data until Feb-25*

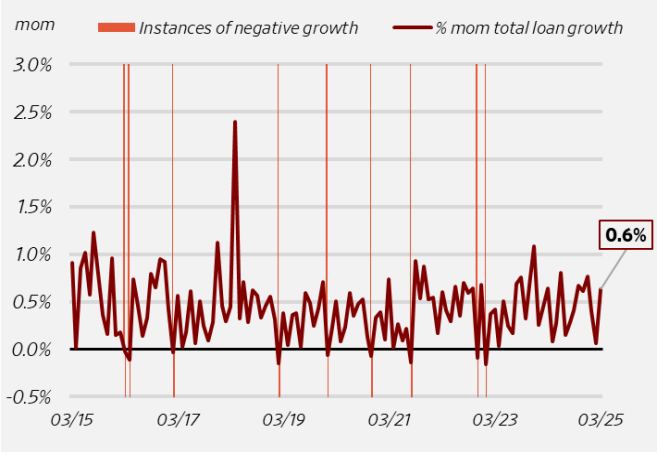
Source: BNM, MIDFR

FIG 3: yoy System loans



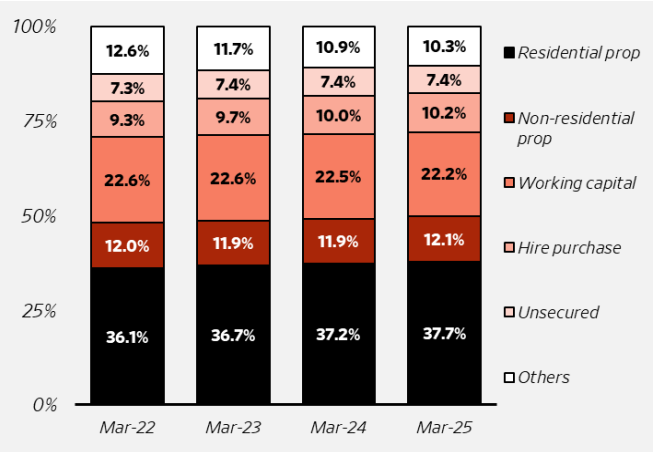
Source: BNM, MIDFR

FIG 4: mom System loans



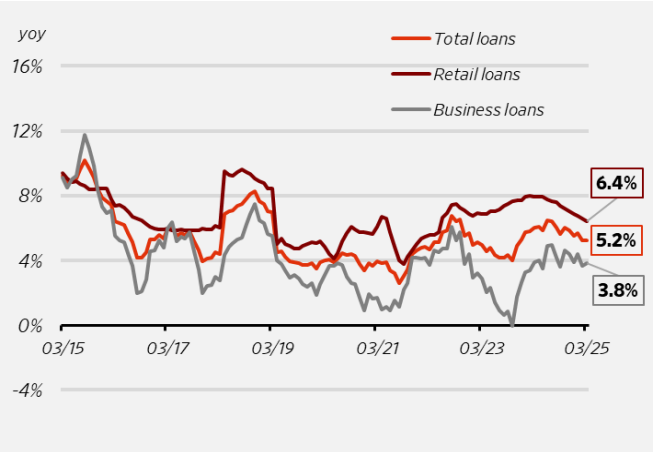
Source: BNM, MIDFR

FIG 5: yoy Loan breakdown by type



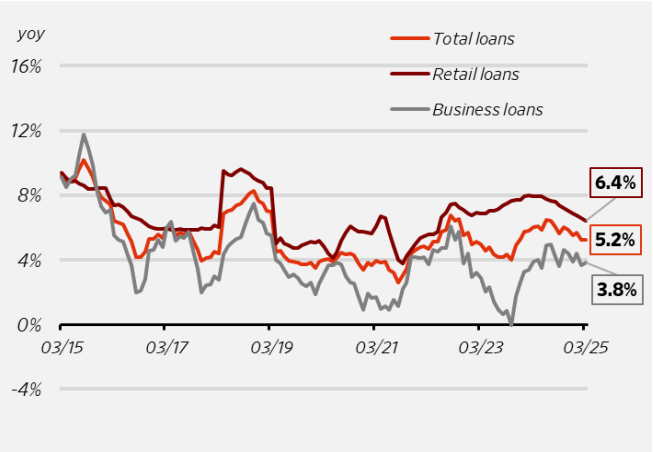
Source: BNM, MIDFR

FIG 6: Retail & business loan growth



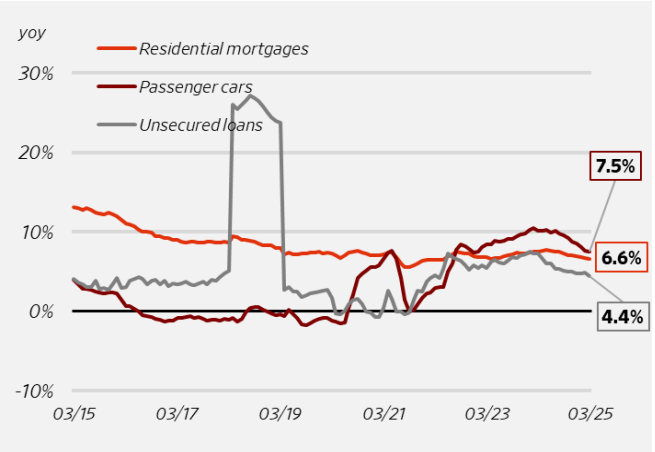
Source: BNM, MIDFR

FIG 7: Retail loan constituents



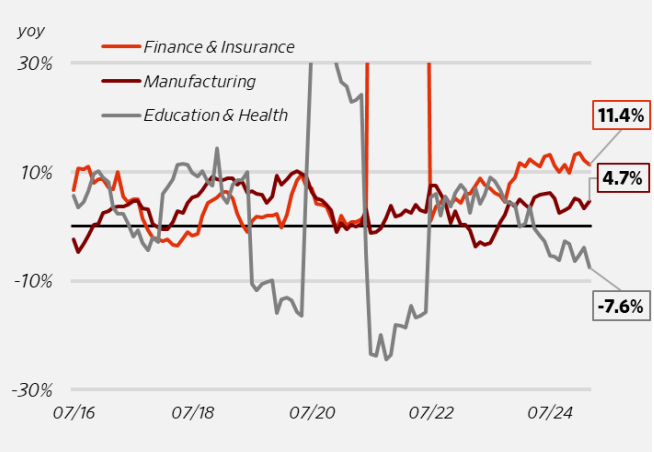
Source: BNM, MIDFR

FIG 8: Business loan constituents



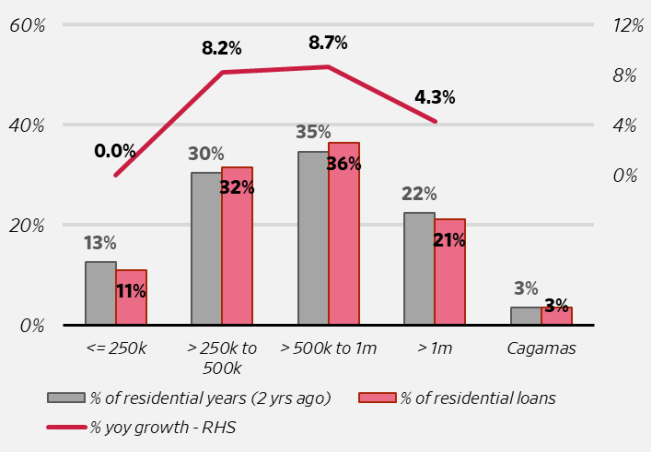
Source: BNM, MIDFR

FIG 9: Loan growth of other sectors



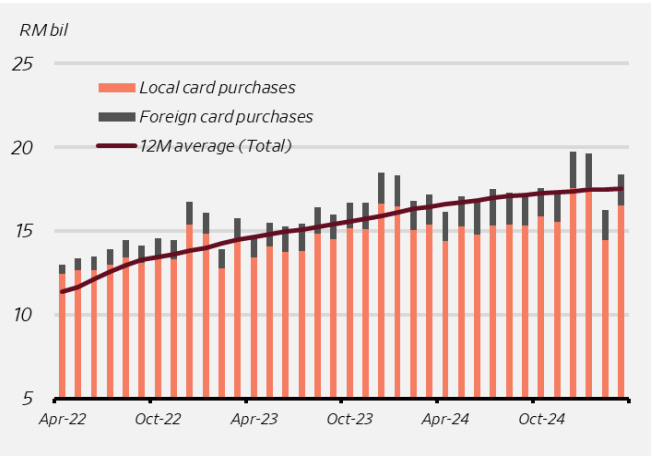
Source: BNM, MIDFR

FIG 10: Residential loans by segment



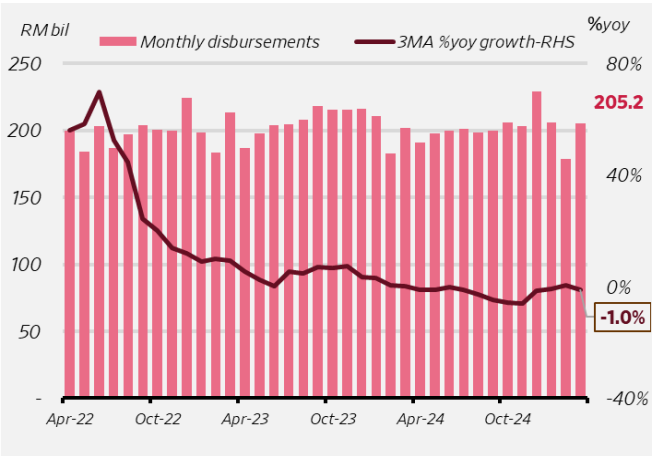
Source: BNM, MIDFR

FIG 11: Credit card purchases



Source: BNM, MIDFR

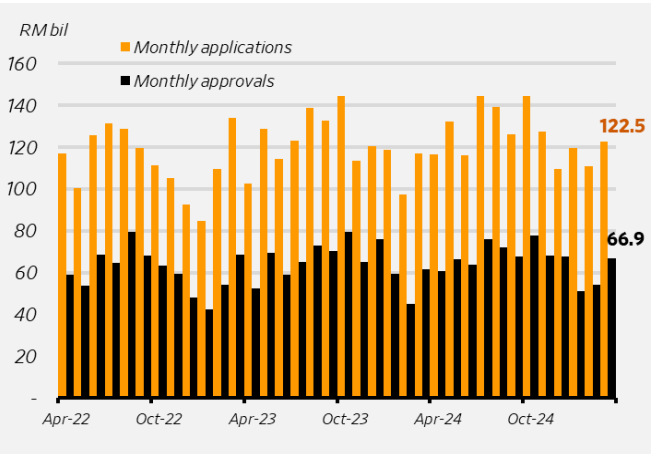
FIG 12: Monthly loan disbursements



Source: BNM, MIDFR

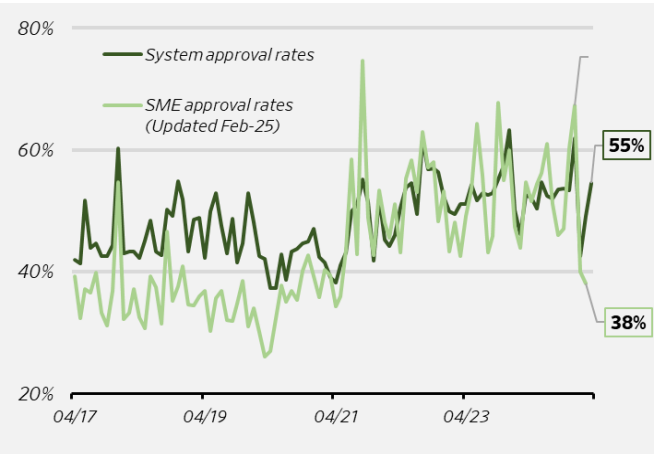
B. LEADING INDICATOR TRENDS

FIG 13: Monthly applications & approvals



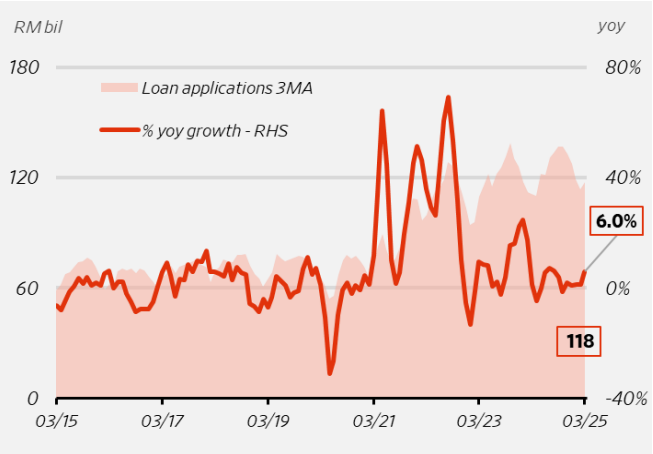
Source: BNM, MIDFR

FIG 14: System & SME approval rates



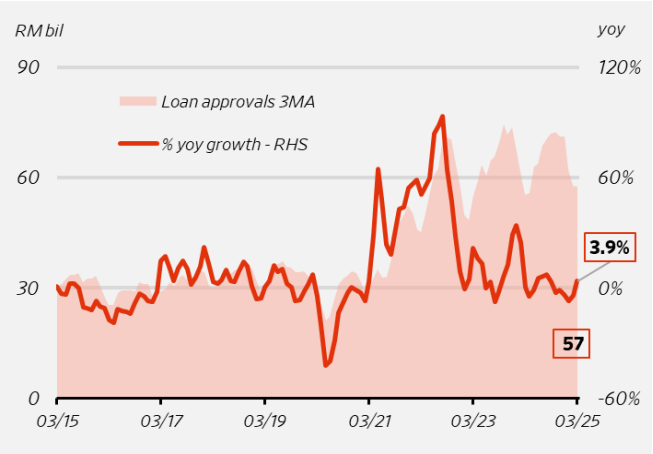
Source: BNM, MIDFR

FIG 15: Loan applications (3-mth average)



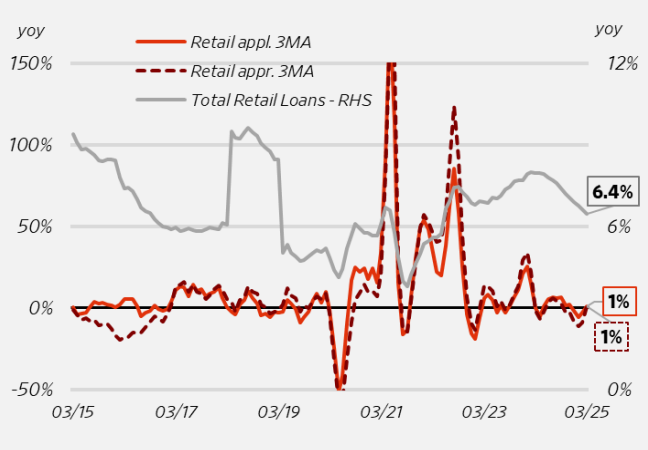
Source: BNM, MIDFR

FIG 16: Loan approvals (3-mth average)



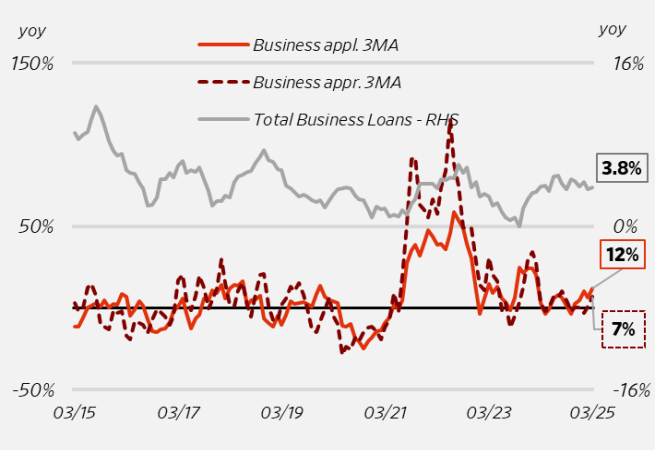
Source: BNM, MIDFR

FIG 17: Retail loan indicators



Source: BNM, MIDFR

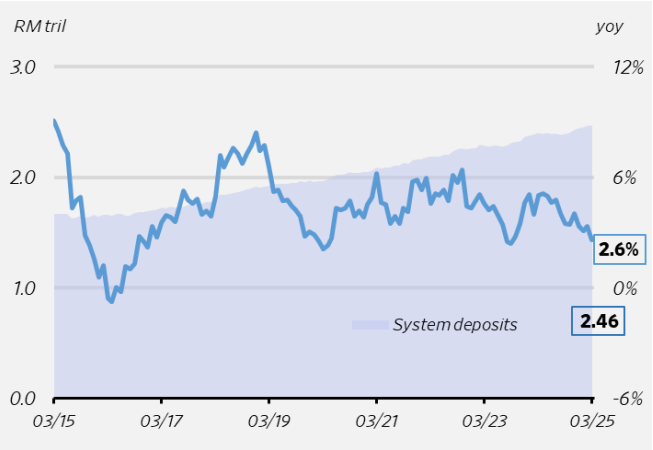
FIG 18: Business loan indicators



Source: BNM, MIDFR

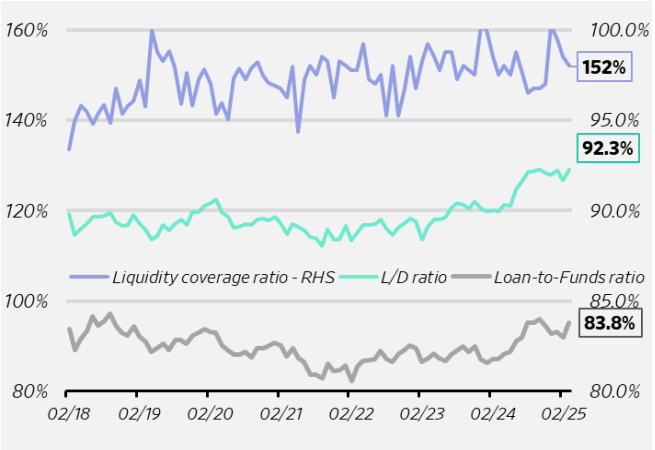
C. DEPOSITS & LIQUIDITY

FIG 19: yoy System deposits



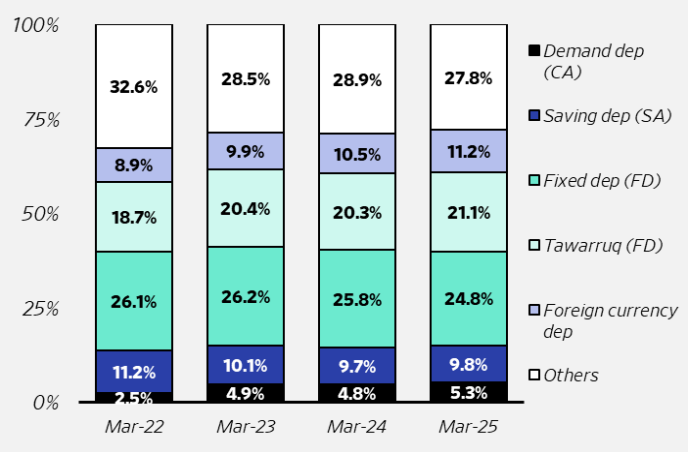
Source: BNM, MIDFR

FIG 20: LCR, LDR & LTF ratio



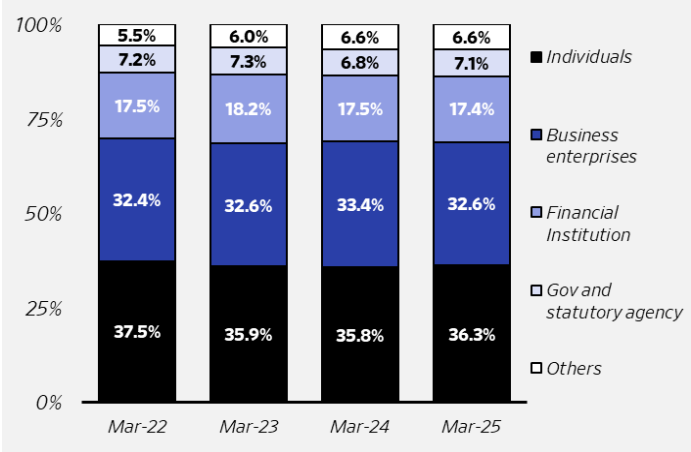
Source: BNM, MIDFR

FIG 21: Deposit breakdown by type



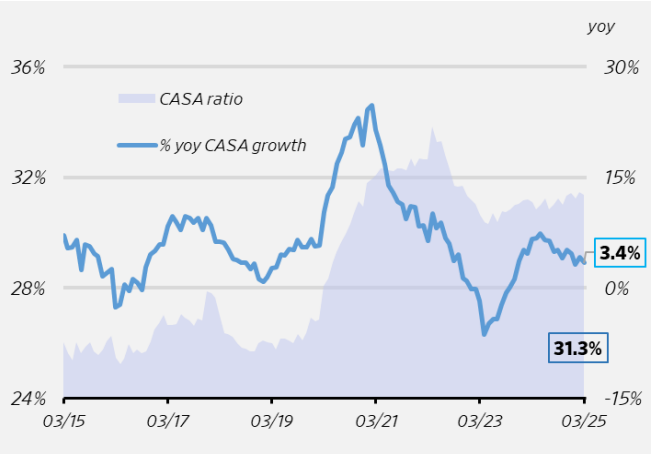
Source: BNM, MIDFR

FIG 22: Deposit breakdown by holder



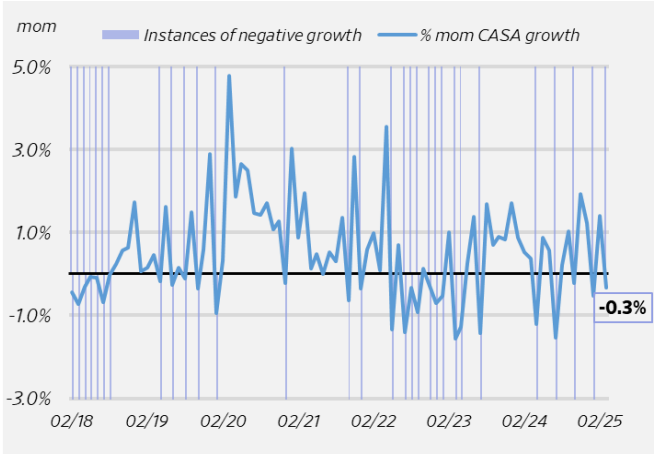
Source: BNM, MIDFR

FIG 23: CASA ratio and yoy growth



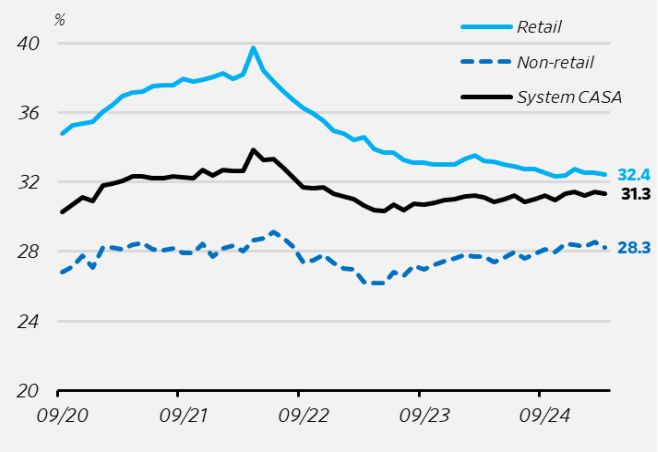
Source: BNM, MIDFR

FIG 24: mom CASA growth



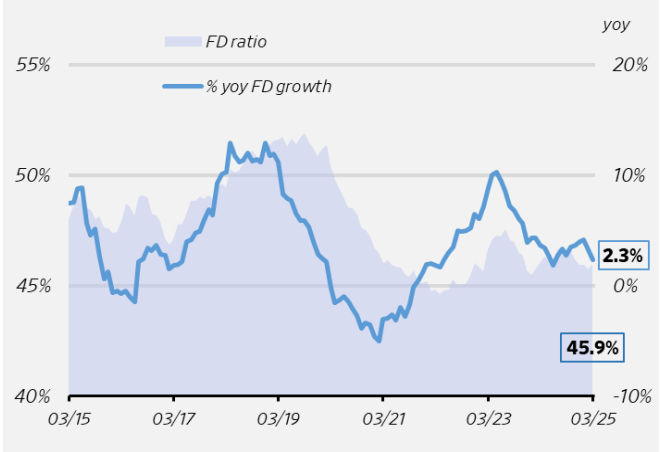
Source: BNM, MIDFR

FIG 25: CASA ratio by holder



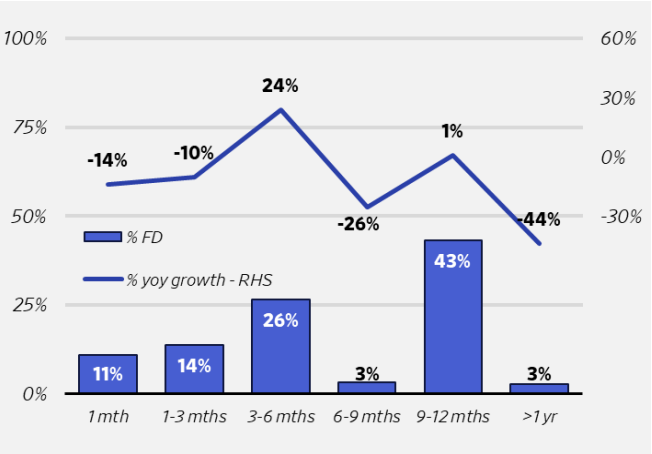
Source: BNM, MIDFR

FIG 26: FD ratio and yoy growth



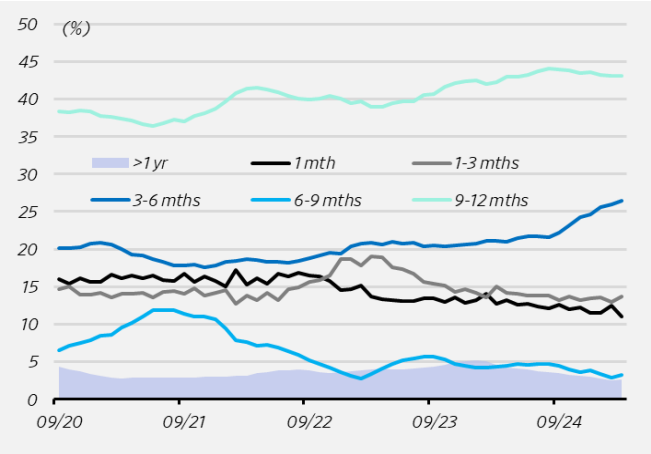
Source: BNM, MIDFR

FIG 27: FD by maturity brackets and yoy growth



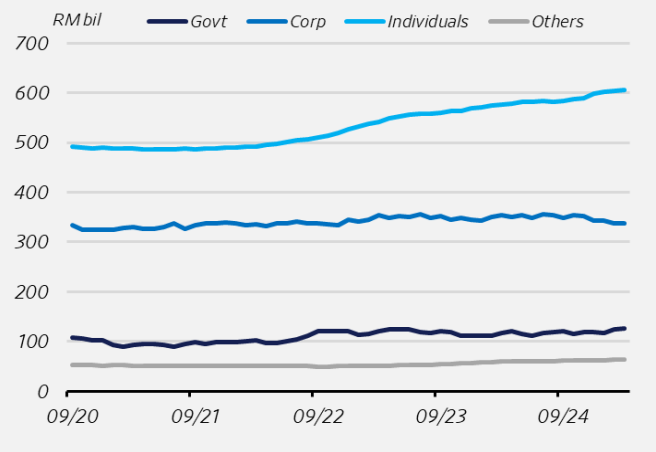
Source: BNM, MIDFR

FIG 28: FD by maturity brackets (% Proportion)



Source: BNM, MIDFR

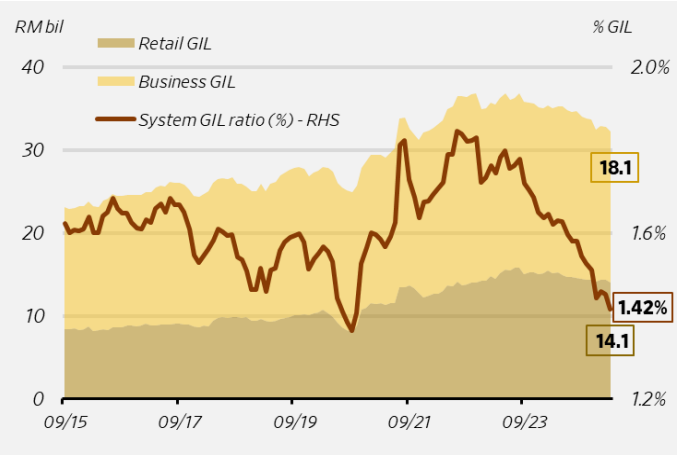
FIG 29: FD by depositor



Source: BNM, MIDFR

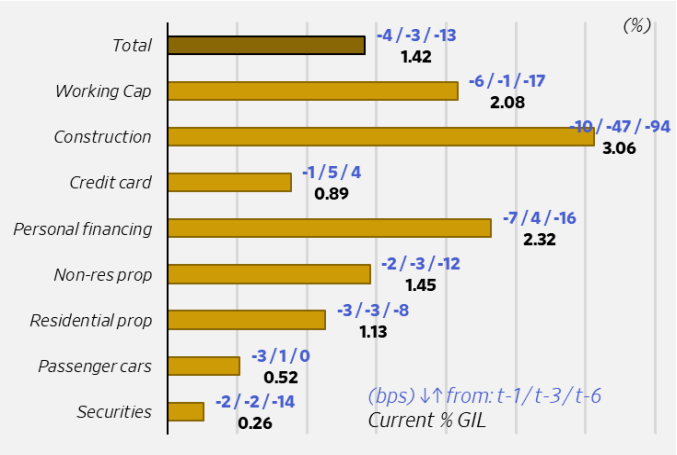
D. ASSET QUALITY & PROVISIONING

FIG 30: System gross impaired loans



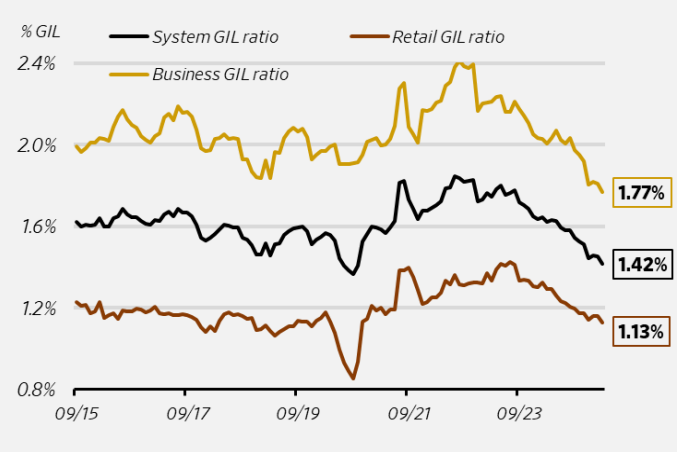
Source: BNM, MIDFR

FIG 31: Segmental GIL ratio changes



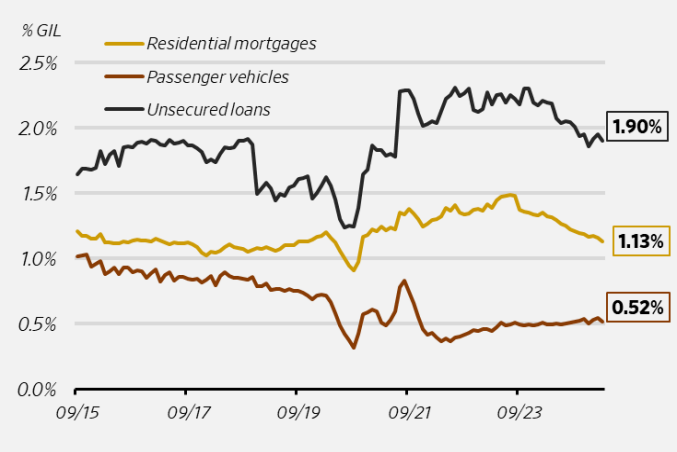
Source: BNM, MIDFR

FIG 32: System, Retail, Business GIL ratios



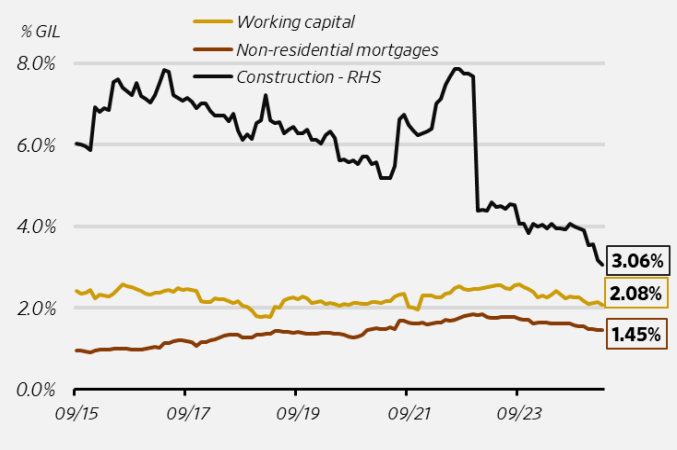
Source: BNM, MIDFR

FIG 33: Retail GIL ratios



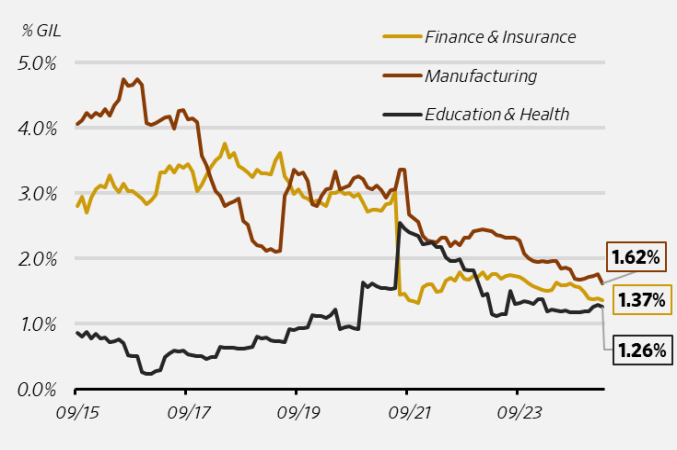
Source: BNM, MIDFR

FIG 34: Business GIL ratios



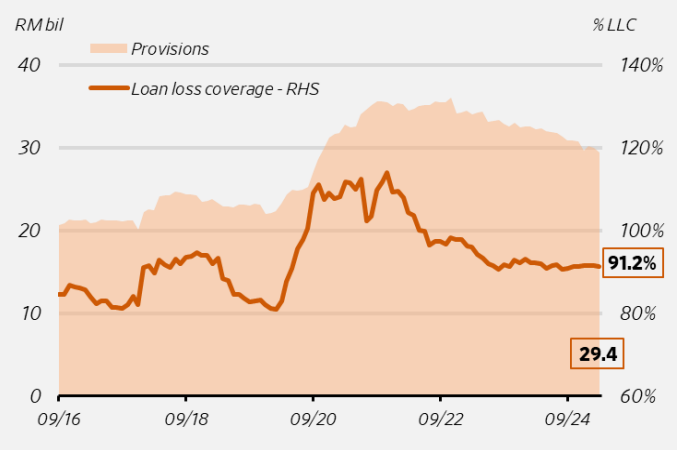
Source: BNM, MIDFR

FIG 35: GIL ratios of other sectors



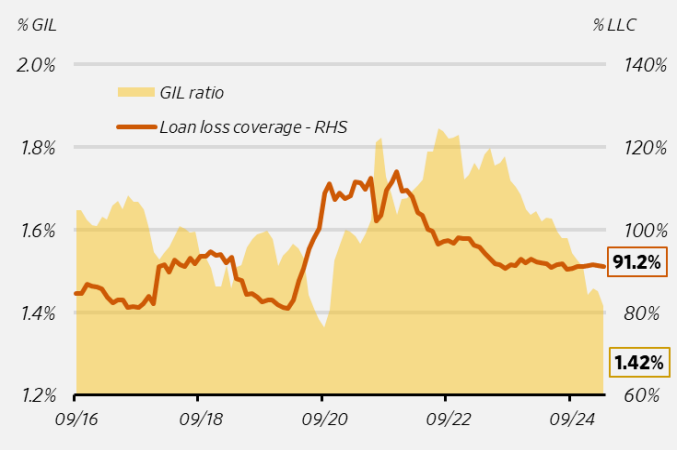
Source: BNM, MIDFR

FIG 36: Provisions & loan loss coverage



Source: BNM, MIDFR

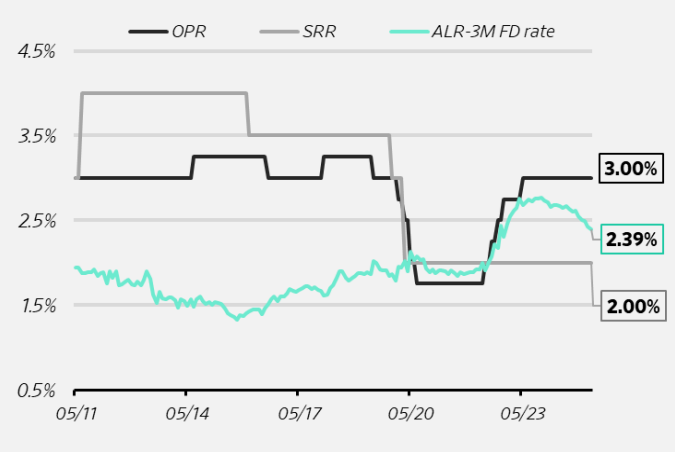
FIG 37: LLC & GIL ratio relationship



Source: BNM, MIDFR

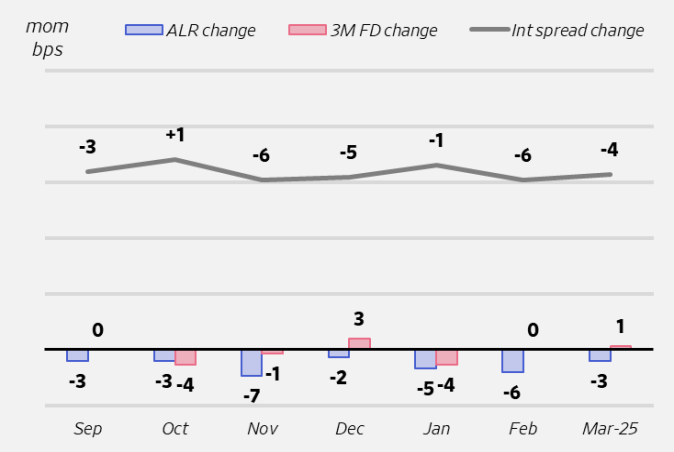
E. INTEREST SPREAD AND CAPITAL

FIG 38: Interest spread, OPR, SRR



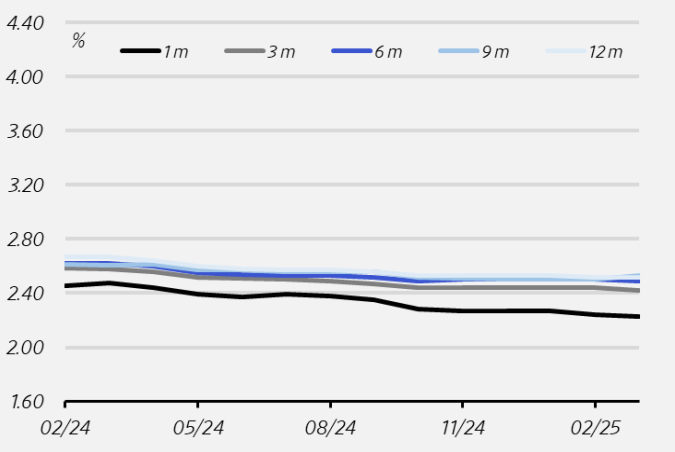
Source: BNM, MIDFR

FIG 39: mom Changes in Interest spreads



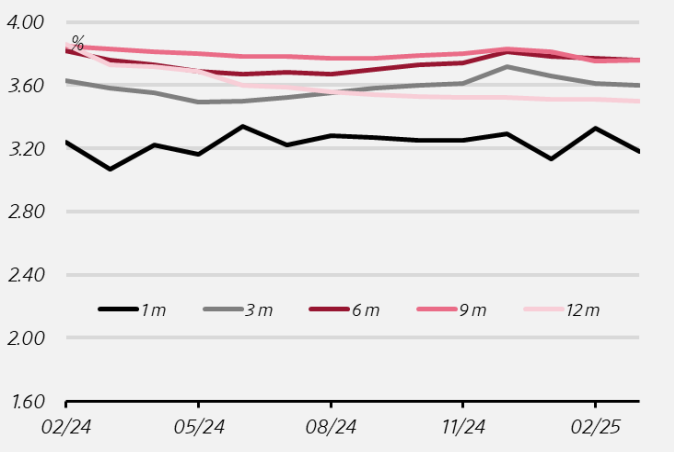
Source: BNM, MIDFR

FIG 40: Weighted avg Conv. FD rates by bracket



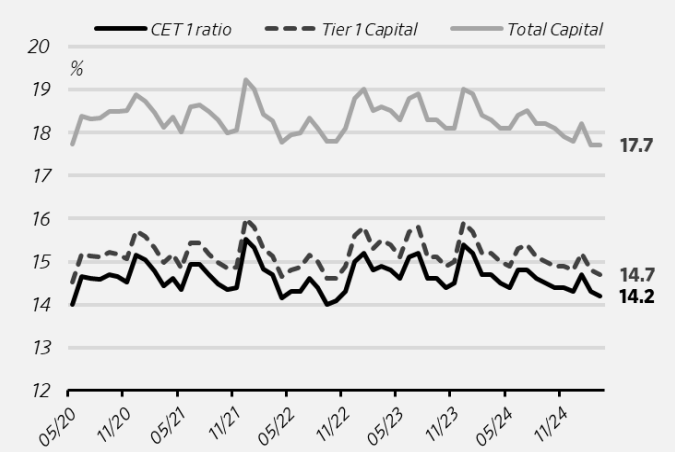
Source: BNM, MIDFR

FIG 41: Weighted avg Isl. FD rates by bracket



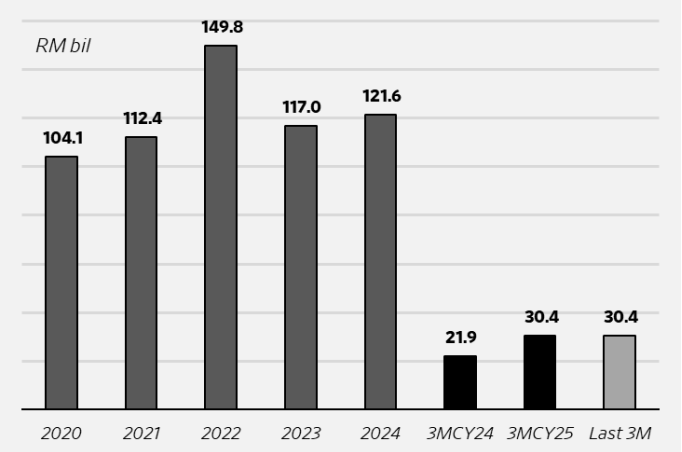
Source: BNM, MIDFR

FIG 42: Capital ratios



Source: BNM, MIDFR

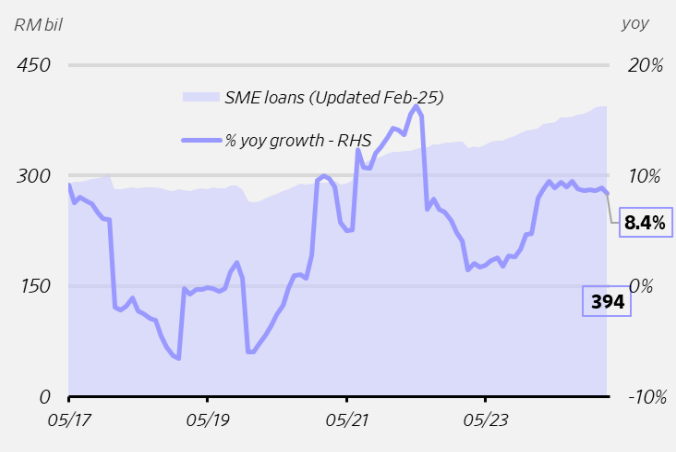
FIG 43: Bond/Sukuk issuances



Source: BNM, MIDFR

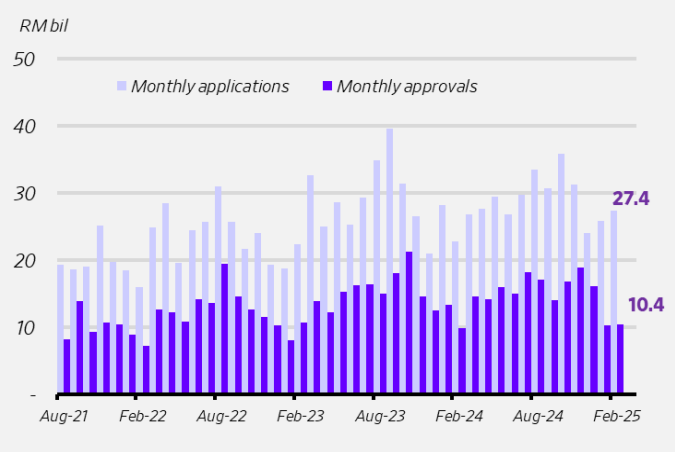
F. SME DATA

FIG 44: SME loans



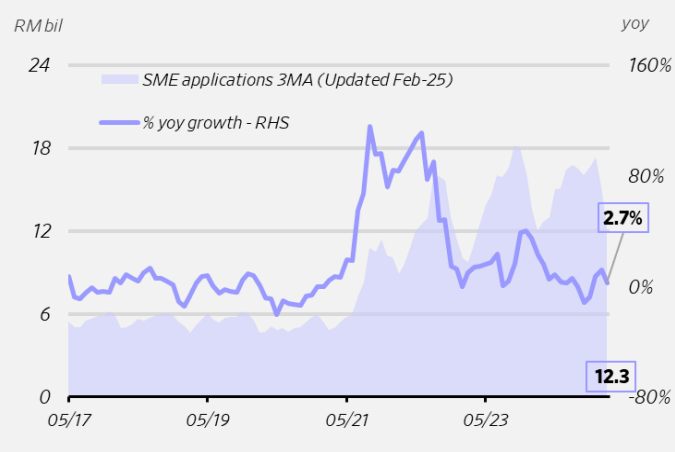
Source: BNM, MIDFR

FIG 45: SME Monthly leading indicators



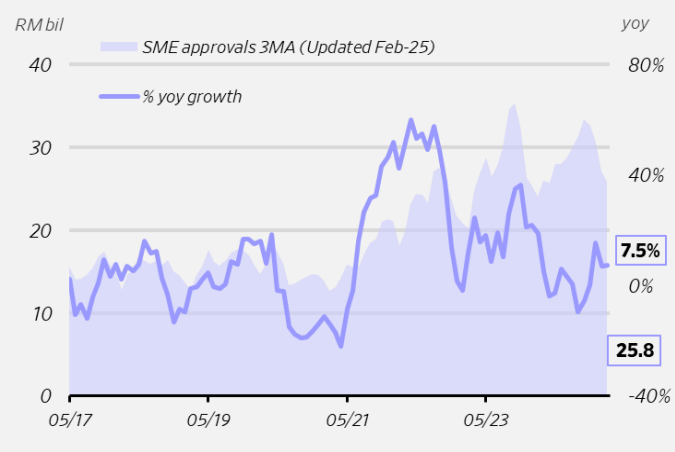
Source: BNM, MIDFR

FIG 46: SME applications (3-mth-average)



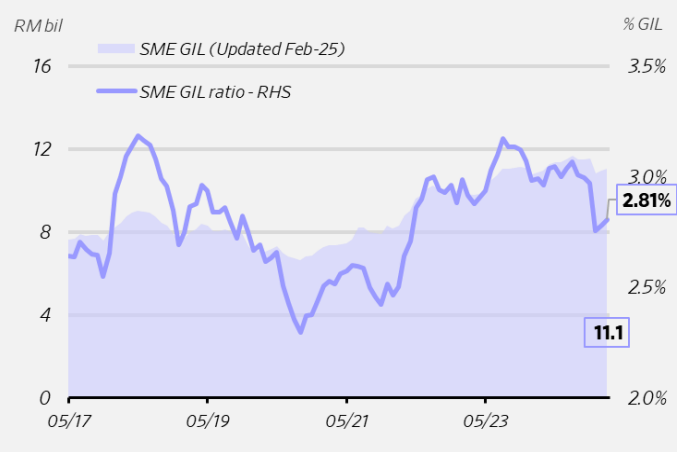
Source: BNM, MIDFR

FIG 47: SME approvals (3-mth-average)



Source: BNM, MIDFR

FIG 48: SME GILs



Source: BNM, MIDFR

G. VISUALISATION TABLES

FIG 49: System loans

	Total loans (RM tr)	Growth (% yoy)	Growth (% mom)	Retail			Business		
				Growth (% yoy)	Growth (% mom)	% of total	Growth (% yoy)	Growth (% mom)	% of total
Apr-23	2.04	4.6	0.0	6.9	0.5	53.5	2.0	-0.5	46.5
May-23	2.05	4.8	0.5	7.1	0.5	53.5	2.3	0.5	46.5
Jun-23	2.05	4.4	0.2	7.0	0.6	53.7	1.4	-0.2	46.3
Jul-23	2.06	4.2	0.2	7.1	0.6	54.0	0.9	-0.4	46.0
Aug-23	2.07	4.2	0.7	7.4	0.8	54.0	0.6	0.5	46.0
Sep-23	2.09	4.3	0.8	7.5	0.8	54.0	0.9	0.8	46.0
Oct-23	2.09	4.0	0.3	7.7	0.7	54.3	-0.0	-0.2	45.7
Nov-23	2.11	4.9	0.8	7.7	0.7	54.2	1.7	0.9	45.8
Dec-23	2.13	5.3	1.1	7.7	0.7	54.0	2.6	1.5	46.0
Jan-24	2.14	5.7	0.3	7.9	0.8	54.3	3.3	-0.3	45.7
Feb-24	2.15	5.8	0.4	8.0	0.4	54.3	3.4	0.5	45.7
Mar-24	**2.16**	**6.0**	**0.6**	**7.9**	**0.5**	**54.2**	**3.9**	**0.7**	**45.8**
Apr-24	2.16	6.1	0.1	7.9	0.5	54.4	4.0	-0.4	45.6
May-24	2.17	5.9	0.3	7.9	0.5	54.6	3.5	-0.0	45.4
Jun-24	2.19	6.5	0.8	7.8	0.5	54.4	4.9	1.2	45.6
Jul-24	2.19	6.4	0.1	7.7	0.5	54.6	5.0	-0.3	45.4
Aug-24	2.19	6.0	0.3	7.6	0.7	54.9	4.1	-0.2	45.1
Sep-24	2.20	5.6	0.4	7.4	0.6	54.9	3.6	0.2	45.1
Oct-24	2.22	6.0	0.7	7.2	0.6	54.9	4.6	0.8	45.1
Nov-24	2.23	5.8	0.6	7.1	0.5	54.8	4.4	0.7	45.2
Dec-24	2.25	5.5	0.8	6.9	0.5	54.7	3.9	1.0	45.3
Jan-25	2.26	5.7	0.4	6.7	0.6	54.8	4.4	0.1	45.2
Feb-25	2.26	5.3	0.1	6.6	0.3	55.0	3.6	-0.2	45.0
Mar-25	**2.27**	**5.2**	**0.6**	**6.4**	**0.4**	**54.8**	**3.8**	**0.9**	**45.2**

Source: BNM, MIDFR

FIG 50: yoy Loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Apr-23	6.6	8.4	6.2	3.2	3.9	-0.1	-5.4
May-23	6.7	8.9	6.5	3.7	4.0	0.5	-6.4
Jun-23	6.8	8.8	6.2	1.7	4.2	0.5	-7.5
Jul-23	6.9	8.9	6.1	1.5	4.1	-0.9	-8.2
Aug-23	7.1	9.1	6.3	0.4	4.8	-0.4	-9.8
Sep-23	7.2	9.0	6.9	1.1	5.1	-0.7	-11.2
Oct-23	7.4	9.4	6.8	0.2	4.7	-1.3	-12.8
Nov-23	7.3	9.7	7.0	3.1	4.9	0.8	-12.3
Dec-23	7.3	9.7	7.2	4.7	4.9	3.1	-12.3
Jan-24	7.4	10.2	7.6	4.7	5.0	5.8	-12.0
Feb-24	7.5	10.4	7.3	5.1	5.2	4.3	-11.5
Mar-24	**7.5**	**10.1**	**7.3**	**5.4**	**5.6**	**5.5**	**-10.6**
Apr-24	7.7	10.0	6.6	5.3	5.9	5.9	-10.3
May-24	7.7	10.2	6.1	4.0	6.3	5.6	-9.2
Jun-24	7.6	9.9	6.0	6.8	6.5	4.9	-8.3
Jul-24	7.5	10.1	5.4	7.1	7.0	2.5	-7.8
Aug-24	7.5	9.7	5.4	5.4	7.0	2.6	-7.1
Sep-24	7.3	9.4	5.1	5.4	7.0	1.7	-6.6
Oct-24	7.1	9.1	5.0	6.4	7.3	2.9	-4.4
Nov-24	7.0	8.7	5.0	5.9	7.2	2.1	-5.0
Dec-24	6.9	8.4	4.8	4.7	8.1	2.2	-7.0
Jan-25	6.8	8.0	4.8	5.9	8.4	0.0	-5.2
Feb-25	6.7	7.4	4.8	4.3	8.5	0.7	-4.3
Mar-25	**6.6**	**7.3**	**4.4**	**4.0**	**7.8**	**1.1**	**-3.8**

Source: BNM, MIDFR

FIG 51: mom Loan growth by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Apr-23	0.3	0.8	3.0	-0.9	-0.0	-0.0	-1.5
May-23	0.5	0.6	3.4	0.8	0.3	0.5	-1.0
Jun-23	0.6	0.8	4.1	-0.7	0.5	0.6	-1.3
Jul-23	0.7	0.6	4.5	-0.7	0.1	0.0	-0.4
Aug-23	0.7	1.0	5.3	0.8	0.9	0.6	-1.2
Sep-23	0.7	0.7	6.2	0.8	0.7	0.6	-0.9
Oct-23	0.8	0.9	6.1	0.3	0.3	0.1	-2.1
Nov-23	0.6	0.9	6.4	1.1	0.5	1.3	0.3
Dec-23	0.6	0.7	7.2	2.3	0.5	-0.4	1.0
Jan-24	0.7	1.2	6.2	-1.0	0.3	2.4	-2.0
Feb-24	0.5	0.7	2.2	1.4	0.2	-1.0	-1.1
Mar-24	**0.6**	**0.8**	**1.8**	**1.3**	**1.3**	**0.8**	**-1.0**
Apr-24	0.5	0.8	1.4	-1.1	0.3	0.3	-1.1
May-24	0.6	0.7	1.0	-0.4	0.6	0.3	0.2
Jun-24	0.5	0.5	1.9	1.9	0.8	-0.1	-0.2
Jul-24	0.6	0.7	1.6	-0.4	0.6	-2.2	0.1
Aug-24	0.7	0.7	2.7	-0.8	0.8	0.6	-0.4
Sep-24	0.5	0.5	3.5	0.8	0.7	-0.3	-0.3
Oct-24	0.6	0.6	3.5	1.2	0.6	1.2	0.1
Nov-24	0.5	0.5	4.1	0.7	0.4	0.5	-0.2
Dec-24	0.5	0.4	4.8	1.1	1.3	-0.3	-1.2
Jan-25	0.6	0.8	6.2	0.1	0.6	0.3	-0.1
Feb-25	0.4	0.2	2.4	-0.2	0.3	-0.3	-0.1
Mar-25	**0.4**	**0.7**	**0.3**	**1.0**	**0.6**	**1.2**	**-0.5**

Source: BNM, MIDFR

FIG 52: Loan applications & approvals (3MA)

	Applied (3MA) (RM b)	Growth (% yoy)	Growth (% mom)	Approved (3MA) (RM b)	Growth (% yoy)	Growth (% mom)
Apr-23	115.5	8.6	5.4	58.4	16.3	6.1
May-23	121.8	8.3	5.5	63.5	13.2	8.8
Jun-23	115.3	0.8	-5.4	60.4	-0.2	-4.9
Jul-23	122.0	2.4	5.9	64.6	3.5	6.9
Aug-23	125.4	-2.4	2.8	65.7	-7.3	1.7
Sep-23	131.5	3.9	4.9	69.4	-1.9	5.6
Oct-23	138.6	15.6	5.4	74.3	5.6	7.0
Nov-23	130.2	16.1	-6.1	71.7	12.7	-3.5
Dec-23	126.0	22.4	-3.2	73.6	29.2	2.7
Jan-24	117.5	24.8	-6.7	66.9	33.9	-9.1
Feb-24	112.1	17.3	-4.6	60.2	24.6	-10.1
Mar-24	**111.0**	**1.4**	**-1.0**	**55.3**	**0.5**	**-8.1**
Apr-24	110.3	-4.5	-0.6	55.7	-4.5	0.8
May-24	121.9	0.0	10.5	62.9	-1.0	12.9
Jun-24	121.6	5.5	-0.2	63.6	5.3	1.2
Jul-24	131.0	7.3	7.7	68.7	6.3	7.9
Aug-24	133.3	6.3	1.8	70.6	7.4	2.8
Sep-24	136.6	3.9	2.5	71.9	3.6	1.8
Oct-24	136.6	-1.4	-0.0	72.5	-2.4	0.8
Nov-24	132.8	2.0	-2.8	71.1	-0.9	-1.9
Dec-24	127.3	1.0	-4.1	71.2	-3.4	0.1
Jan-25	119.0	1.3	-6.5	62.3	-6.9	-12.4
Feb-25	113.4	1.1	-4.7	57.7	-4.0	-7.3
Mar-25	**117.7**	**6.0**	**3.8**	**57.4**	**3.9**	**-0.6**

Source: BNM, MIDFR

FIG 53: Loan approval rates

	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
Apr-23	51.1	46.9	56.2	49.1
May-23	54.2	46.1	63.7	53.4
Jun-23	51.6	46.7	57.7	64.3
Jul-23	52.9	45.5	61.2	55.7
Aug-23	52.6	47.4	57.7	43.1
Sep-23	52.9	45.5	59.1	45.9
Oct-23	55.2	45.3	64.1	67.7
Nov-23	57.5	46.6	70.3	54.9
Dec-23	63.2	51.3	79.8	60.0
Jan-24	50.1	43.0	59.1	47.4
Feb-24	46.2	44.5	48.1	43.9
Mar-24	**52.5**	**43.6**	**63.9**	**54.8**
Apr-24	52.1	45.6	60.3	51.6
May-24	50.3	45.4	56.2	54.3
Jun-24	54.8	46.5	64.6	56.2
Jul-24	52.5	45.6	60.1	60.9
Aug-24	52.0	45.1	59.0	51.1
Sep-24	53.5	42.4	64.2	46.0
Oct-24	53.7	44.8	61.6	47.1
Nov-24	53.3	44.3	62.4	60.3
Dec-24	61.8	45.0	84.7	67.2
Jan-25	42.6	43.6	41.6	39.9
Feb-25	49.1	41.4	58.3	38.0
Mar-25	**54.6**	**45.3**	**65.4**	**-**

**SME data until Feb-25*

Source: BNM, MIDFR

FIG 54: yoy Loan application growth (3MA) by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Apr-23	3	12	21	-3	33	37	-9
May-23	-1	9	25	-6	32	48	-2
Jun-23	-10	1	22	-3	23	1	-29
Jul-23	-5	7	22	-2	25	-33	-33
Aug-23	-8	0	13	3	14	-49	-31
Sep-23	-2	4	10	-7	33	-39	54
Oct-23	5	11	11	4	41	-13	61
Nov-23	9	20	8	-4	45	25	38
Dec-23	13	25	39	7	28	33	12
Jan-24	19	30	39	15	37	15	36
Feb-24	7	19	34	7	18	19	50
Mar-24	**-4**	**10**	**1**	**-8**	**10**	**-8**	**9**
Apr-24	-9	1	-1	-12	0	2	-25
May-24	0	3	1	-3	2	-2	-7
Jun-24	7	5	1	3	9	17	4
Jul-24	7	7	4	-3	16	15	57
Aug-24	6	6	6	-9	23	6	82
Sep-24	5	5	10	8	3	2	-3
Oct-24	-0	0	6	12	-1	14	-19
Nov-24	0	0	7	21	6	35	-45
Dec-24	1	4	-16	5	29	64	-26
Jan-25	-3	-2	-16	13	18	68	-31
Feb-25	1	1	-14	13	8	55	-26
Mar-25	**1**	**-1**	**2**	**24**	**5**	**52**	**-3**

Source: BNM, MIDFR

FIG 55: yoy Loan approval growth (3MA) by purpose

	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
Apr-23	10	14	19	4	23	106	-11
May-23	6	14	21	6	33	72	0
Jun-23	-5	4	22	-12	32	22	-16
Jul-23	-2	7	26	14	30	-33	-25
Aug-23	-5	-6	24	-22	17	-45	-35
Sep-23	0	-2	17	-12	10	-52	21
Oct-23	8	5	18	-17	7	-21	70
Nov-23	11	15	17	-5	9	-12	62
Dec-23	11	19	107	11	7	19	69
Jan-24	14	25	111	17	22	38	64
Feb-24	3	13	101	22	22	34	69
Mar-24	**-6**	**2**	**4**	**-3**	**21**	**-5**	**14**
Apr-24	-10	-6	3	-5	17	-23	-10
May-24	-3	-6	7	-0	8	-17	-16
Jun-24	6	-3	6	7	-0	9	17
Jul-24	10	-3	9	-4	7	21	18
Aug-24	8	-3	2	-1	23	41	44
Sep-24	6	-6	6	-9	36	31	26
Oct-24	-1	-10	2	6	23	12	-20
Nov-24	-1	-9	3	20	10	-9	-23
Dec-24	4	-2	-38	16	28	48	-48
Jan-25	1	-7	-38	-1	25	39	-37
Feb-25	3	-5	-35	-5	17	63	-34
Mar-25	**1**	**-6**	**12**	**4**	**-5**	**70**	**-18**

Source: BNM, MIDFR

FIG 56: System deposits

	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
Apr-23	2,387	6.4	-0.4	89.5
May-23	2,399	6.7	0.5	89.5
Jun-23	2,400	5.9	0.0	89.6
Jul-23	2,389	5.3	-0.5	90.1
Aug-23	2,403	4.6	0.6	90.4
Sep-23	2,433	4.3	1.2	90.3
Oct-23	2,443	4.3	0.4	90.1
Nov-23	2,454	5.3	0.4	90.5
Dec-23	2,486	5.6	1.3	90.1
Jan-24	2,484	5.2	-0.1	90.0
Feb-24	2,497	4.0	0.5	90.0
Mar-24	**2,518**	**5.0**	**0.8**	**89.9**
Apr-24	2,505	5.0	-0.5	90.3
May-24	2,517	4.9	0.5	90.3
Jun-24	2,517	4.9	-0.0	91.2
Jul-24	2,502	4.7	-0.6	91.6
Aug-24	2,494	3.8	-0.3	92.1
Sep-24	2,512	3.3	0.7	92.2
Oct-24	2,520	3.1	0.3	92.3
Nov-24	2,542	3.6	0.9	92.1
Dec-24	2,561	3.0	0.7	92.0
Jan-25	2,561	3.1	0.0	92.2
Feb-25	2,584	3.5	0.9	91.7
Mar-25	**2,594**	**3.0**	**0.4**	**92.3**

Source: BNM, MIDFR

FIG 57: CASA & FD ratios

	CASA (RM b)	Growth (% yoy)	Growth (% mom)	CASA ratio (%)	FD (RM b)	Growth (% yoy)	Growth (% mom)	FD ratio (%)
Apr-23	692	-6.4	-1.3	30.4	1,072	10.0	0.5	47.1
May-23	693	-4.9	0.3	30.3	1,081	10.2	0.8	47.2
Jun-23	703	-4.2	1.4	30.7	1,081	9.5	0.1	47.2
Jul-23	693	-4.2	-1.4	30.4	1,084	8.6	0.3	47.5
Aug-23	705	-2.3	1.7	30.8	1,078	7.2	-0.6	47.1
Sep-23	710	-0.7	0.7	30.7	1,085	6.8	0.7	47.0
Oct-23	716	0.1	0.9	30.8	1,080	6.1	-0.5	46.5
Nov-23	722	1.2	0.8	31.0	1,080	5.6	-0.0	46.3
Dec-23	734	3.7	1.7	31.0	1,081	3.9	0.1	45.7
Jan-24	741	5.1	0.9	31.2	1,080	4.3	-0.1	45.5
Feb-24	744	4.6	0.5	31.2	1,092	4.3	1.1	45.8
Mar-24	**747**	**6.6**	**0.4**	**31.1**	**1,106**	**3.7**	**1.3**	**46.0**
Apr-24	738	6.7	-1.2	30.8	1,108	3.4	0.2	46.3
May-24	745	7.4	0.9	31.0	1,109	2.6	0.0	46.2
Jun-24	749	6.5	0.6	31.2	1,101	1.8	-0.7	45.9
Jul-24	737	6.4	-1.5	30.9	1,114	2.8	1.2	46.6
Aug-24	739	4.8	0.2	31.0	1,113	3.3	-0.1	46.7
Sep-24	746	5.2	1.0	31.2	1,115	2.8	0.2	46.7
Oct-24	745	4.0	-0.2	31.0	1,118	3.5	0.2	46.5
Nov-24	759	5.2	1.9	31.3	1,120	3.7	0.2	46.2
Dec-24	768	4.7	1.2	31.4	1,123	3.9	0.3	46.0
Jan-25	764	3.2	-0.5	31.2	1,125	4.2	0.2	45.9
Feb-25	775	4.1	1.4	31.4	1,127	3.3	0.2	45.7
Mar-25	**772**	**3.4**	**-0.3**	**31.3**	**1,131**	**2.3**	**0.3**	**45.9**

Source: BNM, MIDFR

FIG 58: Impaired loans and loan loss coverage

	Impaired loans (RM b)	Growth (% mom)	GIL ratio (%)	Total provisions (RM b)	LLC ratio (%)
Apr-23	2,037.7	2.2	1.78	34.2	94
May-23	2,048.4	1.5	1.80	34.3	93
Jun-23	2,053.2	-2.2	1.76	33.1	92
Jul-23	2,056.3	0.6	1.76	33.2	92
Aug-23	2,070.4	1.6	1.78	33.4	91
Sep-23	2,086.5	-2.6	1.72	32.9	92
Oct-23	2,092.9	-0.5	1.70	32.6	91
Nov-23	2,108.6	-0.4	1.69	33.0	93
Dec-23	2,131.7	-1.1	1.65	32.4	92
Jan-24	2,137.1	-0.5	1.64	32.5	93
Feb-24	2,146.9	1.0	1.64	32.6	92
Mar-24	**2,160.2**	**-0.9**	1.62	**32.2**	**92**
Apr-24	2,161.9	0.7	1.63	32.4	92
May-24	2,167.8	0.1	1.63	32.0	91
Jun-24	2,185.3	-1.2	1.59	31.9	92
Jul-24	2,188.5	-0.8	1.58	31.7	92
Aug-24	2,194.6	0.3	1.58	31.4	91
Sep-24	2,203.6	-1.8	1.54	30.9	91
Oct-24	2,218.4	-0.6	1.53	30.9	91
Nov-24	2,231.9	-0.4	1.51	30.8	91
Dec-24	2,249.1	-3.8	1.44	29.7	91
Jan-25	2,256.8	1.4	1.46	30.1	92
Feb-25	2,259.3	-0.3	1.45	30.0	91
Mar-25	**2,273.4**	**-1.9**	1.42	**29.4**	**91**

Source: BNM, MIDFR

FIG 59: ALR, 3M-FD rates & Interest spreads

	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
Apr-23	5.26	2.50	2.76
May-23	5.39	2.71	2.68
Jun-23	5.44	2.73	2.71
Jul-23	5.46	2.71	2.75
Aug-23	5.43	2.71	2.72
Sep-23	5.49	2.73	2.76
Oct-23	5.48	2.72	2.76
Nov-23	5.48	2.71	2.77
Dec-23	5.45	2.72	2.73
Jan-24	5.40	2.69	2.71
Feb-24	5.34	2.69	2.66
Mar-24	**5.37**	**2.69**	**2.68**
Apr-24	5.36	2.68	2.68
May-24	5.35	2.68	2.67
Jun-24	5.32	2.67	2.65
Jul-24	5.30	2.63	2.67
Aug-24	5.26	2.63	2.63
Sep-24	5.23	2.63	2.60
Oct-24	5.20	2.59	2.61
Nov-24	5.13	2.58	2.55
Dec-24	5.11	2.61	2.50
Jan-25	5.06	2.57	2.49
Feb-25	5.00	2.57	2.43
Mar-25	**4.97**	**2.58**	**2.39**

Source: BNM, MIDFR

FIG 60: SME loan data

	Total SME loans (RM b)	Growth (% yoy)	Growth (% mom)	As a % of industry loans	SME GIL ratio (%)
Mar-23	340	2.1	1.1	16.7	2.88
Apr-23	339	1.7	-0.4	16.6	2.91
May-23	342	1.9	1.0	16.7	2.93
Jun-23	346	2.3	1.1	16.8	3.03
Jul-23	347	2.5	0.4	16.9	3.09
Aug-23	348	1.8	0.2	16.8	3.17
Sep-23	352	2.7	1.1	16.9	3.14
Oct-23	354	2.7	0.6	16.9	3.13
Nov-23	357	3.3	0.9	16.9	3.12
Dec-23	362	4.6	1.3	17.0	3.07
Jan-24	362	4.7	0.1	16.9	2.98
Feb-24	**363**	**8.0**	**0.4**	**16.9**	**2.99**
Mar-24	370	8.8	1.9	17.1	2.96
Apr-24	371	9.4	0.2	17.1	3.04
May-24	372	8.9	0.4	17.2	3.05
Jun-24	378	9.4	1.6	17.3	3.00
Jul-24	378	9.0	0.0	17.3	3.04
Aug-24	381	9.4	0.6	17.3	3.07
Sep-24	383	8.8	0.5	17.4	3.01
Oct-24	384	8.6	0.4	17.3	2.99
Nov-24	388	8.7	0.9	17.4	2.97
Dec-24	393	8.6	1.2	17.5	2.76
Jan-25	394	8.9	0.4	17.5	2.78
Feb-25	**394**	**8.4**	**-0.1**	**17.4**	**2.81**

SME data until Feb-25

Source: BNM, MIDFR

FIG 61: SME applications & approvals (3MA)

	Applications			Applications		
	3MA (RM b)	Growth (% yoy)	Growth (% mom)	3MA (RM b)	Growth (% yoy)	Growth (% mom)
Mar-23	24.7	1.1	-0.3	11.0	13.9	12.5
Apr-23	26.8	0.8	-0.0	12.4	14.8	12.7
May-23	28.8	0.6	0.5	13.9	15.7	12.1
Jun-23	26.4	0.8	0.6	14.6	17.2	5.7
Jul-23	27.8	0.6	0.0	16.0	23.7	9.2
Aug-23	29.9	1.0	0.6	15.9	0.7	-0.5
Sep-23	34.7	0.7	0.6	16.5	3.7	3.9
Oct-23	35.3	0.9	0.1	18.2	16.4	9.8
Nov-23	32.5	0.9	1.3	18.0	38.9	-0.8
Dec-23	26.4	0.7	-0.4	16.2	40.4	-10.3
Jan-24	25.3	1.2	2.4	13.5	35.1	-16.3
Feb-24	**24.0**	**0.7**	**-1.0**	**12.0**	**23.0**	**-11.4**
Mar-24	26.0	0.8	0.8	12.7	15.7	5.8
Apr-24	25.8	0.8	0.3	13.0	5.1	2.4
May-24	28.0	0.7	0.3	15.0	8.3	15.4
Jun-24	28.0	0.5	-0.1	15.1	3.2	0.8
Jul-24	28.7	0.7	-2.2	16.4	2.6	8.6
Aug-24	30.1	0.7	0.6	16.8	5.5	2.3
Sep-24	31.4	0.5	-0.3	16.5	-0.3	-1.8
Oct-24	33.4	0.6	1.2	16.1	-11.6	-2.6
Nov-24	32.6	0.5	0.5	16.6	-7.7	3.6
Dec-24	30.4	0.4	-0.3	17.3	7.2	4.1
Jan-25	27.1	0.8	0.3	15.2	11.9	-12.6
Feb-25	**25.8**	**0.2**	**-0.3**	**12.3**	**2.7**	**-18.6**

SME data until Feb-25

Source: BNM, MIDFR

Income Statement	Balance Sheet	Valuations & Sector
Core NP – Core Net Profit	LCR – Liquidity Coverage ratio	ROE – Return on Equity
PPOP – Pre-Provisioning Operating Profit	L/D ratio – Loan/Deposit ratio	GGM – Gordon Growth Model
NII – Net Interest Income	CASA – Current & Savings accounts	P/BV – Price to Book Value
NIM – Net Interest Margin	FD – Fixed Deposits	BVPS – Book Value per Share
COF – Cost of Funds	GIL – Gross Impaired Loans	BNM – Bank Negara Malaysia
NOII – Non-Interest Income	NIL – Net Impaired Loans	OPR – Overnight Policy Rate
MTM – Mark to Market	LLC – Loan Loss Coverage	SRR – Statutory Reserve Requirement
CIR – Cost to Income Ratio	NCC – Net Credit Costs	SBR – Standardised Base Rate
OPEX – Operational Expenses	GCC – Gross Credit Costs	ALR – Average Lending Rate
	CET 1 – Common Equity Tier 1	

MIDF RESEARCH is part of MIDF Amanah Investment Bank Berhad

197501002077 (24878-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 (24878-X).

It is for distribution only under such circumstances as may be permitted by applicable law. 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 we believe are reliable. MIDF AMANAH INVESTMENT BANK BERHAD 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. This report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. All opinions and estimates are subject to change without notice. The research analysts will initiate, update and cease coverage solely at the discretion of MIDF AMANAH INVESTMENT BANK BERHAD. The directors, employees and representatives of MIDF AMANAH INVESTMENT BANK BERHAD may have interest in any of the securities mentioned and may benefit from the information herein. Members of the MIDF Group and their affiliates may provide services to any company and affiliates of such companies whose securities are mentioned herein This document may not be reproduced, distributed or published in any form or for any purpose.

MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

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