Banking

POSITIVE (Maintain)

Nov-25: Liquidity Tightens

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HIGHLIGHTS

- ▲ **(1) Forward indicators remain strong.**
- ▼ **(1) SME loan growth has taken a nose-dive in the last two months, (2) Deposits show negative growth, (3) ALR continues to decline.**
- ► **(1) Moderate loan growth persists as household loans continue to weaken, (2) System GIL ratio remains flat, (3) Board FD rates remain flattish.**
- **Maintain POSITIVE call: We are wary of tightening liquidity and its possible negative impact on COF in subsequent quarters, especially with CY26's strong loan growth expectations. This remains the main headwind that the sector faces – otherwise, tailwinds remain plentiful.**

Sector Verdict

We've seen a steady uptrend in the banking sector's share prices in the past month. Tailwinds remain plentiful: elevated dividend yields, improved loan growth prospects, further GIL recoveries, stability in NIMs and stronger fee income remain convincing drivers. Headwinds such as asset quality issues and tightening liquidity remain background characters – for now. We think there's further (albeit limited) room for further share price appreciation.

Core Themes

1. ▲ **Core beneficiary of emerging market inflows.** On a regional basis, robust earnings, high dividend yields, (relatively) stable asset quality, and the lack of geopolitical/political issues (especially in light of recent regional events) make our banks look particularly attractive.
2. ▲ **Dividend outlook is extremely bright.** Better clarity on Basel IV implementation and BNM's new capital framework on credit risk has led to the release of excess capital. Multiple banks have either announced special dividends or an intention to raise dividend payout.
3. ▲ **Expect fee income to drive topline in the near term.** Wealth management, bancassurance, and debt capital markets are common drivers of the fee side – especially as market performance, loan growth, and economic sentiment improve in 2HCY25. We do see more subdued investment income, given the stabilisation of interest rates.
4. ▲ **Loan growth has picked up again – particularly on the business end.** Higher-yielding corporate, commercial and SME loans are making a comeback. While retail loans have been growing less popular over the last couple of years, growth was still pretty resilient.
5. ► **More stability in NIM, but upside is capped.** With the steepest compression already behind us, most banks are guiding for stable NIMs – or at least more muted compression. Expect more aggressive loan rebalancing, favouring higher-yielding business loans, making loan yield optimisation a more prominent discourse topic.
6. ► **OPEX growth is a mixed bag – at least tech investments are already bearing fruit.** Unfortunately, we still foresee instances of high OPEX growth, especially among rapidly expanding smaller banks. Regardless, topline growth is usually enough to match.
7. ► **Further recoveries expected – but do watch for potential asset quality issues.** Further recoveries are expected (though likely more muted than in 3QCY25), boding well for provision outlook. Tariff impact may have a discernible impact on borrowers' financials by 2HCY26 (as inventory stockpiles need time to deplete). But for now, asset quality issues are largely idiosyncratic and don't hint towards more insidious trends.
8. ▼ **Expect liquidity to tighten in time.** Multiple banks have commented on the tightening liquidity situation in MY, reporting weaker liquidity indicators this quarter. We are wary that brighter loan growth prospects in CY26 could dry out liquidity a lot faster than expected, leading to intense deposit competition returning.

COMPANY *IN FOCUS*

HL Bank

Maintain BUY | Target Price: RM23.94
Price @ 31 December 2025: RM22.14

- Improved dividend payout and yields.
- Defensive pick: Asset quality and provision remain the best.
- Sharp NOII growth persists, especially from regional offerings.

SHARE PRICE CHART



Public Bank

Maintain BUY | Target Price: RM5.05
Price @ 31 December 2025: RM4.54

- Optimism on fee income, particularly unit trust and insurance segments.
- Special dividend payout from LPI's PBK shares disposal and adoption of newer Basel IV regulation – this could lead to a ROE uplift.
- Loan growth recovery in SME segment could lead to a better asset yield profile.

SHARE PRICE CHART



FIG 1: Overview of Major Indicators

Category	Performance	Notes
Loans	► **System loans:** +5.2%yoy | +0.5%mom ► **Household loans:** +5.4%yoy | +0.5%mom ▲ **Non-household loans:** +5.0%yoy | +0.5%mom ▼ **SME loans (Nov-25):** +6.1%yoy | -0.7%mom	Overall, sequential year loan growth has declined slightly, brought about by weaker business loans. Otherwise, household loans maintain their gradual weakening, while non-household loans maintain their strong streak. SME loans are notably showing weakness – a continuation of last month's sequential negative growth.
Leading Indicators	▲ **System:** Strong month **Approval rates:** 52% ▲ **SME (Nov-25):** Solid month **SME Approval rates:** 54%	Monthly applications remain strong, largely thanks to strong construction and "other purposes" figures, which offset declines in most other categories.
Deposits	▼ **Deposits + repos:** +2.7%yoy | -0.1%mom ▼ **Deposits (ex-repos):** +4.0%yoy | 0.0%mom ▼ **FD:** +2.1%yoy | -0.2%mom ▼ **CASA:** +5.1%yoy | +0.1%mom **Loan/Deposit ratio:** 93.2% **Loan Coverage ratio:** 146%	Deposits this month came in much weaker than those of previous months. From an FD standpoint, business enterprises saw a lumpy withdrawal, while individuals withdrew their savings accounts. As a result, the loan/deposit ratio is the highest it's been for quite some time – concurrently, LCR is near its lowest.
GIL ratio	► **System GIL ratio:** 1.40% | +1bps mom ► **Retail:** 1.13% | +1bps mom ► **Business:** 1.74% | +1bps mom ▼ **SME GIL ratio (Nov-25):** 2.90% | +3bps mom	▼ **Notable deteriorations, mom:** Working cap +6bps, Personal financing +7bps. ▲ **Notable improvements, mom:** Construction -17bps.
Interest rates	► **FD rates (Conv):** Slight improvement seen in board rates. ► **FD rates (Isl):** Slight improvement seen in board rates. ▼ **Lending rates (ALR):** -6bps mom	While board FD rates show some improvement, anecdotal evidence suggests that FD promo rates are elevated as part of the usual year-end deposit competition. ALR continues to compress (as it has done for years).

Maintain POSITIVE call. *(Our comprehensive list of sector drivers is on the first page).*

Top downside risks include:

1. Weaker-than-expected GDP growth, which could lead to slower asset growth and asset quality issues.
2. Potential OPR cuts that will compress NIMs in the short term.
3. Asset quality flare-ups, which could lead to instances of heavier provisioning.

Top Picks: HL Bank (BUY, TP: RM23.94) and **Public Bank (BUY, TP: RM5.05).**

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	BUY	10.48	10.59	1.0	126.3	12.3	12.1	1.3	1.3	10.8	10.7	6.5	6.6
CIMB	BUY	8.25	8.53	3.4	88.2	11.4	11.1	1.2	1.2	11.0	10.9	5.7	5.8
PBK	BUY	4.54	5.05	11.2	88.1	12.0	11.4	1.4	1.4	12.4	12.3	4.4	4.8
RHB	BUY	7.71	7.95	3.1	33.0	10.3	10.1	1.0	0.9	9.7	9.4	5.7	5.7
HLBK	BUY	22.14	23.94	8.1	45.4	10.1	9.5	1.1	1.0	11.1	11.1	4.6	4.9
AMMB	BUY	6.50	6.61	1.7	21.5	10.6	10.3	1.0	0.9	9.5	9.4	4.2	4.4
BIMB	BUY	2.29	2.42	5.7	5.2	10.0	8.9	0.7	0.7	6.8	7.5	6.0	6.7
AFFIN	NEUTRAL	2.35	2.17	-7.9	5.9	10.7	10.1	0.5	0.5	4.7	4.7	2.8	2.9
ABMB	BUY	5.05	5.11	1.3	8.7	10.4	10.0	1.1	1.0	10.5	10.3	3.8	4.0
Simple avg						**10.9**	**10.4**	**1.0**	**1.0**	**9.6**	**9.6**	**4.9**	**5.1**
Weighted avg						**11.5**	**11.1**	**1.2**	**1.2**	**10.9**	**10.8**	**5.4**	**5.6**

**Closing prices from 31 Dec 2025.*

^HLBK, AMMB and ABMB use FY26F/27F values.

Source: MBSBR

A. SYSTEM LOAN & CONSTITUENTS

FIG 2: Overview of Major Indicators

	yoy Growth rates (%)					YTD (%)	mom Growth rates (%)				
	Nov-25	Oct-25	Sep-25	Aug-25	Nov-24		Nov-25	Oct-25	Sep-25	Aug-25	Nov-24
Total loans	**5.2**	**5.4**	**5.5**	**5.4**	5.8	**4.4**	**0.5**	**0.5**	**0.5**	**0.3**	0.6
Retail	5.7	5.8	5.8	6.1	7.1	5.2	0.5	0.5	0.3	0.5	0.5
Business	4.6	4.8	5.1	4.6	4.4	3.5	0.5	0.6	0.7	0.1	0.7
SME*	6.1	7.9	8.7	8.5	8.7	6.1	-0.7	-0.3	0.7	0.6	0.9
Household loans	5.4	5.4	5.5	5.7	6.1	4.9	0.5	0.5	0.3	0.5	0.5
Non-HH loans	5.0	5.2	5.5	5.0	5.4	3.8	0.5	0.6	0.7	0.1	0.7
Deposits + repo	**2.7**	**3.7**	**4.0**	**3.8**	3.6	**1.9**	**-0.1**	**-0.0**	**0.9**	**-0.3**	0.9
Total deposits	**4.0**	**4.9**	**5.2**	**4.8**	4.0	**3.1**	**0.0**	**0.2**	**0.7**	**-0.3**	0.9
CASA	5.1	7.0	8.1	6.1	5.2	3.8	0.1	-1.1	2.9	-0.3	1.9
FD	2.1	2.5	1.3	2.7	3.7	1.8	-0.2	1.5	-1.2	0.3	0.2
Total provisions	-8.8	-7.6	-6.3	-4.9	-6.8	-5.4	-1.6	-1.5	-2.9	0.0	-0.3
Total GIL	-2.2	-3.8	-3.7	-4.3	-5.1	1.6	1.3	-0.7	-1.1	-0.1	-0.4
Leading indicators											
3MA applications	3	0	1	1			-0	-0	2	-0	
Retail	3	4	2	1			-4	-2	1	2	
Business	3	-3	-1	1			4	2	4	-2	
3MA approvals	3	0	-0	-2			1	2	3	-2	
Retail	6	5	2	-2			-4	-1	1	1	
Business	2	-3	-2	-1			4	4	6	-4	

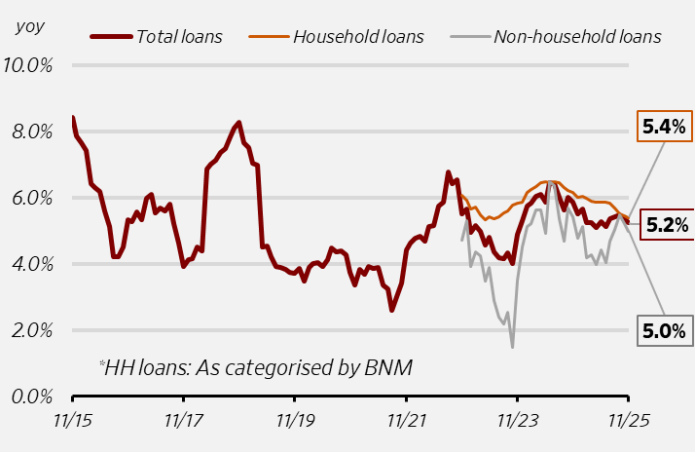
	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Nov-24
Interest spread	2.39	2.37	2.45	2.42	2.48	2.55
ALR	4.60	4.66	4.72	4.71	4.82	5.13
3M FD rate	2.21	2.29	2.27	2.29	2.34	2.58
Loan approval rate	52	53	56	51	51	53
SME approval rate*	44	54	55	54	58	60
GIL ratio	1.40	1.39	1.41	1.43	1.44	1.51
Retail	1.13	1.11	1.12	1.11	1.12	1.18
Business	1.74	1.73	1.77	1.82	1.83	1.92
SME*	2.90	2.88	2.95	2.95	2.98	2.97
LLC ratio	85.1	87.6	88.3	90.0	89.9	91.2
CASA ratio	31.6	31.6	32.1	31.4	31.4	31.3
Loan/Deposit ratio	93.2	92.7	92.4	92.7	92.1	92.1
Liquidity coverage ratio	146	148	151	147	158	148
CET 1	14.1	14.1	14.4	14.5	14.9	14.4
Tier 1 Capital	14.7	14.7	14.9	14.9	15.3	14.9
Total Capital	17.7	17.8	18.5	18.1	18.4	17.9

	Period	Forecast	Formerly
Loan growth	CY25	5.0-5.5%	
GDP	CY25	4.0%	
OPR	CY25	2.75%	

**SME data until Nov-25*

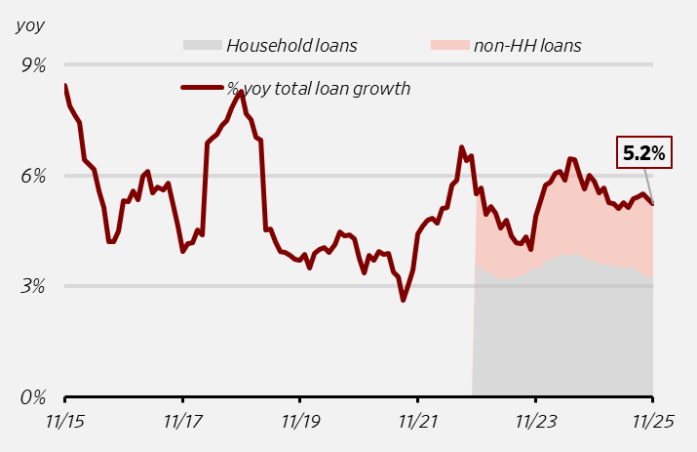
Source: BNM, MBSBR

FIG 3: yoy System/HH/non-HH loans



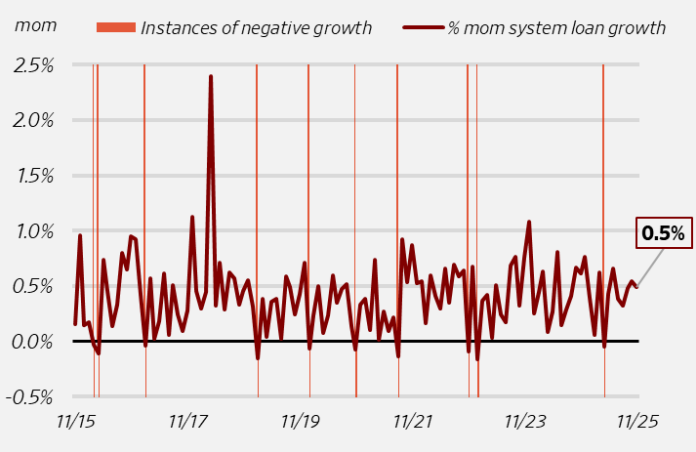
Source: BNM, MBSBR

FIG 4: yoy HH/non-HH loans as drivers



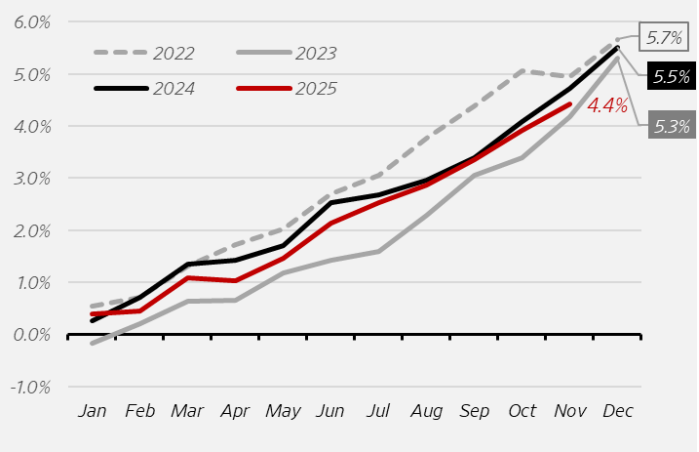
Source: BNM, MBSBR

FIG 5: mom System loans



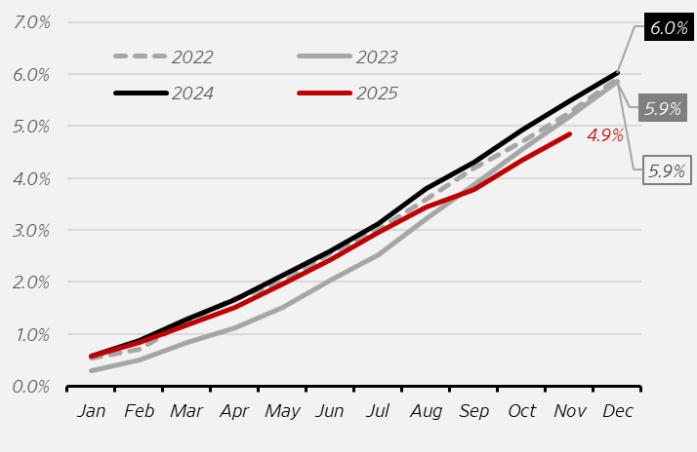
Source: BNM, MBSBR

FIG 6: YTD System loan growth comparison



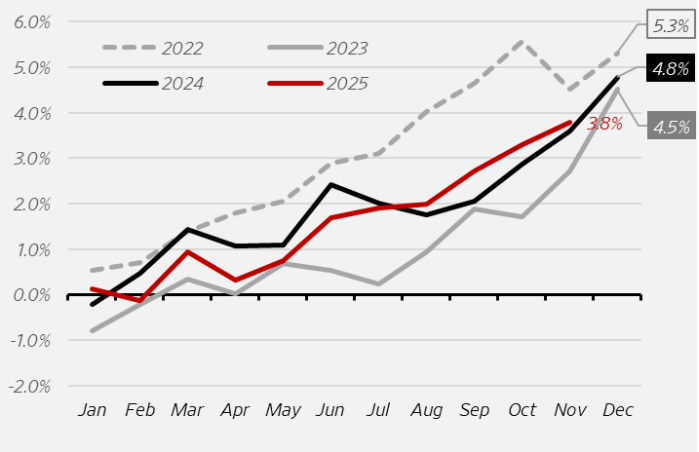
Source: BNM, MBSBR

FIG 7: YTD Household loan growth comparison



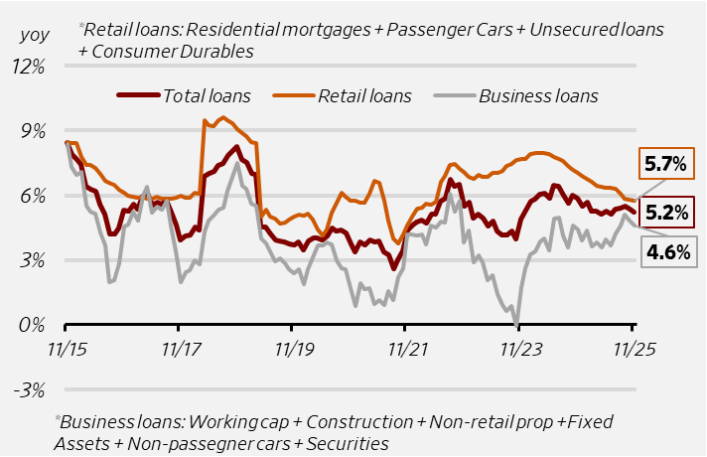
Source: BNM, MBSBR

FIG 8: YTD Non-HH loan growth comparison



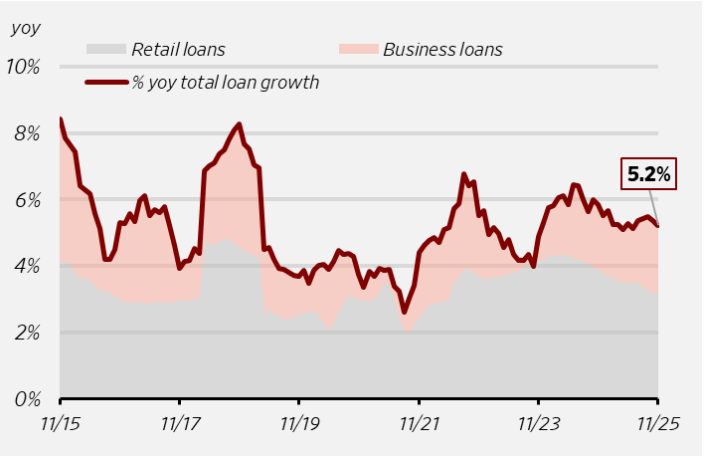
Source: BNM, MBSBR

FIG 9: Retail & business loan growth



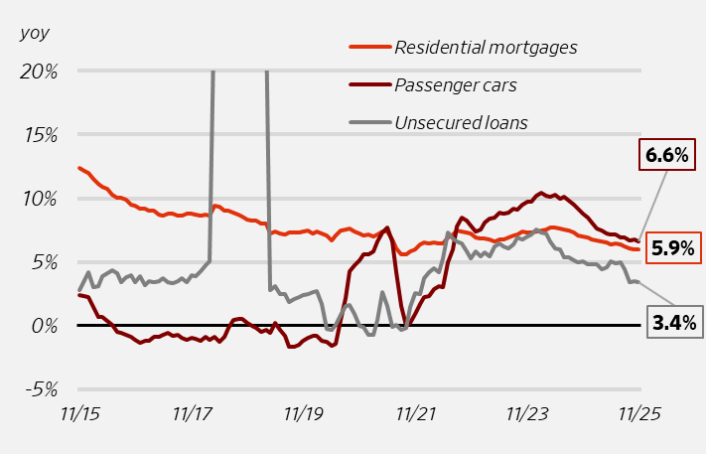
Source: BNM, MBSBR

FIG 10: Retail/business loans as drivers



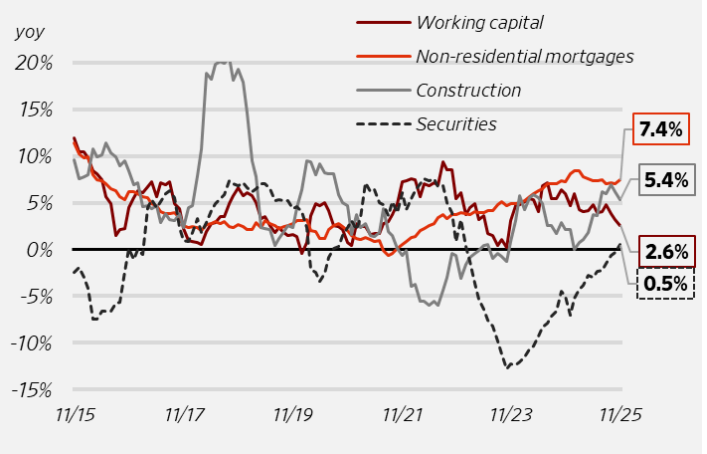
Source: BNM, MBSBR

FIG 11: Retail loan constituents



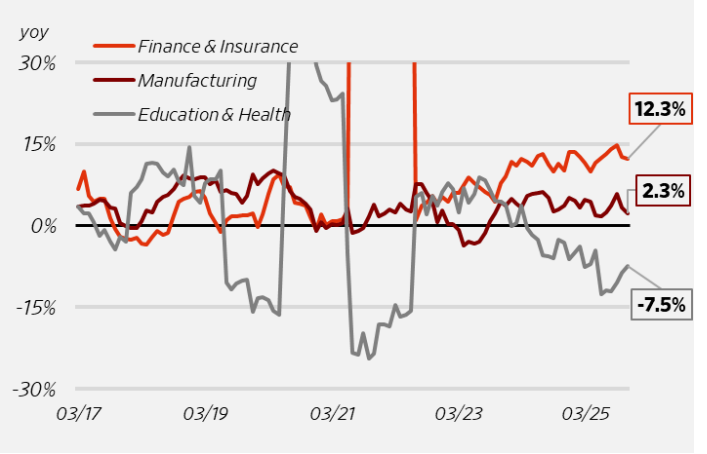
Source: BNM, MBSBR

FIG 12: Business loan constituents



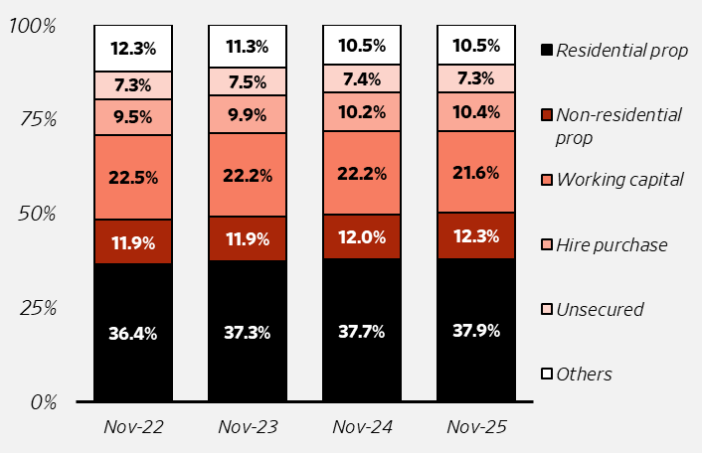
Source: BNM, MBSBR

FIG 13: Loan growth of other sectors



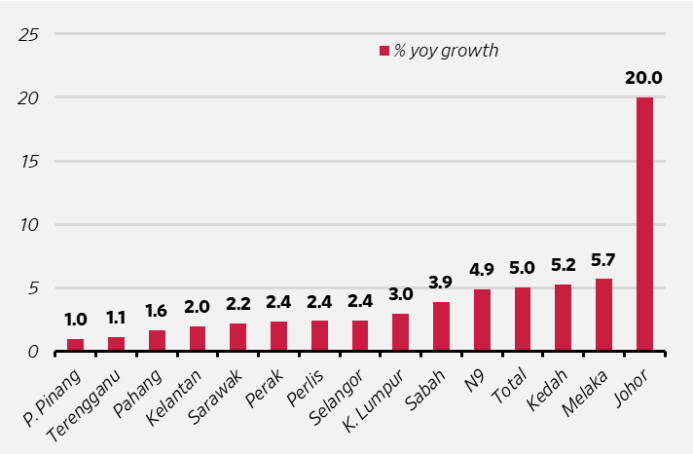
Source: BNM, MBSBR

FIG 14: Loan breakdown by type



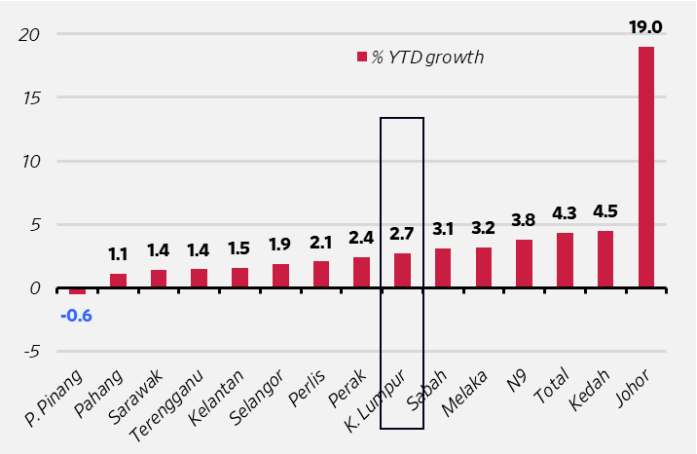
Source: BNM, MBSBR

FIG 15: yoy Loan growth by geography



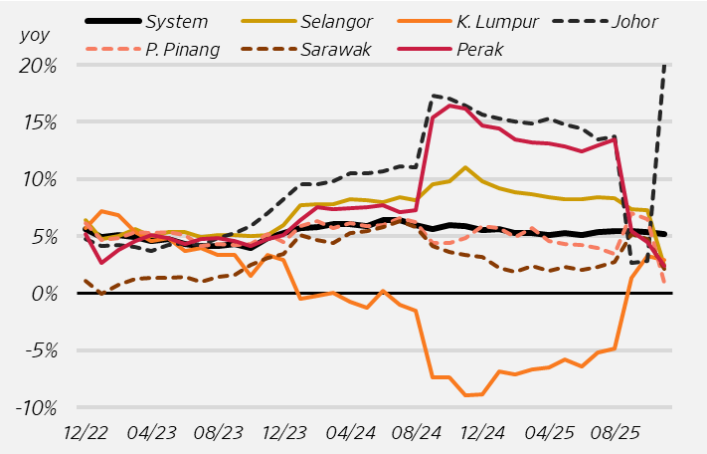
Source: BNM, MBSBR

FIG 16: YTD Loan growth by geography



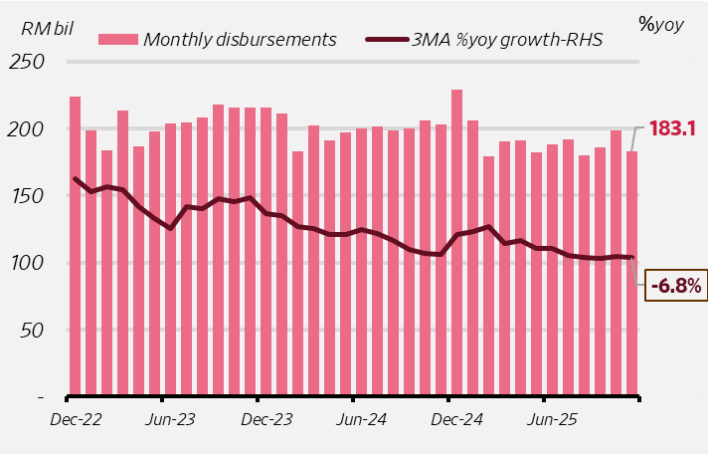
Source: BNM, MBSBR

FIG 17: Geographical loan growth comparison



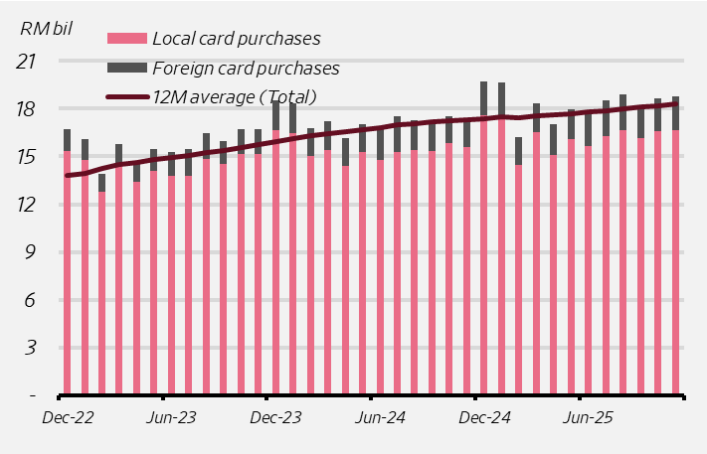
Source: BNM, MBSBR

FIG 18: Monthly disbursements



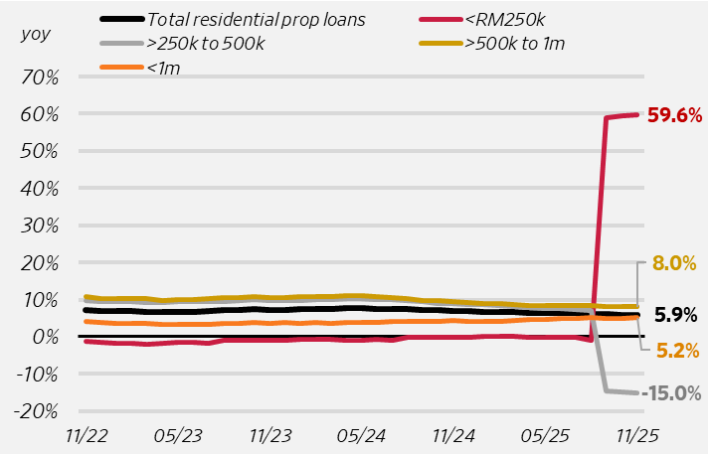
Source: BNM, MBSBR

FIG 19: Credit card purchases



Source: BNM, MBSBR

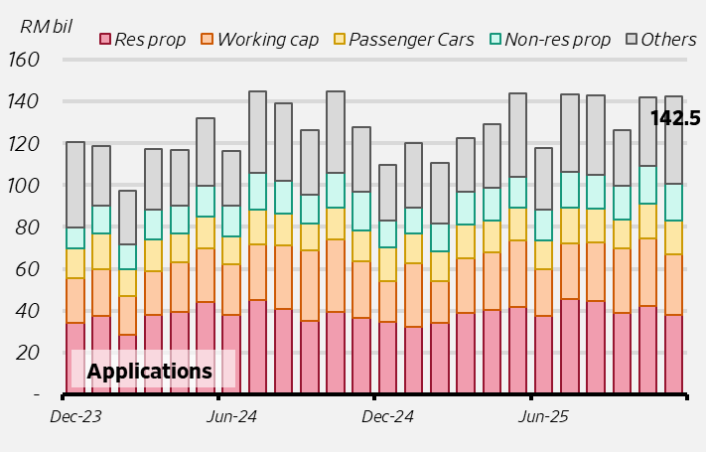
FIG 20: yoy Residential mortgages growth by cost



Source: BNM, MBSBR

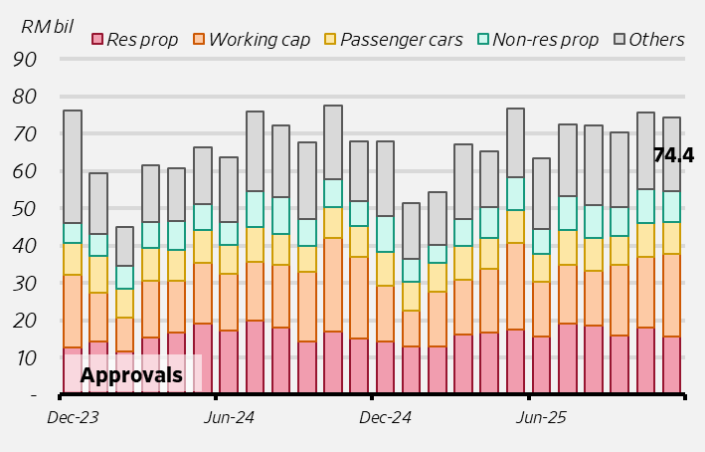
B. LEADING INDICATOR TRENDS

FIG 21: Monthly applications by type



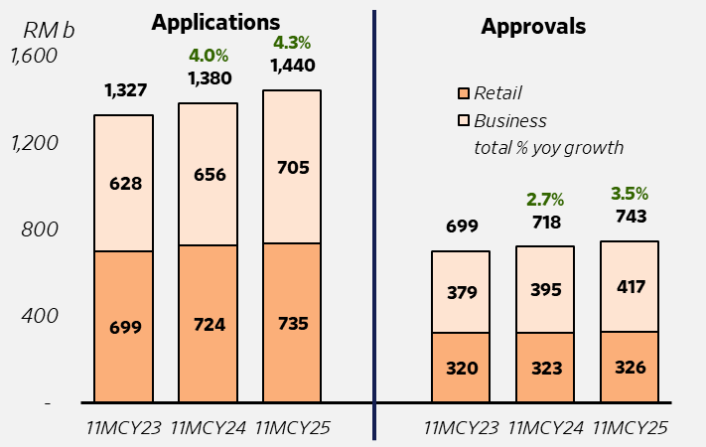
Source: BNM, MBSBR

FIG 22: Monthly approvals by type



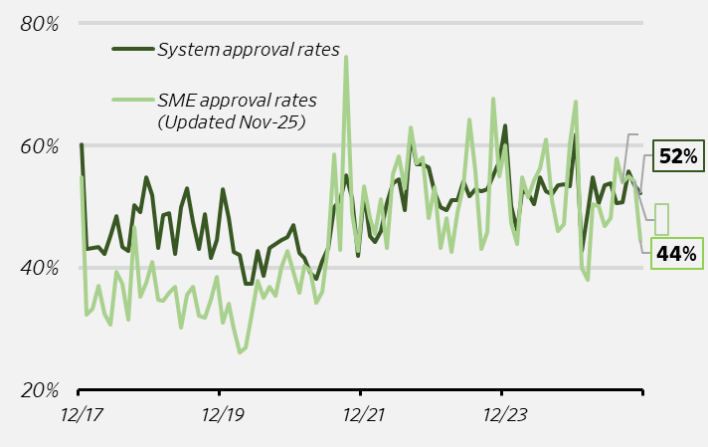
Source: BNM, MBSBR

FIG 23: Cumulative (CY) loan leading indicators



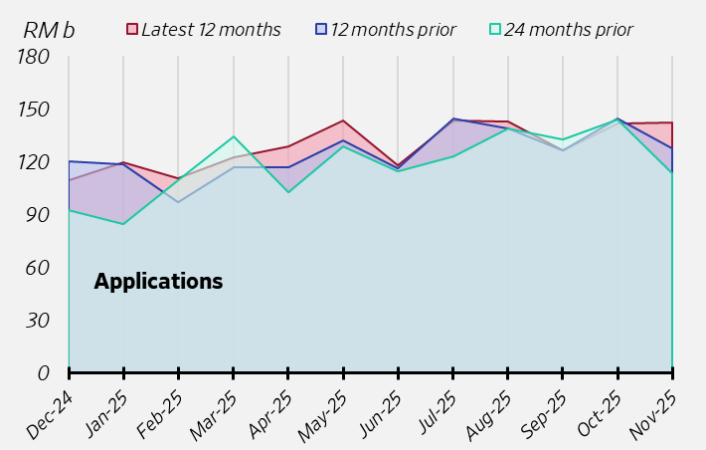
Source: BNM, MBSBR

FIG 24: System & SME approval rates



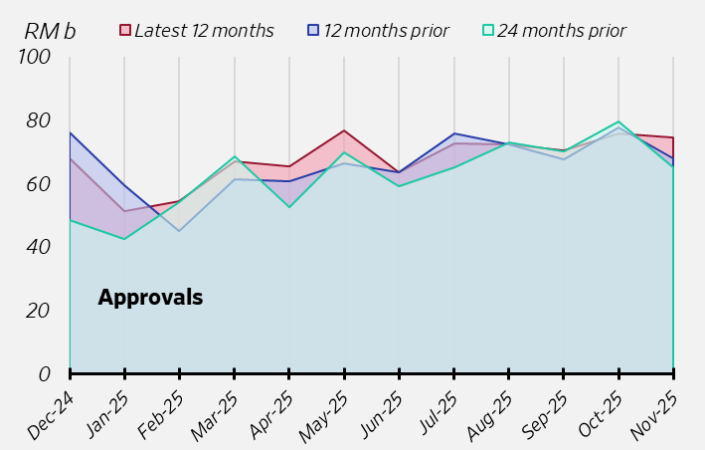
Source: BNM, MBSBR

FIG 25: Monthly loan application comparisons (yoy)



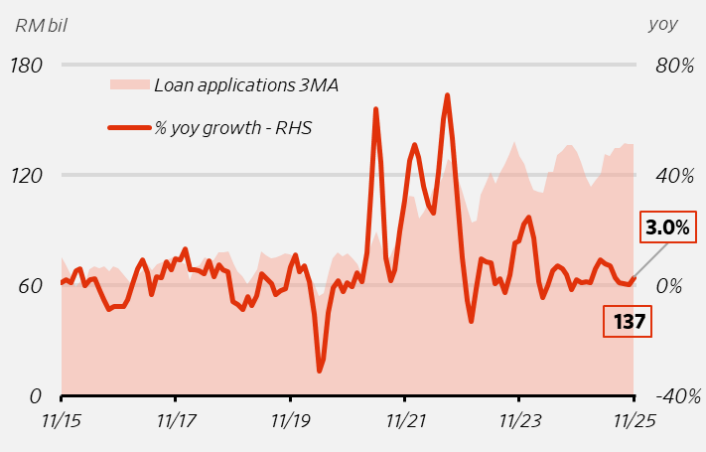
Source: BNM, MBSBR

FIG 26: Monthly loan approval comparisons (yoy)



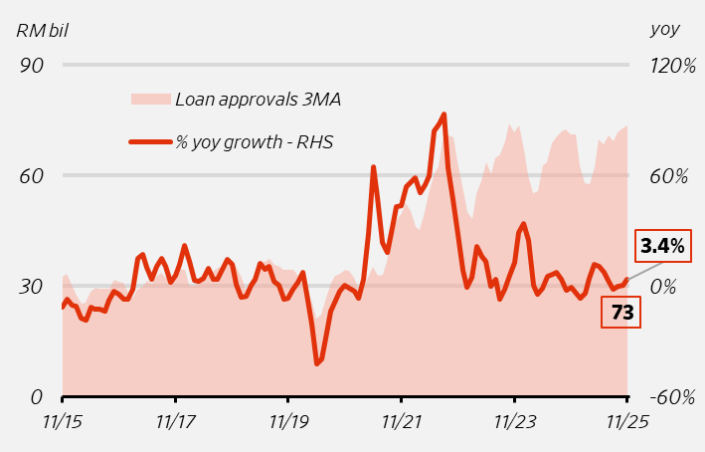
Source: BNM, MBSBR

FIG 27: Loan applications (3-mth average)



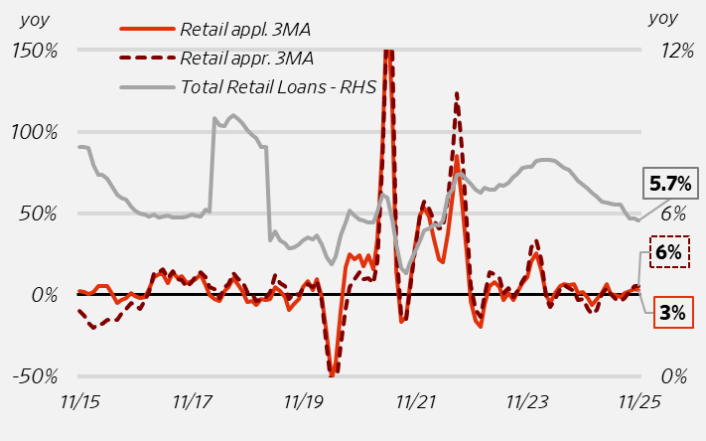
Source: BNM, MBSBR

FIG 28: Loan approvals (3-mth average)



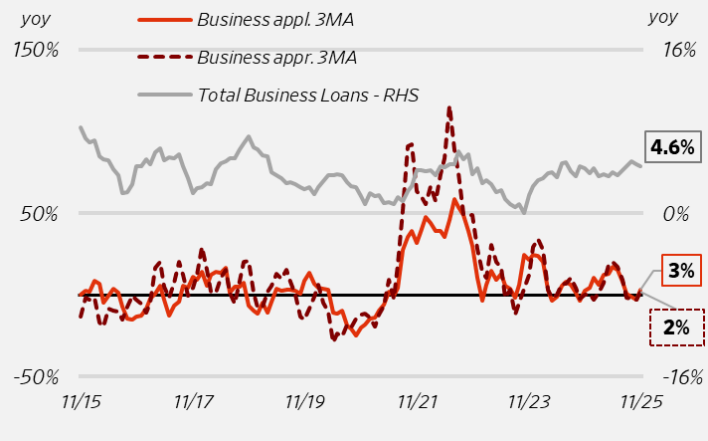
Source: BNM, MBSBR

FIG 29: Retail loan indicators



Source: BNM, MBSBR

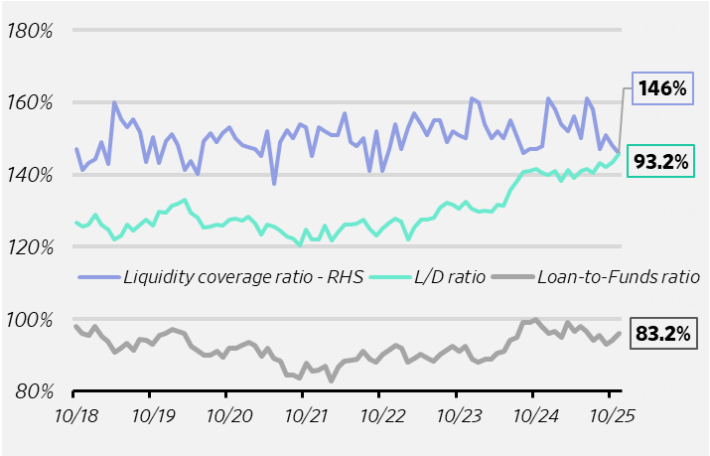
FIG 30: Business loan indicators



Source: BNM, MBSBR

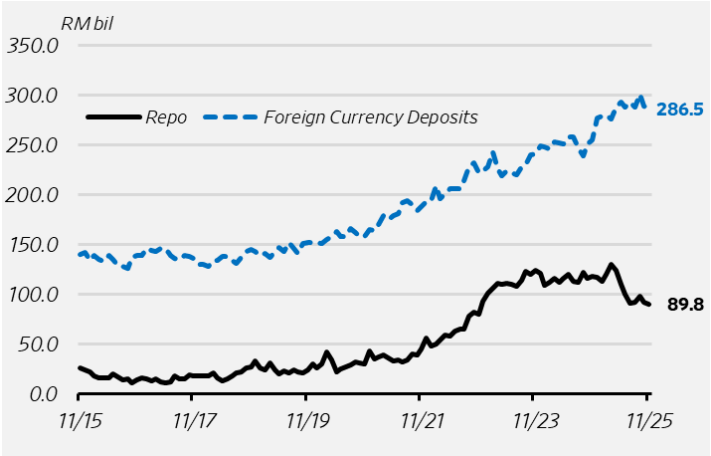
C. DEPOSITS & LIQUIDITY

FIG 31: LCR, LDR & LTF ratio



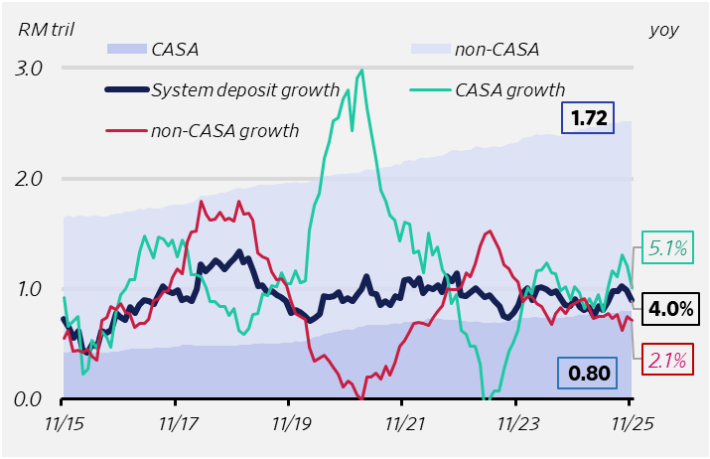
Source: BNM, MBSBR

FIG 32: System deposits, repos, foreign currency deposits



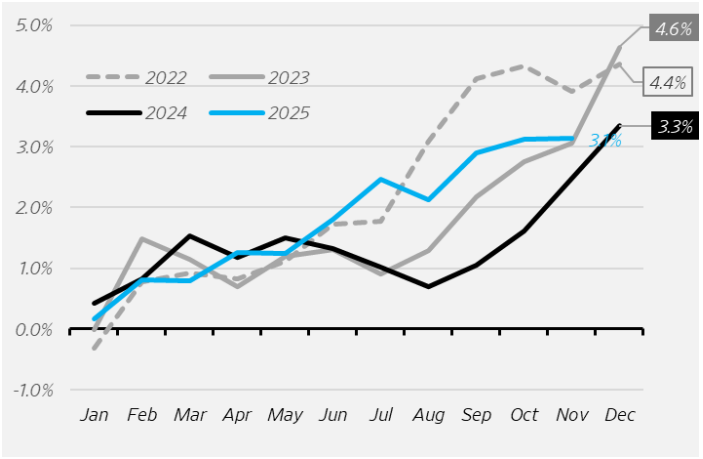
Source: BNM, MBSBR

FIG 33: yoy System deposit/CASA/non-CASA growth



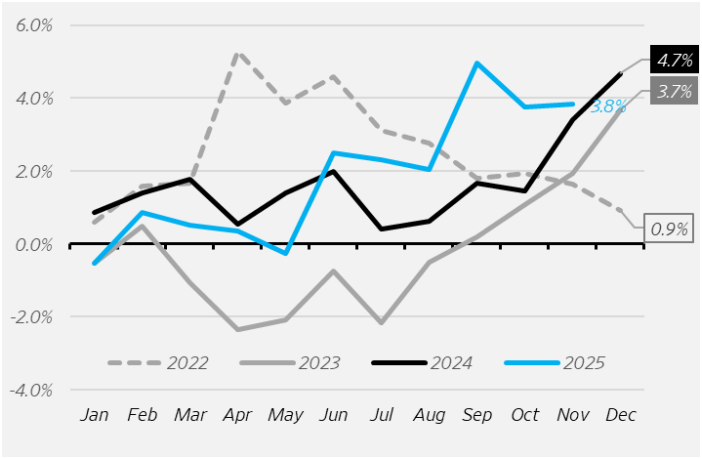
Source: BNM, MBSBR

FIG 34: YTD System deposit growth comparison



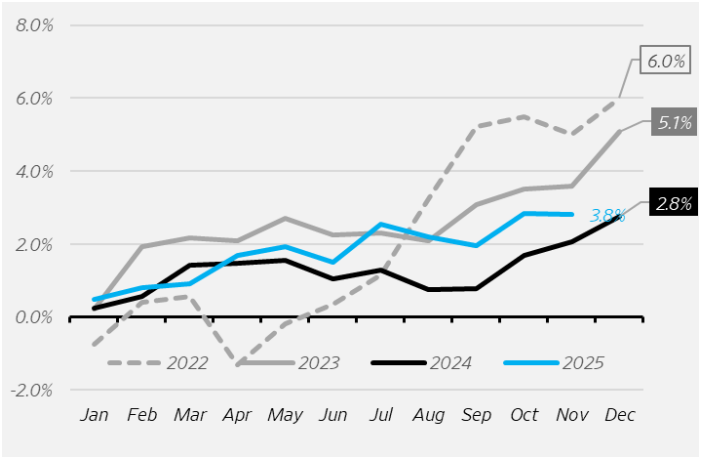
Source: BNM, MBSBR

FIG 35: YTD CASA growth comparison



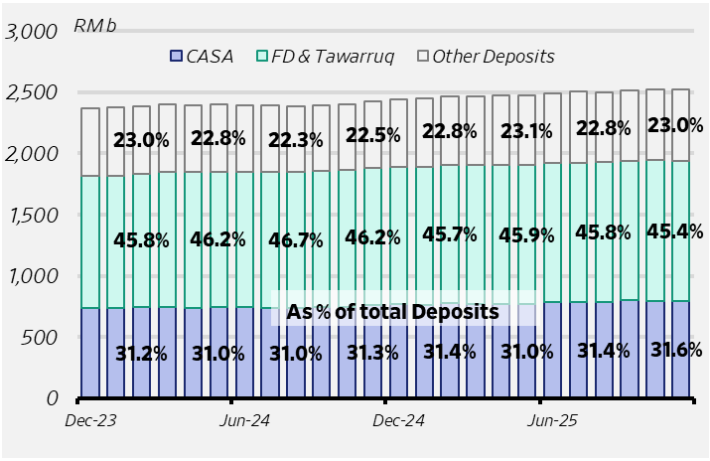
Source: BNM, MBSBR

FIG 36: YTD non-CASA growth comparison



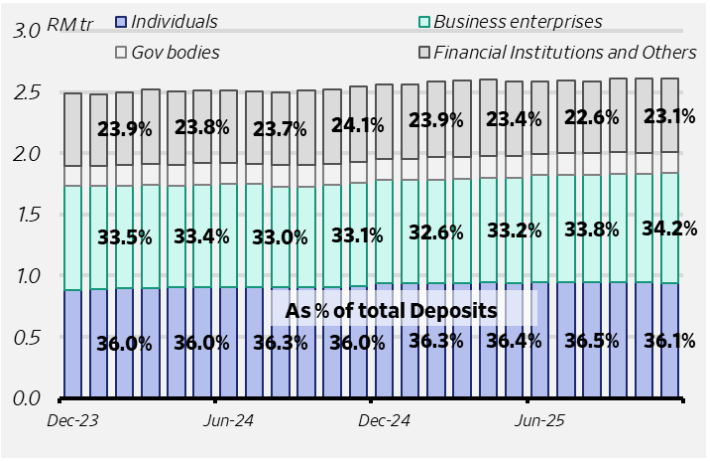
Source: BNM, MBSBR

FIG 37: Deposit breakdown by type



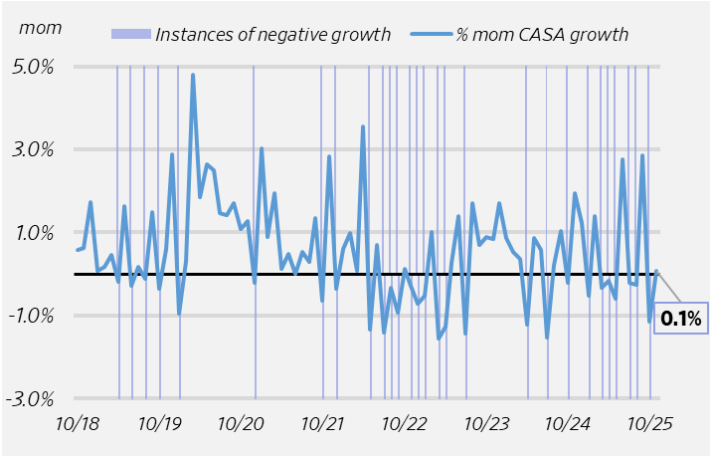
Source: BNM, MBSBR

FIG 38: Deposit breakdown by depositor



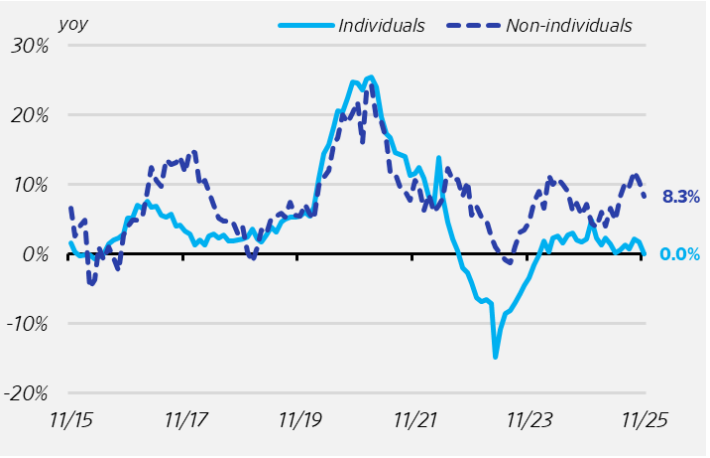
Source: BNM, MBSBR

FIG 39: mom CASA growth



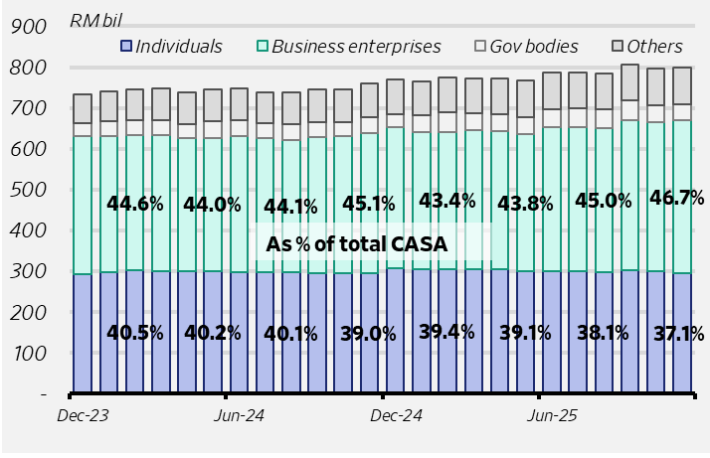
Source: BNM, MBSBR

FIG 40: yoy CASA growth by depositor



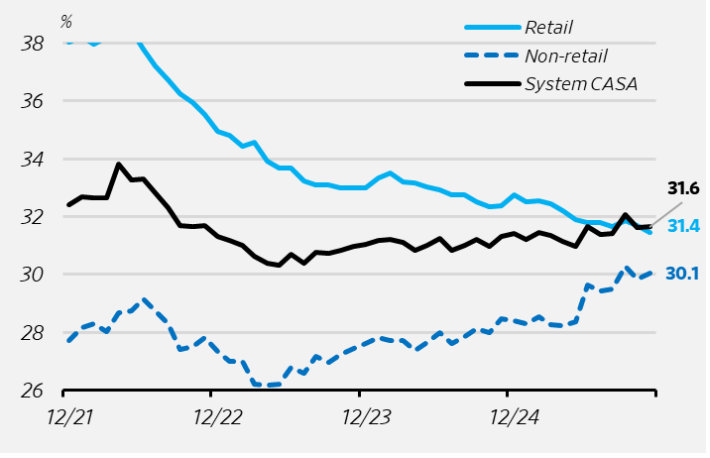
Source: BNM, MBSBR

FIG 41: CASA breakdown by depositor



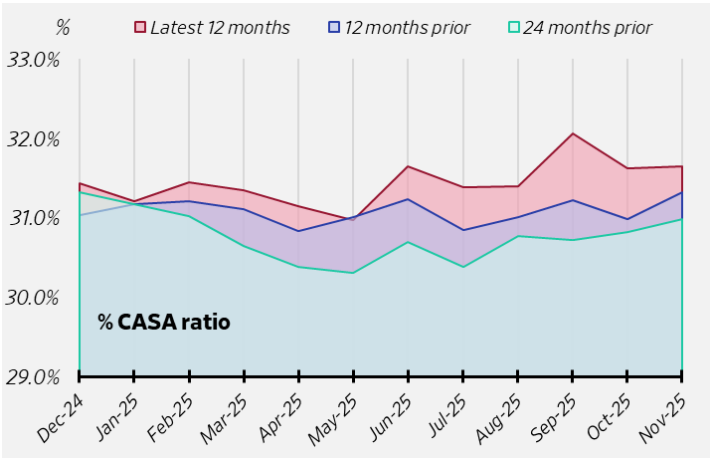
Source: BNM, MBSBR

FIG 42: CASA ratio by depositor



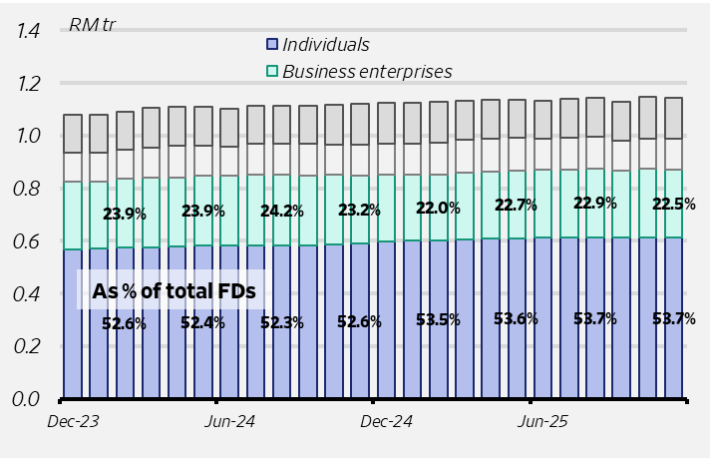
Source: BNM, MBSBR

FIG 43: Monthly CASA ratio comparisons (yoy)



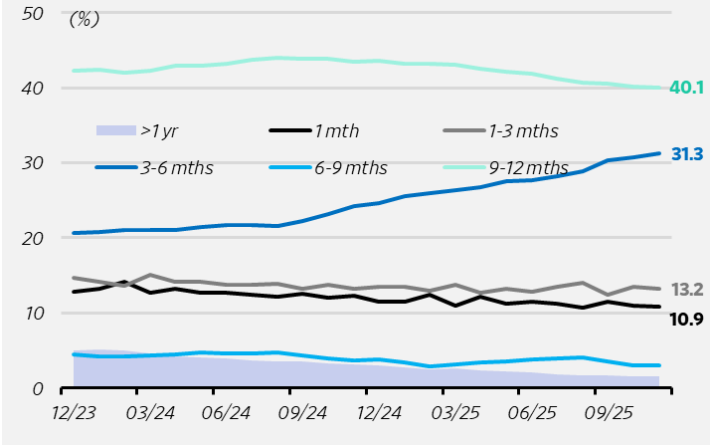
Source: BNM, MBSBR

FIG 44: FD breakdown by depositor



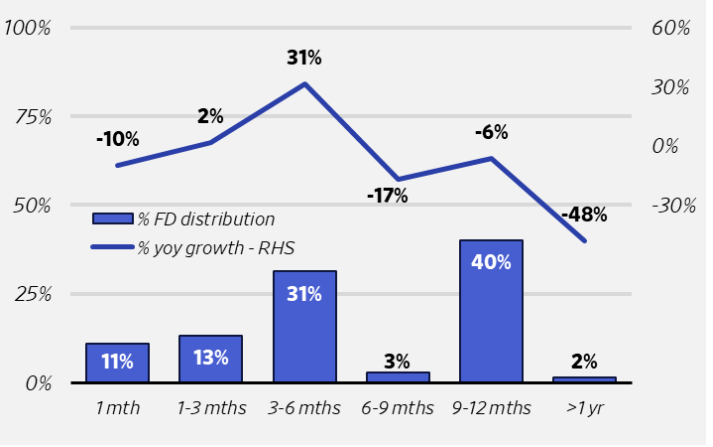
Source: BNM, MBSBR

FIG 45: % of FDs by maturity bracket



Source: BNM, MBSBR

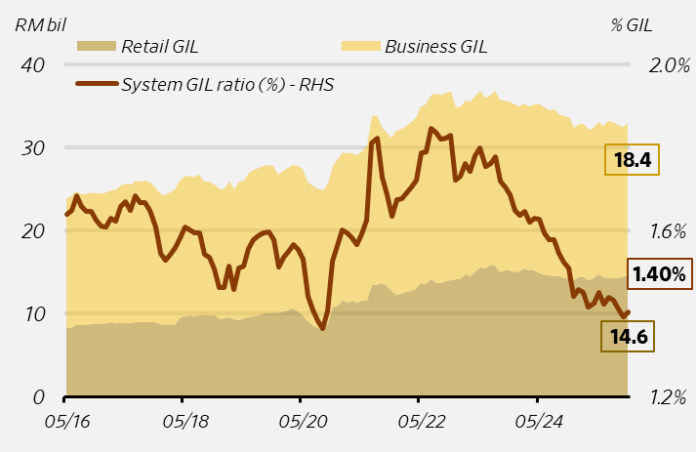
FIG 46: FD by maturity brackets and yoy growth



Source: BNM, MBSBR

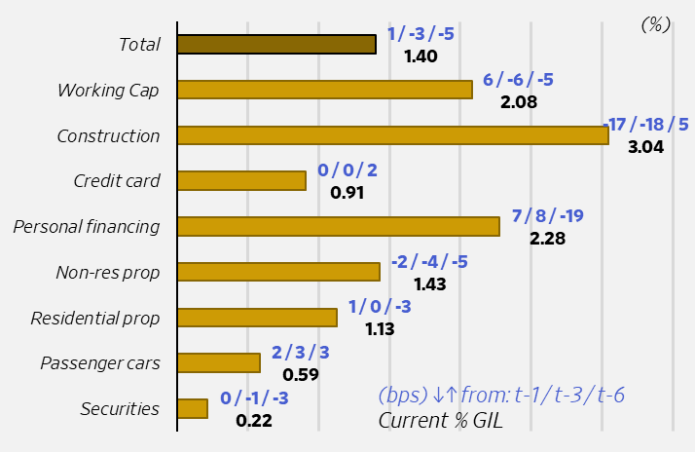
D. ASSET QUALITY & PROVISIONING

FIG 47: System gross impaired loans



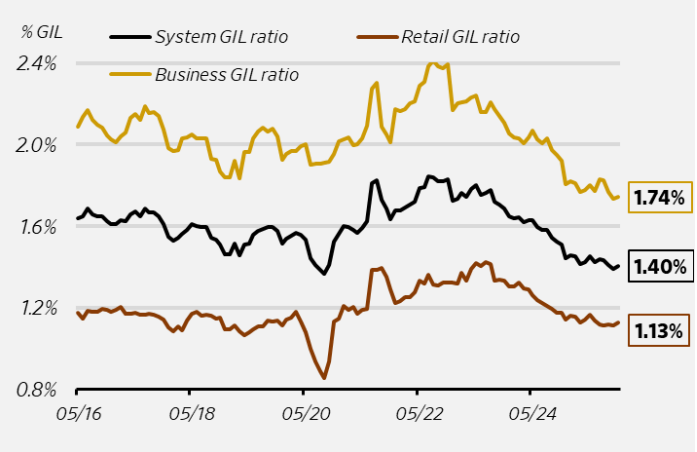
Source: BNM, MBSBR

FIG 48: Segmental GIL ratio changes



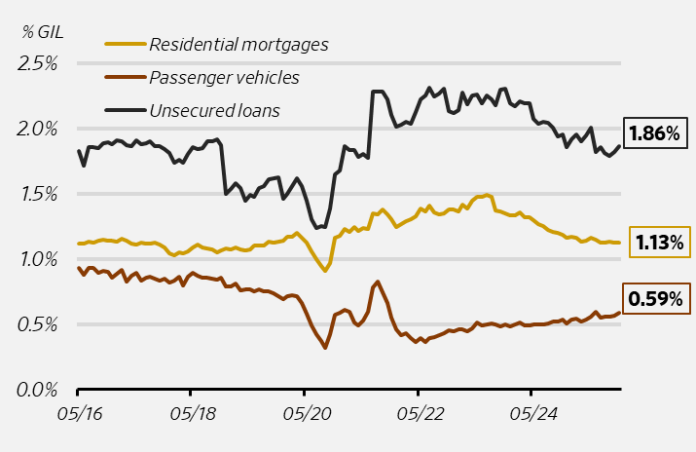
Source: BNM, MBSBR

FIG 49: System, Retail, Business GIL ratios



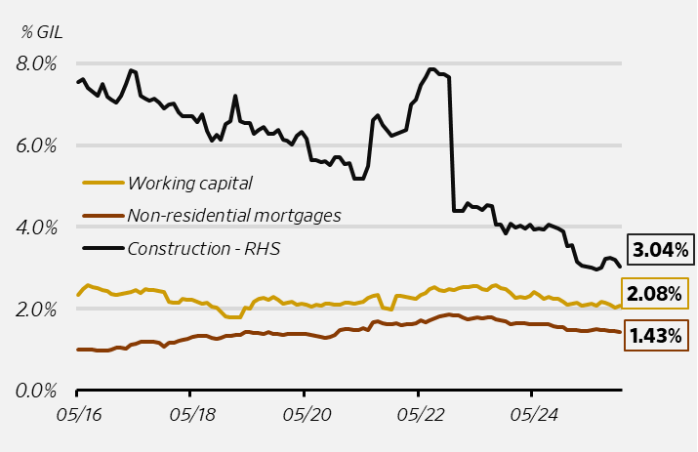
Source: BNM, MBSBR

FIG 50: Retail GIL ratios



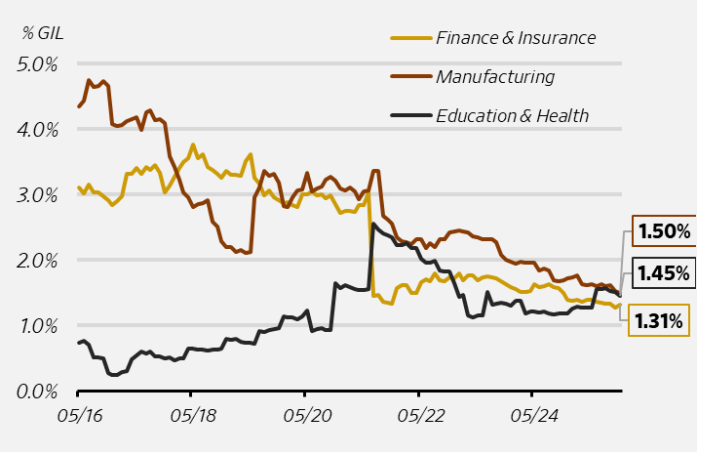
Source: BNM, MBSBR

FIG 51: Business GIL ratios



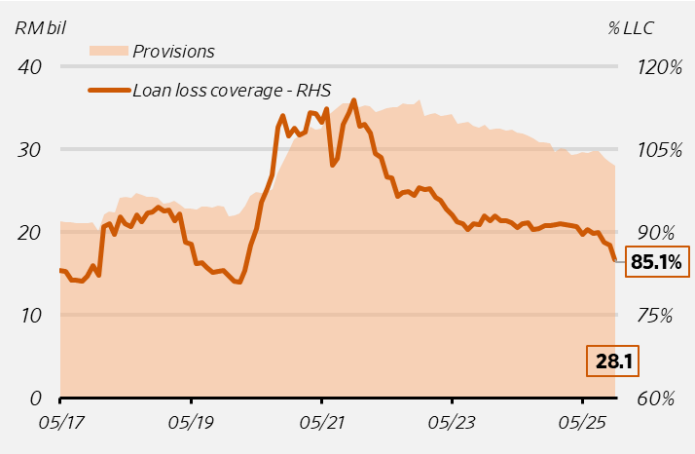
Source: BNM, MBSBR

FIG 52: GIL ratios of other sectors



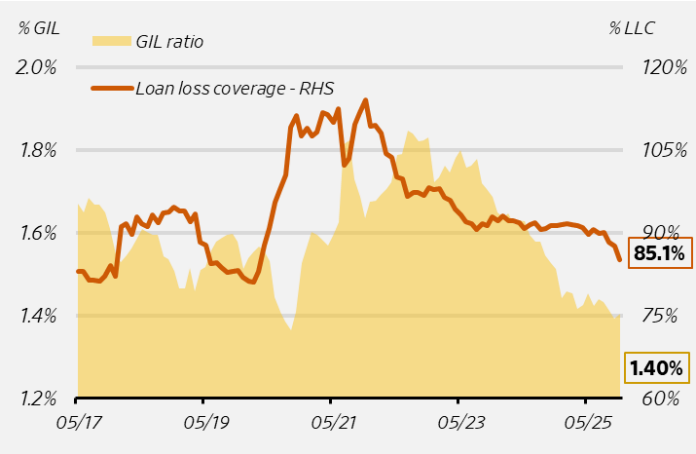
Source: BNM, MBSBR

FIG 53: Provisions & loan loss coverage



Source: BNM, MBSBR

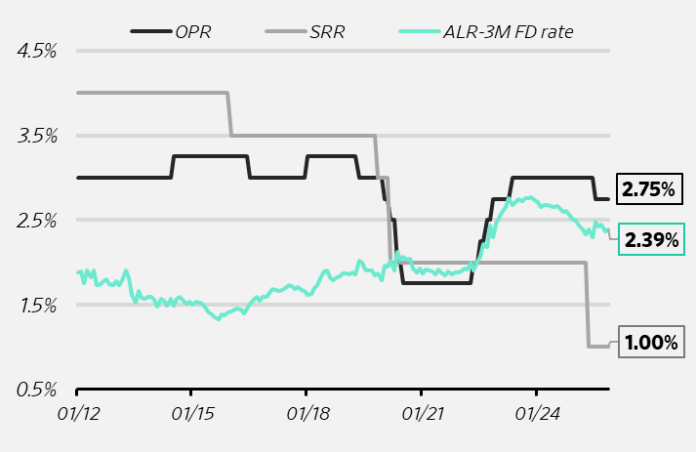
FIG 54: LLC & GIL ratio



Source: BNM, MBSBR

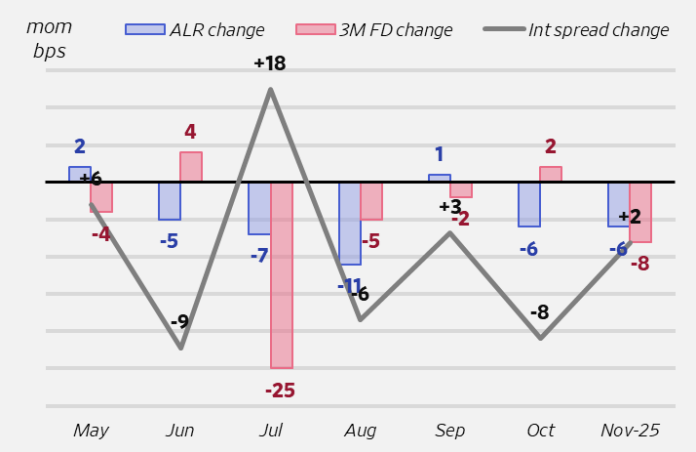
E. INTEREST SPREAD AND CAPITAL

FIG 55: Interest spread, OPR, SRR



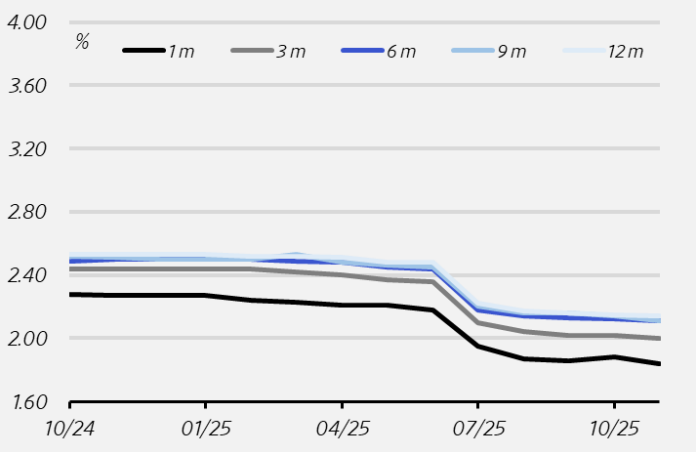
Source: BNM, MBSBR

FIG 56: mom Changes in interest spreads



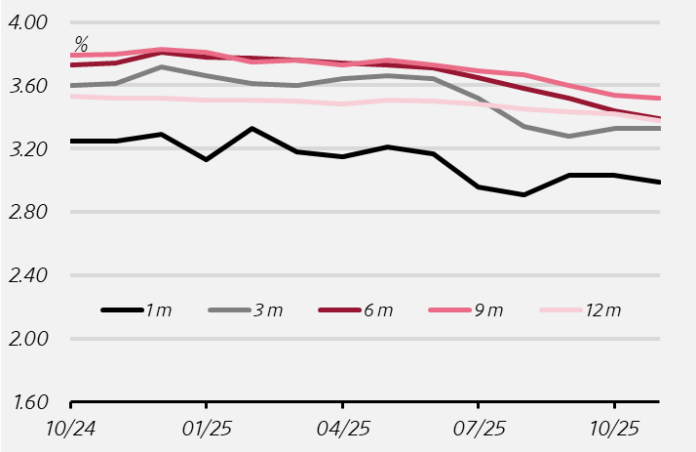
Source: BNM, MBSBR

FIG 57: Weighted avg Conv. FD rates by bracket



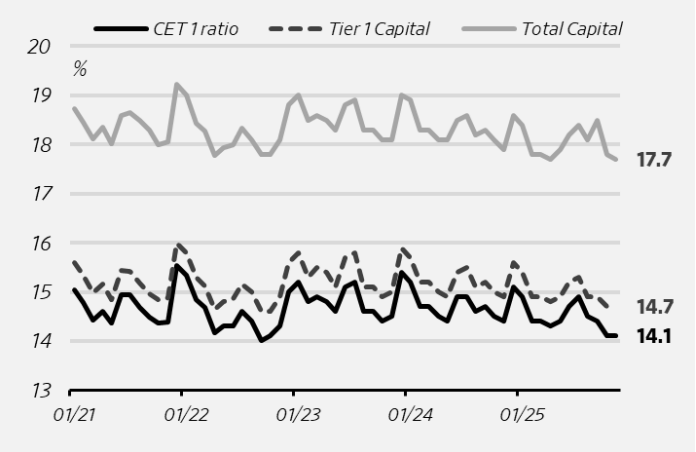
Source: BNM, MBSBR

FIG 58: Weighted avg Isl. FD rates by bracket



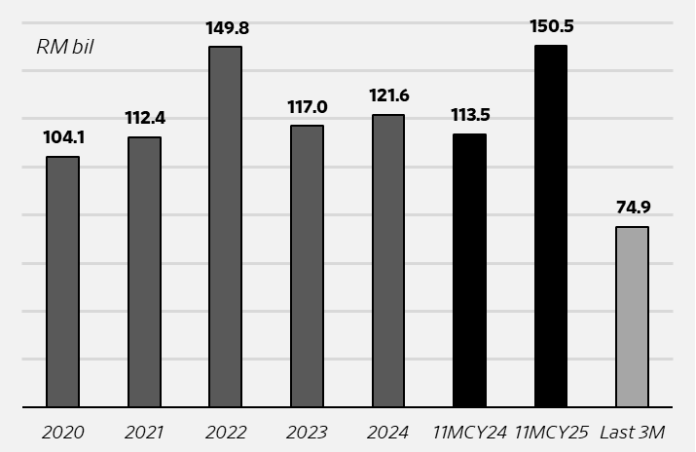
Source: BNM, MBSBR

FIG 59: Capital ratios



Source: BNM, MBSBR

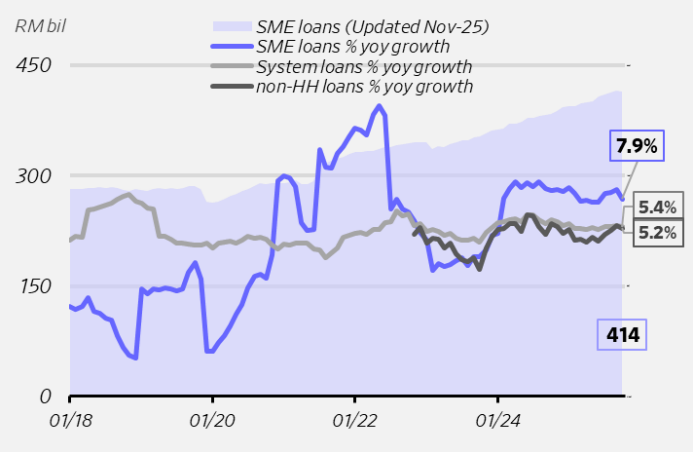
FIG 60: Bond/Sukuk issuances



Source: BNM, MBSBR

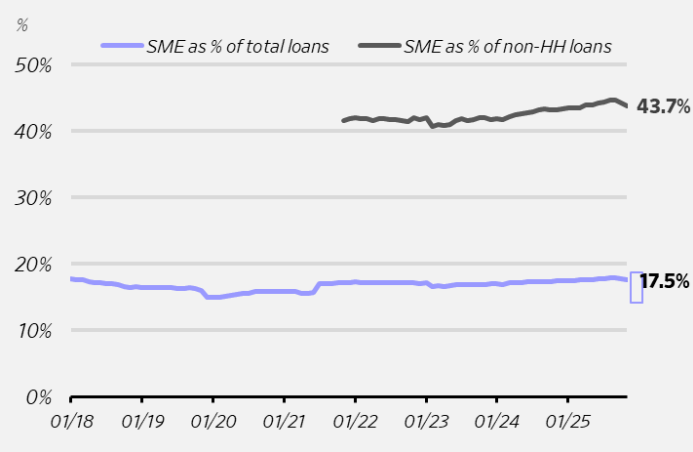
F. SME DATA

FIG 61: SME loans



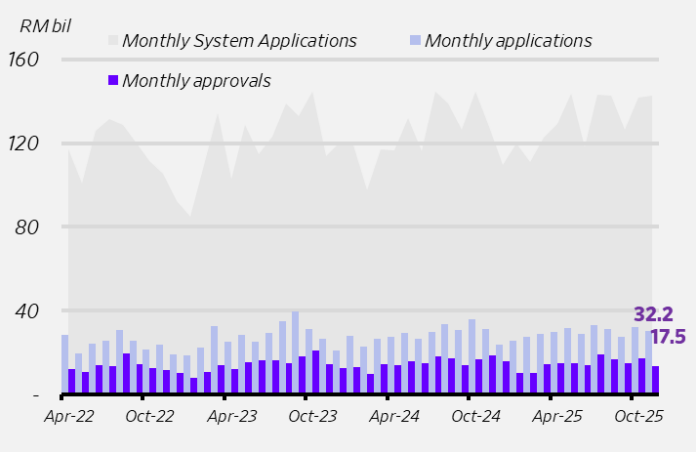
Source: BNM, MBSBR

FIG 62: SME loans as % of total and non-HH loans



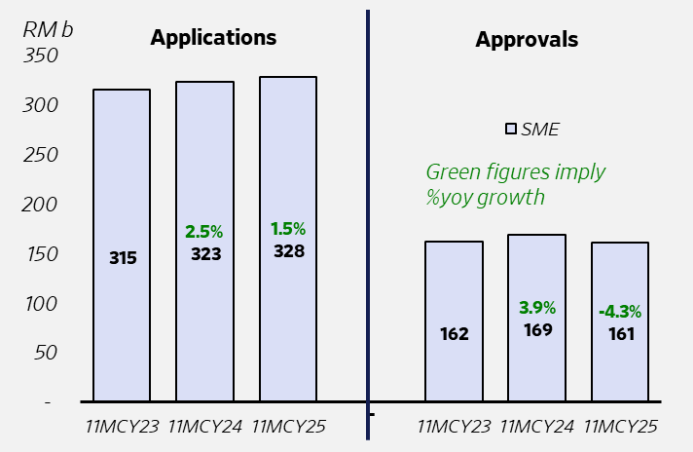
Source: BNM, MBSBR

FIG 63: SME Monthly leading indicators



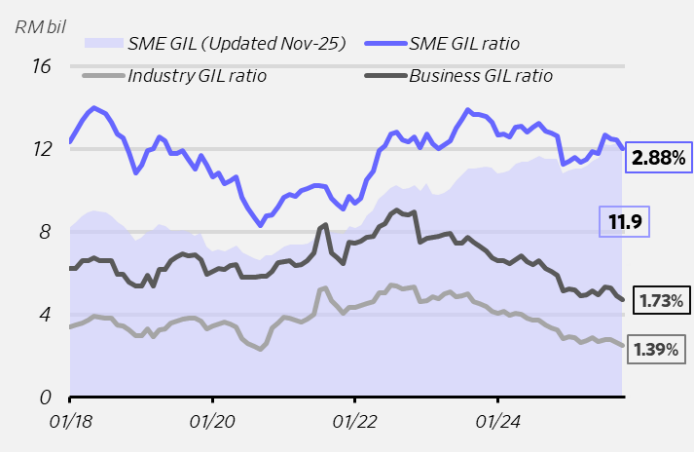
Source: BNM, MBSBR

FIG 64: Cumulative (CY) SME leading indicators



Source: BNM, MBSBR

FIG 65: SME GIL ratios



Source: BNM, MBSBR

G. VISUALISATION TABLES

FIG 66: System loans

Date	Total loans (RM tr)	Growth (% yoy)	Growth (% mom)	Retail			Business		
				Growth (% yoy)	Growth (% mom)	% of total	Growth (% yoy)	Growth (% mom)	% of total
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
Apr-25	2.27	5.1	-0.0	6.4	0.4	55.1	3.6	-0.6	44.9
May-25	2.28	5.3	0.4	6.3	0.5	55.1	4.0	0.4	44.9
Jun-25	2.30	5.1	0.7	6.3	0.5	55.0	3.7	0.9	45.0
Jul-25	2.31	5.4	0.4	6.3	0.5	55.1	4.2	0.2	44.9
Aug-25	2.31	5.4	0.3	6.1	0.5	55.2	4.6	0.1	44.8
Sep-25	2.32	5.5	0.5	5.8	0.3	55.1	5.1	0.7	44.9
Oct-25	2.34	5.4	0.5	5.8	0.5	55.1	4.8	0.6	44.9
Nov-25	**2.35**	**5.2**	**0.5**	**5.7**	**0.5**	**55.1**	**4.6**	**0.5**	**44.9**

Source: BNM, MBSBR

FIG 67: yoy Loan growth by purpose

Date	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Apr-25	6.5	7.0	4.6	4.1	7.6	1.9	-2.8
May-25	6.4	6.9	5.0	4.8	7.4	3.7	-3.0
Jun-25	6.4	6.9	4.9	4.0	7.3	3.7	-2.4
Jul-25	6.4	7.3	5.0	4.1	7.5	6.2	-2.3
Aug-25	6.2	7.2	4.5	4.8	7.1	6.0	-1.4
Sep-25	6.1	7.0	3.4	3.8	7.1	6.9	-0.7
Oct-25	6.0	6.9	3.5	3.2	7.0	6.2	-0.3
Nov-25	**5.9**	**6.8**	**3.4**	**2.6**	**7.4**	**5.4**	**0.5**

Source: BNM, MBSBR

FIG 68: mom Loan growth by purpose

Date	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Apr-25	0.4	0.5	0.8	-1.0	0.1	1.1	-0.0
May-25	0.4	0.7	1.5	0.3	0.5	2.1	-0.0
Jun-25	0.5	0.5	2.0	1.1	0.7	-0.1	0.4
Jul-25	0.6	0.5	1.8	-0.3	0.7	0.1	0.2
Aug-25	0.5	0.7	2.2	-0.1	0.5	0.4	0.4
Sep-25	0.4	0.3	1.7	-0.2	0.7	0.6	0.5
Oct-25	0.5	0.6	2.0	0.7	0.5	0.6	0.5
Nov-25	**0.5**	**0.4**	**2.6**	**0.0**	**0.8**	**-0.3**	**0.5**

Source: BNM, MBSBR

FIG 69: Loan applications & approvals (3MA)

Date	Applied (3MA) (RM b)	Growth (% yoy)	Growth (% mom)	Approved (3MA) (RM b)	Growth (% yoy)	Growth (% mom)
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	62.4	-6.8	-12.3
Feb-25	113.4	1.1	-4.7	57.8	-3.9	-7.3
Mar-25	117.7	6.0	3.8	57.6	4.1	-0.4
Apr-25	120.7	9.5	2.6	62.2	11.7	8.1
May-25	131.7	8.1	9.1	69.7	10.8	12.0
Jun-25	130.2	7.0	-1.2	68.5	7.6	-1.8
Jul-25	134.9	3.0	3.7	70.9	3.3	3.5
Aug-25	134.6	1.0	-0.2	69.4	-1.7	-2.1
Sep-25	137.4	0.6	2.1	71.7	-0.2	3.4
Oct-25	136.9	0.2	-0.4	72.8	0.5	1.5
Nov-25	**136.8**	**3.0**	**-0.0**	**73.5**	**3.4**	**1.0**

Source: BNM, MBSBR

FIG 70: Loan approval rates

Date	System loans (%)	Retail loans (%)	Business loans (%)	SME loans* (%)
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	42.8	43.6	42.0	39.9
Feb-25	49.1	41.4	58.3	38.0
Mar-25	54.8	45.3	65.8	50.4
Apr-25	50.6	43.7	58.2	50.1
May-25	53.5	45.9	60.6	46.7
Jun-25	53.8	43.9	65.0	48.1
Jul-25	50.6	44.3	57.7	57.8
Aug-25	50.7	44.7	56.9	53.9
Sep-25	55.7	44.2	67.5	55.0
Oct-25	53.5	45.8	61.2	54.1
Nov-25	**52.2**	**45.0**	**58.2**	**44.4**

**SME data until Nov-25*

Source: BNM, MBSBR

FIG 71: yoy Loan application growth (3MA) by purpose

Date	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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
Apr-25	7	10	2	16	13	21	30
May-25	-0	7	-5	21	10	29	14
Jun-25	-1	6	-1	11	6	18	15
Jul-25	-2	3	-4	6	-0	27	41
Aug-25	3	5	-9	-5	-1	3	53
Sep-25	6	7	-14	-6	4	-11	52
Oct-25	8	8	-15	-8	9	-25	13
Nov-25	**7**	**9**	**-13**	**-3**	**5**	**7**	**22**

Source: BNM, MBSBR

FIG 72: yoy Loan approval growth (3MA) by purpose

Date	Retail (%)			Business (%)			
	Residential property	Passenger car	Unsecured loans	Working capital	Non-residential property	Construction	Securities
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	40	-37
Feb-25	3	-5	-35	-5	17	63	-34
Mar-25	1	-6	12	4	-5	72	-18
Apr-25	4	3	8	21	-2	113	-1
May-25	-2	4	4	21	10	101	9
Jun-25	-6	0	5	21	12	26	-16
Jul-25	-7	0	2	13	5	4	17
Aug-25	-3	1	-4	-6	-5	-18	65
Sep-25	3	6	-6	-3	-5	-5	39
Oct-25	7	7	-3	-13	5	-2	15
Nov-25	**7**	**7**	**0**	**-8**	**17**	**5**	**-21**

Source: BNM, MBSBR

FIG 73: System deposits

Date	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
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
Apr-25	2,600	3.8	0.2	91.8
May-25	2,585	2.7	-0.6	92.2
Jun-25	2,589	2.9	0.1	92.3
Jul-25	2,596	3.7	0.3	92.1
Aug-25	2,589	3.8	-0.3	92.7
Sep-25	2,613	4.0	0.9	92.4
Oct-25	2,613	3.7	-0.0	92.7
Nov-25	**2,611**	**2.7**	**-0.1**	**93.2**

Source: BNM, MBSBR

FIG 74: CASA & FD ratios

Date	CASA (RM b)	Growth (% yoy)	Growth (% mom)	CASA ratio (%)	FD (RM b)	Growth (% yoy)	Growth (% mom)	FD ratio (%)
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
Apr-25	771	4.5	-0.2	31.2	1,136	2.5	0.4	45.9
May-25	767	3.0	-0.6	31.0	1,136	2.5	0.1	45.9
Jun-25	788	5.2	2.8	31.6	1,132	2.8	-0.4	45.5
Jul-25	786	6.6	-0.2	31.4	1,140	2.3	0.7	45.5
Aug-25	784	6.1	-0.3	31.4	1,143	2.7	0.3	45.8
Sep-25	806	8.1	2.9	32.1	1,129	1.3	-1.2	44.9
Oct-25	797	7.0	-1.1	31.6	1,146	2.5	1.5	45.4
Nov-25	**798**	**5.1**	**0.1**	**31.6**	**1,144**	**2.1**	**-0.2**	**45.4**

Source: BNM, MBSBR

FIG 75: Impaired loans and loan loss coverage

Date	Impaired loans (RM b)	Growth (% mom)	GIL ratio (%)	Total provisions (RM b)	LLC ratio (%)
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
Apr-25	2,272.3	0.7	1.43	29.5	91
May-25	2,282.0	2.3	1.45	29.7	90
Jun-25	2,297.1	-1.4	1.42	29.6	91
Jul-25	2,306.0	1.5	1.44	29.8	90
Aug-25	2,313.4	-0.1	1.43	29.8	90
Sep-25	2,324.6	-1.1	1.41	29.0	88
Oct-25	2,337.2	-0.7	1.39	28.5	88
Nov-25	**2,348.6**	**1.3**	1.40	**28.1**	**85**

Source: BNM, MBSBR

FIG 76: ALR, 3M-FD rates & Interest spreads

Date	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
Apr-25	4.92	2.59	2.33
May-25	4.94	2.55	2.39
Jun-25	4.89	2.59	2.30
Jul-25	4.82	2.34	2.48
Aug-25	4.71	2.29	2.42
Sep-25	4.72	2.27	2.45
Oct-25	4.66	2.29	2.37
Nov-25	**4.60**	**2.21**	**2.39**

Source: BNM, MBSBR

FIG 77: SME loan data

Date	Total SME loans (RM b)	Growth (% yoy)	Growth (% mom)	As a % of industry loans	SME GIL ratio (%)
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
Mar-25	399	7.7	1.2	17.5	2.77
Apr-25	400	7.8	0.3	17.6	2.79
May-25	401	7.6	0.2	17.6	2.85
Jun-25	407	7.6	1.6	17.7	2.84
Jul-25	410	8.4	0.8	17.8	2.98
Aug-25	413	8.5	0.6	17.8	2.95
Sep-25	416	8.7	0.7	17.9	2.95
Oct-25	414	7.9	-0.3	17.7	2.88
Nov-25	**411**	**6.1**	**-0.7**	**17.5**	**2.90**

SME data until Nov-25

Source: BNM, MBSBR

FIG 78: SME applications & approvals (3MA)

Date	Applications			Applications		
	3MA (RM b)	Growth (% yoy)	Growth (% mom)	3MA (RM b)	Growth (% yoy)	Growth (% mom)
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
Mar-25	27.4	0.7	1.2	11.8	-7.1	-4.3
Apr-25	28.7	0.5	1.1	13.3	2.4	12.8
May-25	30.2	0.7	2.1	14.8	-1.5	11.1
Jun-25	30.1	0.5	-0.1	14.5	-3.8	-1.6
Jul-25	31.3	0.5	0.1	16.0	-2.6	9.9
Aug-25	31.2	0.7	0.4	16.7	-0.6	4.5
Sep-25	30.8	0.3	0.6	17.1	3.9	2.7
Oct-25	30.5	0.6	0.6	16.6	3.1	-3.4
Nov-25	**30.1**	**0.4**	**-0.3**	**15.4**	**-7.4**	**-7.0**

SME data until Nov-25

Source: BNM, MBSBR

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	

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MBSB INVESTMENT BANK (formerly known as 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