Banking

POSITIVE (Maintain)

Mar-26: Positive Rebound

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HIGHLIGHTS

- ▲ **(1) Strong rebound in loans, driven by business loans, (2) Leading indicators have returned to form after months of sluggishness, (3) CASA surge drives deposit growth, (4) Slight improvement in system GILs, (5) Lending rates positively rebound.**
- ► **(1) FD rates are flattish.**
- **Maintain POSITIVE call: This was a month of positive movements. However, we are not so optimistic about the longer-term prospects, primarily because the Middle East war cost pressures will dampen growth prospects in later months.**

Sector Verdict

The Middle East war's increased cost pressure will exert tremendous pressure on asset quality and loan demand. A negative impact is certain, but the full scale of it is difficult to discern without proper guidance. We will be keeping a close eye on the upcoming results season for further clarity on possible concerns. Regardless, Malaysia's geopolitical stability and the sector's high dividend yields, and defensive nature offer several solid buying selections.

Core Themes

1. ▲ **Core beneficiary of emerging market inflows.** Our decent economic outlook, high dividend yields with upside possibility, excellent asset quality, and superior geopolitical stability (relative to neighbouring peers) make our banks look particularly attractive.
2. ▲ **Dividend outlook remains extremely bright.** We think the possibility of special dividends and other forms of capital release remains very high, though there may be a delay in announcements. While capital is elevated and Basel IV transition should be capital accretive in most cases, most banks want further certainty before pulling the trigger.
3. ▲ **Expect fee income to drive topline in the near term.** Wealth management, bancassurance, and debt capital markets are major drivers of the fee side, though weaker economic sentiment may dampen its growth. Non-fee income should continue to flourish forex volatility persists, and possible interest rates cuts should feed investment income.
4. ▲ **Liquidity situation is improving.** Liquidity has improved significantly since the last quarter, with more readily available cheap CASA in the market. The Indonesian and Singapore situation has also improved. As most loan growth targets are not ambitious, we doubt that most banks will run into any crippling liquidity shortages.
5. ► **NIMs to benefit from COF optimisation, but downside risk is high.** Most banks are very positive on NIM, guiding for NIM expansion on the back of FD. We have grown less optimistic on asset side prospects, as the accumulation of higher-yielding business loans will be affected by weaker loan growth expectations. Also, weaker economic prospects could lead to a further OPR cut.
6. ► **OPEX growth is a mixed bag and will vary from bank to bank.** While we expect further tech efficiencies to come online, tech spend remains the primary cause of drag for most banks. Expect further rapid OPEX growth among rapidly expanding smaller banks. We do think a fair few banks will attempt to slash OPEX in attempt to conserve profitability levels.
7. ▼ **Negative on loan growth.** The ongoing Middle East war's cost pressure may have graduated from primarily affecting businesses to hurting mass-market consumers. The government has already begun to cut spending. Expect pressure on both retail and business loans.
8. ▼ **Expect asset quality shocks and larger provisions.** 1QCY26 is unaffected, but subsequent quarters are looking precarious. Not even the banks themselves are sure of the second-and-third order impact – hence, estimating the full scale of the event for now is still very difficult.

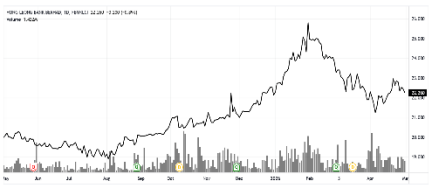
COMPANY *IN FOCUS*

HL Bank

Maintain BUY | Target Price: RM30.50
Price @ 30 April 2026: RM22.26

- Loan growth is very high for a mid-sized bank.
- Defensive pick: Asset quality and provisioning remain the industry's best.
- Sharp NOII growth persists from regional offerings. "Low-hanging fruit" is still close.

SHARE PRICE CHART



AMMB

Maintain BUY | Target Price: RM7.57
Price @ 30 April 2026: RM6.15

- Excellent cost discipline, which helps with earning certainty.
- NIM outlook remains bright, with ongoing asset-liability management.
- Upside to dividend payouts. Breaking the 50% payout level is possible, given the Group's high capital levels.

SHARE PRICE CHART



FIG 1: Overview of Major Indicators

Category	Performance	Notes
Loans	▲ **System loans:** +5.4%yoy | +1.0%mom ► **Household loans:** +5.2%yoy | +0.2%mom ▲ **Non-household loans:** +5.6%yoy | +2.2%mom ► **SME loans (Mar-26):** +5.5%yoy | +0.9%mom	A strong rebound in business loans has lifted loan growth to its strongest figure in months. We are not so optimistic: Even if this strong growth result is not a one-off, the cost pressures brought about by the ongoing Middle East war should eventually drag this figure down again.
Leading Indicators	▲ **System:** Strong month **Approval rates:** 55% ▲ **SME (Mar-26):** Strong month **SME Approval rates:** 57%	After three months of sluggish performance, leading indicators are back with a vengeance. Working capital and "other" segments were the standouts.
Deposits	▲ **Deposits + repos:** +4.2%yoy | +1.9%mom ▲ **Deposits (ex-repos):** +4.8%yoy | +0.9%mom ▼ **FD:** +0.2%yoy | -0.9%mom ▲ **CASA:** +9.4%yoy | +1.3%mom **Loan/Deposit ratio:** 92.8% **Loan Coverage ratio:** 145%	A continuation of ongoing trends: FDs are not being renewed, hence the surge in CASA. There also seems to be a renewed interest in repos this month.
GIL ratio	▲ **System GIL ratio:** 1.40% | -2bps mom ► **Retail:** 1.12% | -1bps mom ▲ **Business:** 1.73% | -4bps mom ▲ **SME GIL ratio (Mar-26):** 2.96% | -2bps mom	▼ **Notable deteriorations, mom:** Securities +3bps ▲ **Notable improvements, mom:** Working cap -7bps, Personal financing -8bps.
Interest rates	► **FD rates (Conv):** Flattish ► **FD rates (Isl):** Flattish ▲ **Lending rates (ALR):** +4bps mom	While BNM stats imply flat FD rates, banks are more optimistic, stating that deposit competition normalised a lot quicker than last year.

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

Top downside risks include:

1. Disruptions to economic 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: RM30.50) and **AMMB (BUY, TP: RM7.57).**

PEER COMPARISON

Bank	Call	Share P	Target P	Upside	Mkt Cap	FY	P/B	ROE	LTG	COE	P/E (x)		P/B (x)		ROE (%)		Div Yield (%)	
	^Top Pick	(RM)	(RM)	(%)	(RM b)	Basis	(x)	(%)	(%)	(%)	FY26	FY27	FY26	FY27	FY26	FY27	FY26	FY27
MAY	NEUTRAL	11.08	12.29	10.9	134.0	FY26F	1.53	11.1	3.0	8.3	12.6	12.2	1.38	1.33	11.1	11.1	5.7	5.9
CIMB	BUY	7.66	9.29	21.3	81.9	FY26F	1.37	10.9	4.0	9.0	10.6	10.1	1.13	1.10	10.9	11.0	6.1	6.3
PBK	NEUTRAL	4.68	5.05	7.9	90.4	FY26F	1.55	11.9	3.5	8.9	12.4	11.7	1.44	1.37	11.9	11.9	4.8	5.1
RHB	BUY	8.14	9.11	11.9	35.7	FY26F	1.12	9.6	4.0	9.0	10.7	10.4	1.00	0.96	9.6	9.4	5.6	5.7
HLBK	^BUY	22.26	30.50	37.0	45.6	FY27F	1.42	11.1	4.0	9.0	10.2	9.6	1.10	1.04	11.1	11.1	4.6	4.9
AMMB	^BUY	6.15	7.57	23.1	20.3	FY27F	1.10	9.4	4.0	8.9	10.1	9.8	0.94	0.89	9.5	9.4	4.5	4.6
BIMB	NEUTRAL	2.34	2.32	-0.9	5.3	FY26F	0.67	7.0	4.0	8.5	9.4	9.0	0.67	0.65	7.0	7.3	6.3	6.6
AFFIN	NEUTRAL	2.52	2.39	-5.3	6.5	FY27F	0.47	4.8	3.0	6.8	11.6	10.5	0.51	0.50	4.5	4.8	3.4	3.7
ABMB	BUY	4.66	6.08	30.4	8.1	FY27F	1.20	10.3	5.0	9.4	9.6	9.3	0.98	0.92	10.5	10.3	4.2	4.3
Total Weighted avg											**11.5**	**11.0**	**1.23**	**1.18**	**10.9**	**10.9**	**5.4**	**5.6**
Large-Cap	**MAY, CIMB, PBK**										**12.0**	**11.5**	**1.33**	**1.28**	**11.3**	**11.3**	**5.5**	**5.8**
Mid-Cap	**RHB, HLBK, AMMB**										**10.3**	**9.9**	**1.03**	**0.98**	**10.3**	**10.2**	**4.9**	**5.1**
Small-Cap	**BIMB, AFFIN, ABMB**										**10.2**	**9.6**	**0.75**	**0.71**	**7.6**	**7.7**	**4.5**	**4.7**

**Closing prices from 30 Apr 2026.*
**HLBK, AMMB and ABMB use FY26F/27F values.* **HL Bank & HL FG uses FY23F/24F values.*

Source: MBSBR

A. SYSTEM LOAN & CONSTITUENTS

FIG 2: Overview of Major Indicators

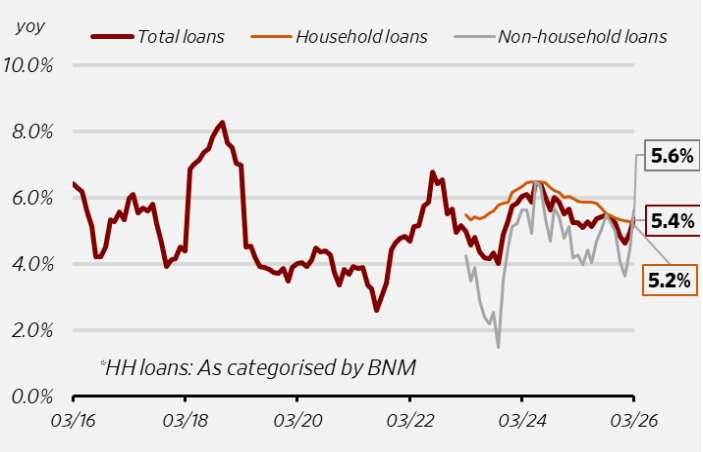
	yoy Growth rates (%)					YTD (%)	mom Growth rates (%)				
	Mar-26	Feb-26	Jan-26	Dec-25	Mar-25		Mar-26	Feb-26	Jan-26	Dec-25	Mar-25
Total loans	**5.4**	**4.9**	**4.6**	**4.8**	5.2	**1.6**	**1.0**	**0.4**	**0.2**	**0.4**	0.6
Retail	5.3	5.4	5.5	5.6	6.4	1.0	0.3	0.2	0.6	0.4	0.4
Business	5.4	4.3	3.5	3.9	3.8	2.3	2.0	0.5	-0.2	0.3	0.9
SME	5.5	5.9	5.1	6.0	7.7	0.3	0.9	0.6	-0.4	1.1	1.2
Household loans	5.2	5.3	5.3	5.3	5.9	1.0	0.2	0.2	0.6	0.5	0.3
Non-HH loans	5.6	4.4	3.6	4.1	4.3	2.4	2.2	0.6	-0.3	0.3	1.1
Deposits + repo	**4.2**	**2.6**	**2.8**	**3.4**	3.0	**2.0**	**1.9**	**0.7**	**-0.6**	**1.4**	0.4
Total deposits	**4.8**	**3.9**	**4.0**	**4.5**	2.6	**1.0**	**0.9**	**0.5**	**-0.4**	**1.4**	**-0.0**
CASA	9.4	7.6	8.0	7.3	3.4	2.5	1.3	1.0	0.2	3.3	-0.3
FD	0.2	1.4	1.1	1.6	2.3	-0.7	-0.9	0.5	-0.4	-0.2	0.3
Total provisions	-5.5	-7.0	-8.2	-7.7	-8.9	1.3	-0.5	0.8	1.0	-2.4	-2.1
Total GIL	3.9	2.5	0.2	-0.5	-8.0	3.5	-0.6	2.0	2.1	-2.1	-1.9
Leading indicators											
3MA applications	3	1	8	5			6	-11	-3	-2	
Retail	-1	0	7	3			-0	-8	-2	1	
Business	8	2	10	7			13	-15	-5	-5	
3MA approvals	13	12	14	5			1	-9	-5	2	
Retail	-0	3	7	5			-1	-8	-4	2	
Business	25	19	20	5			2	-10	-6	2	

	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Mar-25
Interest spread	2.37	2.33	2.35	2.37	2.39	2.39
ALR	4.56	4.55	4.55	4.59	4.60	4.97
3M FD rate	2.19	2.22	2.20	2.22	2.21	2.58
Loan approval rate	55	55	51	63	52	55
SME approval rate	43	56	54	70	44	50
GIL ratio	1.40	1.42	1.40	1.37	1.40	1.42
Retail	1.12	1.13	1.11	1.09	1.13	1.13
Business	1.73	1.77	1.75	1.72	1.74	1.77
SME	2.96	2.99	2.96	2.89	2.90	2.77
LLC ratio	83.0	82.9	83.9	84.8	85.1	91.2
CASA ratio	32.7	32.6	32.4	32.3	31.6	31.3
Loan/Deposit ratio	92.8	92.6	92.8	92.3	93.2	92.3
Liquidity coverage ratio	145	149	152	155	146	152
CET 1	14.1	14.2	14.8	14.9	14.1	14.4
Tier 1 Capital	14.7	14.8	15.3	15.4	14.7	14.9
Total Capital	17.6	17.7	18.3	18.5	17.7	17.8

	Period	Forecast	Formerly
Loan growth	CY26	5.0-5.3%	
GDP	CY26	4.3%	
OPR	CY26	2.75%	

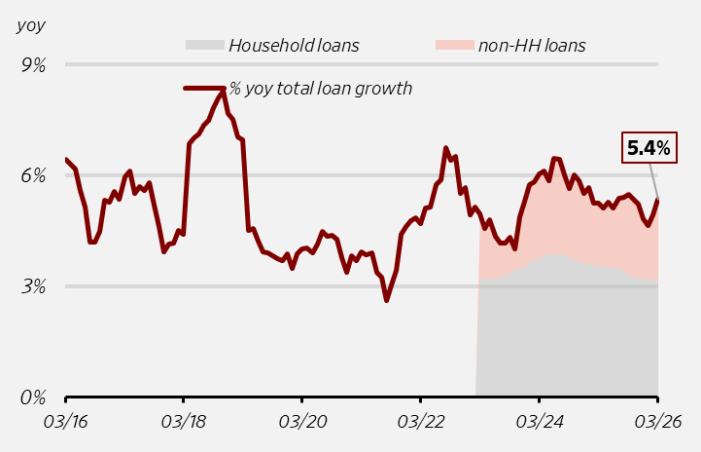
Source: BNM, MBSBR

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



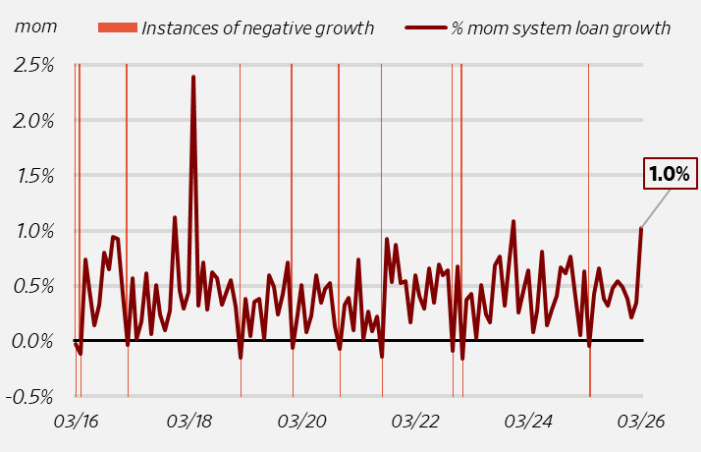
Source: BNM, MBSBR

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



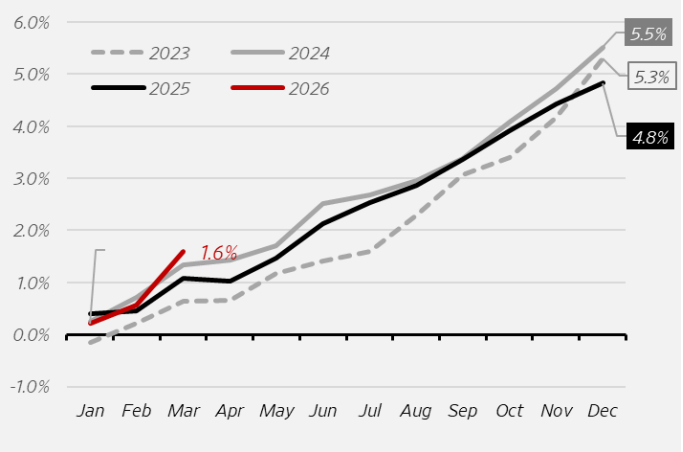
Source: BNM, MBSBR

FIG 5: mom System loans



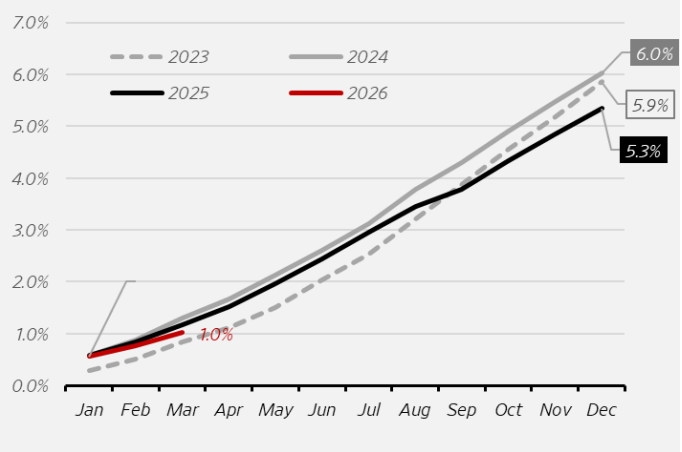
Source: BNM, MBSBR

FIG 6: YTD System loan growth comparison



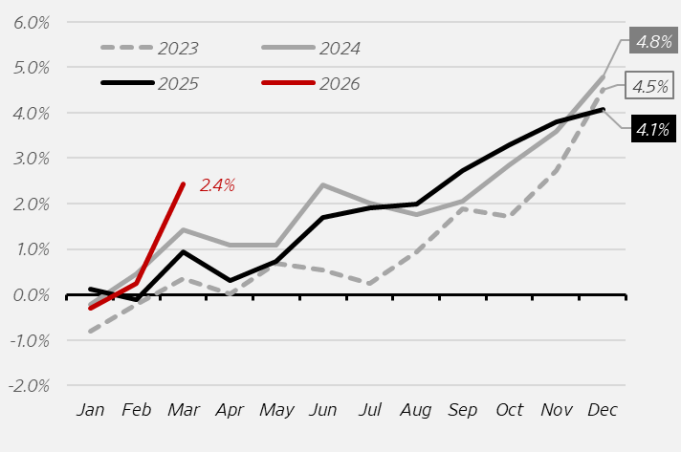
Source: BNM, MBSBR

FIG 7: YTD Household loan growth comparison



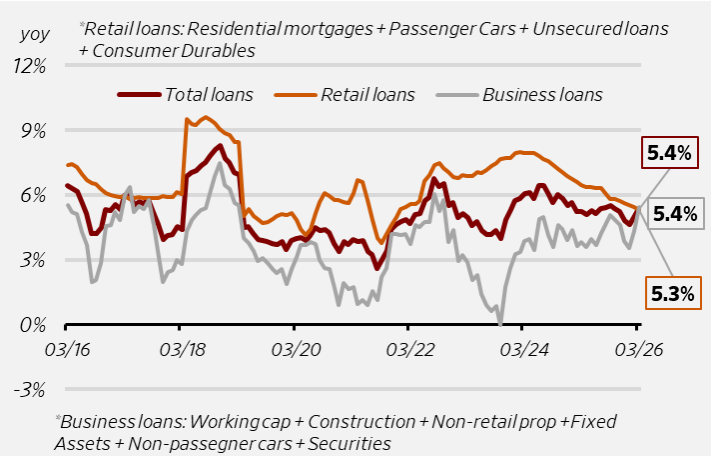
Source: BNM, MBSBR

FIG 8: YTD Non-HH loan growth comparison



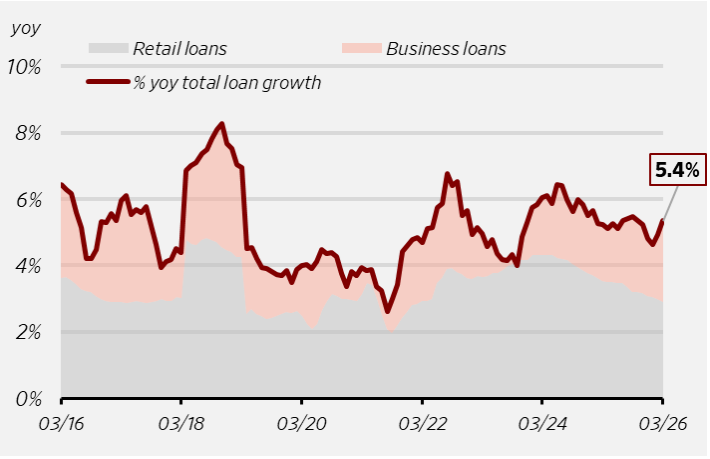
Source: BNM, MBSBR

FIG 9: Retail & business loan growth



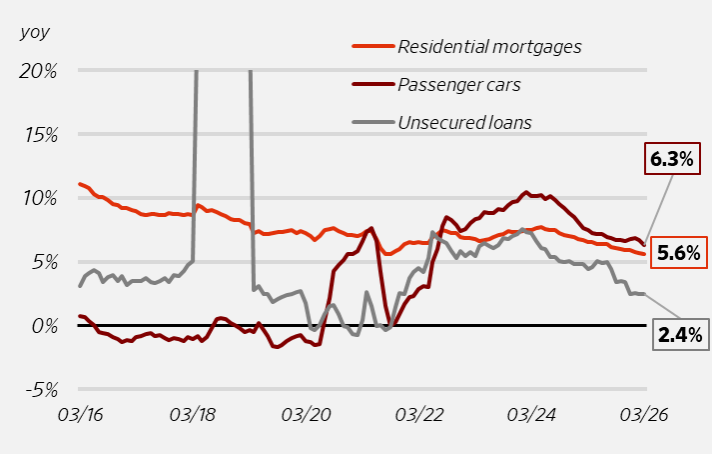
Source: BNM, MBSBR

FIG 10: Retail/business loans as drivers



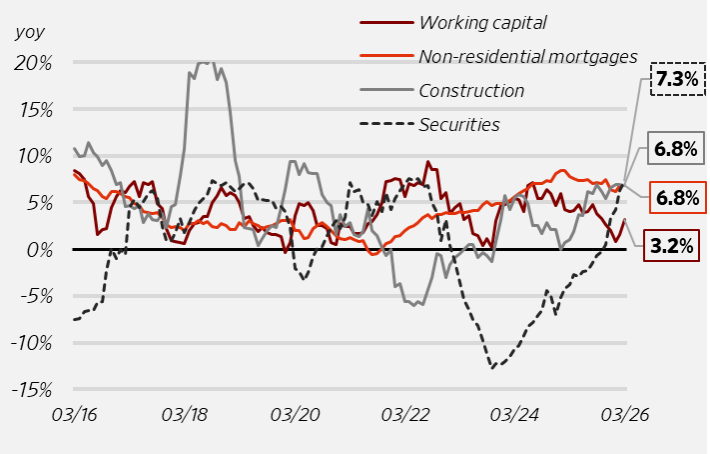
Source: BNM, MBSBR

FIG 11: Retail loan constituents



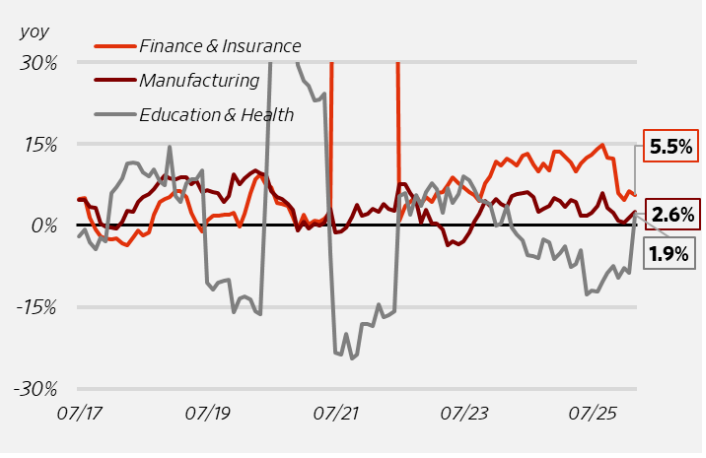
Source: BNM, MBSBR

FIG 12: Business loan constituents



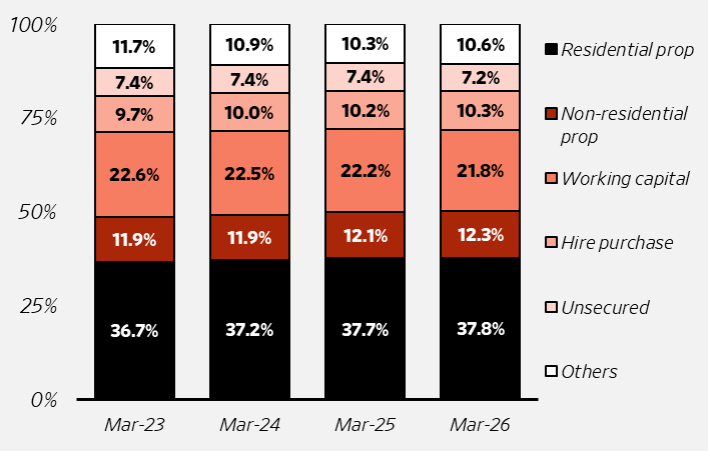
Source: BNM, MBSBR

FIG 13: Loan growth of other sectors



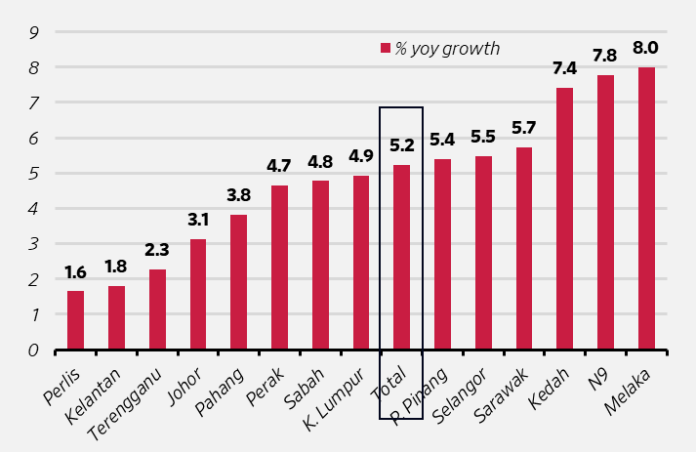
Source: BNM, MBSBR

FIG 14: Loan breakdown by type



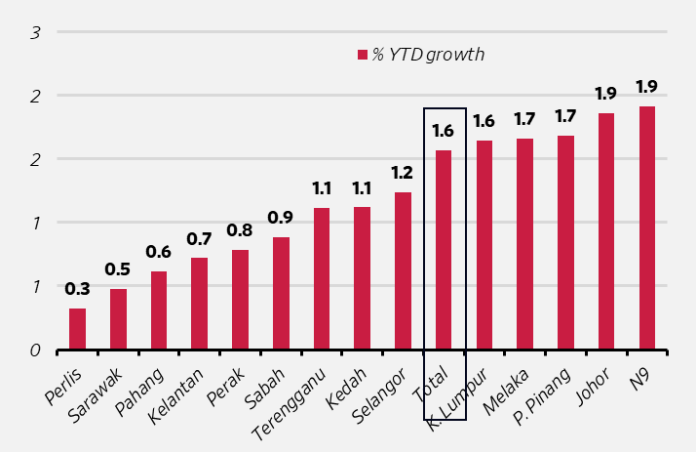
Source: BNM, MBSBR

FIG 15: yoy Loan growth by geography



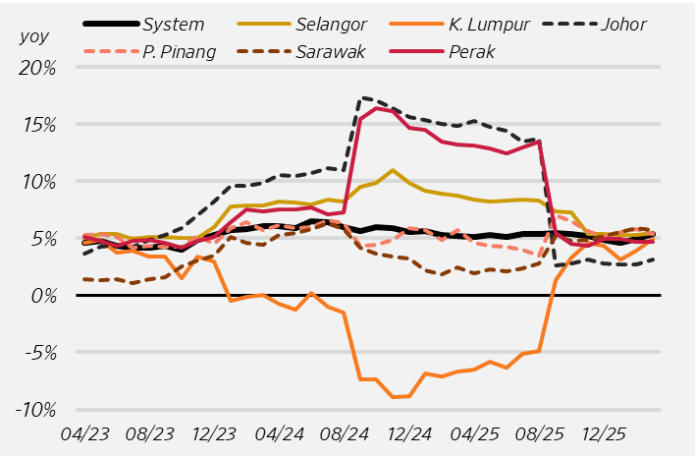
Source: BNM, MBSBR

FIG 16: YTD Loan growth by geography



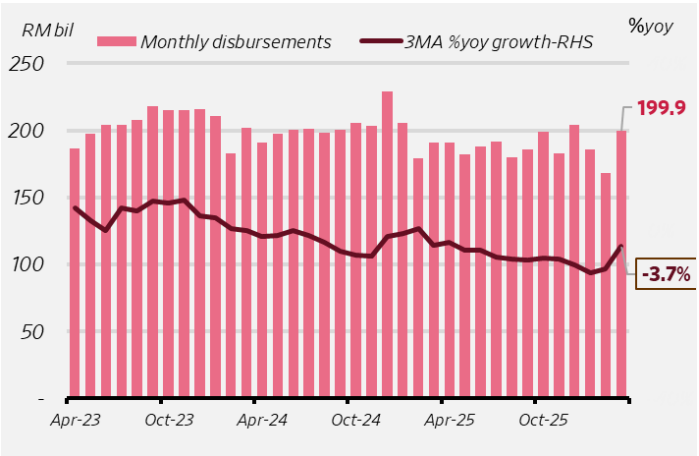
Source: BNM, MBSBR

FIG 17: Geographical loan growth comparison



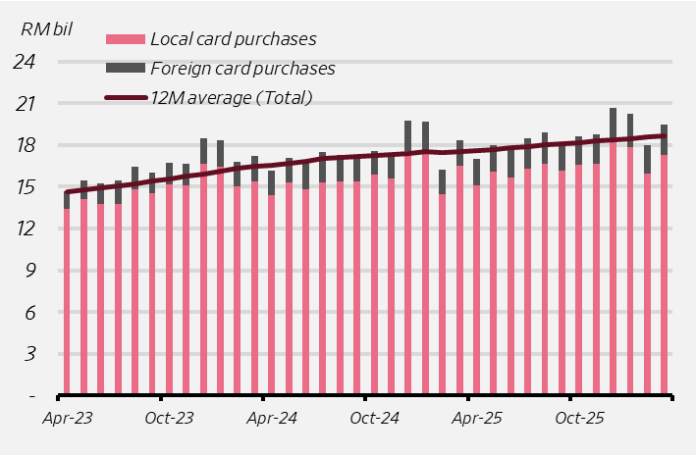
Source: BNM, MBSBR

FIG 18: Monthly disbursements



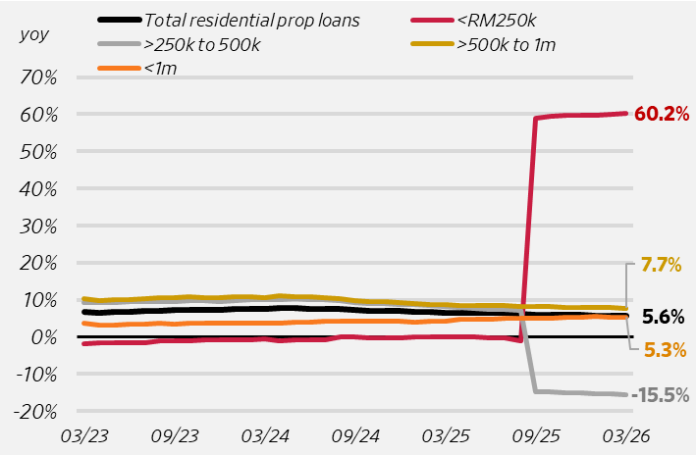
Source: BNM, MBSBR

FIG 19: Credit card purchases



Source: BNM, MBSBR

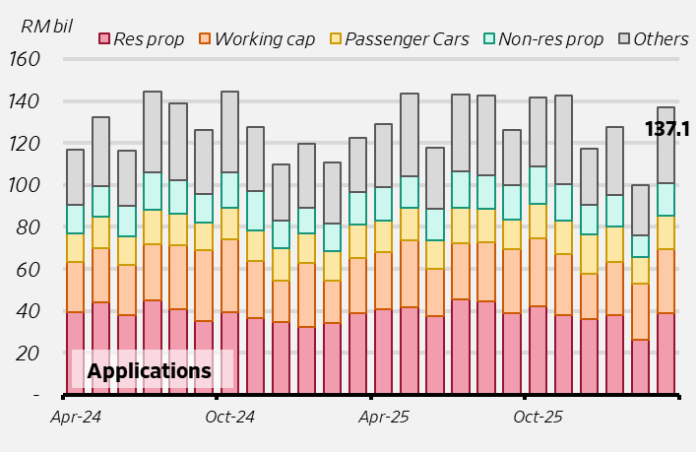
FIG 20: yoy Residential mortgages growth by cost



Source: BNM, MBSBR

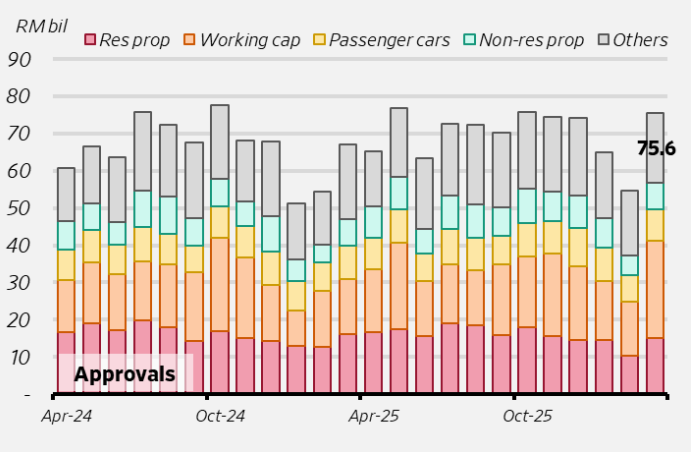
B. LEADING INDICATOR TRENDS

FIG 21: Monthly applications by type



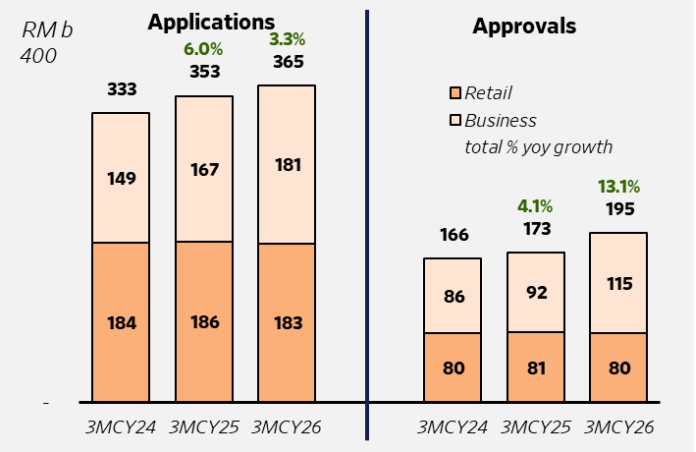
Source: BNM, MBSBR

FIG 22: Monthly approvals by type



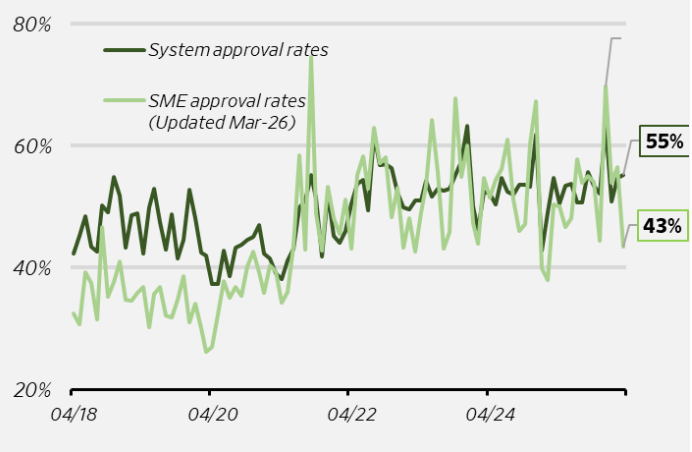
Source: BNM, MBSBR

FIG 23: Cumulative (CY) loan leading indicators



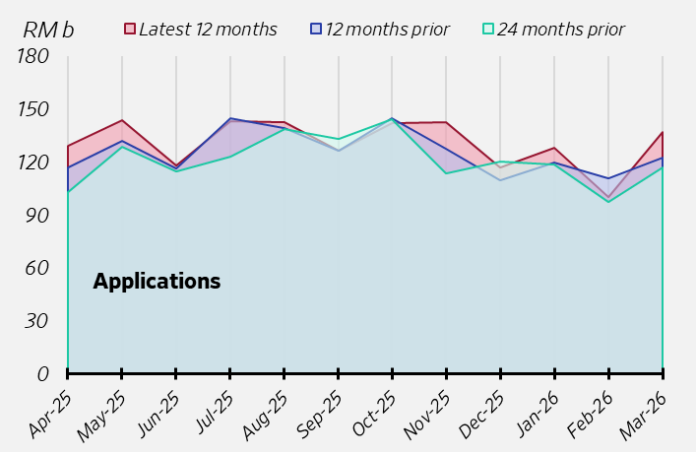
Source: BNM, MBSBR

FIG 24: System & SME approval rates



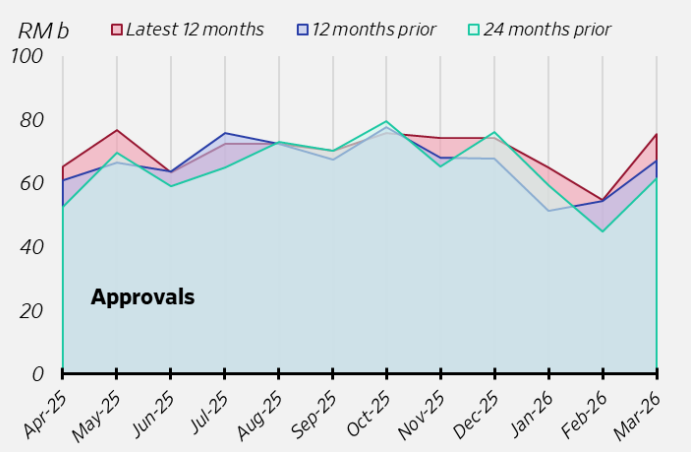
Source: BNM, MBSBR

FIG 25: Monthly loan application comparisons (yoy)



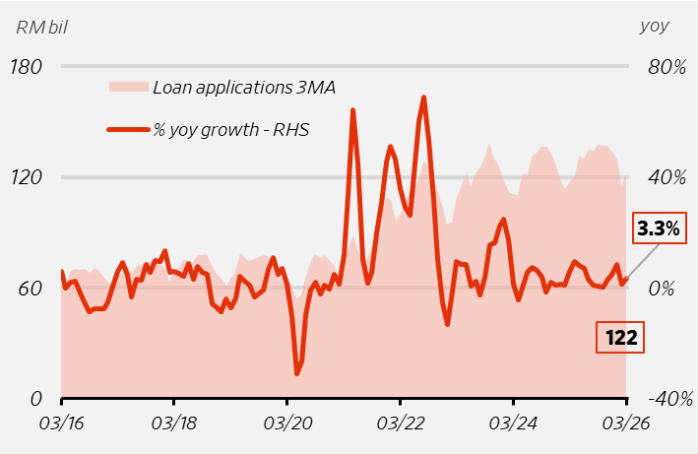
Source: BNM, MBSBR

FIG 26: Monthly loan approval comparisons (yoy)



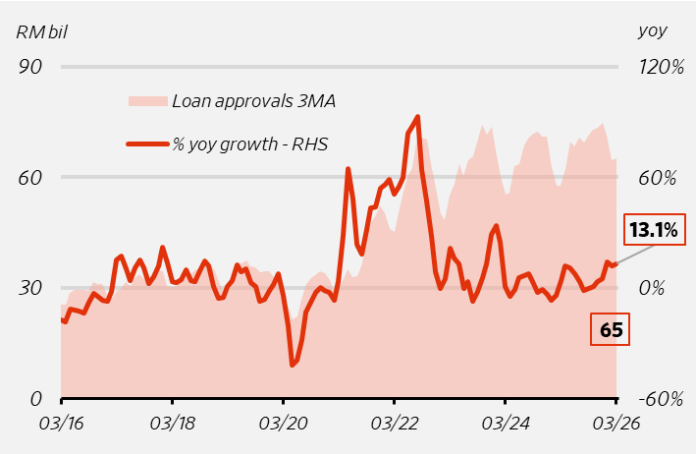
Source: BNM, MBSBR

FIG 27: Loan applications (3-mth average)



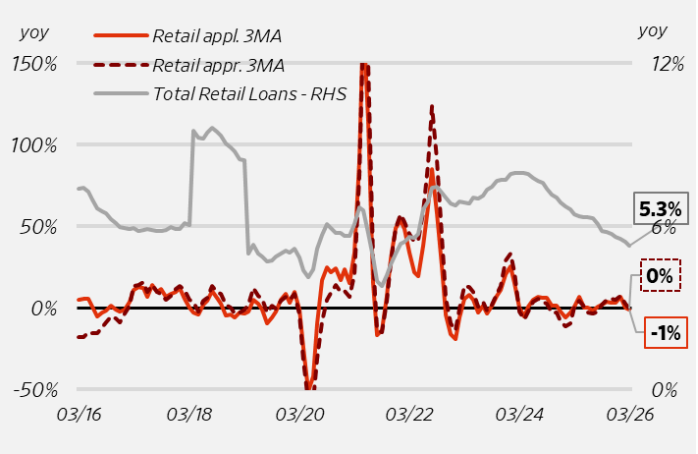
Source: BNM, MBSBR

FIG 28: Loan approvals (3-mth average)



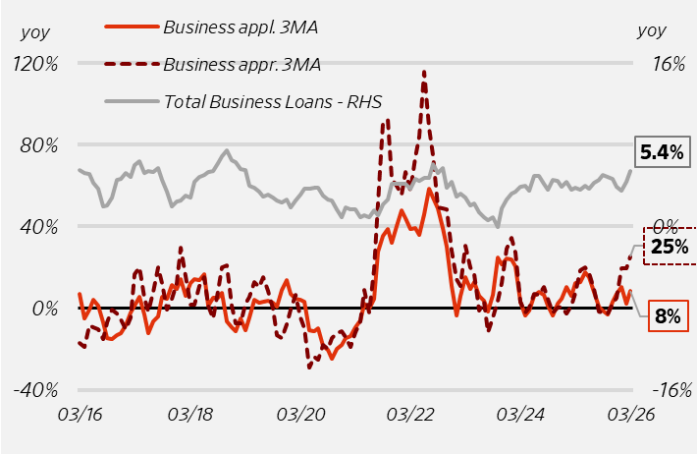
Source: BNM, MBSBR

FIG 29: Retail loan indicators



Source: BNM, MBSBR

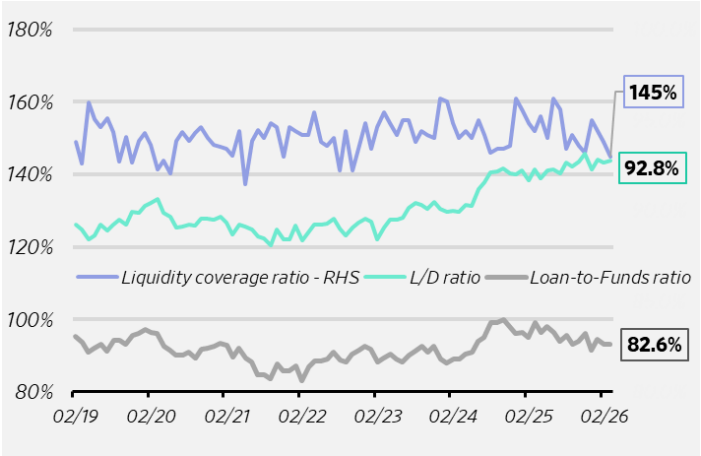
FIG 30: Business loan indicators



Source: BNM, MBSBR

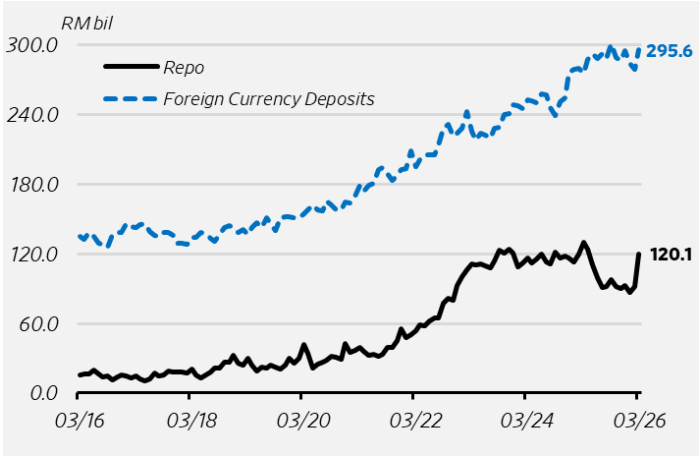
C. DEPOSITS & LIQUIDITY

FIG 31: LCR, LDR & LTF ratio



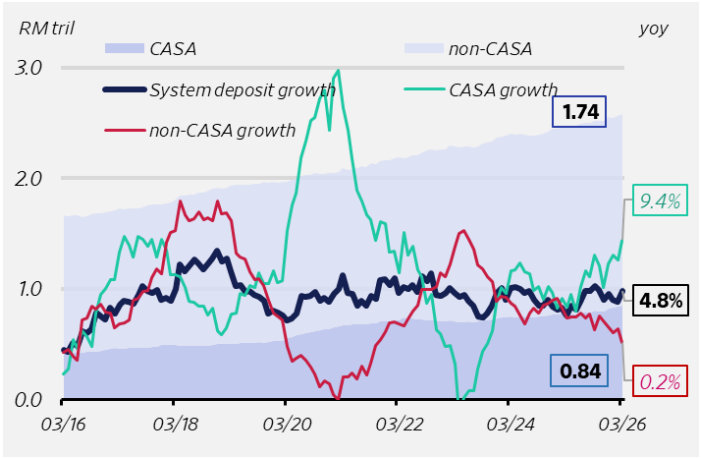
Source: BNM, MBSBR

FIG 32: System deposits, repos, foreign currency deposits



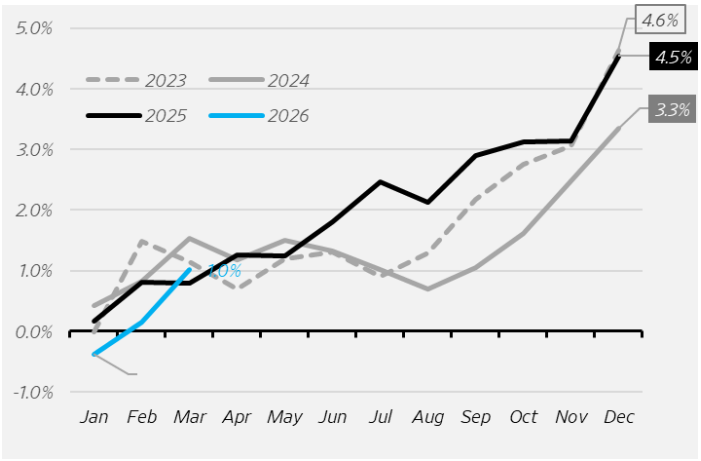
Source: BNM, MBSBR

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



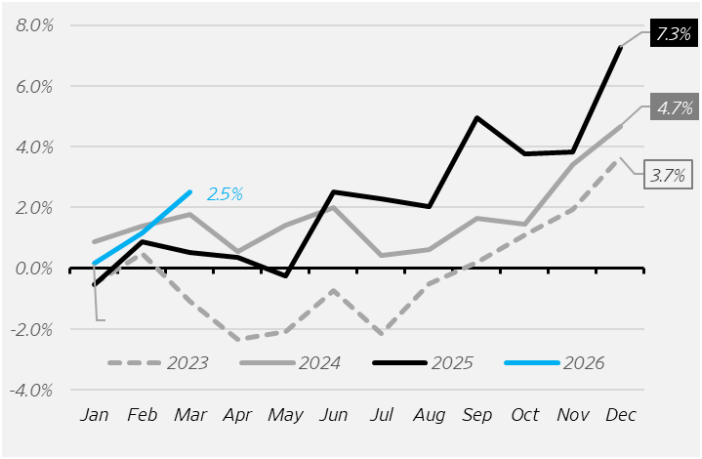
Source: BNM, MBSBR

FIG 34: YTD System deposit growth comparison



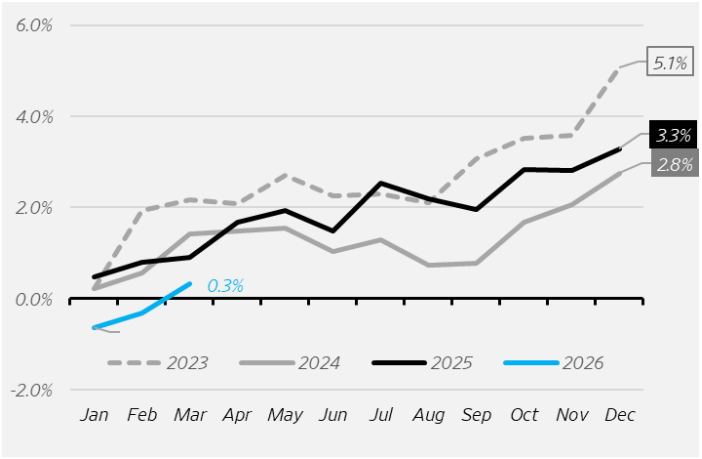
Source: BNM, MBSBR

FIG 35: YTD CASA growth comparison



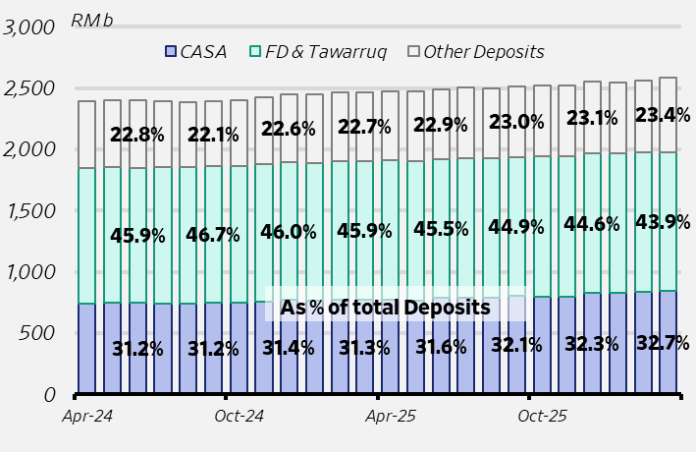
Source: BNM, MBSBR

FIG 36: YTD non-CASA growth comparison



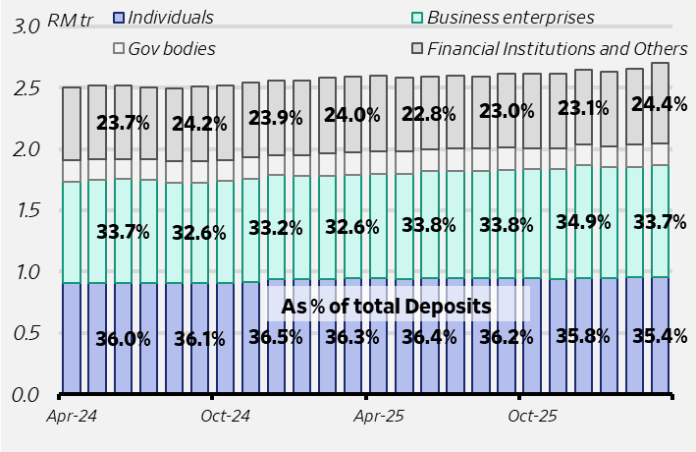
Source: BNM, MBSBR

FIG 37: Deposit breakdown by type



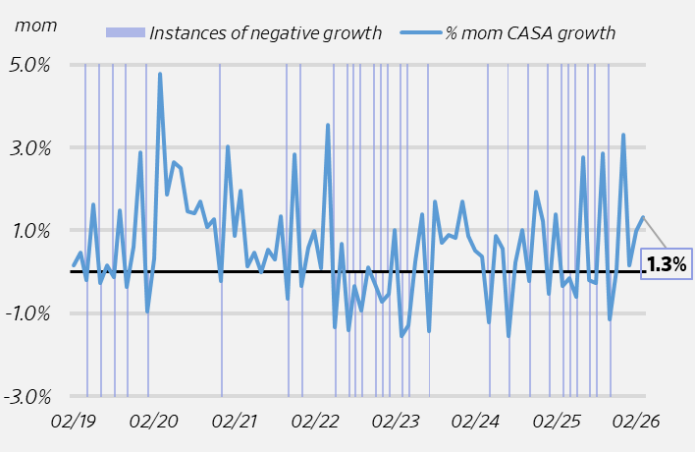
Source: BNM, MBSBR

FIG 38: Deposit breakdown by depositor



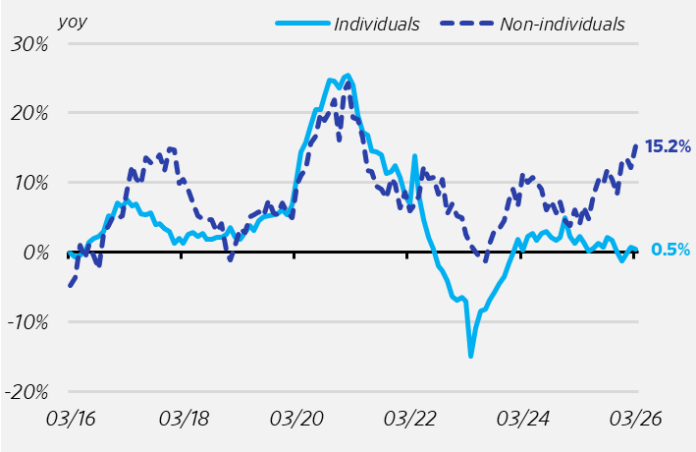
Source: BNM, MBSBR

FIG 39: mom CASA growth



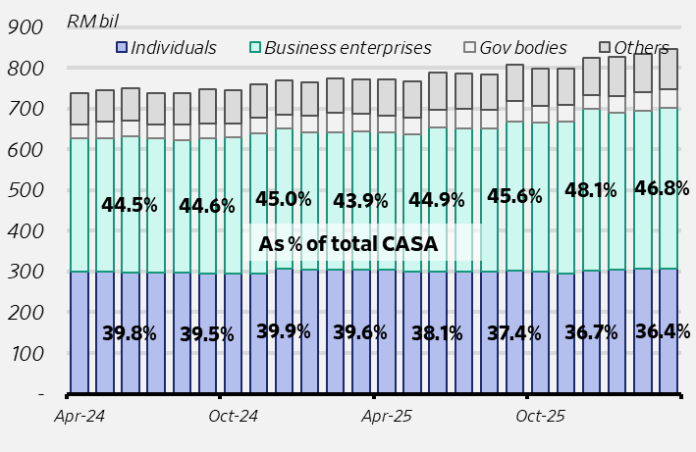
Source: BNM, MBSBR

FIG 40: yoy CASA growth by depositor



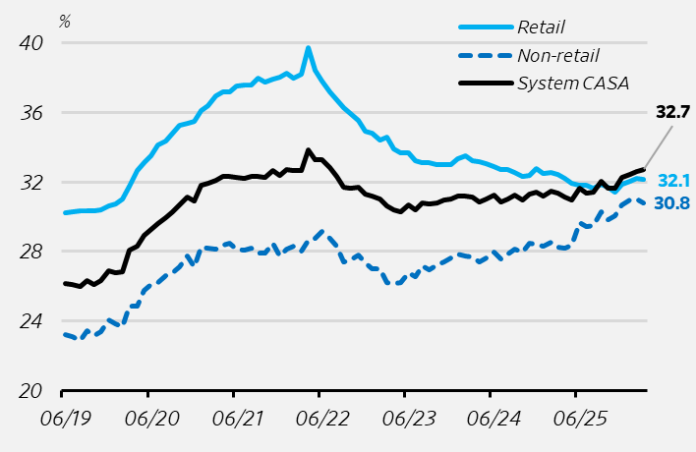
Source: BNM, MBSBR

FIG 41: CASA breakdown by depositor



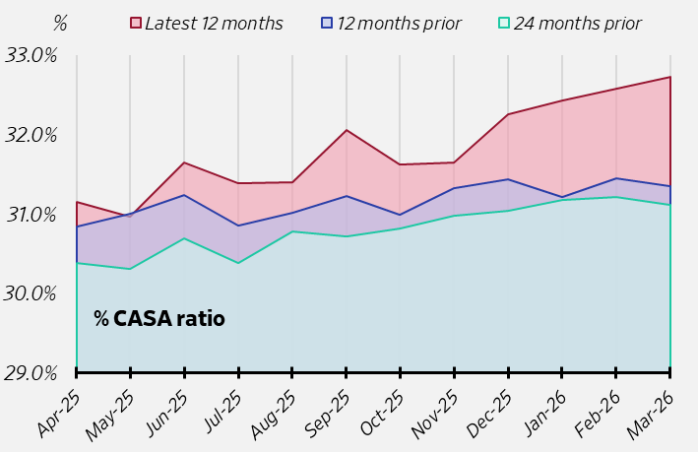
Source: BNM, MBSBR

FIG 42: CASA ratio by depositor



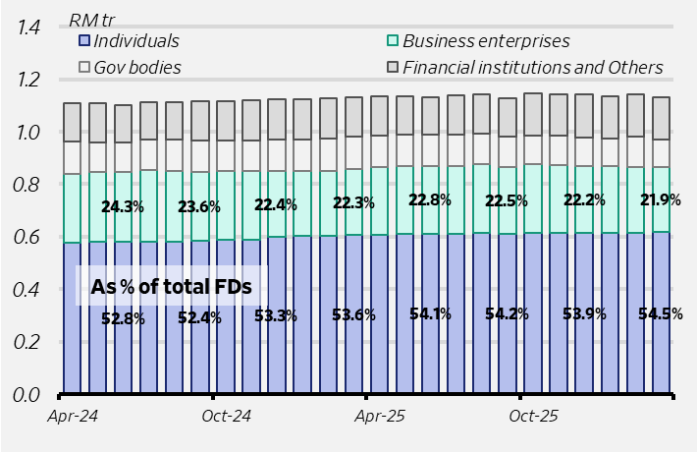
Source: BNM, MBSBR

FIG 43: Monthly CASA ratio comparisons (yoy)



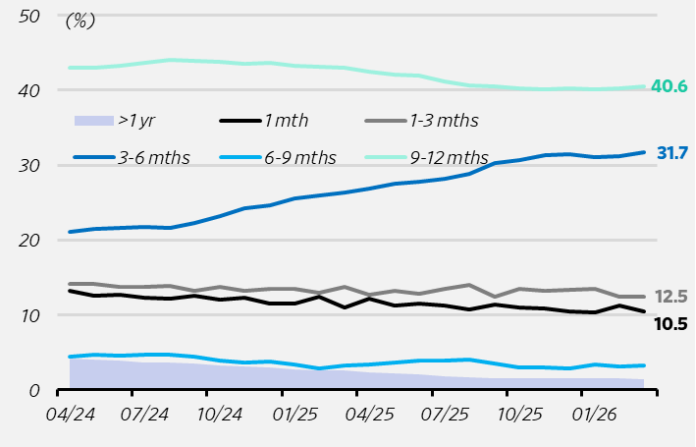
Source: BNM, MBSBR

FIG 44: FD breakdown by depositor



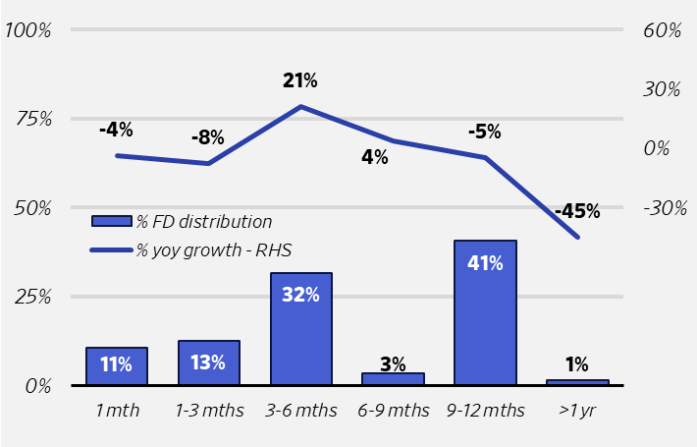
Source: BNM, MBSBR

FIG 45: % of FDs by maturity bracket



Source: BNM, MBSBR

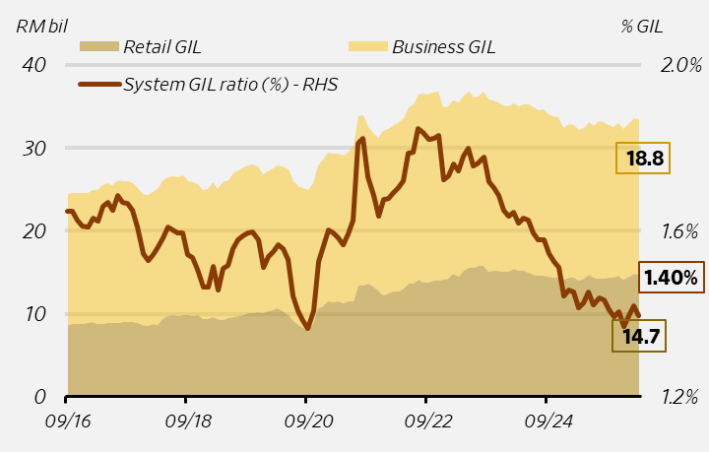
FIG 46: FD by maturity brackets and yoy growth



Source: BNM, MBSBR

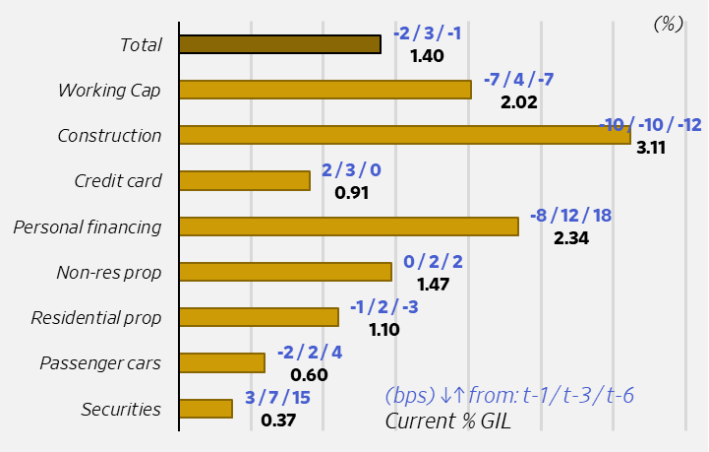
D. ASSET QUALITY & PROVISIONING

FIG 47: System gross impaired loans



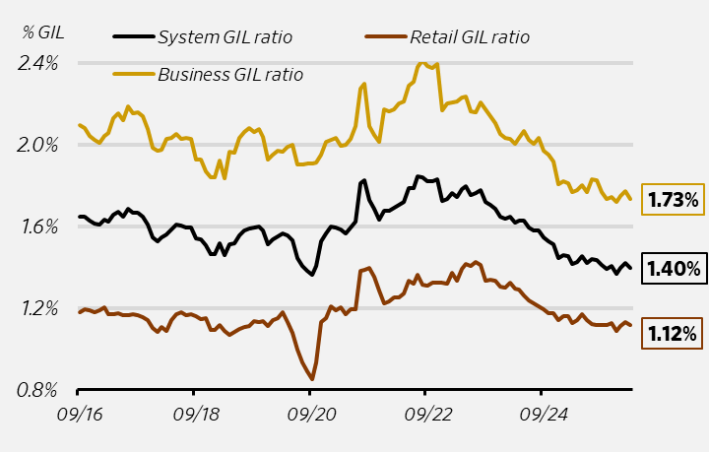
Source: BNM, MBSBR

FIG 48: Segmental GIL ratio changes



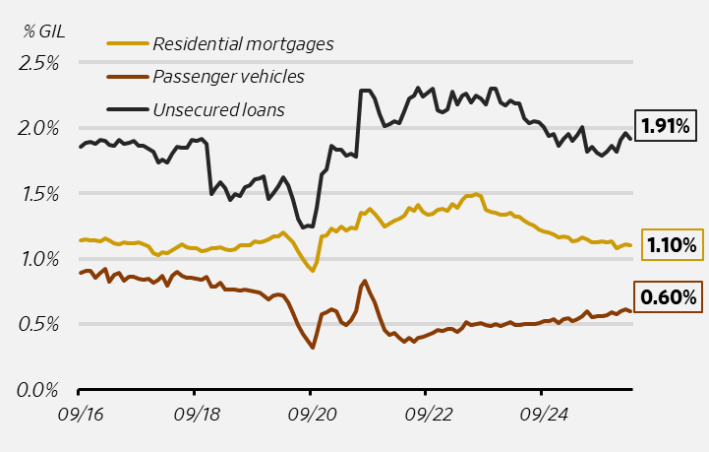
Source: BNM, MBSBR

FIG 49: System, Retail, Business GIL ratios



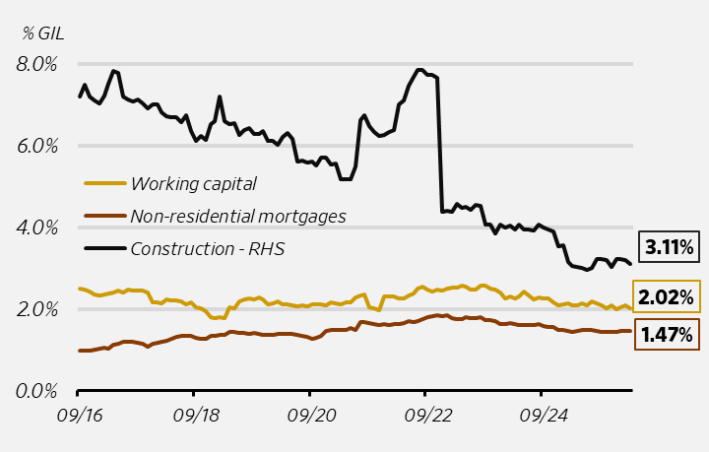
Source: BNM, MBSBR

FIG 50: Retail GIL ratios



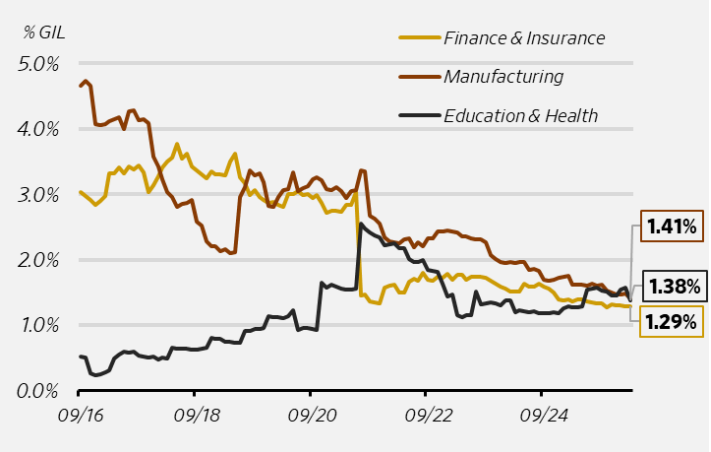
Source: BNM, MBSBR

FIG 51: Business GIL ratios



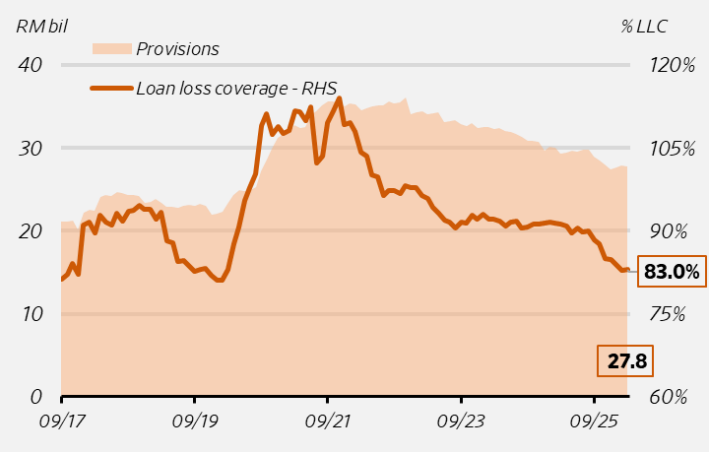
Source: BNM, MBSBR

FIG 52: GIL ratios of other sectors



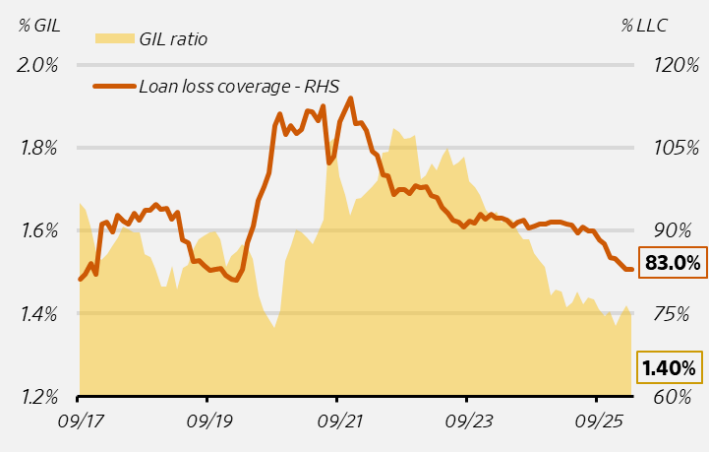
Source: BNM, MBSBR

FIG 53: Provisions & loan loss coverage



Source: BNM, MBSBR

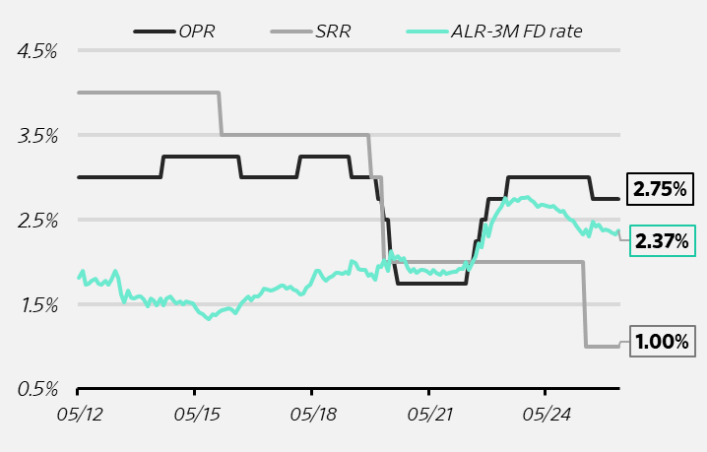
FIG 54: LLC & GIL ratio



Source: BNM, MBSBR

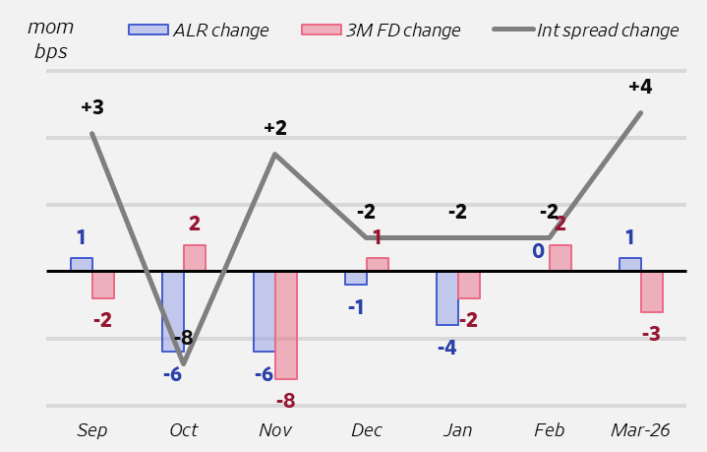
E. INTEREST SPREAD AND CAPITAL

FIG 55: Interest spread, OPR, SRR



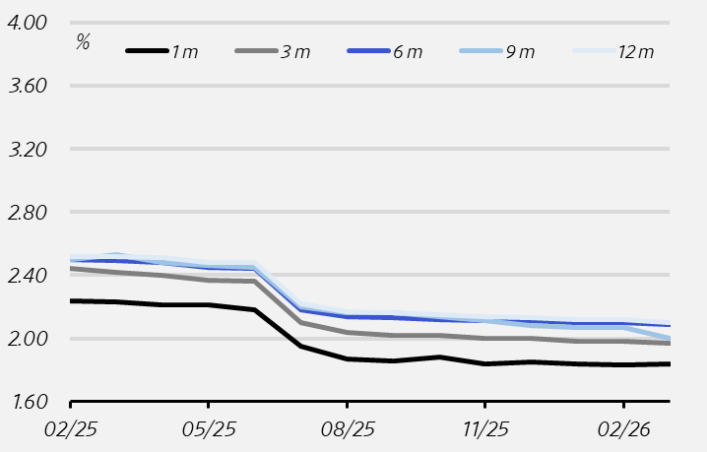
Source: BNM, MBSBR

FIG 56: mom Changes in interest spreads



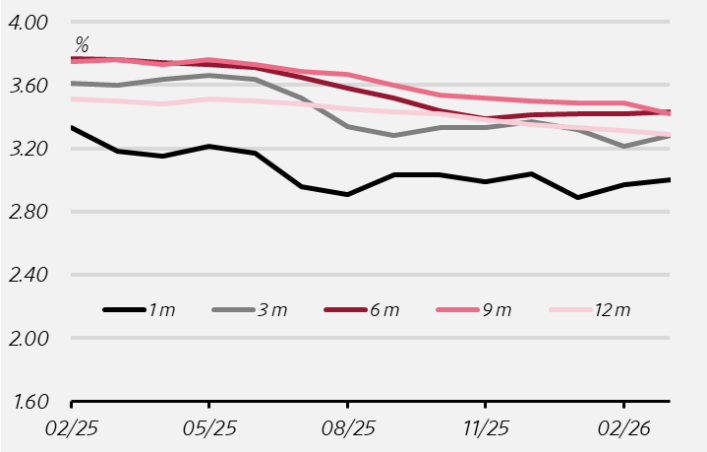
Source: BNM, MBSBR

FIG 57: Weighted avg Conv. FD rates by bracket



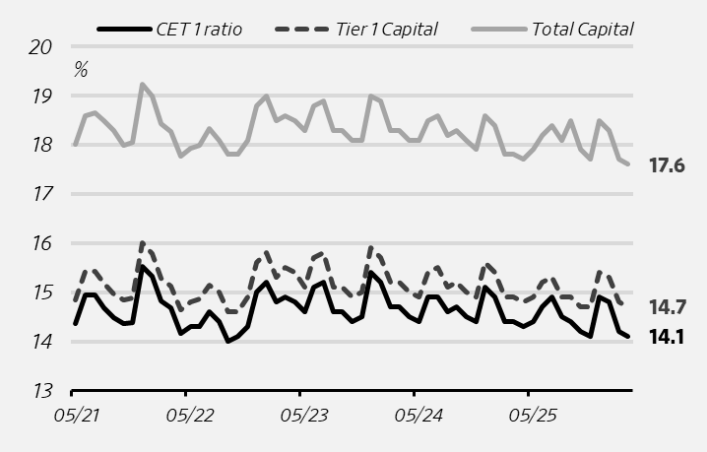
Source: BNM, MBSBR

FIG 58: Weighted avg Isl. FD rates by bracket



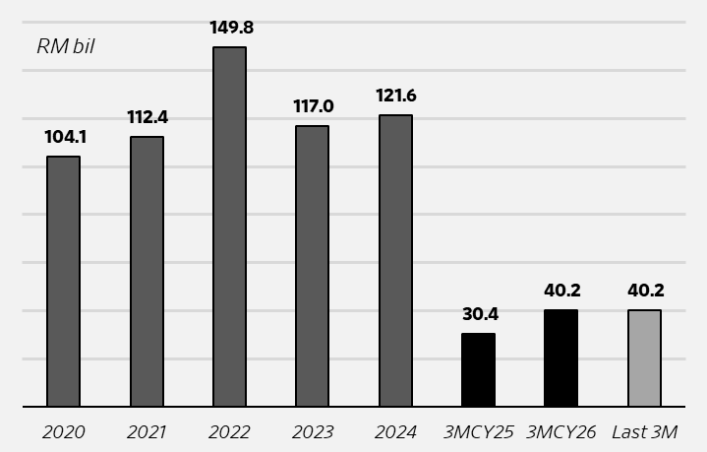
Source: BNM, MBSBR

FIG 59: Capital ratios



Source: BNM, MBSBR

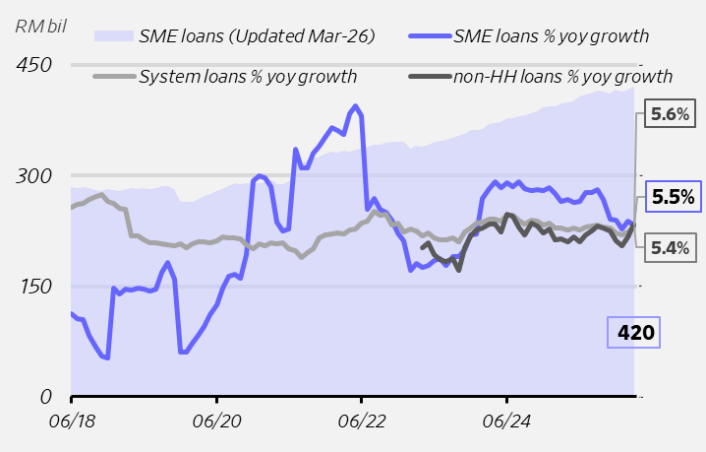
FIG 60: Bond/Sukuk issuances



Source: BNM, MBSBR

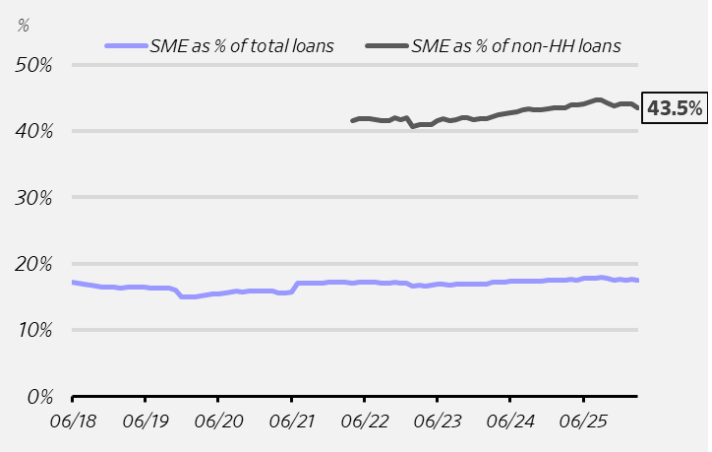
F. SME DATA

FIG 61: SME loans



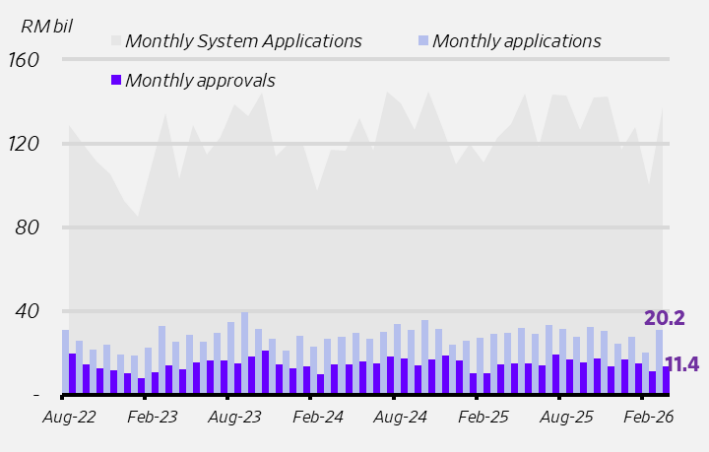
Source: BNM, MBSBR

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



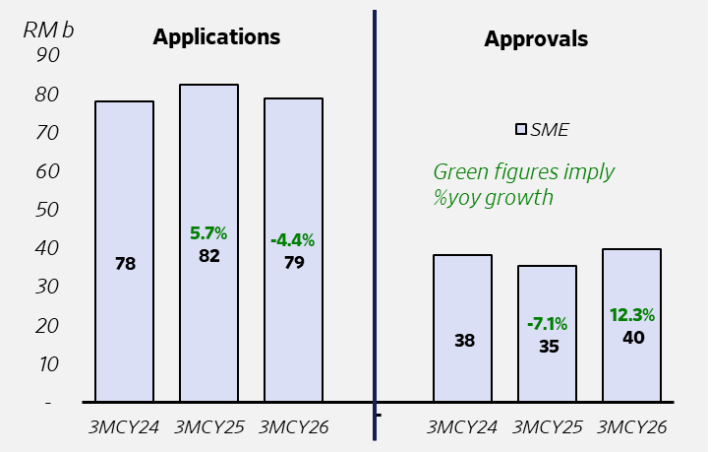
Source: BNM, MBSBR

FIG 63: SME Monthly leading indicators



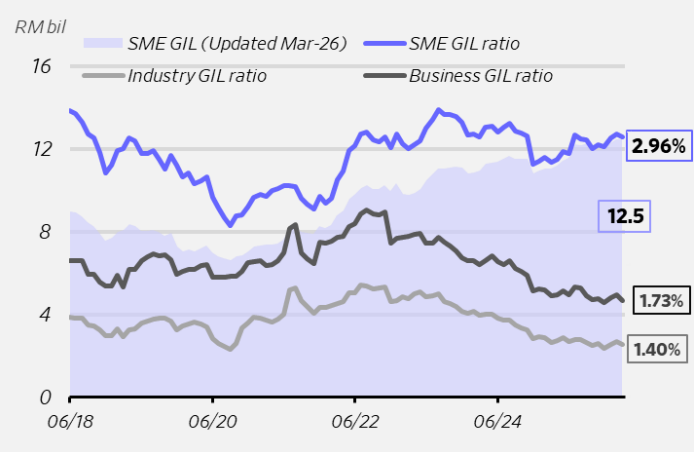
Source: BNM, MBSBR

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
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
Dec-25	2.36	4.8	0.4	5.6	0.4	55.1	3.9	0.3	44.9
Jan-26	2.36	4.6	0.2	5.5	0.6	55.3	3.5	-0.2	44.7
Feb-26	2.37	4.9	0.4	5.4	0.2	55.2	4.3	0.5	44.8
Mar-26	**2.40**	**5.4**	**1.0**	**5.3**	**0.3**	**54.8**	**5.4**	**2.0**	**45.2**

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
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
Dec-25	5.9	6.9	2.5	2.0	6.4	6.6	3.4
Jan-26	5.8	7.0	2.6	0.8	6.2	7.0	4.2
Feb-26	5.7	6.8	2.5	1.6	6.9	6.9	6.3
Mar-26	**5.6**	**6.4**	**2.4**	**3.2**	**6.8**	**6.8**	**7.3**

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
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
Dec-25	0.4	0.6	2.5	0.5	0.2	0.9	1.6
Jan-26	0.5	0.9	7.1	-1.0	0.5	0.6	0.7
Feb-26	0.3	0.1	2.4	0.6	0.9	-0.3	1.9
Mar-26	**0.3**	**0.4**	**0.1**	**2.6**	**0.6**	**1.0**	**0.4**

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)
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
Dec-25	133.8	5.1	-2.2	74.8	5.1	1.7
Jan-26	129.1	8.4	-3.5	71.2	14.1	-4.8
Feb-26	114.9	1.3	-11.0	64.6	11.8	-9.2
Mar-26	**121.6**	**3.3**	**5.8**	**65.1**	**13.1**	**0.8**

Source: BNM, MBSBR

FIG 70: Loan approval rates

Date	System loans (%)	Retail loans (%)	Business loans (%)	SME loans (%)
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
Dec-25	63.4	45.3	86.8	69.7
Jan-26	50.9	43.1	59.8	54.0
Feb-26	54.8	44.7	64.7	56.5
Mar-26	**55.1**	**43.9**	**65.5**	**43.4**

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
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
Dec-25	5	12	-11	2	2	9	23
Jan-26	8	15	-7	-1	6	12	38
Feb-26	-0	9	-7	5	3	-28	8
Mar-26	**-2**	**2**	**-2**	**8**	**-0**	**-1**	**16**

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
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
Dec-25	4	9	-0	-2	10	-17	8
Jan-26	6	11	4	24	11	-15	47
Feb-26	-1	7	7	27	8	-1	29
Mar-26	**-5**	**-1**	**13**	**45**	**12**	**-12**	**17**

Source: BNM, MBSBR

FIG 73: System deposits

Date	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
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
Dec-25	2,649	3.4	1.4	92.3
Jan-26	2,633	2.8	-0.6	92.8
Feb-26	2,651	2.6	0.7	92.6
Mar-26	**2,702**	**4.2**	**1.9**	**92.8**

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 (%)
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
Dec-25	824	7.3	3.3	32.3	1,141	1.6	-0.2	44.6
Jan-26	826	8.0	0.2	32.4	1,137	1.1	-0.4	44.7
Feb-26	834	7.6	1.0	32.6	1,143	1.4	0.5	44.7
Mar-26	**845**	**9.4**	**1.3**	**32.7**	**1,133**	**0.2**	**-0.9**	**43.9**

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 (%)
Apr-24	2,162	0.7	1.63	32.4	91.8
May-24	2,168	0.1	1.63	32.0	90.8
Jun-24	2,185	-1.2	1.59	31.9	91.5
Jul-24	2,188	-0.8	1.58	31.7	91.8
Aug-24	2,195	0.3	1.58	31.4	90.5
Sep-24	2,204	-1.8	1.54	30.9	90.8
Oct-24	2,218	-0.6	1.53	30.9	91.2
Nov-24	2,232	-0.4	1.51	30.8	91.2
Dec-24	2,249	-3.8	1.44	29.7	91.4
Jan-25	2,257	1.4	1.46	30.1	91.6
Feb-25	2,259	-0.3	1.45	30.0	91.4
Mar-25	**2,273**	**-1.9**	1.42	**29.4**	**91.2**
Apr-25	2,272	0.7	1.43	29.5	91.0
May-25	2,282	2.3	1.45	29.7	89.6
Jun-25	2,297	-1.4	1.42	29.6	90.5
Jul-25	2,306	1.5	1.44	29.8	89.9
Aug-25	2,313	-0.1	1.43	29.8	90.0
Sep-25	2,325	-1.1	1.41	29.0	88.3
Oct-25	2,337	-0.7	1.39	28.5	87.6
Nov-25	2,349	1.3	1.40	28.1	85.1
Dec-25	2,358	-2.1	1.37	27.4	84.8
Jan-26	2,363	2.1	1.40	27.7	83.9
Feb-26	2,371	2.0	1.42	27.9	82.9
Mar-26	**2,395**	**-0.6**	1.40	**27.8**	**83.0**

Source: BNM, MBSBR

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

Date	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
Dec-25	4.59	2.22	2.37
Jan-26	4.55	2.20	2.35
Feb-26	4.55	2.22	2.33
Mar-26	**4.56**	**2.19**	**2.37**

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 (%)
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
Dec-25	416	6.0	1.1	17.6	2.89
Jan-26	414	5.1	-0.4	17.5	2.96
Feb-26	417	5.9	0.6	17.6	2.99
Mar-26	**420**	**5.5**	**0.9**	**17.6**	**2.96**

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)
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
Dec-25	29.1	0.6	0.9	16.0	-7.6	3.9
Jan-26	27.5	0.9	0.6	15.2	0.0	-5.3
Feb-26	24.1	0.1	-0.3	14.4	17.2	-4.7
Mar-26	**26.2**	**0.4**	**1.0**	**13.2**	**12.3**	**-8.3**

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