Banking

1QCY26 Wrap: Still Strong

POSITIVE (Maintain)

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HIGHLIGHTS

- **Earnings summary: Overall, a decent quarter, though there were clear sources of downside pressure. The core driver was NIM expansion and solid cost control, but this was offset by weaker NOII (largely due to normalised non-fee income) and some cases of higher provisions.**
- **Balance Sheet summary: We saw strong loan growth, while cheap liquidity remains abundant. Currency fluctuations caused some distortion. Asset quality saw some uptick in certain instances but was mostly attributable to seasonal effects.**
- **Management's latest guidance: Some worries about asset quality/provisioning and possible loan growth slowdown, but nowhere as concerning as once feared. Topline remains the core driver moving forward. Expect negative revisions to targets.**
- **Dividend outlook: Very bright, particularly among the larger-to-mid-sized banks. Smaller banks are undergoing rapid business expansion, which should tighten capital available for disposal.**
- **Maintain POSITIVE call: There may be short-term headwinds, but overall fundamentals should remain largely intact.**

Sector Verdict

We like the sector's dividend yields, abundant liquidity, and topline prospects. Reduced industry valuations present a buying opportunity, as the recent share price correction is overly severe. Headwinds include slowing loan growth, asset quality/provisioning issues, and moderate deposit competition – though most banks do not think these issues will escalate to anything overly concerning. The ongoing Middle East war adds a layer of uncertainty.

Core Themes

1. ▲ **Core beneficiary of emerging market inflows.** Our robust economic outlook, excellent dividend yields, superior asset quality, and high capitalisation levels give our banks a more defensive nature, making us an attractive pick.
2. ▲ **Dividend outlook remains extremely bright.** Capital ratios remain elevated, and the Basel transition is capital accretive in most cases. A weaker loan growth outlook could imply more capital to release. Several banks have already announced special dividends.
3. ▲ **Fairly optimistic on NIMs, though room for further optimisation is limited.** Some banks are positive on NIM, premised on further FD release. Several banks also see limited room for further optimisation, with the return of deposit competition bringing some downside risk. On the asset side, expect more aggressive loan rebalancing, favouring higher-yielding business loans.
4. ▲ **Expect fee income to drive topline in the near term, though non-fee income could see some normalisation.** Wealth management, bancassurance, and debt capital markets are major drivers. Forex volatility aside, the stabilisation of interest rates should result in some moderation in investment income – hence expect normalisation from CY25's strong result.
5. ▲ **Liquidity situation is still great.** 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 overly lofty, we doubt that most banks will have any crippling liquidity shortages.
6. ► **Rising cost pressures may pressure OPEX.** While we expect further tech efficiencies to come online, some banks are still investing heavily in tech and business expansion. Expect sharp OPEX growth among rapidly expanding smaller banks (and MAY).
7. ► **Neutral on loan growth.** Due to rising cost pressures and tighter underwriting standards, several banks have guided for weaker loan growth this year. Regardless, banking stats imply a strong comeback in recent months – hopefully this momentum persists for now. Also, currency fluctuations may crimp loan growth of banks with international exposure.
8. ► **Possible asset quality issues ahead – but banks remain calm.** Rising cost pressures are affecting the population, but so far only a few banks have sounded alarm bells. Most think it will be a moderate problem at most. Do note that sector-wide NCC will likely be higher this year, especially since sector LLC has declined.

COMPANY *IN FOCUS*

HL Bank

Maintain BUY | Target Price: RM30.50
Price @ 3 June 2026: RM20.96

- 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.

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CIMB

Maintain BUY | Target Price: RM9.29
Price @ 3 June 2026: RM7.20

- Dividend yields remain high, bolstered by special dividends. We could even see frontloading in FY26.
- Optimistic on NIM, with NIM compression bottoming out in various geographies.
- Thai segment restructuring should finish by end-FY26, and we should see ROE expansion.

SHARE PRICE CHART



FIG 1: Call, Target Price and Earnings Changes

Banks	Call	Target Price (RM)	Roll Valuations?	Forecasts		Earnings Revision*			Adjustment Justification and Key Variances vs Estimates
				Ours	Street	FY26	FY27	FY28	
MAY	Buy ▲ ~~Neutral~~	12.01 ▼ ~~12.29~~	Y	In-line 23%	In-line 22%	-2%	-2%	-2%	Cut to reflect lower loan growth and higher provisioning.
CIMB	Buy	9.29 ▼ ~~9.71~~		In-line 25%	In-line 24%	-0.1%	-0.4%	-0.7%	Cut to account for slightly lower loan growth.
PBK	Neutral	4.96 ▼ ~~5.05~~	Y	In-line 24%	In-line 23%	-2%	-2%	-2%	Cut for weaker NIM expectations and slightly higher provisions.
RHB	Buy	9.17 ▲ ~~9.11~~	Y	In-line 26%	In-line 25%				
HLBK	Buy	30.50		In-line 73%	In-line 72%				
AMMB	Buy	7.63 ▲ ~~7.57~~		In-line 104%	In-line 100%		+0.8%	+0.5%	New FY27 targets. Earnings increased to factor in lower NCC, in line with management guidance.
BIMB	Neutral	2.30 ▼ ~~2.32~~	Y	Below 19%	Below 19%	-6%	-7%	-7%	NOII result was weaker than expected, as with loan provisions. Earnings cut to reflect higher NCC and lower NOII.
AFFIN	Neutral	2.39		In-line 24%	In-line 23%				
ABMB	Buy	5.92 ▼ ~~6.08~~		In-line 99%	In-line 100%		+3%	+6%	New FY27 targets. Earnings increased to account for better NII, NOI and provisioning levels – loan growth expectations are cut.

Source: Banks, MBSBR

FIG 2: Summary of Fundamental Performance

	MAY	CIMB	PBK	RHB	HLBK	AMMB	BIMB	AFFIN	ABMB
1. Forward Guidance	▼	▲	▼	▲	▲	▶	▲	▼	▶
▲▶▼ Mixed	Banks have differing views on the developing situation. Most banks are optimistic about improving NOII, though the NIM situation is split down the middle. Some are clearly more concerned about asset quality/provisioning spike and loan growth slowdown than others. Do expect several negative revisions to guidance in the coming quarter.								
2. Earnings performance	▼	▶	▶	▶	▶	▶	▼	▶	▶
▶ Moderate mostly	By no means an outstanding quarter. While there was some uplift from NIM expansion, tepid NOII performance and slightly higher provisions limited upside possibility.								
3. NIM movements	▲	▼	▶	▲	▶	▶	▲	▲	▼
▲ Mostly +ve	Most banks saw NIM expansion from upward FD repricing, though some banks saw further success in CASA-accumulating and other liability optimisation initiatives. Most banks complain of deposit competition brewing on a local front, though this is minor relative to the level of competition seen in CY25.								
4. Non-II performance	▼	▶	▶	▶	▶	▶	▼	▶	▼
▶ Moderate mostly	Non-fee income normalisation and adverse forex movements were the main drivers of the tepid contributions, as interest rates stabilise. In some cases, banks reported weak fee income (due to lumpy balances). Regardless, most banks are confident of improvement in subsequent quarters.								
5. OPEX (yoy)	▲	▲	▲	▲	▲	▲	▼	▼	▼
▲ Mostly well contained	Most banks continued to manage cost inflation very well, though rising cost pressures may add pressure in future quarters. In contrast, small banks continued to report high OPEX growth to fuel their rapid business expansion.								

	MAY	CIMB	PBK	RHB	HLBK	AMMB	BIMB	AFFIN	ABMB
6. Loan growth (qoq)	▼	►	▲	▲	▲	▲	▲	▲	▲
▲ Positive	Most banks saw solid sequential quarter growth. Currency fluctuations negatively distorted the growth figures of banks with large international exposure – despite them having a strong pipeline.								
7. Liquidity & Deposits	▲	►	▲	▲	▲	►	►	▼	▼
▲►▼ Mixed	Domestic CASA growth was still strong overall, though smaller banks had it harder on this front. Non-deposit funding remains extremely popular, and most banks are boasting very strong LCR. Most banks remain unbothered about any liquidity concerns and maintain that cheap liquidity is still abundant.								
8. Asset Quality movements	▼	▲	►	▼	►	▲	▼	▼	▲
▼ Some worsening	Most banks saw some degree of GIL uptick, but they mostly attribute it to seasonal impact. Expect further deterioration in subsequent quarters – especially in the SME and retail categories.								
9. Provisioning levels	►	►	►	►	►	▲	►	▼	▲
► Slightly skewed to the higher end	A decent month for provisions, though slightly skewed towards the higher end – apart from AFFIN, we didn't see too many overly large provisions. Expect to see some top-ups next quarter, especially since industry LLCs are rather low.								

Source: Banks, MBSBR

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 or deposit competition flare-ups 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 **CIMB (BUY, TP: RM9.29).**

PEER COMPARISON

Bank	Call	Share P	Target P	Upside	Mkt Cap	FY Basis	P/B	ROE	LTG	COE	P/E (x)		P/B (x)		ROE (%)		Div Yield (%)	
	^Top Pick	(RM)	(RM)	(%)	(RM b)		(x)	(%)	(%)	(%)	FY26	FY27	FY26	FY27	FY26	FY27	FY26	FY27
MAY	BUY	10.42	12.01	15.3	126.0	FY27F	1.44	10.9	3.0	8.5	12.2	11.7	1.30	1.25	10.9	10.9	5.9	6.2
CIMB	^BUY	7.20	9.29	29.0	77.0	FY27F	1.33	10.9	4.0	9.2	9.9	9.6	1.06	1.03	10.8	10.9	6.5	6.7
PBK	NEUTRAL	4.74	4.96	4.6	91.5	FY27F	1.50	12.1	3.5	9.2	12.9	12.1	1.48	1.43	11.7	12.1	5.8	6.2
RHB	BUY	8.40	9.17	9.2	36.9	FY27F	1.08	9.4	4.0	9.0	11.0	10.8	1.03	0.99	9.6	9.4	5.5	5.5
HLBK	^BUY	20.96	30.50	45.5	43.0	FY27F	1.42	11.1	4.0	9.0	9.6	9.0	1.03	0.98	11.1	11.1	4.9	5.2
AMMB	BUY	6.44	7.63	18.5	21.3	FY27F	1.12	9.5	4.0	8.9	10.1	9.9	0.95	0.91	9.5	9.3	5.4	5.5
BIMB	NEUTRAL	2.14	2.30	7.5	4.8	FY27F	0.64	6.9	4.0	8.5	9.1	8.8	0.62	0.59	6.6	6.9	6.5	6.7
AFFIN	NEUTRAL	2.38	2.39	0.3	6.1	FY27F	0.47	4.8	3.0	6.8	11.0	10.0	0.49	0.47	4.5	4.8	3.7	4.0
ABMB	BUY	4.65	5.92	27.3	8.0	FY27F	1.09	9.8	5.0	9.4	9.0	8.6	0.86	0.80	9.8	9.6	4.6	4.8
Total Weighted avg											11.3	10.8	1.20	1.15	10.7	10.8	5.8	6.0
Large-Cap	MAY, CIMB, PBK										11.8	11.2	1.29	1.25	11.1	11.3	6.0	6.3
Mid-Cap	RHB, HLBK, AMMB										10.2	9.9	1.01	0.97	10.2	10.1	5.2	5.4
Small-Cap	BIMB, AFFIN, ABMB										9.7	9.1	0.68	0.64	7.3	7.4	4.8	5.0

**Closing prices from 03 Jun 2026.*
**AMMB and ABMB use FY27F/28F values.* ***HL Bank & HL FG uses FY23F/24F values.*

Source: Banks, MBSBR

FIG 3: Sector Picks

Our Call	BANK	Catalysts, concerns, and other notes
BUY	MAY	1. ▲ Dividend yields remain one of the industry's best, backed up by sizeable capital reserves. 2. ► Management believes it can keep NIMs stable, though there is a rising threat from rising FD rates, particularly in MY. Room for further asset/liability management exists. 3. ► Fee income is a core component of ROAR30's success. Main drivers are wealth management and Islamic finance – their outlook is bright. However, expect non-fee income normalisation in FY26 to drag down overall NOII, as opposed to FY25's windfall. 4. ► Expect moderate loan growth figures, with a deeper focus on the SME segment. Management seems particularly confident about an Indonesian turnaround, while SG and MY outlooks are similarly positive. 5. ► Asset quality seems benign for now, as the Group continues to undergo a "soft rerisking", but that's an issue for the future. FY26's NCC should come higher than last year's, especially since LLC has declined. 6. ▼ Negative on OPEX outlook, with higher ROAR30 tech spend inbound. This is the main downside to earnings growth in the next couple of years.
TOP BUY	CIMB	1. ▲ Dividend yields remain high, bolstered by special dividends. Management is happy with the current 55% level and will supplement this with special dividends to clear out excess capital. We might see a front-loading of special dividends if loan growth and other capital deployment opportunities are lacking. 2. ▲ Fairly optimistic on NIM prospects, with NIM compression bottoming out in various geographies. Going forward, the main downside possibility is NIAGA: Despite the hefty rate hike, asset yields and FD rates don't translate as cleanly as in other regions. 3. ▲ Has shown convincing NOII expansion thus far, with their cross-selling capability slowly netting growth. MY has the most potential so far. 4. ▲ Superb cost control seen so far, with further, small-scale cost takeouts expected. There will be additional restructuring costs from the THAI turnaround, but this comes with its own set of cost takeouts. 5. ▲ Thai segment restructuring should finish by end-FY26, and we should see ROE expansion eventually. 6. ► Tepid, mid-single-digit level loan growth expected, though this is due to currency fluctuations rather than pipeline weakness. Asset growth (which factors in bond market funding) prospects are stronger, hence most growth should come in the form of NOII instead.
NEUTRAL	PBK	1. ▲ Dividend payout is at a healthy 60%, bolstered by a RM3.5b special dividend programme over 3 years. LPI's share disposal adds further upside, though this has been delayed once again. 2. ▲ PBK is gunning for double-digit fee income growth, driven mainly by bancassurance and unit trust income segments. An improvement in market conditions bodes well for unit trust sales, and enhanced cross-sell capabilities via LPI are well overdue. 3. ▲ Asset quality outlook remains stellar. A lower overlay balance implies less room for writebacks, so the provisioning outlook may not be as strong as last year's – but still pretty good regardless. 4. ► Ongoing loan portfolio optimisation limits loan growth. The priority is SME loans over lower-yielding retail loans, whose rates have become too competitive for PBK to handle. 5. ▼ NIM concerns: one of the least optimistic banks. Pressure stems largely from competitive loan yields, though deposit competition remains another pressing issue. One of the few banks that saw NIM compression in 1QCY2. Expect this trend to persist in subsequent quarters. 6. ▼ Share price overhang from the Teh Family's plan to sell its stake persists.
BUY	RHB	1. ▲ Dividend yields are high, with potential upside during stronger-performing years. This is coupled with very high capitalisation rates. 2. ▲ NIM outlook is very bright, driven by ongoing CASA accumulation measures and a recovery in higher-yielding loan segments. Initiatives include further FD repricing, MySiswa programmes, RHB pay introduction, and multi-currency accounts. 3. ▲ Fee income should see stronger growth, bolstered by bancassurance fees and wealth management. Bancassurance onboarding fees (from the recent Tokiomarine and STMB deal) are still coming in FY26. 4. ▲ Loan growth has seen marked improvement in recent quarters. While management retains its loan growth target of 5-6%, do expect some sluggishness in the next two quarters due to asset quality concerns. 5. ▼ Expect some irritation in GILs. Management warns of a possible overlay allocation, which could result in NCC ending up well above the FY26 NCC guidance of 14bps.

Our Call	BANK	Catalysts, concerns, and other notes
TOP BUY	HLBK	1. ▲ The Group's intention to further pare down its BOCD stake should further free the Group from persistent share price overhang. So far, HLBK has done an admirable job in improving the profitability of pre-BOCD profits. 2. ▲ Slow NIM recovery expected in subsequent quarters, but expansion is expected regardless. 3. ▲ Rapid fee income growth to persist, with "low-hanging fruit" still close, particularly from SG's wealth segment. However, there could be short-term weakness from bancassurance, which is restructuring. 4. ▲ Cost control is the best in the industry, with much room for further cost optimisation. Some uptick from higher marketing costs expected. Regardless, FY26 CIR target is maintained. 5. ▲ Loan growth is the highest among large-to-mid-sized banks – even comparable to smaller peers. 6. ▲ Asset quality and provisioning remain among the industry's best. However, there are some early signs of stress in the business book. 7. ► Decent dividend yields with an intent to raise further, but upside potential is limited in the near-term (unless a further BOCD stake sale occurs). 8. ► Possible uncertainty on BOCD's earnings outlook.
BUY	AMMB	1. ▲ Healthy dividend yields are backed by one of the industry's highest CET 1 ratios. This provides a bit of upside for further increase. 2. ▲ Improvements in market performance should benefit fee income significantly, given the Group's heavy focus on asset management. 3. ▲ NIMs should remain stable for now, after multiple quarters of sharp improvement. There is limited room for further short-term optimisation, apart from some alternative funding methods. 4. ► Cost discipline is very strict, which provides tremendous certainty to earnings. Its CIR is among the lowest in the industry. Regardless, mounting cost pressure in FY27 could pose an issue – especially after years of keeping cost inflation contained. 5. ► Loan growth remains moderate, but at least they've made good progress in restructuring the RSME portfolio – which previously limited growth. The focus this time is the retail portfolio, while tapering down its commercial book (for fear of asset quality issues). 6. ► AMMB is a bit less optimistic about asset quality than its peers. We should see further GIL ratio uptick. Regardless, the Group expects a lower NCC this year than FY26's figure.
NEUTRAL	BIMB	1. ▲ Excellent dividend yields, but no further upside to the 60% payout figure despite Basel uplift. This is due to the risky macroeconomic environment and tight capital situation. 2. ▲ After a painful FY25, further NIM expansion is expected, but it remains to be seen whether it can normalise back to its former higher levels. A higher-yielding loan mix should help. 3. ▲ Poised to gain loan market share, even if high loan growth targets are not fully achieved. Will be gunning for a more non-retail-heavy mix. 4. ► Expect to see some weakness on the NOII front, due to normalisation in both fee and non-fee income. On the fee income side, last year's results were buoyed by a huge one-off bancatakaful sign-on deal – this year sees no repeat. Regardless, management believes that 1QFY26's NOII result was unnaturally weak and that subsequent quarters should see improvement. 5. ► While asset quality is very healthy, provisioning remains high given its loan mix and possible economic headwinds. So far, not overly worried about any negative future developments. 6. ▼ High cost inflation should persist, given BIMB's rapid expansion and future transformation plans. CIR should remain among the highest in the industry, even with kitchen-sinking plans.

Our Call	BANK	Catalysts, concerns, and other notes
NEUTRAL	AFFIN	1. ▲ AFFIN is now committed to maintaining a 40-60% dividend policy, which offers more dividend certainty. We think a payout closer to the lower bound is likely, due to its aggressive loan growth stance. 2. ▲ As IB puts in the work, AFFIN has significant fee income growth potential, particularly with PHEIM. However, this needs some time to be set up (FY27), and we expect revenue to remain volatile for now. 3. ▲ Extremely high loan growth expected, but project delays, tighter underwriting standards, and liquidity constraints provide downside pressure on the Group's lofty 10% target. Historically, AFFIN is successful in achieving this target. 4. ► AFFIN is optimistic about NIM prospects, but we think it has peaked this quarter. COF is expected to overtake asset yields. While ongoing CASA plans have been successful, deposit competition is ramping up. Additionally, its lofty loan growth target could put heavy strain on its already stretched L/D ratio. 5. ► Cost control needs more work, with its CIR the industry's highest. Expect a return to higher OPEX growth figures in FY26, instead of FY25's well-controlled growth. 6. ▼ The war is affecting asset quality, particularly of business loans. This will worsen. Expect elevated provisioning to continue in subsequent quarters, especially since LLC is low.
TOP BUY	ABMB	1. ▲ Loan growth remains very high, though slowing from previous years. Aside from capital concerns, ABMB acknowledges its toll on liquidity. Regardless, the aggressive market share capture will persist. 2. ▲ Fee income performance is picking up, largely driven by rapid wealth management growth. With fewer glaring loan targets ahead, the Group can shift its efforts to fee income optimisation. 3. ▲ We could see a continuation of the lower tax rate in FY27, as overprovision writeback continues. 4. ▲ As we approach the tail end of ACCELER8, expect lower cost pressure as the brunt of costs are frontloaded in the beginning stages of the multi-year plan. Having already moved headquarters, expect a lower establishment cost toll in FY27. 5. ► After years of derisking and stricter underwriting standards, asset quality thus far has been well managed, with minimal fear for the coming quarters. The Group is highly buffered as its LLC is among the highest in the industry, leaving limited space for negative provisioning surprises. 6. ▼ NIM to further compress – the Group's rapid loan growth forces a need for pricier short-term funding (FDs), as CASA growth has been stagnant as of late. CASA growth is only expected to be acquired via cross-selling after the large loan base is acquired. 7. ▼ Dividends to remain at the lower end of guidance, though we should see capital strain ease off. RWA should start slowing its pace of growth as earnings come flooding in from prior loans.

A. OUTLOOK AND GUIDANCE

FIG 4: Upcoming Targets

	P/L Statement			Balance Sheet			Asset Quality	
Bank	ROE	NIM	Cost /Inc. ratio	Loan growth	CASA ratio	Div payout	GIL ratio	NCC (bps)
MAY	>11.8	2.05 - 2.10 (from 2.05)	<49	4 - 5 (CC)		~72		20
CIMB	11.0 - 11.5	2.08 - 2.18 (from 2.13)	<47	Asset: 5 - 7 (CC) Loans (Unofficial): Mid-single-digit		55 + Special div		25 - 35
PBK	12.0 - 13.0	~~Stable to~~ mid single-digit squeeze (from 2.15)		4 - 5		60 + Special div		Single digit
RHB	10.8 - 11.0	1.83 - 1.86 (from 1.80)	45.5 - 46.0	5 - 6	>30	50 - 60	1.35 - 1.40	13 - 14
HLBK	11.5 - 12.0	1.80 - 1.90 (from 1.90)	39	6 - 7	>32		<0.65	<10
AMMB	>10	Stable for now (from 1.98)		To match GDP				<21
FY26	>10	2 - 3 bps higher (from 1.94)	44	Mid-single-digit (to match GDP)		50		21 -25
BIMB	>7.0	~~>2.1~~ 2.07 - 2.10 (from 2.07)	64 - 65	~~8~~ 7 - 9		60	<1.1	28 - 33 ~~30~~
AFFIN	5.0 PBT: RM850m	1.55 (from 1.45)	67	10	31	40 - 60	1.80	~~13 (GCC)~~
ABMB	10.0 - 10.5	2.28 - 2.35 (from 2.34)	47.5 - 48.5	7.5 - 10.0 (includes assets)		40 - 50		27 - 32
FY26	10	2.34 - 2.37 (from 2.45)	48	8 - 10		40 - 50		30 - 33
MBSB	5 - 6	2.0 (from 1.95)	<53	7 - 8		80 - 90	4.0 - 5.0	40 - 50 ~~30 - 40~~

**Red tabs = Ambitious, Green tabs = Overly conservative, Red font = New guidance , ~~Strikethrough font = Redundant former guidance~~ .*

Source: Banks, MBSBR

FIG 5: Guidance and Talking Points

Banks	Mgmt's Tone	Guidance and Drivers
MAY	▼ Cautiously -ve	There is a high likelihood of ROE and loan growth targets being negatively revised. ROE is affected by a normalisation on the non-fee front, weaker loan growth, higher NCC and ROAR30 tech spend. Management will attempt to keep NIM stable, though there are both upside and downside possibilities: Further avenues for asset/liability improvement as well as returning deposit competition.
CIMB	▲ Optimistic	CIMB is upbeat on several things: NIM, NOII, cost takeouts, dividends, and an end to THAI restructuring. It even has multiple levers to achieve its FY26 ROE target, via frontloading its dividend payout and cost takeout timing. The main downside comes in the form of loan growth targets, though this is due to currency effects rather than a weak pipeline.
PBK	▼ Skewed to -ve	PBK has among the worst NIM guidance in the industry, with compression expected in further quarters. Loan yields will drive the decline, exacerbated by ongoing deposit competition – its CASA isn't growing the way it used to. Plus side: Asset quality outlook is among the industry's best.
RHB	▲ Cautiously +ve	RHB's topline prospects are very strong, with both NII and NOII having clearer drivers than most. At the same time, their asset quality situation is a bit more vulnerable than most, and the threat of a large overlay persists. Also, their loan growth will be slower in the next two quarters.
HLBK	▲ Optimistic	HLBK has seen a fair share of downside pressure due to slow NIM recovery, short-term weakness in NOII, and higher marketing spend. Lower BOCD contributions coupled with a more volatile China environment provide downside drag. Regardless, its trajectory is a lot more positive than other peers, with the plus side of virtually no asset quality issues.
AMMB	► Neutral	Optimistic on topline growth (both NII and NOII) but acknowledge that cost pressure could weigh down hard this year. Historically, they've also been more vulnerable to asset quality shocks than most peers – and their current LLC is very low.
BIMB	▲ Cautiously +ve	The Group is confident on further NIM expansion (or at least stabilisation) and decently strong loan growth. NOII may see normalisation after a bumper FY25. But our main gripe is with high cost pressure, which is already elevated due to high business expansion – which will only ramp up after BIMB announces its transformative multi-year plans.
AFFIN	▼ -ve	AFFIN's outlook is marked with uncertainty, relying too much on a wait-and-see approach to the war. Management does not project confidence, with the main concern being asset quality and provisioning issues. NIM compression due to COF issues is another concern. Expect several FY26 targets to be cut.
ABMB	► Neutral	ABMB's main concern is NIM compression, given the high liquidity requirements needed for its rapid loan growth. Otherwise, it seems confident on its NOII and loan growth prospects. Most importantly, it seems to be relatively unflustered about its asset quality and provisioning outlook – a good sign.

Source: Banks, MBSBR

B. DIVIDENDS, CAPITAL AND RISK-WEIGHTED ASSETS

FIG 6: Dividends

Bank	Quarterly Payout (sen)				This FY's payout ratio (%)		Dividend payout (%) - Forecasted					Div yield (%)		CET 1 ratio (%)	
	t-3	t-2	t-1	t	Cumulative	Guidance	FY23	FY24	FY25	FY26F	FY27F	FY26F	FY27F	Group	Bank
MAY	29.0	-	33.0	-		~72	77	73	72	72	72	5.9	6.2	15.0	13.8
CIMB	19.8	7.0	20.4	-		55 + Sp.	66	65	65	65	65	6.5	6.7	13.8	13.0
PBK	10.5	-	12.0	-		60 + Sp.	55	57	60	75	75	5.8	6.2	13.7	11.9
RHB	15.0	-	35.0	-		50 - 60	61	60	65	60	60	5.5	5.5	14.7	13.5
HLBK	68.0	-	30.0	-		-	31	33	42	47	47	4.9	5.2	12.4	12.5
AMMB	-	12.5	-	22.5	55	-	44	50	55	55	55	5.4	5.5	14.8	14.5
BIMB	-	10.0	4.5	-		60	69	60	59	60	60	6.5	6.7	13.6	13.2
AFFIN	-	-	8.5	-		40 - 60	33	-	40	40	40	3.7	4.0	12.5	12.2
ABMB	-	9.4	-	9.7	39	40 - 50	45	36	38	40	40	4.6	4.8	13.2	13.4
MBSB	2.0	-	1.2	-		80 - 90								17.9	
AVERAGE							53	48	55	57	57	5.4	5.6		

**For AMMB & ABMB, assume FY +1 values for dividend payout and yield*

Pink highlight = 4Q of the FY

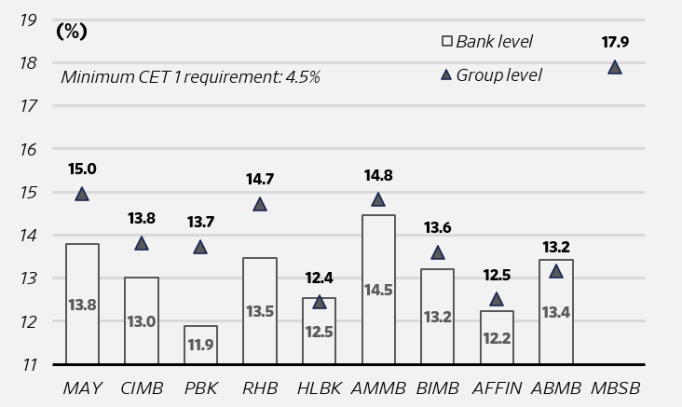
Source: Banks, MBSBR

FIG 7: Dividend Commentary

Banks	Basel Impact (bps)	Additional notes
MAY	**Neutral to slightly -ve (FY27)**	▲ Dividends will remain close to ~70% levels for now.
CIMB	**Mild uplift**	▲ Special dividend worth RM2.0b announced in FY25 (until FY27), separate from standard 55% payout. Management has no qualms frontloading some to achieve FY26 ROE targets.
PBK	**+100**	▲ Special dividend announced, separate from standard 60% payout. RM3.5b from Basel changes to be spread across FY26-FY28. Possibly some extra from LPI's PBK share disposal proceeds.
RHB	**+100 (FY28)**	▲ While the Group adheres to a standard payout of 60%, it will increase it slightly in years of better performance to get rid of excess capital.
HLBK	**+60**	▲ The Group intends to improve dividend payout to maintain competitive dividend yields. However, capital is a bit tight, and loan growth is rather strong.
AMMB	**Neutral/ +ve**	► Management did not commit to any specific dividend payout guidance.
BIMB	**+35-40**	► No upside expected to current 60% guidance – situation is not ideal, and capital is tight.
AFFIN	**+10-30 +200 (FY29)**	▲ In FY29, we could see a special dividend announced as AFFIN transitions to the IRB approach. This is estimated to release 200bps worth of capital.
ABMB	**+30-37**	► Expect dividend payout to remain at the lower end of 40-50% guidance. A raise back to the 50% level will only happen after the macroeconomic situation recovers.

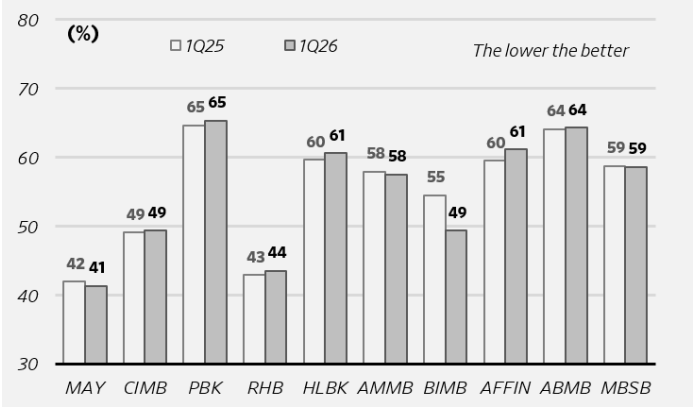
Source: Banks, MBSBR

Fig 8: Industry CET 1 ratios



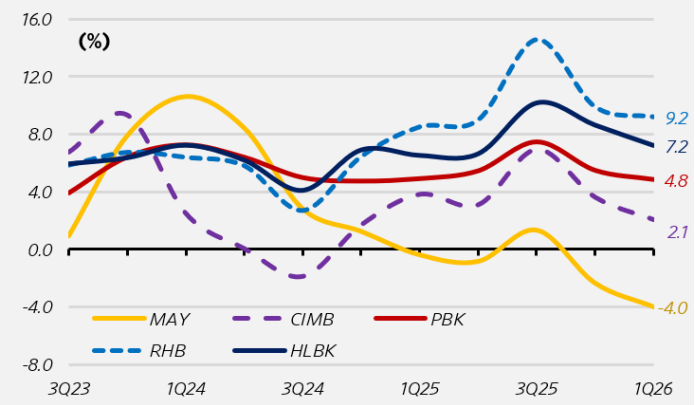
Source: Banks, MBSBR

Fig 9: RWA efficiency (RWA / Total Assets)



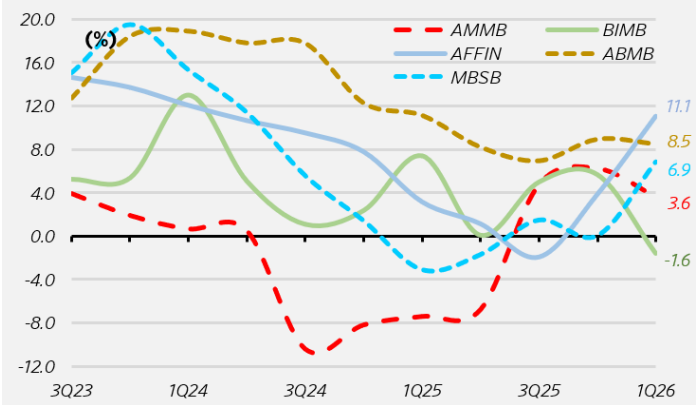
Source: Banks, MBSBR

Fig 10: yoy RWA growth: Big 5



Source: Banks, MBSBR

Fig 11: yoy RWA growth: Small 5



Source: Banks, MBSBR

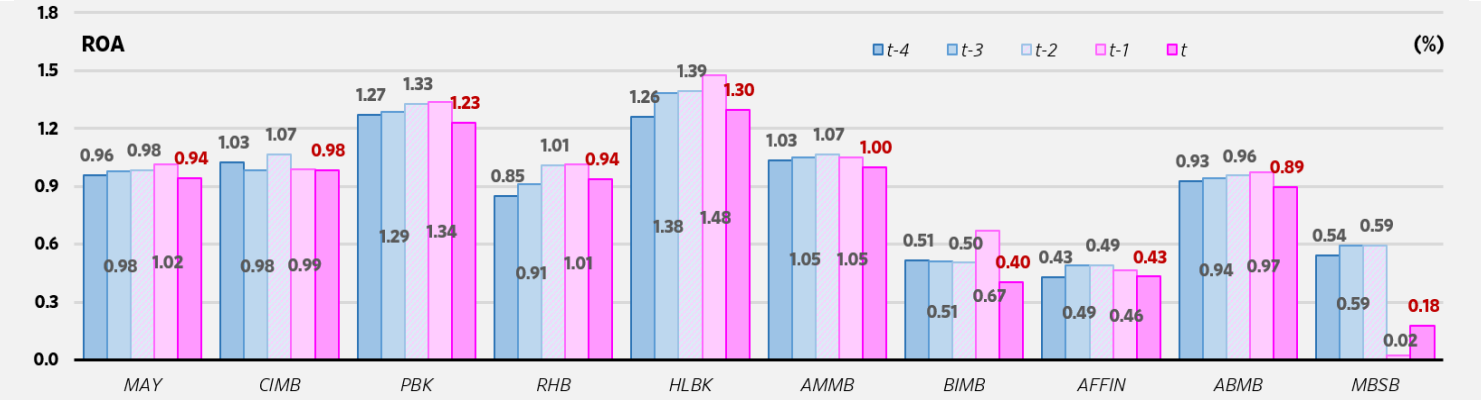
FIG 12: Industry CET 1 ratios (%)

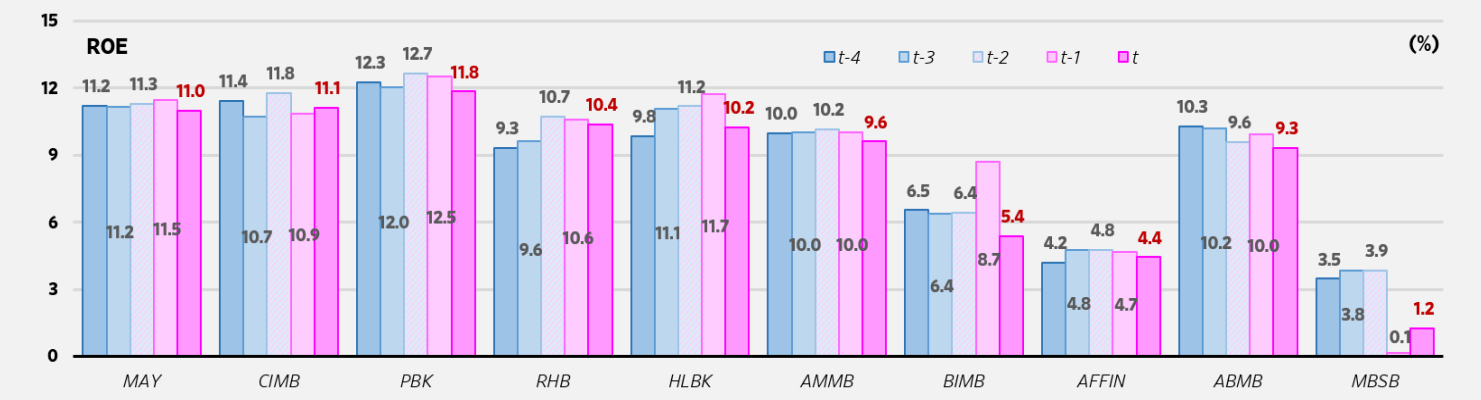
	MAY		CIMB		PBK		RHB		HLBK		AMMB		BIMB		AFFIN		ABMB		MBSB	
	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq
CET 1 ratio (%)																				
1Q22	14.9		14.5		14.3		16.8		12.7		12.2		14.0		13.7		14.6		20.7	
2Q22	15.0	+0.1	13.9	-0.6	14.1	-0.2	16.6	-0.2	13.4	+0.7	12.4	+0.2	13.8	-0.2	13.4	-0.3	14.5	-0.1	20.3	-0.4
3Q22	13.8	-1.1	13.9	-0.0	14.0	-0.1	16.4	-0.2	12.9	-0.5	12.2	-0.2	13.9	+0.1	16.3	+2.9	14.1	-0.4	20.5	+0.1
4Q22	15.7	+1.8	14.5	+0.7	14.6	+0.6	16.9	+0.5	13.0	+0.0	12.3	+0.1	13.6	-0.3	14.0	-2.3	14.2	+0.1	21.8	+1.4
1Q23	15.1	-0.6	13.9	-0.6	14.6	+0.1	16.9	+0.0	12.9	-0.1	12.5	+0.2	15.1	+1.5	14.6	+0.6	13.8	-0.4	19.5	-2.3
2Q23	15.2	+0.1	14.1	+0.2	14.6	-0.1	16.7	-0.2	12.8	-0.0	12.9	+0.4	13.9	-1.2	14.7	+0.1	13.3	-0.5	18.9	-0.6
3Q23	15.4	+0.2	13.9	-0.2	14.5	-0.1	16.2	-0.5	12.6	-0.2	12.7	-0.2	14.4	+0.4	13.8	-0.9	12.9	-0.4	18.1	-0.8
4Q23	16.2	+0.8	14.5	+0.6	14.7	+0.2	16.7	+0.5	12.9	+0.3	13.4	+0.7	14.1	-0.2	14.3	+0.5	12.8	-0.1	19.9	+1.8
1Q24	14.9	-1.3	14.5	+0.0	14.5	-0.2	16.5	-0.2	12.5	-0.4	13.0	-0.3	13.9	-0.2	13.4	-0.8	12.5	-0.3	19.5	-0.4
2Q24	15.5	+0.6	14.5	-0.0	14.5	+0.0	16.7	+0.2	13.3	+0.8	13.2	+0.2	13.7	-0.2	12.8	-0.6	12.2	-0.3	19.1	-0.4
3Q24	14.7	-0.7	14.5	-0.0	14.3	-0.2	16.6	-0.1	13.2	-0.2	15.3	+2.0	14.5	+0.7	13.3	+0.4	12.4	+0.2	20.0	+0.9
4Q24	15.8	+1.0	14.6	+0.2	14.3	-0.1	16.4	-0.2	13.0	-0.2	14.9	-0.4	13.8	-0.6	13.2	-0.1	12.4	+0.0	18.8	-1.2
1Q25	14.9	-0.9	14.2	-0.4	14.0	-0.2	16.0	-0.5	12.8	-0.2	12.9	-2.0	13.0	-0.8	13.5	+0.3	12.2	-0.2	19.4	+0.5
2Q25	15.5	+0.6	14.7	+0.5	14.0	-0.0	15.9	-0.1	13.2	+0.4	14.9	+2.0	13.9	+0.8	13.4	-0.2	12.4	+0.2	19.5	+0.1
3Q25	14.9	-0.5	14.3	-0.5	13.8	-0.2	15.2	-0.7	12.7	-0.5	15.2	+0.3	14.1	+0.2	13.5	+0.1	13.6	+1.2	19.2	-0.3
4Q25	16.0	+1.1	14.3	+0.1	13.9	+0.1	15.2	+0.0	12.6	-0.1	14.6	-0.7	13.6	-0.5	13.4	-0.1	13.1	-0.5	18.9	-0.2
1Q26	15.0	-1.1	13.8	-0.5	13.7	-0.2	14.7	-0.5	12.4	-0.2	14.8	+0.2	13.6	+0.0	12.5	-0.9	13.2	+0.1	17.9	-1.0

Source: Company, MBSBR

C. EARNINGS AND RETURNS

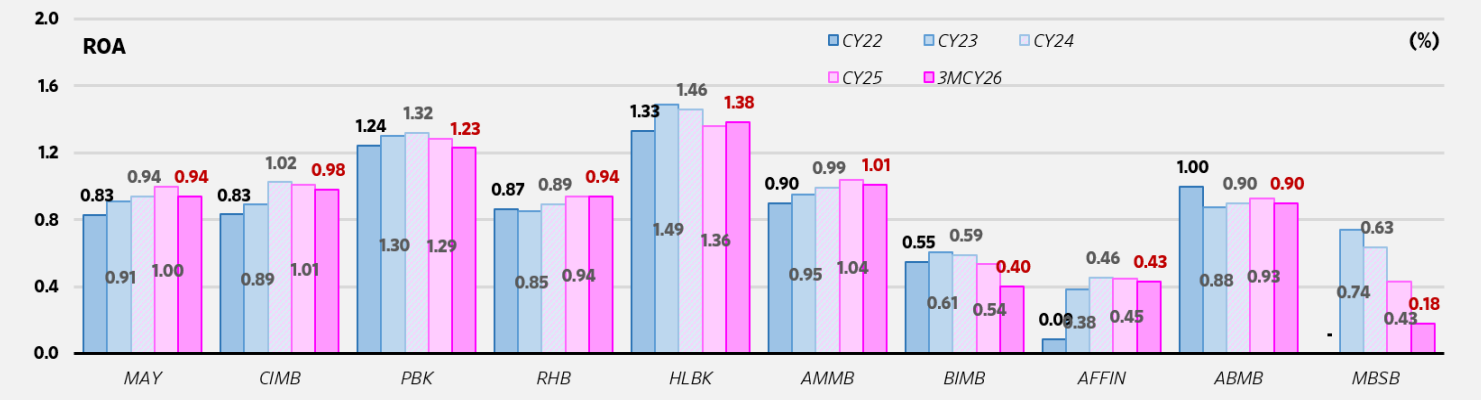
Fig 13: Quarterly ROAs + ROEs

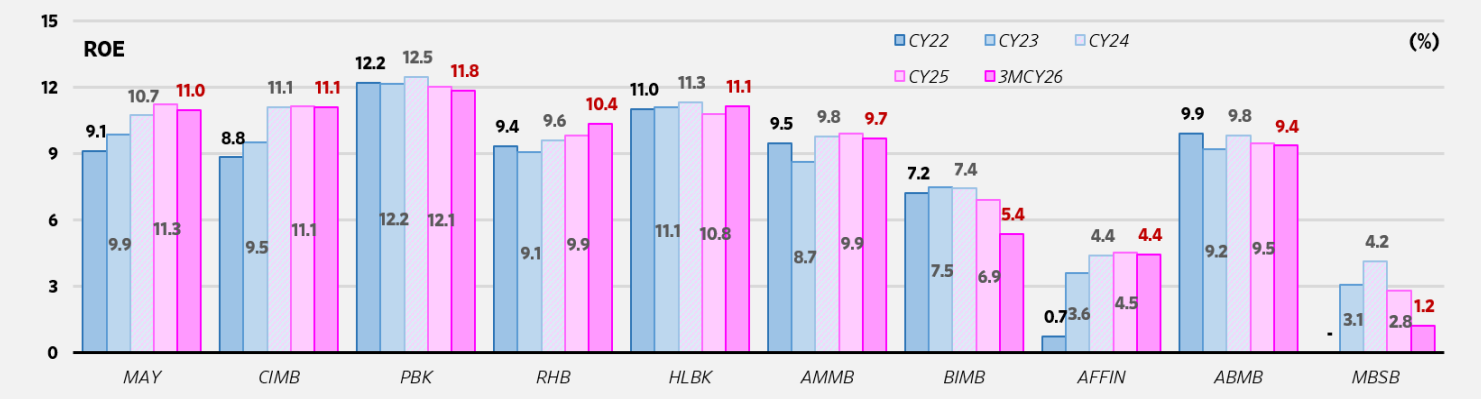




Source: Banks, MBSBR

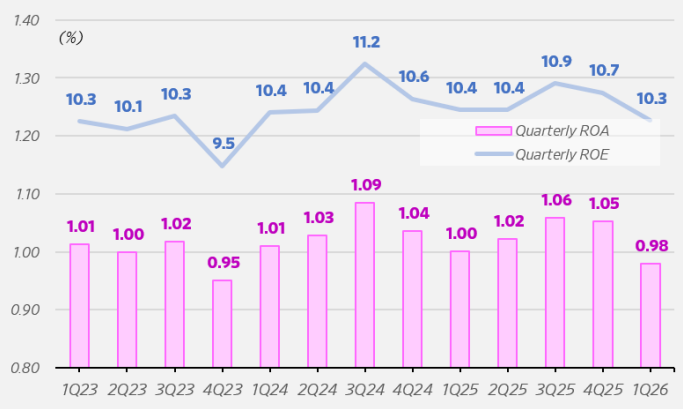
Fig 15: Yearly ROAs + ROEs (Annualised)





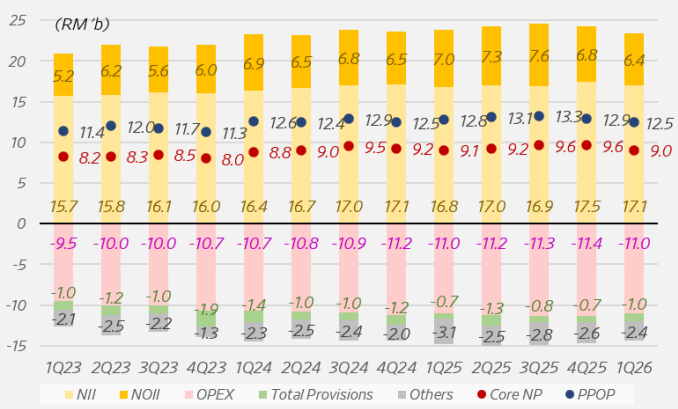
Source: Banks, MBSBR

Fig 16: Aggregated Sector ROEs and ROAs



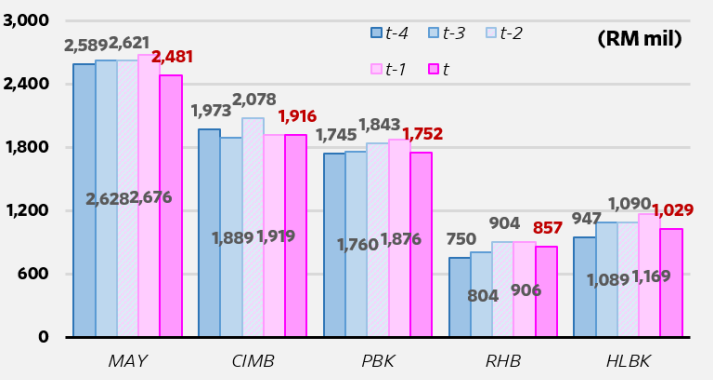
Source: Banks, MBSBR

Fig 17: Aggregated Sector Earnings Breakdown



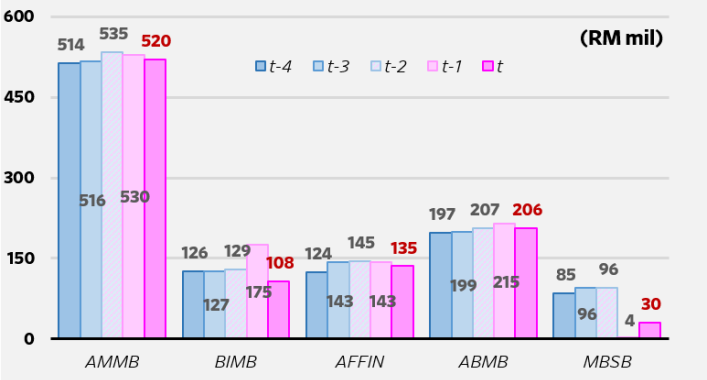
Source: Banks, MBSBR

Fig 18: Quarterly Core Net Profit: Big 5



Source: Banks, MBSBR

Fig 19: Quarterly Core Net Profit: Small 5



Source: Banks, MBSBR

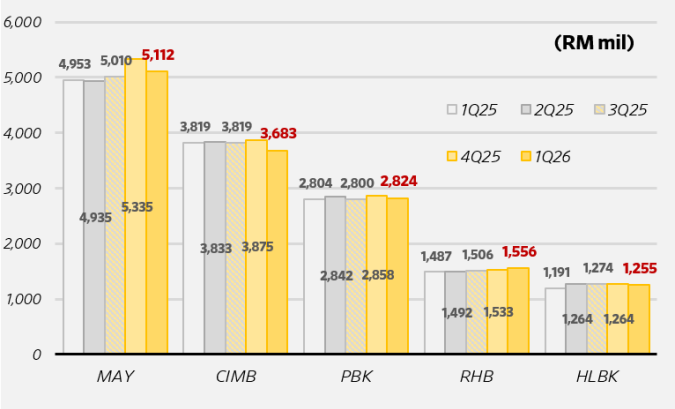
FIG 20: Calendarised Earnings Growth Rates

Bank	Topline			Pre-Provisioning Operating Profit			Pre-Tax Profit			Core Net Profit		
	Quarterly qoq	Quarterly yoy	Cumulative (CY) yoy	Quarterly qoq	Quarterly yoy	Cumulative (CY) yoy	Quarterly qoq	Quarterly yoy	Cumulative (CY) yoy	Quarterly qoq	Quarterly yoy	Cumulative (CY) yoy
MAY	-5.6	-7.9	-7.9	-7.9	-10.5	-10.5	-11.6	-8.4	-8.4	-7.3	-4.2	-4.2
CIMB	-0.2	-1.6	-1.6	5.2	-2.2	-2.2	-0.5	-2.9	-2.9	-0.2	-2.9	-2.9
PBK	-1.8	1.4	1.4	-2.6	0.6	0.6	-5.3	0.1	0.1	-6.6	0.4	0.4
RHB	-5.9	7.2	7.2	-1.8	9.6	9.6	-9.0	12.3	12.3	-5.5	14.2	14.2
HLBK	-5.2	2.1	2.1	-11.3	0.3	0.3	-10.6	-0.4	-0.4	-11.9	8.7	8.7
AMMB	2.3	2.9	2.9	2.9	3.2	3.2	-0.7	3.8	3.8	-1.8	1.1	1.1
BIMB	-8.4	-1.9	-1.9	-3.3	-16.9	-16.9	-33.0	-13.9	-13.9	-38.6	-14.9	-14.9
AFFIN	-7.7	20.3	20.3	-1.0	47.9	47.9	-22.6	1.5	1.5	-5.5	9.2	9.2
ABMB	-6.1	5.3	5.3	-14.2	4.9	4.9	-5.9	1.3	1.3	-4.3	4.3	4.3
MBSB	3.8	-11.8	-11.8	-17.2	-21.0	-21.0	1558.0	-65.0	-65.0	729.1	-64.4	-64.4
SUM	-3.4	-1.5	-1.5	-3.4	-2.5	-2.5	-7.3	-2.7	-2.7	-6.0	-0.2	-0.2

Source: Banks, MBSBR

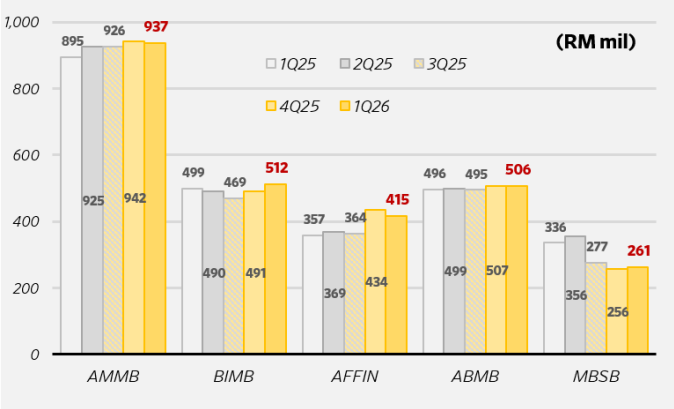
D. TOPLINE

Fig 21: Quarterly NII: Big 5



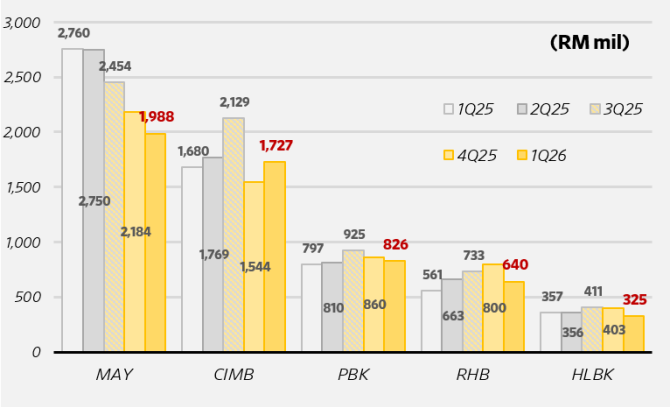
Source: Banks, MBSBR

Fig 22: Quarterly NII: Small 5



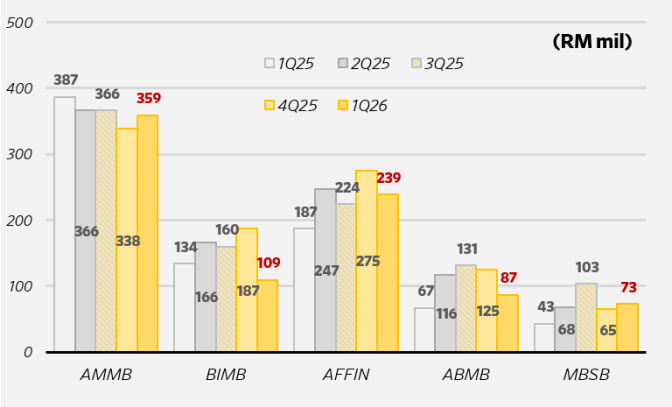
Source: Banks, MBSBR

Fig 23: Quarterly NOII: Big 5



Source: Banks, MBSBR

Fig 24: Quarterly NOII: Small 5



Source: Banks, MBSBR

FIG 25: Calendarised NII & NOII Growth Rates

Bank	Net Interest Income					Non-Interest Income				
	Quarterly qoq	Quarterly yoy	As % of Topline	Cumulative (CY) yoy	As % of Topline	Quarterly qoq	Quarterly yoy	As % of Topline	Cumulative (CY) yoy	As % of Topline
MAY	-4.2	3.2	72.0	3.2	72.0	-9.0	-28.0	28.0	-28.0	28.0
CIMB	-5.0	-3.6	68.1	-3.6	68.1	11.9	2.8	31.9	2.8	31.9
PBK	-1.2	0.7	77.4	0.7	77.4	-4.0	3.7	22.6	3.7	22.6
RHB	1.5	4.6	70.9	4.6	70.9	-20.0	14.1	29.1	14.1	29.1
HLBK	-0.7	5.4	79.4	5.4	79.4	-19.2	-8.8	20.6	-8.8	20.6
AMMB	-0.5	4.7	72.3	4.7	72.3	6.2	-7.2	27.7	-7.2	27.7
BIMB	4.1	2.4	82.4	2.4	82.4	-41.4	-18.2	17.6	-18.2	17.6
AFFIN	-4.2	16.2	63.5	16.2	63.5	-13.1	28.2	36.5	28.2	36.5
ABMB	-0.1	2.0	85.4	2.0	85.4	-30.3	29.6	14.6	29.6	14.6
MBSB	1.9	-22.2	78.2	-22.2	78.2	11.6	69.8	21.8	69.8	21.8
SUM	-2.5	1.3	72.8	1.3	72.8	-6.0	-8.6	27.2	-8.6	27.2

Source: Banks, MBSBR

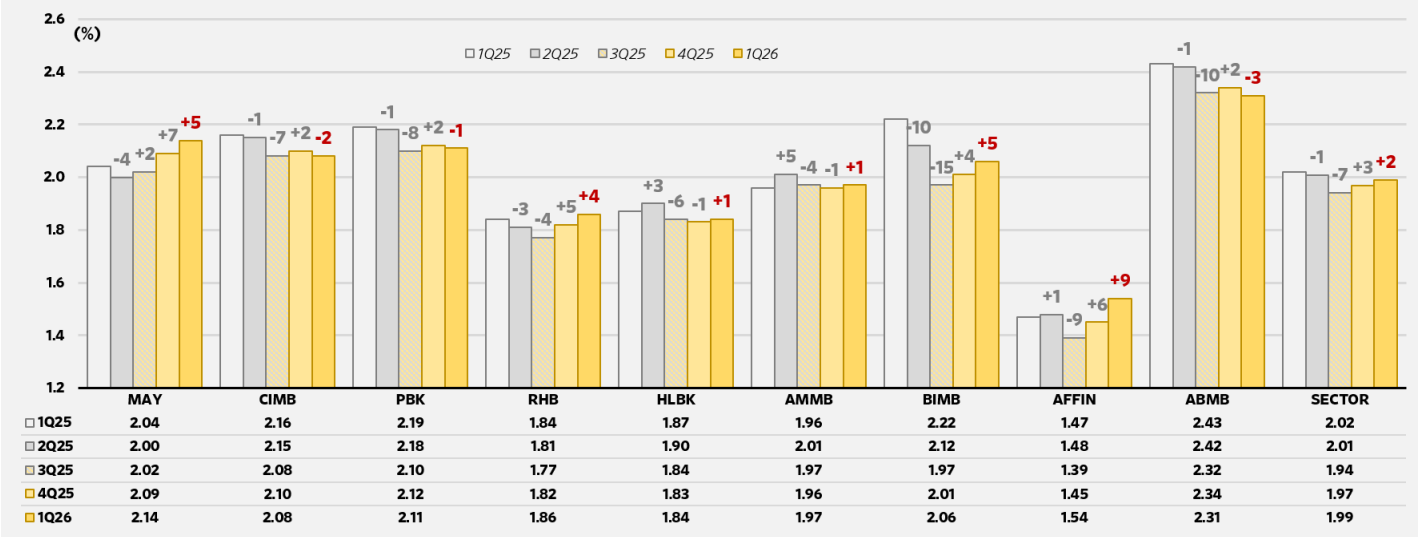
E. NIM, ASSET YIELDS, COST OF FUNDS

FIG 26: NIM Commentary

Banks	NIM guidance	Current Qtr's NIMs	Additional notes
MAY	2.05 – 2.10 (from 2.05)	2.14	► NIMs will be attempted to be kept stable. There are both opportunities for upside and downside.
CIMB	2.08 – 2.18 (from 2.05)	2.08	▲ NIM compression has bottomed out in various geographies. NIAGA may be a wildcard: Despite the recent hefty rate hike in ID, asset yields and FD rates don't translate as cleanly – hence impact may not necessarily be positive.
PBK	Mid-single-digit squeeze (from 2.15)	2.11	▼ Among the worst guidance in the industry, with further compressions expected. Both declining loan yields and ongoing deposit competition exacerbate this decline.
RHB	1.80 – 1.90 (from 2.05)	1.86	▲ Very optimistic outlook, with expansion expected, from ongoing CASA accumulation and asset/liability measures.
HLBK	1.80 – 1.90 (from 2.05)	1.84	▲ NIM recovery is happening slower than expected (hence this quarter's NIM expansion was rather limited) – but at least NIM is expected to see further expansion.
AMMB	Stable for now (from 1.98)	1.97	► Stable at least for the next quarter. Admittedly limited room for further short-term optimisation, apart from alternative funding methods.
BIMB	2.07 – 2.10 (from 2.07)	2.06	▲ Expects further expansion or at least stabilisation, driven by both FD repricing and rising asset yields from portfolio revamp. Note, however, the Group has negatively tweaked its FY26 guidance this results season.
AFFIN	1.55 (from 1.45)	1.54	▼ NIM may have peaked this quarter, and compression is likely. Management acknowledges the challenging COF situation and is repricing its loan yields upwards to compensate.
ABMB	2.28 – 2.35 (from 2.34)	2.31	▼ High likelihood of compression – the Group has no issue with taking in pricier deposits as short-term funding of its high loan growth requirements.

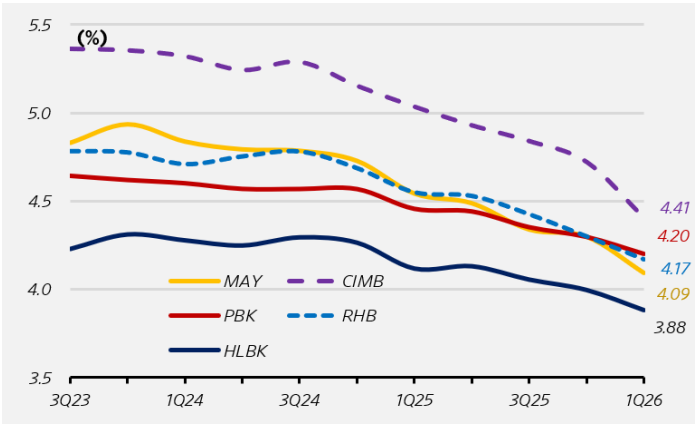
Source: Banks, MBSBR

Fig 27: Sector Quarterly NIMs (Reported Figures)



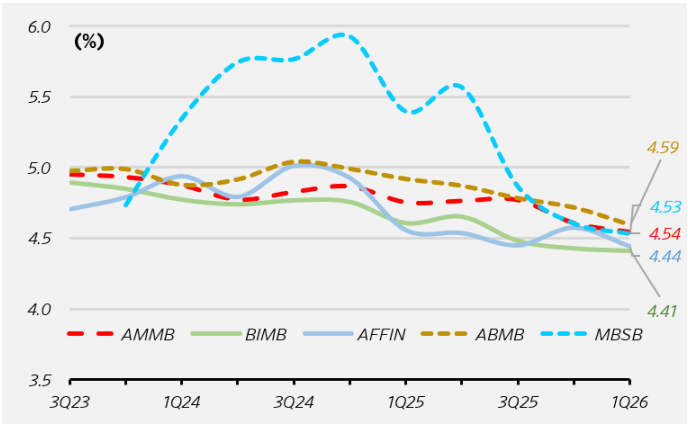
Source: Banks, MBSBR

Fig 28: Asset Yield trends: Big 5 (Our Estimates)



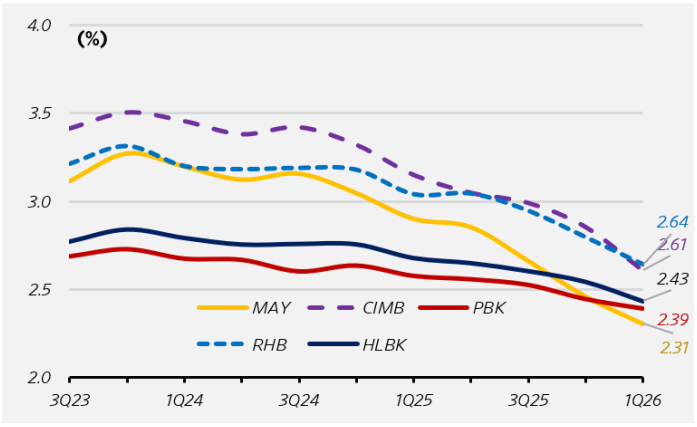
Source: Banks, MBSBR

Fig 29: Asset Yield trends: Small 5 (Our Estimates)



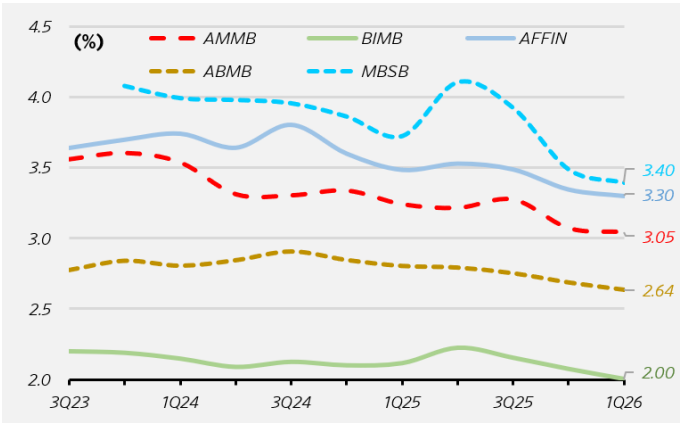
Source: Banks, MBSBR

Fig 30: Cost of Funds trends: Big 5 (Our Estimates)



Source: Banks, MBSBR

Fig 31: Cost of Funds trends: Small 5 (Our Estimates)



Source: Banks, MBSBR

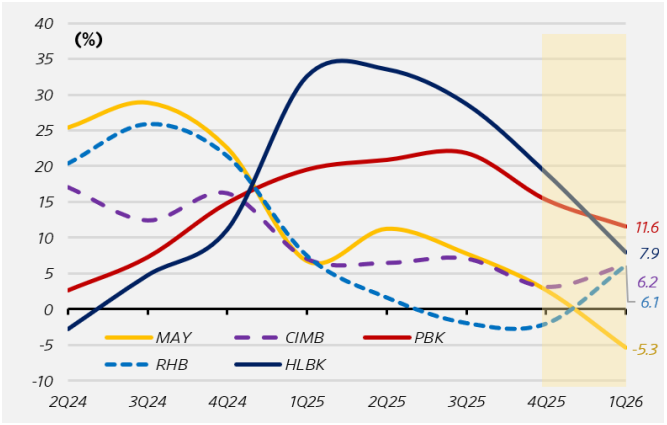
FIG 32: Quarterly NIM (%)

	MAY			CIMB			PBK			RHB			HLBK			AMMB			BIMB			AFFIN			ABMB		
	NIM (%)	qoq (bps)	yoy (bps)	NIM (%)	qoq (bps)	yoy (bps)	NIM (%)	qoq (bps)	yoy (bps)	NIM (%)	qoq (bps)	yoy (bps)	NIM (%)	qoq (bps)	yoy (bps)	NIM (%)	qoq (bps)	yoy (bps)	NIM (%)	qoq (bps)	yoy (bps)	NIM (%)	qoq (bps)	yoy (bps)	NIM (%)	qoq (bps)	yoy (bps)
1Q23	2.19			2.26			2.26			1.90			1.82			1.84						1.76			2.50		
2Q23	2.14	-5		2.24	-2		2.18	-8		1.82	-8		1.83	+1		1.76	-8					1.33	-43		2.43	-7	
3Q23	2.09	-5		2.25	+1		2.21	+3		1.85	+3		1.84	+1		1.82	+6					1.24	-9		2.53	+10	
4Q23	2.09	+0		2.15	-10		2.15	-6		1.77	-8		1.85	+1		1.79	-3					1.44	+20		2.49	-4	
1Q24	2.00	-9	-19	2.18	+3	-8	2.21	+6	-5	1.83	+6	-7	1.87	+2	+5	1.79	+0	-5				1.44	+0	-32	2.45	-4	-5
2Q24	2.02	+2	-12	2.22	+4	-2	2.19	-2	+1	1.90	+7	+8	1.89	+2	+6	1.89	+10	+13				1.40	-4	+7	2.45	+0	+2
3Q24	2.03	+1	-6	2.23	+1	-2	2.24	+5	+3	1.91	+1	+6	1.92	+3	+8	1.96	+7	+14	2.28			1.31	-9	+7	2.49	+4	-4
4Q24	2.06	+3	-3	2.17	-6	+2	2.21	-3	+6	1.84	-7	+7	1.90	-2	+5	1.96	+0	+17	2.30	+2		1.40	+9	-4	2.45	-4	-4
1Q25	2.04	-2	+4	2.16	-1	-2	2.19	-2	-2	1.84	+0	+1	1.87	-3	+0	1.96	+0	+17	2.22	-8		1.47	+7	+3	2.43	-2	-2
2Q25	2.00	-4	-2	2.15	-1	-7	2.18	-1	-1	1.81	-3	-9	1.90	+3	+1	2.01	+5	+12	2.12	-10		1.48	+1	+8	2.42	-1	-3
3Q25	2.02	+2	-1	2.08	-7	-15	2.10	-8	-14	1.77	-4	-14	1.84	-6	-8	1.97	-4	+1	1.97	-15	-31	1.39	-9	+8	2.32	-10	-17
4Q25	2.09	+7	+3	2.10	+2	-7	2.12	+2	-9	1.82	+5	-2	1.83	-1	-7	1.96	-1	+0	2.01	+4	-29	1.45	+6	+5	2.34	+2	-11
1Q26	2.14	+5	+10	2.08	-2	-8	2.11	-1	-8	1.86	+4	+2	1.84	+1	-3	1.97	+1	+1	2.06	+5	-16	1.54	+9	+7	2.31	-3	-12

Source: Banks, MBSBR

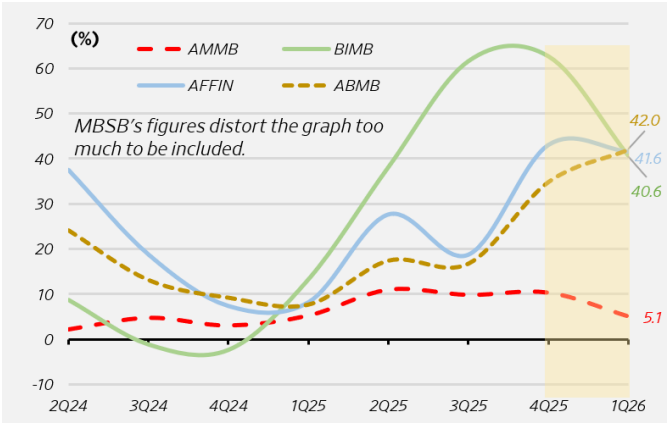
F. Non-Interest Income

Fig 33: yoy NOII growth Trailing 12M trend: Big 5



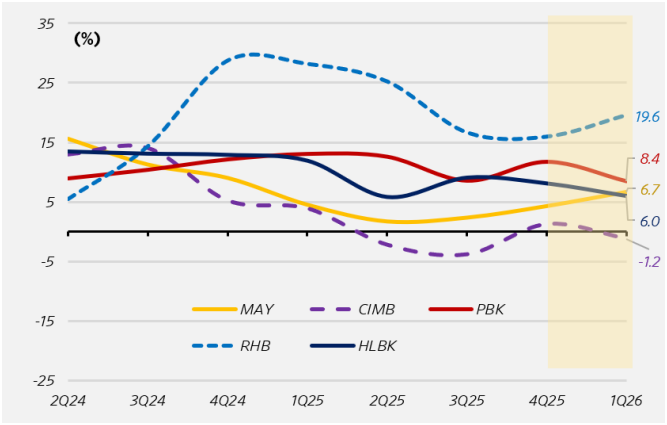
Source: Banks, MBSBR

Fig 34: yoy NOII growth Trailing 12M trend: Small 5



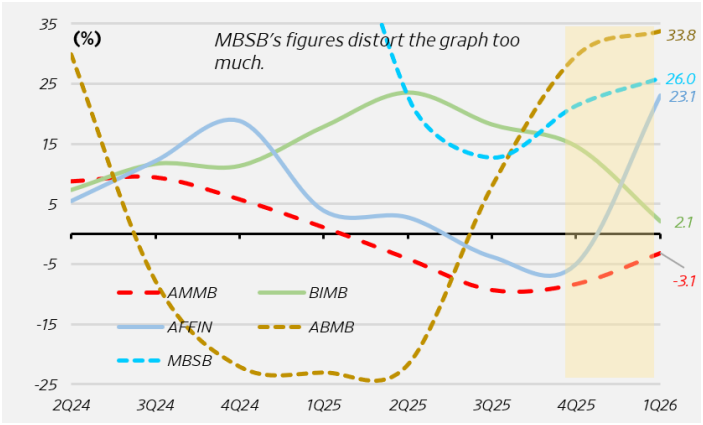
Source: Banks, MBSBR

Fig 35: yoy Fee Income growth Trailing 12M trend: Big 5



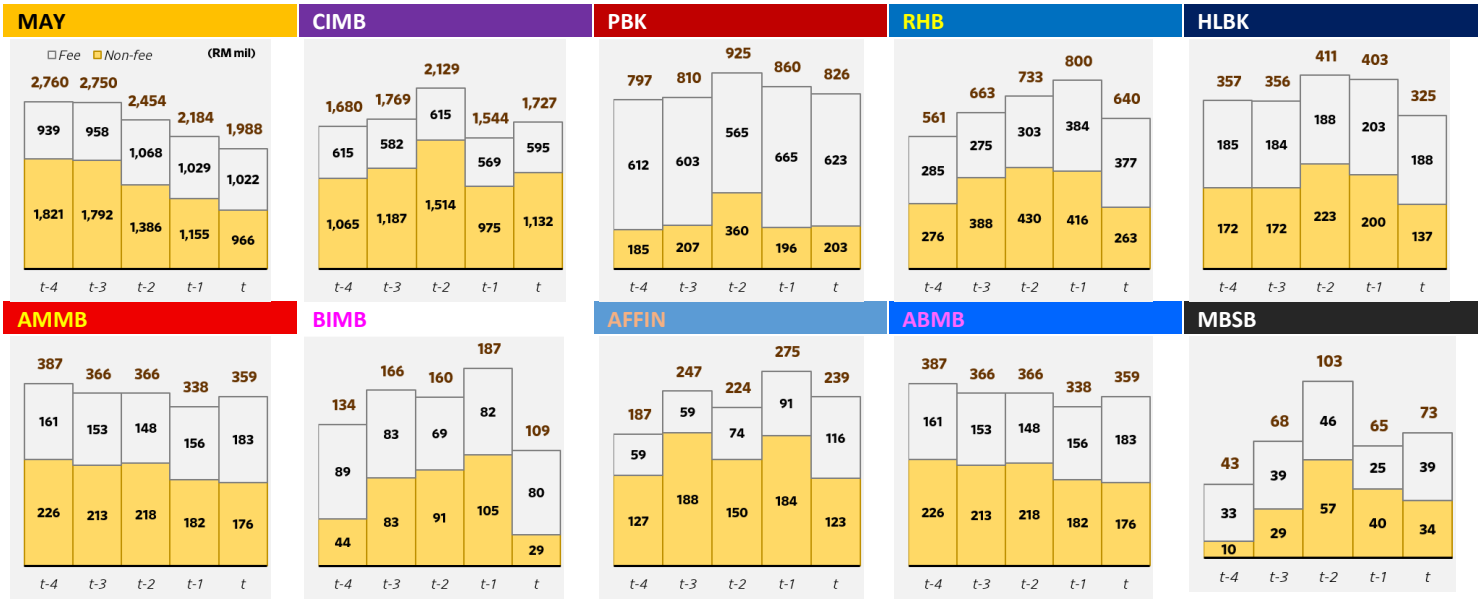
Source: Banks, MBSBR

Fig 36: yoy Fee Income growth Trailing 12M trend: Small 5



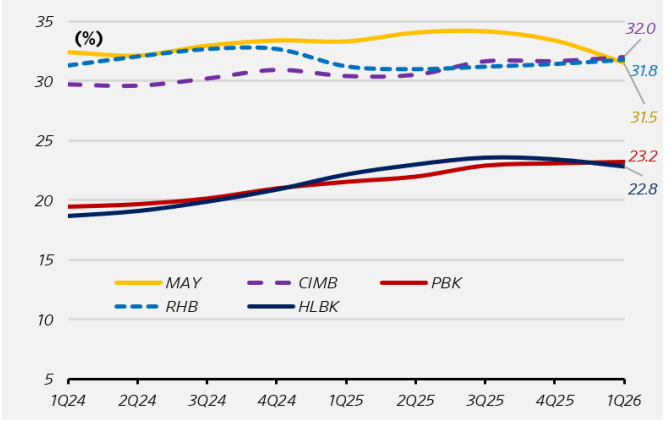
Source: Banks, MBSBR

Fig 37: Quarterly NOII Breakdown



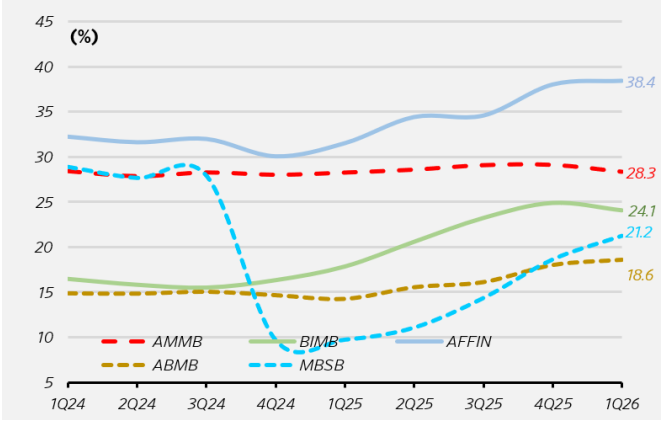
Source: Banks, MBSBR

Fig 38: % NOII as topline 12M trend: Big 5



Source: Banks, MBSBR

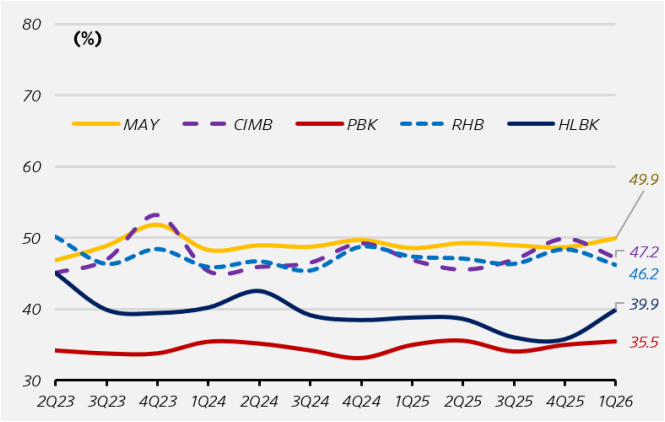
Fig 39: % NOII as topline 12M trend: Small 5



Source: Banks, MBSBR

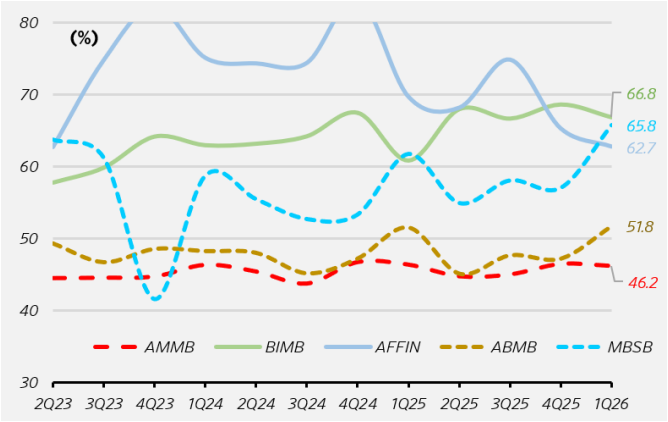
G. OPEX

Fig 40: Quarterly Cost/Income Ratios: Big 5



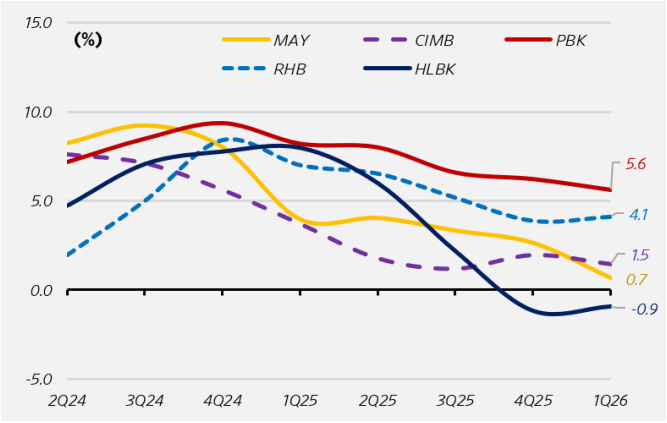
Source: Banks, MBSBR

Fig 41: Quarterly Cost/Income Ratios: Small 5



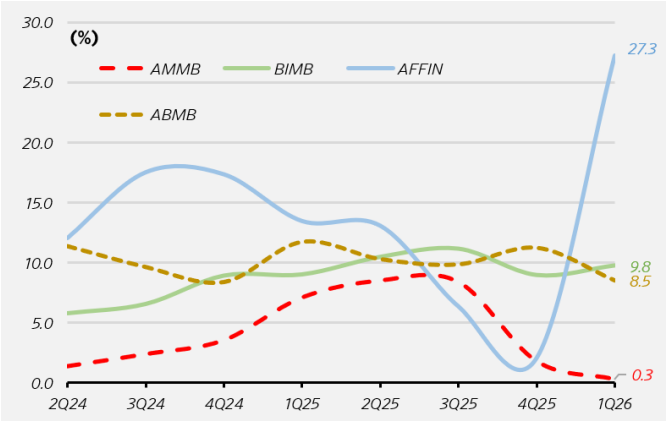
Source: Banks, MBSBR

Fig 42: OPEX Trailing 12M trend: Big 5



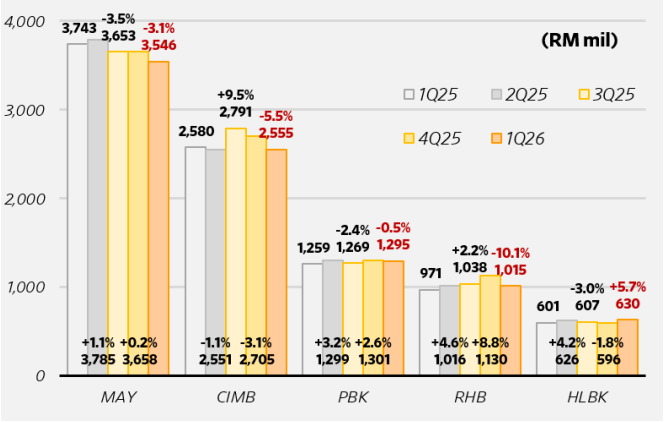
Source: Banks, MBSBR

Fig 43: OPEX Trailing 12M trend: Small 5



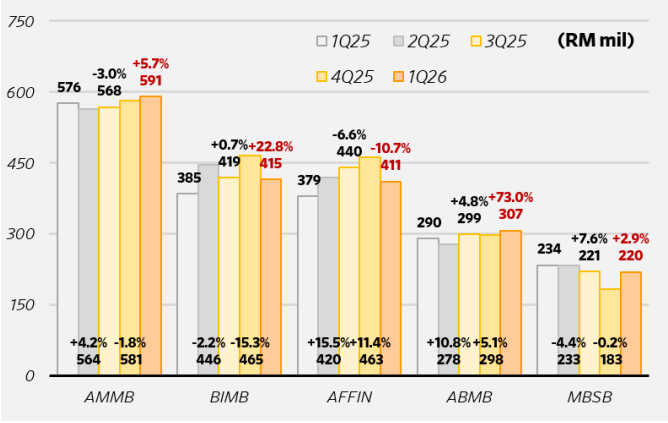
Source: Banks, MBSBR

Fig 44: Quarterly OPEX and qoq growth rates: Big 5



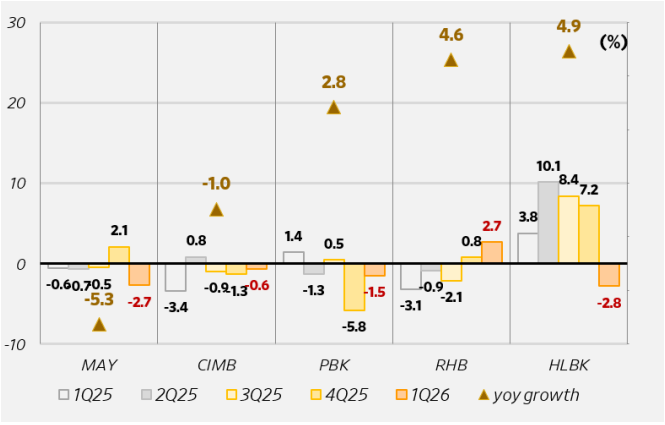
Source: Banks, MBSBR

Fig 45: Quarterly OPEX and qoq growth rates: Small 5



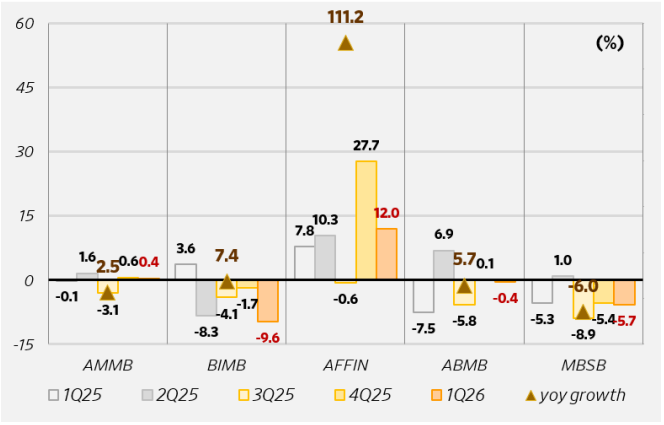
Source: Banks, MBSBR

Fig 46: Quarterly JAWS & OPEX yoy growth: Big 5



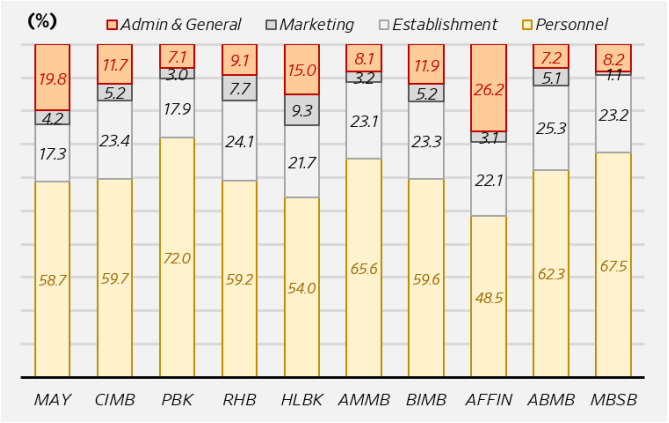
Source: Banks, MBSBR

Fig 47: Quarterly JAWS & OPEX yoy growth: Small 5



Source: Banks, MBSBR

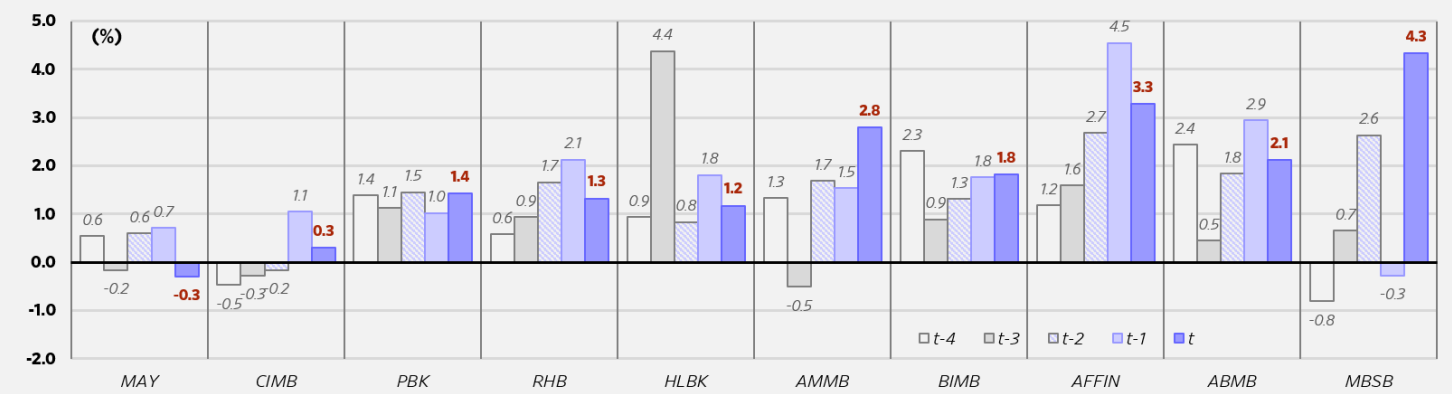
Fig 48: T12 OPEX split



Source: Banks, MBSBR

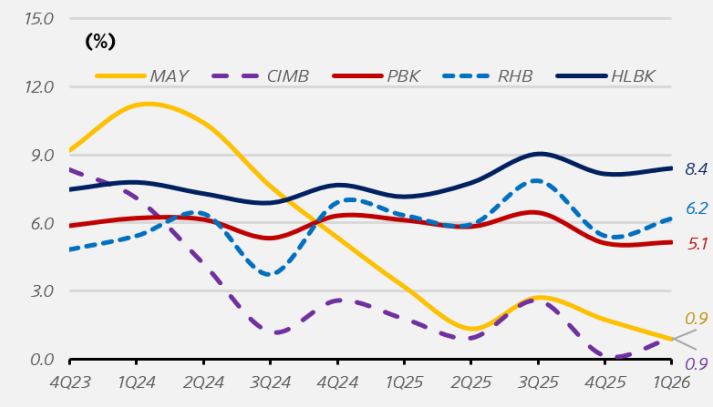
H. LOANS

Fig 49: qoq Loan growth



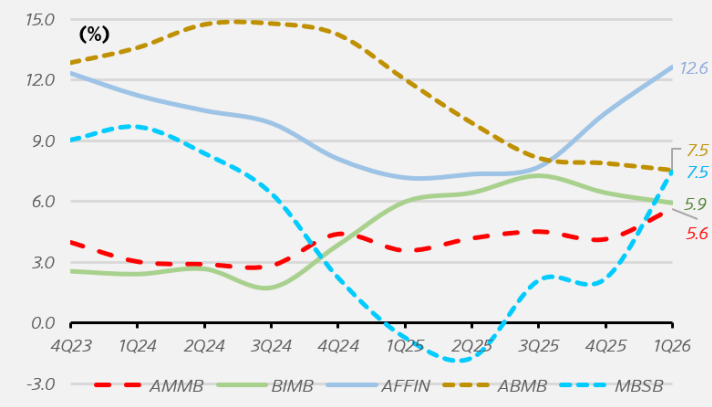
Source: Banks, MBSBR

Fig 51: yoy Loan growth: Big 5



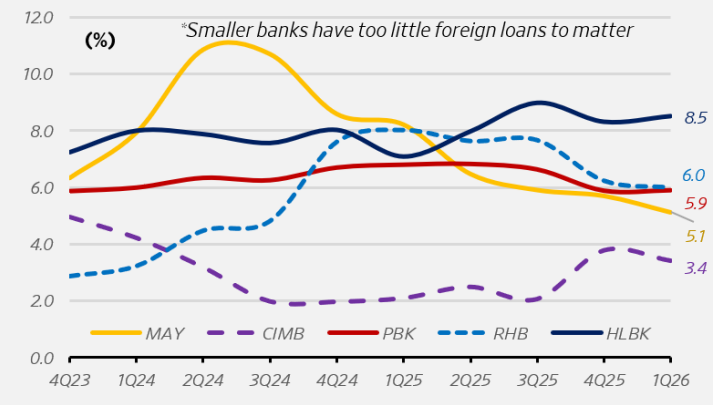
Source: Banks, MBSBR

Fig 52: yoy Loan growth: Small 5



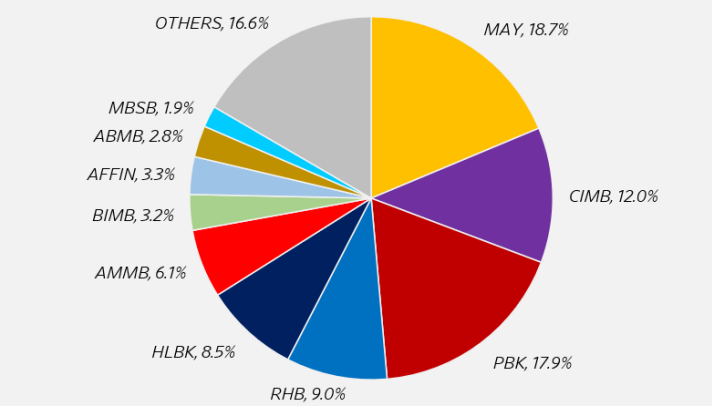
Source: Banks, MBSBR

Fig 53: yoy Domestic Loan growth: Big 5 only



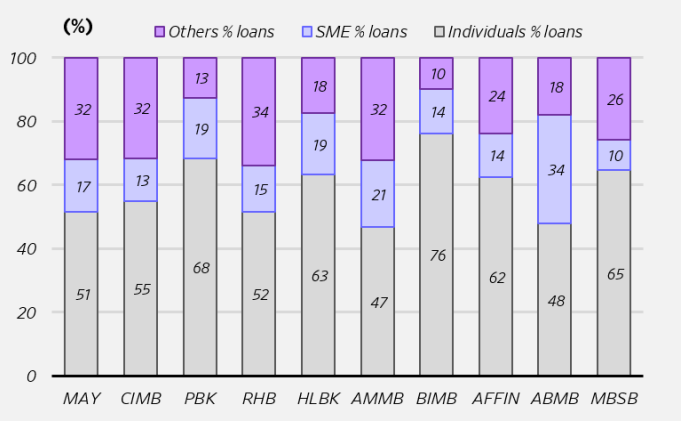
Source: Banks, MBSBR

Fig 54: Domestic Market Share by Bank



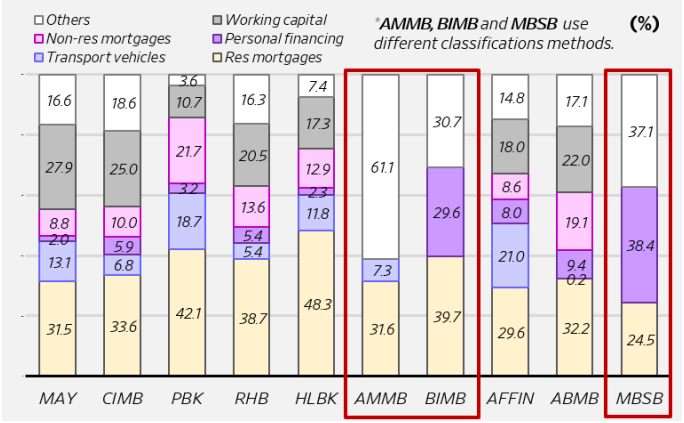
Source: Banks, MBSBR

Fig 55: Loans by Borrowers



Source: Banks, MBSBR

Fig 56: Loans by Type



Source: Banks, MBSBR

FIG 57: Overall & Domestic Loan growth (%)

	MAY			CIMB			PBK			RHB			HLBK			AMMB			BIMB			AFFIN			ABMB			MBSB		
	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*
Overall loans growth (%)																														
1Q24	11.2	2.7	2.7	7.1	0.3	0.3	6.2	1.6	1.6	5.4	1.1	1.1	7.8	1.4	3.4	3.0	2.1	3.0	2.4	0.2	0.2	11.2	2.1	2.1	13.6	4.5	13.6	9.7	2.1	2.1
2Q24	10.4	1.7	4.4	4.2	0.6	0.9	6.1	1.4	3.1	6.4	1.3	2.5	7.3	3.8	7.3	2.9	-1.1	-1.1	2.7	0.5	0.7	10.5	1.4	3.5	14.8	2.4	2.4	8.4	1.7	3.9
3Q24	7.6	-0.7	3.6	1.2	-1.8	-0.9	5.3	0.9	4.0	3.7	-0.2	2.3	6.9	-0.4	-0.4	2.8	1.4	0.3	1.7	0.5	1.2	9.9	2.3	5.9	14.8	3.5	6.0	6.4	-1.2	2.6
4Q24	5.3	1.7	5.3	2.6	3.5	2.6	6.3	2.3	6.5	6.9	4.5	6.9	7.7	2.6	2.3	4.4	1.9	2.2	3.9	2.6	3.9	8.1	2.0	8.1	14.2	3.2	9.4	2.2	-0.4	2.2
1Q25	3.2	0.6	0.6	1.8	-0.5	-0.5	6.1	1.4	1.4	6.3	0.6	0.6	7.2	0.9	3.2	3.5	1.3	3.5	6.0	2.3	2.3	7.1	1.2	1.2	12.0	2.4	12.0	-0.7	-0.8	-0.8
2Q25	1.3	-0.2	0.4	0.9	-0.3	-0.7	5.8	1.1	2.6	5.9	0.9	1.5	7.8	4.4	7.8	4.2	-0.5	-0.5	6.4	0.9	3.2	7.3	1.6	2.8	9.9	0.5	0.5	-1.7	0.7	-0.2
3Q25	2.7	0.6	1.0	2.6	-0.2	-0.9	6.5	1.5	4.1	7.9	1.7	3.2	9.1	0.8	0.8	4.5	1.7	1.2	7.3	1.3	4.6	7.7	2.7	5.6	8.1	1.8	2.3	2.1	2.6	2.5
4Q25	1.7	0.7	1.7	0.1	1.1	0.1	5.1	1.0	5.2	5.4	2.1	5.4	8.2	1.8	2.7	4.1	1.5	2.7	6.4	1.8	6.4	10.4	4.5	10.4	7.9	2.9	5.3	2.2	-0.3	2.2
1Q26	0.9	-0.3	-0.3	0.9	0.3	0.3	5.1	1.4	1.4	6.2	1.3	1.3	8.4	1.2	3.9	5.6	2.8	5.6	5.9	1.8	1.8	12.6	3.3	3.3	7.5	2.1	7.5	7.5	4.3	4.3
Domestic loans growth (%)																														
1Q24	7.9	1.7	1.7	4.2	0.6	0.6	6.0	1.5	1.5	3.2	0.8	0.8	8.0	1.7	3.9	3.1	2.1	3.1	2.4	0.2	0.2	10.4	2.2	2.2	13.6	4.5	13.6	9.7	2.1	2.1
2Q24	10.9	2.4	4.2	3.2	0.3	0.9	6.3	1.4	2.9	4.5	1.2	2.1	7.9	3.8	7.9	3.0	-1.1	-1.1	2.7	0.5	0.7	10.6	2.0	4.3	14.8	2.4	2.4	6.4	-0.2	1.9
3Q24	10.7	1.9	6.2	2.0	1.1	2.0	6.2	1.7	4.7	4.8	1.5	3.6	7.6	0.1	0.1	2.6	1.2	0.1	1.7	0.5	1.2	9.4	1.6	5.9	14.8	3.5	6.0	6.1	0.3	2.3
4Q24	8.6	2.3	8.6	2.0	0.6	2.5	6.7	1.9	6.7	7.6	3.8	7.6	8.0	2.2	2.4	4.2	1.9	2.0	3.9	2.6	3.9	7.6	1.6	7.6	14.2	3.2	9.4	0.5	-1.8	0.5
1Q25	8.2	1.4	1.4	2.1	0.4	0.4	6.8	1.6	1.6	8.0	1.2	1.2	7.1	0.8	3.2	3.4	1.3	3.4	6.0	2.3	2.3	6.6	1.3	1.3	12.0	2.4	12.0	-2.5	-0.9	-0.9
2Q25	6.5	0.8	2.1	2.5	1.5	1.9	6.8	1.5	3.1	7.6	0.9	2.1	8.0	4.6	8.0	4.0	-0.5	-0.5	6.4	0.9	3.2	6.2	1.6	2.9	9.9	0.5	0.5	-1.6	0.7	-0.2
3Q25	5.9	1.4	3.6	2.1	0.1	2.1	6.6	1.5	4.6	7.7	1.6	3.7	9.0	1.1	1.1	4.5	1.7	1.2	7.3	1.3	4.6	7.6	2.9	5.9	8.1	1.8	2.3	0.7	2.7	2.5
4Q25	5.7	2.1	5.7	3.8	2.1	4.2	5.9	1.2	5.9	6.2	2.4	6.2	8.3	1.6	2.7	4.2	1.6	2.8	6.4	1.8	6.4	9.9	3.8	9.9	7.9	2.9	5.3	3.6	1.1	3.6
1Q26	5.1	0.8	0.8	3.4	1.1	1.1	5.9	1.6	1.6	6.0	1.0	1.0	8.5	1.0	3.7	5.7	2.8	5.7	5.9	1.8	1.8	11.8	3.0	3.0	7.5	2.1	7.5	9.1	4.4	4.4

*YTD by FY

Source: Banks, MBSBR

FIG 58: Domestic Market Share (%)

	MAY			CIMB			PBK			RHB			HLBK			AMMB			BIMB			AFFIN			ABMB			MBSB			Others		
	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)	Share (%)	qoq (bps)	yoy (bps)
1Q23	17.9			12.5			17.5			8.9			7.9			6.4			3.2			3.0			2.4			1.9			18.3		
2Q23	17.7	-19		12.6	+6		17.6	+6		8.9	-7		8.2	+24		6.3	-11		3.2	-2		3.0	+3		2.4	+1		2.0	+4		18.2	-7	
3Q23	17.8	+8		12.5	-4		17.6	+2		8.8	-4		8.1	-10		6.3	-1		3.2	-1		3.1	+3		2.5	+4		1.9	-2		18.2	+2	
4Q23	18.2	+36		12.5	+1		17.5	-12		8.7	-9		8.0	-3		6.2	-11		3.2	-5		3.1	+3		2.5	+4		2.0	+3		18.2	-8	
1Q24	18.2	+6	+32	12.4	-10	-6	17.5	+2	-1	8.7	-4	-24	8.1	+3	+15	6.2	+5	-18	3.1	-3	-11	3.1	+3	+12	2.6	+8	+17	2.0	+2	+7	18.0	-10	-23
2Q24	18.4	+23	+73	12.3	-11	-23	17.6	+5	-2	8.7	+1	-16	8.3	+21	+11	6.1	-14	-20	3.1	-2	-11	3.1	+3	+12	2.6	+3	+19	2.0	-3	-0	17.8	-26	-42
3Q24	18.7	+20	+85	12.4	+3	-16	17.7	+15	+10	8.8	+6	-7	8.2	-6	+15	6.1	+2	-18	3.1	-1	-12	3.2	+2	+11	2.7	+7	+21	2.0	-1	+1	17.3	-47	-91
4Q24	18.7	+4	+53	12.2	-18	-35	17.7	-2	+20	8.9	+15	+17	8.2	+1	+19	6.1	-1	-8	3.1	+2	-5	3.1	-2	+6	2.7	+3	+21	1.9	-7	-9	17.4	+5	-78
1Q25	18.7	+5	+51	12.1	-8	-34	17.8	+9	+26	8.9	+1	+23	8.2	-2	+14	6.1	+2	-11	3.2	+4	+2	3.2	+1	+4	2.7	+4	+17	1.8	-4	-15	17.3	-11	-78
2Q25	18.7	-5	+24	12.1	+5	-18	17.8	+8	+29	8.9	-1	+21	8.5	+29	+22	6.0	-9	-7	3.2	-0	+4	3.2	+2	+3	2.7	-2	+12	1.8	-1	-13	17.0	-25	-78
3Q25	18.7	+4	+8	12.0	-13	-33	17.9	+5	+19	8.9	+3	+18	8.5	-1	+27	6.0	+3	-5	3.2	+0	+5	3.2	+5	+6	2.7	+2	+7	1.9	+3	-9	16.9	-12	-43
4Q25	18.8	+12	+16	12.1	+8	-7	17.9	-4	+18	9.0	+9	+12	8.5	+2	+27	6.0	+1	-4	3.2	+1	+5	3.3	+8	+15	2.8	+4	+8	1.9	-1	-2	16.5	-40	-88
1Q26	18.7	-15	-4	12.0	-6	-5	17.9	-0	+9	9.0	-5	+5	8.5	-5	+25	6.1	+7	+2	3.2	+1	+2	3.3	+5	+19	2.8	+1	+6	1.9	+5	+7	16.6	+12	-66

Source: Banks, MBSBR

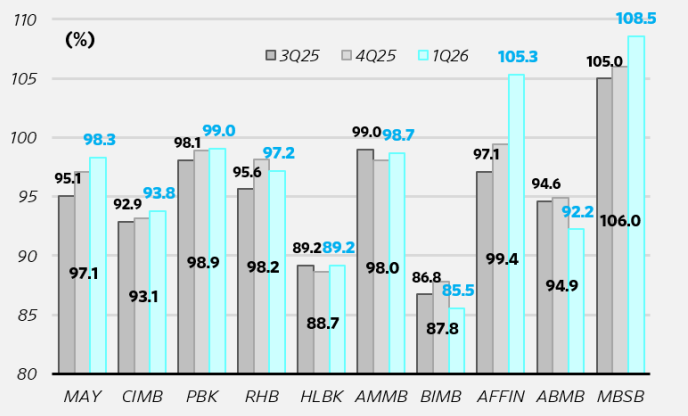
FIG 59: Loan Growth by Segments (%)

	MAY		CIMB		PBK		RHB		HLBK		AMMB		BIMB		AFFIN		ABMB		MBSB	
	yoy	qoq	yoy	qoq	yoy	qoq	yoy	qoq	yoy	qoq	yoy	qoq	yoy	qoq	yoy	qoq	yoy	qoq	yoy	qoq
Loan growth by Individuals (%)																				
1Q24	6.6	0.7	6.9	-2.9	7.3	2.1	6.5	1.3	6.3	1.4	2.5	-0.6	3.9	1.2	16.0	3.0	12.2	3.3	8.9	0.9
2Q24	8.3	3.5	9.0	4.4	5.1	-0.2	7.2	1.9	6.3	1.5	0.8	-0.5	4.4	1.3	14.8	2.3	13.6	3.6	5.2	0.0
3Q24	6.7	0.5	7.0	-0.4	4.2	0.8	7.5	2.1	6.0	1.3	-1.0	-0.6	5.5	1.7	13.3	3.1	13.9	3.2	1.3	-2.5
4Q24	8.0	3.1	3.2	2.2	4.6	1.9	7.7	2.1	6.3	2.0	-2.2	-0.5	6.3	2.0	12.1	3.2	13.9	3.1	0.9	2.5
1Q25	8.4	1.1	6.8	0.5	4.3	1.8	8.1	1.7	6.5	1.6	-2.7	-1.1	6.5	1.4	11.5	2.4	12.4	2.0	-0.9	-0.9
2Q25	5.7	0.9	2.8	0.5	5.9	1.3	7.5	1.4	6.5	1.5	-2.2	-0.1	5.9	0.7	11.7	2.5	11.0	2.3	-1.6	-0.7
3Q25	6.1	0.9	4.1	0.8	6.7	1.6	7.1	1.8	7.5	2.2	-1.5	0.1	5.3	1.1	11.3	2.8	10.1	2.4	0.5	-0.4
4Q25	4.0	1.1	2.2	0.4	6.1	1.3	6.7	1.7	7.4	1.9	-0.8	0.3	5.0	1.7	11.4	3.3	9.4	2.5	-1.8	0.1
1Q26	3.5	0.6	1.4	-0.3	5.5	1.2	6.2	1.2	7.3	1.5	0.2	-0.1	5.9	2.2	11.8	2.7	8.5	1.2	-1.0	-0.0
Loan growth by Domestic SMEs (%)																				
1Q24	21.1	-7.1	6.0	-4.2	1.8	1.0	6.0	-0.6	14.3	4.5	3.9	4.0	3.7	-3.2	4.8	-0.3	12.0	4.2	44.8	8.3
2Q24	8.3	11.0	9.8	6.7	2.2	0.9	7.8	2.1	13.6	4.9	4.2	1.3	14.4	11.0	6.9	2.5	15.1	2.4	41.5	0.9
3Q24	6.8	-3.2	9.0	0.2	1.2	-0.6	5.1	1.6	11.4	-1.1	3.7	0.2	6.6	-5.3	5.5	0.8	14.2	3.5	23.6	-10.7
4Q24	8.1	8.4	5.3	2.9	4.7	3.4	5.7	2.6	11.6	2.9	8.2	2.4	2.3	0.6	1.3	-1.7	13.8	3.1	-3.7	-1.4
1Q25	16.9	0.5	9.1	-0.8	7.8	4.1	7.0	0.5	6.8	0.0	6.7	2.6	3.7	-2.0	-0.8	-2.3	11.7	2.3	-7.8	3.8
2Q25	11.8	6.2	1.4	-0.8	8.9	1.8	4.4	-0.3	8.1	6.1	6.3	1.0	-8.5	-2.1	-3.3	0.0	10.0	0.8	-6.7	2.1
3Q25	24.3	7.6	2.2	1.0	10.4	0.8	5.6	2.7	8.7	-0.5	6.4	0.3	-9.2	-6.0	-4.1	-0.1	8.7	2.3	5.5	1.0
4Q25	14.9	0.2	-1.0	-0.4	9.3	2.3	2.3	-0.6	8.3	2.5	5.7	1.7	-4.3	6.1	-0.4	2.0	6.6	1.1	-1.4	-7.9
1Q26	10.2	-3.7	-1.3	-1.1	8.2	3.0	4.1	2.3	9.5	1.1	4.8	1.8	292.9	302.4	2.8	0.8	6.6	2.2	-3.8	1.3
Residential Mortgages Loan growth (%)																				
1Q24	13.4	5.2	8.4	1.1	6.4	1.5	7.7	1.9	6.8	1.5	6.0	1.2	3.8	0.7	15.2	2.3	10.4	3.3	15.5	3.7
2Q24	15.2	4.4	7.0	1.4	5.9	1.2	8.5	2.3	6.3	1.2	5.6	1.0	3.5	0.9	13.7	2.2	12.6	3.6	14.4	2.5
3Q24	13.6	1.2	4.7	-0.1	5.4	1.1	8.4	2.0	5.7	1.3	4.4	0.8	3.9	1.3	10.5	1.7	15.0	4.3	13.5	3.3
4Q24	13.0	1.7	3.8	1.4	5.6	1.7	8.8	2.2	5.9	1.8	3.7	0.6	4.8	1.8	7.9	1.5	15.7	3.6	11.6	1.6
1Q25	9.4	1.8	3.2	0.5	5.5	1.4	8.6	1.7	5.8	1.4	3.0	0.5	4.9	0.8	6.7	1.2	15.5	3.1	8.2	0.5
2Q25	6.6	1.8	2.1	0.3	5.5	1.2	7.8	1.6	6.0	1.4	2.5	0.5	4.8	0.8	6.8	2.3	14.7	2.9	5.8	0.3
3Q25	6.4	1.0	2.8	0.6	6.0	1.6	7.7	2.0	6.4	1.7	1.7	0.0	4.9	1.4	6.9	1.8	13.1	2.9	3.2	0.8
4Q25	5.4	0.7	1.7	0.2	5.7	1.4	7.2	1.7	6.2	1.6	1.3	0.2	5.0	1.8	7.6	2.2	12.3	2.9	3.1	1.5
1Q26	4.0	0.5	1.1	-0.0	5.4	1.1	6.5	1.2	6.4	1.6	0.9	0.2	5.7	1.5	8.2	1.7	11.2	2.0	3.7	1.2
Transport Vehicle Loan growth (%)																				
1Q24	10.8	1.9	9.7	1.6	12.0	4.2	8.7	3.4	10.6	3.0	2.2	-2.3			10.3	1.7	-22.0	-6.3		
2Q24	8.6	1.6	6.5	0.1	12.1	2.8	10.1	3.0	12.1	3.5	-4.0	-3.3			9.0	0.8	-21.1	-5.3		
3Q24	6.0	0.1	5.4	0.7	12.3	2.5	11.2	2.3	11.7	1.4	-8.4	-4.1			8.2	2.4	-17.1	-3.9		
4Q24	5.8	2.1	5.7	3.3	12.3	2.3	11.3	2.2	11.2	2.9	-10.6	-4.3			6.9	1.8	-18.1	-4.0		
1Q25	4.5	0.6	4.8	0.8	11.7	3.6	10.0	2.2	10.9	2.7	-12.6	-4.2			5.2	0.1	-16.1	-3.9		
2Q25	3.5	0.6	4.4	-0.4	11.3	2.5	9.7	2.7	10.1	2.7	-12.4	-2.9			4.8	0.4	-17.1	-6.4		
3Q25	5.9	2.5	4.3	0.6	10.4	1.7	10.5	3.1	11.4	2.6	-10.4	-1.6			3.7	1.3	-15.0	-1.5		
4Q25	2.1	-1.6	1.7	0.7	9.4	1.3	11.0	2.6	10.8	2.3	-7.6	-0.2			3.5	1.6	-12.9	-1.7		
1Q26	1.8	0.3	-0.1	-1.1	7.7	2.1	10.7	2.0	9.4	1.4	-4.5	-0.6			3.9	0.5	-16.3	-7.7		
Working Capital Loan growth (%)																				
1Q24	7.8	1.8	7.8	-0.8	5.3	0.4	-0.2	-0.4	6.1	6.1					5.2	3.3	12.4	7.4		
2Q24	7.7	-0.4	4.6	1.8	4.4	1.0	-0.4	-0.7	2.6	2.6					10.7	2.8	14.2	-1.2		
3Q24	2.3	-3.7	3.4	-1.2	2.6	-0.1	-4.3	-3.1	2.6	2.6					4.1	-4.6	13.2	2.9		
4Q24	-2.3	0.1	6.5	6.8	8.5	7.1	4.0	8.5	5.6	5.6					-0.6	-1.8	12.6	3.1		
1Q25	-3.5	0.5	4.4	-2.8	8.1	-0.0	1.3	-3.0	5.1	5.1					-3.4	0.3	8.7	3.6		
2Q25	-6.1	-3.0	4.1	1.6	6.4	-0.5	-0.4	-2.4	8.0	8.0					-5.6	0.4	5.7	-3.8		
3Q25	-3.8	-1.3	2.7	-2.6	7.9	1.3	2.1	-0.7	12.0	12.0					4.5	5.6	2.3	-0.5		
4Q25	-2.3	1.7	-1.8	2.1	-0.8	-1.6	-6.1	-0.2	7.5	7.5					13.9	7.0	1.3	2.2		
1Q26	-4.8	-2.1	1.2	0.2	0.4	1.2	-5.6	-2.4	8.5	8.5					27.5	12.3	3.5	5.8		
Personal Financing Loan growth (%)																				
1Q24	8.6	2.2	18.3	2.2	17.3	1.4	5.6	0.5	6.7	6.7			2.0	1.1	32.0	5.8	6.9	1.9	1.8	-0.7
2Q24	12.5	4.4	10.8	-1.1	14.9	-0.0	3.8	0.6	5.8	5.8			3.3	1.4	26.9	3.2	7.2	1.8	-3.3	-1.4
3Q24	37.5	23.5	1.5	-1.7	3.1	-3.3	2.1	-0.5	6.1	6.1			5.4	1.8	27.0	7.9	6.1	1.3	-4.4	-1.2
4Q24	38.4	5.1	3.9	4.6	1.6	3.6	3.3	2.6	10.0	10.0			6.2	1.7	27.2	7.9	4.8	0.2	-4.5	-1.3
1Q25	39.0	2.7	2.9	1.2	0.6	0.4	4.2	1.5	12.9	12.9			6.7	1.7	28.5	6.9	2.2	-0.7	-5.5	-1.7
2Q25	36.2	2.2	6.6	2.4	-1.1	-1.7	4.4	0.8	12.1	12.1			5.4	0.2	32.1	6.1	0.4	-0.0	-5.4	-1.2
3Q25	11.6	1.2	10.8	2.2	-4.3	-6.5	5.6	0.6	16.1	16.1			4.1	0.5	28.6	5.1	-1.5	-0.6	-5.1	-0.9
4Q25	8.8	2.4	4.6	-1.3	-9.9	-2.4	2.5	-0.3	11.3	11.3			2.9	0.6	30.8	9.8	-2.2	-0.9	-4.6	-0.8
1Q26	2.4	-3.3	1.3	-2.0	-12.2	-2.2	2.8	1.7	8.8	8.8			2.8	1.6	29.7	6.0	-4.4	-3.0	-3.7	-0.8

Source: Banks, MBSBR

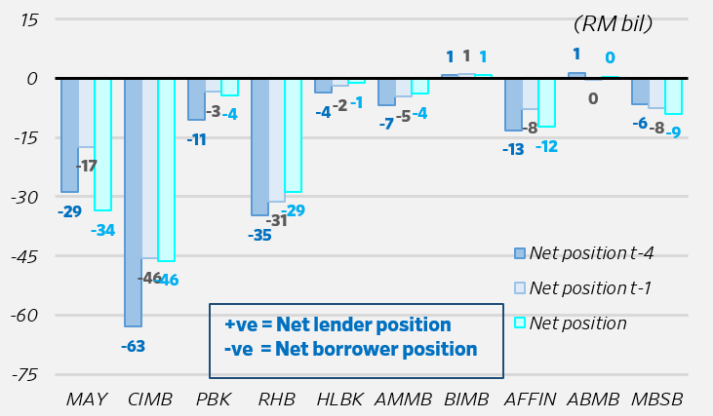
I. DEPOSITS & LIQUIDITY

Fig 60: Industry Loan/Deposit Ratios



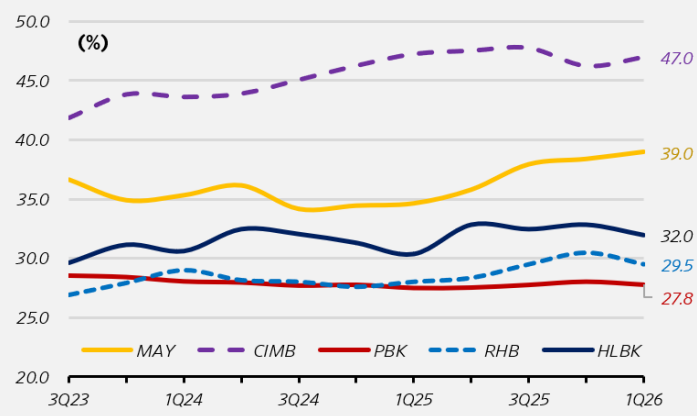
Source: Banks, MBSBR

Fig 61: Interbank Lending positions



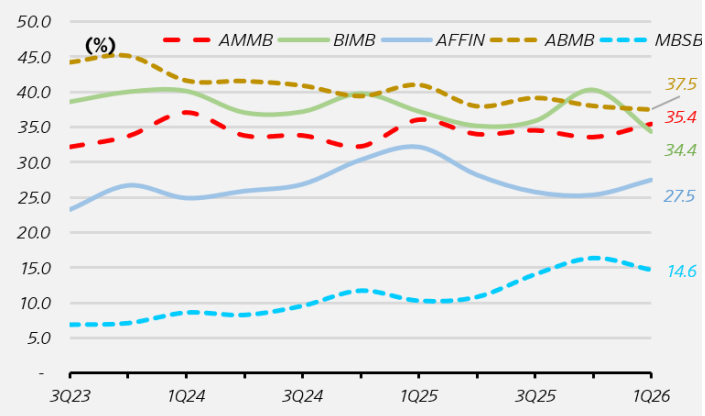
Source: Banks, MBSBR

Fig 62: CASA ratio trend: Big 5



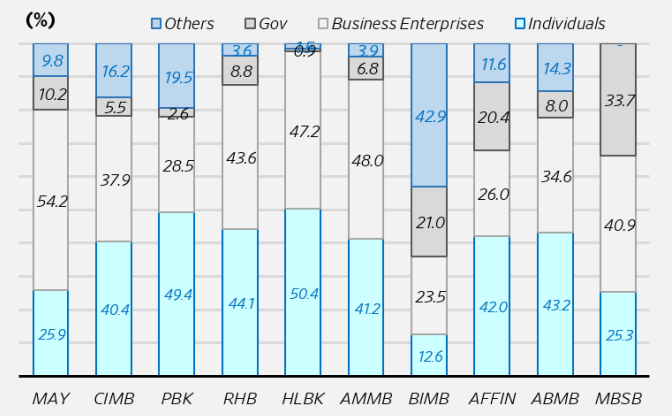
Source: Banks, MBSBR

Fig 63: CASA ratio trend: Small 5



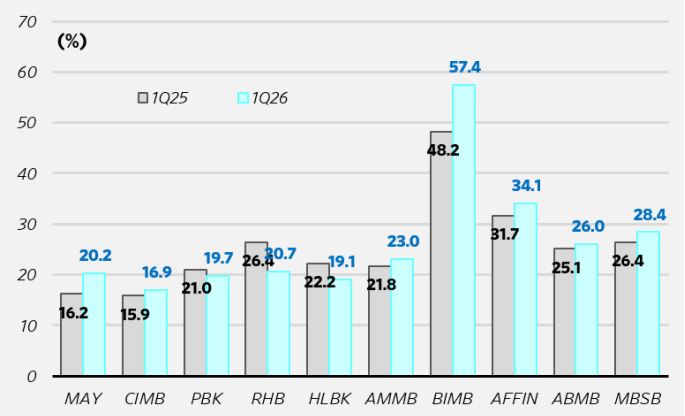
Source: Banks, MBSBR

Fig 64: Deposit Breakdown by Depositor



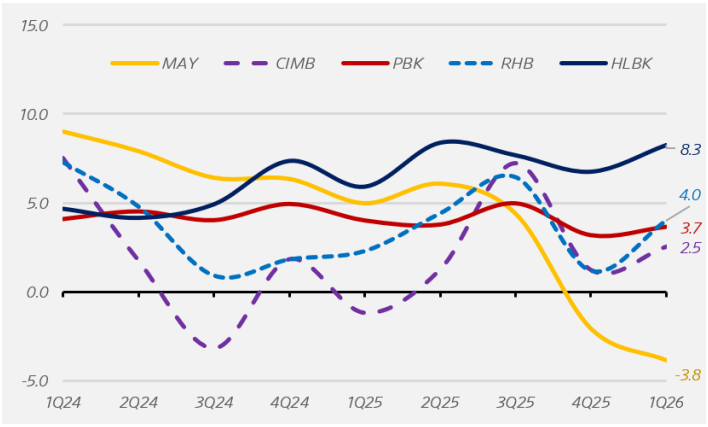
Source: Banks, MBSBR

Fig 65: % FDs > 6 months



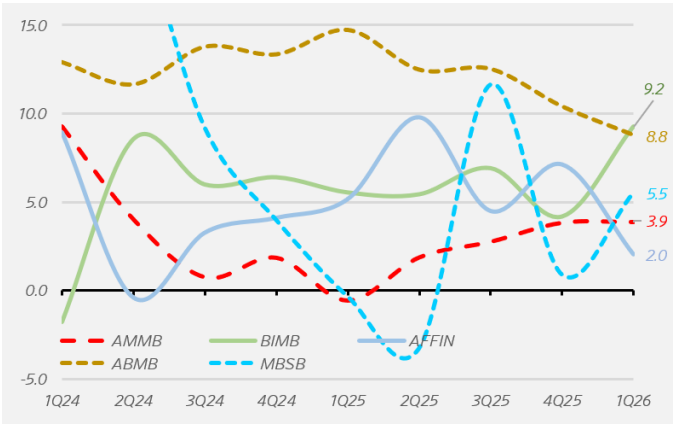
Source: Banks, MBSBR

Fig 66: yoy Deposit growth: Big 5



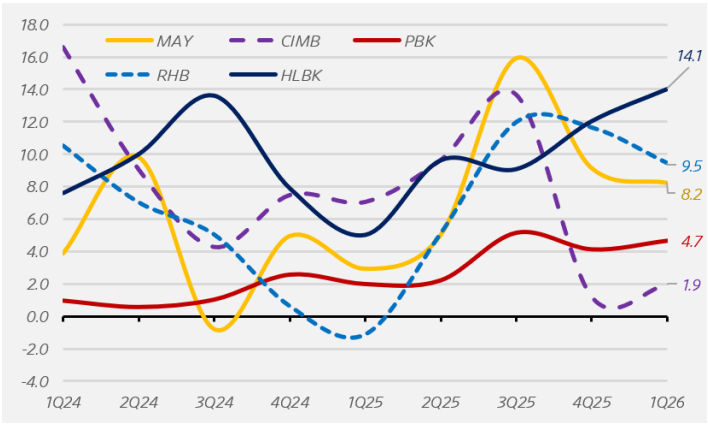
Source: Banks, MBSBR

Fig 67: yoy Deposit growth: Small 5



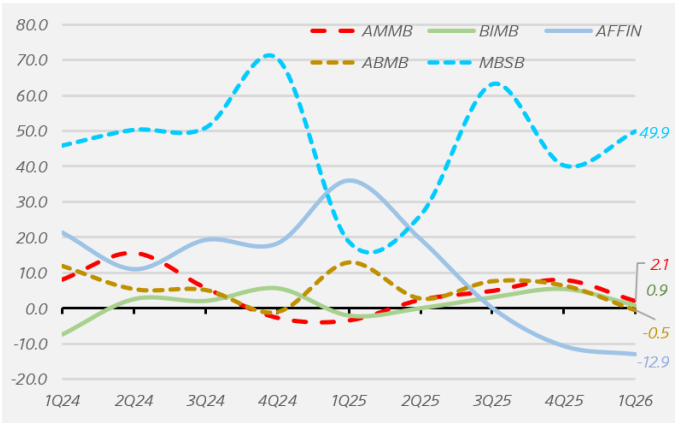
Source: Banks, MBSBR

Fig 68: yoy CASA growth: Big 5



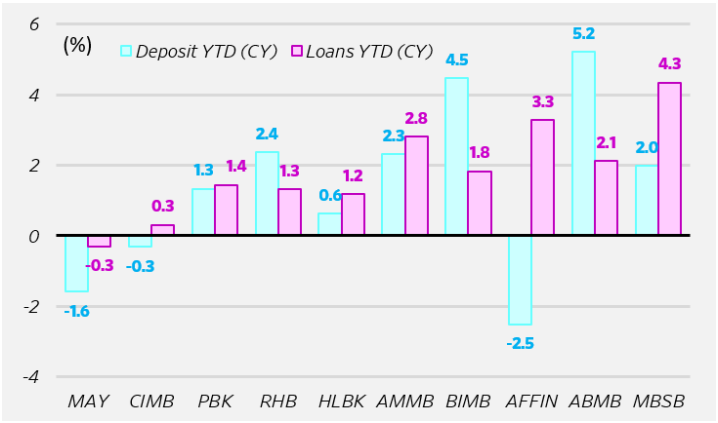
Source: Banks, MBSBR

Fig 69: yoy CASA growth: Small 5



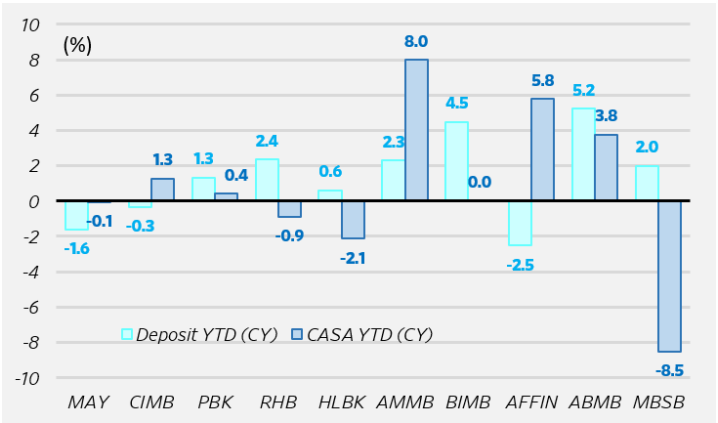
Source: Banks, MBSBR

Fig 70: Deposits vs Loans YTD growth



Source: Banks, MBSBR

Fig 71: Deposits vs CASA YTD growth



Source: Banks, MBSBR

FIG 72: Calendarised Deposit & CASA growth (%)

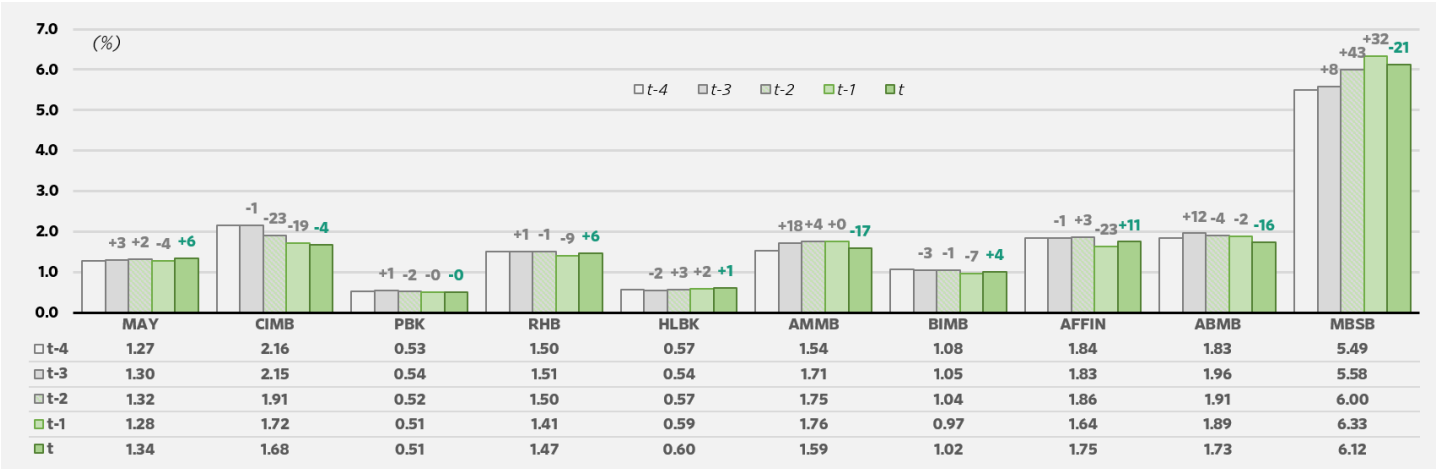
	MAY			CIMB			PBK			RHB			HLBK			AMMB			BIMB#			AFFIN			ABMB			MBSB		
	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*
Deposits growth (%)																														
1Q24	9.0	1.5	1.5	7.5	1.4	1.4	4.1	1.8	1.8	7.3	-0.9	-0.9	4.7	0.6	0.4	9.3	4.8	9.3	-1.8	0.4	0.4	8.9	1.3	1.3	12.9	5.5	12.9	27.1	1.7	1.7
2Q24	7.9	-0.4	1.1	1.8	-1.8	-0.4	4.5	1.1	2.9	4.8	-1.1	-1.9	4.1	3.8	4.1	4.0	-4.8	-4.8	8.5	2.7	3.1	-0.4	-0.7	0.6	11.6	0.7	0.7	21.3	1.1	2.9
3Q24	6.4	-0.0	1.1	-3.2	-4.5	-4.8	4.0	0.1	3.0	0.9	-0.8	-2.8	4.9	-0.5	-0.5	0.7	0.6	-4.3	6.0	-0.2	3.0	3.3	3.9	4.4	13.8	2.0	2.7	9.2	-7.6	-4.9
4Q24	6.3	5.2	6.3	1.8	7.0	1.8	4.9	1.9	4.9	1.8	4.7	1.8	7.4	3.3	2.9	1.8	1.5	-2.8	6.4	3.3	6.4	4.1	-0.3	4.1	13.3	4.6	7.4	4.0	9.4	4.0
1Q25	5.0	0.2	0.2	-1.2	-1.6	-1.6	4.0	0.9	0.9	2.3	-0.4	-0.4	5.9	-0.8	2.1	-0.6	2.3	-0.6	5.5	-0.4	-0.4	5.2	2.3	2.3	14.7	6.8	14.7	-0.4	-2.5	-2.5
2Q25	6.1	0.6	0.8	1.3	0.6	-1.0	3.8	0.9	1.8	4.4	1.0	0.5	8.4	6.2	8.4	1.9	-2.5	-2.5	5.4	2.6	2.2	9.8	3.6	6.0	12.5	-1.2	-1.2	-3.3	-1.8	-4.3
3Q25	4.4	-1.6	-0.8	7.3	1.2	0.2	5.0	1.2	3.0	6.5	1.1	1.7	7.7	-1.1	-1.1	2.7	1.5	-1.1	6.9	1.2	3.5	4.5	-1.2	4.8	12.5	2.0	0.8	11.6	6.6	2.1
4Q25	-2.1	-1.3	-2.1	1.2	1.0	1.2	3.2	0.2	3.2	1.2	-0.5	1.2	6.8	2.4	1.3	3.8	2.6	1.5	4.2	0.7	4.2	7.1	2.2	7.1	10.4	2.6	3.4	0.9	-1.2	0.9
1Q26	-3.8	-1.6	-1.6	2.5	-0.3	-0.3	3.7	1.3	1.3	4.0	2.4	2.4	8.3	0.6	1.9	3.9	2.3	3.9	9.2	4.5	4.5	2.0	-2.5	-2.5	8.8	5.2	8.8	5.5	2.0	2.0
CASA growth (%)																														
1Q24	3.9	2.8	2.8	16.6	0.9	0.9	1.0	0.5	0.5	10.5	2.9	2.9	7.6	-1.2	-0.1	8.1	15.2	8.1	-7.4	0.7	0.7	21.5	-5.6	-5.6	12.1	-2.7	12.1	45.9	22.9	22.9
2Q24	9.8	1.9	4.7	9.1	-1.2	-0.2	0.6	0.8	1.3	7.0	-3.9	-1.2	10.0	10.2	10.0	15.6	-13.3	-13.3	2.7	-5.1	-4.4	11.1	3.3	-2.5	5.5	0.6	0.6	50.3	-2.9	19.4
3Q24	-0.8	-5.5	-1.1	4.3	-1.9	-2.1	1.0	-0.9	0.4	5.0	-1.3	-2.4	13.6	-1.8	-1.8	5.8	0.7	-12.7	2.1	0.2	-4.2	19.4	7.7	5.0	5.3	0.4	1.0	50.9	6.7	27.4
4Q24	5.0	6.1	5.0	7.5	9.8	7.5	2.6	2.2	2.6	0.6	3.1	0.6	7.9	0.9	-0.9	-2.6	-3.1	-15.4	5.7	10.4	5.7	18.3	12.7	18.3	-1.0	0.8	1.8	70.5	33.9	70.5
1Q25	2.9	0.8	0.8	7.0	0.5	0.5	2.0	-0.1	-0.1	-1.1	1.1	1.1	5.0	-3.8	-4.7	-3.3	14.3	-3.3	-2.0	-6.7	-6.7	36.2	8.6	8.6	13.1	11.1	13.1	18.8	-14.4	-14.4
2Q25	5.0	4.0	4.8	9.6	1.2	1.8	2.2	1.0	0.9	5.1	2.1	3.2	9.6	15.0	9.6	2.5	-8.1	-8.1	0.1	-3.0	-9.5	19.6	-9.2	-1.4	2.8	-8.5	-8.5	26.2	3.2	-11.6
3Q25	15.9	4.3	9.3	13.7	1.7	3.5	5.2	2.0	3.0	12.0	5.2	8.6	9.1	-2.2	-2.2	4.9	3.1	-5.2	3.1	3.2	-6.6	0.2	-9.8	-11.1	7.7	5.2	-3.8	63.2	38.0	21.9
4Q25	9.1	-0.1	9.1	1.2	-2.2	1.2	4.1	1.2	4.1	11.6	2.8	11.6	12.1	3.6	1.3	8.1	-0.3	-5.5	5.5	13.0	5.5	-10.6	0.5	-10.6	6.5	-0.4	-4.1	40.3	15.1	40.3
1Q26	8.2	-0.1	-0.1	1.9	1.3	1.3	4.7	0.4	0.4	9.5	-0.9	-0.9	14.1	-2.1	-0.8	2.1	8.0	2.1	0.9	-10.8	-10.8	-12.9	5.8	5.8	-0.5	3.8	-0.5	49.9	-8.5	-8.5

**YTD by FY. #BIMB uses Deposits + Investment Accounts instead of Deposits, CASATIA instead of CASA*

Source: Banks, MBSBR

J. ASSET QUALITY & PROVISIONING

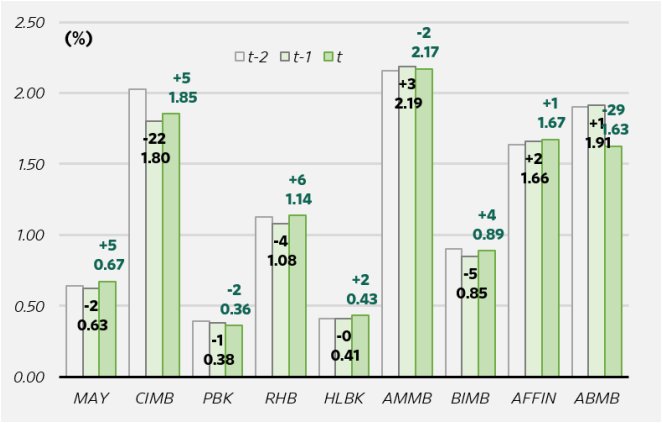
Fig 73: Sector GILs



	MAY	CIMB	PBK	RHB	HLBK	AMMB	BIMB	AFFIN	ABMB	MBSB
t-4	1.27	2.16	0.53	1.50	0.57	1.54	1.08	1.84	1.83	5.49
t-3	1.30	2.15	0.54	1.51	0.54	1.71	1.05	1.83	1.96	5.58
t-2	1.32	1.91	0.52	1.50	0.57	1.75	1.04	1.86	1.91	6.00
t-1	1.28	1.72	0.51	1.41	0.59	1.76	0.97	1.64	1.89	6.33
t	1.34	1.68	0.51	1.47	0.60	1.59	1.02	1.75	1.73	6.12

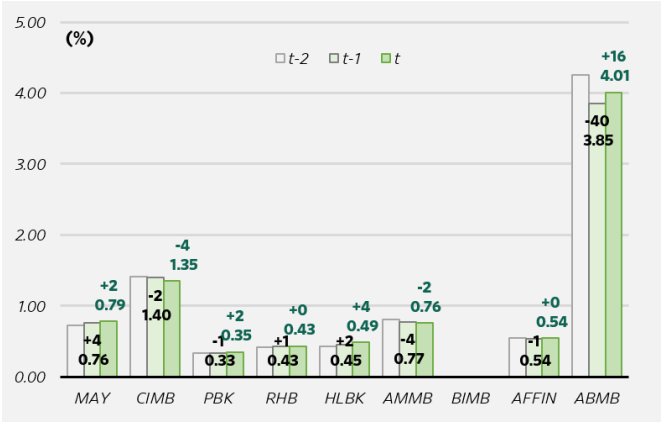
Source: Banks, MBSBR

Fig 74: GIL ratios: Residential Mortgages



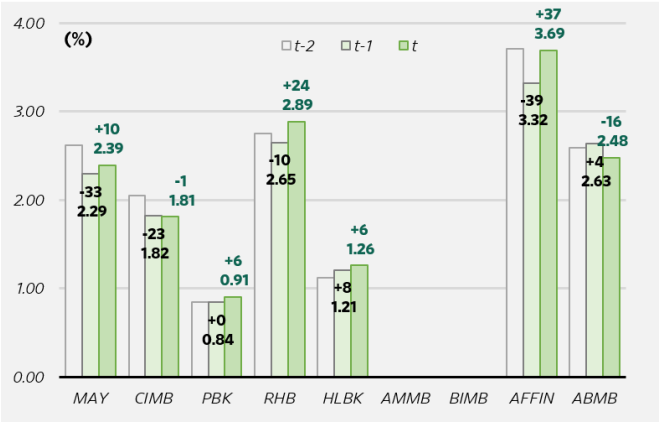
Source: Banks, MBSBR

Fig 75: GIL ratios: Hire purchase loans



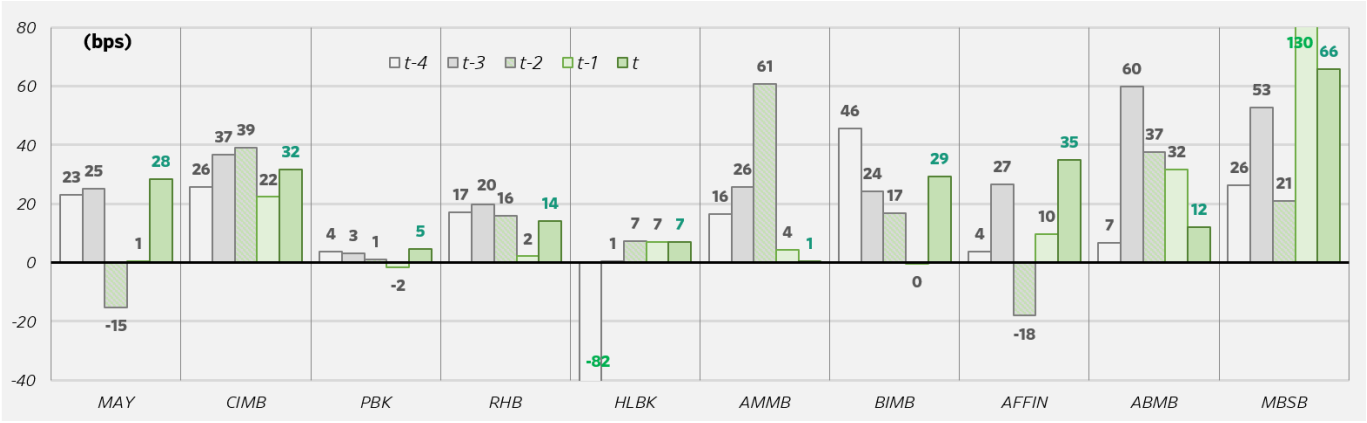
Source: Banks, MBSBR

Fig 76: GIL ratios: Working Capital



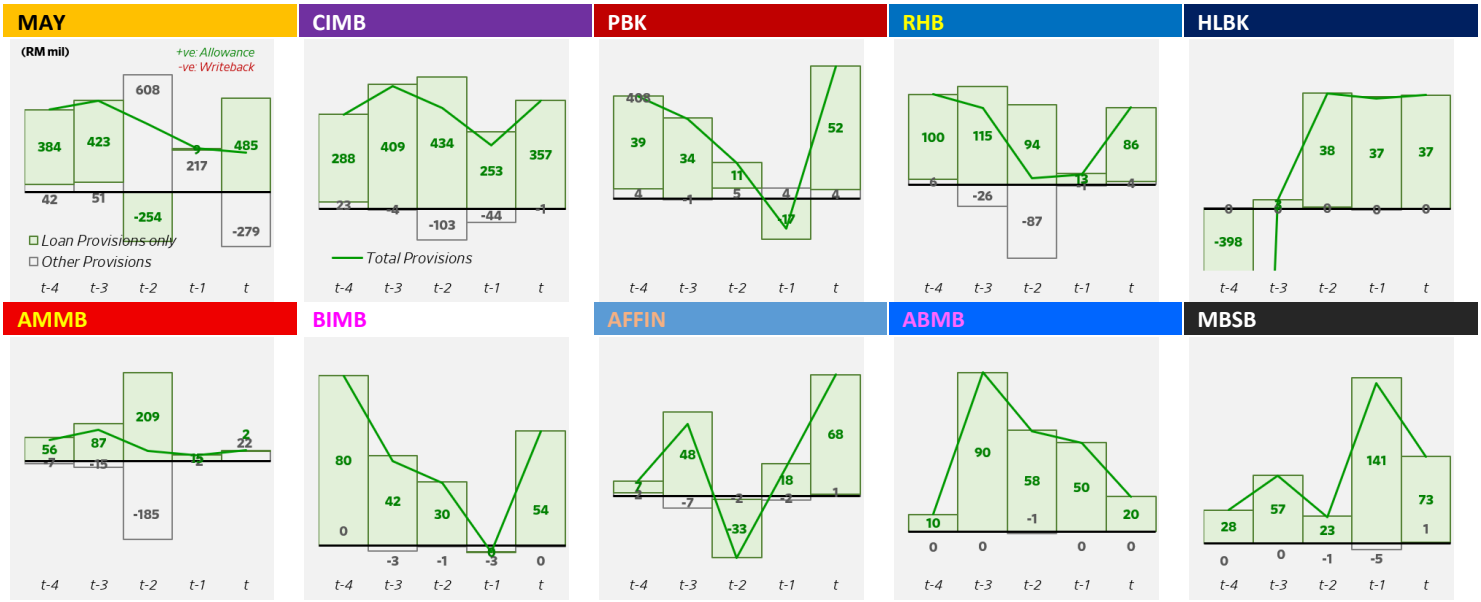
Source: Banks, MBSBR

Fig 77: Sector Quarterly Net Credit Costs (NCC) – Loan Provisions Only



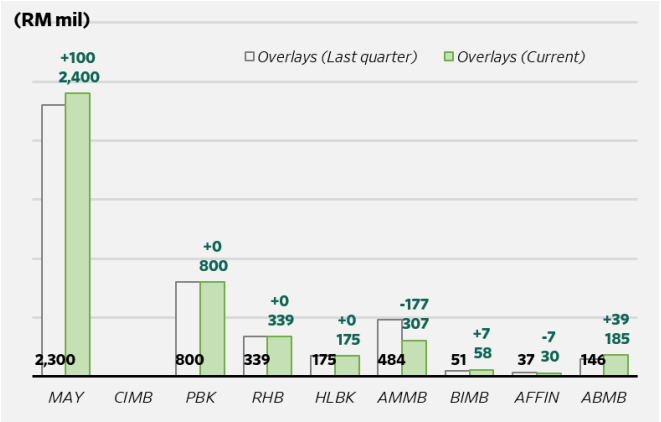
Source: Banks, MBSBR

Fig 78: Quarterly Provision Breakdown (By Loan and Non-loan)



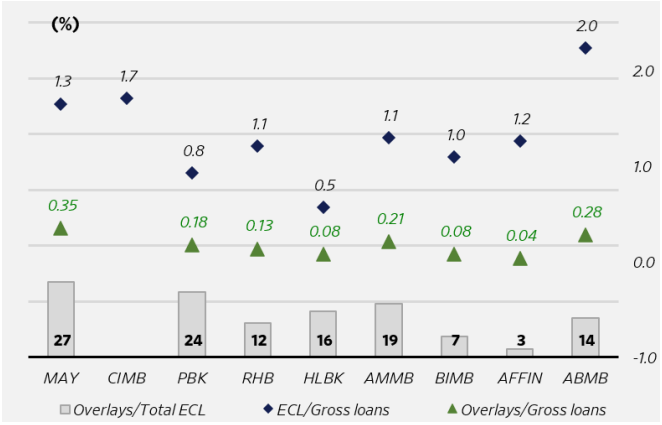
Source: Banks, MBSBR

Fig 79: Overlay balances



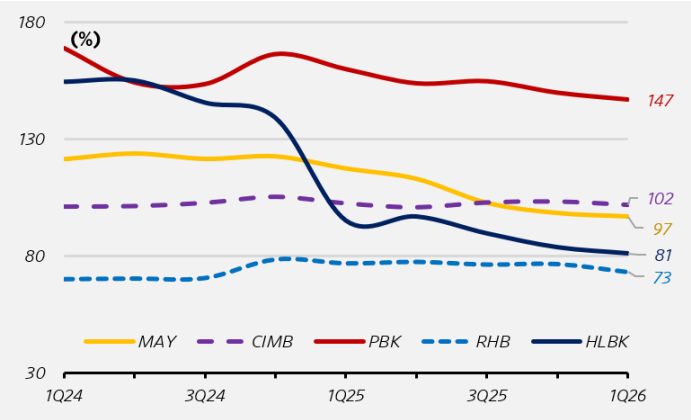
Source: Banks, MBSBR

Fig 80: % Overlays and Total ECL / Gross loans



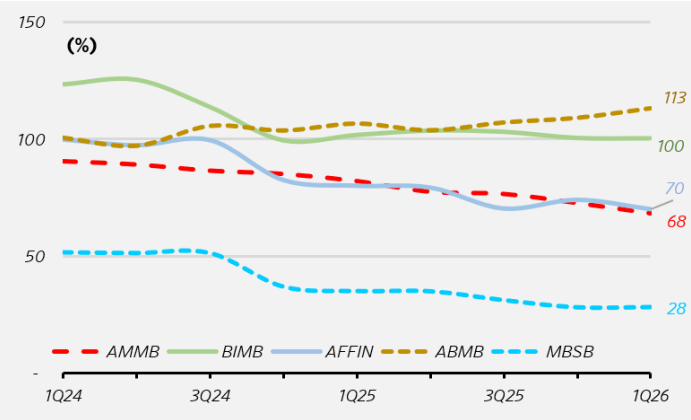
Source: Banks, MBSBR

Fig 81: Loan Loss Coverage (no reserves): Big 5



Source: Banks, MBSBR

Fig 82: Loan Loss Coverage (no reserves): Small 4



Source: Banks, MBSBR

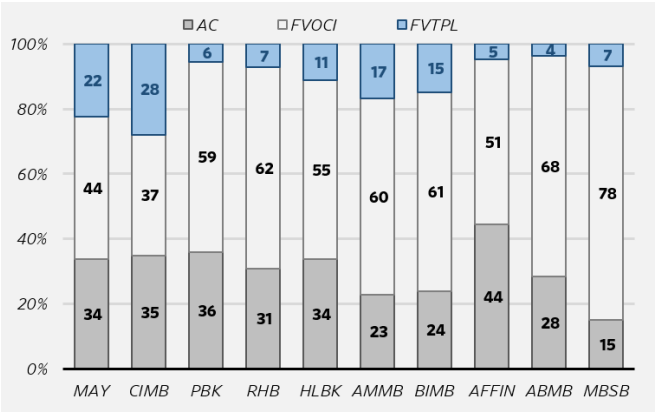
FIG 83: GIL ratio by Sector (%)

	MAY		CIMB		PBK		RHB		HLBK		AMMB		BIMB		AFFIN		ABMB	
	GIL ratio	qoq	GIL ratio	qoq	GIL ratio	qoq	GIL ratio	qoq	GIL ratio	qoq	GIL ratio	qoq	GIL ratio	qoq	GIL ratio	qoq	GIL ratio	qoq
Overall GIL ratio (%)																		
1Q22	1.95		3.44		0.29		1.50		0.48		1.40		1.02		2.43		1.85	
2Q22	1.81	-14	3.55	+10	0.29	-0	1.62	+12	0.49	+1	1.55	+15	1.14	+12	2.28	-15	1.84	-0
3Q22	1.70	-11	3.49	-6	0.33	+5	1.57	-5	0.49	+1	1.52	-3	1.20	+6	1.91	-37	1.87	+3
4Q22	1.57	-13	3.27	-22	0.42	+9	1.55	-2	0.49	-1	1.62	+9	1.27	+6	1.97	+7	1.93	+6
1Q23	1.50	-7	3.22	-5	0.52	+10	1.59	+4	0.52	+3	1.46	-16	1.37	+11	1.96	-1	2.51	+58
2Q23	1.47	-3	3.35	+12	0.55	+4	1.64	+5	0.57	+5	1.66	+20	1.03	-34	1.78	-18	2.63	+11
3Q23	1.43	-4	3.17	-17	0.58	+3	1.79	+15	0.57	-1	1.65	-1	0.97	-6	1.84	+6	2.51	-12
4Q23	1.34	-9	2.67	-51	0.59	+1	1.74	-5	0.56	-1	1.60	-5	0.92	-5	1.90	+5	2.33	-17
1Q24	1.32	-3	2.55	-12	0.62	+3	1.83	+9	0.57	+1	1.67	+7	0.95	+3	1.96	+6	2.11	-22
2Q24	1.29	-3	2.50	-6	0.64	+2	1.76	-7	0.53	-4	1.70	+3	0.92	-3	1.89	-6	2.17	+6
3Q24	1.26	-2	2.34	-16	0.62	-2	1.77	+1	0.54	+1	1.67	-3	1.02	+10	1.74	-15	2.02	-15
4Q24	1.23	-3	2.12	-23	0.52	-9	1.47	-30	0.55	+1	1.67	+0	1.06	+4	1.94	+20	1.97	-5
1Q25	1.27	+4	2.16	+4	0.53	+1	1.50	+3	0.57	+2	1.54	-13	1.08	+2	1.84	-10	1.83	-14
2Q25	1.30	+3	2.15	-1	0.54	+1	1.51	+1	0.54	-2	1.71	+18	1.05	-3	1.83	-1	1.96	+12
3Q25	1.32	+2	1.91	-23	0.52	-2	1.50	-1	0.57	+3	1.75	+4	1.04	-1	1.86	+3	1.91	-4
4Q25	1.28	-4	1.72	-19	0.51	-0	1.41	-9	0.59	+2	1.76	+0	0.97	-7	1.64	-23	1.89	-2
1Q26	1.34	+6	1.68	-4	0.51	-0	1.47	+6	0.60	+1	1.59	-17	1.02	+4	1.75	+11	1.73	-16
Residential Mortgage GIL ratio (%)																		
1Q24	0.65		2.19		0.45		1.06		0.42		2.12		0.86		1.36		2.19	
2Q24	0.64	-1	2.11	-8	0.45	+0	1.09	+3	0.41	-1	2.12	+0	0.82	-4	1.46	+9	2.26	+7
3Q24	0.62	-1	2.00	-11	0.44	-2	1.13	+3	0.41	+0	2.13	+1	0.82	+0	1.47	+2	2.05	-21
4Q24	0.60	-3	1.95	-5	0.43	-1	1.08	-5	0.39	-2	2.09	-4	0.86	+4	1.71	+23	1.96	-8
1Q25	0.61	+2	2.00	+5	0.40	-3	1.10	+3	0.43	+3	2.02	-6	0.91	+5	1.78	+7	1.56	-40
2Q25	0.65	+4	2.05	+6	0.41	+1	1.13	+3	0.41	-1	2.13	+10	0.88	-3	1.77	-0	1.86	+29
3Q25	0.64	-1	2.03	-3	0.39	-1	1.13	-1	0.41	-0	2.16	+3	0.90	+2	1.64	-13	1.90	+5
4Q25	0.63	-2	1.80	-22	0.38	-1	1.08	-4	0.41	-0	2.19	+3	0.85	-5	1.66	+2	1.91	+1
1Q26	0.67	+5	1.85	+5	0.36	-2	1.14	+6	0.43	+2	2.17	-2	0.89	+4	1.67	+1	1.63	-29
Personal Financing GIL ratio (%)																		
1Q24	5.57		1.64		0.81		1.18		0.75				0.59		0.68		3.71	
2Q24	5.03	-53	1.62	-3	0.88	+8	1.14	-4	0.69	-6			0.55	-4	1.14	+46	3.90	+19
3Q24	3.44	-160	1.76	+14	1.03	+15	1.14	-1	0.75	+6			0.57	+2	1.02	-12	3.48	-42
4Q24	3.21	-23	1.73	-2	0.99	-4	1.10	-4	0.78	+2			0.51	-6	0.64	-38	3.46	-2
1Q25	3.02	-19	1.79	+5	0.96	-3	1.09	-1	0.75	-3			0.53	+2	0.79	+15	3.07	-39
2Q25	2.95	-7	1.86	+7	1.03	+7	1.15	+6	0.73	-2			0.54	+1	0.74	-6	3.30	+23
3Q25	2.90	-6	1.89	+3	1.03	+0	1.12	-3	0.79	+6			0.52	-2	0.67	-7	3.26	-4
4Q25	1.53	-136	1.56	-33	1.04	+0	1.07	-5	0.97	+18			0.53	+1	0.61	-6	3.35	+9
1Q26	1.62	+8	1.61	+6	1.08	+4	1.06	-1	0.81	-16			0.66	+13	0.70	+9	3.07	-28
Transport Vehicles GIL ratio (%)																		
1Q24	0.59		1.07		0.28		0.50		0.33		0.78				0.57		4.42	
2Q24	0.64	+4	1.11	+3	0.31	+3	0.47	-3	0.35	+2	0.74	-4			0.54	-2	4.62	+19
3Q24	0.64	+0	1.11	+0	0.32	+1	0.45	-2	0.43	+8	0.77	+3			0.52	-2	4.54	-7
4Q24	0.63	-1	1.23	+13	0.32	+1	0.48	+3	0.42	-1	0.75	-2			0.46	-6	4.41	-13
1Q25	0.71	+8	1.21	-2	0.34	+1	0.43	-4	0.41	-0	0.59	-16			0.52	+6	4.34	-8
2Q25	0.71	+0	1.40	+19	0.36	+2	0.41	-2	0.47	+6	0.81	+21			0.52	-0	4.31	-2
3Q25	0.72	+1	1.42	+1	0.34	-2	0.42	+1	0.43	-4	0.81	+0			0.55	+3	4.25	-6
4Q25	0.76	+4	1.40	-2	0.33	-1	0.43	+1	0.45	+2	0.77	-4			0.54	-1	3.85	-40
1Q26	0.79	+2	1.35	-4	0.35	+2	0.43	+0	0.49	+4	0.76	-2			0.54	+0	4.01	+16
Working Capital GIL ratio (%)																		
1Q24	1.99		4.18		0.99		3.48		0.97						3.73		2.20	
2Q24	1.94	-5	4.13	-5	1.02	+3	3.41	-8	0.80	-17					3.26	-48	2.30	+10
3Q24	1.97	+2	3.62	-51	0.95	-7	3.57	+17	0.83	+3					2.91	-34	2.31	+1
4Q24	2.05	+8	2.86	-76	0.89	-6	2.52	-105	0.93	+9					4.06	+114	2.36	+5
1Q25	2.14	+9	2.99	+13	0.92	+3	2.63	+11	1.01	+8					3.57	-48	2.50	+14
2Q25	2.24	+10	2.87	-12	0.88	-4	2.70	+7	0.86	-15					3.44	-13	2.53	+3
3Q25	2.62	+38	2.05	-82	0.84	-4	2.75	+5	1.12	+26					3.70	+26	2.59	+6
4Q25	2.29	-33	1.82	-23	0.84	+0	2.65	-10	1.21	+8					3.32	-39	2.63	+4
1Q26	2.39	+10	1.81	-1	0.91	+6	2.89	+24	1.26	+6					3.69	+37	2.48	-16

Source: Banks, MBSBR

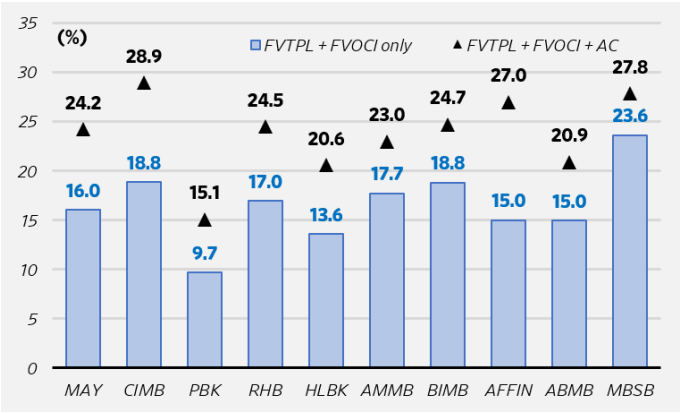
K. INVESTMENT SECURITIES

Fig 84: Investment Book Breakdown



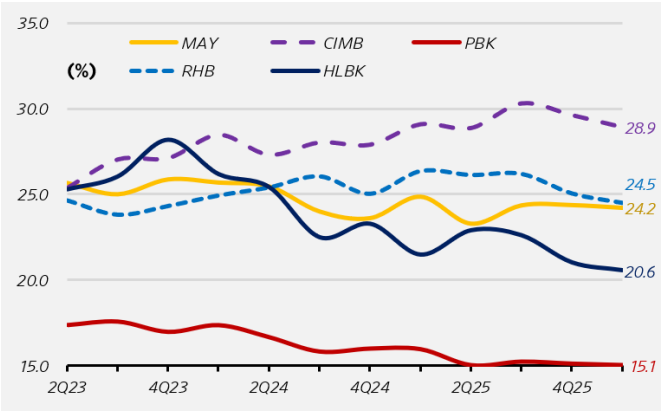
Source: Banks, MBSBR

Fig 85: Investment Book as % of total assets



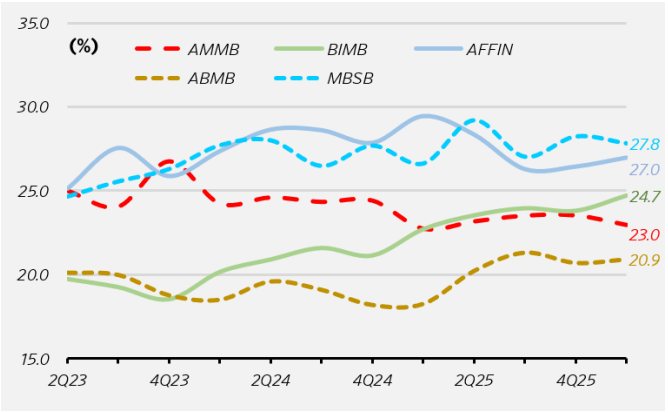
Source: Banks, MBSBR

Fig 86: Investment Securities as % of total Assets: Big 5



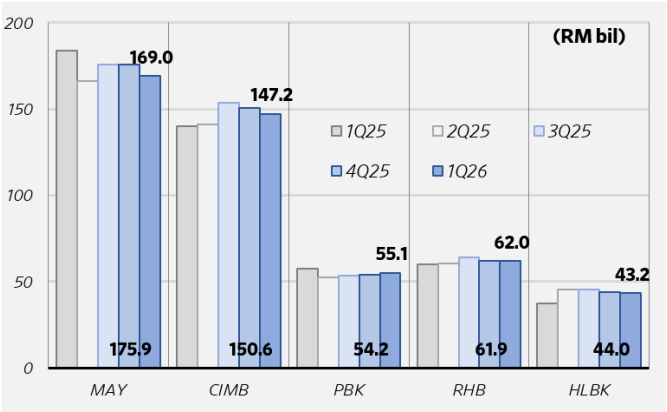
Source: Banks, MBSBR

Fig 87: Investment Securities as % of total Assets: Small 5



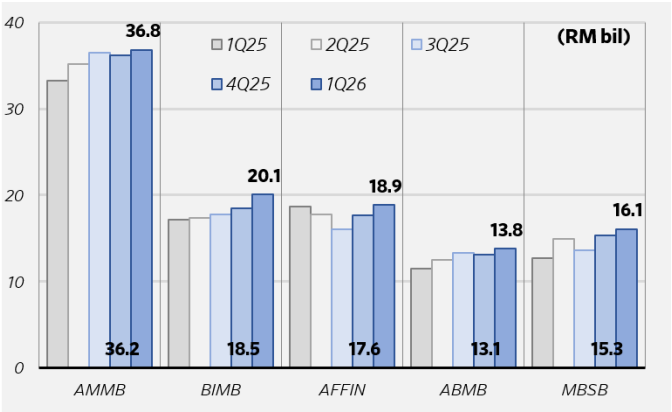
Source: Banks, MBSBR

Fig 88: Total FVTPL + FVOCI Book: Big 5



Source: Banks, MBSBR

Fig 89: Total FVTPL + FVOCI Book: Small 5



Source: Banks, 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