Banking

POSITIVE (Maintain)

Apr-26 Banking Stats: Recovery Continues

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HIGHLIGHTS

- ▲ **(1) Loan growth continues its rebound, driven by business loans – though SME loans show a sharp slowdown this month; (2) Loan applications have the strongest month in ages, but approvals don't share the same level of exuberance; (3) Conventional FD rates show a notable decline – the first time since the OPR hike.**
- ▼ **(1) SME GIL ratio shows some uptick, though overall system GIL ratio remains flat; (2) Average lending rates show a -3bps mom contraction.**
- ► **(1) Deposits moderate as both FD and CASA show sequential month decline.**
- **Maintain POSITIVE call: The local banking sector is driven by several tailwinds such as a strong topline outlook and a promising liquidity situation. Headwinds have cropped up, but most banks don't seem overly worried – for now.**

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 come in the form of slowing loan growth and asset quality/provisioning issues – though most banks don't 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, solid asset quality, and high capitalisation levels make our banks look particularly attractive.
2. ▲ **Dividend outlook remains extremely bright.** Capital remains elevated, and Basel transition is capital accretive in most cases. A weaker loan growth 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. However, several banks also see limited room for further optimisation, while the return of deposit competition brings 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 some normalisation on this front.
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 run into 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.

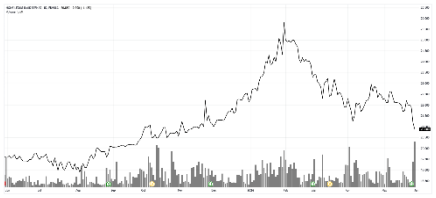
COMPANY *IN FOCUS*

HL Bank

Maintain BUY | Target Price: RM30.50
Price @ 29 May 2026: RM20.88

- Defensive pick, due to excellent asset quality and provisioning.
- Topline expansion, with both NIM expansion and NOII recovery inbound. A strong loan growth outlook helps.
- Committed to improving dividend yields, though this may take some time.

SHARE PRICE CHART



ABMB

Maintain BUY | Target Price: RM5.92
Price @ 29 May 2026: RM4.67

- Excellent loan growth and market share capture.
- Fee income performance is picking up, largely driven by rapid wealth management growth.
- Expect lower cost pressure as we come to an end of ACCLER8.

SHARE PRICE CHART



FIG 1: Overview of Major Indicators

Category	Performance	Notes
Loans	▲ **System loans:** +5.6%yoy | +0.2%mom ► **Household loans:** +5.2%yoy | +0.4%mom ▲ **Non-household loans:** +6.2%yoy | -0.1%mom ▼ **SME loans (Apr-26):** +4.6%yoy | -0.6%mom	Interestingly, loan growth has staged a rebound since a month ago. We were expecting a decline premised on a weaker spending outlook, but sentiment seems better than expected. This is largely driven by business loans, with construction being the standout – working capital loans are also performing a lot stronger (but also more volatile on a sequential month basis).
Leading Indicators	▲ **System:** Strong month **Approval rates:** 49% ▲ **SME (Apr-26):** Strong month **SME Approval rates:** 43%	Some of the highest monthly applications for quite some time. The increase was largely driven by residential property and working capital segments. Monthly approvals didn't share the same level of exuberance. A probable indicator of banks tightening underwriting standards.
Deposits	► **Deposits + repos:** +3.4%yoy | -0.5%mom ► **Deposits (ex-repos):** +4.3%yoy | 0.0%mom ▼ **FD:** -0.3%yoy | -0.1%mom ▼ **CASA:** +7.4%yoy | -2.0%mom **Loan/Deposit ratio:** 92.9% **Loan Coverage ratio:** 153%	FD growth continues to decline, but this month sees a sharp CASA decline as well. We wonder if this is an indicator of higher spending activity.
GIL ratio	► **System GIL ratio:** 1.40% | 0bps mom ► **Retail:** 1.12% | +1bps mom ► **Business:** 1.73% | 0bps mom ▼ **SME GIL ratio (Apr-26):** 3.00% | +4bps mom	▼ **Notable deteriorations, mom:** Personal financing +3bps ▲ **Notable improvements, mom:** Construction -11bps
Interest rates	▲ **FD rates (Conv):** Notable decline ► **FD rates (Isl):** Flattish ▼ **Lending rates (ALR):** -3bps mom	For the first time since the OPR cut, Conventional FD rates have gone down by a noticeable margin. We wonder if this is a sign that deposit competition that banks were guiding for is easing. Then again, BNM's stats focus primarily on board rates, often neglecting promo rates.

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 **ABMB (BUY, TP: RM5.92).**

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	BUY	10.64	12.01	12.9	128.6	FY27F	1.44	10.9	3.0	8.5	12.4	11.9	1.33	1.28	10.9	10.9	5.8	6.0
CIMB	BUY	7.48	9.29	24.2	80.0	FY27F	1.33	10.9	4.0	9.2	10.3	9.9	1.10	1.07	10.8	10.9	6.2	6.4
PBK	NEUTRAL	4.71	4.96	5.3	91.0	FY27F	1.50	12.1	3.5	9.2	12.8	12.0	1.47	1.42	11.7	12.1	5.9	6.2
RHB	BUY	8.21	9.17	11.7	36.0	FY27F	1.08	9.4	4.0	9.0	10.7	10.5	1.01	0.97	9.6	9.4	5.6	5.7
HLBK	^BUY	20.88	30.50	46.1	42.8	FY27F	1.42	11.1	4.0	9.0	9.6	9.0	1.03	0.97	11.1	11.1	4.9	5.2
AMMB	BUY	6.48	7.63	17.7	21.4	FY27F	1.12	9.5	4.0	8.9	10.2	10.0	0.95	0.91	9.5	9.3	5.4	5.5
BIMB	NEUTRAL	2.20	2.30	4.5	5.0	FY27F	0.64	6.9	4.0	8.5	9.4	9.1	0.64	0.61	6.6	6.9	6.3	6.6
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	4.67	5.92	26.8	8.1	FY27F	1.09	9.8	5.0	9.4	9.0	8.6	0.86	0.81	9.8	9.6	4.6	4.8
Total Weighted avg											**11.4**	**10.9**	**1.21**	**1.16**	**10.7**	**10.8**	**5.7**	**6.0**
Large-Cap	**MAY, CIMB, PBK**										**12.0**	**11.4**	**1.31**	**1.27**	**11.1**	**11.3**	**5.9**	**6.2**
Mid-Cap	**RHB, HLBK, AMMB**										**10.1**	**9.8**	**1.01**	**0.96**	**10.2**	**10.1**	**5.3**	**5.4**
Small-Cap	**BIMB, AFFIN, ABMB**										**9.7**	**9.2**	**0.68**	**0.65**	**7.3**	**7.4**	**4.7**	**5.0**

**Closing prices from 29 May 2026.*

**AMMB and ABMB use FY27F/28F values. ^HL Bank & HL FG uses FY23F/24F values.*

Source: MBSBR

A. SYSTEM LOAN & CONSTITUENTS

FIG 2: Overview of Major Indicators

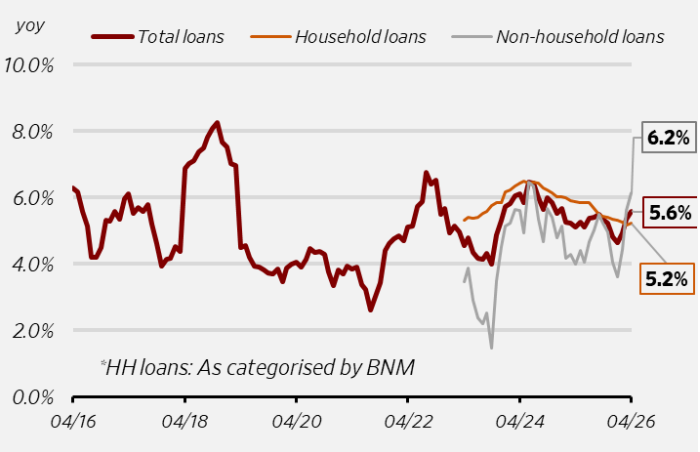
	yoy Growth rates (%)					YTD (%)	mom Growth rates (%)				
	Apr-26	Mar-26	Feb-26	Jan-26	Apr-25		Apr-26	Mar-26	Feb-26	Jan-26	Apr-25
Total loans	**5.6**	**5.4**	**4.9**	**4.6**	5.1	**1.8**	**0.2**	**1.0**	**0.4**	**0.2**	**-0.0**
Retail	5.2	5.3	5.4	5.5	6.4	1.4	0.4	0.3	0.2	0.6	0.4
Business	6.0	5.4	4.3	3.5	3.6	2.2	-0.0	2.0	0.5	-0.2	-0.6
SME	4.6	5.5	5.9	5.1	7.8	1.4	-0.6	0.9	0.6	-0.4	0.3
Household loans	5.2	5.2	5.3	5.3	5.9	1.4	0.4	0.2	0.2	0.6	0.3
Non-HH loans	6.2	5.6	4.4	3.6	4.0	2.3	-0.1	2.2	0.6	-0.3	-0.6
Deposits + repo	**3.4**	**4.2**	**2.6**	**2.8**	3.8	**1.5**	**-0.5**	**1.9**	**0.7**	**-0.6**	0.2
Total deposits	**4.3**	**4.8**	**3.9**	**4.0**	3.4	**1.0**	**0.0**	**0.9**	**0.5**	**-0.4**	0.5
CASA	7.4	9.4	7.6	8.0	4.5	0.4	-2.0	1.3	1.0	0.2	-0.2
FD	-0.3	0.2	1.4	1.1	2.5	-0.8	-0.1	-0.9	0.5	-0.4	0.4
Total provisions	-5.1	-5.1	-7.0	-8.2	-8.9	2.1	0.5	-0.2	0.8	1.0	0.4
Total GIL	3.6	3.9	2.5	0.2	-8.1	3.9	0.3	-0.6	2.0	2.1	0.7
Leading indicators											
3MA applications	8	3	1	8			7	6	-11	-3	
Retail	-2	-1	0	7			3	-0	-8	-2	
Business	20	8	2	10			11	13	-15	-5	
3MA approvals	10	13	12	14			5	1	-9	-5	
Retail	-0	-0	3	7			5	-1	-8	-4	
Business	19	25	19	20			5	2	-10	-6	

	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Apr-25
Interest spread	2.39	2.37	2.33	2.35	2.37	2.33
ALR	4.53	4.56	4.55	4.55	4.59	4.92
3M FD rate	2.14	2.19	2.22	2.20	2.22	2.59
Loan approval rate	49	55	55	51	63	51
SME approval rate	51	43	56	54	70	50
GIL ratio	1.40	1.40	1.42	1.40	1.37	1.43
Retail	1.12	1.12	1.13	1.11	1.09	1.14
Business	1.73	1.73	1.77	1.75	1.72	1.78
SME	3.00	2.96	2.99	2.96	2.89	2.79
LLC ratio	83.4	83.3	82.9	83.9	84.8	91.0
CASA ratio	32.1	32.7	32.6	32.4	32.3	31.2
Loan/Deposit ratio	92.9	92.8	92.6	92.8	92.3	91.8
Liquidity coverage ratio	153	145	149	152	155	156
CET 1	14.1	14.2	14.3	14.8	14.9	14.3
Tier 1 Capital	14.6	14.7	14.8	15.3	15.4	14.8
Total Capital	17.5	17.6	17.8	18.3	18.5	17.7

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

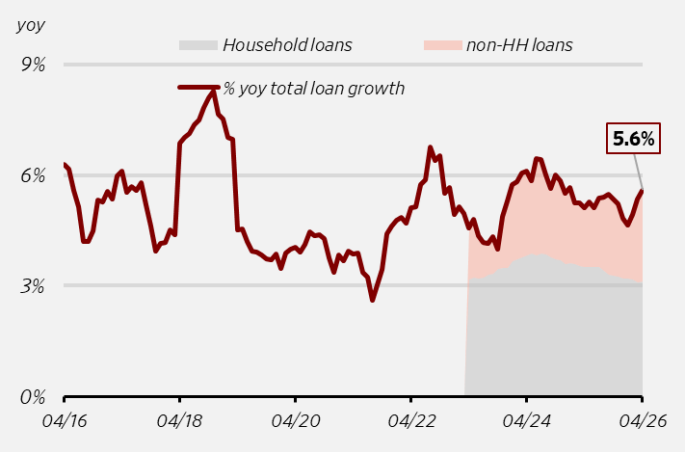
Source: BNM, MBSBR

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



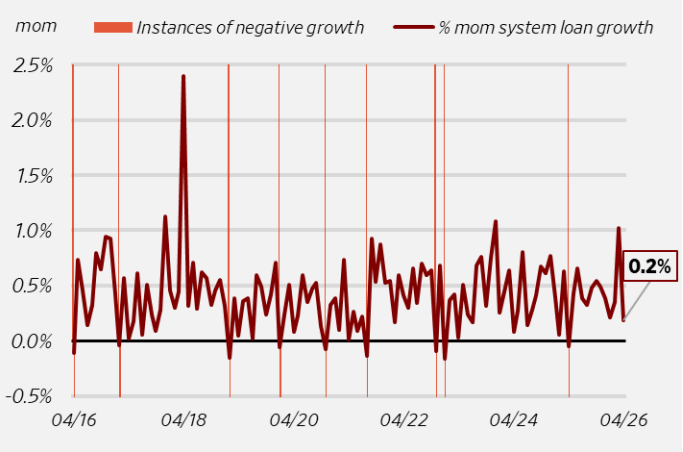
Source: BNM, MBSBR

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



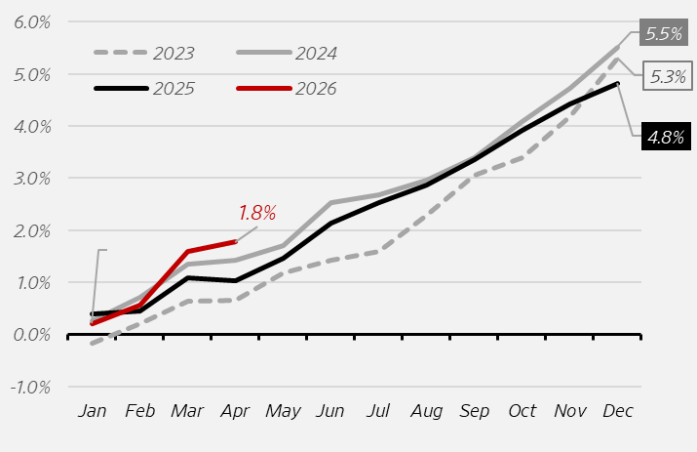
Source: BNM, MBSBR

FIG 5: mom System loans



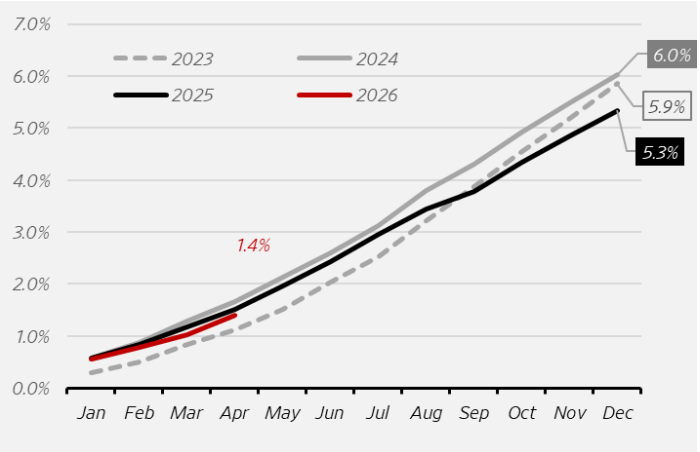
Source: BNM, MBSBR

FIG 6: YTD System loan growth comparison



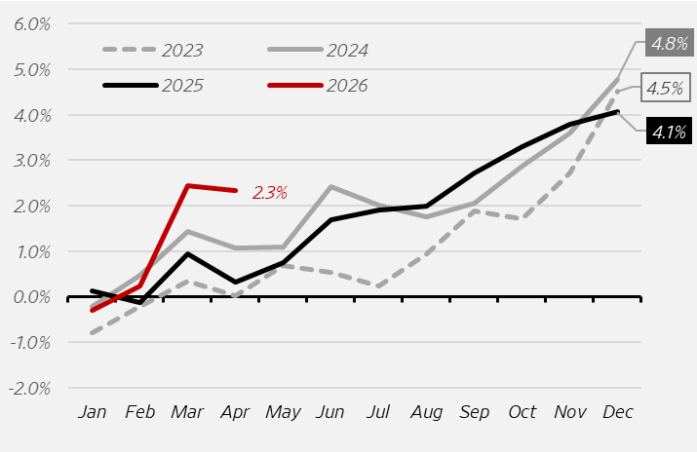
Source: BNM, MBSBR

FIG 7: YTD Household loan growth comparison



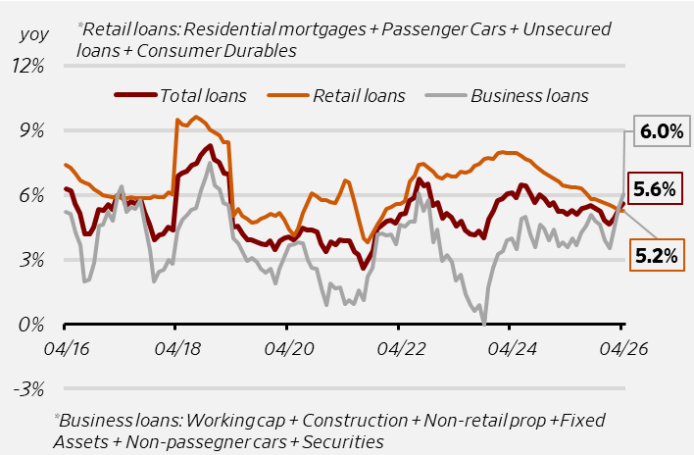
Source: BNM, MBSBR

FIG 8: YTD Non-HH loan growth comparison



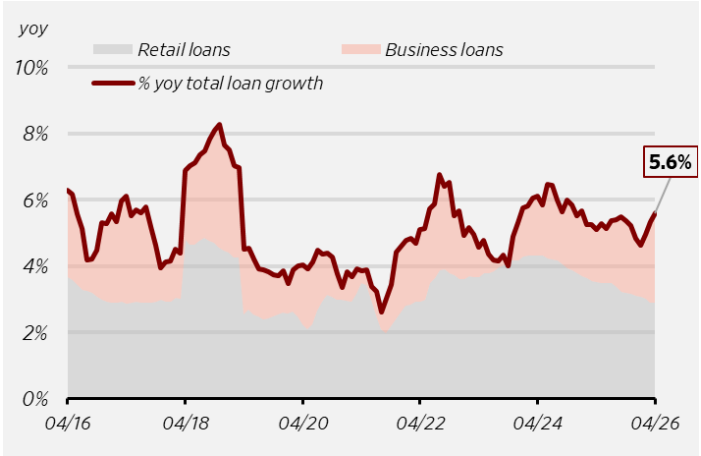
Source: BNM, MBSBR

FIG 9: Retail & business loan growth



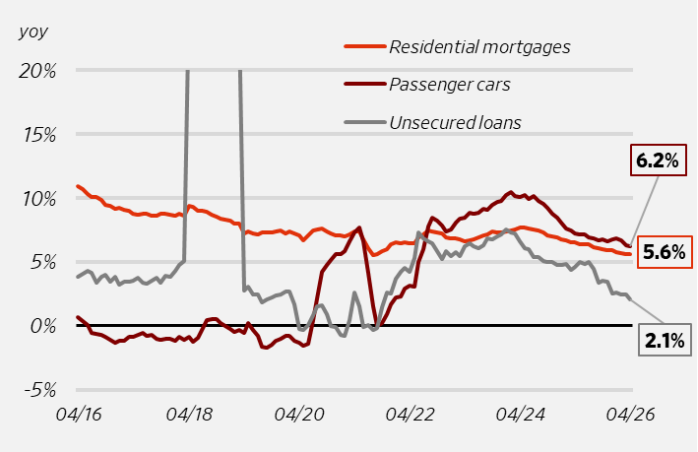
Source: BNM, MBSBR

FIG 10: Retail/business loans as drivers



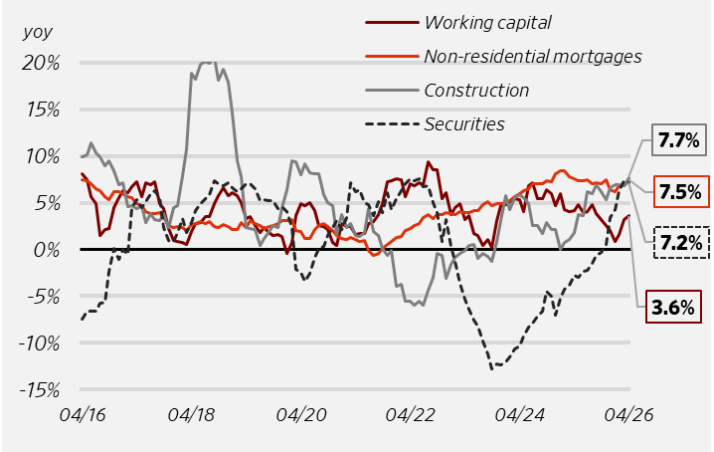
Source: BNM, MBSBR

FIG 11: Retail loan constituents



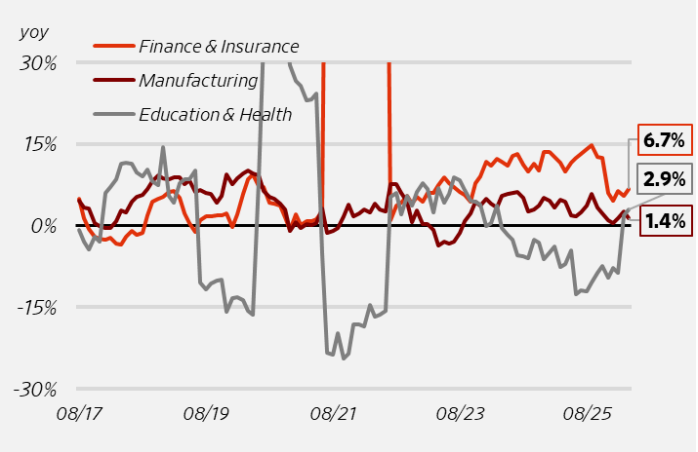
Source: BNM, MBSBR

FIG 12: Business loan constituents



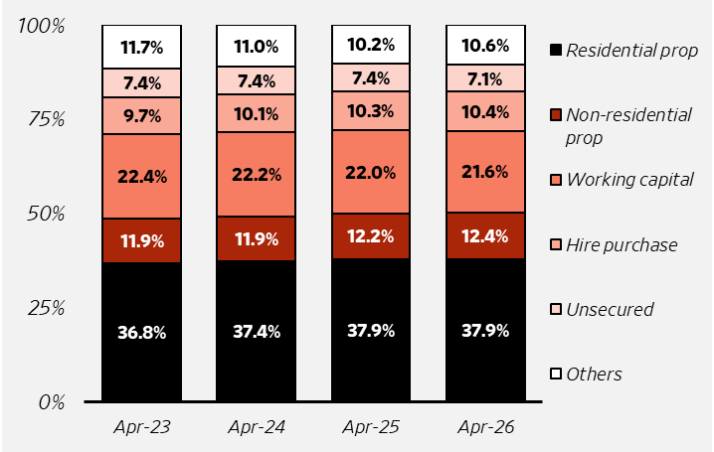
Source: BNM, MBSBR

FIG 13: Loan growth of other sectors



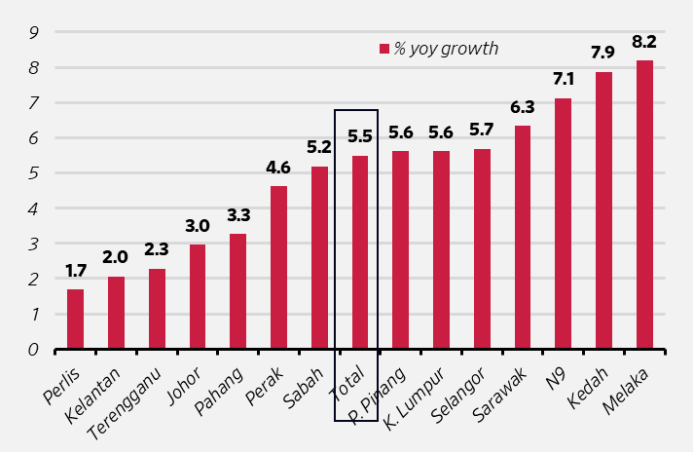
Source: BNM, MBSBR

FIG 14: Loan breakdown by type



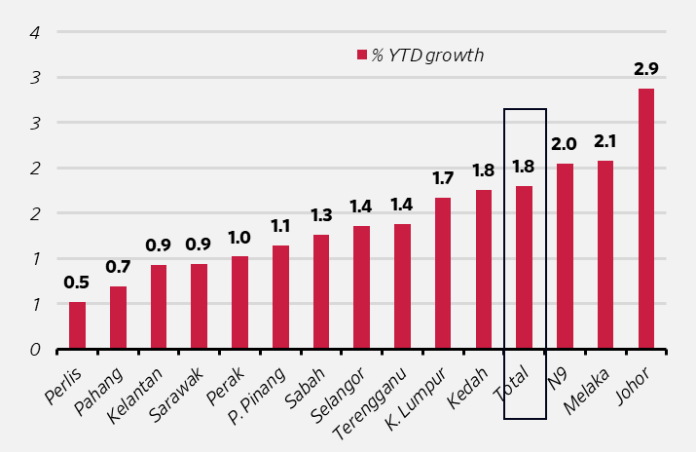
Source: BNM, MBSBR

FIG 15: yoy Loan growth by geography



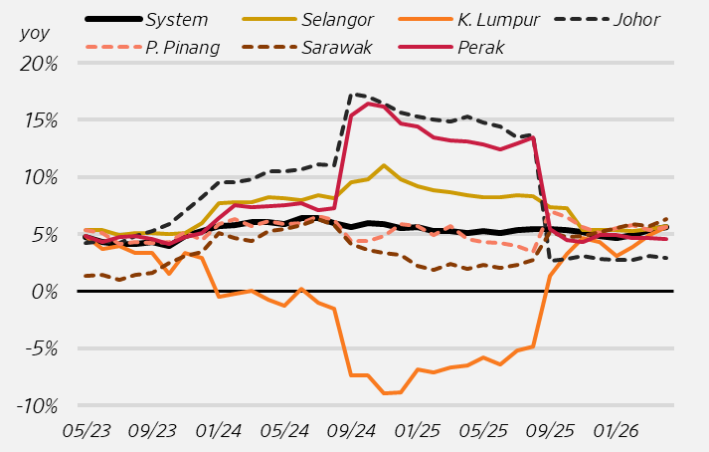
Source: BNM, MBSBR

FIG 16: YTD Loan growth by geography



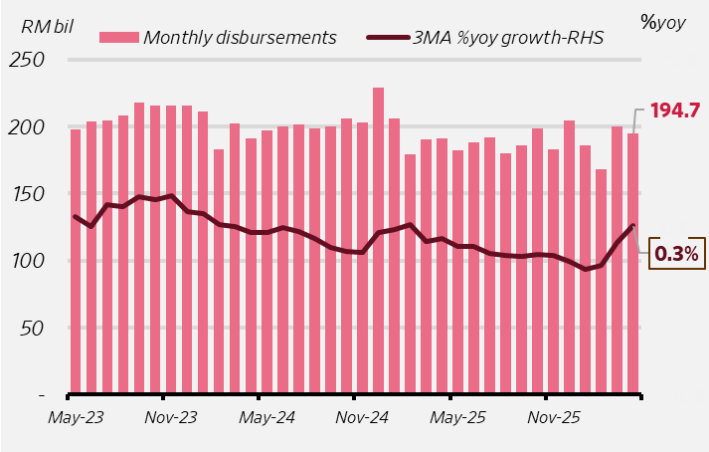
Source: BNM, MBSBR

FIG 17: Geographical loan growth comparison



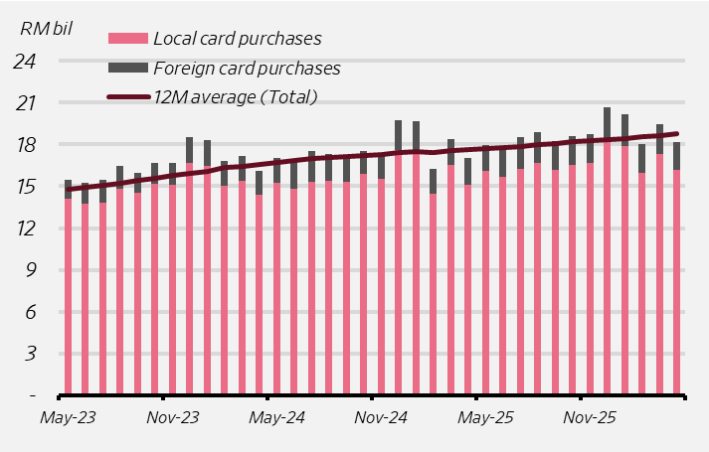
Source: BNM, MBSBR

FIG 18: Monthly disbursements



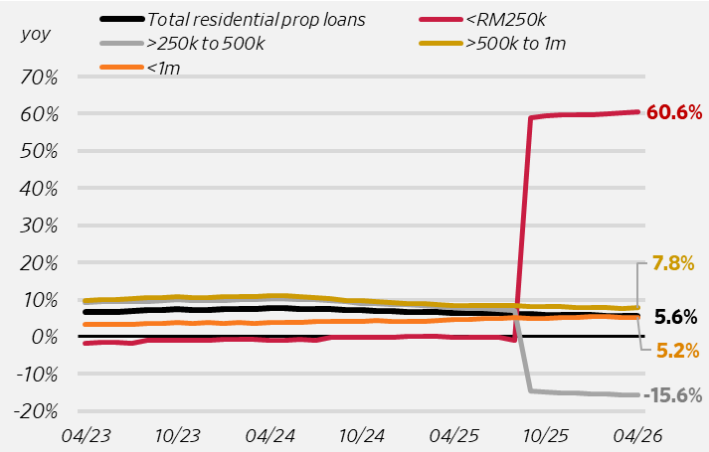
Source: BNM, MBSBR

FIG 19: Credit card purchases



Source: BNM, MBSBR

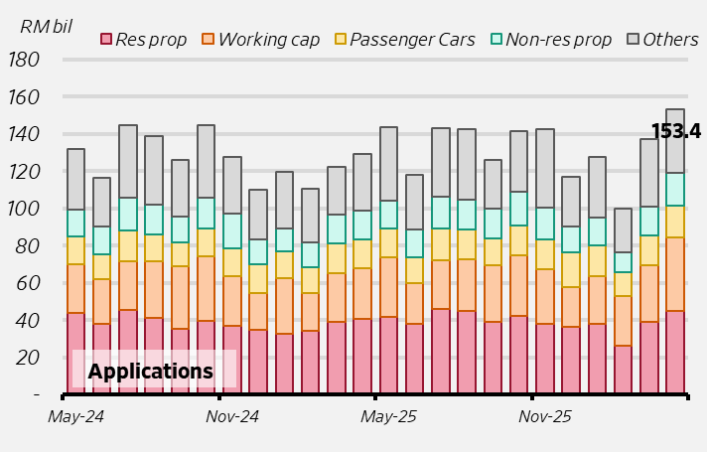
FIG 20: yoy Residential mortgages growth by cost



Source: BNM, MBSBR

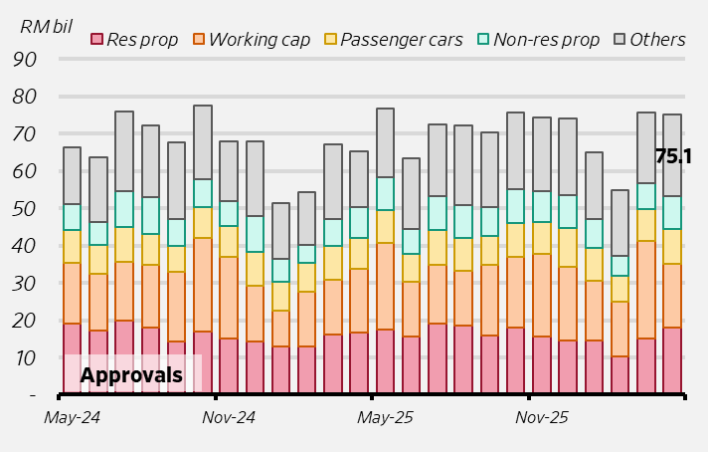
B. LEADING INDICATOR TRENDS

FIG 21: Monthly applications by type



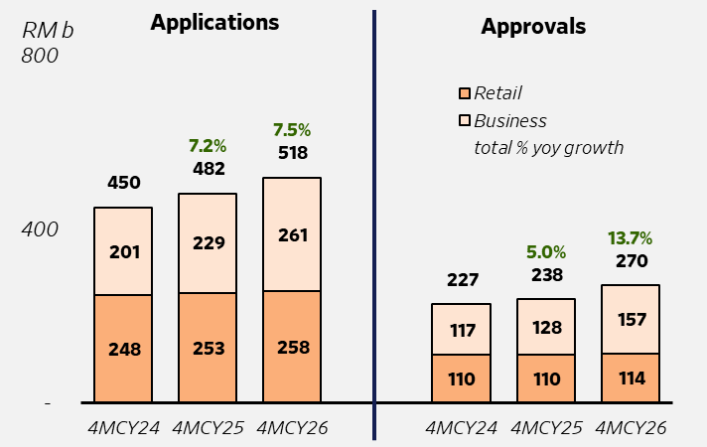
Source: BNM, MBSBR

FIG 22: Monthly approvals by type



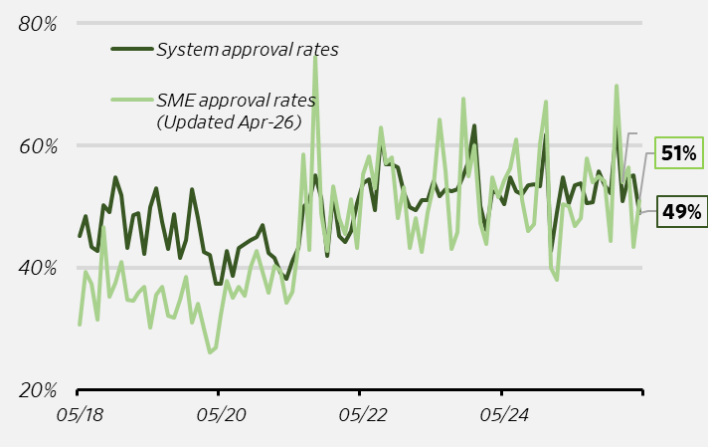
Source: BNM, MBSBR

FIG 23: Cumulative (CY) loan leading indicators



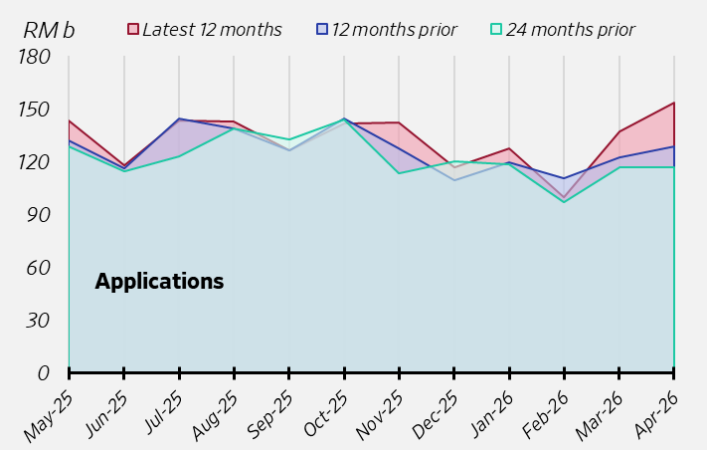
Source: BNM, MBSBR

FIG 24: System & SME approval rates



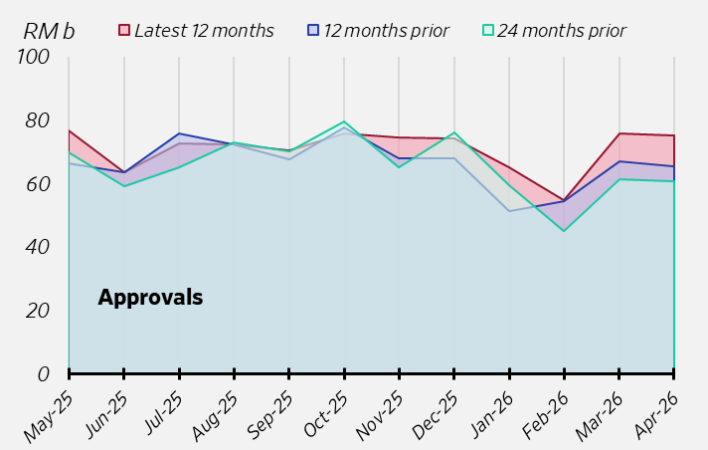
Source: BNM, MBSBR

FIG 25: Monthly loan application comparisons (yoy)



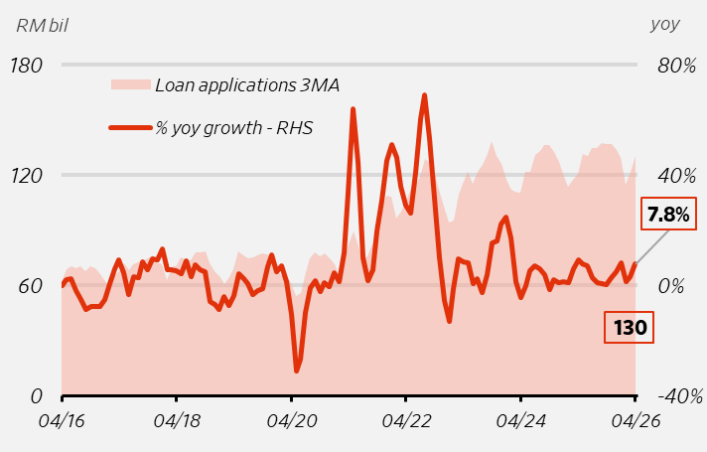
Source: BNM, MBSBR

FIG 26: Monthly loan approval comparisons (yoy)



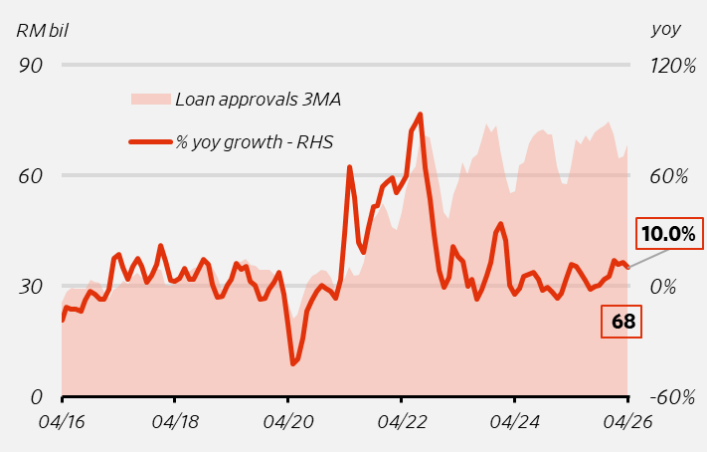
Source: BNM, MBSBR

FIG 27: Loan applications (3-mth average)



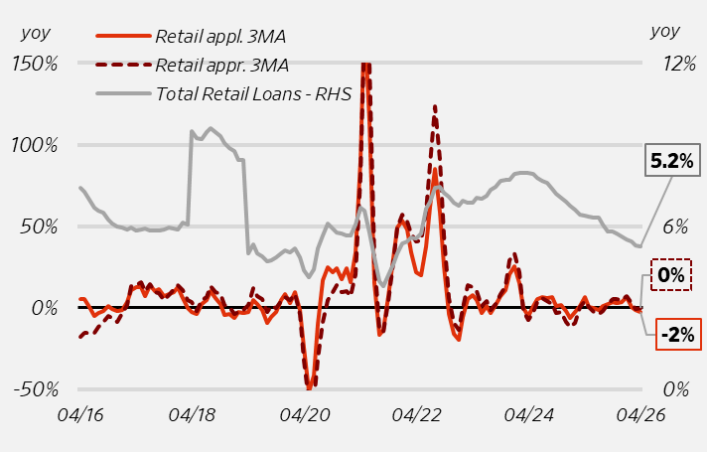
Source: BNM, MBSBR

FIG 28: Loan approvals (3-mth average)



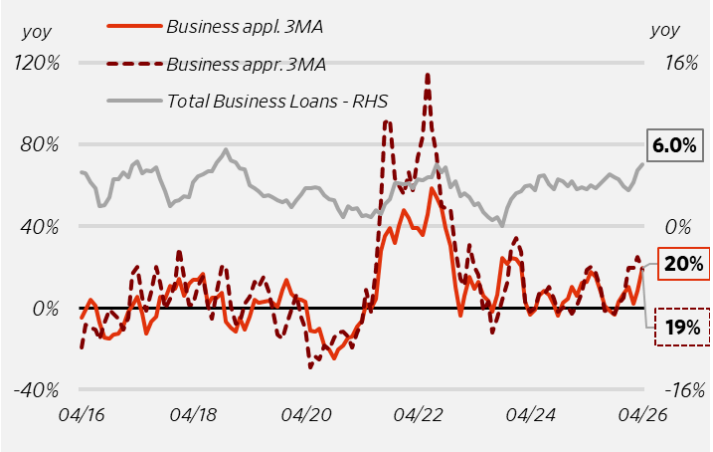
Source: BNM, MBSBR

FIG 29: Retail loan indicators



Source: BNM, MBSBR

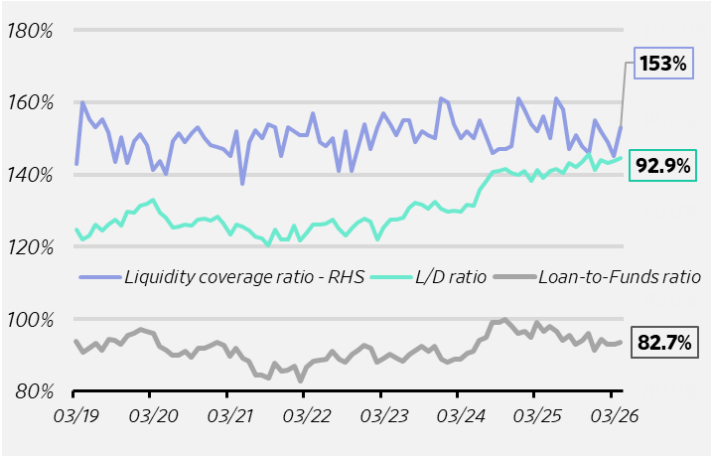
FIG 30: Business loan indicators



Source: BNM, MBSBR

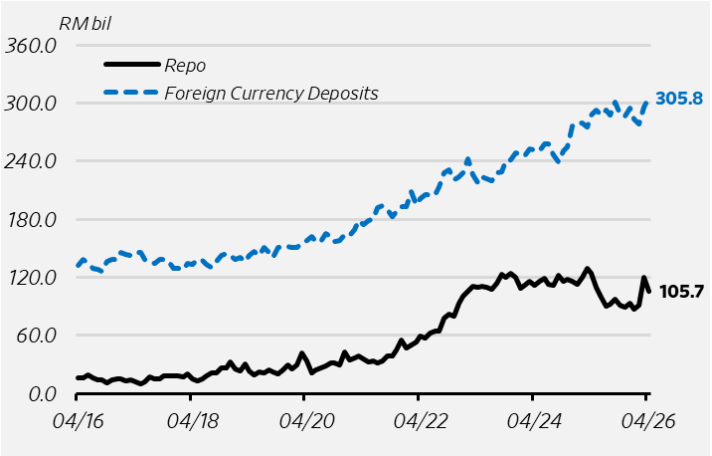
C. DEPOSITS & LIQUIDITY

FIG 31: LCR, LDR & LTF ratio



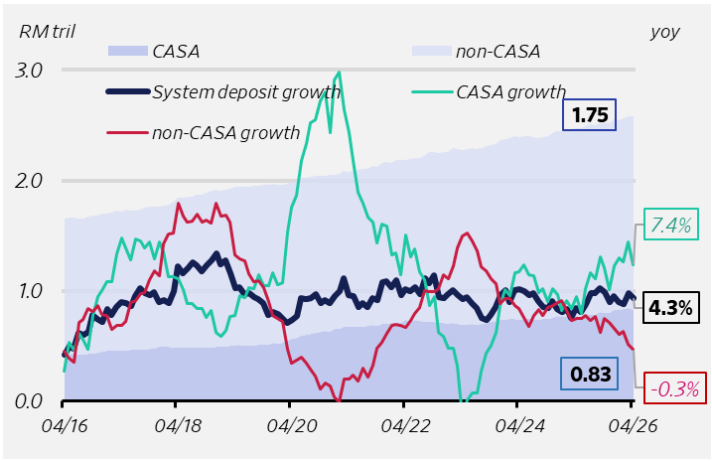
Source: BNM, MBSBR

FIG 32: System deposits, repos, foreign currency deposits



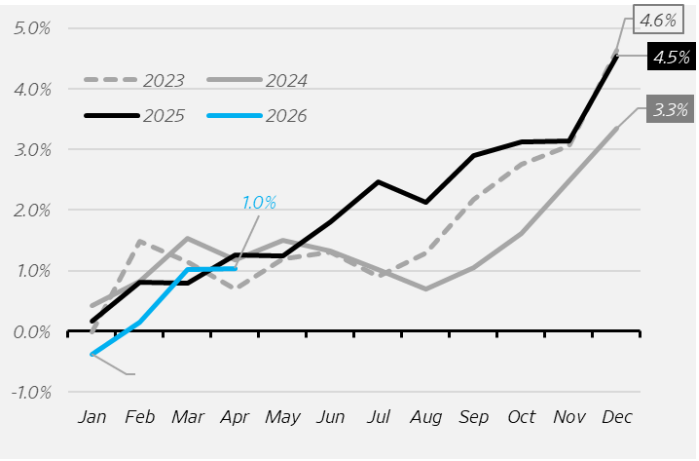
Source: BNM, MBSBR

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



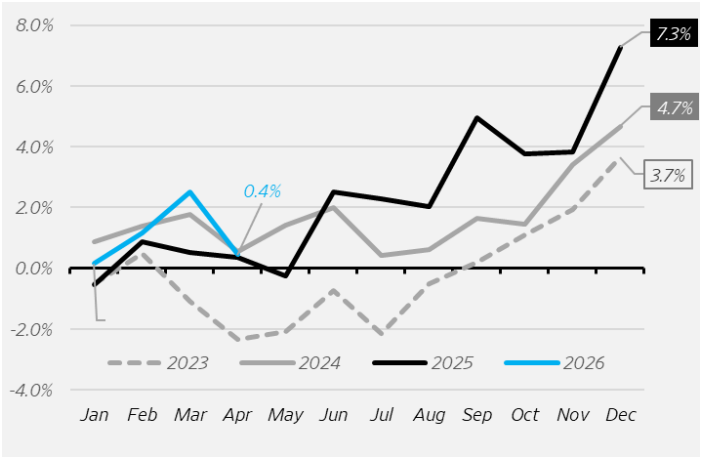
Source: BNM, MBSBR

FIG 34: YTD System deposit growth comparison



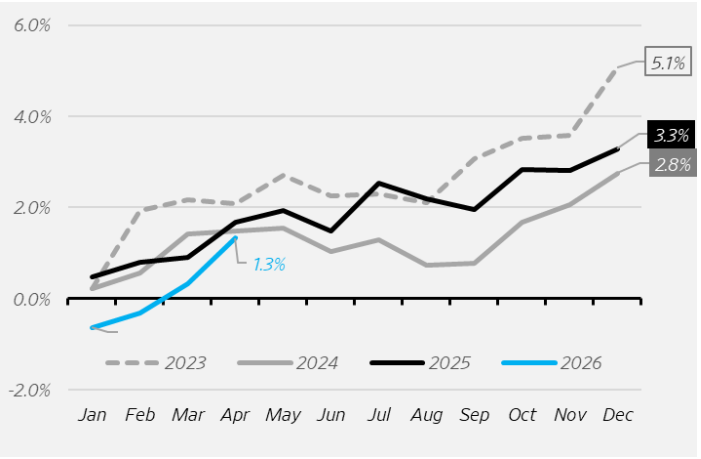
Source: BNM, MBSBR

FIG 35: YTD CASA growth comparison



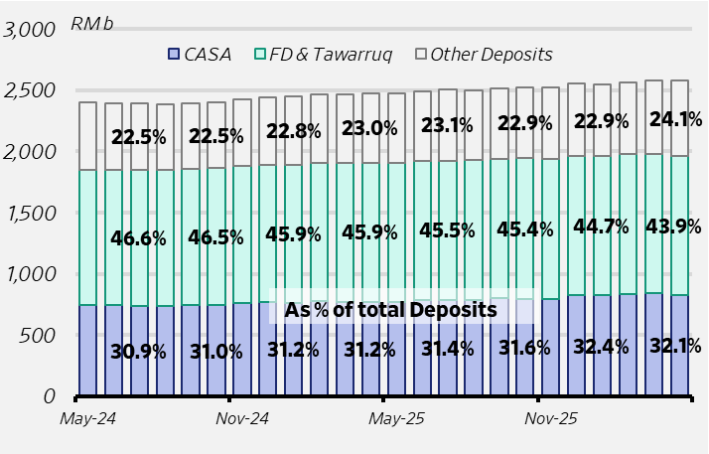
Source: BNM, MBSBR

FIG 36: YTD non-CASA growth comparison



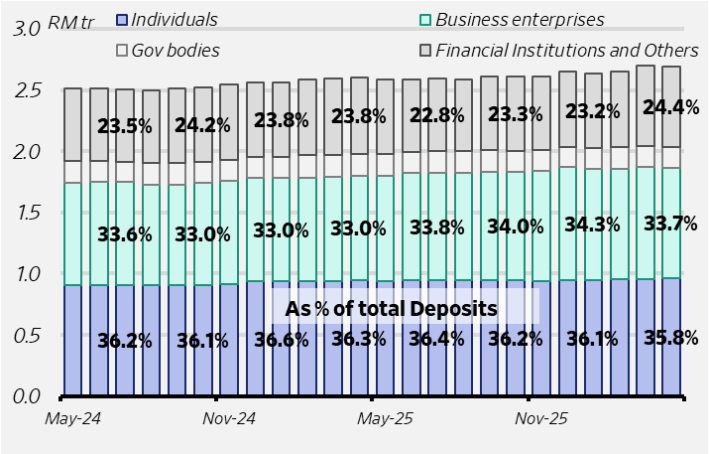
Source: BNM, MBSBR

FIG 37: Deposit breakdown by type



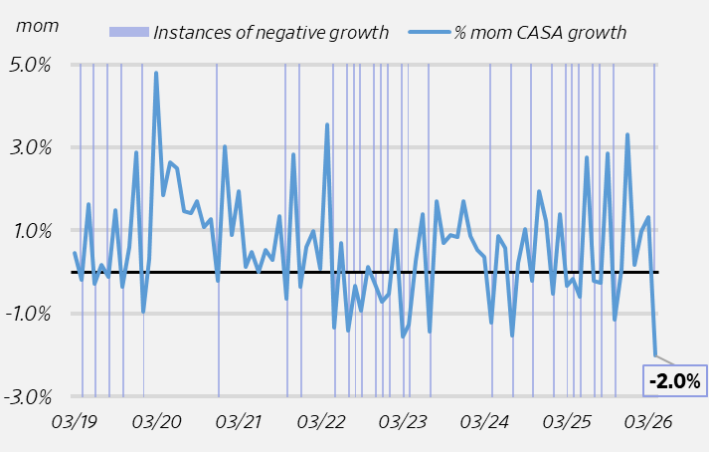
Source: BNM, MBSBR

FIG 38: Deposit breakdown by depositor



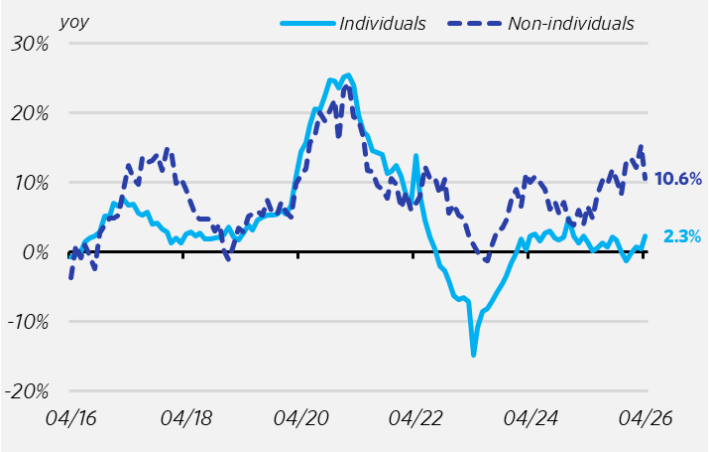
Source: BNM, MBSBR

FIG 39: mom CASA growth



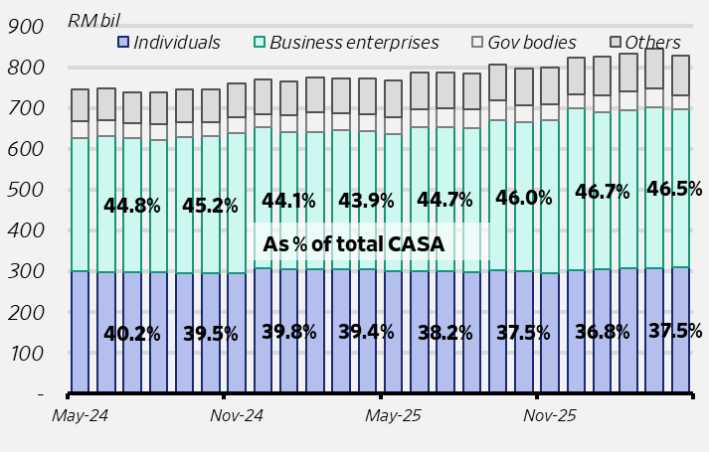
Source: BNM, MBSBR

FIG 40: yoy CASA growth by depositor



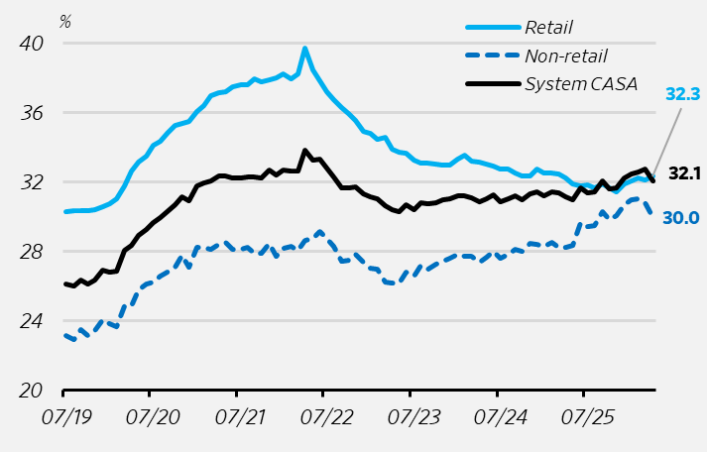
Source: BNM, MBSBR

FIG 41: CASA breakdown by depositor



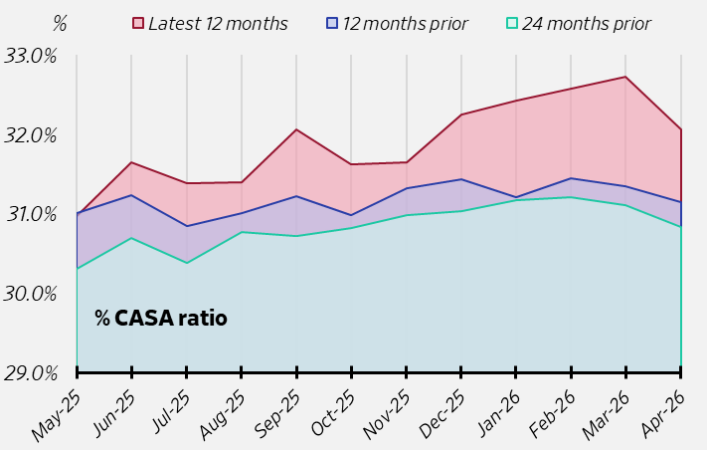
Source: BNM, MBSBR

FIG 42: CASA ratio by depositor



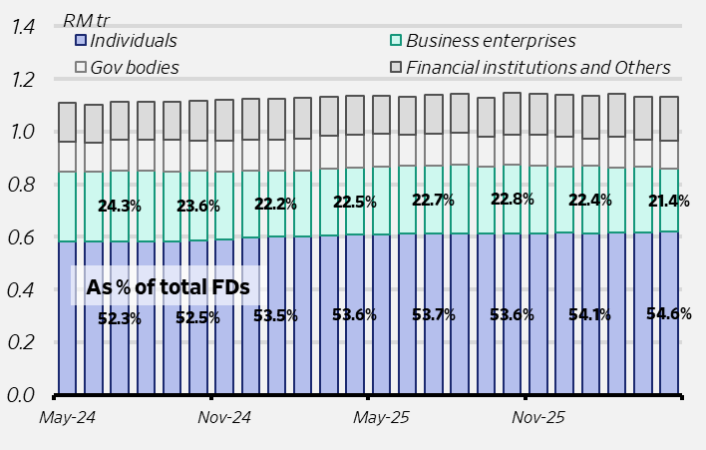
Source: BNM, MBSBR

FIG 43: Monthly CASA ratio comparisons (yoy)



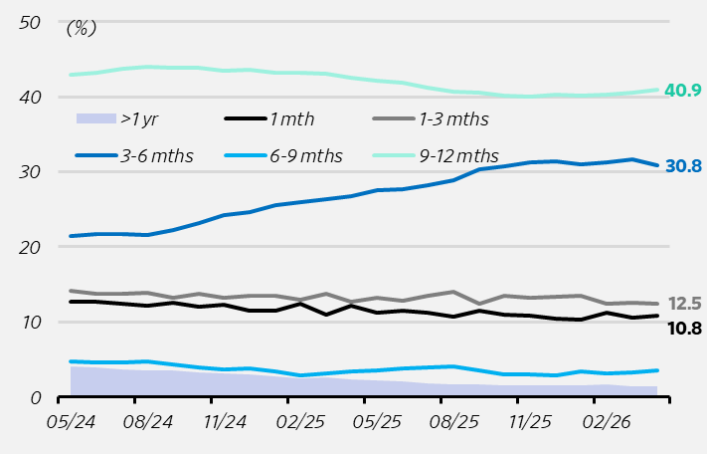
Source: BNM, MBSBR

FIG 44: FD breakdown by depositor



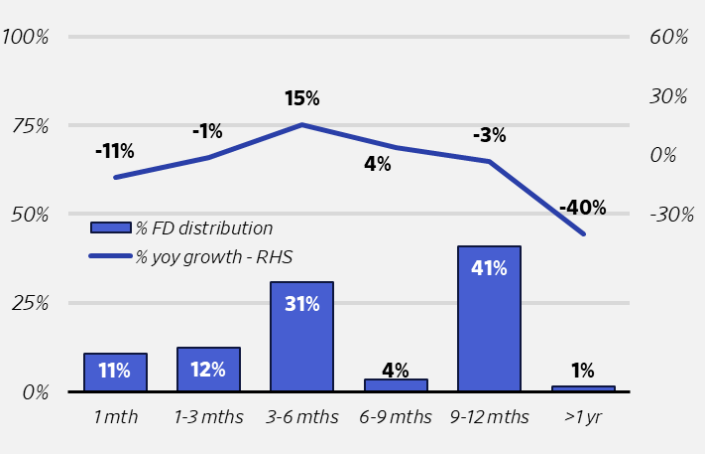
Source: BNM, MBSBR

FIG 45: % of FDs by maturity bracket



Source: BNM, MBSBR

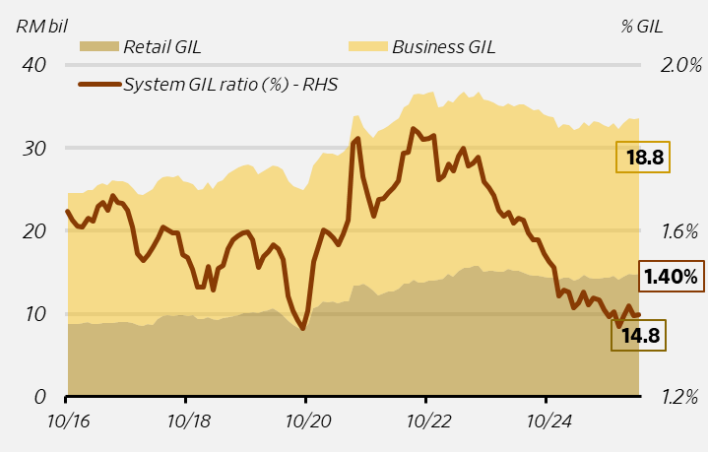
FIG 46: FD by maturity brackets and yoy growth



Source: BNM, MBSBR

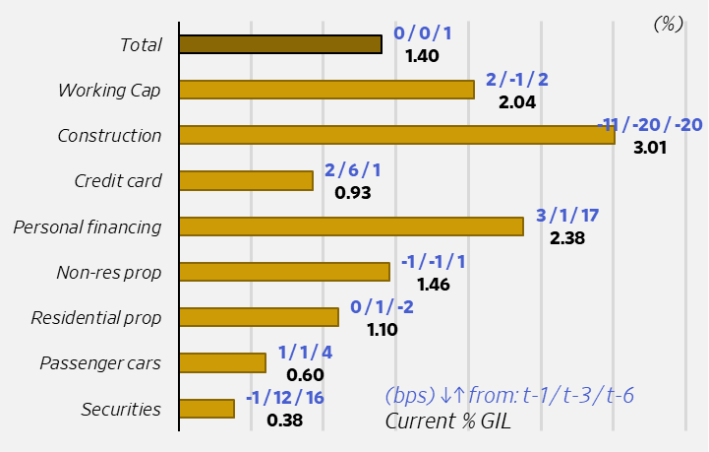
D. ASSET QUALITY & PROVISIONING

FIG 47: System gross impaired loans



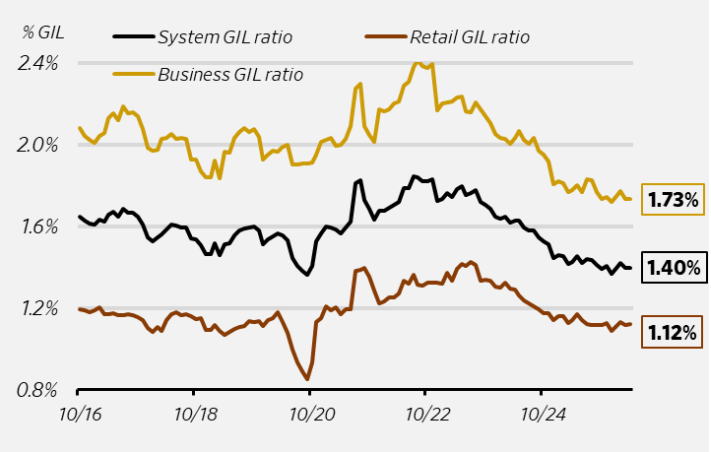
Source: BNM, MBSBR

FIG 48: Segmental GIL ratio changes



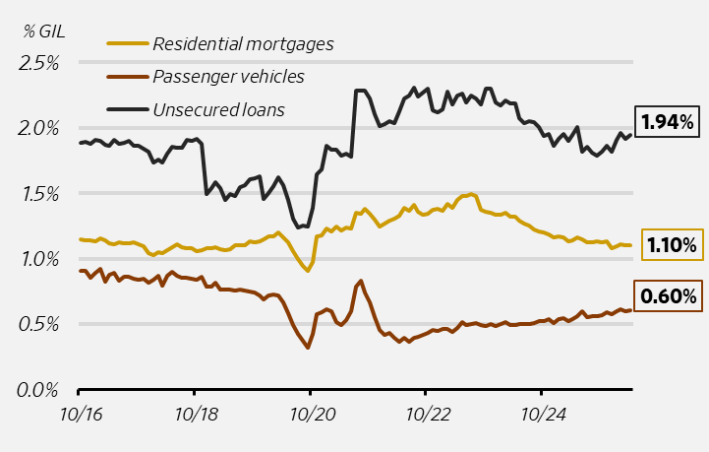
Source: BNM, MBSBR

FIG 49: System, Retail, Business GIL ratios



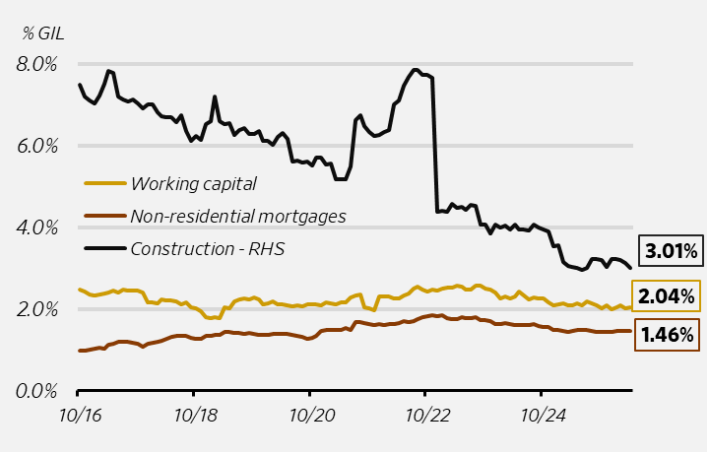
Source: BNM, MBSBR

FIG 50: Retail GIL ratios



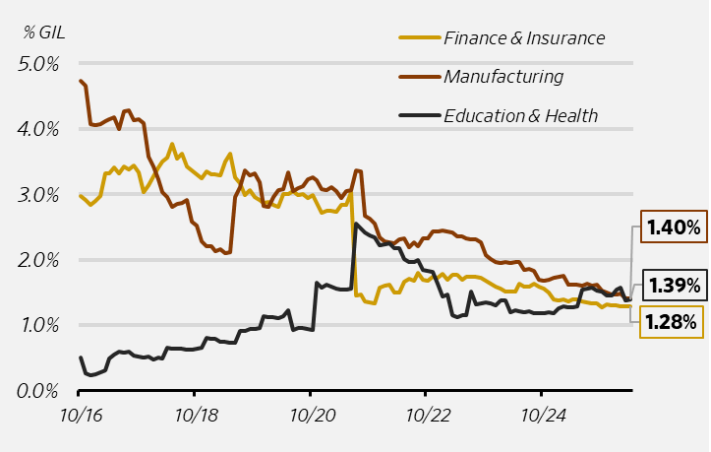
Source: BNM, MBSBR

FIG 51: Business GIL ratios



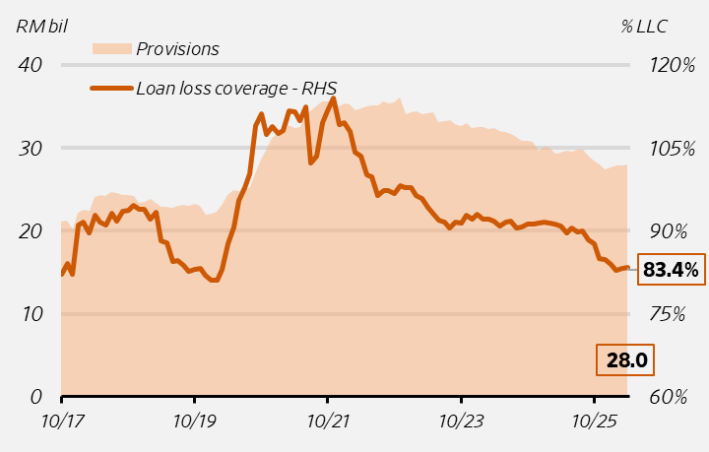
Source: BNM, MBSBR

FIG 52: GIL ratios of other sectors



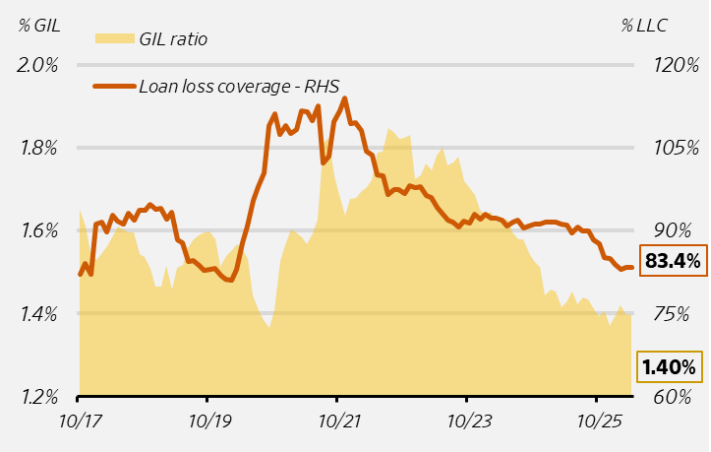
Source: BNM, MBSBR

FIG 53: Provisions & loan loss coverage



Source: BNM, MBSBR

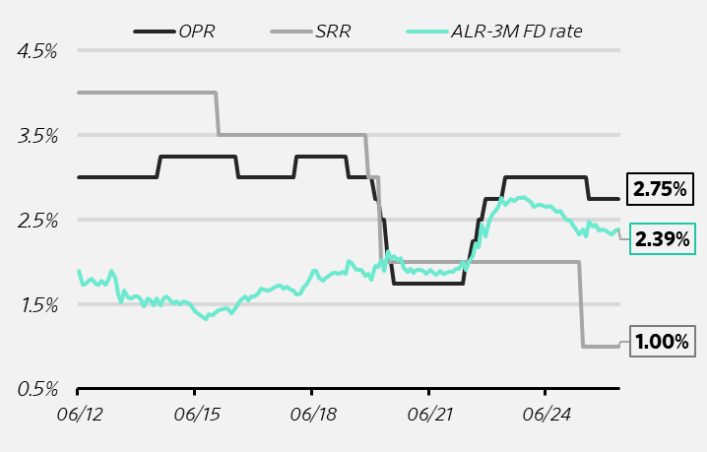
FIG 54: LLC & GIL ratio



Source: BNM, MBSBR

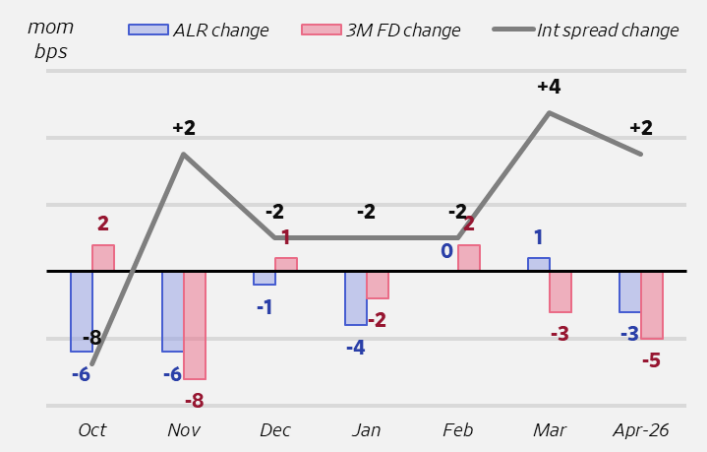
E. INTEREST SPREAD AND CAPITAL

FIG 55: Interest spread, OPR, SRR



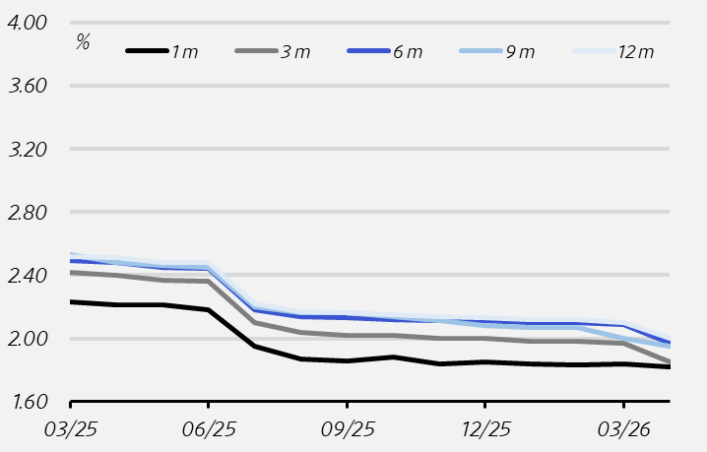
Source: BNM, MBSBR

FIG 56: mom Changes in interest spreads



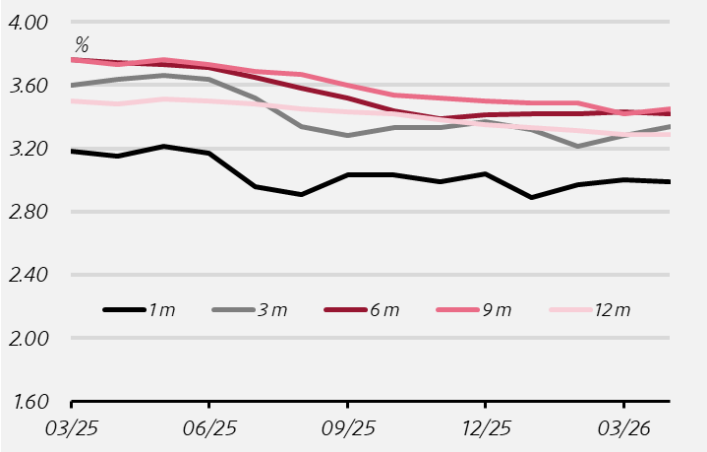
Source: BNM, MBSBR

FIG 57: Weighted avg Conv. FD rates by bracket



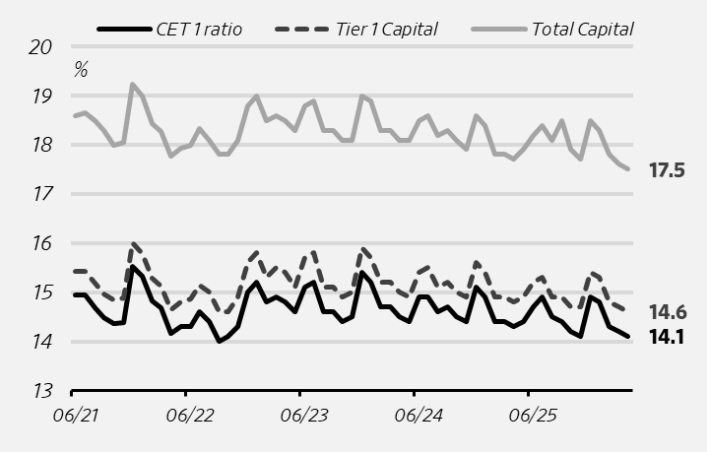
Source: BNM, MBSBR

FIG 58: Weighted avg Isl. FD rates by bracket



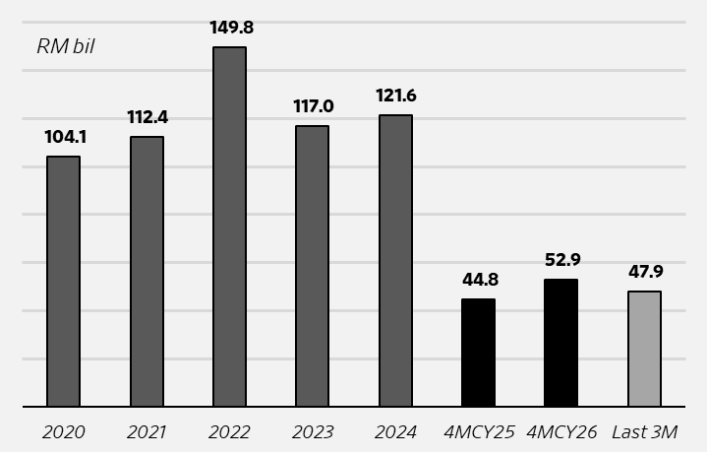
Source: BNM, MBSBR

FIG 59: Capital ratios



Source: BNM, MBSBR

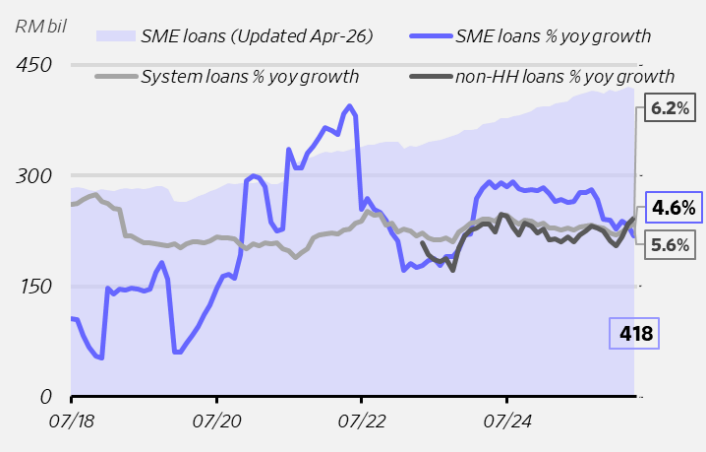
FIG 60: Bond/Sukuk issuances



Source: BNM, MBSBR

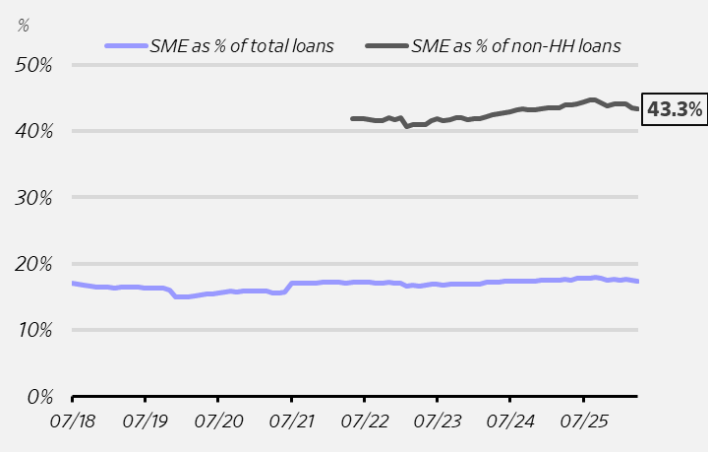
F. SME DATA

FIG 61: SME loans



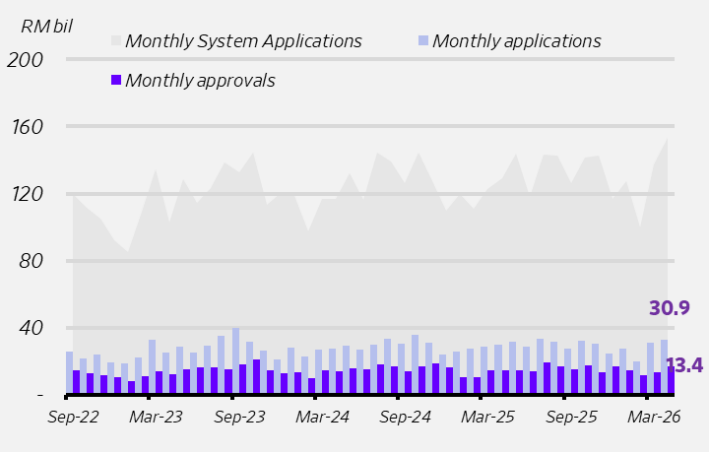
Source: BNM, MBSBR

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



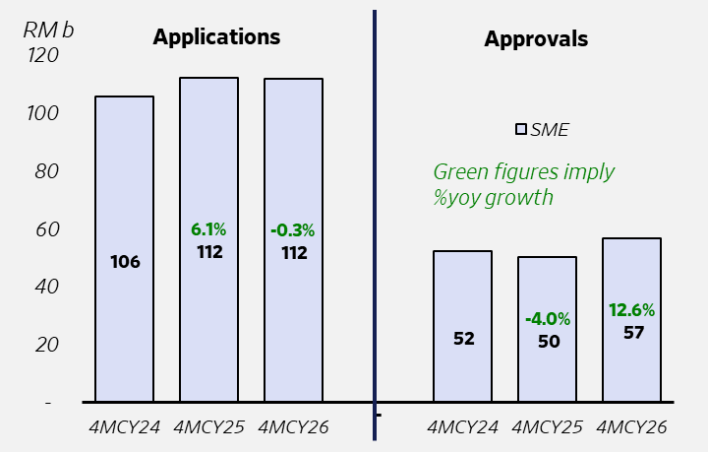
Source: BNM, MBSBR

FIG 63: SME Monthly leading indicators



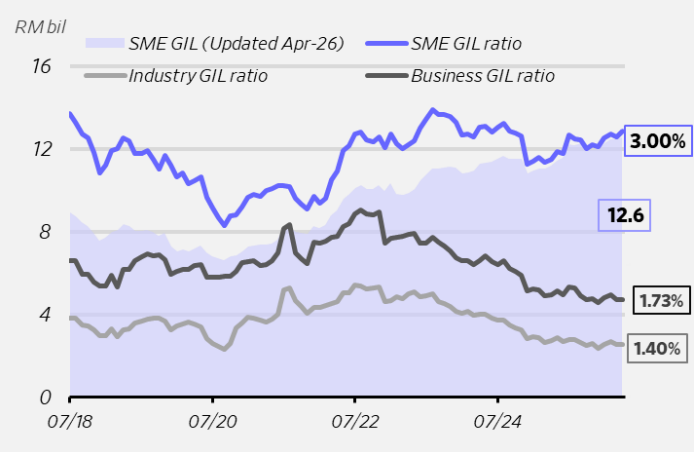
Source: BNM, MBSBR

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
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
Apr-26	**2.40**	**5.6**	**0.2**	**5.2**	**0.4**	**54.9**	**6.0**	**-0.0**	**45.1**

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
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	6.9	6.8	7.3
Apr-26	**5.6**	**6.3**	**2.1**	**3.6**	**7.5**	**7.7**	**7.2**

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
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	1.1	0.4
Apr-26	**0.5**	**0.4**	**-0.5**	**-0.6**	**0.7**	**1.9**	**-0.1**

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)
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	3.4	5.9	65.1	13.1	0.8
Apr-26	**130.2**	**7.8**	**7.1**	**68.5**	**10.0**	**5.1**

Source: BNM, MBSBR

FIG 70: Loan approval rates

Date	System loans (%)	Retail loans (%)	Business loans (%)	SME loans (%)
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	65.4	43.4
Apr-26	**48.9**	**44.7**	**52.9**	**51.1**

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
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
Apr-26	**-3**	**-1**	**-1**	**32**	**-1**	**20**	**24**

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
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
Apr-26	**-5**	**-2**	**16**	**24**	**4**	**-12**	**13**

Source: BNM, MBSBR

FIG 73: System deposits

Date	Total deposits (RM b)	Growth (% yoy)	Growth (% mom)	L/D ratio (%)
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
Apr-26	**2,688**	**3.4**	**-0.5**	**92.9**

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 (%)
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
Apr-26	**828**	**7.4**	**-2.0**	**32.1**	**1,132**	**-0.3**	**-0.1**	**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 (%)
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	27.9	83.3
Apr-26	**2,400**	**0.3**	1.40	**28.0**	**83.4**

Source: BNM, MBSBR

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

Date	Average lending rate (%)	3-month FD rate (%)	Interest spread (%)
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
Apr-26	**4.53**	**2.14**	**2.39**

Source: BNM, MBSBR

FIG 77: SME loan data

Date	Total SME loans (RM b)	Growth (% yoy)	Growth (% mom)	As a % of industry loans	SME GIL ratio (%)
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
Apr-26	**418**	**4.6**	**-0.6**	**17.4**	**3.00**

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)
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	1.1	13.2	12.3	-8.3
Apr-26	**28.0**	**0.4**	**1.9**	**13.9**	**4.4**	**4.9**

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
	CASA – Current & Savings accounts	P/BV – Price to Book Value
NII – Net Interest Income	FD – Fixed Deposits	BVPS – Book Value per Share
NIM – Net Interest Margin	GIL – Gross Impaired Loans	BNM – Bank Negara Malaysia
COF – Cost of Funds	NIL – Net Impaired Loans	OPR – Overnight Policy Rate
NOII – Non-Interest Income	LLC – Loan Loss Coverage	SRR – Statutory Reserve Requirement
MTM – Mark to Market	NCC – Net Credit Costs	SBR – Standardised Base Rate
CIR – Cost to Income Ratio	GCC – Gross Credit Costs	ALR – Average Lending Rate
OPEX – Operational Expenses	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