Banking

POSITIVE (Maintain)

2QCY26 Wrap: A Better Second Half

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

HIGHLIGHTS

- **Earnings summary: A mixed bag, but NIM compression acted as the main source of downside, occasionally coupled with instances of large provisions and weaker non-fee NOII. Strong fee income and well-controlled OPEX growth acted as offsets.**
- **Balance Sheet summary: Loan growth was excellent across the board and was backed by a surge in both deposit and non-deposit funding. Asset quality issues were confined to smaller banks – larger peers didn't see much negative impact.**
- **Management's latest guidance: Most guide for a better 2HCY26, with NIM and possible non-fee NOII weakness acting as headwinds.**
- **Dividend Outlook: MY banks signal further room for dividend upside by alluding to regular dividend payout increases and capital release plans in progress.**
- **Maintain POSITIVE call: Jul-26's banking stats are supportive of the strong positive momentum persisting. Post-results season, we have better clarity on the sector's outlook – tailwinds far outweigh headwinds.**

Sector Verdict

Most banks are guiding for a stronger 2HCY26. This is already welcoming enough, but the market is already looking ahead to an even better CY27. Valuations may be tighter than before, but further positive share rerating is possible based on improved macroeconomic growth prospects, expectations of better earnings recovery and asset growth, confirmation of limited asset quality impact, and further likelihood of dividend upside via capital release and payout ratio increases.

Core Themes

1. ▲ **Core beneficiary of emerging market inflows.** Local banks are particularly attractive within the region. Banks serve as a proxy for the economy, which has seen GDP outperforming expectations. Also, local banks are much more defensive than their peers, attributable to geopolitical stability, excellent dividend yields, and superior asset quality.
2. ▲ **Dividend outlook remains very bright.** Two banks confirmed their intention to raise dividend payouts this quarter, and there's room for further capital release initiatives ahead. 4QCY26 is the quarter to look to: Special dividends will be issued then.
3. ▲ **Fee income is driving the topline, though non-fee income could see some weakness.** The core driver is wealth management income, which sees a surge as wealth fees are diverted from the Middle East to the ASEAN region. However, non-fee NOII outlook remains uncertain after a hard 1HCY26.
4. ▲ **Cost pressures surprisingly well maintained.** Despite initial concerns about cost inflation and high tech spend, this quarter saw very low OPEX inflation across the board. This is a sign that tech efficiencies are already bringing in savings.
5. ▲ **Loan growth is ramping up, as economic sentiment improves.** Business loans have been on a hot streak. The latest BNM banking stats imply that this momentum should remain.
6. ► **Liquidity is still flush, but more competitive in certain brackets.** CASA growth remains strong, and non-deposit funding is still in high demand.
7. ► **Asset quality problems confined to smaller banks – otherwise, nothing overly concerning.** Stress comes primarily from the retail portfolio – in residential mortgages and unsecured loans, loan segments which most banks are avoiding. 2HCY26's NCC should be far lower, with several one-off overlays already made during this quarter.
8. ▼ **NIM weakness to persist.** While further steep compression is unlikely, most banks don't expect much recovery in subsequent quarters. Expect deposit competition to remain tight, as long as the high loan demand persists. We are more confident in the longer-term NIM outlook, when enough higher-yielding loans have been accumulated to bring visible impact to asset yields.

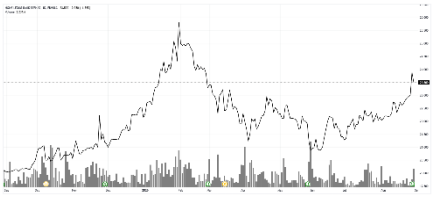
COMPANY *IN FOCUS*

HL Bank

Maintain BUY | Target Price: RM29.80
Price @ 28 August 2026: RM23.50

- Increases dividend payout yearly, with enough capital to spare.
- Defensive pick: Asset quality and provisioning remain the industry's best.
- Regional presence gives HLBK more room to grow loan growth and fee income than most.

SHARE PRICE CHART



ABMB

Maintain BUY | Target Price: RM6.10
Price @ 28 August 2026: RM4.92

- As loan growth targets are no longer as high, ABMB can devote attention to developing a fee income franchise, cross-sell CASA, and hoard capital to raise dividend payout.
- Still, loan growth is just high enough for market share capture to persist.
- Intends to raise dividend payout levels.

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	12.36 ▲ ~~12.27~~		In-line 49%	In-line 49%	+2%	+1%	+1%	To reflect lower provision expectations.
CIMB	Buy	9.29		In-line 50%	In-line 50%				
PBK	Buy ▲ ~~Neutral~~	5.53 ▲ ~~4.96~~		In-line 50%	In-line 48%				P/BV valuation base raised to reflect the lifting of the share price overhang coming from the Teh family's ROFS and an improving sector outlook from brighter macroeconomic prospects.
RHB	Buy	9.51 ▲ ~~9.17~~		In-line 50%	Below 47%				Earnings below expectations because the street did not expect such weak non-fee NOII performance; this weakness may persist. P/BV valuation base raised to account for RHB's intent to release a more comprehensive capital plan and an improving sector outlook from brighter macroeconomic prospects.
HLBK	Buy	29.80 ▼ ~~30.50~~		In-line 101%	In-line 102%		-1%	-1%	To reflect weaker NIMs, though offset by stronger loan growth.
AMMB	Buy	8.09 ▲ ~~7.67~~	Y	In-line 25%	In-line 24%				Rolled valuations to FY27. P/BV valuation base raised to account for AMMB's significant potential for further capital release and an improving sector outlook from brighter macroeconomic prospects.
BIMB	Neutral	~~2.12~~ 2.30 ▼		Below 48%	Below 49%	-7%	-3%		To reflect higher NCC charges, which will affect ROE prospects.
AFFIN	Neutral	2.28 ▼ ~~2.39~~		Below 47%	Below 46%	-8%	-2%	-2%	Cut for higher provisioning, considering asset quality problems. It offsets better-than-expected fee income.
ABMB	Buy	6.10 ▲ ~~5.92~~	Y	Within 28%	Within 29%				Rolled valuations to FY27. P/BV valuation base raised to account for a higher dividend yield, upon ABMB voicing its intention to raise dividend payout.

Source: Banks, MBSBR

FIG 2: Summary of this Quarter's Fundamental Performance

	MAY	CIMB	PBK	RHB	HLBK	AMMB	BIMB	AFFIN	ABMB
1. Earnings performance	▲	►	▲	▼	▲	►	►	▼	▲▲
▲►▼ Hits and Misses throughout	But some trends were clear: (1) NIM compression hit hard, (2) Loan growth recovery is in full swing, (3) Fee income is doing extremely well, (4) OPEX was surprisingly well maintained across the board. Non-fee NOII and provisioning levels (depending on recoveries and a decision to take overlays) added some variety.								
2. NIM movements	▼	▼	▼	▼	▲	▼	▲▲	▼▼	▼
▼ Compression throughout	Deposit competition was brutal. Most banks are not expecting much improvement in the next quarter either – and even those that expect to improve should see only limited increases.								
3. Non-II performance	▲	▲	▲▲	▼▼	▲	►	▲	▼▼	▲
▲ Mostly +ve, but with losers	An improvement every bank saw was in wealth management fees, as flows from the Middle East were diverted to Malaysia. More mixed was non-fee income – which, in some cases, dragged down overall NOII.								
4. OPEX (yoy)	▲▲	▲▲	▲▲	▲▲	▲▲	▲▲	▲▲	▲▲	▼
▲▲ Extremely well managed	Despite fears of OPEX inflation, costs were extremely well managed. It's likely a combination of wallet tightening, in anticipation of weaker topline in CY26, and savings benefits from tech spend kicking in.								

	MAY	CIMB	PBK	RHB	HLBK	AMMB	BIMB	AFFIN	ABMB
5. Loan growth (qoq)	▲▲	▲	▲▲	▲	▲▲	▶	▲▲	▶	▶
▲▲ Strong throughout	Most banks experienced a marked recovery, with business loans being the standout. The latest BNM banking stats imply that this strong momentum should persist.								
6. Liquidity & Deposits	▼	▶	▶	▲▲	▲	▲	▲	▼	▲▲
▲ Aggressive push for deposits	There was an aggressive push for liquidity (repos included) to fund the stronger-than-expected loan demand. CASA growth was very marked this quarter. The consensus seems to be that MY is still flush with liquidity – though there is tightening in some brackets.								
7. Asset Quality movements	▶	▲	▼	▶	▲	▼	▲	▼▼	▼▼
▼ Minor to major deterioration	Most banks aren't seeing too much stress. Residential mortgages and unsecured loans are the segments to watch. Asset quality issues are solely confined to smaller banks.								
8. Provisioning levels	▲	▼	▼	▲	▲▲	▲	▼▼	▼▼	▲▲
▲▼ Mixed bag	Several banks took large macroeconomic overlays (likely one-offs), though large recoveries offset some adverse impact. **AFFIN** and **BIMB** are the ones to watch, as their asset quality is severely underperforming.								

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. An exacerbation in deposit competition, which will compress NIMs.
3. Further asset quality flare-ups and instances of higher provisioning.

Top Picks: HL Bank (BUY, TP: RM29.80) and **ABMB (BUY, TP: RM6.10).**

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	10.68	12.36	15.7	129.1	FY27F	1.48	11.1	3.0	8.5	12.0	11.7	1.33	1.28	11.3	11.1	6.0	6.2
CIMB	BUY	7.96	9.29	16.7	85.1	FY27F	1.33	10.9	4.0	9.2	11.0	10.6	1.17	1.14	10.8	10.9	5.8	6.1
PBK	BUY	4.95	5.53	11.7	96.0	FY27F	1.68	12.1	3.5	8.6	13.5	12.7	1.55	1.50	11.7	12.1	5.6	5.9
RHB	BUY	8.68	9.51	9.6	38.1	FY27F	1.12	9.4	4.0	8.8	11.4	11.1	1.07	1.02	9.6	9.4	5.3	5.4
HLBK	^BUY	23.50	29.80	26.8	48.2	FY27F	1.39	11.0	4.0	9.0	10.2	9.6	1.10	1.05	11.0	11.1	5.3	5.9
AMMB	BUY	6.90	8.09	17.2	22.8	FY28F	1.15	9.4	4.0	8.7	10.9	10.6	1.02	0.98	9.5	9.4	5.5	5.6
BIMB	NEUTRAL	2.10	2.12	1.0	4.7	FY27F	0.59	6.6	4.0	8.5	9.6	9.0	0.61	0.59	6.2	6.6	6.2	6.6
AFFIN	NEUTRAL	2.05	2.28	11.2	5.3	FY27F	0.45	4.7	3.0	6.8	10.3	8.7	0.42	0.40	4.1	4.7	3.9	4.5
ABMB	^BUY	4.92	6.10	24.1	8.5	FY28F	1.06	9.7	5.0	9.4	9.5	9.1	0.91	0.85	9.8	9.7	4.3	4.7
Total Weighted avg											11.7	11.2	1.26	1.21	10.9	10.9	5.7	5.9
Large-Cap	MAY, CIMB, PBK										12.2	11.7	1.36	1.31	11.3	11.4	5.8	6.1
Mid-Cap	RHB, HLBK, AMMB										10.8	10.3	1.07	1.02	10.2	10.2	5.3	5.7
Small-Cap	BIMB, AFFIN, ABMB										9.8	9.0	0.69	0.66	7.3	7.5	4.7	5.2

**Closing prices from 28 Aug 2026.*
**HLBK, AMMB and ABMB use FY27F/28F values. ^HL Bank & HL FG uses FY23F/24F values.*

Pecking Order: [HLBK & ABMB] > [AMMB & CIMB] > [PBK & MAY] > [RHB] > [AFFIN & BIMB]

Source: Banks, MBSBR

FIG 3: Company Catalysts

BANK	Catalysts, concerns, and other notes
MAY BUY	**Verdict: Recovery inbound but subject to some execution risk. Longer-term earnings and ROE outlook remains constrained by heavy tech spend, and further dividend upside is unlikely. Nevertheless, share price could see uplift from MAY's status as the core proxy for the local banking sector (and economy) during a period of continual GDP outperformance.** 1. ▲ Dividend yields remain among the best, backed by sizeable capital reserves. Not much room for positive surprises in the near-term, however. 2. ▲ Fee income is a core component of ROAR30's success. Main drivers are wealth management and Islamic finance, which MAY has the advantage in due to its regional presence. The acquisition of MAHB drives it further. However, weakness in non-fee income dragged 1HFY26's result, but management is optimistic about the coming quarters' prospects. 3. ► Moderate loan growth figures, with a deeper focus on the SME segment. ID's loan growth has recovered, and SG and MY should also drive growth. 4. ► Asset quality seems benign, as the Group continues to undergo a "soft rerisking", but that's an issue for the future. NCC is manageable so far. 5. ▼ Higher tech spend growth continues to depress CIR. This is the main downside to earnings for the next few years. 6. ▼ Further NIM compression ahead, but 1HFY26's NII run-rate should be preserved on the back of better asset growth.
CIMB BUY	**Verdict: Uncertainty from Niaga remains the main downside, with NIM targets already negatively revised. But CIMB has multiple levers to manage its share price and earnings: It is willing to frontload special dividends, upshore capital from subsidiaries, and expedite cost takeouts in THAI to achieve its ROE target.** 1. ▲ Dividend yields are very high, especially when bolstered by special dividends. Management is happy with the current BAU levels and will supplement this with special dividends. There is a chance that CIMB may frontload special dividends to achieve ROE target. 2. ▲ Shown convincing NOII expansion thus far, with its cross-selling capability netting growth. Wealth management is the main driver – CIMB's sophisticated product offerings and wide regional exposure make it a core recipient. 3. ▲ Superb cost control seen in FY26, with further cost takeouts expected (though on a smaller scale). 4. ► Mid-single-digit level loan growth expected. Asset growth (which factors in bond market funding) prospects are stronger; hence, most growth should come in the form of NOII instead. 5. ► Thai segment restructuring is close to the end, and ROE expansion should follow. On the other hand, Niaga's outlook is less optimistic. 6. ► No significant asset quality deterioration yet, and the Group is well provisioned following their large one-off this quarter. 7. ▼ NIM faces possible downside. ID's recent interest rate hike remains the main source of negative pressure.
PBK BUY	**Verdict: Ideal defensive pick, industry-high ROE levels, and large enough to be favoured as a proxy for the local banking sector. FY26's lower-than-normal OPEX growth (due to currency fluctuations) gives a lift to fundamentals. Special dividends aside, more potential for dividend upside coming from LPI's share disposal proceeds and possible HK unit capital upshoring.** 1. ▲ BAU dividend payout is at a healthy 60%, bolstered by a RM3.5b special dividend programme over 3 years. LPI's share disposal could add some upside. There may also be capital rerouting from the Hong Kong unit. 2. ▲ Fee income growth is huge, driven mainly by bancassurance and wealth segments. Unit trust take-up is excellent, and enhanced cross-sell capabilities are well overdue. 3. ▲ Superb cost control in FY26 so far, bolstered by positive currency effects. 4. ▲ Loan growth is strong and should come in well above target. 5. ▲ Defensive play: Best-in-class asset quality. But with the LLC more normalised, expect a provisioning profile similar to pre-COVID times (i.e. still very good but no longer buoyed by writebacks). 6. ▲ ROFS share overhang seems to have lifted. 7. ▼ NIM concerns: Largely from competitive loan yields, though deposit competition is a concern. Further (slight) compression expected in subsequent quarters.

BANK	Catalysts, concerns, and other notes
RHB BUY	**Verdict: Earnings disappointed, and FY26's ROE target may be missed due to recovery prospects being subject to significant execution risk. FY26's dividend payout may go either way: RHB usually reserves higher payout ratios for better-performing years, but conversely, they allude to making a larger-than-average payout to hit their ROE targets. Profitability levels aside, the prospect of a dividend release plan by early-2027 (coupled with high capital levels) keeps RHB attractive.** 1. ▲ BAU dividend yields are solid but higher payouts can come during stronger-performing years. This is backed by high capitalisation rates, which give potential upside when detailed capital release plans are announced. 2. ▲ Fee income to maintain growth, bolstered by bancassurance fees and wealth management. Bancassurance onboarding fees are still coming in. 3. ▲ Excellent cost control thus far has led to minimal OPEX growth – low inflation levels can be maintained by further cost takeouts scheduled this year. 4. ▲ Loan growth has seen marked improvement as of late. However, not all segments have fully recovered (notably Thailand and SME). 5. ► NIM could see possible expansion but is very dependent on RHB's ability to garner CASA. Still multiple avenues for CASA accumulation and loan yield optimisation. Expect mid-single-digit NII contraction this year. 6. ► Convincing improvements in asset quality as of late, with no major concerns. FY26's NCC is very low and further recoveries are expected. 7. ▼ Very behind on FY26 targets, though this comes from unlucky trading decisions instead of weak fundamentals. High chance of missing out unless 2HFY26's execution is perfect – this may also affect dividend payout. Alternatively, there's a small possibility that the Group may release a larger final dividend to achieve the ROE target instead.
HLBK TOP BUY	**Verdict: A fast-growing defensive pick, with the brightest outlook among its peers. Its widening regional presence gives it more room to grow fee income and loans than peers. It has initiated a further BOCD stake pare-down, which simultaneously lifts share price overhang from a volatile China environment and supplies excess capital to back further yearly dividend payout increases.** 1. ▲ An intention to reduce BOCD stake by 5% should further free HLBK from share price overhang and free up some capital. The timeline is uncertain. Pre-BOCD profit has improved enough for HLBK to move on to different earnings drivers. 2. ▲ Solid dividend yields with an intent to raise payout every year. Capital is sufficient to sustain this. 3. ▲ Its widening regional presence gives it more growth opportunities than local peers: Rapid fee income, CASA and loan growth are supported by this. 4. ▲ Asset quality and provisioning remain among the industry's best, with further recoveries expected. 5. ► Cost control is the best in the industry, but high tech costs and weaker NIMs could elevate near-term CIR. 6. ► Persistent uncertainty around BOCD's earnings outlook. 7. ▼ NIMs to remain flat, but there's some possibility of downside. To maintain strong asset quality, there is a need for more competitively priced loans. Hence, loan yields should compress, but CASA growth strategies can provide an offset.
AMMB BUY	**Verdict: Only minor headwinds, and high likelihood of further dividend surprises – though upside announcements may only take place by FY28. Has the strongest topline outlook, particularly for NII: One of the few banks overtly guiding for NIM expansion next quarter, and a suboptimal equity leverage ratio implies much room to grow loans and load up on investment securities.** 1. ▲ Dividend payout ratios have increased every year. The prospective RM2.1b Basel capital release by FY28 increases the likelihood of further increases alongside special dividends. 2. ▲ With room to increase its equity leverage multiplier, AMMB is in a good position to stock up on interest-earning assets, which should benefit NII growth. It can aggressively acquire loans, particularly from higher-yielding mid-corp and wholesale loan segments, as well as replace investment securities (which we've seen a large uptake of this quarter). 3. ▲ Expect some NIM expansion in the coming quarter. AMMB's steady progress in growing its retail CASA-heavy deposit mix and Investment Account products is promising. More optimism on asset yields, as an active push to optimise leverage gives AMMB much room to grow and improve the quality of interest-earning assets. 4. ▲ Improving market performance should benefit fee income significantly, given the Group's heavy focus on asset and wealth management. 5. ► Historically, cost discipline is very strict, which provides certainty to earnings. Its CIR is among the lowest in the industry. Regardless, mounting cost pressure and elevated tech spend could pose issues. 6. ► AMMB doesn't seem overly worried about the asset quality outlook, while provisioning levels remain moderate. The business banking segment is mostly where the threat lies; In contrast, the retail segment's outlook has improved, and the AMMB may release retail overlays, which adds possible upside.

BANK	Catalysts, concerns, and other notes
BIMB NEUTRAL	**Verdict: The FY26 ROE target being revised sharply downwards implies a much weaker 2HFY26, though we think the lower 5.5% figure might be a bit exaggerated. Asset quality issues are concerning. Still no word on upcoming multi-year plans. There is little reason for a positive share price rerating until the next results season, unless multi-year plans are revealed before then. At the same time, share price downside also seems limited at the present price point, as dividend yields of >6% are too attractive to ignore.** 1. ▲ Excellent dividend yields, but no upside to the 60% payout. 2. ▲ Stable NIMs expected. A higher-yielding loan mix helps. 3. ▲ BIMB is optimistic on its fee income outlook, largely from IB and wealth segments. However, do expect normalisation in bancatakaful, after last year's one-off. 4. ▲ Poised to gain loan market share, even if high growth targets are not fully achieved. Building a more non-retail-heavy mix. 5. ▼ Newer ROE guidance of 5.5% implies sharp earnings contraction from 1HFY26. Weaker non-fee NOII, higher NCC target and elevated OPEX provide the downside. A tougher period ahead or overly conservative guidance? 6. ▼ While asset quality is still healthy, provisioning is very high given BIMB's high exposure to unsecured loans. AKPK personal financing asset quality deterioration is concerning. 7. ▼ 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.
AFFIN NEUTRAL	**Verdict: Very poor asset quality outlook, no dividend upside, and mixed NIM prospects. Dividend yields are too low to justify buying. Avoid for now.** 1. ▲ AFFIN has significant fee income growth potential (particularly with PHEIM), but is taking some time to set up. 2. ▲ High loan growth – but tighter underwriting standards and liquidity constraints provide downside pressure. Expect a more muted 2HFY26, specifically slowing down on residential mortgages. 3. ► Dividends are not the Group's priority now – growth is. It is committed to maintaining a 40-60% dividend payout policy (with a possible DRP), though a payout closer to the lower bound is likely. Disappointments are possible. 4. ► Mixed NIM prospects. On one hand, deposit competition is ramping up, but on the other, the Group expects some uplift from the loan yields segment next quarter. Look forward to a disposal of lower-yielding assets scheduled to take place in 4QFY26. 5. ► Cost control is going well, as tech investments are tapering down. Unfortunately, CIR remains well above the 60% mark. 6. ▼ Ramping up lower-cost CASA growth is a problem the Group is yet to solve. It is repivoting to a business operating account-led strategy, but we will be looking closely regardless. 7. ▼ Very poor asset quality and provisioning outlook, particularly for its residential mortgage segment, which faces delayed recoveries. A turn-off for investors – this alone warrants a negative share price rerating.
ABMB TOP BUY	**Verdict: Some asset quality risk persists, but unlike smaller peers, ABMB doesn't think this issue is spiralling: ACCLER8 has done an admirable job in derisking the loan book. ABMB's potential is significant. Most important is the slowing of loan growth, which allows more attention to develop a fee income franchise, cross-sell CASA, and hoard capital for dividend payout increases. It has already announced an intention to raise dividend payout.** 1. ▲ Loan growth remains very high, though slowing slightly from previous years. 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. ▲ As we approach the tail end of ACCELER8, marketing costs should reduce – but be wary of further tech costs. 4. ▲ NIMs close to bottoming out – regardless, management's focus is NII growth by scope. CASA growth to come after the large loan base is acquired. 5. ▲ Dividends remain at the lower end of guidance, though RWA should start slowing its pace of growth while earnings come flooding in. The ongoing recovery in capital balances has led to ABMB voicing its intent to increase its dividend payout once again. 6. ► Asset quality has seen some deterioration, but management remains relatively unbothered. NCC outlook is solid, with further recoveries expected.

A. OUTLOOK AND GUIDANCE

FIG 4: Table of 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 (w. DRP)		20
CIMB	11.0 - 11.5	2.03 - 2.13 ~~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	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)	46 - 47 OPEX: <4%	5 - 6	>30	50 - 60	1.35 - 1.40	13 - 14
HLBK	11.0 - 11.5	1.80 - 1.90 (from 1.84)	<39	6 - 7	~35	>50	<0.65	<10
FY26	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		60		~19 ~~<21~~
BIMB	5.5 ~~>7.0~~	2.07 - 2.10 (from 2.07)	64 - 65	7 - 9		60	<1.1	35 - 40 ~~28 - 33~~
AFFIN	5.0 PBT: RM850m	1.55 (from 1.45)	67	10	31	40 - 60	1.80	Similar to 1H's (~41)
ABMB	10.0 - 10.5	2.23 - 2.28 ~~2.28 - 2.35~~ (from 2.34)	47.5 - 48.5	7.5 - 10.0 (includes assets)		40 - 50		20 - 25 ~~27 - 32~~
MBSB	2 - 3 ~~5 - 6~~	1.6 ~~2.0~~ (from 1.95)	60 ~~<53~~	7 - 8	20	80 - 90	5 ~~4 - 5~~	40 - 50

**Red font = New guidance, ~~Strikethrough font = Redundant former guidance~~.*

Source: Banks, MBSBR

FIG 5: Earnings/Balance Sheet Outlook

Banks	Mgmt's Tone	Guidance and Drivers
SECTOR	▲ Cautiously +ve	The general consensus is that 2HCY26 is supported by strong macroeconomic prospects, which continues to drive the strong momentum in fee income and loan growth. The caution comes from the risk of further NIM compression – and in select cases, the threat of weak non-fee NOII and higher provisions.
MAY	▲ Cautiously +ve	A brighter 2HFY26, though subject to some execution risk. The main threat is further NIM compression. To offset this, MAY must depend on a recovery in both non-fee NOII and global banking loan growth, as well as maintain its current low rate of OPEX growth.
CIMB	▲ Cautiously +ve	Despite revising its NIM targets downwards, CIMB is not altering its ROE guidance. With a large provision already behind them, they can afford to take it a bit easier. To achieve the profitability target, they have multiple levers at their disposal, most prominent of which is to frontload special dividends to streamline capital.
PBK	▲ Cautiously +ve	Bright outlook on most fronts, apart from further (slight) NIM compression. In line to fulfil industry-highest ROE target of 12%. Standout: OPEX growth of 2% is much lower than normal, due to currency change effects.
RHB	► Neutral	RHB is well behind on FY26 ROE targets. Management is still optimistic about achieving it, but we have our doubts. A comeback is highly dependent on execution, as opposed to a clear earnings inflection. Major downside: RHB remains unconfident on the non-fee NOII outlook.
HLBK	▲ Cautiously +ve	Highly optimistic on most aspects. The main source of downside is NIM. Although expected to remain stable, there is a risk of compression given HLBK's preference for high-quality (and thus competitively priced) loans.
AMMB	► Neutral	Headwinds come in the form of higher tech spend and uncertainty in non-fee NOII. As it works toward a more efficient leverage figure, AMMB has multiple opportunities to redeploy capital. It can grow its stock of interest-earning assets (particularly business banking loans) and replace investment securities with more profitable alternatives. This helps drive healthy NII growth.
BIMB	▼▼ Very -ve	FY26 ROE revision to 5.5% (from 7%) implies a huge drop in 2HFY26's earnings. 5.5% may be an overly conservative figure, however. The negativity comes from a combination of (1) Elevated OPEX, (2) Higher provisioning, and (3) Weaker non-fee NOII.
AFFIN	▼▼ Very -ve	Asset quality and provisioning outlook is very grim, particularly the consumer book. AFFIN seems uncertain about short-term NIM and loan growth outlooks. No intention to increase competitiveness of dividend yields. Headwinds should scare off investors.
ABMB	▲ Cautiously +ve	Positive revision to NCC target, which helps dispel asset quality fears (a price overhang source) and reinforces the effectiveness of ACCLER8's derisking process. ABMB also voiced an intent to increase dividend payouts. We think the most exciting aspect is overlooked. It is ABMB's willingness to slow loan growth, though still strong enough to acquire market share. This implies more room for effort towards developing a fee-income franchise, cross-sell CASA for COF optimisation, and capital hoarding for dividend payouts.

Source: Banks, MBSBR

FIG 6: NIM Commentary

Banks	NIM guidance	Additional notes
MAY	▼ **Compression ahead**	Pressure comes from deposit competition and the issuance of new instruments in preparation for the upcoming Etiqa/MAHB deal's impact on capital.
CIMB	▼ **-ve target revision**	The downward revision was due to ID's interest rate hike and the market's inability to reprice loans immediately.
PBK	▼ **Compression in next 2 quarters**	Driven by weakening asset yields as the loan mix changes. COF has been stable thus far.
RHB	▲ **Expansion but with execution risk**	Higher commercial loan yields from a pickup in loan growth. As for COF, the strategy involves replacing pricier MMTDs and corporate FDs with cheaper retail and SME deposits, from RHB Pay and MySiswa programmes. This CASA growth strategy seems vulnerable to a fair level of execution risk.
HLBK	► **Roughly stable, but with downside risk**	There's downside risk coming from the loan yield side, as HLBK is willing to take more competitively priced loans to preserve its defensive nature. Offsets come via CASA growth from ConnectPro and wealth lending programmes in MY and SG.
AMMB	▲ **Slightly +ve next quarter**	Improvements, if any, come mostly from the asset side. With room to increase the equity leverage multiplier, AMMB has space to aggressively acquire investment securities and higher-yielding mid-corp and wholesale segment loans.
BIMB	► **Roughly stable**	
AFFIN	▼ **-ve in the short term**	Deposit competition to elevate COF, even offsetting the positive impact coming from the late inclusion of high-yielding loans that will impact next quarter's NIMs. Guides for a stronger 4QFY26, when RM1.2b worth of low-yielding assets can be flushed out.
ABMB	▼ **-ve target revision**	But the belief is that NIMs are close to bottoming out. Dilution comes from growing a lower-yielding loan mix very closely. NII, not NIM, is the focus.

Source: Banks, MBSBR

FIG 7: Asset Quality Outlook

Banks	Outlook	Areas of concern
MAY	► **Minor concerns**	**MY SME, residential mortgage and auto segments.** Expect further GIL ratio pickup.
CIMB	► **Minor concerns**	**ID book.** Though they've already exited loan segments exhibiting risk in prior quarters. Expects lower NCC figures going forward – this quarter was an unusually large one-off.
PBK	▲ **No concerns**	Some talk of hire purchase GIL ratio uptick, but very minor.
RHB	► **Minor concerns**	**Cambodian book.** Some uptick but has since moderated. **Consumer book – mortgages and unsecured loans.** RHB expects recoveries in these segments soon.
HLBK	▲ **No concerns**	
AMMB	► **Slight worsening**	**Business banking book (RSME).** Some uptick in stage 2 loans, but management is confident in recovery. **Good news:** More confident in **retail book** (mortgage and personal loans). Considering writeback or reallocation of remaining retail overlays.
BIMB	▼ **Cautious**	**AKPK personal financing loans.** These make up 50% of all PDNI loans. **Seasonal effects:** Affecting residential mortgages and the remainder of personal financing loans. Of lesser concern.
AFFIN	▼▼ **Very poor**	**Consumer book.** Particularly residential mortgages, which AFFIN blames on a delay in the recovery process.
ABMB	▼ **Slightly cautious**	**Consumer book – mortgages and credit cards.** ABMB thinks these GIL ratios are soon to flatten out.

Source: Banks, MBSBR

B. DIVIDENDS, CAPITAL AND RISK-WEIGHTED ASSETS

FIG 8: Dividend Commentary

Banks	Basel Impact (bps)	Additional notes
MAY	**Neutral to slightly -ve (FY27)**	▼ In light of the Etiqa/MAHB deal, there will be a one-off DRP. No upside prospects to dividends in the near term, due to depressed CET 1 levels.
CIMB	**Mild uplift**	▲ No change to 55% BAU figure bolstered by RM2.0b special dividend programme over 3 years. ▲ Possible frontloading of special dividends to achieve FY26 ROE target. Currently upshoring capital from subsidiaries.
PBK	**+100**	▲ No change to the 60% BAU figure bolstered by RM3.5b special dividend programme over 3 years. ▲ Some upside chance, from LPI's share disposal proceeds and possible HK unit capital upshoring.
RHB	**+100 (FY28)**	► FY26's dividend payout could go either way. Our concern is that the payout depends on the year's performance – so a weaker FY26 performance could imply a lower payout ratio. Conversely, RHB could also be using a larger-than-average payout to hit their ROE targets. ▲ In the process of drafting a detailed dividend release plan, to be released earliest by early-2027.
HLBK	**+70**	▲ FY26's payout ratio was raised to 50%, which surpassed expectations. This did not use any of the +70 bps from Basel III changes. HLBK is committed to increasing it further yearly.
AMMB	**+200 (FY28)**	▲ 60% payout promised – but has room to raise it further in the coming year (or at least announce special dividends). Overall, RM2.1b of excess capital (+200bps) is expected from all Basel implementation procedures all the way to FY28.
BIMB	**+38 – 48**	► Disputes the possibility of increasing the 60% dividend payout ratio any further.
AFFIN	**+30 (Dec-26)** **+200 (??)**	▼ No intention to maintain competitive dividend yields – growth takes priority. FY26 DRP possible. ► The +200bps capital release comes from an IRB approach transition. Won't happen soon.
ABMB	**+60 – 70**	▲ To raise its dividend payout level back to former levels. Given capital constraints, this may be a gradual process over multiple years.

Source: Banks, MBSBR

FIG 9: Dividends

Bank	Quarterly Payout (sen)				Yearly Payout								
					FY23	FY24	FY25	FY26F			FY27F		
	t-3	t-2	t-1	t	Payout ratio (%)			Payout	DPS	Yield	Payout	DPS	Yield
MAY		33.0		31.0	77	73	72	72	64.2	6.0	72	65.7	6.2
CIMB^	7.0	20.4		19.7	66	65	65	65	46.5	5.8	65	48.2	6.1
PBK		12.0		10.5	55	57	60	75	27.5	5.6	75	29.3	5.9
RHB		35.0		15.0	61	60	65	60	45.8	5.3	60	46.6	5.4
HLBK		30.0		80.0	33	42	50	54	123.8	5.3	57	139.4	5.9
AMMB	12.5		22.5		44	50	55	60	38.0	5.5	60	38.8	5.6
BIMB	10.0	4.5			69	60	59	60	13.0	6.2	60	14.0	6.6
AFFIN		8.5			33	-	40	40	8.0	3.9	40	9.2	4.5
ABMB	9.4		9.7		45	36	38	41	21.2	4.3	43	23.3	4.7
MBSB		1.2		0.9									
AVERAGE					54	49	56	59		5.3	59		5.7

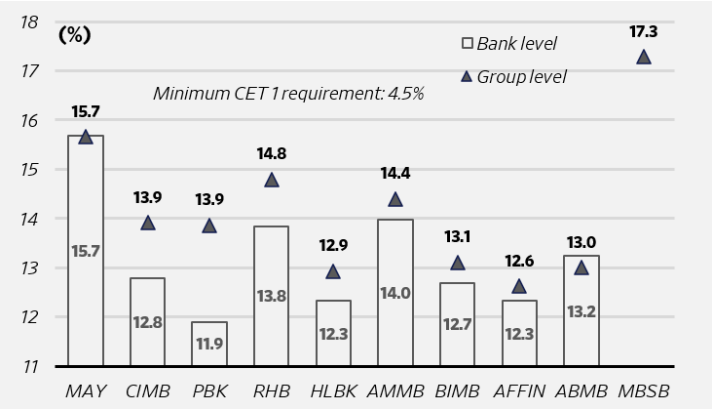
**For HLBK, AMMB & ABMB, assume FY +1 values for dividend payout and yield*

^We refrain from including CIMB's special dividends until better clarity on the payout timeframe

Pink highlight = latest FY

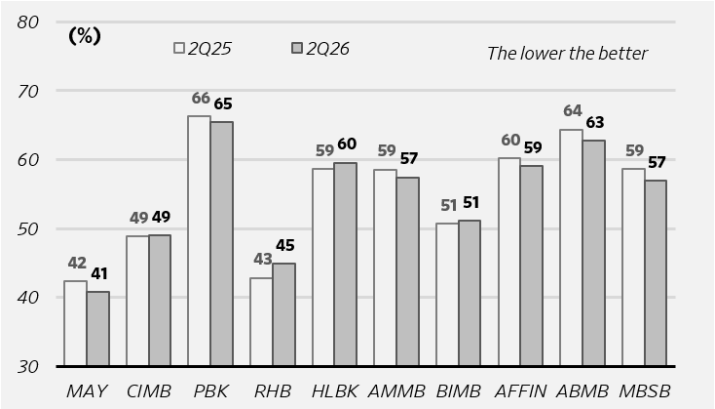
Source: Banks, MBSBR

Fig 10: Industry CET 1 ratios



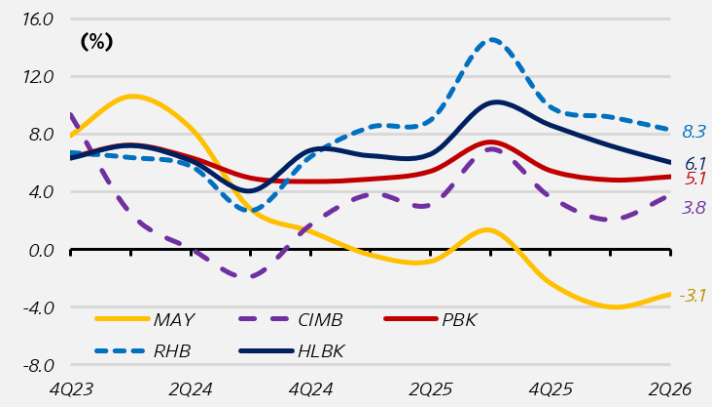
Source: Banks, MBSBR

Fig 11: RWA efficiency (RWA / Total Assets)



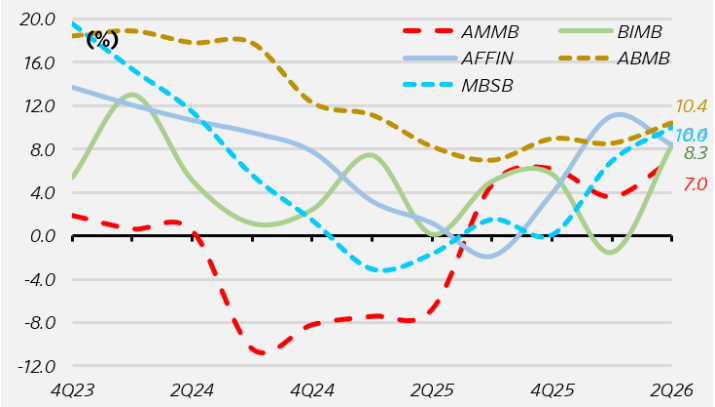
Source: Banks, MBSBR

Fig 12: yoy RWA growth: Big 5



Source: Banks, MBSBR

Fig 13: yoy RWA growth: Small 5



Source: Banks, MBSBR

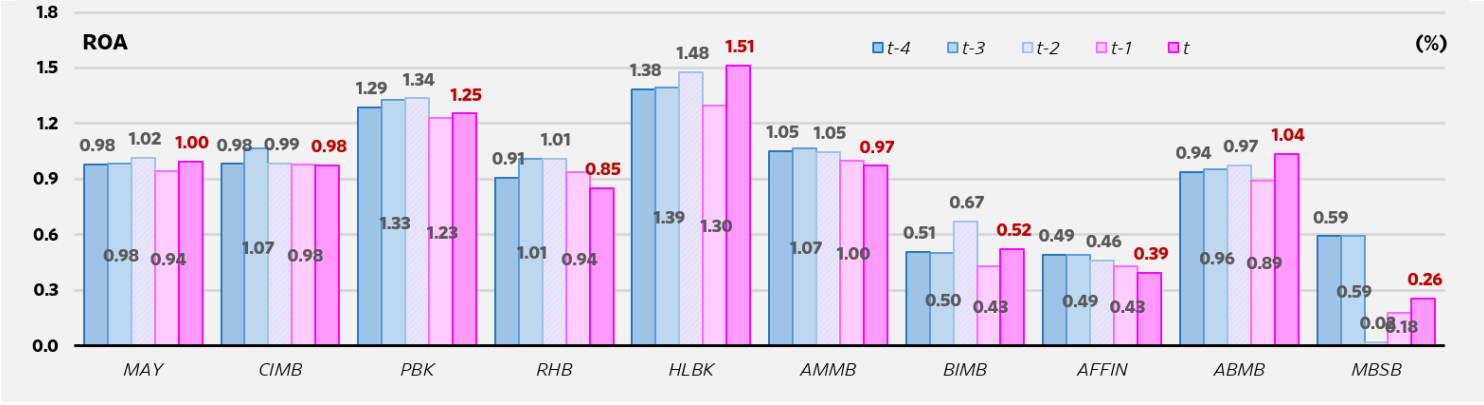
FIG 14: Industry CET 1 ratios (%)

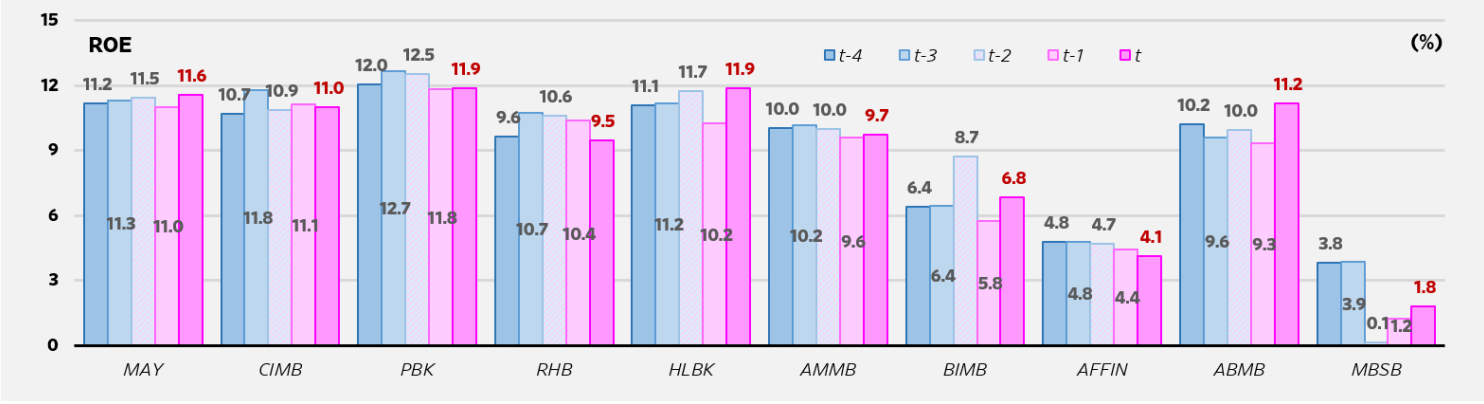
	MAY		CIMB		PBK		RHB		HLBK		AMMB		BIMB		AFFIN		ABMB		MBSB	
	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq	Ratio	qoq
CET 1 ratio (%)																				
2Q22	15.0		13.9		14.1		16.6		13.4		12.4		13.8		13.4		14.5		20.3	
3Q22	13.8	-1.1	13.9	-0.0	14.0	-0.1	16.4	-0.2	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
2Q26	15.7	+0.7	13.9	+0.1	13.9	+0.1	14.8	+0.1	12.9	+0.5	14.4	-0.4	13.1	-0.5	12.6	+0.1	13.0	-0.2	17.3	-0.6

Source: Company, MBSBR

C. EARNINGS AND RETURNS

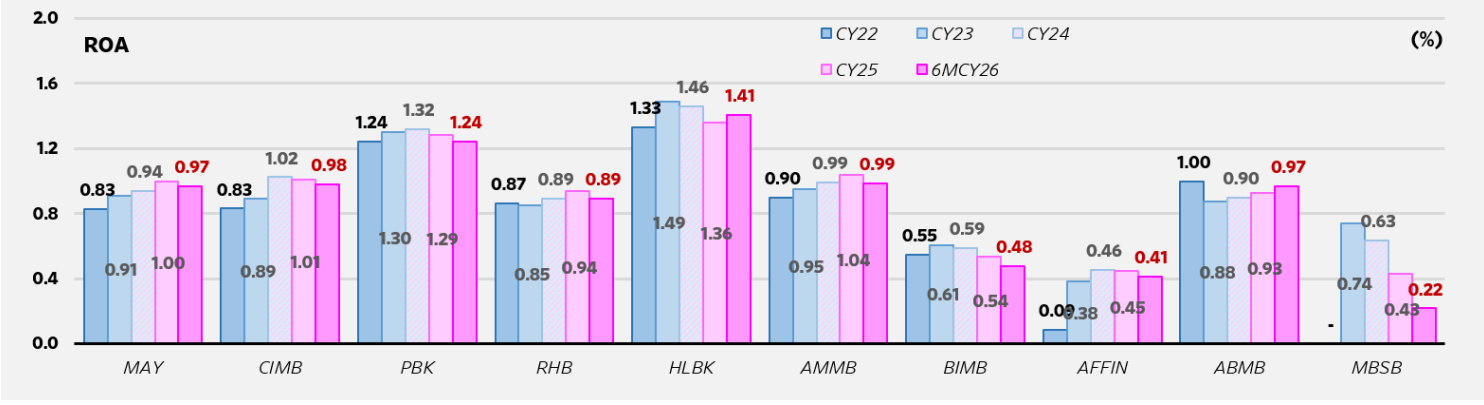
Fig 15: Quarterly ROAs + ROEs

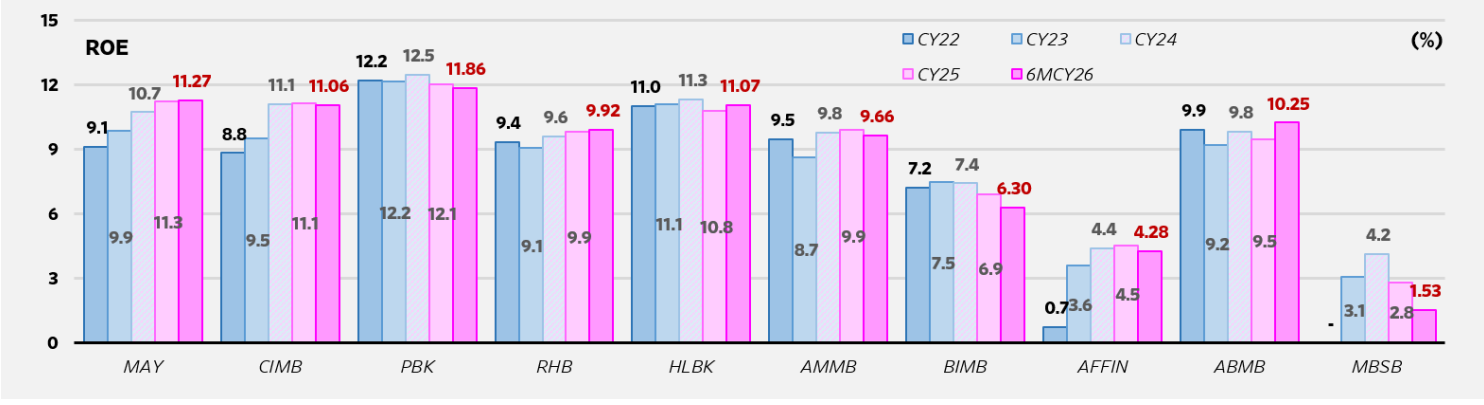




Source: Banks, MBSBR

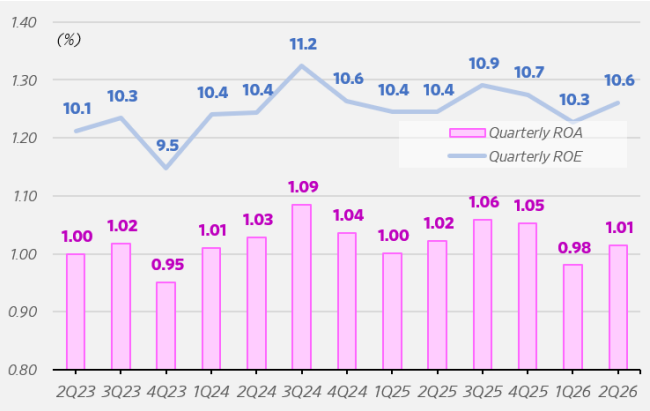
Fig 17: Yearly ROAs + ROEs (Annualised)





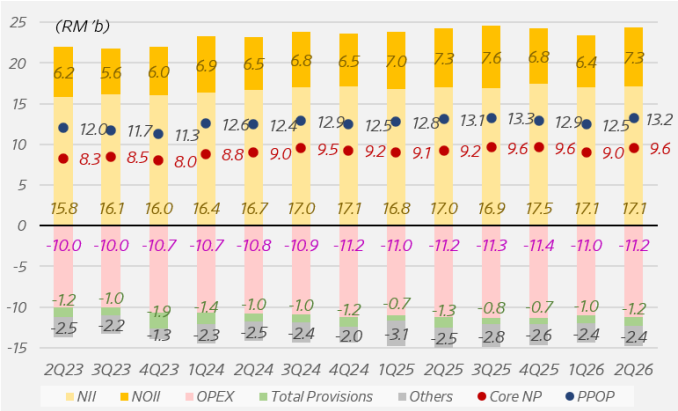
Source: Banks, MBSBR

Fig 18: Aggregated Sector ROEs and ROAs



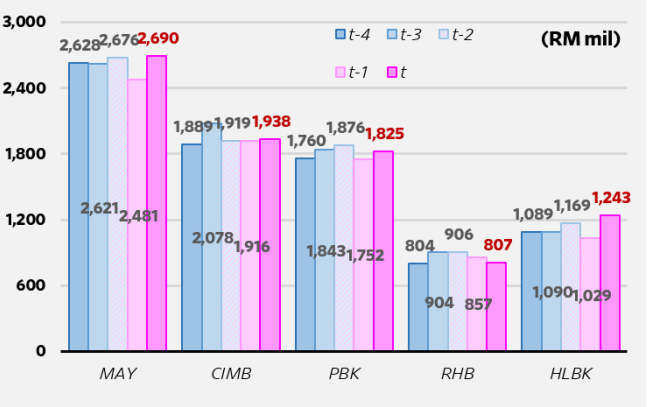
Source: Banks, MBSBR

Fig 19: Aggregated Sector Earnings Breakdown



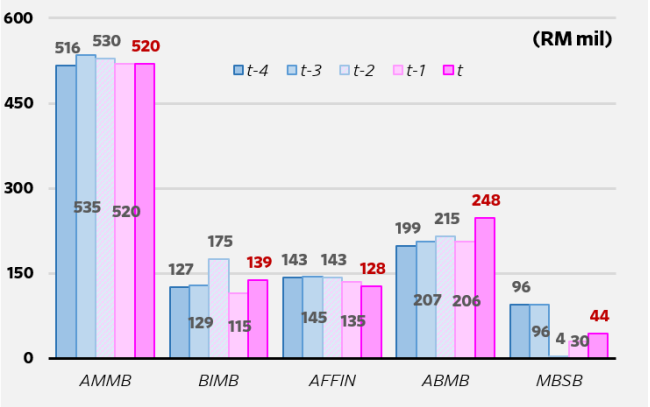
Source: Banks, MBSBR

Fig 20: Quarterly Core Net Profit: Big 5



Source: Banks, MBSBR

Fig 21: Quarterly Core Net Profit: Small 5



Source: Banks, MBSBR

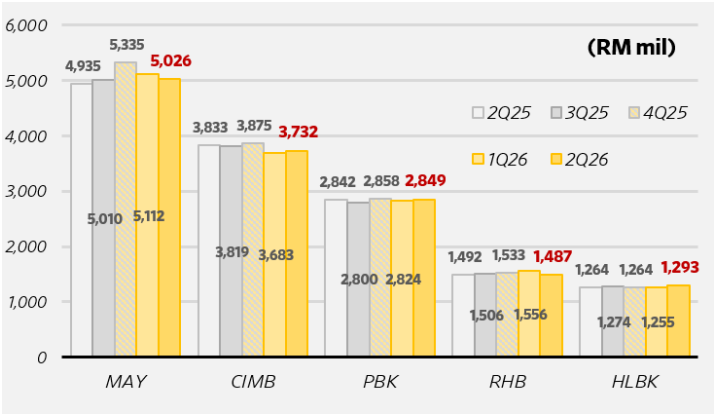
FIG 22: Calendarised Earnings Growth Rates

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	5.8	-2.3	-5.1	7.5	-2.0	-6.3	10.7	3.7	-2.4	8.4	2.4	-0.9
CIMB	2.8	-0.7	-1.2	6.7	-0.1	-1.1	2.2	-1.5	-2.2	1.1	2.6	-0.2
PBK	4.8	4.8	3.1	6.1	6.3	3.4	3.4	2.5	1.3	4.2	3.7	2.0
RHB	-1.6	0.3	3.7	-3.6	-0.1	4.6	-3.4	0.2	6.0	-5.8	0.5	7.1
HLBK	11.4	8.7	5.5	13.6	8.6	4.6	16.5	7.9	3.9	20.7	14.2	11.6
AMMB	3.0	4.5	3.7	7.9	6.5	4.9	0.2	4.2	4.0	0.1	0.8	1.0
BIMB	15.1	9.7	4.0	32.8	30.1	4.7	21.4	8.3	-0.5	20.9	9.8	0.4
AFFIN	-1.1	5.0	12.2	-2.3	21.4	33.5	-8.6	-8.1	-3.3	-5.8	-11.0	-1.7
ABMB	6.4	2.5	3.9	15.9	-1.8	1.2	23.8	33.1	16.7	20.5	25.0	14.7
MBSB	5.5	-17.0	-14.5	7.2	-35.9	-29.5	50.4	-54.1	-59.2	46.7	-53.7	-58.7
SUM	4.6	0.8	-0.3	6.9	1.7	-0.3	6.4	2.4	-0.1	6.0	3.6	1.8

Source: Banks, MBSBR

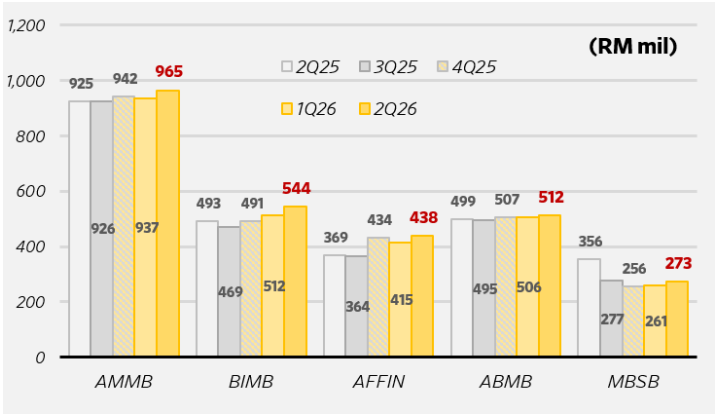
D. TOPLINE

Fig 23: Quarterly NII: Big 5



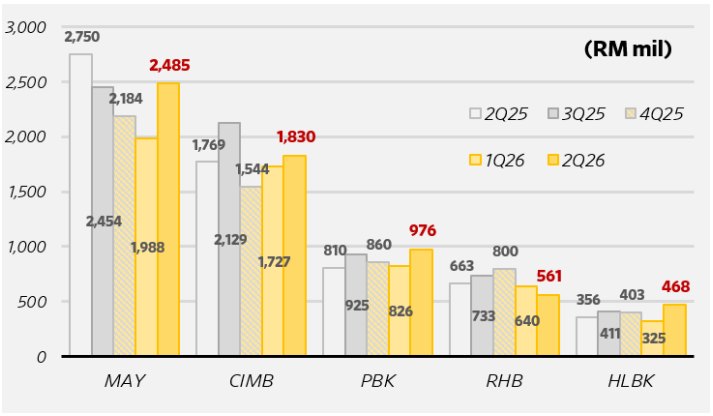
Source: Banks, MBSBR

Fig 24: Quarterly NII: Small 5



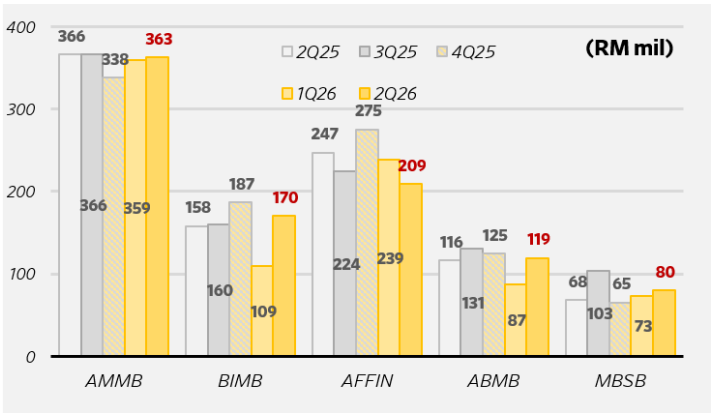
Source: Banks, MBSBR

Fig 25: Quarterly NOII: Big 5



Source: Banks, MBSBR

Fig 26: Quarterly NOII: Small 5



Source: Banks, MBSBR

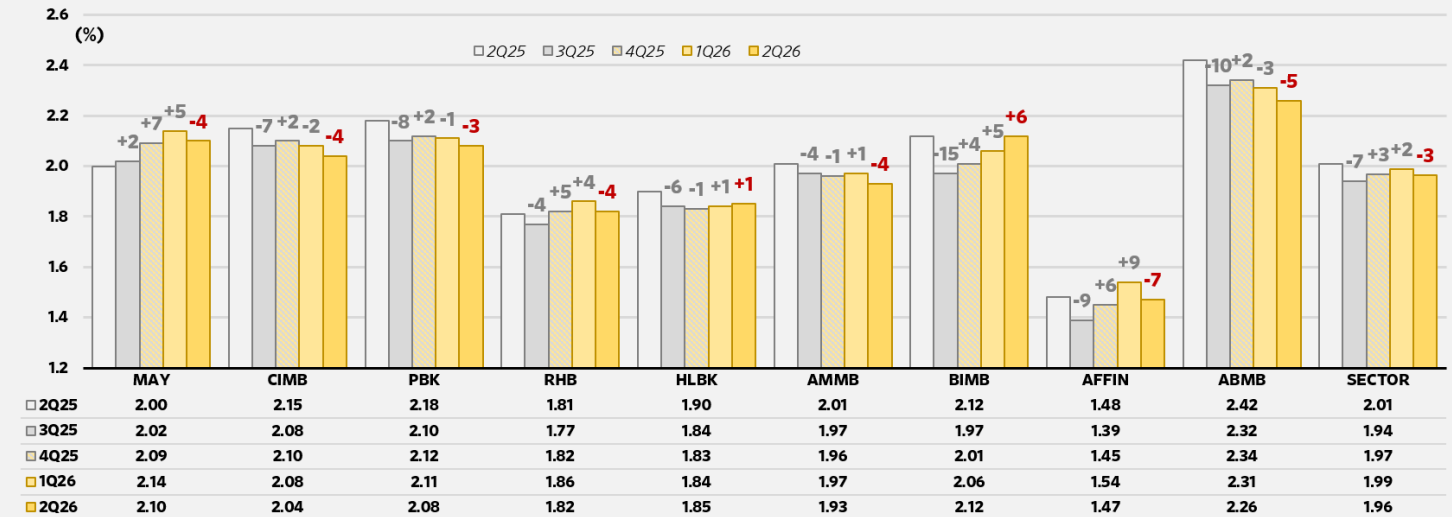
FIG 27: Calendarised NII & NOII Growth Rates

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	-1.7	1.9	66.9	2.5	69.4	25.0	-9.6	33.1	-18.8	30.6
CIMB	1.3	-2.6	67.1	-3.1	67.6	6.0	3.5	32.9	3.1	32.4
PBK	0.9	0.2	74.5	0.5	75.9	18.2	20.6	25.5	12.2	24.1
RHB	-4.4	-0.3	72.6	2.1	71.7	-12.3	-15.4	27.4	-1.9	28.3
HLBK	3.0	2.3	73.4	3.8	76.2	43.9	31.5	26.6	11.3	23.8
AMMB	3.0	4.3	72.7	4.5	72.5	1.1	-0.8	27.3	-4.1	27.5
BIMB	6.4	10.3	76.2	6.4	79.1	55.7	7.6	23.8	-4.2	20.9
AFFIN	5.4	18.6	67.7	17.4	65.6	-12.5	-15.3	32.3	3.4	34.4
ABMB	1.1	2.5	81.1	2.3	83.2	37.2	2.5	18.9	12.4	16.8
MBSB	4.4	-23.5	77.4	-22.9	77.7	9.3	17.1	22.6	37.5	22.3
SUM	0.3	0.6	70.2	1.0	71.5	13.9	-0.6	29.8	-4.5	28.5

Source: Banks, MBSBR

E. NIM, ASSET YIELDS, COST OF FUNDS

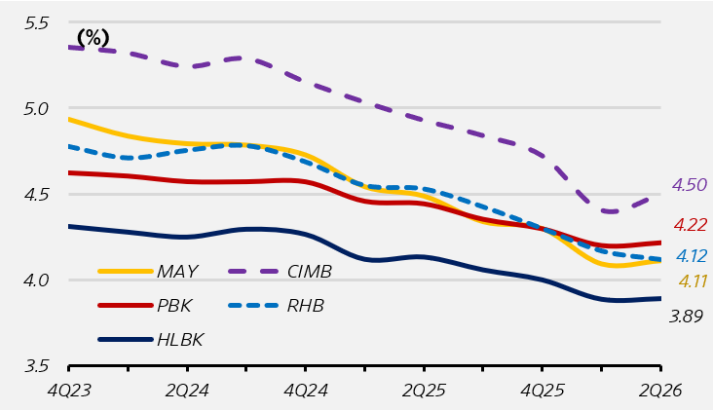
Fig 28: Sector Quarterly NIMs (Reported Figures)



	MAY	CIMB	PBK	RHB	HLBK	AMMB	BIMB	AFFIN	ABMB	SECTOR
2Q25	2.00	2.15	2.18	1.81	1.90	2.01	2.12	1.48	2.42	2.01
3Q25	2.02	2.08	2.10	1.77	1.84	1.97	1.97	1.39	2.32	1.94
4Q25	2.09	2.10	2.12	1.82	1.83	1.96	2.01	1.45	2.34	1.97
1Q26	2.14	2.08	2.11	1.86	1.84	1.97	2.06	1.54	2.31	1.99
2Q26	2.10	2.04	2.08	1.82	1.85	1.93	2.12	1.47	2.26	1.96

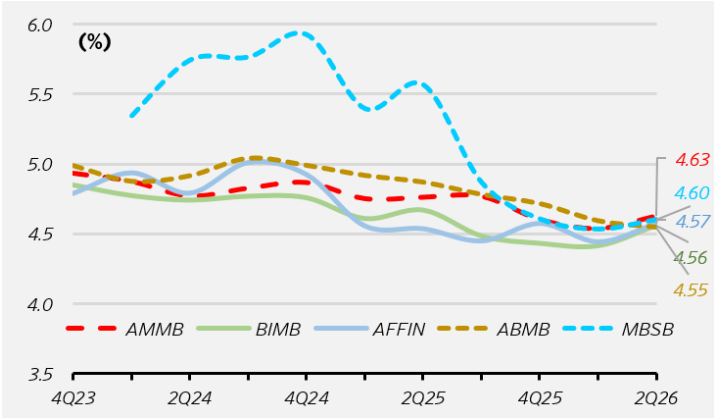
Source: Banks, MBSBR

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



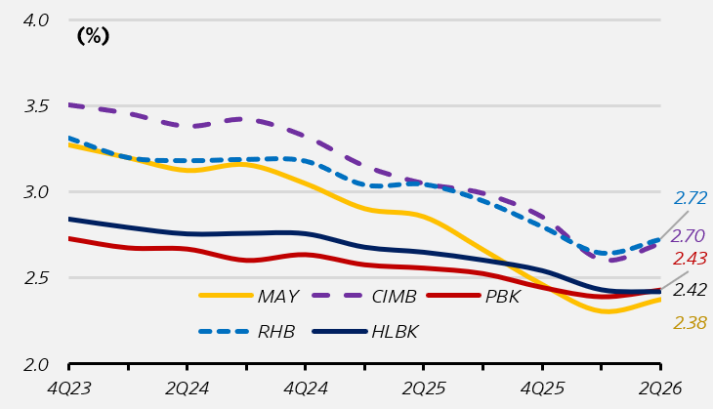
Source: Banks, MBSBR

Fig 30: Asset Yield trends: Small 5 (Our Estimates)



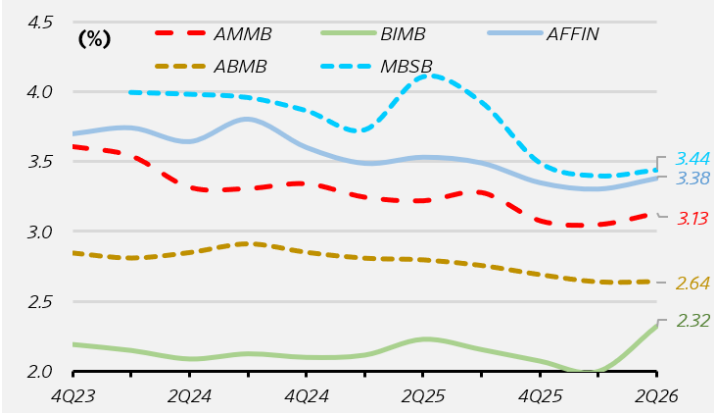
Source: Banks, MBSBR

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



Source: Banks, MBSBR

Fig 32: Cost of Funds trends: Small 5 (Our Estimates)



Source: Banks, MBSBR

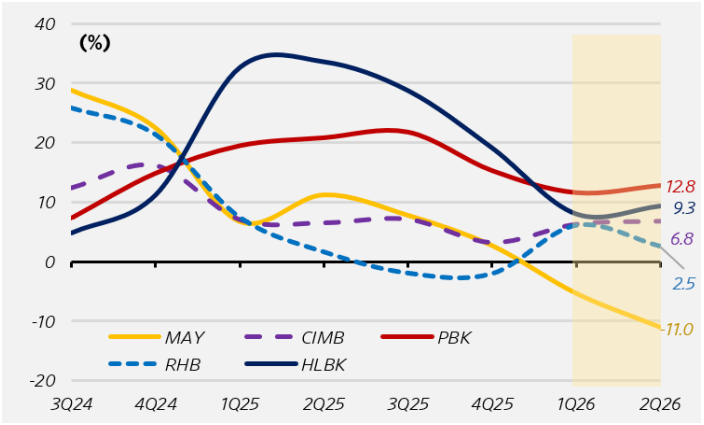
FIG 33: Quarterly NIM (%)

	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)
2Q23	2.14			2.24			2.18			1.82			1.83			1.76						1.33			2.43		
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		2.18	+3		2.21	+6		1.83	+6		1.87	+2		1.79	+0					1.44	+0		2.45	-4	
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
2Q26	2.10	-4	+10	2.04	-4	-11	2.08	-3	-10	1.82	-4	+1	1.85	+1	-5	1.93	-4	-8	2.12	+6	+0	1.47	-7	-1	2.26	-5	-16

Source: Banks, MBSBR

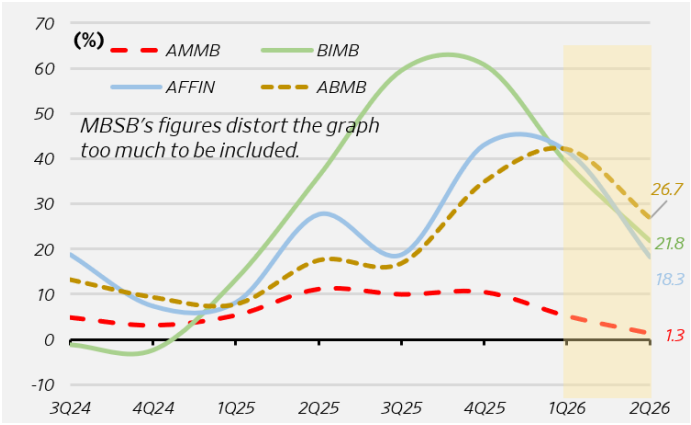
F. Non-Interest Income

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



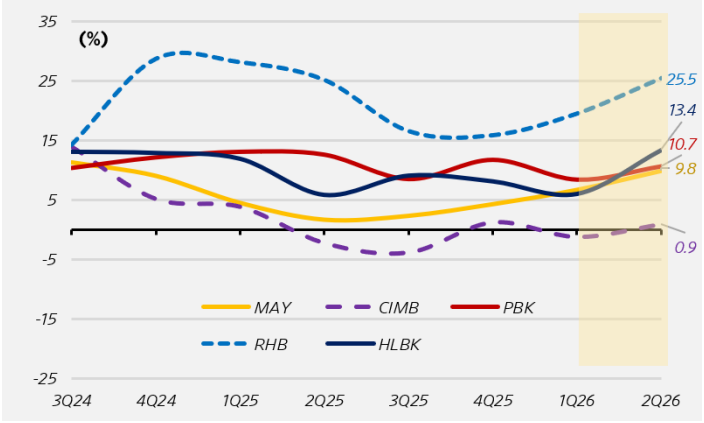
Source: Banks, MBSBR

Fig 35: yoy NOII growth Trailing 12M trend: Small 5



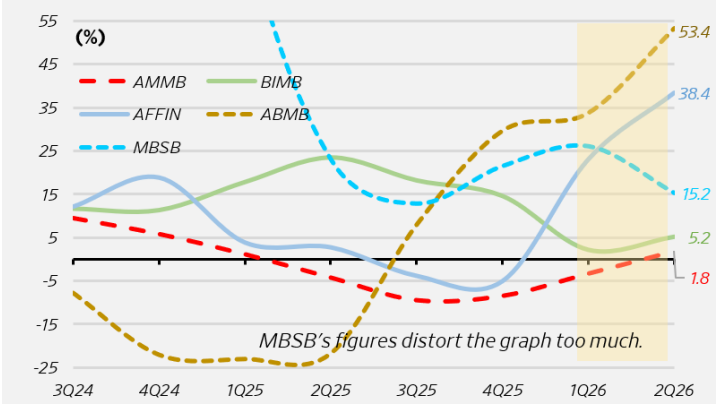
Source: Banks, MBSBR

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



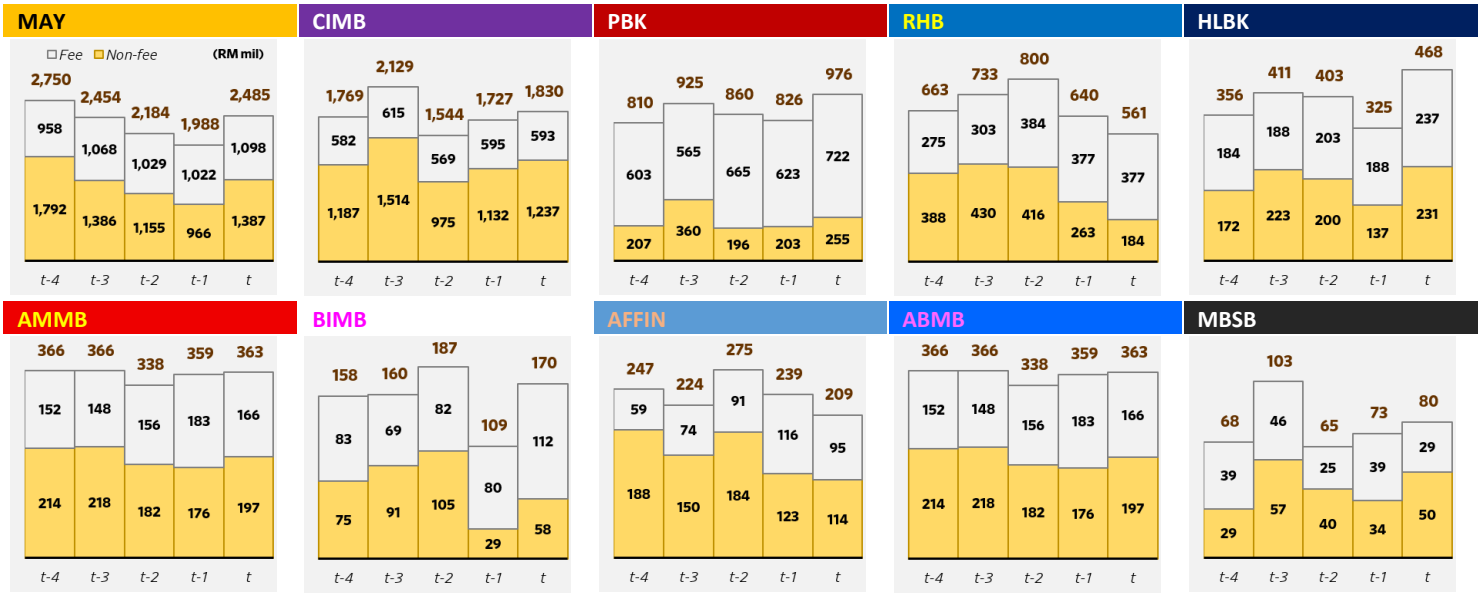
Source: Banks, MBSBR

Fig 37: yoy Fee Income growth Trailing 12M trend: Small 5



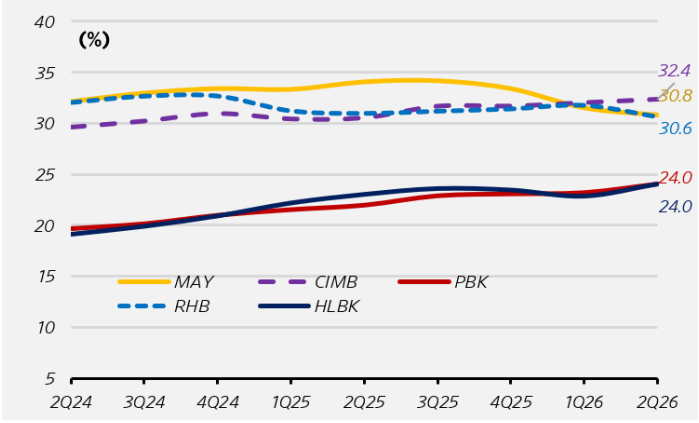
Source: Banks, MBSBR

Fig 38: Quarterly NOII Breakdown



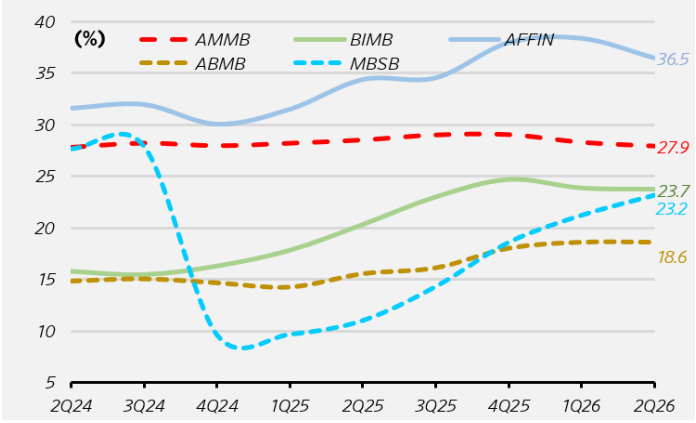
Source: Banks, MBSBR

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



Source: Banks, MBSBR

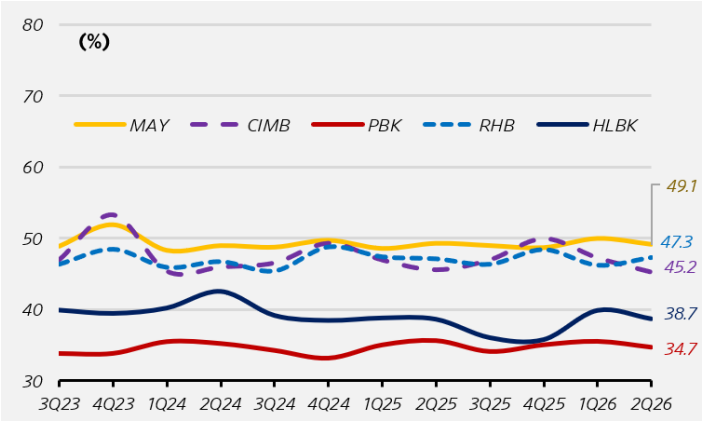
Fig 40: % NOII as topline 12M trend: Small 5



Source: Banks, MBSBR

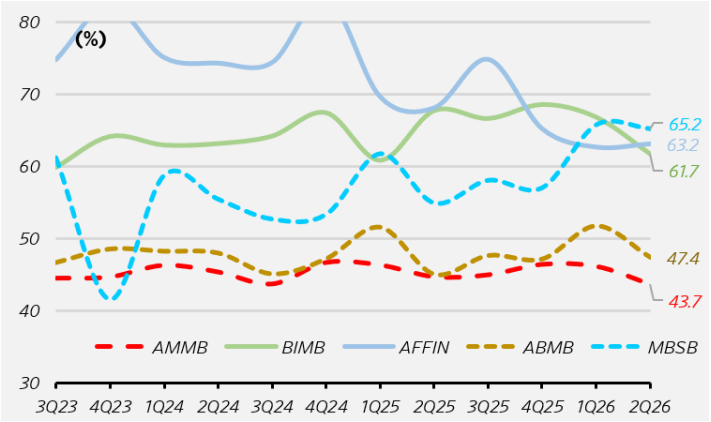
G. OPEX

Fig 41: Quarterly Cost/Income Ratios: Big 5



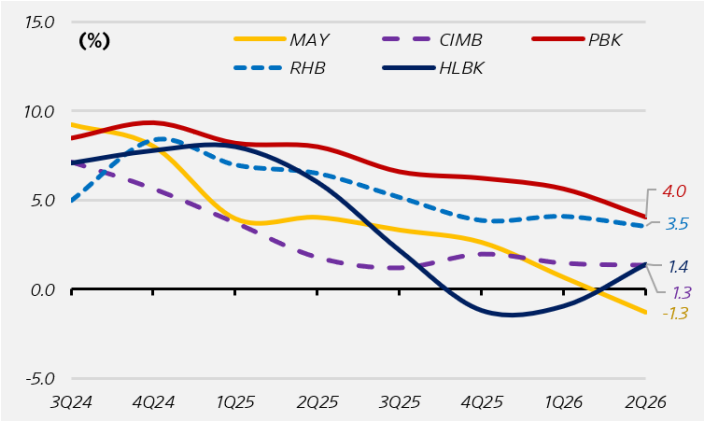
Source: Banks, MBSBR

Fig 42: Quarterly Cost/Income Ratios: Small 5



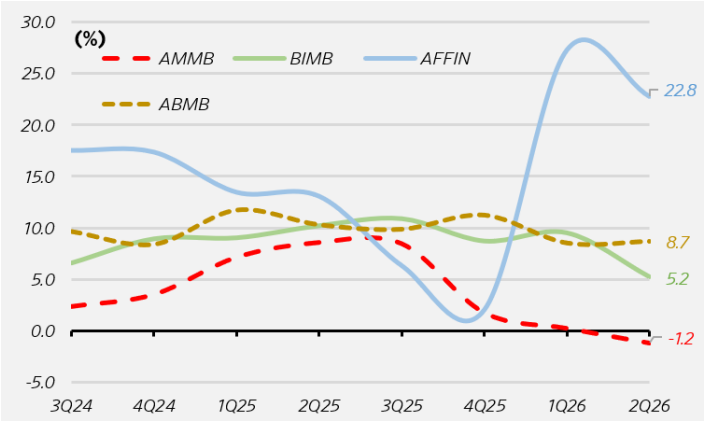
Source: Banks, MBSBR

Fig 43: OPEX Trailing 12M trend: Big 5



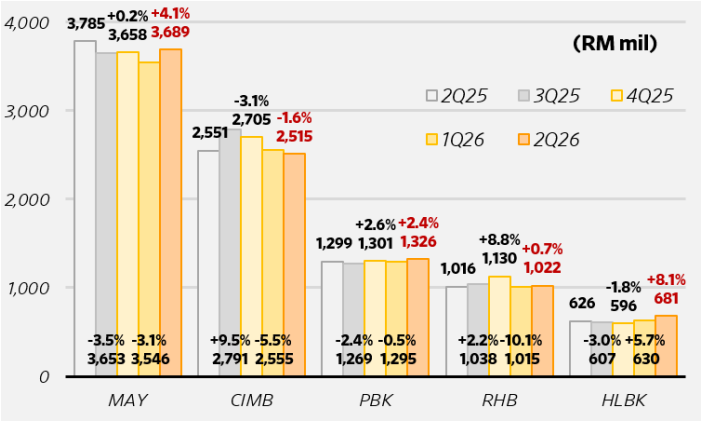
Source: Banks, MBSBR

Fig 44: OPEX Trailing 12M trend: Small 5



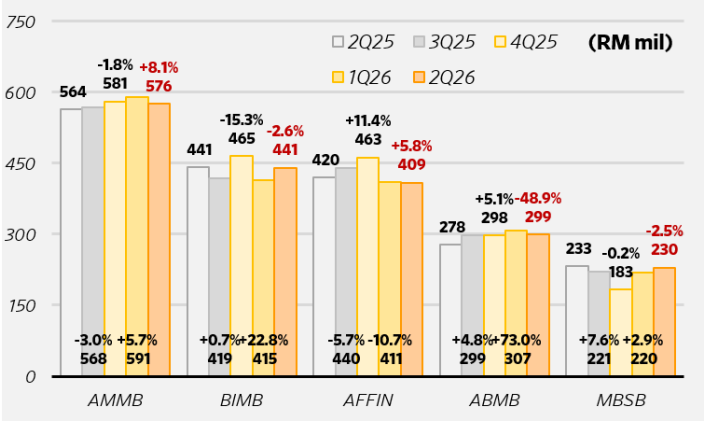
Source: Banks, MBSBR

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



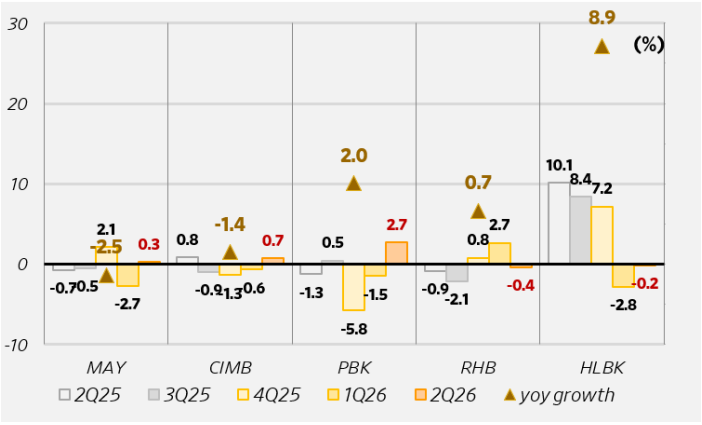
Source: Banks, MBSBR

Fig 46: Quarterly OPEX and qoq growth rates: Small 5



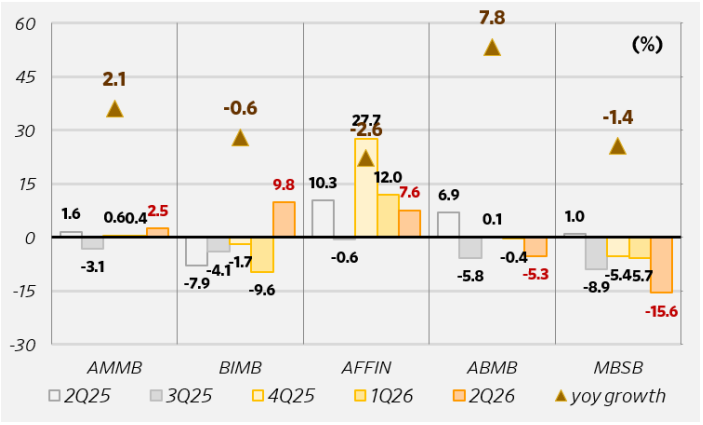
Source: Banks, MBSBR

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



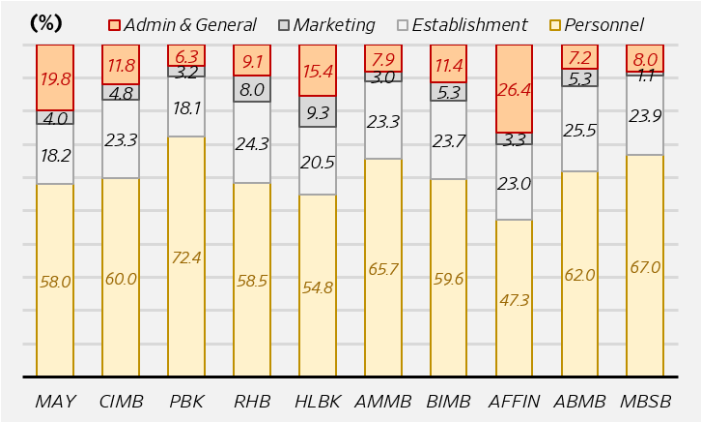
Source: Banks, MBSBR

Fig 48: Quarterly JAWS & OPEX yoy growth: Small 5



Source: Banks, MBSBR

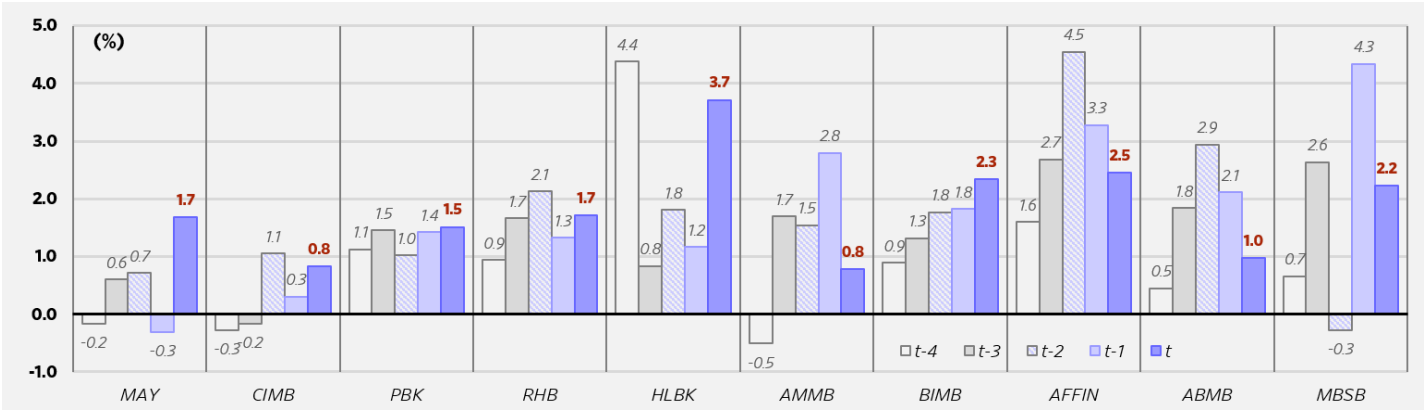
Fig 49: T12 OPEX split



Source: Banks, MBSBR

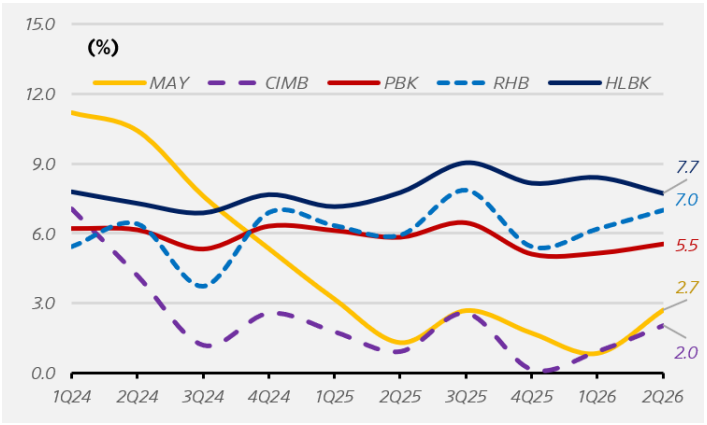
H. LOANS

Fig 50: qoq Loan growth



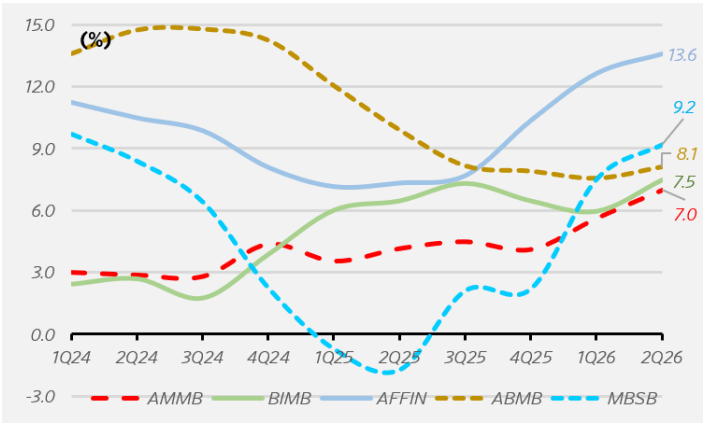
Source: Banks, MBSBR

Fig 52: yoy Loan growth: Big 5



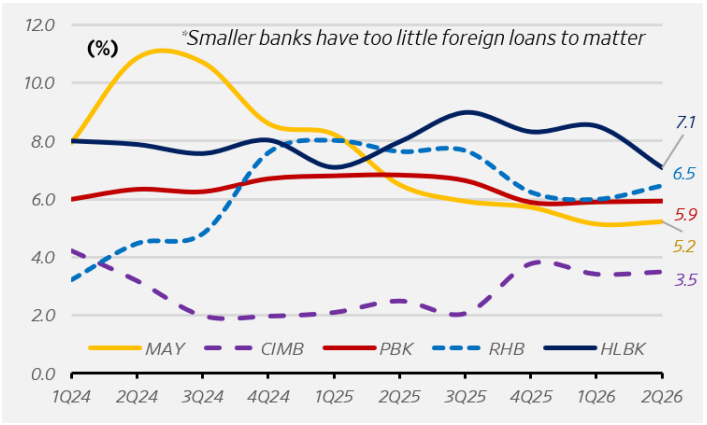
Source: Banks, MBSBR

Fig 53: yoy Loan growth: Small 5



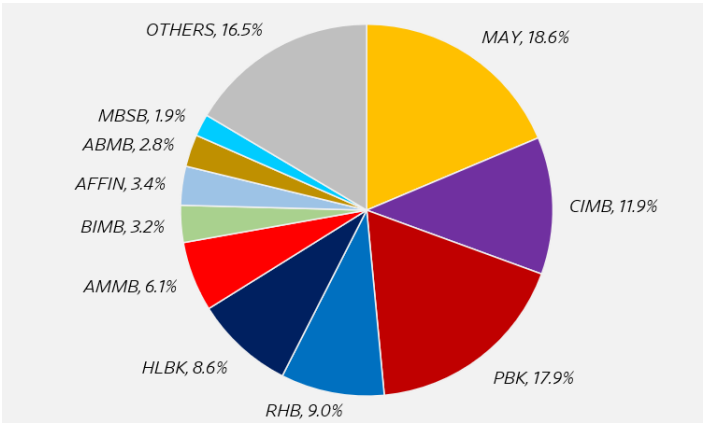
Source: Banks, MBSBR

Fig 54: yoy Domestic Loan growth: Big 5 only



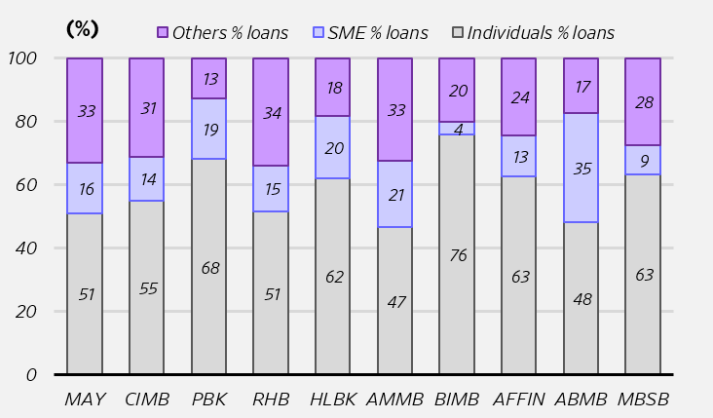
Source: Banks, MBSBR

Fig 55: Domestic Market Share by Bank



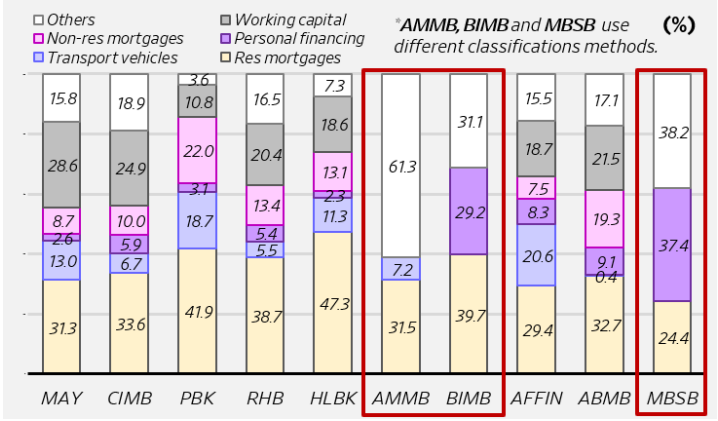
Source: Banks, MBSBR

Fig 56: Loans by Borrowers



Source: Banks, MBSBR

Fig 57: Loans by Type



Source: Banks, MBSBR

FIG 58: 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 (%)																														
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
2Q26	2.7	1.7	1.4	2.0	0.8	1.1	5.5	1.5	3.0	7.0	1.7	3.1	7.7	3.7	7.7	7.0	0.8	0.8	7.5	2.3	4.2	13.6	2.5	5.8	8.1	1.0	1.0	9.2	2.2	6.7
Domestic loans growth (%)																														
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
2Q26	5.2	0.9	1.7	3.5	0.2	1.3	5.9	1.5	3.1	6.5	1.3	2.3	7.1	3.2	7.1	7.0	0.7	0.7	7.5	2.3	4.2	12.5	2.2	5.3	8.1	1.0	1.0	10.8	2.2	6.7

*YTD by FY

Source: Banks, MBSBR

FIG 59: 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)
2Q23	17.7			12.6			17.6			8.9			8.2			6.3			3.2			3.0			2.4			2.0			18.2		
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		12.4	-10		17.5	+2		8.7	-4		8.1	+3		6.2	+5		3.1	-3		3.1	+3		2.6	+8		2.0	+2		18.0	-10	
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
2Q26	18.6	-6	-5	11.9	-11	-21	17.9	+6	+8	9.0	+2	+8	8.6	+17	+13	6.1	-3	+9	3.2	+4	+6	3.4	+4	+21	2.8	-1	+7	1.9	+2	+9	16.5	-15	-55

Source: Banks, MBSBR

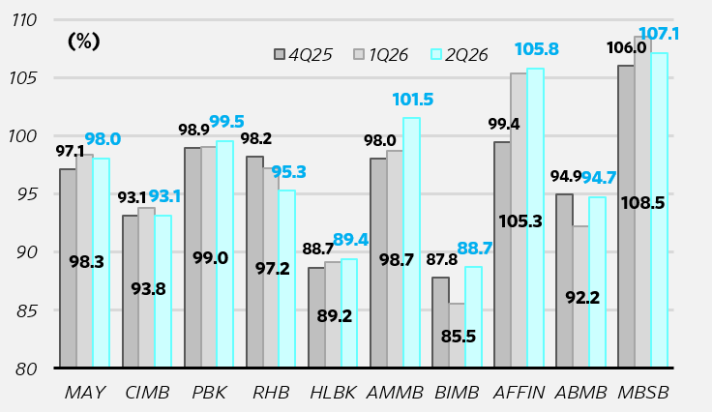
FIG 60: Loan Growth by Segments (%)

	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 (%)																				
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
2Q26	3.2	0.6	1.7	0.8	5.2	1.1	6.3	1.5	7.5	1.7	0.7	0.4	7.3	2.0	11.9	2.6	7.4	1.2	-0.1	0.2
Loan growth by Domestic SMEs (%)																				
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	2.2	4.7	2.8	0.8	6.6	2.2	-3.8	1.3
2Q26	1.6	-2.1	2.1	2.7	9.2	2.8	7.1	2.5	9.9	6.6	3.8	-0.0	16.4	11.5	0.6	-2.1	8.6	2.8	-7.4	-1.7
Residential Mortgages Loan growth (%)																				
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
2Q26	3.2	1.0	1.4	0.6	5.2	1.0	6.7	1.7	6.6	1.6	0.9	0.5	7.4	2.4	7.9	2.0	10.5	2.3	5.6	2.1
Transport Vehicle Loan growth (%)																				
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	3.9	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		
2Q26	1.7	0.5	-0.0	-0.3	6.4	1.2	10.4	2.4	5.5	-0.9	-1.6	0.1			3.8	0.4	36.8	53.0		
Working Capital Loan growth (%)																				
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		
2Q26	2.3	4.2	-0.2	0.2	3.1	2.2	-2.2	1.1	5.5	5.5					35.2	6.5	6.0	-1.5		
Personal Financing Loan growth (%)																				
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
2Q26	29.1	28.8	-0.1	1.0	-12.4	-1.9	4.3	2.4	14.4	14.4			3.7	1.0	29.3	5.7	-6.1	-1.9	-2.9	-0.4

Source: Banks, MBSBR

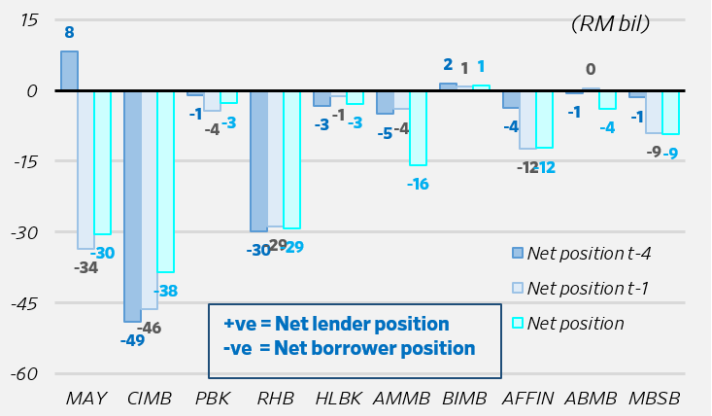
I. DEPOSITS & LIQUIDITY

Fig 61: Industry Loan/Deposit Ratios



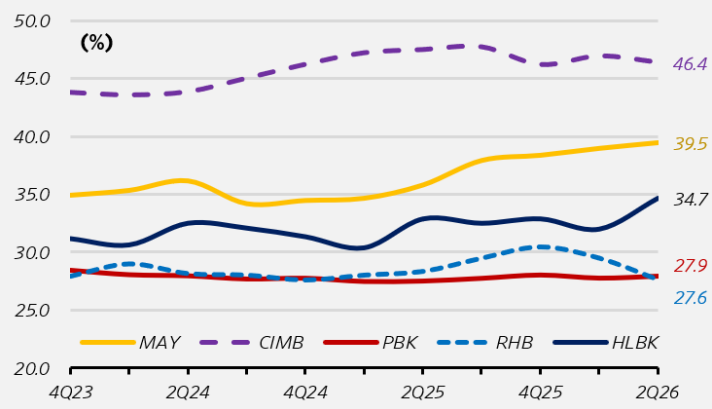
Source: Banks, MBSBR

Fig 62: Interbank Lending positions



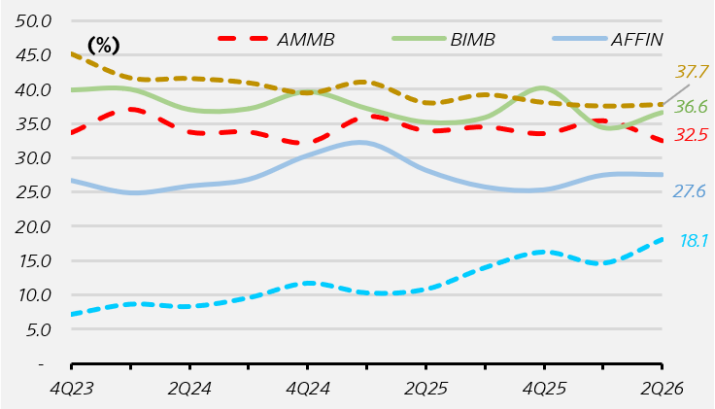
Source: Banks, MBSBR

Fig 63: CASA ratio trend: Big 5



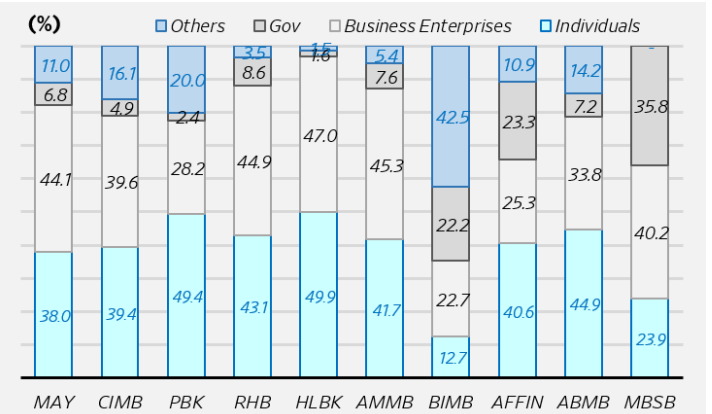
Source: Banks, MBSBR

Fig 64: CASA ratio trend: Small 5



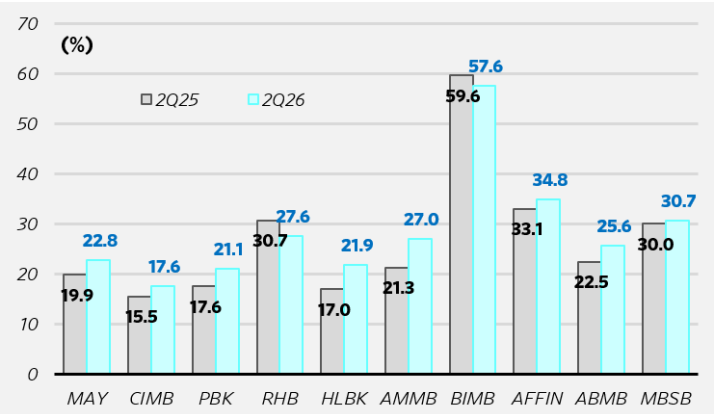
Source: Banks, MBSBR

Fig 65: Deposit Breakdown by Depositor



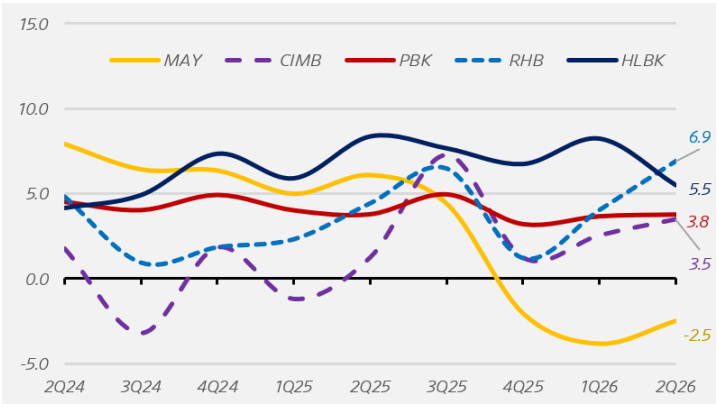
Source: Banks, MBSBR

Fig 66: % FDs > 6 months



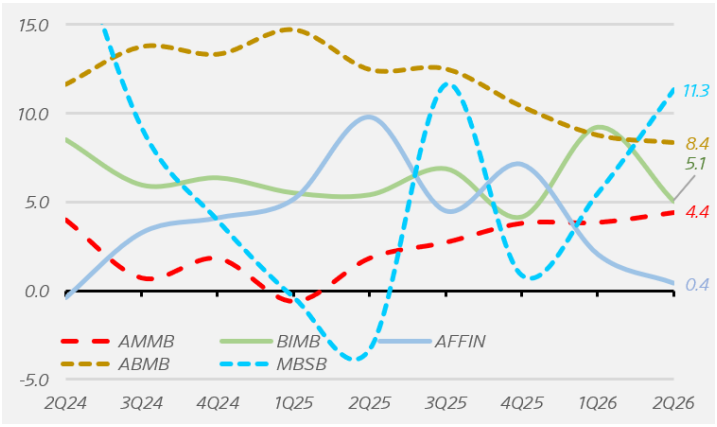
Source: Banks, MBSBR

Fig 67: yoy Deposit growth: Big 5



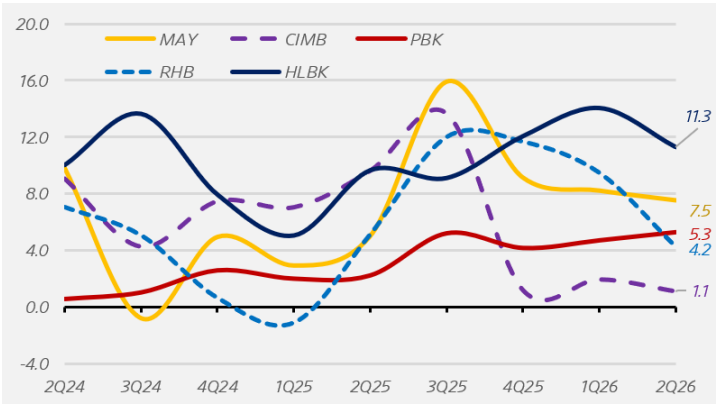
Source: Banks, MBSBR

Fig 68: yoy Deposit growth: Small 5



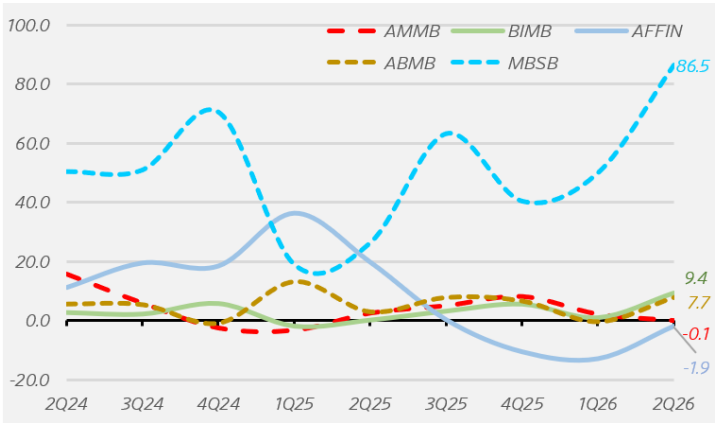
Source: Banks, MBSBR

Fig 69: yoy CASA growth: Big 5



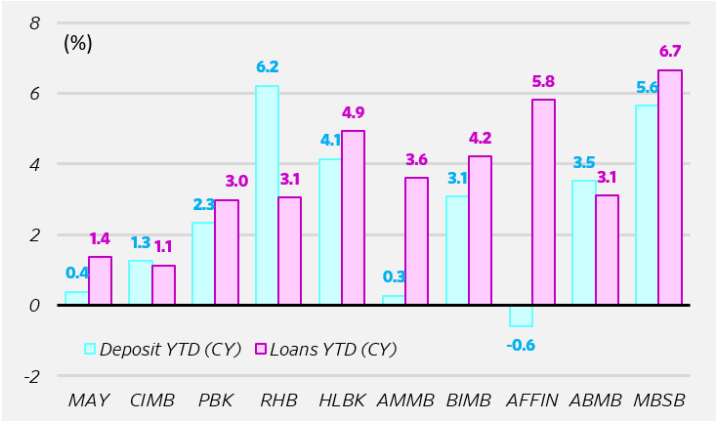
Source: Banks, MBSBR

Fig 70: yoy CASA growth: Small 5



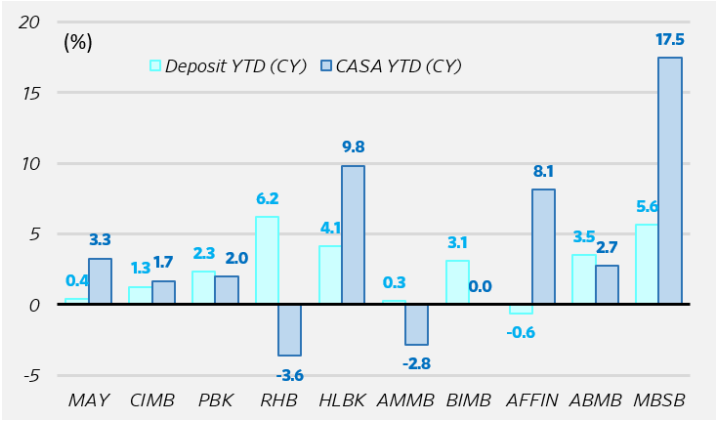
Source: Banks, MBSBR

Fig 71: Deposits vs Loans YTD growth



Source: Banks, MBSBR

Fig 72: Deposits vs CASA YTD growth



Source: Banks, MBSBR

FIG 73: Calendarised Deposit & CASA growth (%)

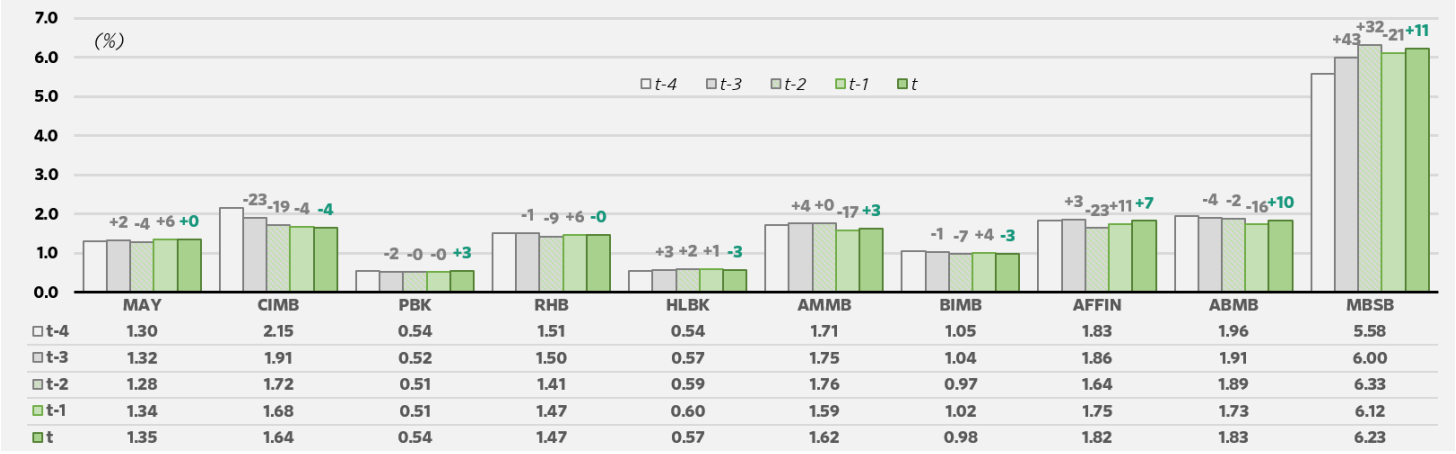
	MAY			CIMB			PBK			RHB			HLBK			AMMB			BIMB#			AFFIN			ABMB			MBSB		
	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*	yoy	qoq	YTD*
Deposits growth (%)																														
2Q24	7.9	-0.4	1.1	1.8	-1.8	-0.4	4.5	1.1	2.9	4.8	-1.1	-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
2Q26	-2.5	2.0	0.4	3.5	1.6	1.3	3.8	1.0	2.3	6.9	3.8	6.2	5.5	3.5	5.5	4.4	-2.0	-2.0	5.1	-1.3	3.1	0.4	2.0	-0.6	8.4	-1.6	-1.6	11.3	3.6	5.6
CASA growth (%)																														
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
2Q26	7.5	3.3	3.3	1.1	0.4	1.7	5.3	1.6	2.0	4.2	-2.8	-3.6	11.3	12.2	11.3	-0.1	-10.0	-10.0	9.4	5.1	-6.2	-1.9	2.2	8.1	7.7	-1.0	-1.0	86.5	28.4	17.5

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

Source: Banks, MBSBR

J. ASSET QUALITY & PROVISIONING

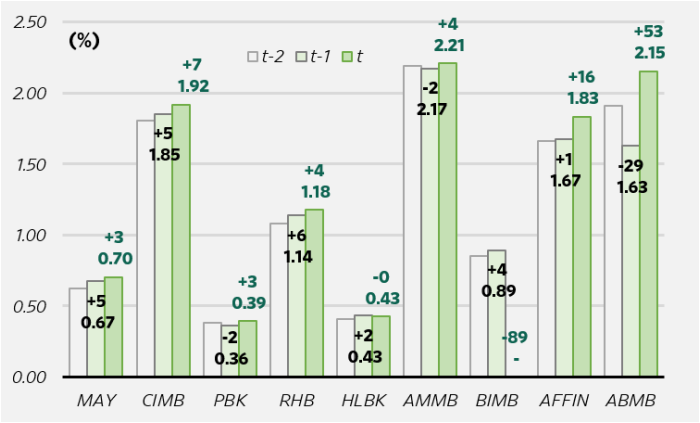
Fig 74: Sector GILs



	MAY	CIMB	PBK	RHB	HLBK	AMMB	BIMB	AFFIN	ABMB	MBSB
t-4	1.30	2.15	0.54	1.51	0.54	1.71	1.05	1.83	1.96	5.58
t-3	1.32	1.91	0.52	1.50	0.57	1.75	1.04	1.86	1.91	6.00
t-2	1.28	1.72	0.51	1.41	0.59	1.76	0.97	1.64	1.89	6.33
t-1	1.34	1.68	0.51	1.47	0.60	1.59	1.02	1.75	1.73	6.12
t	1.35	1.64	0.54	1.47	0.57	1.62	0.98	1.82	1.83	6.23

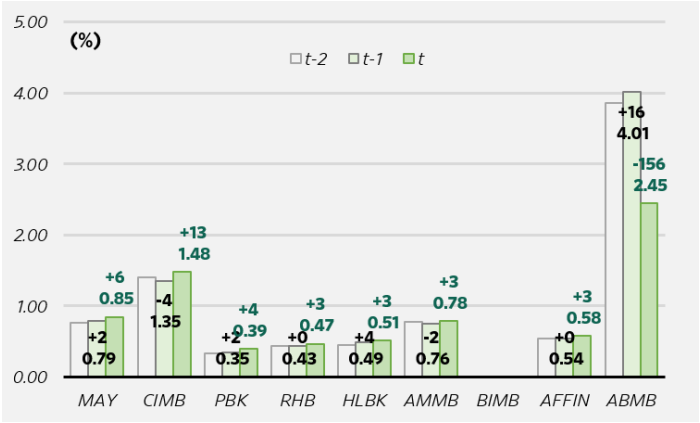
Source: Banks, MBSBR

Fig 75: GIL ratios: Residential Mortgages



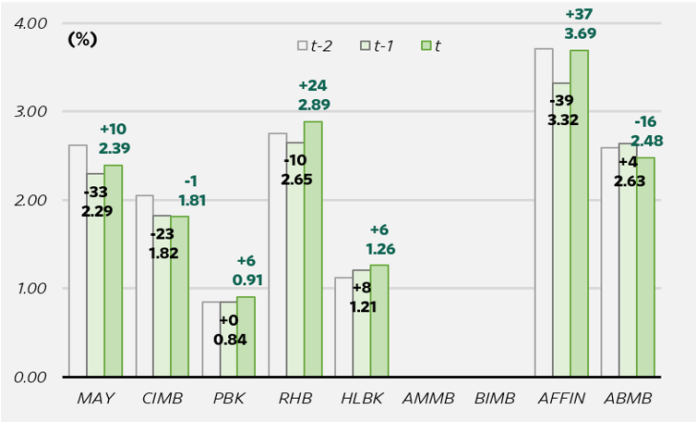
Source: Banks, MBSBR

Fig 76: GIL ratios: Hire purchase loans



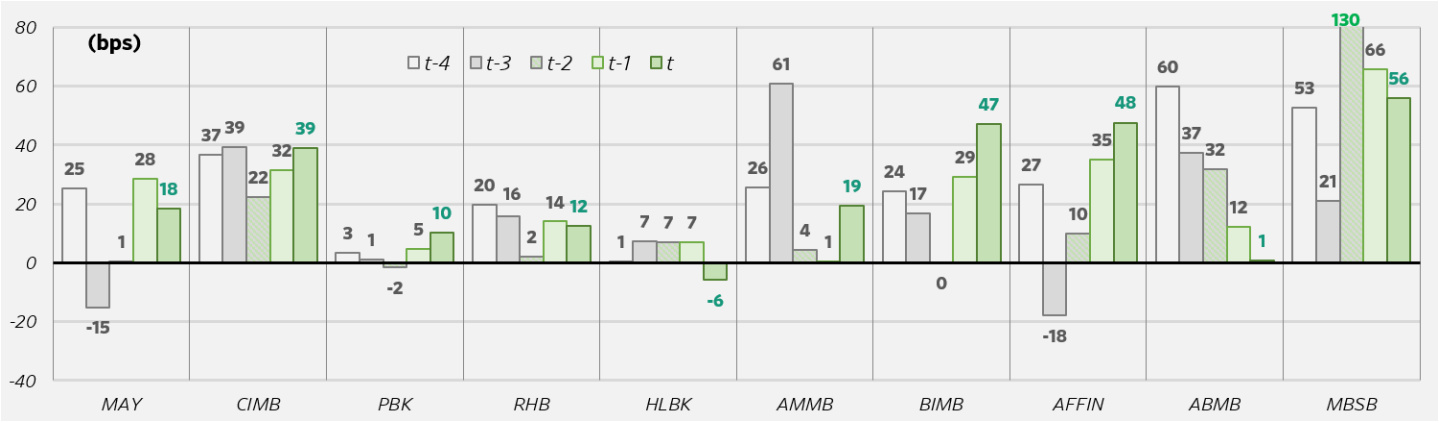
Source: Banks, MBSBR

Fig 77: GIL ratios: Working Capital



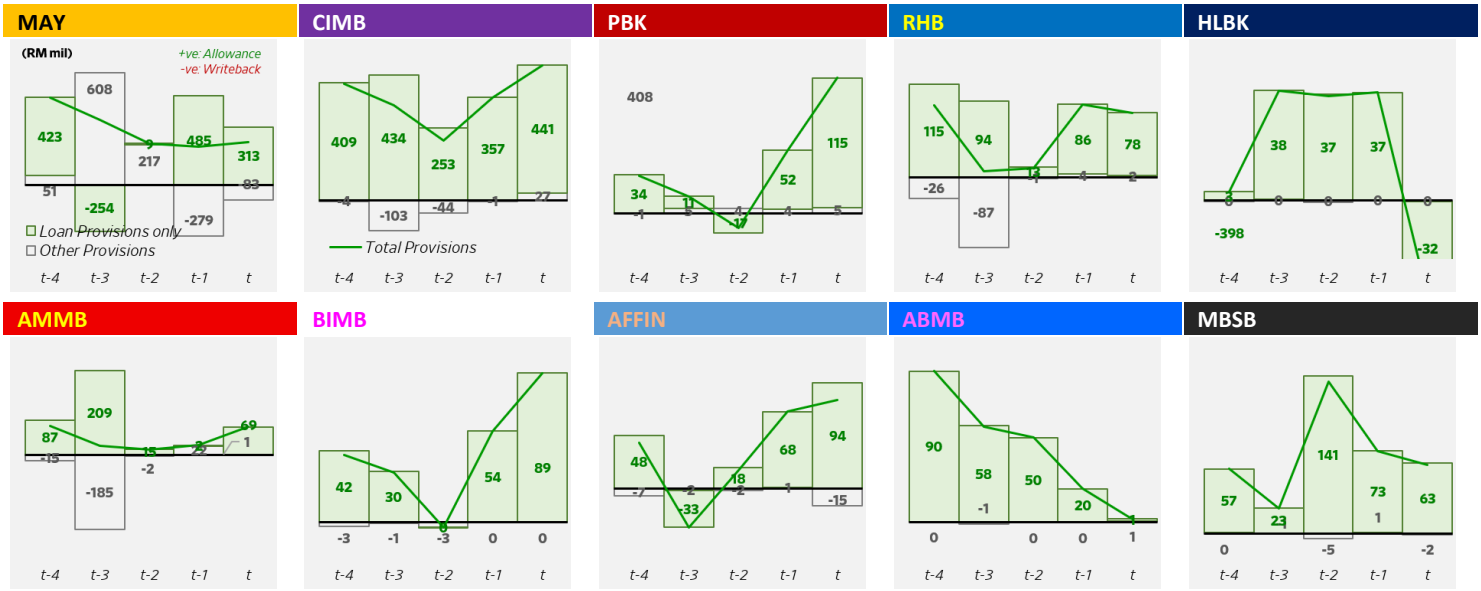
Source: Banks, MBSBR

Fig 78: Sector Quarterly Net Credit Costs (NCC) – Loan Provisions Only



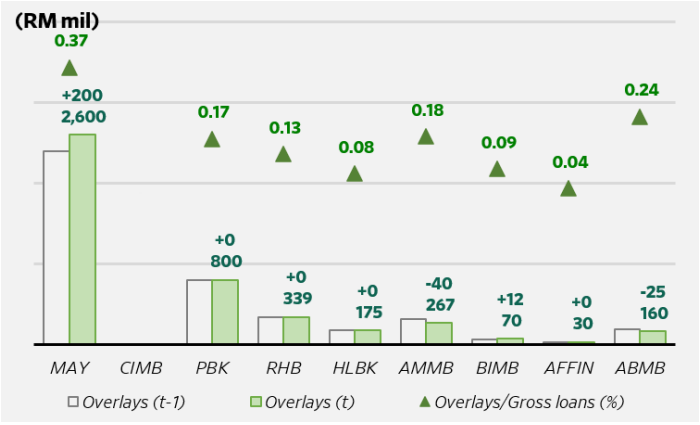
Source: Banks, MBSBR

Fig 79: Quarterly Provision Breakdown (By Loan and Non-loan)



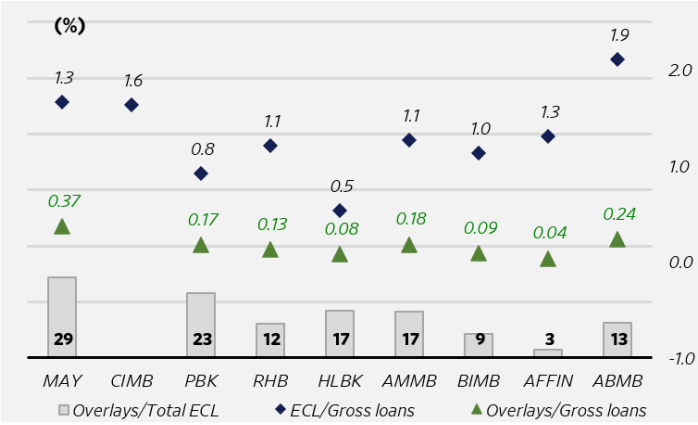
Source: Banks, MBSBR

Fig 80: Overlay balances



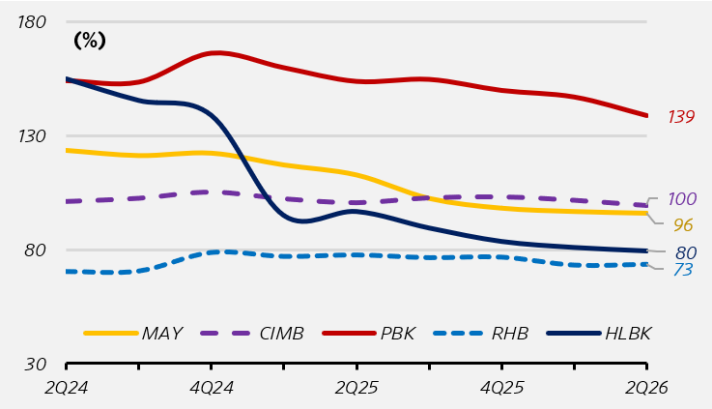
Source: Banks, MBSBR

Fig 81: % Overlays and Total ECL / Gross loans



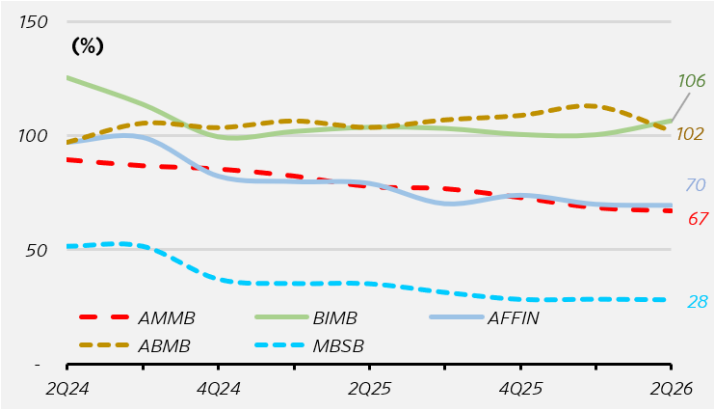
Source: Banks, MBSBR

Fig 82: Loan Loss Coverage (no reserves): Big 5



Source: Banks, MBSBR

Fig 83: Loan Loss Coverage (no reserves): Small 4



Source: Banks, MBSBR

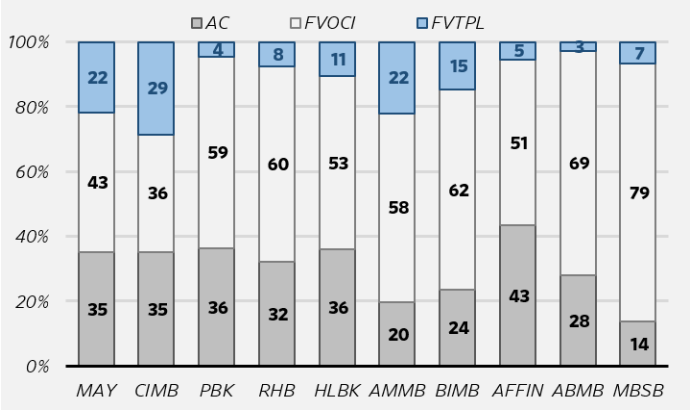
FIG 84: GIL ratio by Sector (%)

	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 (%)																		
2Q22	1.81		3.55		0.29		1.62		0.49		1.55		1.14		2.28		1.84	
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
2Q26	1.35	+0	1.64	-4	0.54	+3	1.47	-0	0.57	-3	1.62	+3	0.98	-3	1.82	+7	1.83	+10
Residential Mortgage GIL ratio (%)																		
2Q24	0.64		2.11		0.45		1.09		0.41		2.12		0.82		1.46		2.26	
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
2Q26	0.70	+3	1.92	+7	0.39	+3	1.18	+4	0.43	-0	2.21	+4	0.00	-89	1.83	+16	2.15	+53
Personal Financing GIL ratio (%)																		
2Q24	5.03		1.62		0.88		1.14		0.69				0.55		1.14		3.90	
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
2Q26	1.25	-37	1.52	-9	1.12	+4	1.09	+3	0.71	-11			0.00	-66	0.75	+5	3.59	+51
Transport Vehicles GIL ratio (%)																		
2Q24	0.64		1.11		0.31		0.47		0.35		0.74				0.54		4.62	
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
2Q26	0.85	+6	1.48	+13	0.39	+4	0.47	+3	0.51	+3	0.78	+3			0.58	+3	2.45	-156
Working Capital GIL ratio (%)																		
2Q24	1.94		4.13		1.02		3.41		0.80						3.26		2.30	
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
2Q26	2.31	-8	1.83	+2	0.97	+6	2.98	+9	1.11	-16					3.68	-1	2.04	-44

Source: Banks, MBSBR

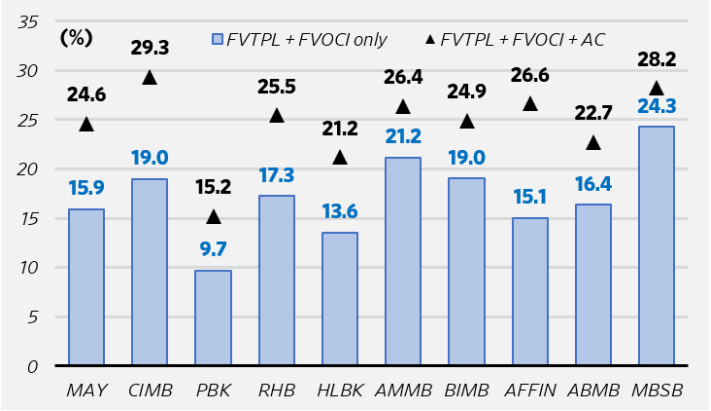
K. INVESTMENT SECURITIES

Fig 85: Investment Book Breakdown



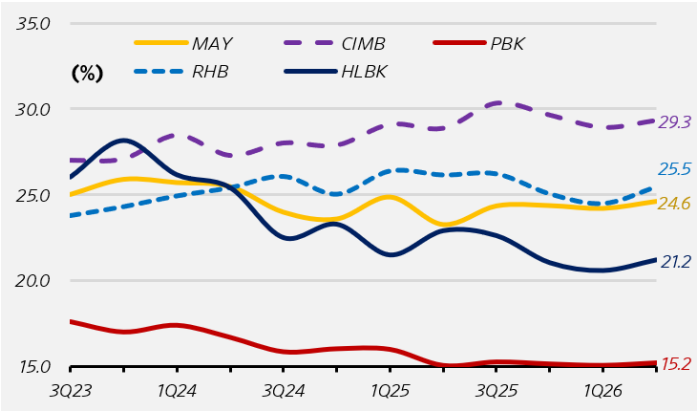
Source: Banks, MBSBR

Fig 86: Investment Book as % of total assets



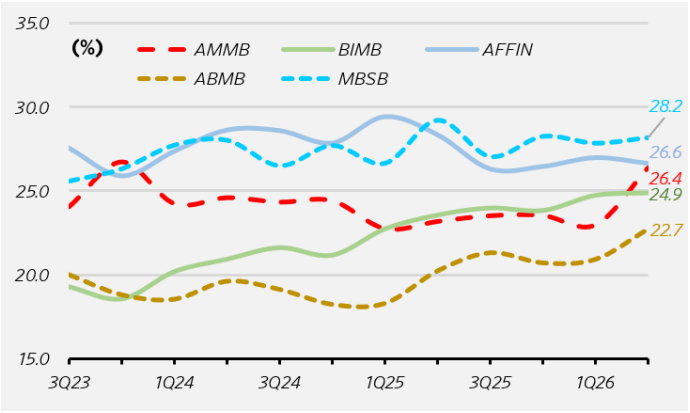
Source: Banks, MBSBR

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



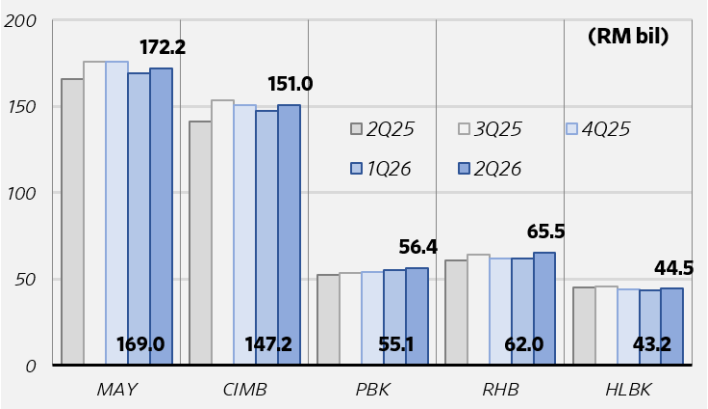
Source: Banks, MBSBR

Fig 88: Investment Securities as % of total Assets: Small 5



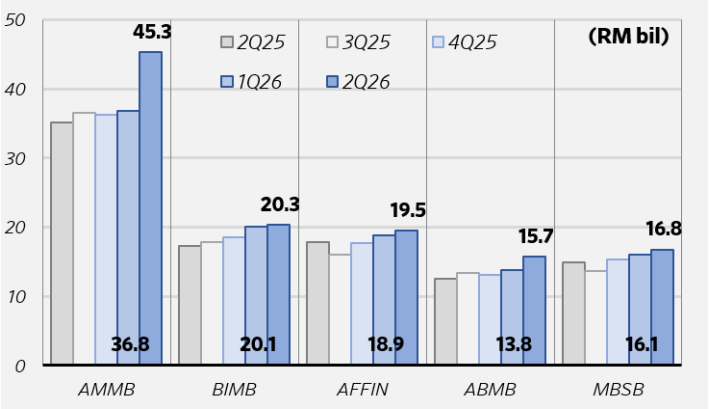
Source: Banks, MBSBR

Fig 89: Total FVTPL + FVOCI Book: Big 5



Source: Banks, MBSBR

Fig 90: 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	

MBSB RESEARCH is part of MBSB Investment Bank Berhad 197501002077 (24878-X)

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

This report is prepared by MBSB Investment Bank Berhad (Company Registration No.: 197501002077 (23878-X)) and is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad.

The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report.

This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

MBSB 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