

Banking

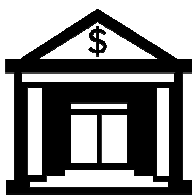
BNM Stats: (Apr 19) – Sentiments Mixed

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NEUTRAL



Loans growth continued to moderate as the growth rate shed another 10bps to +4.9% YoY. Applications rebounded with approvals for Households surging ahead, but Business moderated on account of external risks concerns. Hence, we maintain our Neutral call for the sector as external uncertainties prevail; still, valuations are attractive with most banks under our coverage rated at **OUTPERFORM**: - **AFFIN** (TP: RM2.40), **ABMB** (TP: RM4.25), **AMBANK** (TP: RM5.10), **CIMB** (TP: RM6.25), **MAYBANK** (TP: RM10.35) and **MBSB** (TP: RM1.15). Others are **NEUTRAL**: - **BIMB** (TP: RM4.80), **HLBANK** (TP: RM20.05), **PBBANK** (TP: RM24.10) and **RHBBANK** (TP: RM6.05)



Moderation continues YoY. For April 19, loans slowed by another 4bps to +4.5% YoY (vs. Mar 19: +4.9% YoY) to RM1,682.5b (vs. Mar 19: RM1,682.2b). MoM loans were flat (Mar 19: +0.4% MoM). Business dragged loans growth, moderating 70bps to +3.8% while Households remained resilient at +5.2% YoY (vs. Mar 19: +5.3% YoY) On an annualized basis, loans moderated (50bps) to +1.6% (vs. Mar 19: +2.1% vs. Apr 18: +4.8%).

Business moderating, Households resilient. Moderation in Business was underpinned by *working capital* (Apr 19: +3.1% YoY vs. Mar 19: +4.6% YoY while *Construction* saw a 120bps uptick from the previous month (April 19: +2.3% vs. Mar 19: +1.1% YoY). The resilient *Households* continued to be supported by mortgages (flat at +7.0% YoY) with HP remaining flat at -0.5% YoY while PF continued its moderation sliding 60bps to +5.9% YoY (vs. Mar 19: +6.5% YoY). April 19 also saw repayments (+14.4% YoY vs. Mar 19: +5.43% YoY) outpacing disbursements (+9.8% YoY vs. March +3.8% YoY). Disbursements continued to grow as both Business and Household disbursements saw uptick of +7ppts and +2ppts in April 19 at +10.5% YoY and +7.7%, respectively, (vs. Mar 19: +3.2% YoY and +5.7% YoY respectively).

Overall net financing in the system shed another 30bps to +4.8% YoY with loans shedding 40bps and corporate bonds slower at (20bps) to +6.8% YoY.

Applications rebounded. Loan applications continued to improve (+5.8% YoY vs. Mar 19: -6.0% YoY) to RM82,229m. Both Business and Household applications rebounded (+10.3% YoY and +1.1% YoY vs Mar 19: -7.7% YoY and -4.2% YoY, respectively). Catalysts for the Business' rebound were from *other purposes* (+87% to RM7,636b) and *construction* (+45% YoY to RM4,050m) while *working capital* continued to decline (-7.2% YoY to RM17,517m). Rebound in Household rebound was led by residential mortgages (+12.2% to RM23,662m).

Approvals moderated, led by Business. Approvals continued to be in the positive territory despite moderating 130bps to +5.1% YoY; moderation due to moderation in Business (-8ppts to +2.5% YoY) as Households surged 640bps to +7.9% YoY. Moderation in Business was seen dragged by working capital (-16% YoY vs. +14% YoY) with construction continued to fall (-39% YoY vs. -10% YoY). Households' elevated approvals were led by residential property (+13% YoY vs. Mar 19: +2% YoY) and HP (+7% vs. +10%).

Excess liquidity remained strong as deposits outpaced loans. Deposits outpaced loans in April by 150bps (+6.0% YoY vs. Mar 19: +5.8% YoY or +90bps) thereby pushing excess liquidity by 40bps to +11.7% (or 18.4% YoY). The uptick in deposits was driven by deposits from Federal government. (40% to RM30,0451m) and from individuals (+5.7% to RM724,709m). Loan-to-fund (LTF) ratio and loan-to-deposit ratio (LDR) were relatively stable at 82% and 88%, respectively.

Average lending rate dipped 1bps to 5.02% in April while 3-month deposits inched 1bps to 3.16% as competition for assets and deposits continued, adding additional pressure on NIM.

Deterioration MoM led by Business. YoY saw April GIL fell 7bps to 1.51%; however, on MoM basis, it saw an uptick by 5bps. YoY Business GIL fell 8bps to 1.97% whilst Households fell 5bps to 1.06%. Business saw uptick of 13bps led by working capital (+26bps to 2.06%) and Real Estate (+5bps to 1.44%). Households saw improvement in quality falling 2bps to 1.08%, led by PF (falling 17bps to 1.81%).

Volatile sentiments undermining credit demand. Business sentiments continued to be volatile on account of the soft applications and weak approvals. On the household front, sentiments seemed to be mix as applications for HP, PF and credit card are weak but mortgages continue to be chugging along. While YoY applications and approvals for PF and credit card seemed to be on a downtrend, MoM applications and approvals seemed to be heading north, after their lows in Feb 19. YoY applications and approvals seemed to be resilient chugging along fine, even MoM, lending support to our view that 2019 loans will be supported by resilient household on account of accommodative interest rates (supported by the recent OPR cut) and stable asset quality. Improving asset quality leading to higher approvals will lend support for household demand. External risks seemed to be volatile lately, putting a dampener on business sentiments with softer demand and applications with higher risk perceived lowering approval rates. While we view that banks will still maintain selective asset quality, the stable system asset will see continued demand from the resilient households especially demand for residential property and personal financing (from quality borrowers).



Uncertainties from the external fronts are still prevailing, with no visible catalyst/potential game changer ahead. Domestic risks are looking stable despite challenging conditions. Neutral view is maintained; moderate loans growth still holds with the soft capital markets. However, valuations seem more attractive with most of the banking stocks under our coverage are rated as **OUTPERFORM**: - AFFIN (TP: RM2.40), ABMB (TP: RM4.25), AMBANK (TP: RM5.10), CIMB (TP: RM6.25), MAYBANK (TP: RM10.35) and MBSB (TP: RM1.15). Others are **NEUTRAL**: - BIMB (TP: RM4.80), HLBANK (TP: RM20.05), PBBANK (TP: RM24.10) and RHBBANK (TP: RM6.05)

Fig 1: Industry Loan Growth by Breakdown

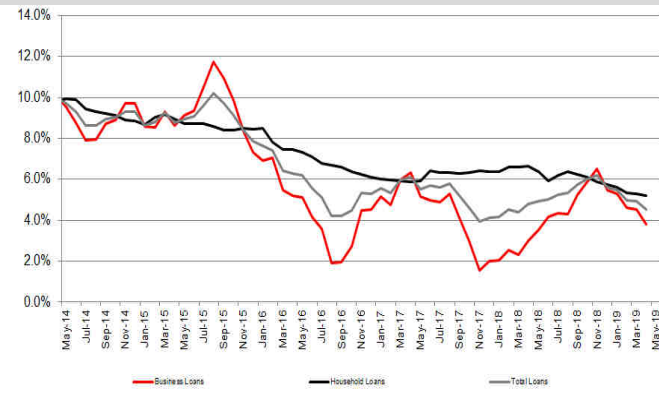
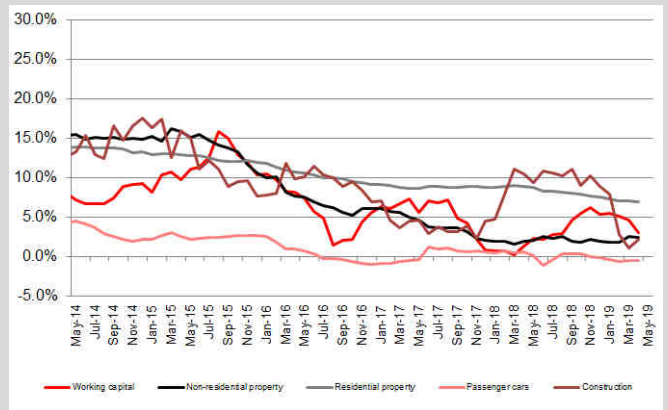


Fig 2: Industry Loans Growth by Economic Purpose



Source: BNM, Kenanga Research

Fig 3: Industry Loan Applications Growth by Breakdown

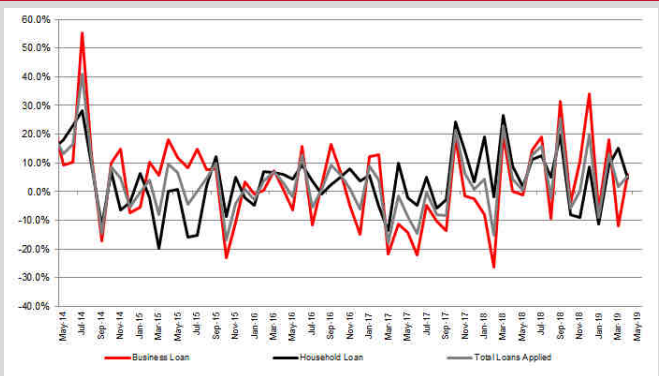
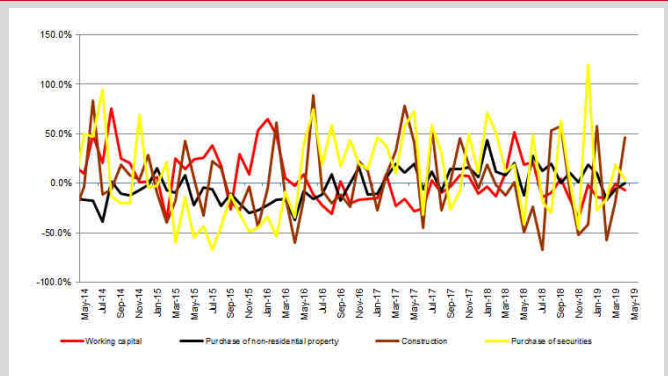


Fig 4: Industry Loan Application Growth by Economic Purpose

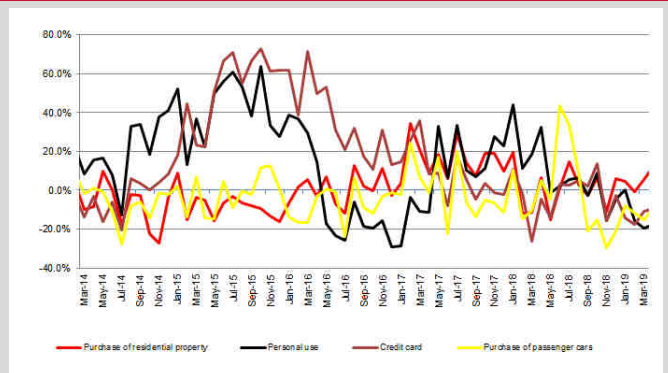


Source: BNM, Kenanga Research

Fig 5: Financing Growth



Fig 6: Household Loan Application Growth by Economic Purpose



Source: BNM, Kenanga Research

Fig 7: Business Loan Approved Growth

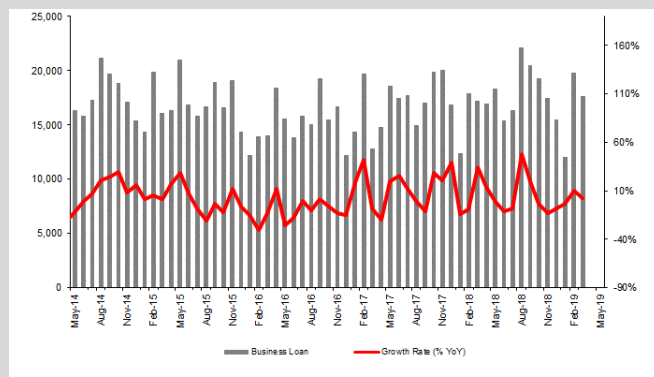
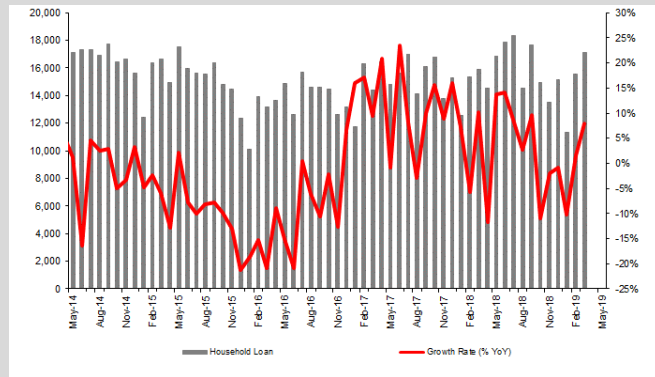


Fig 8: Household Loan Approved Growth



Source: BNM, Kenanga Research

Fig 9: Business Loans Approved by Breakdown

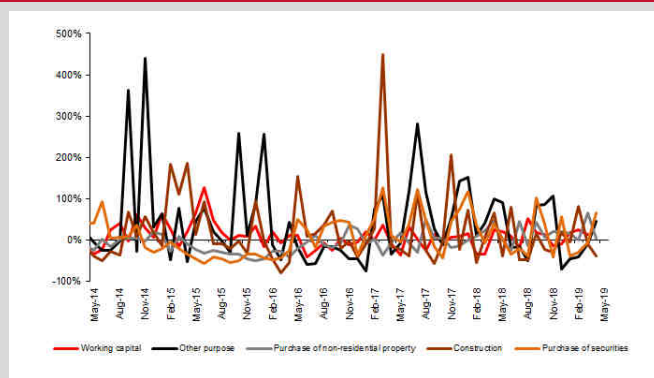
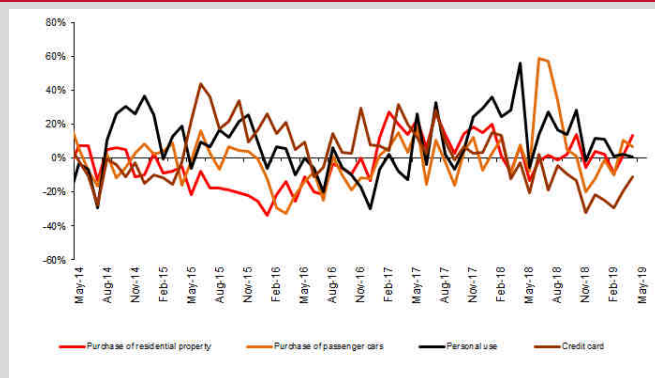


Fig 10: Household Loans Approved by Breakdown



Source: BNM, Kenanga Research

Fig 11: Impaired loans ratio breakdown

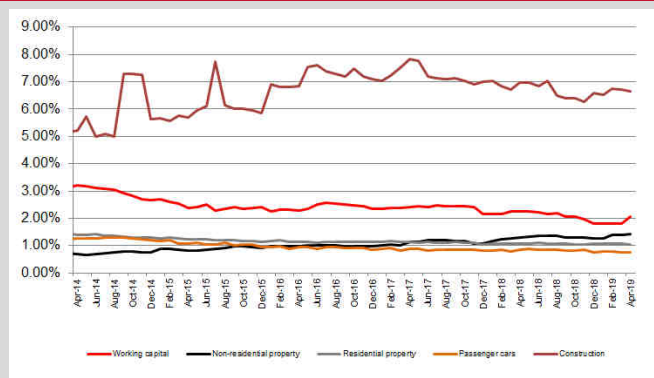
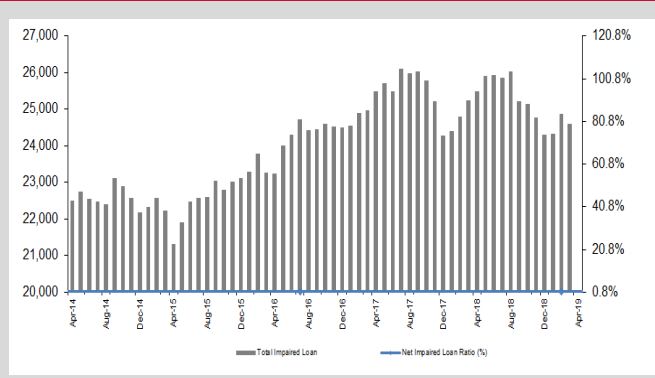


Fig 12: Industry Net Impaired Loan Ratio



Source: BNM, Kenanga Research

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Table 1: Breakdown of Industry Loans

RM'm	Apr-19	Mar-19	% MoM	Apr-18	% YoY	Dec-18	% Ytd
Working capital	384,249.0	389,313.5	-1.3%	372,824.6	3.1%	392,036.2	-2.0%
Purchase of fixed assets other than land and building	10,043.6	9,844.4	2.0%	8,885.6	13.0%	9,599.7	4.6%
Purchase of securities	81,977.7	81,123.3	1.1%	77,532.9	5.7%	80,424.2	1.9%
Purchase of transport vehicles	8,722.4	8,746.8	-0.3%	9,017.5	-3.3%	8,939.2	-2.4%
Other purpose	82,098.5	81,464.0	0.8%	74,298.6	10.5%	80,155.5	2.4%
Purchase of non-residential property	220,446.3	220,298.3	0.1%	215,255.5	2.4%	217,719.4	1.3%
Construction	51,785.5	51,408.7	0.7%	50,642.7	2.3%	51,979.2	-0.4%
Business Loan	839,323.0	842,199.0	-0.3%	808,457.3	3.8%	840,853.5	-0.2%
Purchase of residential property	570,992.3	567,894.4	0.5%	533,509.6	7.0%	558,966.3	2.2%
Purchase of passenger cars	159,002.4	159,111.7	-0.1%	159,824.6	-0.5%	159,897.4	-0.6%
Personal use	75,128.9	75,109.2	0.0%	70,919.3	5.9%	74,797.0	0.4%
Credit card	37,914.1	37,828.8	0.2%	37,083.3	2.2%	38,867.9	-2.5%
Purchase of consumer durables	96.3	98.4	-2.1%	112.7	-14.6%	101.2	-4.8%
Household Loan	843,134.0	840,042.4	0.4%	801,449.6	5.2%	832,629.8	1.3%
Total Loans Outstanding	1,682,457	1,682,241	0.0%	1,609,907	4.5%	1,673,483	0.5%

Source: BNM

Table 2: Breakdown of Industry Loan Applications

RM'm	Apr-19	Mar-19	% MoM	Apr-18	% YoY	Dec-18	% Ytd	Apr-19
Working capital	17,516.6	16,164.8	8.4%	18,876.0	-7.2%	56,261.8	61,723.9	-8.8%
Purchase of fixed assets other than land and building	1,896.5	556.4	240.9%	1,346.7	40.8%	3,458.4	4,293.9	-19.5%
Purchase of securities	3,671.4	3,825.3	-4.0%	3,542.5	3.6%	15,724.1	17,439.1	-9.8%
Purchase of transport vehicles	241.7	291.6	-17.1%	307.5	-21.4%	1,061.5	1,056.0	0.5%
Other purpose	7,635.7	3,751.7	103.5%	4,082.6	87.0%	17,874.1	17,593.5	1.6%
Purchase of non-residential property	8,483.9	8,210.4	3.3%	8,496.3	-0.1%	31,450.8	32,275.6	-2.6%
Construction	4,050.1	3,303.1	22.6%	2,778.2	45.8%	12,394.2	12,653.6	-2.0%
Business Loan	43,495.8	36,103.2	20.5%	39,429.9	10.3%	138,224.8	147,035.6	-6.0%
Purchase of residential property	23,661.6	21,719.7	8.9%	21,084.5	12.2%	79,324.8	74,827.5	6.0%
Purchase of passenger cars	5,985.0	5,618.8	6.5%	6,602.9	-9.4%	22,983.9	25,842.4	-11.1%
Personal use	5,439.7	5,254.1	3.5%	6,596.7	-17.5%	20,955.5	24,124.3	-13.1%
Credit card	3,647.2	3,384.2	7.8%	4,029.6	-9.5%	13,049.9	14,975.4	-12.9%
Purchase of consumer durables	0.0	0.0	9.1%	0.0	-53.8%	0.0	0.6	-93.7%
Household Loan	38,733.5	35,976.8	7.7%	38,313.7	1.1%	136,314.1	139,770.1	-2.5%
Total Loans Applied	82,229.2	72,080.0	14.1%	77,743.6	5.8%	274,538.9	286,805.6	-4.3%

Source: BNM

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Table 3: Breakdown of Industry Loan Approvals

RM'm	Apr-19	Mar-19	% MoM	Apr-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	6,783.8	7,546.4	-10.1%	8,097.6	-16.2%	26,528.5	24,858.4	6.7%
Purchase of fixed assets other than land and building	184.1	238.5	-22.8%	279.6	-34.2%	933.3	1,434.7	-34.9%
Purchase of securities	3,491.5	2,569.6	35.9%	2,095.1	66.7%	10,452.2	11,559.1	-9.6%
Purchase of transport vehicles	168.5	305.5	-44.8%	181.0	-6.9%	762.4	615.6	23.8%
Other purpose	2,753.4	2,969.7	-7.3%	1,890.0	45.7%	8,592.4	10,228.5	-16.0%
Purchase of non-residential property	3,335.1	4,441.8	-24.9%	3,170.0	5.2%	12,405.0	10,117.9	22.6%
Construction	887.6	1,676.2	-47.0%	1,464.6	-39.4%	5,077.8	5,409.5	-6.1%
Business Loan	17,604.0	19,747.7	-10.9%	17,177.8	2.5%	64,751.5	64,223.8	0.8%
Purchase of residential property	10,119.7	8,641.0	17.1%	8,933.7	13.3%	32,835.2	31,918.8	2.9%
Purchase of passenger cars	3,686.1	3,762.0	-2.0%	3,444.2	7.0%	14,322.8	14,076.2	1.8%
Personal use	1,849.7	1,836.0	0.7%	1,841.7	0.4%	6,900.7	6,656.5	3.7%
Credit card	1,465.6	1,347.1	8.8%	1,642.1	-10.7%	5,097.3	6,424.5	-20.7%
Purchase of consumer durables	0.0	0.0	28.6%	0.0	-52.6%	0.0	0.6	-93.2%
Household Loan	17,121.2	15,586.2	9.8%	15,861.7	7.9%	59,156.1	59,076.7	0.1%
Total Loans Approved	34,725.2	35,333.8	-1.7%	33,039.6	5.1%	123,907.6	123,300.5	0.5%

Source: BNM

Table 4: Breakdown of Industry Loan Approvals Rate

RM'm	Apr-19	Mar-19	Ytd-19	Ytd-18
Working capital	38.7%	46.7%	47.2%	51.0%
Purchase of fixed assets other than land and building	9.7%	42.9%	27.0%	48.0%
Purchase of securities	95.1%	67.2%	66.5%	57.8%
Purchase of transport vehicles	69.7%	104.8%	71.8%	72.4%
Other purpose	36.1%	79.2%	48.1%	57.0%
Purchase of non-residential property	39.3%	54.1%	39.4%	39.5%
Construction	21.9%	50.7%	41.0%	50.2%
Business Loan	40.5%	54.7%	46.8%	49.8%
Purchase of residential property	42.8%	39.8%	41.4%	40.8%
Purchase of passenger cars	61.6%	67.0%	62.3%	62.6%
Personal use	34.0%	34.9%	32.9%	32.6%
Credit card	40.2%	39.8%	39.1%	38.6%
Purchase of consumer durables	150.0%	127.3%	120.0%	104.3%
Household Loan	44.2%	43.3%	43.4%	43.1%
Total Loans Approved Rate	42.2%	49.0%	45.1%	46.4%

Source: BNM

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Table 5: Breakdown of Industry Loan Disbursements

RM'm	Apr-19	Mar-19	% MoM	Apr-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	57,460.9	61,356.0	-6.3%	53,341.5	7.7%	233,473.0	219,404.3	6.4%
Purchase of fixed assets other than land and building	489.1	873.8	-44.0%	379.4	28.9%	1,884.6	1,381.9	36.4%
Purchase of securities	4,710.4	3,541.8	33.0%	3,431.4	37.3%	14,984.0	15,955.6	-6.1%
Purchase of transport vehicles	560.2	515.5	8.7%	532.7	5.2%	1,964.2	1,958.8	0.3%
Other purpose	6,046.0	7,779.6	-22.3%	3,967.7	52.4%	22,629.0	15,295.4	47.9%
Purchase of non-residential property	4,045.8	5,545.3	-27.0%	3,843.7	5.3%	16,210.6	15,398.3	5.3%
Construction	2,277.4	2,517.7	-9.5%	2,881.6	-21.0%	9,276.2	13,084.6	-29.1%
Business Loan	75,589.8	82,129.8	-8.0%	68,378.1	10.5%	300,421.5	282,478.8	6.4%
Purchase of residential property	7,763.0	7,819.0	-0.7%	7,484.1	3.7%	30,000.4	30,919.3	-3.0%
Purchase of passenger cars	3,587.5	3,728.2	-3.8%	3,537.2	1.4%	13,853.7	14,370.7	-3.6%
Personal use	2,700.7	2,843.9	-5.0%	2,809.4	-3.9%	10,739.2	11,091.7	-3.2%
Credit card	11,991.1	12,223.4	-1.9%	10,338.2	16.0%	47,735.4	42,005.3	13.6%
Purchase of consumer durables	2.1	1.9	12.1%	3.0	-28.3%	8.0	11.0	-27.4%
Household Loan	26,044.4	26,616.4	-2.1%	24,171.9	7.7%	102,336.7	98,397.9	4.0%
Total Loans Disbursed	101,634.2	108,746.1	-6.5%	92,550.0	9.8%	402,758.1	380,876.7	5.7%

Source: BNM

Table 6: Breakdown of Total Deposits by Holder

RM'm	Apr-19	Mar-19	% MoM	Apr-18	% YoY	Dec-18	% Ytd
Federal Government	30,051.1	28,005.7	7.3%	21,432.0	40.2%	18,433.5	63.0%
State Government	30,426.5	30,766.9	-1.1%	33,572.7	-9.4%	29,267.1	4.0%
Statutory authorities	73,442.7	73,968.1	-0.7%	58,991.7	24.5%	70,408.3	4.3%
Financial institutions	322,520.4	324,909.1	-0.7%	274,935.9	17.3%	344,355.5	-6.3%
Business enterprises	637,598.5	641,669.4	-0.6%	637,603.2	0.0%	646,471.6	-1.4%
Individuals	724,709.3	718,318.7	0.9%	685,904.7	5.7%	703,705.4	3.0%
Others	110,419.6	108,321.5	1.9%	101,170.6	9.1%	103,391.8	6.8%
Total Deposits (& Repurchase) by Holder (RM'm)	1,929,168.2	1,925,959.4	0.2%	1,813,610.7	6.4%	1,916,033.2	0.7%

Source: BNM

Table 7: Breakdown of Total Deposits by Type

RM'm	Apr-19	Mar-19	% MoM	Apr-18	% YoY	Dec-18	% Ytd
Demand deposits	335,423.1	338,884.5	-1.0%	330,202.9	1.6%	339,688.0	-1.3%
Fixed Deposits, Special Investment Deposit and General Investment Deposit	601,877.8	603,794.3	-0.3%	584,518.2	3.0%	602,608.6	-0.1%
Saving deposits	164,131.8	161,632.8	1.5%	155,777.5	5.4%	157,310.0	4.3%
Negotiable instruments of deposits	40,974.7	43,725.9	-6.3%	41,719.3	-1.8%	45,704.6	-10.3%
Foreign currency deposits	142,509.3	136,881.6	4.1%	118,991.6	19.8%	142,418.6	0.1%
Other deposits accepted	253,473.9	251,489.1	0.8%	254,694.3	-0.5%	251,651.9	0.7%
Total Deposit	1,905,284.6	1,895,620.8	0.5%	1,798,150.2	6.0%	1,883,307.8	1.2%
Repurchase agreements	23,883.6	30,338.6	-21.3%	15,460.5	54.5%	32,725.4	-27.0%
Total Deposits (RM'm) & Repurchase Agreements	1,929,168.2	1,925,959.4	0.2%	1,813,610.7	6.4%	1,916,033.2	0.7%

Source: BNM

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Table 8: Breakdown of Industry Loan Repayments

RM'm	Apr-19	Mar-19	% MoM	Apr-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	63,620.2	64,867.8	-1.9%	54,403.4	16.9%	244,301.3	219,417.6	11.3%
Purchase of fixed assets other than land and building	356.8	524.4	-32.0%	327.1	9.1%	1,580.4	1,367.1	15.6%
Purchase of securities	4,320.1	3,536.2	22.2%	3,458.8	24.9%	15,012.0	15,330.2	-2.1%
Purchase of transport vehicles	660.1	613.0	7.7%	564.4	17.0%	2,340.1	2,186.2	7.0%
Other purpose	5,675.7	5,941.0	-4.5%	3,819.7	48.6%	21,091.7	14,067.8	49.9%
Purchase of non-residential property	4,714.6	4,138.6	13.9%	4,175.5	12.9%	16,714.6	16,593.0	0.7%
Construction	1,987.3	1,857.3	7.0%	3,384.8	-41.3%	8,727.5	10,998.2	-20.6%
Business Loan	81,334.7	81,478.2	-0.2%	70,133.6	16.0%	309,767.6	279,960.1	10.6%
Purchase of residential property	6,130.2	5,954.8	2.9%	5,783.6	6.0%	23,635.9	23,556.6	0.3%
Purchase of passenger cars	4,063.2	4,188.3	-3.0%	3,953.8	2.8%	16,106.5	16,143.6	-0.2%
Personal use	2,987.9	2,887.6	3.5%	2,691.6	11.0%	11,588.3	10,736.2	7.9%
Credit card	12,347.3	12,757.2	-3.2%	10,814.3	14.2%	49,976.2	45,082.1	10.9%
Purchase of consumer durables	4.4	3.0	47.7%	3.4	28.9%	13.8	16.5	-16.3%
Household Loan	25,533	25,791	-1.0%	23,247	9.8%	101,321	95,535	6.1%
Total Loans Repaid (RM'm)	107,269	90,371	18.7%	101,763	5.4%	304,220	282,115	7.8%

Source: BNM

Table 9: Breakdown of Impaired Loans

RM'm	Apr-19	Mar-19	% MoM	Apr-18	% YoY	Dec-18	% Ytd
Working capital	7,930.3	7,036.0	12.7%	8,376.5	-5.3%	7,112.3	11.5%
Purchase of fixed assets other than land and building	241.6	274.6	-12.0%	190.2	27.0%	238.5	1.3%
Purchase of securities	289.0	291.7	-0.9%	270.8	6.7%	282.0	2.5%
Purchase of transport vehicles	341.2	350.9	-2.8%	374.8	-9.0%	350.2	-2.6%
Other purpose	1,090.2	1,079.5	1.0%	1,067.3	2.1%	1,060.5	2.8%
Purchase of non-residential property	3,171.1	3,055.5	3.8%	2,765.5	14.7%	2,765.2	14.7%
Construction	3,451.3	3,447.6	0.1%	3,525.5	-2.1%	3,423.0	0.8%
Business Loan	16,514.6	15,535.8	6.3%	16,570.6	-0.3%	15,231.7	8.4%
Purchase of residential property	6,013.9	6,031.3	-0.3%	5,672.0	6.0%	5,972.0	0.7%
Purchase of passenger cars	1,185.2	1,176.2	0.8%	1,356.1	-12.6%	1,226.1	-3.3%
Personal use	1,357.6	1,488.8	-8.8%	1,472.8	-7.8%	1,525.6	-11.0%
Credit card	346.3	348.8	-0.7%	397.1	-12.8%	337.9	2.5%
Purchase of consumer durables	1.9	1.9	0.6%	1.5	26.3%	7.4	-74.5%
Household Loan	8,904.9	9,047.0	-1.6%	8,899.5	0.1%	9,069.0	-1.8%
Total Non-Performing Loans	25,419.5	24,582.7	3.4%	25,470.1	-0.2%	24,300.7	4.6%

Source: BNM

Peer Comparison

Name	Last Price (RM)	Market Cap (RM'm)	Shariah Compliant	Current FYE	Revenue Growth		Core Earnings Growth		PER (x) - Core Earnings			PBV (x)		ROE (%)	Net Div Yld (%)	Target Price (RM)	Rating
					1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	Hist.	1-Yr. Fwd.	2-Yr. Fwd.	Hist.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.		
BANKING																	
AFFIN BANK BHD	2.11	4,190.5	N	12/2019	8.2%	5.3%	9.3%	15.9%	8.3	7.6	6.5	0.5	0.5	6.2%	2.6%	2.40	OP
ALLIANCE BANK MALAYSIA BHD	3.85	5,960.2	N	03/2020	9.4%	8.0%	7.2%	9.2%	11.1	10.3	9.5	1.0	1.0	9.8%	4.6%	4.25	OP
AMMB HOLDINGS BHD	4.43	13,352.8	N	03/2020	9.7%	4.8%	-4.4%	2.8%	8.9	9.3	9.0	0.7	0.7	7.5%	4.5%	5.10	OP
BIMB HOLDINGS BHD	4.61	8,133.3	Y	12/2019	7.8%	8.5%	7.6%	13.6%	11.9	11.4	10.5	1.6	1.5	14.0%	3.5%	4.80	MP
CIMB GROUP HOLDINGS BHD	5.27	51,555.3	N	12/2019	4.6%	4.8%	-16.1%	-0.9%	8.9	10.9	11.4	0.9	0.9	8.5%	4.3%	6.25	OP
HONG LEONG BANK BERHAD	19.00	38,825.5	N	06/2019	5.8%	5.7%	2.0%	9.0%	14.7	14.4	13.2	1.6	1.6	11.0%	2.5%	20.05	MP
MALAYAN BANKING BHD	9.02	99,889.1	N	12/2019	4.2%	4.3%	-0.5%	3.2%	12.3	12.4	12.0	1.3	1.2	9.9%	6.3%	10.35	OP
MALAYSIA BUILDING SOCIETY	0.92	5,878.0	N	12/2019	-1.0%	5.3%	-10.7%	10.2%	9.2	10.3	9.7	0.8	0.7	7.2%	5.4%	1.15	OP
PUBLIC BANK BERHAD	23.60	91,540.8	N	12/2019	3.9%	5.2%	-0.1%	3.5%	16.3	16.3	15.8	2.2	2.2	13.7%	2.9%	24.10	MP
RHB BANK BHD	5.83	23,298.4	N	12/2019	6.0%	4.8%	3.7%	3.6%	10.1	9.7	9.4	1.0	0.9	9.9%	3.6%	6.05	MP
Simple Average					5.9%	5.7%	-0.2%	7.0%	11.2	11.3	10.7	1.2	1.1	9.8%	4.0%		

Source: Bloomberg, Kenanga Research

Stock Ratings are defined as follows:**Stock Recommendations**

OUTPERFORM	: A particular stock's Expected Total Return is MORE than 10%
MARKET PERFORM	: A particular stock's Expected Total Return is WITHIN the range of -5% to 10%
UNDERPERFORM	: A particular stock's Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT	: A particular sector's Expected Total Return is MORE than 10%
NEUTRAL	: A particular sector's Expected Total Return is WITHIN the range of -5% to 10%
UNDERWEIGHT	: A particular sector's Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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