

## Banking

### Nov 2019 BNM Stats. – Uptick in Applications and Approvals

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## OVERWEIGHT



November loans growth remained flat at 4% YoY but Households loans stayed resilient growing 5.0% YoY. Asset quality saw improvement since Aug 2019. With accommodative interest rates coupled with a stable economy, loans momentum will likely gain traction ahead. Our sector call remains **OVERWEIGHT** as stocks' valuations are attractive. In fact, most banks under our coverage are **OUTPERFORM**: - **AFFIN** (TP: RM2.45), **ABMB** (TP: RM3.45), **AMBANK** (TP: RM4.75), **CIMB** (TP: RM6.45), **MAYBANK** (TP: RM9.70), **MBSB** (TP: RM1.10), **PBBANK** (TP: RM22.10) and **HLBANK** (TP: RM18.90). **RHBBANK** (TP: RM6.05) is a **MARKET PERFORM** trading close to its Fair Value while **BIMB** (TP: RM4.80) is another **MARKET PERFORM** given recent clarity and timing of its restructuring plans.



November loans growth in the system remained stable at +4% YoY while MoM saw pick-up led by Households at +5.0% YoY while Business remained moderate at +2.0%. The pace of repayments also declined supporting the flat November loans. Moving forward, applications and approvals showed positive signs with surging applications from Business with Households remaining on an uptick. Business showed confidence emanating again with working capital applications surging 40% YoY while Households applications were driven by resilient mortgage growth at +8% YoY. While Household approvals rebounded +10% YoY, Business approvals declining pace shrinking to -3% YoY from Oct's -23% YoY. This led to higher uptick (+4ppt) in Business approval rate to 44%.

Asset quality saw improvement since Aug 2019 shedding 2bps to 1.6%. Loan loss provisions declined 3% YoY translating to Loan Loss Coverage shedding 10ppt YoY to 89%, indicating the system's confidence in asset quality.

Decline in excess liquidity to 10% growth not unexpected with moderate demand for deposits at 3% growth YoY in tandem with the moderate loans. However, the demand for deposits indicated NIM pressure will be alleviated as loans moderate. Liquidity is still ample as LDR and LTF remained resilient at 89 and 83%, respectively.

The rising applications and approvals are not a surprise given the seasonal year-end demand. We will not be surprised further of uptick ahead once the spectre of another rate cut is fulfilled. The accommodative interest rates seemed to be gaining traction for the Households and we expect further credit demand from this segment in the coming months coupled with uptick in Business demand once confidence on the economy grows. Deposit competition is easing coupled with a normalised credit charge which will support the banks' earnings ahead. Valuations of our banking universe are attractive and undemanding with most at **OUTPERFORM**: - **AFFIN** (TP: RM2.45), **ABMB** (TP: RM3.45), **AMBANK** (TP: RM4.75), **CIMB** (TP: RM6.45), **MAYBANK** (TP: RM9.70), **MBSB** (TP: RM1.10), **PBBANK** (TP: RM22.10) and **HLBANK** (TP: RM18.90). **BIMB** (TP: RM4.70) and **RHBBANK** (TP: RM6.05) are at **MARKET PERFORM** given the recent clarity and timing of its restructuring plans (BIMB) while RHB's share price close to its Fair Value. Our Top Pick is CIMB and MAYBANK benefitting from: (i) stable economy, (ii) fiscal push, and (iii) resilient Households

**Households remained resilient.** November loans saw a reverse trajectory with MoM uptick of +0.4% leading to +3.7% YoY (Oct 2019: +3.7%) to RM1,759b. While Business remained in moderation shedding 20bps to +2.4% growth, Households remained in resilient mode adding another 10bps to end at +5.0% growth for November. On a MoM basis, Business saw a 30bps uptick (October was flat MoM) while Households saw a 10bps uptick to +0.6% MoM growth. The flattish trend can also be attributed to the pace of Repayments shrinking (-1.4% YoY vs. Oct 2019: -7.8% YoY) similar to the pace in Disbursements (-1.7% vs. Oct 2019: -7.9% YoY).

Moderation in Business underpinned by flattish demand for working capital at +1.3% YoY growth while Non-residential property saw a 20bps uptick to +2.7% growth while construction remained resilient at +3.5% growth. Household demand was still underpinned by a resilient mortgage, at +7.3% growth.



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Fig 1: Industry Loan Growth by Breakdown

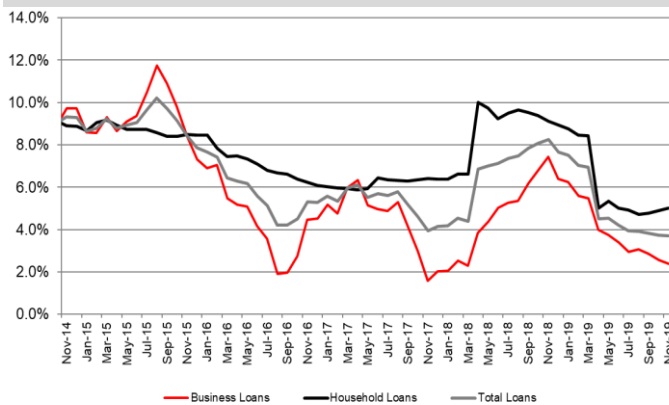
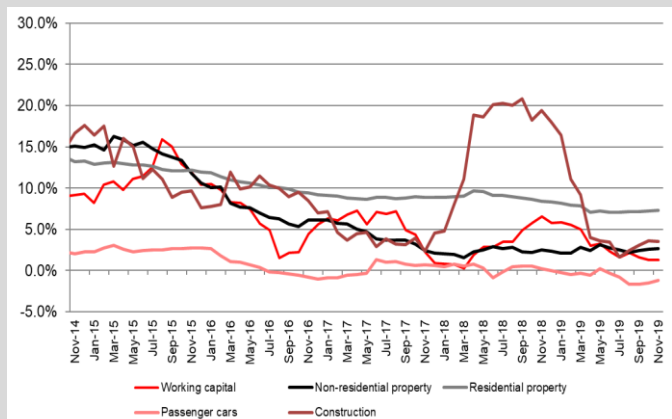


Fig 2: Industry Loans Growth by Economic Purpose



Source: BNM, Kenanga Research

Table 1: Breakdown of Industry Loans

RM'm	Nov-19	Oct-19	% MoM	Nov-18	% YoY	Dec-18	% Ytd
Working capital	396,274.6	394,748.5	0.4%	391,290.6	1.3%	393,308.6	0.8%
Purchase of fixed assets other than land and building	12,255.7	12,215.2	0.3%	10,594.7	15.7%	10,448.4	17.3%
Purchase of securities	83,911.9	83,949.5	0.0%	80,770.6	3.9%	80,424.8	4.3%
Purchase of transport vehicles	8,800.9	8,831.2	-0.3%	9,011.9	-2.3%	8,947.5	-1.6%
Other purpose	79,131.8	79,135.8	0.0%	76,604.2	3.3%	80,346.8	-1.5%
Purchase of non-residential property	224,039.9	223,398.7	0.3%	218,162.8	2.7%	218,415.6	2.6%
Construction	58,176.1	57,868.4	0.5%	56,200.1	3.5%	56,319.1	3.3%
<b>Business Loan</b>	<b>862,590.8</b>	<b>860,147.2</b>	<b>0.3%</b>	<b>842,634.9</b>	<b>2.4%</b>	<b>848,211.0</b>	<b>1.7%</b>
Purchase of residential property	600,136.5	596,290.6	0.6%	559,445.6	7.3%	562,983.8	6.6%
Purchase of passenger cars	158,788.4	158,772.3	0.0%	160,713.6	-1.2%	160,107.1	-0.8%
Personal use	97,212.5	96,718.3	0.5%	95,543.3	1.7%	95,471.1	1.8%
Credit card	40,307.7	39,671.0	1.6%	37,927.3	6.3%	38,867.9	3.7%
Purchase of consumer durables	87.6	88.5	-1.0%	109.5	-20.0%	107.8	-18.7%
<b>Household Loan</b>	<b>896,532.8</b>	<b>891,540.7</b>	<b>0.6%</b>	<b>853,739.3</b>	<b>5.0%</b>	<b>857,537.7</b>	<b>4.5%</b>
<b>Total Loans Outstanding</b>	<b>1,759,124</b>	<b>1,751,688</b>	<b>0.4%</b>	<b>1,696,374</b>	<b>3.7%</b>	<b>1,705,749</b>	<b>3.1%</b>

Source: BNM

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Table 2: Breakdown of Industry Loan Disbursements

RM'm	Nov-19	Oct-19	% MoM	Nov-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	59,020.2	58,556.3	0.8%	59,426.2	-0.7%	645,024.7	646,564.5	-0.2%
Purchase of fixed assets other than land and building	374.1	416.7	-10.2%	351.4	6.5%	5,884.7	4,903.9	20.0%
Purchase of securities	1,807.2	2,336.8	-22.7%	2,649.8	-31.8%	32,758.8	34,448.4	-4.9%
Purchase of transport vehicles	240.6	266.9	-9.8%	434.4	-44.6%	5,127.2	5,103.7	0.5%
Other purpose	4,551.9	3,386.6	34.4%	7,610.9	-40.2%	54,312.7	51,483.3	5.5%
Purchase of non-residential property	3,787.9	3,618.9	4.7%	3,335.7	13.6%	42,060.2	39,438.9	6.6%
Construction	2,279.0	2,395.1	-4.8%	2,530.0	-9.9%	28,897.3	33,563.5	-13.9%
<b>Business Loan</b>	<b>72,060.9</b>	<b>70,977.3</b>	<b>1.5%</b>	<b>76,338.4</b>	<b>-5.6%</b>	<b>814,065.6</b>	<b>815,506.2</b>	<b>-0.2%</b>
Purchase of residential property	8,092.9	8,793.1	-8.0%	7,278.2	11.2%	83,980.8	81,175.4	3.5%
Purchase of passenger cars	3,631.3	3,762.7	-3.5%	3,126.0	16.2%	39,031.3	41,021.4	-4.9%
Personal use	3,177.2	3,257.2	-2.5%	2,889.9	9.9%	32,552.0	32,084.1	1.5%
Credit card	12,960.3	12,945.4	0.1%	12,033.1	7.7%	135,640.7	128,872.5	5.3%
Purchase of consumer durables	1.9	1.7	14.1%	2.1	-10.9%	23.8	28.9	-17.4%
<b>Household Loan</b>	<b>27,863.6</b>	<b>28,760.1</b>	<b>-3.1%</b>	<b>25,329.3</b>	<b>10.0%</b>	<b>291,228.7</b>	<b>283,182.4</b>	<b>2.8%</b>
<b>Total Loans Disbursed</b>	<b>99,924.4</b>	<b>99,737.3</b>	<b>0.2%</b>	<b>101,667.7</b>	<b>-1.7%</b>	<b>1,105,294.3</b>	<b>1,098,688.6</b>	<b>0.6%</b>

Source: BNM

Table 3: Breakdown of Industry Loan Repayments

RM'm	Nov-19	Oct-19	% MoM	Nov-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	58,817.1	57,876.2	1.6%	58,956.6	-0.2%	651,681.6	638,106.7	2.1%
Purchase of fixed assets other than land and building	376.6	476.5	-21.0%	314.1	19.9%	4,503.5	4,362.8	3.2%
Purchase of securities	2,122.3	2,311.7	-8.2%	2,378.5	-10.8%	33,124.0	33,036.2	0.3%
Purchase of transport vehicles	304.3	303.1	0.4%	474.2	-35.8%	5,989.4	5,672.7	5.6%
Other purpose	4,753.6	5,220.6	-8.9%	6,581.5	-27.8%	51,185.1	49,321.1	3.8%
Purchase of non-residential property	3,806.4	4,283.2	-11.1%	3,944.3	-3.5%	45,018.6	44,716.1	0.7%
Construction	2,129.9	2,527.5	-15.7%	2,346.8	-9.2%	28,139.8	31,100.7	-9.5%
<b>Business Loan</b>	<b>72,310.2</b>	<b>72,998.8</b>	<b>-0.9%</b>	<b>74,996.1</b>	<b>-3.6%</b>	<b>819,642.0</b>	<b>806,316.2</b>	<b>1.7%</b>
Purchase of residential property	5,730.0	6,126.9	-6.5%	5,576.8	2.7%	64,780.4	63,274.8	2.4%
Purchase of passenger cars	3,940.9	4,116.6	-4.3%	3,949.5	-0.2%	44,362.6	44,309.9	0.1%
Personal use	3,038.5	3,257.7	-6.7%	2,847.0	6.7%	33,833.6	31,241.2	8.3%
Credit card	12,783.2	13,491.4	-5.2%	11,801.0	8.3%	139,029.5	133,108.5	4.4%
Purchase of consumer durables	3.0	3.5	-15.4%	2.5	19.1%	41.1	53.1	-22.7%
<b>Household Loan</b>	<b>25,496</b>	<b>26,996</b>	<b>-5.6%</b>	<b>24,177</b>	<b>5.5%</b>	<b>282,047</b>	<b>271,987</b>	<b>3.7%</b>
<b>Total Loans Repaid (RM'm)</b>	<b>97,806</b>	<b>99,995</b>	<b>-2.2%</b>	<b>99,173</b>	<b>-1.4%</b>	<b>1,101,689</b>	<b>1,078,304</b>	<b>2.2%</b>

Source: BNM

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Overall net financing growth in the system saw a moderation by another 20bps to +4.4% YoY, dragged by a slower growth in demand for corporate bonds by 70bps to +7.4% YoY, offset by resilient loans growth at +3.4% YoY.

Fig 3: Financing Growth

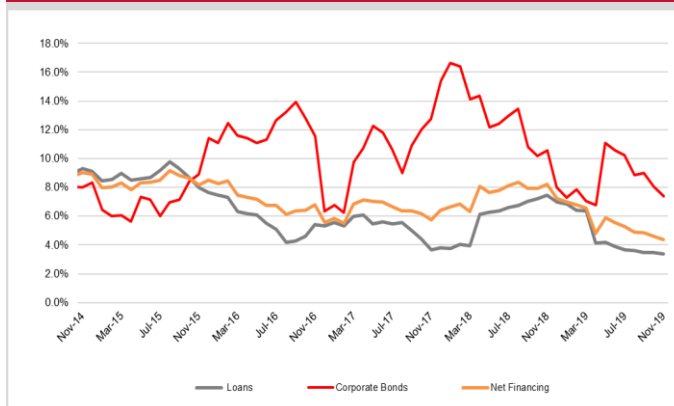
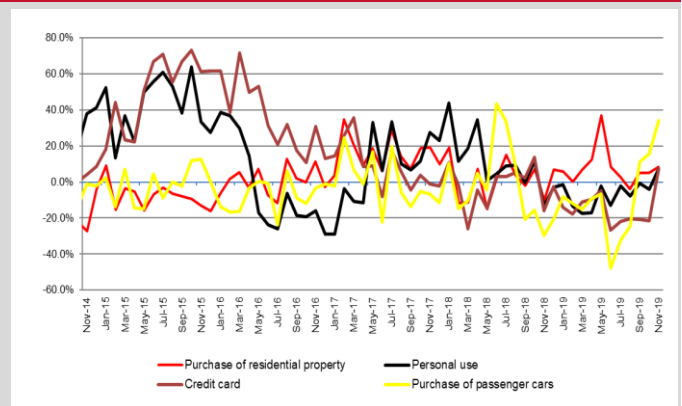


Fig 4: Household Loan Application Growth by Economic Purpose



Source: BNM, Kenanga Research

Loans application remained on an uptrend, surging by +26.4% YoY (Oct 2019: +3.2% YoY). The biggest surprise came from Business surging +42.3% YoY vs Oct 2019: 4.8% YoY while Households remained positive at +11.7% YoY (Oct 2019: +1.7% YoY). Pickup in Business applications were broad-based led by Working Capital (+40.1% YoY vs Oct 2019: +9.2% YoY) and loans for Other Purposes expanded +14.2% YoY (vs. Oct 2019: -5.1% YoY). Household applications were driven by mortgage (+8.3% YoY vs. Oct 2019: +5.0% YoY) whilst Hire Purchase saw surging approvals by +34% YoY (Oct 2019: +15.7% YoY).

Household approvals rebounded to +10.1% YoY while the pace of decline in Business approvals shrank to 2.9% vs Oct 19: -23.3% YoY. Approvals in HH were led by mortgages (+3.8% YoY vs Oct 19: -2.6% YoY) while HP saw approvals surging +20.2% YoY vs Oct 19: +6.9% YoY.

On a more positive note, approval rate in the systems improved by 3ppt to 44.6% in Nov led by Business improving 4ppt to 43.7% while Households saw a 2ppt improvement to 45.5%.

Fig 5: Industry Loan Applications Growth by Breakdown

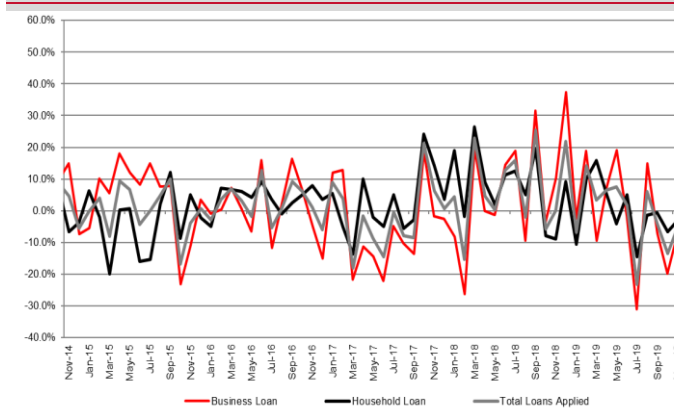
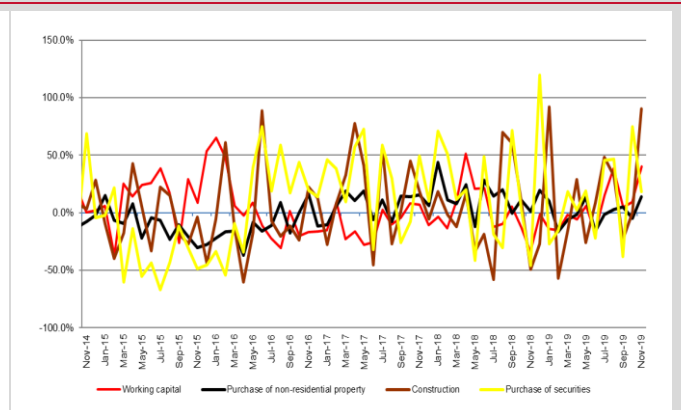


Fig 6: Industry Loan Application Growth by Economic Purpose



Source: BNM, Kenanga Research

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Table 4: Breakdown of Industry Loan Applications

RM'm	Nov-19	Oct-19	% MoM	Nov-18	% YoY	Ytd-19	Ytd-18
Working capital	18,776.5	18,262.4	2.8%	13,405.0	40.1%	179,390.6	170,836.3
Purchase of fixed assets other than land and building	1,351.3	868.3	55.6%	467.1	189.3%	10,514.8	11,881.0
Purchase of securities	2,815.3	5,639.8	-50.1%	2,381.2	18.2%	40,077.7	38,345.4
Purchase of transport vehicles	258.7	277.9	-6.9%	243.3	6.3%	3,275.7	3,140.8
Other purpose	6,580.9	3,904.1	68.6%	3,467.2	89.8%	49,002.6	52,410.1
Purchase of non-residential property	9,618.8	8,485.9	13.4%	8,423.1	14.2%	90,492.6	90,502.7
Construction	3,950.2	3,610.6	9.4%	2,072.1	90.6%	38,165.6	35,436.3
<b>Business Loan</b>	<b>43,351.8</b>	<b>41,049.0</b>	<b>5.6%</b>	<b>30,459.0</b>	<b>42.3%</b>	<b>410,919.7</b>	<b>402,552.6</b>
Purchase of residential property	20,705.2	24,323.4	-14.9%	19,123.3	8.3%	241,044.3	223,841.6
Purchase of passenger cars	6,252.6	6,151.0	1.7%	4,664.6	34.0%	62,499.4	71,688.8
Personal use	5,884.3	6,352.9	-7.4%	5,480.6	7.4%	61,448.3	65,832.1
Credit card	3,789.4	3,814.0	-0.6%	3,533.4	7.2%	37,702.1	44,443.4
Purchase of consumer durables	10.0	0.0	11155.6%	0.0	83341.7%	10.6	6.0
<b>Household Loan</b>	<b>36,641.5</b>	<b>40,641.3</b>	<b>-9.8%</b>	<b>32,802.0</b>	<b>11.7%</b>	<b>402,704.6</b>	<b>405,811.9</b>
<b>Total Loans Applied</b>	<b>79,993.2</b>	<b>81,690.3</b>	<b>-2.1%</b>	<b>63,261.0</b>	<b>26.4%</b>	<b>813,624.3</b>	<b>808,364.5</b>

Source: BNM

Household approvals rebounded +10.1% YoY while the pace of decline in Business approvals shrank 2.9% vs. Oct 2019 of -23.3% YoY. Approvals in Households were led by mortgages growing +3.8% YoY vs. Oct 2019 of -2.6% YoY while Hire Purchase saw approvals surging +20.2% YoY vs. Oct 2019 of +6.9% YoY.

Fig 7: Business Loan Approved Growth

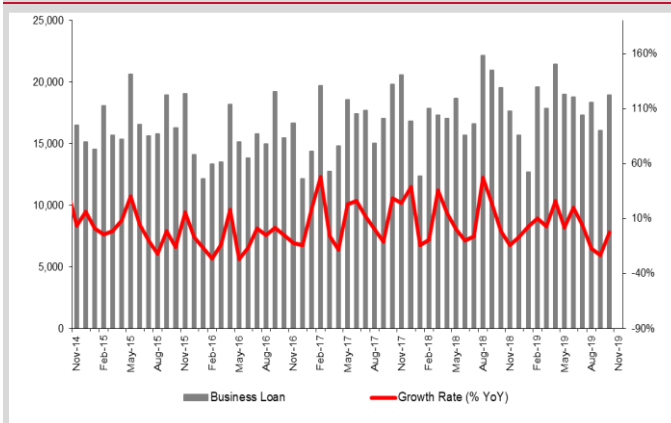
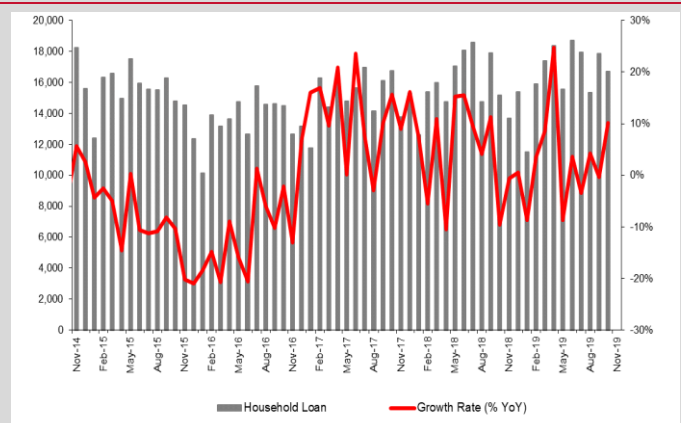


Fig 8: Household Loan Approved Growth



Source: BNM, Kenanga Research

Fig 9: Business Loans Approved by Breakdown

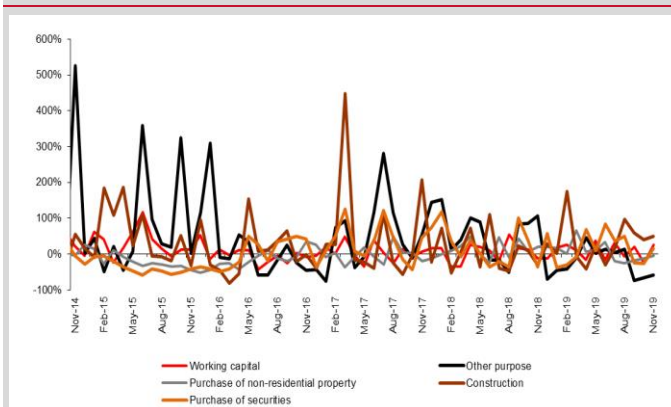
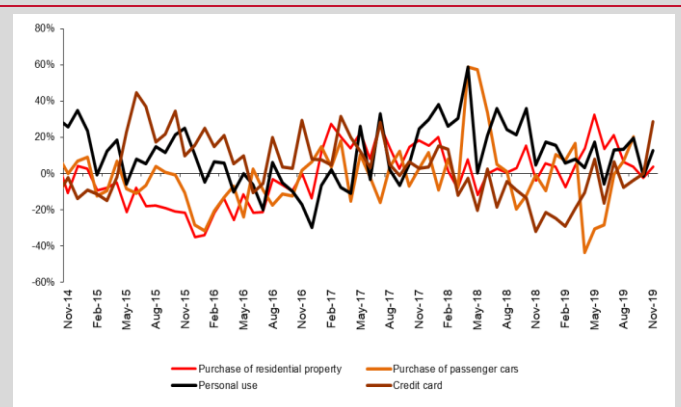


Fig 10: Household Loans Approved by Breakdown



Source: BNM, Kenanga Research

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Table 5: Breakdown of Industry Loan Approvals

RM'm	Nov-19	Oct-19	% MoM	Nov-18	% YoY	Ytd-19	Ytd-18	% YoY
Working capital	8,710.1	7,071.4	23.2%	6,922.8	25.8%	85,663.7	80,682.9	6.2%
Purchase of fixed assets other than land and building	424.6	773.7	-45.1%	354.6	19.7%	6,949.7	5,933.8	17.1%
Purchase of securities	2,346.2	1,621.3	44.7%	2,015.1	16.4%	26,380.6	25,432.3	3.7%
Purchase of transport vehicles	159.6	185.1	-13.8%	161.6	-1.2%	2,099.9	1,755.3	19.6%
Other purpose	2,314.0	1,189.1	94.6%	5,667.1	-59.2%	23,435.7	33,977.8	-31.0%
Purchase of non-residential property	2,879.1	2,900.7	-0.7%	2,985.6	-3.6%	32,919.5	32,147.5	2.4%
Construction	2,130.0	2,340.9	-9.0%	1,419.6	50.0%	18,339.8	15,095.0	21.5%
<b>Business Loan</b>	<b>18,963.6</b>	<b>16,082.1</b>	<b>17.9%</b>	<b>19,526.5</b>	<b>-2.9%</b>	<b>195,789.0</b>	<b>195,024.7</b>	<b>0.4%</b>
Purchase of residential property	9,386.9	10,336.2	-9.2%	9,042.3	3.8%	104,188.8	95,975.6	8.6%
Purchase of passenger cars	3,571.0	3,629.4	-1.6%	2,971.6	20.2%	38,700.8	42,396.1	-8.7%
Personal use	2,128.0	2,313.3	-8.0%	1,891.4	12.5%	22,344.3	20,487.9	9.1%
Credit card	1,602.4	1,566.5	2.3%	1,245.4	28.7%	15,425.6	16,634.0	-7.3%
Purchase of consumer durables	0.0	0.0	44.4%	0.0	8.3%	0.1	4.7	-97.8%
<b>Household Loan</b>	<b>16,688.2</b>	<b>17,845.4</b>	<b>-6.5%</b>	<b>15,150.8</b>	<b>10.1%</b>	<b>180,659.6</b>	<b>175,498.3</b>	<b>2.9%</b>
<b>Total Loans Approved</b>	<b>35,651.8</b>	<b>33,927.6</b>	<b>5.1%</b>	<b>34,677.2</b>	<b>2.8%</b>	<b>376,448.6</b>	<b>370,523.0</b>	<b>1.6%</b>

Source: BNM

Table 6: Breakdown of Industry Loan Approvals Rate

RM'm	Nov-19	Oct-19	Ytd-19	Ytd-18
Working capital	46.4%	38.7%	47.8%	47.9%
Purchase of fixed assets other than land and building	31.4%	89.1%	66.1%	71.2%
Purchase of securities	83.3%	28.7%	65.8%	64.5%
Purchase of transport vehicles	61.7%	66.6%	64.1%	64.3%
Other purpose	35.2%	30.5%	47.8%	49.8%
Purchase of non-residential property	29.9%	34.2%	36.4%	37.1%
Construction	53.9%	64.8%	48.1%	47.4%
<b>Business Loan</b>	<b>43.7%</b>	<b>39.2%</b>	<b>47.6%</b>	<b>48.1%</b>
Purchase of residential property	45.3%	42.5%	43.2%	43.0%
Purchase of passenger cars	57.1%	59.0%	61.9%	62.5%
Personal use	36.2%	36.4%	36.4%	36.4%
Credit card	42.3%	41.1%	40.9%	40.8%
Purchase of consumer durables	0.1%	100.0%	1.0%	16.9%
<b>Household Loan</b>	<b>45.5%</b>	<b>43.9%</b>	<b>44.9%</b>	<b>44.8%</b>
<b>Total Loans Approved Rate</b>	<b>44.6%</b>	<b>41.5%</b>	<b>46.3%</b>	<b>46.5%</b>

Source: BNM



Asset quality saw improvement since Aug 2019. Gross Impaired Loans (GIL) shed 2bps MoM to 1.60% with Net Impaired Loans (NIL) likewise to 1.02%. Business GIL shed 2bps to 1.01% while Households showed stability at 0.58%. Further confidence in asset quality ahead seen as loans loss provisions declined 2.5% YoY while Loan Loss Coverage (LLC) shed 10ppt YoY to 89.4%.

Fig 11: Impaired loans ratio breakdown

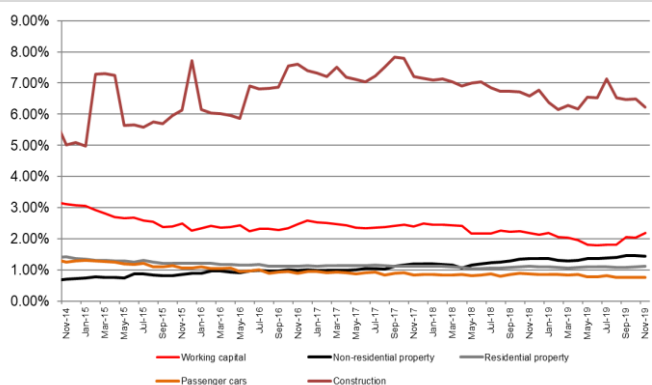
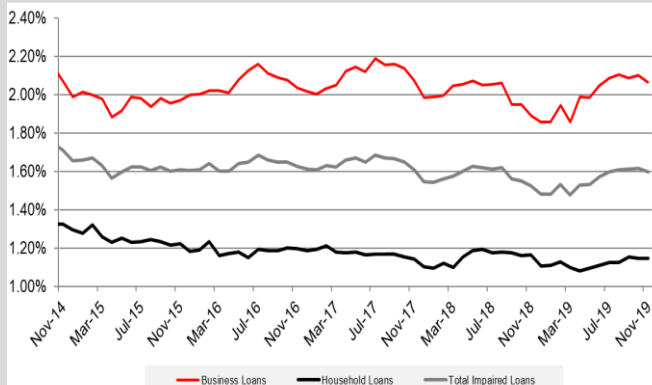


Fig 12: Gross non-performing impaired loans ratio



Source: BNM, Kenanga Research

Table 7: Breakdown of Impaired Loans

RM'm	Nov-19	Oct-19	% MoM	Nov-18	% YoY	Dec-18	% Ytd
Working capital	8,864.5	9,016.3	-1.7%	7,655.3	15.8%	7,139.4	24.2%
Purchase of fixed assets other than land and building	290.8	304.3	-4.4%	214.6	35.5%	255.2	13.9%
Purchase of securities	208.9	263.3	-20.6%	283.1	-26.2%	282.0	-25.9%
Purchase of transport vehicles	531.3	504.0	5.4%	356.5	49.0%	350.9	51.4%
Other purpose	1,063.4	1,186.8	-10.4%	1,080.9	-1.6%	1,056.8	0.6%
Purchase of non-residential property	3,146.4	3,187.1	-1.3%	2,853.2	10.3%	2,989.9	5.2%
Construction	3,685.7	3,620.5	1.8%	3,464.9	6.4%	3,690.1	-0.1%
<b>Business Loan</b>	<b>17,791.1</b>	<b>18,082.2</b>	<b>-1.6%</b>	<b>15,908.3</b>	<b>11.8%</b>	<b>15,764.3</b>	<b>12.9%</b>
Purchase of residential property	6,893.7	6,833.7	0.9%	6,047.4	14.0%	6,185.0	11.5%
Purchase of passenger cars	1,139.0	1,172.5	-2.9%	1,381.1	-17.5%	1,261.2	-9.7%
Personal use	1,884.5	1,838.6	2.5%	2,179.2	-13.5%	1,688.8	11.6%
Credit card	361.0	376.3	-4.0%	344.2	4.9%	337.9	6.9%
Purchase of consumer durables	1.7	1.7	-0.3%	1.4	27.6%	7.9	-77.9%
<b>Household Loan</b>	<b>10,279.9</b>	<b>10,222.7</b>	<b>0.6%</b>	<b>9,953.3</b>	<b>3.3%</b>	<b>9,480.7</b>	<b>8.4%</b>
<b>Total Non-Performing Loans</b>	<b>28,071.0</b>	<b>28,304.9</b>	<b>-0.8%</b>	<b>25,861.5</b>	<b>8.5%</b>	<b>25,245.0</b>	<b>11.2%</b>

Source: BNM

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Following moderate credit demand, deposits continued to moderate, shedding 110bps to +2.8% YoY growth to RM1,956b – with deposits easing outpacing loans, excess liquidity shed 70bps to 10.1% growth. Fixed deposits (FDs) demand growth saw 130bps contraction to +4.0% indicating tapering competition for liquidity, easing downside pressure on NIM. CASA growth saw stable +5.5% growth which led to a 20bps uptick in CASA ratio to 26.3%. Both Loan-to-deposit (LDR) ratio and Loan-to-Fund (LTF) saw uptick with LDR, adding 70bps to 89.9% while LTF added 50bps to 83.1%. 6-12 months FDs rate remained flat indicating deposits are fully re-priced (at 2.95% and 3.09%, respectively) while average lending rate saw a slight decline by 3bps to 4.73%.

Fig 13: Industry Deposits

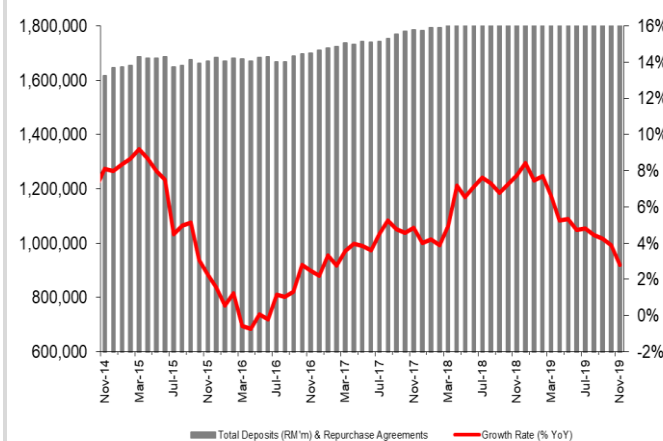
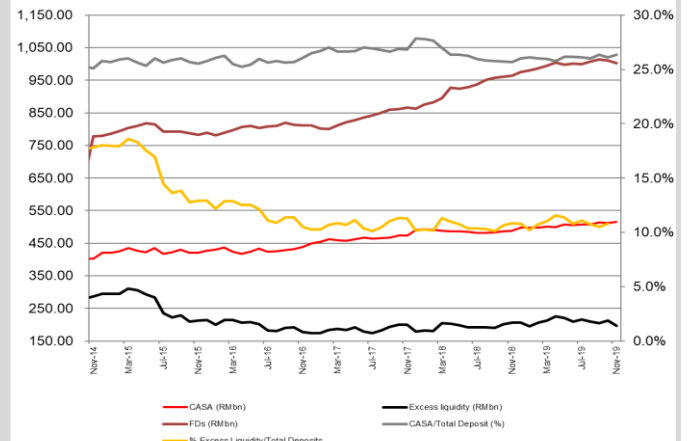


Fig 14: Liquidity in the System



Source: BNM, Kenanga Research

Table 8: Breakdown of Total Deposits by Type

RM'm	Nov-19	Oct-19	% MoM	Nov-18	% YoY	Dec-18	% Ytd
Demand deposits	347,140.3	344,918.1	0.6%	331,670.4	4.7%	339,880.9	2.1%
Fixed Deposits, Special Investment Deposit and General Investment Deposit	592,795.6	594,755.9	-0.3%	600,259.2	-1.2%	602,608.6	-1.6%
Saving deposits	168,329.4	167,489.8	0.5%	157,152.8	7.1%	157,386.5	7.0%
Negotiable instruments of deposits	40,945.6	40,993.3	-0.1%	45,047.5	-9.1%	45,704.6	-10.4%
Foreign currency deposits	152,109.6	150,784.4	0.9%	144,381.3	5.4%	142,418.6	6.8%
Other deposits accepted	245,950.5	248,437.0	-1.0%	261,391.3	-5.9%	251,651.9	-2.3%
<b>Total Deposit</b>	<b>1,956,371.0</b>	<b>1,963,783.1</b>	<b>-0.4%</b>	<b>1,903,085.0</b>	<b>2.8%</b>	<b>1,912,171.5</b>	<b>2.3%</b>
Repurchase agreements	24,153.9	20,373.0	18.6%	26,665.2	-9.4%	32,725.4	-26.2%
<b>Total Deposits (RM'm) &amp; Repurchase Agreements</b>	<b>1,980,524.9</b>	<b>1,984,156.1</b>	<b>-0.2%</b>	<b>1,929,750.2</b>	<b>2.6%</b>	<b>1,944,896.9</b>	<b>1.8%</b>

Source: BNM



02 January 2020

## 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.		
<b><u>BANKING</u></b>																	
AFFIN BANK BHD	1.90	3,773.4	N	12/2019	5.7%	3.0%	12.5%	15.0%	7.5	6.6	5.8	0.4	0.4	6.4%	2.9%	2.45	OP
ALLIANCE BANK MALAYSIA BHD	2.63	4,071.5	N	03/2020	5.6%	8.6%	-9.4%	19.0%	8.3	7.6	8.4	0.7	0.7	8.3%	6.3%	3.45	OP
AMMB HOLDINGS BHD	3.91	11,778.2	N	03/2020	10.6%	4.6%	3.0%	1.5%	7.8	7.6	7.5	0.6	0.6	8.1%	5.1%	4.75	OP
BIMB HOLDINGS BHD	4.40	7,762.8	Y	12/2019	10.0%	6.6%	7.6%	13.6%	11.3	10.9	10.0	1.5	1.5	14.0%	3.7%	4.70	MP
CIMB GROUP HOLDINGS BHD	5.15	51,103.3	N	12/2019	4.6%	5.0%	-15.8%	4.1%	8.6	10.6	10.5	0.9	0.9	8.6%	4.4%	6.45	OP
HONG LEONG BANK BERHAD	17.30	37,501.5	N	06/2020	4.1%	5.1%	1.0%	0.6%	13.4	13.3	13.2	1.5	1.4	10.8%	2.9%	18.90	OP
MALAYAN BANKING BHD	8.64	97,125.4	N	12/2019	3.8%	4.3%	-2.2%	4.7%	11.8	12.0	11.5	1.2	1.1	9.7%	6.5%	9.70	OP
MALAYSIA BUILDING SOCIETY	0.83	5,572.1	N	12/2019	-4.2%	4.5%	-17.8%	8.6%	8.3	10.1	9.7	0.7	0.7	6.7%	6.0%	1.10	OP
PUBLIC BANK BERHAD	19.44	75,468.8	N	12/2019	3.9%	5.2%	-0.1%	3.4%	13.4	13.4	13.0	1.8	1.8	13.7%	3.5%	22.10	OP
RHB BANK BHD	5.78	23,178.1	N	12/2019	6.0%	4.8%	4.1%	5.7%	10.1	9.7	9.1	1.0	0.9	9.9%	3.6%	6.05	MP
<b>Simple Average</b>					<b>5.0%</b>	<b>5.2%</b>	<b>-1.7%</b>	<b>7.6%</b>	<b>10.0</b>	<b>10.2</b>	<b>9.9</b>	<b>1.0</b>	<b>1.0</b>	<b>9.6%</b>	<b>4.5%</b>		

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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