

19 April 2021

By Ahmad Ramzani Ramli / ahmadramzani@kenanga.com.my ; Lim Khai Xiang / limkx@kenanga.com.my

Research Highlights

SINGAPORE NEWS HIGHLIGHTS

- S\$1m penalty for Singapore branch of Swiss bank for breaching anti-money laundering requirements
- Southeast Asia's largest bank DBS to phase out thermal coal financing

INDONESIA NEWS HIGHLIGHTS

- Bank Rakyat Indonesia goes 'ultra-micro' in search for growth
- Telkom Indonesia unit Mitratel weighs US\$1b IPO

THAILAND NEWS HIGHLIGHTS

- Thai money changers severely hit by pandemic, urged to offer electronic transactions
- Citigroup trims global consumer banking profile, RI, Malaysia affected

Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,565	0.00%
USD/SGD	1.3	-0.55%
USD/THB	31.2	-0.82%

Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,202	0.54%
FSTFN	1,031	1.14%
FSTCG	527	-0.84%
FSTTC	640	4.19%

Indonesia

Indices	Today	1-Week Chg (%)
JCI	6,086	0.26%
JAKFIN	1,401	0.67%
JAKAGRI	1,534	6.52%
JAKINFR	1,056	1.04%

Thailand

Indices	Today	1-Week Chg (%)
SET	1,549	-1.11%
SETBANK	381	-3.72%
SETAGRI	336	-0.62%
SETCOMUN	138	-0.16%

Singapore's Corporate News

- **S\$1m penalty for Singapore branch of Swiss bank for breaching anti-money laundering requirements**

The Monetary Authority of Singapore (MAS) has imposed a composition penalty of S\$1m on Bank J Safra Sarasin Ltd, Singapore Branch (BJS) for failing to comply with MAS' Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements. Between March 2014 and September 2018, the bank was found to have committed serious breaches of MAS' requirements, the authority said in a news release on Wednesday (Apr 14). (*Channel News Asia*)

- **Southeast Asia's largest bank DBS to phase out thermal coal financing**

Singapore bank DBS Group said on Friday it would phase out financing for customers that derived revenue from thermal coal and had committed to zero exposure to the sector by 2039. The move comes as banks around the world have faced increasing public, investor and political pressure to join the battle against climate change and stop financing the coal industry. DBS will cease signing up new customers deriving more than 25% of their revenue from thermal coal with immediate effect, it said in a statement. (*The Star*)

Indonesia's Corporate News

- **Bank Rakyat Indonesia goes 'ultra-micro' in search for growth**

Bank Rakyat Indonesia, the country's largest lender by assets, was flying high prior to the coronavirus pandemic: Of the five largest banks by assets, BRI was the only one that had recorded 20 consecutive years of growth in annual net profit. But as COVID-19 hit the sprawling archipelago and forced the government to restrict economic activity, BRI's streak came to an end. The state-owned bank was one of the worst affected, with its core customer base being the micro, small and medium enterprises that bore the brunt of the slowdown. However, rather than walking away, BRI is ready to dive even deeper into the MSME space, where it sees growth opportunities in reaching out to even the tiniest businesses. (*Nikkei Asia*)

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- **Telkom Indonesia unit Mitratel weighs US\$1b IPO**

PT Dayamitra Telekomunikasi, the infrastructure unit of state-owned PT Telkom Indonesia, is considering an initial public offering in Jakarta that could raise about US\$1b, in what could be the country's biggest first-time share sale in more than a decade, people familiar with the matter said. Dayamitra, also known as Mitratel, has asked for proposals on the potential offering and could pick advisers soon, said the people, who asked not to be named as the information is private. Deliberations are at an early stage and details of the offering could still change, the people said. *(The Star)*

Thailand's Corporate News

- **Thai money changers severely hit by pandemic, urged to offer electronic transactions**

Seventeen money changers have left the industry since the Covid-19 outbreak, the Bank of Thailand (BOT) reported recently. The central bank said that as of March 31, there were 2,365 registered money changers, down from 2,382 before the pandemic. In 2018, the BOT reported a total of 2,260 money changers, up 112 over the previous year. Total transactions in the money changing business in 2020 slumped by 60.7% year on year, while transactions in 2018 had increased 3.7% year on year. *(The Star)*

- **Citigroup trims global consumer banking profile, RI, Malaysia affected**

Citigroup announced on Thursday it will exit 13 international consumer banking markets as it joined other large banks in reporting blowout earnings amid a strengthening US economy. As with other large banks, Citigroup's profits were bolstered by a good performance in its investment banking and trading businesses, as well as the release of \$3.9b in reserves set aside for bad loans. "It's been a better-than-expected start to the year, and we are optimistic about the macro environment," said Citi Chief Executive Jane Fraser. *(The Jakarta Post)*

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Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 16 April 2021	Market Cap (USDm)	CY20 P/E (x)	CY21 P/E (x)	Current EPS	CY21 EPS	PBV (x)	CY20 ROE	CY21 ROE	Est. DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
BANK CENTRAL ASIA TBK PT	31,375.0	53,238.2	25.0	21.5	1,039.5	1,160.3	4.19	16.1	16.9	54,741.3	1.7	1.7
BANK RAKYAT INDONESIA PERSER	4,340.0	36,836.2	17.2	13.5	263.7	283.0	2.70	14.6	17.1	11,574.8	2.7	2.3
BANK MANDIRI PERSERO TBK PT	6,300.0	20,234.0	12.2	9.6	515.2	586.1	1.55	12.2	14.4	24,734.7	3.9	3.5
BANK NEGARA INDONESIA PERSER	5,950.0	7,636.6	11.8	7.2	821.3	836.6	1.01	8.1	12.1	9,749.2	1.6	0.7
BANK DANAMON INDONESIA TBK	2,620.0	1,762.3	8.3	6.6	431.6	389.4	0.59	6.5	7.8	6,751.5	2.6	7.2
Simple Average			14.9	11.7				11.5	13.6			3.1
Singapore												
DBS GROUP HOLDINGS LTD	29.0	55,571.6	12.8	11.4	2.2	2.5	1.35	10.8	11.4	109.0	3.8	3.0
OVERSEA-CHINESE BANKING CORP	12.0	40,043.5	12.0	10.7	1.1	1.1	1.08	9.0	9.7	47.9	4.0	3.7
UNITED OVERSEAS BANK LTD	26.1	32,779.1	12.0	10.5	2.4	2.6	1.14	9.0	10.0	107.1	4.1	4.4
Simple Average			12.3	10.9				9.6	10.4			3.7
Thailand												
SIAM COMMERCIAL BANK PUB CO	104.5	11,384.4	11.4	10.1	12.7	12.9	0.86	7.3	7.9	428.5	4.1	3.8
BANGKOK BANK PUBLIC CO LTD	122.0	7,471.5	9.0	7.9	18.9	19.3	0.52	5.7	6.2	480.4	3.9	4.1
KASIKORNBANK PCL	134.5	10,224.1	9.8	9.0	16.1	16.2	0.72	7.3	7.5	374.8	2.8	3.3
KRUNG THAI BANK PUB CO LTD	11.4	5,111.7	9.0	7.6	2.1	2.1	0.46	5.1	5.7	45.9	4.0	6.6
BANK OF AYUDHYA PCL	36.5	8,613.9	10.7	10.1	3.4	4.3	0.93	8.4	8.2	65.8	1.8	1.2
Simple Average			10.0	8.9				6.8	7.1			3.8
Regional Average			12.4	10.4				9.2	10.4			3.5
Malaysia												
MALAYAN BANKING BHD	8.3	22,897.1	12.7	11.1	0.72	0.71	1.12	8.6	9.5	49.5	6.0	1.6
CIMB GROUP HOLDINGS BHD	4.3	10,313.6	10.9	8.7	0.51	0.52	0.77	6.7	8.1	16.7	3.9	1.1
PUBLIC BANK BERHAD	4.2	19,751.6	14.9	13.7	0.29	0.29	0.35	11.3	11.7	14.4	3.4	3.1
HONG LEONG BANK BERHAD	18.0	9,463.9	13.5	12.1	1.24	1.30	1.31	9.9	10.2	44.5	2.5	1.9
AMMB HOLDINGS BHD	3.0	2,428.5	N.A.	7.3	0.39	0.48	0.47	-10.5	7.6	0.6	0.2	2.4
RHB BANK BHD	5.3	5,149.2	8.6	7.6	0.56	0.61	0.79	8.8	9.4	27.0	5.1	1.9
ALLIANCE BANK MALAYSIA BHD	2.6	982.7	10.5	8.9	0.33	0.37	0.63	6.3	7.3	7.7	2.9	N.A.
Simple Average			11.8	9.9				5.9	9.1			2.0

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Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 16 April 2021	Market Cap (USDm)	CY20 P/E (x)	CY21 P/E (x)	Current EPS	CY21 EPS	PBV (x)	CY20 ROE	CY21 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia												
ASTRA AGRO LESTARI TBK PT	9,950.0	1,318.0	15.1	15.0	832.7	317.6	1.0	6.3	6.2	19,209.8	1.9	0.9
PP LONDON SUMATRA INDONES PT	1,305.0	612.8	12.6	12.3	82.9	36.8	1.0	7.4	7.2	3,411.7	2.6	1.1
SAMPOERNA AGRO TBK PT	1,750.0	227.6	11.0	9.7	109.3	66.0	0.8	4.1	7.0	1,300.0	0.7	N.A.
EAGLE HIGH PLANTATIONS TBK P	113.0	245.2	37.7	N.A.	N.A.	N.A.	1.0	2.1	2.2	50.0	0.4	N.A.
BAKRIE SUMATERA PLANTATIO PT	116.0	20.0	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Simple Average			19.1	12.4				5.0	5.6			1.0
Singapore												
WILMAR INTERNATIONAL LTD	5.47	25,879.6	16.1	15.4	0.19	0.18	1.37	8.3	8.4	10.9	2.7	2.5
GOLDEN AGRI-RESOURCES LTD	0.22	2,093.1	7.9	33.0	0.00	0.00	0.49	6.3	5.2	0.9	5.5	2.6
OLAM INTERNATIONAL LTD	1.73	4,161.3	N.A.	N.A.	0.13	0.15	1.14	N.A.	N.A.	N.A.	N.A.	4.6
Simple Average			12.0	24.2				7.3	6.8			3.2
Regional Average			16.7	17.1				5.8	6.0			2.4
Malaysia												
SIME DARBY BERHAD	2.34	3,856.6	14.0	13.4	0.12	0.14	1.02	7.7	7.4	12.1	5.2	4.3
IOI CORP BHD	4.07	6,174.2	25.8	24.2	0.20	0.13	2.66	10.7	10.6	10.0	2.5	2.1
KUALA LUMPUR KEPONG BHD	22.16	5,790.6	22.0	21.8	0.90	0.62	2.19	9.8	9.7	59.6	2.7	2.3
GENTING PLANTATIONS BHD	8.93	1,941.1	25.0	24.5	0.31	0.17	1.63	5.9	6.0	18.1	2.0	3.0
IJM PLANTATIONS BHD	1.81	386.2	14.4	14.4	0.08	-0.01	1.16	7.9	8.1	3.4	1.9	1.1
TA ANN HOLDINGS BERHAD	2.81	299.9	11.2	11.7	0.16	0.14	0.85	7.7	7.6	11.9	4.2	5.3
Simple Average			18.7	18.3				8.3	8.2			3.0

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Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 16 April 2021	Market Cap (USDm)	CY20 P/E (x)	CY21 P/E (x)	Current EPS	CY21 EPS	CY20 EV/EBITDA	CY21 EV/EBITDA	PBV (x)	CY20 ROE	CY21 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
Indonesia														
TELEKOMUNIKASI INDONESIA PER	3,360.0	22,907.7	16.2	15.1	198.0	207.9	5.6	5.3	3.3	19.4	19.8	16,048.4	4.8	4.6
XL AXIATA TBK PT	2,010.0	1,483.6	22.7	13.9	4.14	61.26	3.8	3.6	1.1	4.3	6.6	2,720.4	1.4	1.0
INDOSAT TBK PT	6,525.0	2,440.2	N.A.	645.9	-345.6	-242.4	5.0	4.7	3.0	-2.5	-0.8	0.0	0.0	N.A.
Simple Average			19.5	225.0			4.8	4.5		7.1	8.5			2.8
Singapore														
SINGAPORE TELECOMMUNICATIONS	2.55	31,567.3	20.2	17.0	0.23	0.19	14.1	13.5	1.6	7.2	9.7	10.4	4.1	4.1
STARHUB LTD	1.37	1,777.8	17.3	16.1	0.13	0.10	7.2	6.7	7.0	27.7	28.6	6.0	4.4	3.5
M1 LTD	N.A.	N.A.	N.A.	N.A.	0.14	0.12	N.A.	N.A.	N.A.	22.6	N.A.	9.3	N.A.	N.A.
Simple Average			18.8	16.6			10.7	10.1		19.2	19.2			3.8
Thailand														
ADVANCED INFO SERVICE PCL	168.0	16,027.4	18.4	17.0	10.22	10.82	7.1	6.9	6.6	33.9	33.6	671.8	4.0	4.1
TOTAL ACCESS COMMUNICATION	31.5	2,393.0	18.8	18.8	0.63	2.74	5.0	4.8	3.1	16.1	16.9	144.7	4.6	9.5
Simple Average			18.6	17.9			6.1	5.8		25.0	25.2			6.8
Regional Average			18.9	106.3			6.8	6.5		16.1	16.3			4.5
Malaysia														
MAXIS BHD	4.70	8,908.1	25.0	23.3	0.25	0.20	11.9	11.4	5.2	20.5	22.2	18.1	3.9	3.6
AXIATA GROUP BERHAD	3.80	8,444.9	33.0	27.1	0.07	0.11	5.5	5.3	2.0	6.1	7.4	9.6	2.5	2.0
DIGI.COM BHD	4.25	8,005.8	28.5	27.1	0.20	0.19	12.8	12.5	54.5	194.5	199.8	14.8	3.5	3.7
TELEKOM MALAYSIA BHD	5.90	5,394.3	20.3	19.0	0.15	0.26	6.6	6.4	3.1	14.5	14.6	15.6	2.6	2.4
Simple Average			26.7	24.1			9.2	8.9		58.9	61.0			2.9

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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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KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my

