

09 May 2022

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## Research Highlights

### SINGAPORE NEWS HIGHLIGHTS

- Big 3 banks suffer YoY declines in non-interest income in Q122
- Grab and Singtel consortium bags Malaysia digital banking licence

### INDONESIA NEWS HIGHLIGHTS

- Bank Mandiri profit up by 70% in Q1
- BRI Says SME Loans Are Back to Pre-Pandemic Levels

### THAILAND NEWS HIGHLIGHTS

- BOT to implement Digital Technologies to handle Debt Restructuring
- BBL keeps current rates

#### Currency Exchange

Currency	Today	1-Week Chg (%)
USD/IDR	14,480.0	-0.01%
USD/SGD	1.39	0.13%
USD/THB	34.32	0.12%

#### Singapore

Indices	Today	1-Week Chg (%)
FSSTI	3,291.9	-1.94%
FSTFN	1,113.22	-2.58%
FSTCG	470.58	-1.42%
FSTTC	681.6	-1.02%

#### Indonesia

Indices	Today	1-Week Chg (%)
JCI	7,228.9	0.00%

#### Thailand

Indices	Today	1-Week Chg (%)
SET	1,629.6	-2.27%
SETBANK	376.0	-2.06%
SETAGRI	264.7	-6.62%
SETCOMUN	213.4	-2.54%



## Singapore's Corporate News

- **Big 3 banks suffer YoY declines in non-interest income in Q122**

Singapore's big three banks, OCBC, UOB, and DBS, all suffered a year-on-year (YoY) decline in their respective non-interest incomes (NII) in Q1 2022. Amongst the three, UOB posted the biggest decline, with its non-interest income dropping 30% YoY to \$673m from \$957m in Q1 2021. Maybank, in its report, said UOB was affected by "hedging impacts on their credit holdings as well as mark-to-market losses on equities." With the decline, the analyst lowered its 2022-24 non-interest income estimate for UOB by 5% to 6%. (Source: Singapore Business Review)

- **Grab and Singtel consortium bags Malaysia digital banking licence**

A consortium led by the digital bank joint venture of Grab and Singtel, GXS Bank Pte. Ltd, and Kuok Brothers Sdn. Bhd was selected amongst the five to be granted a full digital banking licence in Malaysia. Once the license has been approved by Malaysia's central bank --- Bank Negara Malaysia -- the Grab-Singtel venture will hold a 55.45% stake in the proposed Malaysia digital bank, which will be led by the CEO designate. They will help assemble a team of over 200 people that will fill roles in areas of product and design, data, technology, risk, and compliance. (Source: Singapore Business Review)

## Indonesia's Corporate News

- **Bank Mandiri profit up by 70% in Q1**

State-owned Bank Mandiri, one of the largest lenders in Indonesia, posted a 70 percent annual increase in net profit to Rp 10t (US\$693.6m) in the first quarter, riding on Indonesia's economic recovery. Bank Mandiri's financial results show its net interest income grew 17.1 percent year-on-year (yoy) to Rp 20.5t in the January-March period. Non-interest income rose 13.6 percent yoy to Rp 8.7t, mainly from cash management fees and internet banking fees. "The COVID situation improved, so the economic recovery accelerated, and therefore we are optimistic that Indonesia will continue a positive growth trend," the Bank Mandiri finance director said on Wednesday. (Source: *The Jakarta Post*)

- **BRI Says SME Loans Are Back to Pre-Pandemic Levels**

Bank Rakyat Indonesia, or BRI, the country's second-largest lender by asset, said its loan disbursement to the small and medium business, or SME, a segment in the first quarter this year had exceeded the level at the beginning of the pandemic Covid-19. The figure presents the latest positive signal for Indonesia's robust economic growth in the first quarter, despite dealing with shocks from the third pandemic wave driven by the Omicron variant and inflation stemming from high global commodity prices and the geopolitical conflicts in Ukraine. BRI's loan disbursement to the SME segment rose 29 percent to Rp 21.3t in the January to March period this year compared to Rp 16.5t in the same period last year. (Source: *Jakarta Globe*)

## Thailand's Corporate News

- **BOT to implement Digital Technologies to handle Debt Restructuring**

Thailand's central bank has disclosed that digital innovations, such as online meetings, will be implemented to help facilitate debt restructuring negotiations. The Bank of Thailand (BOT) indicated the move through a memo, saying digital technology will be leveraged with juristic persons, SMEs and personal loan takers. The BOT said it aims to provide greater convenience for borrowers by streamlining the process in a way that does not require physical meetings and conforms with the government's health safety measures. *(Source: Thailand Business News)*

- **BBL keeps current rates**

Bangkok Bank (BBL) is maintaining its lending interest rates to help customers manage financial cost amid the fragile economic recovery, despite the US policy of raising rates. Though the US Federal Reserve raised its policy rate by 50 basis points on Wednesday, the Bank of Thailand is expected to maintain its policy rate at 0.5% throughout this year. BBL is keeping its existing loan rates to support a business rebound in line with a gradual uptick in the Thai economy, said bank president. *(Source: Bangkok Post)*

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## Regional Banking peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 06 May 2022	Market Cap (USDm)	CY21 P/E (x)	CY22 P/E (x)	Current EPS	CY22 EPS	PBV (x)	CY21 ROE	CY22 ROE	Est. DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>												
BANK CENTRAL ASIA TBK PT	8,125	69162.4	27.6	24.3	207.9	232.1	5.1	16.8	17.4	14798.5	1.8	1.8
BANK RAKYAT INDONESIA PERSER	4,870	50966.2	16.9	14.2	258.1	276.1	2.7	14.2	15.6	18559.8	3.8	3.6
BANK MANDIRI PERSERO TBK PT	8,950	28840.4	12.3	10.7	515.2	586.1	2.1	15.7	16.5	40349.1	4.5	4.0
BANK NEGARA INDONESIA PERSER	9,225	11879.2	11.1	8.9	821.3	836.6	1.4	12.0	13.3	19333.4	2.1	1.6
BANK DANAMON INDONESIA TBK	2,450	1653.4	9.2	7.9	431.6	389.4	0.5	6.0	6.7	6978.0	2.8	2.3
<b>Simple Average</b>			<b>15.4</b>	<b>13.2</b>				<b>12.9</b>	<b>13.9</b>			<b>2.7</b>
<b>Singapore</b>												
DBS GROUP HOLDINGS LTD	33.07	61488.9	11.3	9.7	2.2	2.5	1.5	12.8	14.1	142.6	4.3	3.6
OVERSEA-CHINESE BANKING CORP	11.94	39018.6	10.1	8.7	1.1	1.1	1.0	10.0	11.1	57.1	4.8	4.4
UNITED OVERSEAS BANK LTD	29.56	35763.8	11.1	9.2	2.4	2.6	N.A.	10.5	12.0	133.0	4.5	4.1
<b>Simple Average</b>			<b>10.8</b>	<b>9.2</b>				<b>11.1</b>	<b>12.4</b>			<b>4.0</b>
<b>Thailand</b>												
SIAM COMMERCIAL BANK PUB CO	113.5	11133.1	9.8	9.0	N.A.	N.A.	0.9	8.8	8.7	509.3	4.5	3.6
BANGKOK BANK PUBLIC CO LTD	128.0	7117.8	7.8	7.3	18.9	19.3	0.5	6.1	6.4	531.7	4.2	2.7
KASIKORNBANK PCL	147.0	10146.3	8.2	7.6	16.1	16.2	0.7	8.6	8.7	450.2	3.1	2.2
KRUNG THAI BANK PUB CO LTD	14.7	5985.0	8.0	7.6	2.1	2.1	0.6	6.9	6.9	61.3	4.2	2.8
BANK OF AYUDHYA PCL	34.3	7339.3	9.1	8.3	3.4	4.3	0.8	8.4	8.7	82.0	2.4	2.2
<b>Simple Average</b>			<b>8.6</b>	<b>7.9</b>				<b>7.8</b>	<b>7.9</b>			<b>2.7</b>
<b>Regional Average</b>			<b>11.7</b>	<b>10.3</b>				<b>10.5</b>	<b>11.2</b>			<b>3.0</b>
<b>Malaysia</b>												
MALAYAN BANKING BHD	9.00	24741.7	12.6	10.7	0.7	0.7	1.2	9.5	10.9	56.0	6.2	6.4
CIMB GROUP HOLDINGS BHD	5.12	12316.4	10.6	8.7	0.5	0.5	0.9	8.0	9.3	24.2	4.7	4.5
PUBLIC BANK BERHAD	4.59	20461.9	15.4	13.0	0.3	0.3	1.8	11.6	13.0	15.4	3.4	3.3
HONG LEONG BANK BERHAD	20.70	10305.4	13.7	11.6	1.2	1.3	1.4	10.4	11.3	57.2	2.8	2.6
AMMB HOLDINGS BHD	3.65	2778.0	9.0	8.1	0.4	0.5	0.7	8.5	8.6	7.9	2.2	N.A.
RHB BANK BHD	6.07	5775.5	9.2	7.7	0.6	0.6	0.9	9.3	10.6	34.6	5.7	3.7
ALLIANCE BANK MALAYSIA BHD	3.65	1297.7	10.2	8.7	0.3	0.4	0.9	9.0	9.6	14.9	4.1	3.9
<b>Simple Average</b>			<b>11.5</b>	<b>9.8</b>				<b>9.5</b>	<b>10.5</b>			<b>4.1</b>

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## Regional Plantation peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 06 May 2022	Market Cap (USDm)	CY21 P/E (x)	CY22 P/E (x)	Current EPS	CY22 EPS	PBV (x)	CY21 ROE	CY22 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>												
ASTRA AGRO LESTARI TBK PT	12,500	1661.3	8.2	8.8	832.7	317.6	1.1	13.6	12.3	29279.5	2.3	3.7
PP LONDON SUMATRA INDONES PT	1,380	650.2	6.7	7.4	82.9	36.8	0.9	13.1	11.2	5830.0	4.2	1.4
SAMPOERNA AGRO TBK PT	2,230	280.0	N.A.	N.A.	109.3	66.0	0.9	N.A.	N.A.	N.A.	N.A.	N.A.
EAGLE HIGH PLANTATIONS TBK P	78	169.8	N.A.	N.A.	N.A.	N.A.	1.4	N.A.	N.A.	N.A.	N.A.	N.A.
BAKRIE SUMATERA PLANTATIO PT	117	20.2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Simple Average</b>			<b>7.4</b>	<b>8.1</b>				<b>13.4</b>	<b>11.8</b>			<b>2.6</b>
<b>Singapore</b>												
WILMAR INTERNATIONAL LTD	4.34	19741.2	10.7	10.4	0.2	0.2	1.0	9.4	9.0	12.1	3.9	3.6
GOLDEN AGRI-RESOURCES LTD	0.32	2886.2	5.7	7.8	0.0	0.0	0.6	10.5	7.3	1.3	5.7	5.1
OLAM INTERNATIONAL LTD	N.A.	N.A.	N.A.	N.A.	0.1	0.2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Simple Average</b>			<b>8.2</b>	<b>9.1</b>				<b>10.0</b>	<b>8.1</b>			<b>4.3</b>
<b>Regional Average</b>			<b>7.8</b>	<b>8.6</b>				<b>11.7</b>	<b>10.0</b>			<b>3.5</b>
<b>Malaysia</b>												
SIME DARBY PLANTATION BHD	5.09	8084.4	14.5	20.5	0.1	0.1	2.0	15.7	10.6	20.6	4.0	4.0
IOI CORP BHD	4.56	6506.6	16.8	19.5	0.2	0.1	2.8	16.2	12.9	14.1	3.1	2.6
KUALA LUMPUR KEPONG BHD	28.00	6933.2	14.1	16.8	0.9	0.6	2.4	16.3	13.2	97.0	3.5	3.6
GENTING PLANTATIONS BHD	8.98	1850.4	15.5	18.5	0.3	0.2	1.6	9.6	7.5	31.2	3.5	3.3
TA ANN HOLDINGS BERHAD	6.03	610.0	9.6	13.3	0.2	0.1	1.6	17.2	10.7	25.6	4.2	4.1
<b>Simple Average</b>			<b>14.1</b>	<b>17.7</b>				<b>15.0</b>	<b>11.0</b>			<b>3.5</b>

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## Regional Telco peers comparison based on Bloomberg estimation

Company Names	Local Share Price @ 06 May 2022	Market Cap (USDm)	CY21 P/E (x)	CY22 P/E (x)	Current EPS	CY22 EPS	CY21 EV/EBITDA	CY21 EV/EBITDA	PBV (x)	CY21 ROE	CY22 ROE	Best DPS (sen)	Est. Yield (%)	Historical 12 Mth Div Yield
<b>Indonesia</b>														
TELKOM INDONESIA PERSERO TBK	4,620	31602.5	17.8	16.3	198.0	207.9	6.4	6.0	3.8	21.3	22.0	19880.6	4.3	3.6
PT XL AXIATA TBK	3,190	2362.4	23.0	19.2	4.1	61.3	4.7	4.7	1.7	6.9	7.8	4893.9	1.5	1.0
INDOSAT TBK PT	7,000	3897.2	56.0	30.5	-345.6	-242.4	6.1	5.7	2.2	5.9	10.5	5343.5	0.8	25.0
<b>Simple Average</b>			<b>32.3</b>	<b>22.0</b>			<b>5.8</b>	<b>5.5</b>		<b>11.3</b>	<b>13.4</b>			<b>9.9</b>
<b>Singapore</b>														
SINGAPORE TELECOMMUNICATIONS	2.74	32679.6	20.4	16.8	0.2	0.2	14.2	13.8	1.6	8.2	9.4	9.9	3.6	2.5
STARHUB LTD	1.26	1575.9	19.7	15.6	0.1	0.1	6.9	6.0	5.6	20.3	25.5	5.4	4.3	5.1
<b>Simple Average</b>			<b>20.1</b>	<b>16.2</b>			<b>10.6</b>	<b>9.9</b>		<b>14.3</b>	<b>17.5</b>			<b>3.8</b>
<b>Thailand</b>														
ADVANCED INFO SERVICE PCL	208.0	18020.1	21.4	19.5	10.2	10.8	8.0	7.6	7.6	34.1	35.1	810.8	3.9	3.7
TOTAL ACCESS COMMUNICATION	44.5	3069.5	27.8	24.3	0.6	2.7	6.0	5.8	5.7	19.3	21.9	166.6	3.7	4.7
<b>Simple Average</b>			<b>24.6</b>	<b>21.9</b>			<b>7.0</b>	<b>6.7</b>		<b>26.7</b>	<b>28.5</b>			<b>4.2</b>
<b>Regional Average</b>			<b>26.6</b>	<b>20.3</b>			<b>7.5</b>	<b>7.1</b>		<b>16.6</b>	<b>18.9</b>			<b>6.5</b>
<b>Malaysia</b>														
MAXIS BHD	3.70	6650.4	22.3	19.7	0.3	0.2	9.8	9.4	4.4	19.2	22.0	17.8	4.8	4.6
AXIATA GROUP BERHAD	3.43	7229.0	24.5	20.3	0.1	0.1	5.1	4.9	1.7	6.9	7.7	11.5	3.4	2.8
DIGI.COM BHD	3.53	6303.3	24.3	21.3	0.2	0.2	10.6	10.3	48.5	168.5	189.4	14.4	4.1	4.2
TELEKOM MALAYSIA BHD	4.88	4229.4	16.7	14.4	0.1	0.3	5.2	5.0	2.5	14.0	15.0	15.9	3.3	2.7
<b>Simple Average</b>			<b>21.9</b>	<b>18.9</b>			<b>7.6</b>	<b>7.4</b>		<b>52.2</b>	<b>58.5</b>			<b>3.6</b>

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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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