

Maybank Kim Eng Believes ASEAN Has Momentum

Singapore - Maybank Kim Eng, ASEAN's leading investment bank, said at its Invest ASEAN Singapore conference today that it believes in the region's current growth momentum and that opportunities are increasing across industries.

For 2017, Maybank Kim Eng expects the ASEAN-6 (Malaysia, Singapore, Indonesia, Philippines, Thailand, Vietnam) to grow by 4.8%, picking up from the estimated 4.6% in 2016, on the back of trade recovery, higher commodity prices and improved global electronics demand.

As at January 2017, exports have grown year-on-year for Indonesia (27.9%), Malaysia (13.6%), the Philippines (22.5%), Singapore (11.1%) and Thailand (8.8%). Countries whose commodity-related exports are large as a share of GDP, namely Malaysia (18%¹), Thailand (15%), Vietnam (12%), Myanmar (8%) and Indonesia (7%), will further benefit from the recent lift in commodity prices. This cyclical recovery reinforces ASEAN's underlying narrative of stronger infrastructure spending and a young demographic driving consumer spending.

ASEAN's resilience has also increased in recent years even as global uncertainty persists; the region as a whole runs a current account surplus and macro prudential policies have contained leverage risks as interest rates rise. In addition, intra-ASEAN FDI has been rising by 11% CAGR from 2008 to 2015. Within Asia, the percentage of total goods that ASEAN exported to China has grown from just 4% in 2000 to approximately 13% in 2015, diversifying its dependence from the US.

Dato' John Chong, CEO of Maybank Kim Eng Group said amidst concerns of increasing protectionist policies, it is imperative that ASEAN continues to focus on "building bridges" and deepening integration. "In 2015, intra-ASEAN trade made up approximately 24% of the region's total trade in goods, and this number has remained relatively unchanged since 2007. We strongly believe that ASEAN's resilience to geopolitical headwinds can be further bolstered by improving intra-ASEAN trade and strengthening connectivity within the region."

With ASEAN's economy expected to slowly pick up in 2017, Dato' John Chong added that he believes the outlook of ASEAN's investment banking business will improve in tandem. "We expect to see increased capital market activities this year driven by stronger equity markets, increased infrastructure financing and generally pent up capital raisings due to a relatively subdued 2016. Many

¹ share of commodity related exports against total country GDP



corporates held back on capital raising last year due to market uncertainty, but we are starting to see many of these companies now reengaging about returning to tap both debt and equity markets,” he added.

Harmeet S. Bedi, CEO of Maybank Kim Eng Singapore expects the Singapore market to hold the same promise. “We are looking to grow our debt market business which did well last year, both in project financing and syndicated loans. On the equity capital markets front, we are confident of building on the momentum of our recent successes - we executed 2 rights issues and an IPO in 2016,” he said.

Since the beginning of 2017, Maybank Kim Eng has been involved in 3 major IPOs across the region namely Malaysia’s Ecoworld International USD586 mil IPO (MKE’s role: Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner & Joint Managing Underwriter), Singapore’s Viz Branz Holdings USD160 mil IPO (MKE’s role: Sole Financial Adviser, Joint Global Coordinator, Joint Bookrunner) and Thailand’s TPI Power approximately USD500 mil IPO (MKE’s role: Joint Financial Adviser Joint Global Coordinator, Joint Bookrunner). Dato’ John said that Maybank Kim Eng’s deal pipeline across the region remains robust and healthy.

In 2016, Maybank Kim Eng ranked among the top investment banks in ASEAN. The investment bank ranked no. 1 in ASEAN for Investment Banking & Advisory², Mergers & Acquisitions³, and Equities, Equities linked & Rights⁴, and No.2 for ASEAN Local Currency Bonds and Global Sukuk⁵.

This year’s Invest ASEAN Singapore conference brought together thought leaders to provide insights into the geopolitical, business and technological trends that could shake up the ASEAN landscape.

Held at the Ritz Carlton Singapore, the event attracted over 800 delegates. A total of 49 corporates from Thailand, Malaysia, the Philippines, Indonesia, Singapore and Vietnam with total market capitalization of USD129.7 billion and 126 funds across the globe totaling USD18 trillion in Assets Under Management participated in the conference.

² Dealogic, 31 December 2016

³ Bloomberg, 31 December 2016

⁴ Bloomberg, 31 December 2016

⁵ Bloomberg, 31 December 2016



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About Maybank Kim Eng

Maybank Kim Eng is the fully-owned investment banking arm of Maybank, one of Asia's leading banking groups and South East Asia's fourth largest bank by assets. The Maybank Kim Eng group of companies comprises businesses stretching around the globe with offices in Malaysia, Singapore, Hong Kong, Thailand, Indonesia, Philippines, India, Vietnam, Saudi Arabia, Great Britain and the United States of America. Maybank Kim Eng has been in Asia for more than 40 years and provides services in corporate finance, debt markets, equity capital markets, derivatives, retail and institutional securities broking and research. A leader in many of the Asian markets that it operates in, Maybank Kim Eng has won numerous prestigious awards in the markets that it serves.

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