

# Malaysia Banking

# NEUTRAL

*[Unchanged]*

## Loan growth decelerates

### Loan growth drops off while deposits contract

Industry loan growth slipped 1-ppt to just 6.4% YoY in Mar 2016. Deposits, meanwhile, contracted 0.9% YoY versus +0.7% YoY in Feb 2016. The risk to our 2016 industry loan growth forecast of 6.5% (+7.9% in 2015) is to the downside if current trends persist. NEUTRAL maintained on the sector - BUY AFG, HL Bank and HLF, SELL AMMB and CIMB.

### Analyst

Desmond Ch'ng, ACA  
(603) 2297 8680  
desmond.chng@maybank-ib.com

### Loan approval rate declines

Household (HH) loan growth slowed to just 6.4% YoY in Mar 2016 from 7.0% YoY in Feb 2016 (annualized growth was just 3.5% in Mar 2016) while non-HH loan growth slowed to 6.5% YoY from 8.0% YoY (-1.8% annualized). On an annualized basis, industry loan growth was just 1.2%.

Loan application growth on a 3-month moving average (3M MA) basis held steady at 5.6% YoY but 3M MA loan approvals contracted 18% YoY. As a result, there was a drop in average loan approval rates to 41% end-Mar 2016 from 46% in Feb 2016.

### Deposits contract YoY

Deposit growth slipped into negative territory for the very first time since the GFC, contracting 0.9% YoY versus +0.7% YoY in Feb 2016. CASA contracted by a larger 2.7% versus a growth of 2.5% YoY in Feb 2016.

Despite the contraction in deposits, the industry's loan/deposit ratio (LDR) dipped further to 87.7% end-Mar 2016 from 88.0% end-Feb 2016, which is a bit of an anomaly. This is especially since the loan/fund ratio notched up slightly to 82.4% from 82.3% end-Feb 2016 while the loan/fund and equity ratio also rose marginally to 73.9% from 73.8%.

### Little indication of asset stress

The industry's gross NPL ratio was stable at 1.60% and loan loss coverage improved marginally to 94.3% end-Mar from 92.8% end-Feb 2016. While we are seeing rising absolute NPLs on a YoY basis, NPL ratios across all key segments remain comfortable and relatively benign.

#### Banking Sector – Peer Valuation Summary

Stock	Rec	Shr px (MYR)	Mkt cap (MYR m)	TP (MYR)	PER (x) CY16E	PER (x) CY17E	P/B (x) CY16E	P/B (x) CY17E	ROAE (%) CY16E	ROAE (%) CY17E	Net yield CY16E	Net yield CY17E
AFG	BUY	4.00	6,099	4.60	11.2	10.9	1.2	1.2	11.1	10.8	4.2	4.3
AMMB	SELL	4.53	13,654	4.10	10.3	10.1	0.9	0.8	8.5	8.3	4.2	4.2
CIMB	SELL	4.67	40,764	4.40	10.2	9.6	0.9	0.9	9.3	9.4	4.1	4.5
HL Bank	BUY	13.46	27,622	15.00	12.5	12.5	1.3	1.2	10.2	10.2	2.6	2.6
Maybank *	NR	8.93	87,276	NR	13.2	13.4	1.4	1.3	10.7	10.3	6.1	6.0
Public Bank	HOLD	18.70	72,210	19.70	13.9	13.4	2.1	1.9	15.7	14.7	3.1	3.2
RHB Cap	HOLD	6.12	18,817	6.30	10.7	10.4	1.1	1.0	8.9	10.5	2.3	2.5
<b>Simple avg</b>			<b>266,442</b>		<b>11.7</b>	<b>11.5</b>	<b>1.3</b>	<b>1.2</b>	<b>10.6</b>	<b>10.6</b>	<b>3.8</b>	<b>3.9</b>
<b>MC-wtd</b>					<b>12.5</b>	<b>12.3</b>	<b>1.5</b>	<b>1.4</b>	<b>11.6</b>	<b>11.3</b>	<b>4.2</b>	<b>4.3</b>
BIMB	HOLD	3.85	6,116	3.90	12.1	11.8	1.6	1.4	13.7	12.8	2.3	2.4
HLFG	BUY	14.94	17,110	17.00	9.6	9.2	1.1	1.0	11.2	10.7	2.2	2.3

\* Consensus estimates Source: Maybank KE

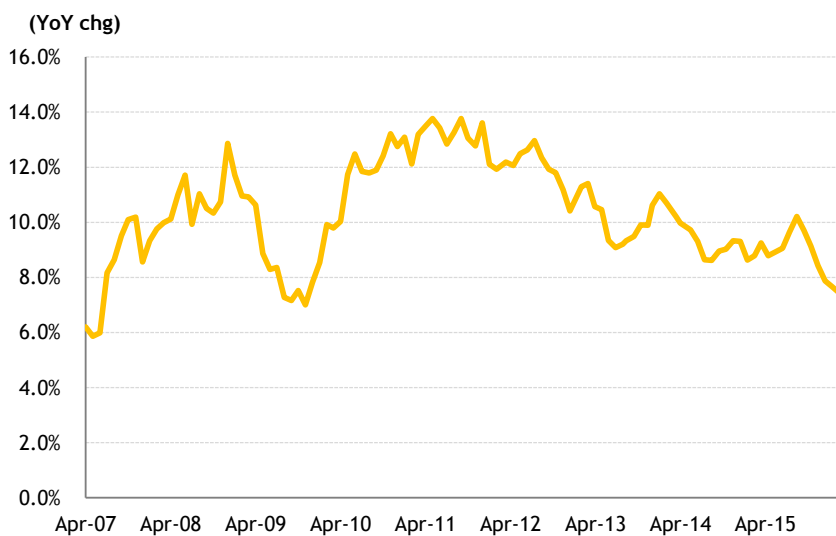
## Loan growth drops to just 6.4% YoY

Industry loan growth moderated most notably in March 2016, slowing to just 6.4% YoY from 7.4% YoY end-Feb 2016. Growth on an annualized basis was just 1.2%.

Household (HH) loan growth slowed to just 6.4% YoY in Mar 2016 from 7.0% YoY in Feb 2016 (annualized growth was just 3.5% in Mar 2016) while non-HH loan growth slowed to 6.5% YoY from 8.0% YoY (and contracted 1.8% on an annualized basis).

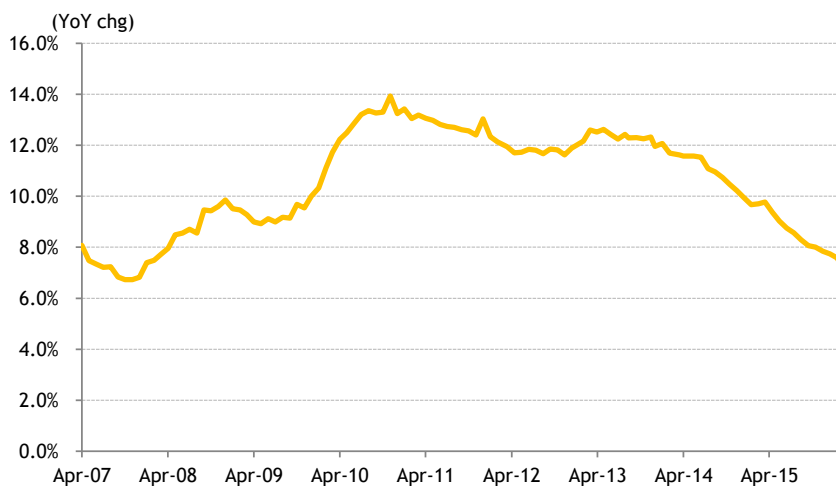
Our industry loan growth forecast stands at 6.5% for 2016 (+7.9% in 2015), premised on a further slowdown in HH loan growth to 6.1% (+7.7% in 2015) and non-HH loan growth to 7.0% (+8.0% in 2015). The risk to our forecast is to the downside if current trends persist over the next few months.

### Total industry YoY loan growth (Apr 2007 - Mar 2016)



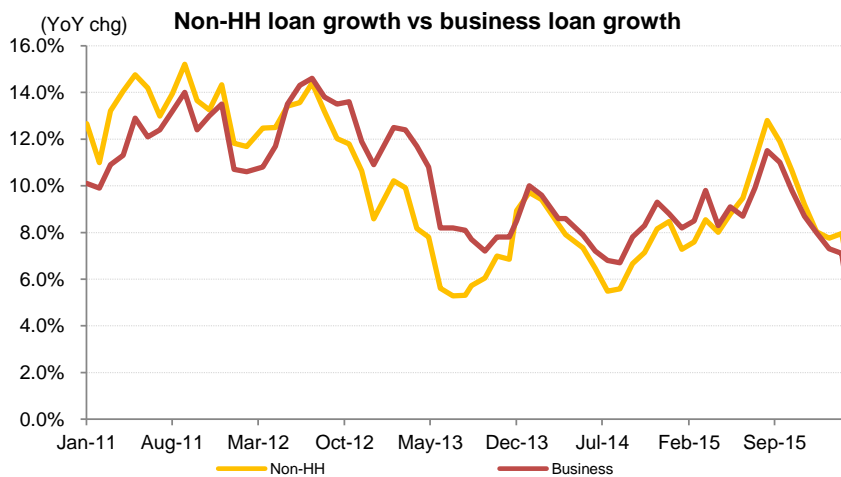
Source: BNM, Maybank KE

### YoY household loan growth (Apr 2007 - Mar 2016)



Source: BNM, Maybank KE

## Non-household &amp; business loan growth (Jan 2011 - Mar 2016)



Source: BNM, Maybank KE

## Personal loans still holding up

The only HH segment to sustain relatively higher growth momentum was personal loans, which grew 7.1% YoY end-Mar 2016 versus 6.1% YoY end-Feb. Share margin financing and credit card loans continued to contract YoY. Residential and non-residential property lending growth moderated to 11% YoY (end-Mar 2016) from 11.4% YoY (end-Feb 2016) and to 8.2% YoY from 10.2% YoY respectively. Passenger vehicle financing grew at a muted pace of just 1.1%.

On the non-HH front, real estate financing continues to slow but construction lending remains firm.

## Segmental YoY loan growth by sector

	Mar 16	Feb 16	Jan 16	Dec 15	% of total
Primary agriculture	9.8%	17.0%	15.9%	19.4%	2.5%
Mining and quarrying	14.8%	18.2%	23.2%	47.8%	0.9%
Manufacturing	0.7%	2.0%	0.7%	1.4%	6.9%
Utilities	-17.2%	-3.6%	-11.7%	-11.2%	0.6%
Wholesale/retail	7.0%	7.8%	8.2%	8.2%	7.4%
Construction	9.6%	9.7%	9.4%	8.6%	4.4%
Real estate	13.8%	14.6%	15.6%	14.6%	7.0%
Transport/storage	-1.3%	0.9%	5.3%	4.5%	2.3%
Finance and business	8.8%	7.8%	9.5%	6.3%	6.9%
Education/health	5.1%	4.7%	-2.0%	6.3%	2.7%
<b>Household sector</b>	<b>6.4%</b>	<b>7.0%</b>	<b>7.6%</b>	<b>7.7%</b>	<b>57.1%</b>
Other sector	-2.9%	10.2%	10.8%	3.9%	1.1%
<b>Total</b>	<b>6.4%</b>	<b>7.4%</b>	<b>7.7%</b>	<b>7.9%</b>	<b>100.0%</b>

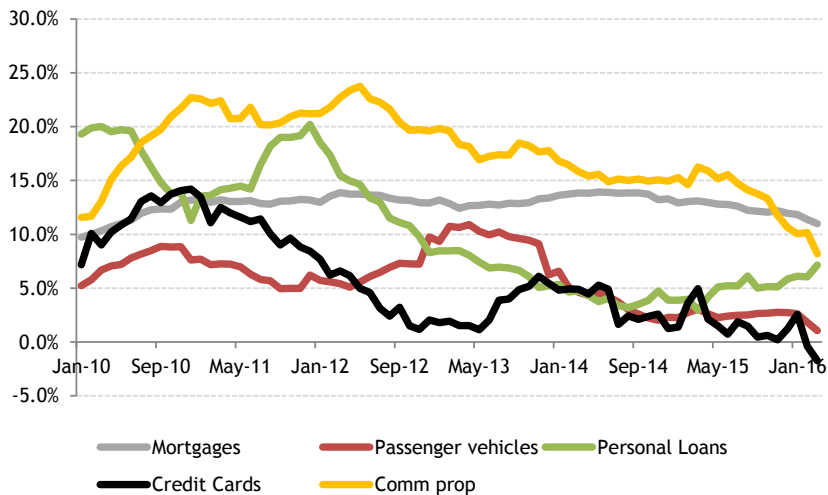
Source: BNM

Segmental YoY loan growth by business purpose

	Mar 16	Feb 16	Jan 16	Dec 15	% of total
Securities	-7.4%	-4.1%	-3.0%	-1.9%	4.9%
Transport vehicles	0.6%	1.4%	2.1%	2.3%	11.6%
<i>Of which passenger cars</i>	1.1%	1.8%	2.6%	2.7%	11.0%
Residential property	11.0%	11.4%	11.8%	11.9%	30.8%
Non-residential property	8.2%	10.2%	10.1%	10.6%	13.8%
Purchase of fixed assets	-10.1%	-7.1%	-6.4%	-4.3%	0.7%
Personal use	7.1%	6.1%	6.1%	5.9%	4.4%
Credit card	-1.8%	-0.4%	2.6%	1.2%	2.4%
Consumer durables	-80.6%	-79.4%	-78.3%	-77.3%	0.0%
Construction	11.9%	8.0%	7.8%	7.6%	3.0%
<b>Working capital</b>	<b>8.3%</b>	<b>9.8%</b>	<b>10.5%</b>	<b>10.4%</b>	<b>24.0%</b>
Other purposes	-0.5%	1.5%	-3.6%	-2.4%	4.2%
<b>Total</b>	<b>6.4%</b>	<b>7.4%</b>	<b>7.7%</b>	<b>7.9%</b>	<b>100.0%</b>

Source: BNM

YoY consumer loan growth (Jan 2010 - Mar 2016)

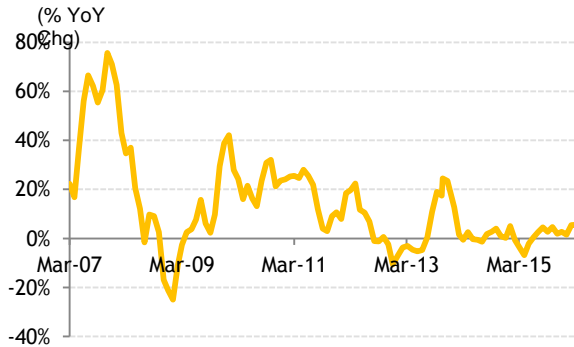


Source: BNM, Maybank KE

## Loan applications up but approvals contract

Loan application growth on a 3-month moving average (3M MA) basis was 5.6% YoY end-Mar 2016 vs 5.5% YoY end-Feb 2016. Loan approvals on a 3M MA basis, however, contracted for the 7<sup>th</sup> consecutive month, and by a larger quantum of -18% versus -10% end-Feb 2016. As a result, there was a sharp drop in loan approval rates on a 3M MA basis (total loans approved during a month divided by total loans applied) to 41% end-Mar 2016 from 46% in Feb 2016.

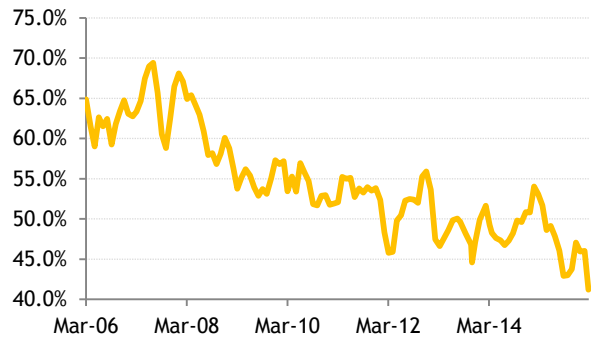
3M MA (YoY chg in total loan applications)



3M MA (YoY chg in loans applied)

Source: BNM, Maybank KE

3M MA (total loans approval rate)

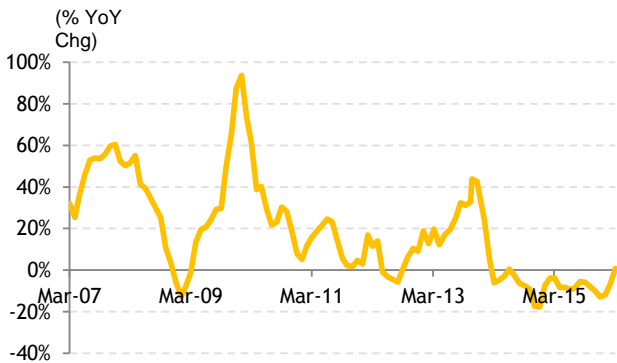


3M MA approval rate - total loans

Source: BNM, Maybank KE

Positively, mortgage applications, which had contracted over 24 consecutive months (barring a slight 0.5% YoY increase in Jun 2014), saw a slight reversal in trend to +0.8% in Mar 2016. On the flip side, however, the average approval rate for mortgage declined further to just 40% from 43% end-Feb 2016.

3M MA (YoY chg in mortgage applications)



3M MA (YoY chg mortgage applications)

Source: BNM, Maybank KE

3M MA (mortgage approval rates)

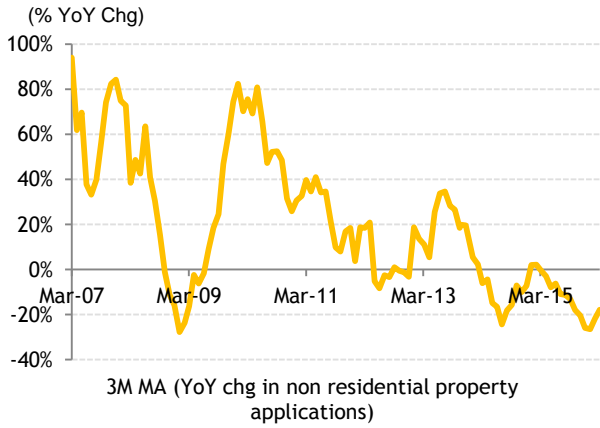


3M MA approval rate - mortgages

Source: BNM, Maybank KE

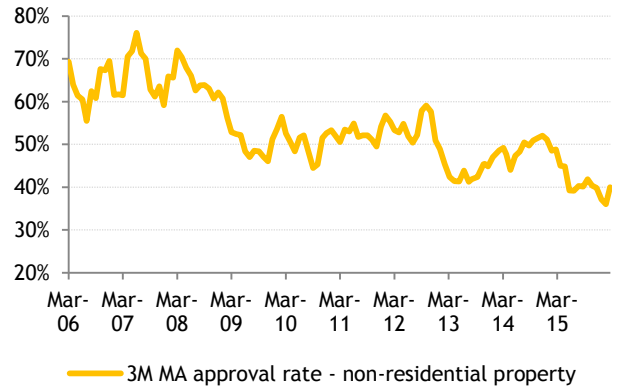
Non-residential property loan applications on a 3M MA basis remained entrenched in negative territory, contracting YoY for the 13<sup>th</sup> consecutive month. The average loan approval rate nevertheless ticked back up to 40% end-Mar 2016 from 36% end-Feb 2016.

3M MA (YoY chg in non-residential property applications)



Source: BNM, Maybank KE

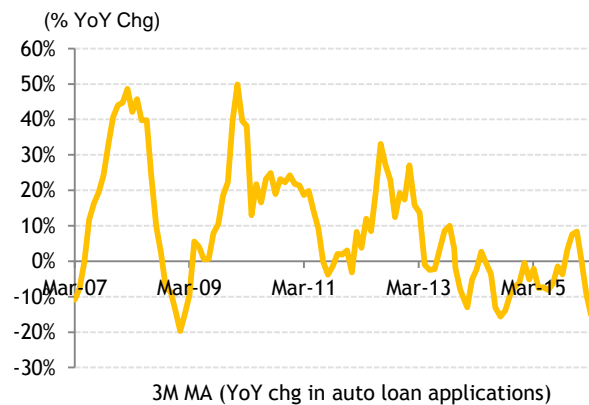
3M MA (non-residential property approval rates)



Source: BNM, Maybank KE

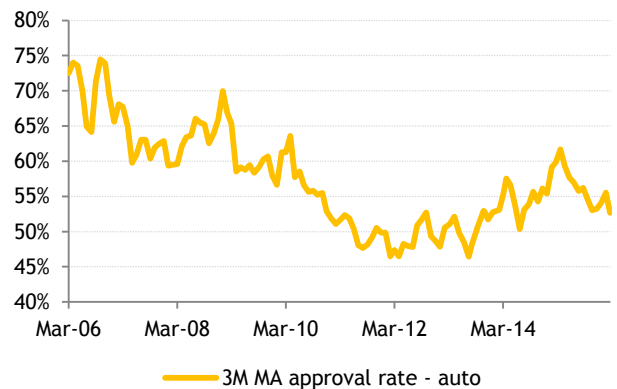
Auto loan applications (3M MA basis) contracted by a much larger 15.1% YoY in Mar 2016 versus a contraction of 9.5% YoY in Feb 2016, while the 3M MA approval rate dipped slightly to 53% from 56% in Feb 2016. This trend very much mirrors the decline in auto sales throughout the country.

3M MA (YoY chg in auto loan applications)



Source: BNM, Maybank KE

3M MA (auto loan approval rates)

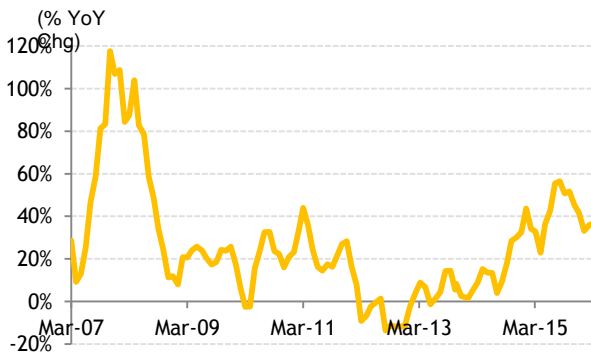


Source: BNM, Maybank KE

The pace of personal loan applications growth remained elevated at 36.7% YoY on a 3M MA basis, versus 35.9% in Feb 2016, but the average approval rate continued to plumb new lows at 23% in Mar 2016 vs 25% a month ago.

Credit card loan applications rose 57% YoY versus 54% YoY in Feb 2016, while the average approval rate was slightly lower at 43% (45% in Feb 2016).

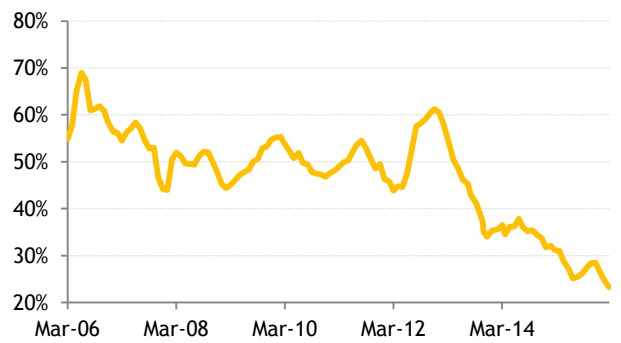
**3M MA (YoY chg in personal loan applications)**



3M MA (YoY chg in personal loan applications)

Source: BNM, Maybank KE

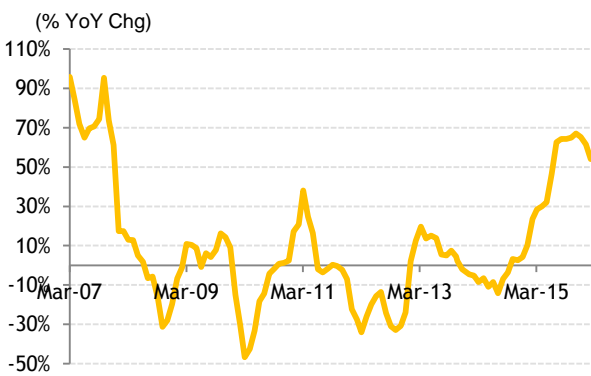
**3M MA (personal loan approval rates)**



3M MA approval rate - personal loans

Source: BNM, Maybank KE

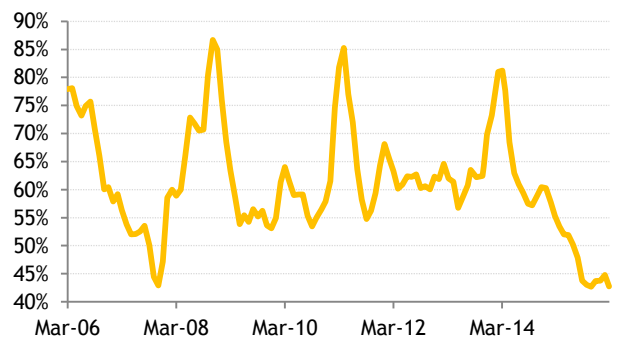
**3M MA (YoY chg in credit card loan applications)**



3M MA (YoY chg in credit card applications)

Source: BNM, Maybank KE

**3M MA (credit card loan approval rates)**

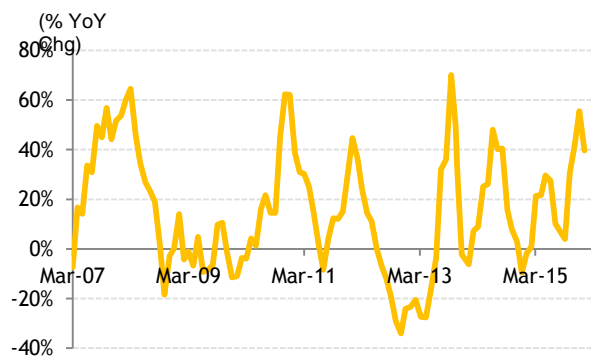


3M MA approval rate - credit cards

Source: BNM, Maybank KE

Working capital loan applications growth, on a 3M MA basis, slowed to just 40% YoY from 55% YoY in Feb 2016. The approval rate, however, dropped to 38% from 44% in Feb 2016.

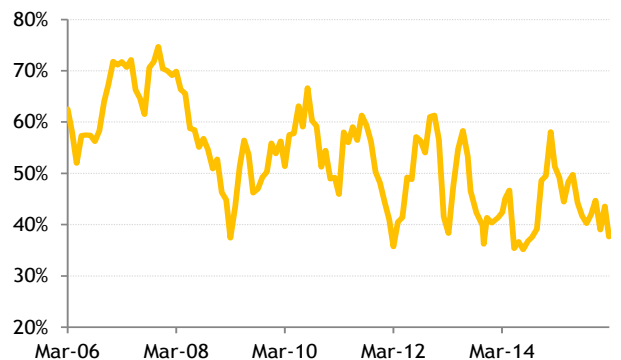
**3M MA (YoY chg in working capital loan applications)**



3M MA (YoY chg in working capital)

Source: BNM, Maybank KE

**3M MA (working capital loan approval rates)**



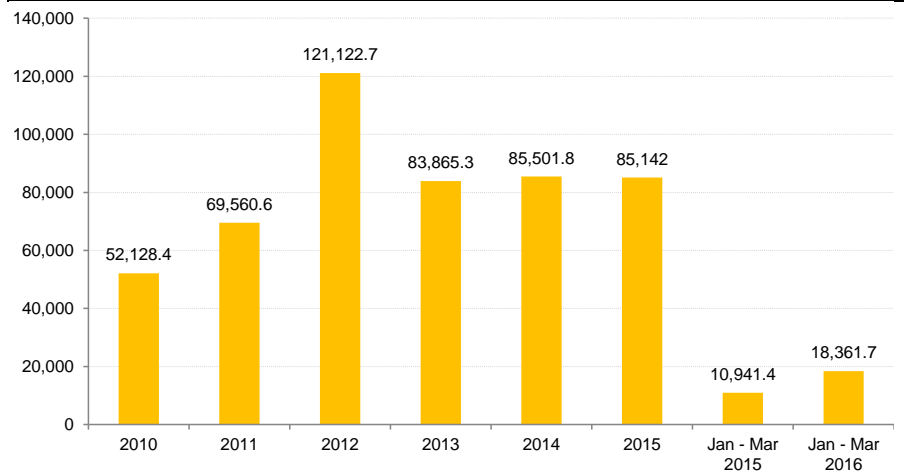
3M MA approval rate - working capital

Source: BNM, Maybank KE

## Bond issuances smaller in size MoM

Bond issues totalled MYR5.2b in Mar 2016 versus MYR11.1b in Feb 2016, taking the YTD total to MYR18.4b, which was still higher than the cumulative total of MYR10.9b in the first three months of 2015.

PDS Issuances (2010 to Mar 2016, MYR'm)

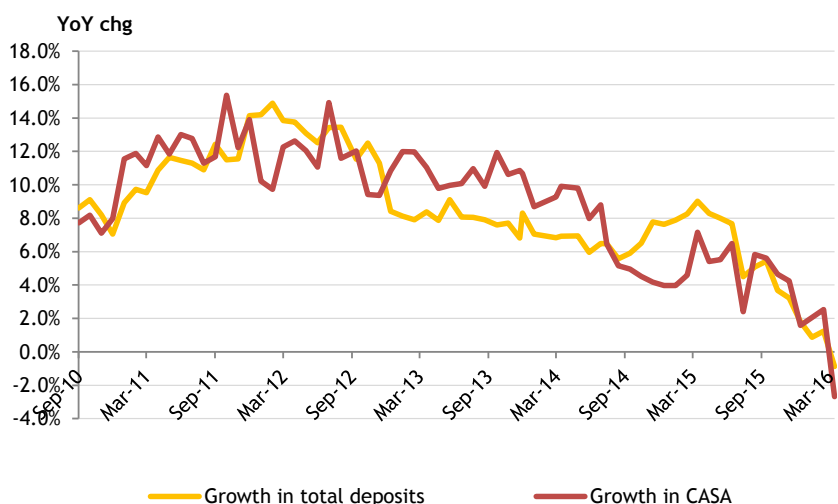


Source: BNM, Maybank KE

## Deposits contract YoY

What is not positive is that deposit growth slipped into negative territory for the very first time since the GFC, contracting 0.9% YoY versus +0.7% YoY in Feb 2016. CASA contracted by a larger 2.7% versus a growth of 2.5% YoY in Feb 2016.

Total deposit vs CASA growth (Sep 2010 - Mar 2016)

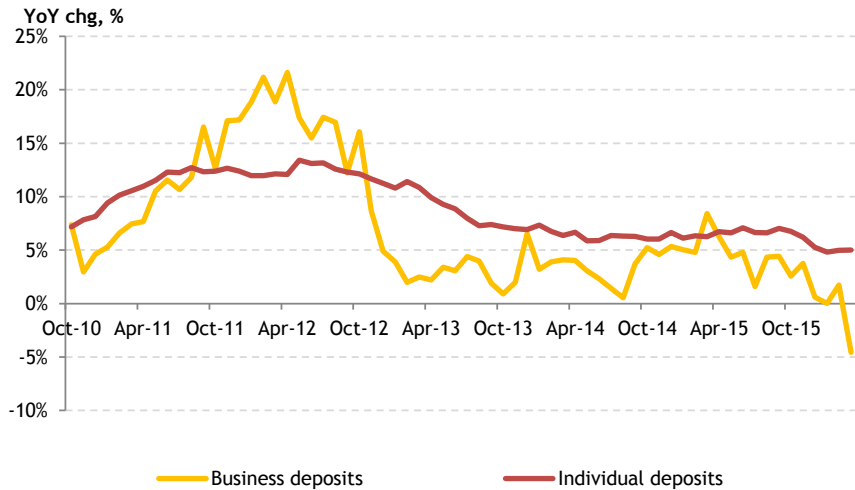


Source: BNM, Maybank KE



Taking a look at deposit growth by holder, individual deposit growth was stable at 5.0% YoY but business deposits contracted 4.6% YoY. Financial institutions deposits contracted YoY for the sixth consecutive month, falling 8.3% YoY in Mar 2016 while Government deposits grew 3.0% YoY.

**Business deposits vs Individual deposits growth (Oct 2010 - Mar 2016)**

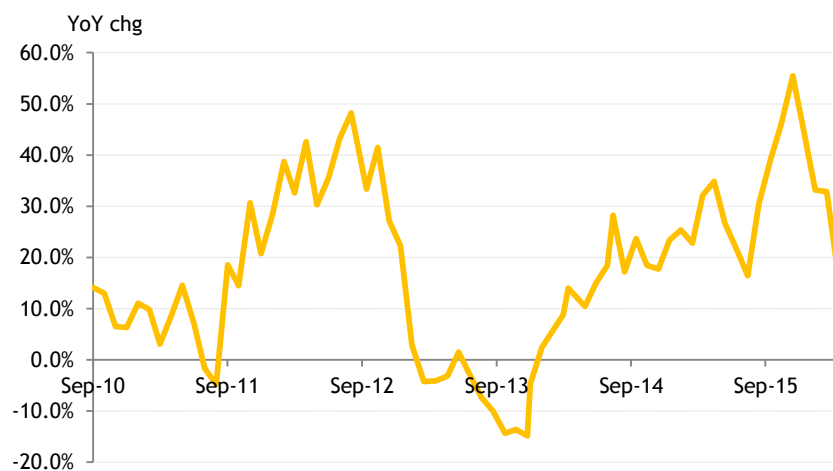


Source: BNM, Maybank KE

**Foreign currency deposit growth moderates**

Foreign currency deposits rose just 17% YoY in Mar 2016, with the pace of growth moderating substantially from a peak of 55% YoY in Nov 2015, largely on account of the strengthening of the MYR in Mar 2016, we believe. Such deposits accounted for 7.6% of total deposits end Mar 2016, in contrast to just 2.6% of total deposits back in Dec 2007.

**Foreign currency deposit growth (Sep 2010 - Mar 2016)**



Source: BNM, Maybank KE

## LDR trend needs further clarification

Despite the contraction in deposits, the industry’s loan/deposit ratio (LDR) dipped further to 87.7% end-Mar 2016 from 88.0% end-Feb 2016, which is a bit of an anomaly. This is especially since the loan/fund ratio notched up slightly to 82.4% from 82.3% end-Feb 2016 while the loan/fund and equity ratio also rose marginally to 73.9% from 73.8%.

In computing the LDR, deposits exclude interbank deposits while loans exclude loans sold to Cagamas and interbank loans. Loans also exclude financing funded by Islamic Investment Accounts. As such, one possible reason for the lower LDR despite the contraction in deposits could be a lumpy sale of loans to Cagamas, though further clarification is required.

### Loan/deposit ratio (Mar 2009 - Mar 2016)



Source: BNM, Maybank KE

## Spreads stable MoM

Interest spreads were stable MoM at 1.42%, taking into consideration average lending rates of 6.80% and average fixed deposit rates of 3.19%.

### Spread between average lending rate and average deposit rate (%)

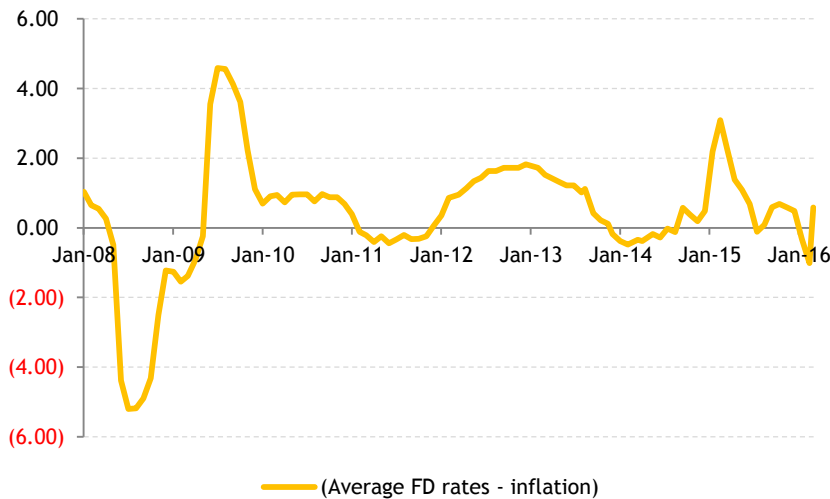


Source: BNM, Maybank KE

## A return to positive territory for the deposit rate-CPI gap

Malaysia's inflation rate eased back to 2.6% YoY in Mar 2016 from 4.2% YoY in Feb 2016. The jump in Feb 2016 was largely the effect of an abnormally low inflation rate of just 0.1% in Feb 2015. With that, the real rates of return on deposits returned to positive territory in March at +59bps versus -101bps in Feb 2016.

Differential between average fixed deposit rates and inflation



Source: BNM, Maybank KE

## Asset quality stable

The industry's gross NPL ratio was stable at 1.60% and loan loss coverage improved marginally to 94.3% end-Mar from 92.8% end-Feb 2016. While we are seeing rising absolute NPLs on a YoY basis, NPL ratios across all key segments remain comfortable and relatively benign.

Gross NPL ratios by segment

	Mar 16	Feb 16	Jan 16	Dec 15	Nov 15
Securities	0.46%	0.47%	0.45%	0.50%	0.44%
Transport vehicles	0.98%	1.07%	1.05%	0.95%	1.05%
<i>Passenger vehicles</i>	0.88%	0.99%	0.96%	0.94%	1.04%
Residential property	1.13%	1.19%	1.15%	1.15%	1.18%
Non-residential property	0.98%	0.99%	0.97%	0.91%	0.94%
Fixed assets	1.72%	1.95%	1.82%	1.74%	1.70%
Personal use	1.89%	2.01%	1.89%	1.87%	1.87%
Credit card	1.41%	1.47%	1.35%	1.33%	1.35%
Consumer durables	1.36%	0.91%	1.03%	1.00%	1.24%
Construction	6.82%	6.81%	6.90%	5.85%	5.95%
Working capital	2.33%	2.33%	2.25%	2.41%	2.38%
Other purposes	2.10%	2.07%	2.38%	2.37%	2.25%
<b>Total</b>	<b>1.60%</b>	<b>1.64%</b>	<b>1.61%</b>	<b>1.60%</b>	<b>1.61%</b>

Source: BNM

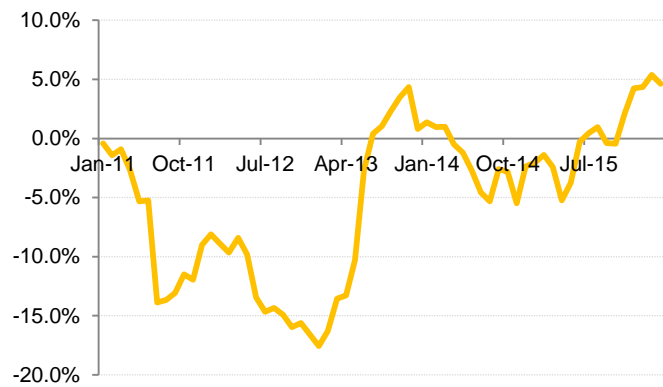
Absolute NPLs declined 2.2% MoM and rose at a more modest pace of 4.6% YoY versus a 5.4% YoY increase the month before. Positively, almost all key segments saw a MoM decline in absolute NPLs.

On an absolute basis, mortgage NPLs contracted 0.3% YoY end-Mar 2016 while auto NPLs contracted 17.9% YoY.

Absolute NPLs continued to rise in the non-residential property (+25.8% YoY), personal financing (+17.7% YoY) and credit card (+11.3% YoY) segments. Nevertheless as noted above, NPL ratios in these segments are still stable and benign at 0.98%, 1.89% and 1.41% respectively.

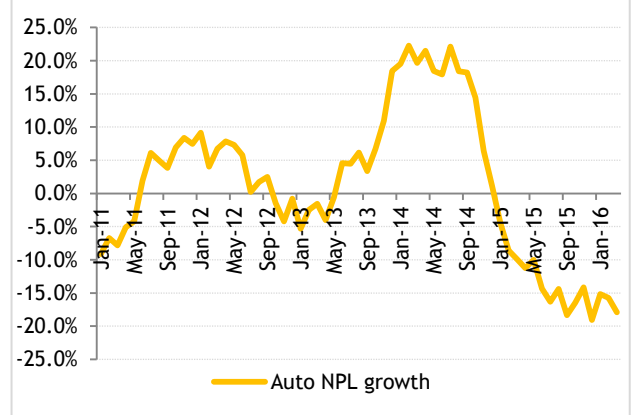
Construction NPLs jumped 32.8% YoY end-Mar 2016 but working capital NPLs contracted 1% YoY.

**Total industry NPLs (% YoY chg)**



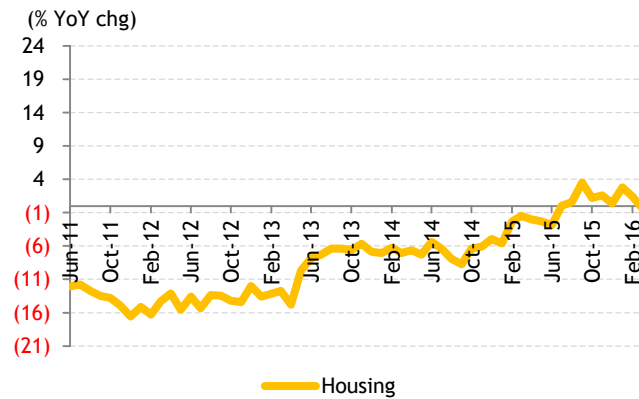
Source: BNM, Maybank KE

**Auto NPLs (% YoY change)**



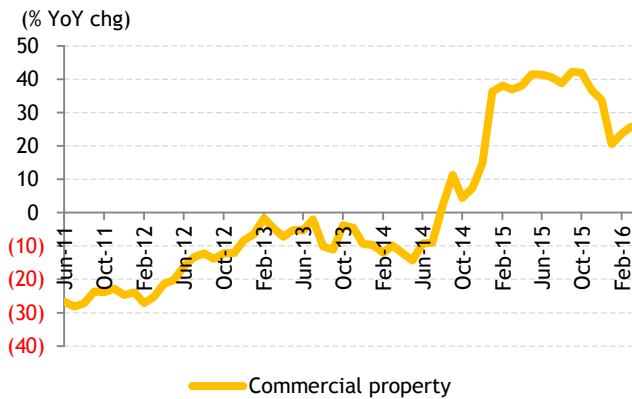
Source: BNM, Maybank KE

**Housing NPLs (% YoY chg)**



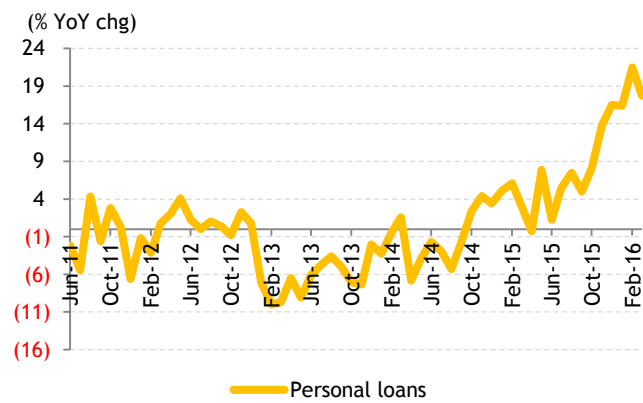
Source: BNM, Maybank KE

**Non-residential NPLs (% YoY change)**



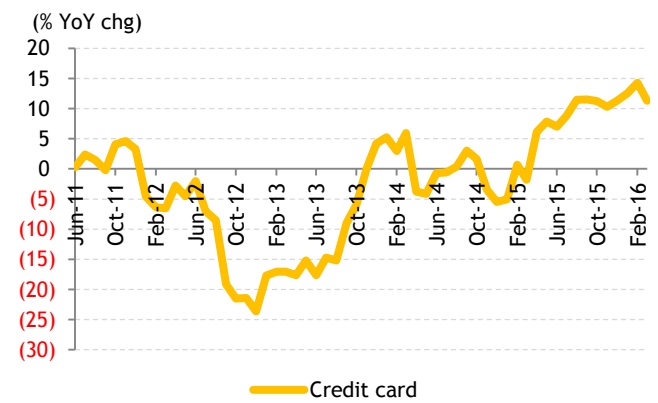
Source: BNM, Maybank KE

**Personal loans NPLs (% YoY chg)**



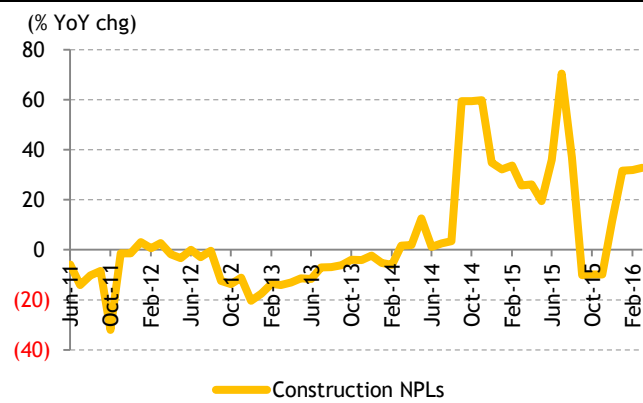
Source: BNM, Maybank KE

**Credit card NPLs (% YoY change)**



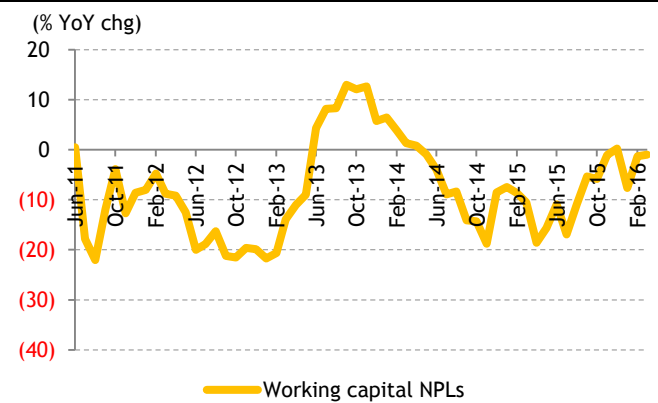
Source: BNM, Maybank KE

**Construction NPLs (% YoY chg)**



Source: BNM, Maybank KE

**Working capital NPLs (% YoY change)**



Source: BNM, Maybank KE

**Capital positions improve**

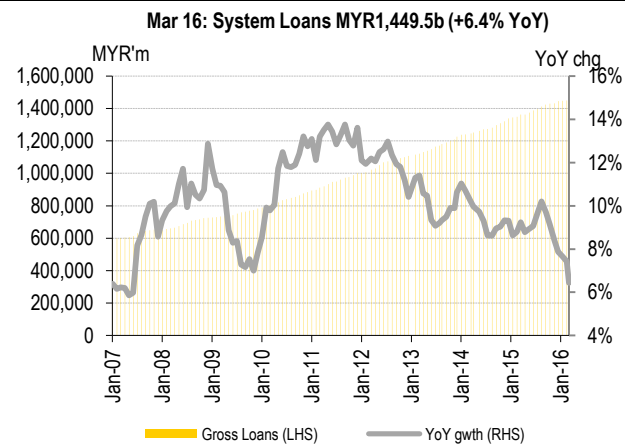
The industry's end-Mar 2016 CET1, core capital and risk-weighted capital ratios rose MoM to 13.0%, 13.9% and 16.5% respectively from 12.7%, 13.7% and 16.3% end-Feb 2016.

**Loan momentum**

(% YoY)	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Gross loans	+8.8	+8.9	+9.1	+9.7	+10.2	+9.7	+9.1	+8.4	+7.9	+7.7	+7.4	+6.4
- Non-HHs	+8.0	+8.8	+9.5	+11.2	+12.8	+11.9	+10.7	+9.2	+8.0	+7.8	+8.0	+6.5
- Households	+9.4	+9.0	+8.7	+8.6	+8.3	+8.1	+8.0	+7.8	+7.7	+7.6	+7.0	+6.4
Applications	0.7	-2.9	+3.6	+7.0	+3.1	-2.0	+12.8	-5.4	+0.7	+9.3	+6.4	+1.1
Approvals	-2.4	0.6	15.1	-0.9	-9.1	-15.2	-4.4	-11.0	-0.6	-14.0	-16.8	-23.4

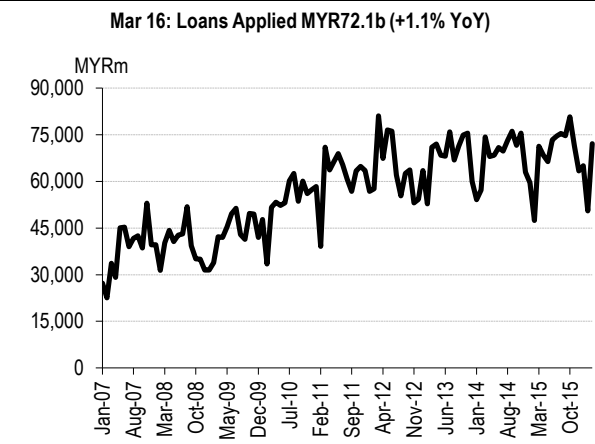
Source: BNM

**Banking system loans**



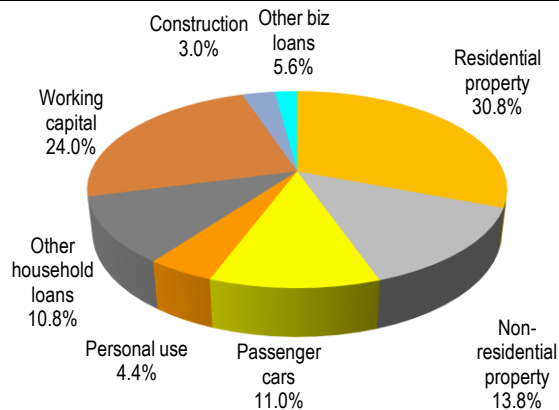
Source: BNM

**Banking system loan applications**



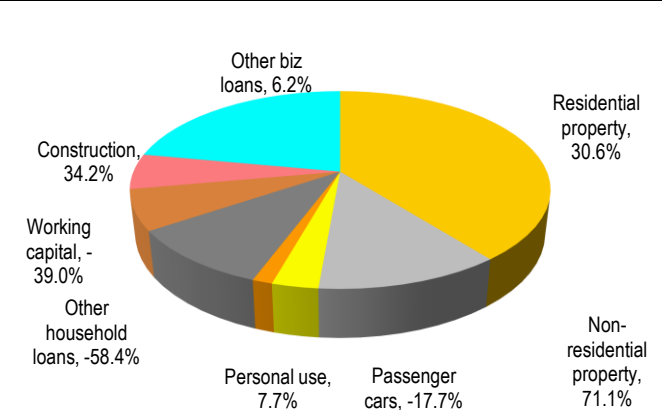
Source: BNM

**Loans composition: MYR1,449.4b @ Mar 2016**



Source: BNM

**Net loan additions: MYR4.3b in 2016 (3M 2016)**



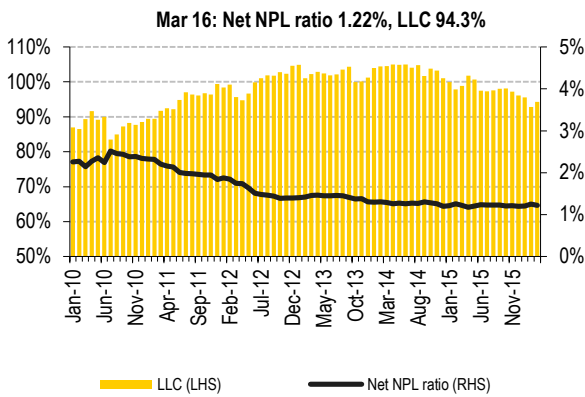
Source: BNM

**Asset quality & capitalisation**

	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
Gross NPL (MYRb)	21.3	21.9	22.5	22.5	22.6	23.0	22.8	23.0	23.1	23.3	23.7	23.2
Net NPL (%)	1.17	1.20	1.24	1.23	1.23	1.23	1.21	1.22	1.20	1.21	1.25	1.22
LLC (%)	101.8	100.6	97.5	97.3	97.6	98.1	98.1	97.2	96.2	95.6	92.8	94.3
Tier 1 cap (%)	13.2	13.1	13.3	13.5	12.8	12.8	13.3	13.3	13.8	13.8	13.6	13.9
RWCR (%)	15.1	15.1	15.3	15.6	14.8	14.8	15.4	15.5	16.1	16.5	16.3	16.5

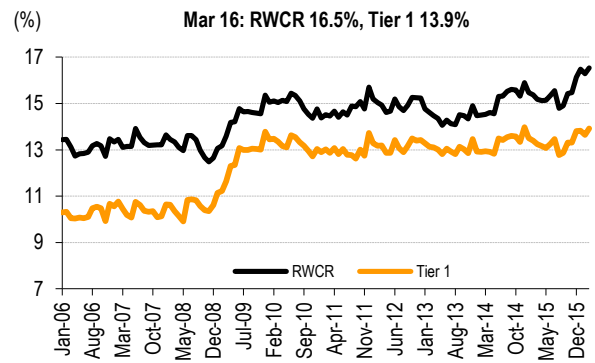
Source: BNM

**Banking system NPL ratio and loan loss coverage**



Source: BNM

**Banking system capital ratios**



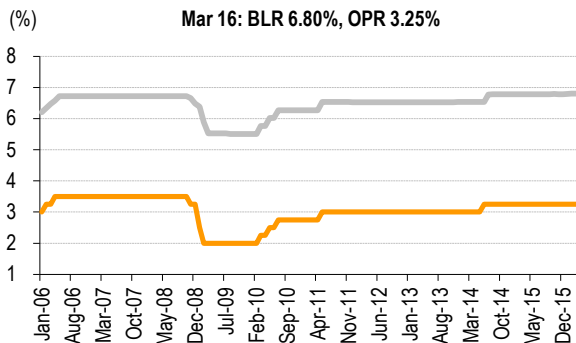
Source: BNM

**Interest rates**

(%)	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16
BLR	6.79	6.79	6.79	6.79	6.79	6.79	6.79	6.79	6.79	6.79	6.80	6.80
ALR	4.65	4.61	4.57	4.54	4.51	4.49	4.54	4.53	4.57	4.58	4.61	4.61
ADR	3.16	3.17	3.19	3.19	3.19	3.19	3.18	3.19	3.19	3.19	3.19	3.19
ADR-CPI	1.36	1.07	1.06	1.06	1.05	1.06	1.05	1.04	1.04	1.03	1.03	1.03

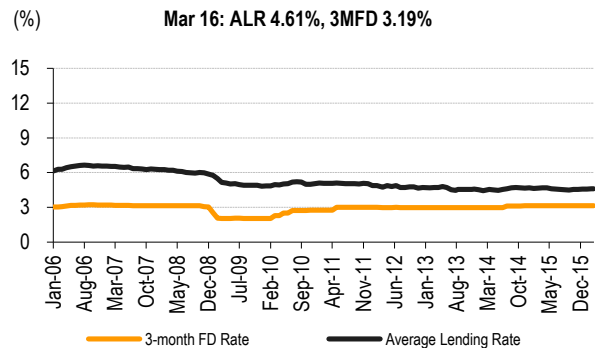
Note: ADR refers to the average of fixed deposit rates; Source: BNM

**Banking system BLR and OPR**



Source: BNM

**Banking system interest rates**



Source: BNM

## Research Offices

### REGIONAL

#### Sadiq CURRIMBHOY

Regional Head, Research & Economics  
(65) 6231 5836 sadiq@maybank-ke.com.sg

#### WONG Chew Hann, CA

Regional Head of Institutional Research  
(603) 2297 8686 wchewh@maybank-ib.com

#### ONG Seng Yeow

Regional Head of Retail Research  
(65) 6231 5839  
ongsengyeow@maybank-ke.com.sg

#### TAN Sin Mui

Director of Research  
(65) 6231 5849 sinmui@kimeng.com.hk

### ECONOMICS

#### Suhaimi ILIAS

Chief Economist  
Singapore | Malaysia  
(603) 2297 8682 suhaimi\_iliass@maybank-ib.com

#### Luz LORENZO

Philippines  
(63) 2 849 8836  
luz\_lorenzo@maybank-atrke.com

#### Tim LEELAHAPHAN

Thailand  
(66) 2658 6300 ext 1420  
tim.l@maybank-ke.co.th

#### JUNIMAN

Chief Economist, BII  
Indonesia  
(62) 21 29228888 ext 29682  
Juniman@bankbii.com

### STRATEGY

#### Sadiq CURRIMBHOY

Global Strategist  
(65) 6231 5836 sadiq@maybank-ke.com.sg

#### Willie CHAN

Hong Kong / Regional  
(852) 2268 0631 williechan@kimeng.com.hk

### MALAYSIA

#### WONG Chew Hann, CA Head of Research

(603) 2297 8686 wchewh@maybank-ib.com  
• Strategy

#### Desmond CH'NG, ACA

(603) 2297 8680  
desmond.chng@maybank-ib.com  
• Banking & Finance

#### LIAW Thong Jung

(603) 2297 8688 tjliaw@maybank-ib.com  
• Oil & Gas Services- Regional

#### ONG Chee Ting, CA

(603) 2297 8678 ct.ong@maybank-ib.com  
• Plantations - Regional

#### Mohshin AZIZ

(603) 2297 8692 mohshin.aziz@maybank-ib.com  
• Aviation - Regional • Petrochem

#### YIN Shao Yang, CPA

(603) 2297 8916 samuel.y@maybank-ib.com  
• Gaming - Regional • Media

#### TAN Chi Wei, CFA

(603) 2297 8690 chiwei.t@maybank-ib.com  
• Power • Telcos

#### WONG Wei Sum, CFA

(603) 2297 8679 weisum@maybank-ib.com  
• Property

#### LEE Yen Ling

(603) 2297 8691 lee.yl@maybank-ib.com  
• Building Materials • Glove • Ports • Shipping

#### CHAI Li Shin, CFA

(603) 2297 8684 lishin.c@maybank-ib.com  
• Plantation • Construction & Infrastructure

#### Ivan YAP

(603) 2297 8612 ivan.yap@maybank-ib.com  
• Automotive • Semiconductor • Technology

#### Kevin WONG

(603) 2082 6824 kevin.wong@maybank-ib.com  
• REITs • Consumer Discretionary

#### LIEW Wei Han

(603) 2297 8676 weihan.l@maybank-ib.com  
• Consumer Staples

#### LEE Cheng Hooi Regional Chartist

(603) 2297 8694  
chenghooi.lee@maybank-ib.com

#### Tee Sze Chiah Head of Retail Research

(603) 2297 6858 szechiah.t@maybank-ib.com

#### Cheah Chong Ling

(603) 2297 8767 chongling.c@maybank-ib.com

### HONG KONG / CHINA

#### Howard WONG Head of Research

(852) 2268 0648  
howardwong@kimeng.com.hk  
• Oil & Gas - Regional

#### Benjamin HO

(852) 2268 0632 benjaminho@kimeng.com.hk  
• Consumer & Auto

#### Jacqueline KO, CFA

(852) 2268 0633 jacquelineko@kimeng.com.hk  
• Consumer Staples & Durables

#### Ka Leong LO, CFA

(852) 2268 0630 kll@kimeng.com.hk  
• Consumer Discretionary & Auto

#### Mitchell KIM

(852) 2268 0634 mitchellkim@kimeng.com.hk  
• Internet & Telcos

#### Ning MA

(852) 2268 0672 ningma@kimeng.com.hk  
• Insurance

#### Stefan CHANG, CFA

(852) 2268 0675 stefanchang@kimeng.com.hk  
• Technology

#### Warren LAU

(852) 2268 0644 warrenlau@kimeng.com.hk  
• Technology - Regional

### INDIA

#### Jigar SHAH Head of Research

(91) 22 6623 2632 jigar@maybank-ke.co.in  
• Oil & Gas • Automobile • Cement

#### Anubhav GUPTA

(91) 22 6623 2605 anubhav@maybank-ke.co.in  
• Metal & Mining • Capital Goods • Property

#### Vishal MODI

(91) 22 6623 2607 vishal@maybank-ke.co.in  
• Banking & Financials

#### Abhijeet KUNDU

(91) 22 6623 2628 abhijeet@maybank-ke.co.in  
• Consumer

#### Neerav DALAL

(91) 22 6623 2606 neerav@maybank-ke.co.in  
• Software Technology • Telcos

### SINGAPORE

#### Gregory YAP

(65) 6231 5848 gyap@maybank-ke.com.sg  
• SMID Caps  
• Technology & Manufacturing • Telcos

#### YEAK Chee Keong, CFA

(65) 6231 5842  
yeakcheekeong@maybank-ke.com.sg  
• Offshore & Marine

#### Derrick HENG, CFA

(65) 6231 5843 derrickheng@maybank-ke.com.sg  
• Transport • Property • REITs (Office)

#### Joshua TAN

(65) 6231 5850 joshuatan@maybank-ke.com.sg  
• REITs (Retail, Industrial)

#### John CHEONG, CFA

(65) 6231 5845 johncheong@maybank-ke.com.sg  
• Small & Mid Caps • Healthcare

#### Ng Li Hiang

(65) 6231 5840 nglhiang@maybank-ke.com.sg  
• Banks

### INDONESIA

#### Inaputra ISKANDAR Head of Research

(62) 21 8066 8680  
inaputra.iskandar@maybank-ke.co.id  
• Strategy • Metals & Mining • Cement

#### Rahmi MARINA

(62) 21 8066 8689  
rahmi.marina@maybank-ke.co.id  
• Banking & Finance

#### Aurellia SETIABUDI

(62) 21 8066 8691  
aurellia.setiabudi@maybank-ke.co.id  
• Property

#### Pandu ANUGRAH

(62) 21 8066 8688  
pandu.anugrah@maybank-ke.co.id  
• Infra • Construction • Transport • Telcos

#### Janni ASMAN

(62) 21 8066 8687  
janni.asman@maybank-ke.co.id  
• Cigarette • Healthcare • Retail

#### Adhi TASMIN

(62) 21 8066 8694  
adhi.tasmin@maybank-ke.co.id  
• Plantations

#### Anthony LUKMAWIJAYA

(62) 21 8066 8690  
anthony.lukmawijaya@maybank-ke.co.id  
• Aviation

### PHILIPPINES

#### Luz LORENZO Head of Research

(63) 2 849 8836  
luz\_lorenzo@maybank-atrke.com  
• Strategy  
• Utilities • Conglomerates • Telcos

#### Lovell SARREAL

(63) 2 849 8841  
lovell\_sarreal@maybank-atrke.com  
• Consumer • Media • Cement

#### Rommel RODRIGO

(63) 2 849 8839  
rommel\_rodrido@maybank-atrke.com  
• Conglomerates • Property • Gaming  
• Ports/ Logistics

#### Katherine TAN

(63) 2 849 8843  
kat\_tan@maybank-atrke.com  
• Banks • Construction

#### Michael BENGSON

(63) 2 849 8840  
michael\_bengson@maybank-atrke.com  
• Conglomerates

#### Jaclyn JIMENEZ

(63) 2 849 8842  
jaclyn\_jimenez@maybank-atrke.com  
• Consumer

#### Arabelle MAGHIRANG

(63) 2 849 8838  
arabelle\_maghirang@maybank-atrke.com  
• Banks

### THAILAND

#### Maria LAPIZ Head of Institutional Research

Dir (66) 2257 0250 | (66) 2658 6300 ext 1399  
Maria.L@maybank-ke.co.th  
• Consumer • Materials • Ind. Estates

#### Sittichai DUANGRATTANACHAYA

(66) 2658 6300 ext 1393  
Sittichai.D@maybank-ke.co.th  
• Services Sector • Transport

#### Yupapan POLPORNPRASERT

(66) 2658 6300 ext 1394  
yupapan.p@maybank-ke.co.th  
• Oil & Gas

#### Tanawat RUENBANTERNG

(66) 2658 6300 ext 1395  
Tanawat.R@maybank-ke.co.th  
• Banks & Diversified Financials

#### Sukit UDOMSIRIKUL Head of Retail Research

(66) 2658 6300 ext 5090  
Sukit.u@maybank-ke.co.th

#### Mayuree CHOWVIKARAN

(66) 2658 6300 ext 1440  
mayuree.c@maybank-ke.co.th  
• Strategy

#### Padon VANNARAT

(66) 2658 6300 ext 1450  
Padon.v@maybank-ke.co.th  
• Strategy

### Surachai PRAMUALCHAROENKIT

(66) 2658 6300 ext 1470  
Surachai.p@maybank-ke.co.th  
• Auto • Conmat • Contractor • Steel

### Suttatip PEERASUB

(66) 2658 6300 ext 1430  
suttatip.p@maybank-ke.co.th  
• Media • Commerce

### Sutthichai KUMWORACHAI

(66) 2658 6300 ext 1400  
sutthichai.k@maybank-ke.co.th  
• Energy • Petrochem

### Termporn TANTIVIVAT

(66) 2658 6300 ext 1520  
termporn.t@maybank-ke.co.th  
• Property

### Jaroopon WATTANAWONG

(66) 2658 6300 ext 1404  
jaroopon.w@maybank-ke.co.th  
• Transportation • Small cap

### VIETNAM

#### LE Hong Lien, ACCA

Head of Institutional Research  
(84) 8 44 555 888 x 8181  
lien.le@maybank-kimeng.com.vn  
• Strategy • Consumer • Diversified • Utilities

#### THAI Quang Trung, CFA, Deputy Manager,

Institutional Research  
(84) 8 44 555 888 x 8180  
trung.thai@maybank-kimeng.com.vn  
• Real Estate • Construction • Materials

#### Le Nguyen Nhat Chuyen

(84) 8 44 555 888 x 8082  
chuyen.le@maybank-kimeng.com.vn  
• Oil & Gas

#### NGUYEN Thi Ngan Tuyen, Head of Retail Research

(84) 8 44 555 888 x 8081  
tuyen.nguyen@maybank-kimeng.com.vn  
• Food & Beverage • Oil & Gas • Banking

#### TRINH Thi Ngoc Diep

(84) 4 44 555 888 x 8208  
diep.trinh@maybank-kimeng.com.vn  
• Technology • Utilities • Construction

#### PHAM Nhat Bich

(84) 8 44 555 888 x 8083  
bich.pham@maybank-kimeng.com.vn  
• Consumer • Manufacturing • Fishery

#### NGUYEN Thi Sony Tra Mi

(84) 8 44 555 888 x 8084  
mi.nguyen@maybank-kimeng.com.vn  
• Port operation • Pharmaceutical  
• Food & Beverage

#### TRUONG Quang Binh

(84) 4 44 555 888 x 8087  
binh.truong@maybank-kimeng.com.vn  
• Rubber plantation • Tyres and Tubes • Oil & Gas



## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. MKE may, to the extent permitted by law, act upon or use the information presented herein, or the research or analysis on which they are based, before the material is published. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

#### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

#### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

#### Thailand

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") does not confirm nor certify the accuracy of such survey result.

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of MBKET. MBKET accepts no liability whatsoever for the actions of third parties in this respect.

#### US

This research report prepared by MKE is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations.

#### UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Services Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

## DISCLOSURES

### Legal Entities Disclosures

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938-H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This material is issued and distributed in Singapore by Maybank KERPL (Co. Reg No 197201256N) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Kim Eng Securities (“PTKES”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the BAPEPAM LK. **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities JSC (License Number: 71/UBCK-GP) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited (“KESI”) is a participant of the National Stock Exchange of India Limited (Reg No: INF/INB 231452435) and the Bombay Stock Exchange (Reg. No. INF/INB 011452431) and is regulated by Securities and Exchange Board of India. KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Services Authority.

### Disclosure of Interest

**Malaysia:** MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 3 May 2016, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** KESHK may have financial interests in relation to an issuer or a new listing applicant referred to as defined by the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

As of 3 May 2016, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

## OTHERS

### Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

 **Malaysia**

Maybank Investment Bank Berhad  
(A Participating Organisation of  
Bursa Malaysia Securities Berhad)  
33rd Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel: (603) 2059 1888;  
Fax: (603) 2078 4194

Stockbroking Business:  
Level 8, Tower C, Dataran Maybank,  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (603) 2297 8888  
Fax: (603) 2282 5136

 **Philippines**

Maybank ATR Kim Eng Securities Inc.  
17/F, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines 1200

Tel: (63) 2 849 8888  
Fax: (63) 2 848 5738

 **South Asia Sales Trading**

Kevin Foy  
Regional Head Sales Trading  
kevinfoy@maybank-ke.com.sg  
Tel: (65) 6336-5157  
US Toll Free: 1-866-406-7447

**Malaysia**

Rommel Jacob  
rommeljacob@maybank-ib.com  
Tel: (603) 2717 5152

**Indonesia**

Hariato Liong  
hariato.liong@maybank-ke.co.id  
Tel: (62) 21 2557 1177

**New York**

Andrew Dacey  
adacey@maybank-keusa.com  
Tel: (212) 688 2956

**Vietnam**

Tien Nguyen  
thuytien.nguyen@maybank-kimeng.com.vn  
Tel: (84) 44 555 888 x8079

 **Singapore**

Maybank Kim Eng Securities Pte Ltd  
Maybank Kim Eng Research Pte Ltd  
50 North Canal Road  
Singapore 059304

Tel: (65) 6336 9090

 **Hong Kong**

Kim Eng Securities (HK) Ltd  
Level 30,  
Three Pacific Place,  
1 Queen's Road East,  
Hong Kong

Tel: (852) 2268 0800  
Fax: (852) 2877 0104

 **Thailand**

Maybank Kim Eng Securities  
(Thailand) Public Company Limited  
999/9 The Offices at Central World,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)  
Tel: (66) 2 658 6801 (research)

 **North Asia Sales Trading**

Andrew Lee  
andrewlee@kimeng.com.hk  
Tel: (852) 2268 0283  
US Toll Free: 1 877 837 7635

**Thailand**

Tanasak Krishnasreni  
Tanasak.K@maybank-ke.co.th  
Tel: (66)2 658 6820

**India**

Manish Modi  
manish@maybank-ke.co.in  
Tel: (91)-22-6623-2601

**Philippines**

Keith Roy  
keith\_roy@maybank-atrke.com  
Tel: (63) 2 848-5288

 **London**

Maybank Kim Eng Securities  
(London) Ltd  
5<sup>th</sup> Floor, Aldermay House  
10-15 Queen Street  
London EC4N 1TX, UK

Tel: (44) 20 7332 0221  
Fax: (44) 20 7332 0302

 **Indonesia**

PT Maybank Kim Eng Securities  
Sentral Senayan III, 22<sup>nd</sup> Floor  
Jl. Asia Afrika No. 8  
Gelora Bung Karno, Senayan  
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188  
Fax: (62) 21 2557 1189

 **Vietnam**

Maybank Kim Eng Securities Limited  
4A-15+16 Floor Vincom Center Dong  
Khoi, 72 Le Thanh Ton St. District 1  
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888  
Fax : (84) 8 38 271 030

 **New York**

Maybank Kim Eng Securities USA  
Inc  
777 Third Avenue, 21st Floor  
New York, NY 10017, U.S.A.

Tel: (212) 688 8886  
Fax: (212) 688 3500

 **India**

Kim Eng Securities India Pvt Ltd  
2nd Floor, The International,  
16, Maharishi Karve Road,  
Churchgate Station,  
Mumbai City - 400 020, India

Tel: (91) 22 6623 2600  
Fax: (91) 22 6623 2604

 **Saudi Arabia**

*In association with*  
**Anfaal Capital**  
Villa 47, Tujjar Jeddah  
Prince Mohammed bin Abdulaziz  
Street P.O. Box 126575  
Jeddah 21352

Tel: (966) 2 6068686  
Fax: (966) 26068787