

News Release

Maybank Sees Opportunities in the Philippines' Large Demographic Dividends

August 25, Manila - Maybank, ASEAN's fourth largest bank by assets, said at the Invest ASEAN Philippines conference today that the Philippines' demography has huge dividends to reap that will push growth higher for several decades.

Datuk Abdul Farid Alias, CEO of Maybank Group said at the conference, "The Philippines is on the cusp of an economic transformation and the key driver will be its favourable demography. It has a young population with a median age of 23 and declining fertility rate, which will lead to an increase in the number of working adults who will drive domestic demand and spur economic growth. The country's potential GDP growth currently is 6-7% but demographic dividends are expected to drive it to 7%-8%."

The lower fertility rate will impact the Philippines' population structure resulting in an increase in the size of the workforce relative to young and old dependents. This could lead to a rise in disposable income and the doubling of the middle class which bodes well for the Philippines where private consumption is the bedrock of its economy, accounting for about 70% of total GDP.

Datuk Abdul Farid Alias added that whilst the Philippines is in a good place, with strong GDP growth, a structural current account surplus, and a robust banking sector to finance future growth, more needs to be done. "To reap the demographic dividends, the right policies need to be in place. Education and labour policies as well as measures such as building better infrastructure are key to improving employment and productivity for the working-age adults, who will generate growth for the Philippines. "

The Philippines is one of the fastest growing economies in Asia with average GDP growth sustained at about 6% for the last five years. The country continued to register a respectable growth of 5.2% in the first quarter of 2015. To further drive development, the Philippines government is also embarking on infrastructure spending. The implementation of these big-ticket infrastructure projects will be undertaken via public-private partnerships and will boost growth over many years as well as stimulate the broader economy through multiplier effects.

To uncover investment opportunities in ASEAN, Maybank is holding a series of Invest ASEAN conferences across the region this year. The series kicked off with the Cap 10: ASEAN CEO Summit in Kuala Lumpur in February, and continued in Singapore in March, Vietnam in May and Thailand in July.

Invest ASEAN Philippines is the fifth conference in the series and is themed “Riding the boom: ASEAN’s demographic dividends”. Held at the Shangri-la Makati Hotel in Manila, the event attracted about 600 attendees with representatives from 8 countries. A total of 29 corporates from the region (25 from the Philippines, 2 from Malaysia, 1 from Singapore and 1 from Vietnam) with total market capitalisation close to USD93 billion and 77 funds across the world totaling USD637 billion in Assets Under Management participated in the conference.

The Invest ASEAN conference series will wrap up in Indonesia this October. All the Invest ASEAN conferences focus on ASEAN opportunities, while tailoring specific investment themes to each country.

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About Maybank

Maybank is among Asia's leading banking groups and South East Asia's fourth largest bank by assets. The Maybank Group has an international network of 2,400 offices in 20 countries namely Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Vietnam, Cambodia, Thailand, Papua New Guinea, Hong Kong SAR & People's Republic of China, Bahrain, Uzbekistan, Myanmar, Laos, Pakistan, India, Saudi Arabia, Great Britain and the United States of America. The Group offers an extensive range of products and services, which includes consumer and corporate banking, investment banking, Islamic banking, stock broking, insurance and takaful and asset management. It has over 47,000 employees serving more than 22 million customers worldwide. (www.maybank.com)

About Maybank Kim Eng

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.

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. Maybank has been ranked among the World's Top 20 Strongest Banks by Bloomberg Markets for two consecutive years - 2013 and 2014 - and has an international network of offices in 20 countries serving more than 22 million customers worldwide. (www.maybank-ke.com)

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