

News Release

Maybank Confident ASEAN's Competitiveness Will Trump Protectionist Policies

Kuala Lumpur, 8 February 2017 - Maybank, South East Asia's fourth largest bank by assets, said at its Invest ASEAN conference today that ASEAN's long term economic prospects remain bright despite rising protectionism in the West. The region's favourable demographics, regional integration and infrastructure investment will support its growth.

Maybank expects the ASEAN-6 economies (Malaysia, Singapore, Indonesia, Philippines, Thailand, Vietnam) to grow by 4.8% in 2017 and 4.9% in 2018, picking up from the estimated 4.6% in 2016, while the CMLV (Cambodia, Myanmar, Laos and Vietnam) is set to grow at 7.0% p.a. in 2017-2018.

Against the continued uncertain and fluid global economic environment, domestic consumption will be the key growth driver for ASEAN in 2017. The region's relatively underleveraged balance sheet will allow for expansion to finance consumption and capex, making it more resilient against any unforeseen shocks. ASEAN is also starting the year with healthy export recovery and positive growth momentum, supported by rising commodity prices, a pickup in imports by US and China, and improving global electronics demand.

Amidst the risk of potential uncertainties arising from the economic policies in the US, UK and Europe, Dato' Muzaffar Hisham, Group Head of Global Banking said that it is imperative that ASEAN continues to focus on "building bridges". Dato' Muzaffar said that, "For ASEAN to continue to grow, it must focus on strengthening connectivity, building infrastructure, and broadening and deepening integration within the region."

Maybank estimates that ASEAN-6 will invest about USD600b in infrastructure between 2016-2020 or around USD120b per annum during the period, with as much as 92% of the projected infrastructure spending meant for "connectivity and utility" going into transport (road, rail, airports and seaports), electricity and water.

"Encouragingly, ASEAN's integration has been gaining traction, as evident in the rising intra-ASEAN FDI post Global Financial Crisis. From 2008 to 2015, intra-ASEAN FDI increased by 11% CAGR and for the first time in 2015, surpassed the FDI from EU, Japan, and US," said Dato' Muzaffar.

Whilst the Trans Pacific Partnership (TPP) has been terminated, there are other opportunities in the region such as the Regional Comprehensive Economic Partnership (RCEP). The RCEP includes China, Japan, India, South Korea, Australia and New Zealand, and expands the potential market from 629m to as much as 3.4b people, potentially another catalyst to enhance the region's competitiveness.

“Maybank remains bullish and will continue to ride on ASEAN’s growth and opportunities.” Dato’ Muzaffar added.

Dato’ John Chong, CEO of Maybank Investment Bank and Maybank Kim Eng Group said that the firm has been actively supporting the infrastructure build-up in the region. He said “We have been actively advising and arranging infrastructure in ASEAN across various sectors including power, renewable energy, waste water, transport, airports and highways. Some of the key infrastructure deals concluded in 2016 include PT Sarana Multi Infrastruktur (Persero)’s USD100 million onshore USD Medium Term Notes in Indonesia, Tuasone Pte Ltd’s SGD650 million syndicated project financing in Singapore, PT Mabar Elektrindo’s USD410 million syndicated project financing in Indonesia, and Ekovest’s RM3.64 billion Sukuk Wakalah, Malaysia’s largest MYR denominated Sukuk for greenfield toll-road project financing. We continue to expect a healthy pipeline of regional deals for Maybank Kim Eng this year, a good portion of which will be on infrastructure.”

In 2016, Maybank Kim Eng ranked among the top investment banks in ASEAN. The investment bank ranked no. 1 in ASEAN for IB&A¹, M&A² and Equities, Equities linked & Rights³, and No.2 for ASEAN Local Currency Bonds and Global Sukuk⁴. In Malaysia, Maybank Kim Eng maintained its leadership for M&A and Equity & Rights Offering and Malaysian Ringgit Islamic Sukuk, ranking no.1 on Bloomberg’s league tables.

Leveraging its strong footprint in ASEAN and through its Invest ASEAN conferences, Maybank Kim Eng has also been advocating and enabling greater intra-region investments. “Over the years, ASEAN fund managers are starting to invest more in ASEAN corporates. We are also seeing greater participation among ASEAN funds in regional IPOs, particularly Malaysian and Thai fund managers who have traditionally invested domestically in-country,” said Dato’ John

Dato’ John added that this is a win-win for investors and corporates; for investors, it provides them with greater investment opportunities and portfolio diversification, while corporates now have access to a wider pool of investors. “Maybank Kim Eng will continue to be the voice of ASEAN’s huge potential, matching regional and global investors’ with the region’s investment opportunities.”

This year’s Invest ASEAN Malaysia conference brought together ASEAN’s 6 exchanges, including Bursa Malaysia, Stock Exchange of Thailand, Singapore Exchange, Indonesia Stock Exchange, Ho Chi Minh Stock Exchange and the Philippines Stock Exchange, to be in conversation with local as well as regional investors. Celebrating ASEAN@50, the conference focused on the evolving geopolitical and business environment that is reshaping the competitiveness of the region.

¹ Dealogic, 31 December 2016

² Bloomberg, 31 December 2016

³ Bloomberg, 31 December 2016

⁴ Bloomberg, 31 December 2016



In line with its arts initiative, KataKatha, Maybank Kim Eng also advocated the fusion of the Arts and Business as a way to foster a more creative and innovative workforce to improve the region's competitive edge.

Held at St Regis Kuala Lumpur, over 800 delegates including 70 funds totaling MYR2.8 trillion in Assets Under Management participated in the conference.

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Maybank - Humanising Financial Services

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 19 countries namely Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Vietnam, Cambodia, Thailand, 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 43,000 employees serving more than 22 million customers worldwide. (www.maybank.com)

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. (www.maybank-ke.com)

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