

## Malaysia

**HOLD** (no change)

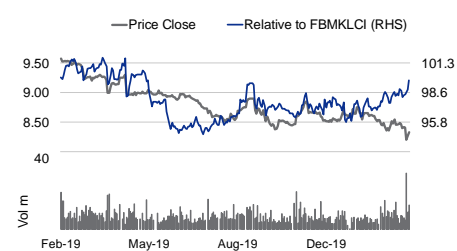
Consensus ratings\*: Buy 10 Hold 11 Sell 0

Current price:	RM8.33
Target price:	RM8.54
Previous target:	RM8.54
Up/downside:	2.5%
CGS-CIMB / Consensus:	-7.2%
Reuters:	MBBM.KL
Bloomberg:	MAY MK
Market cap:	US\$22,161m RM93,641m
Average daily turnover:	US\$14.39m RM59.51m
Current shares o/s:	11,035m
Free float:	48.6%

\*Source: Bloomberg

**Key changes in this note**

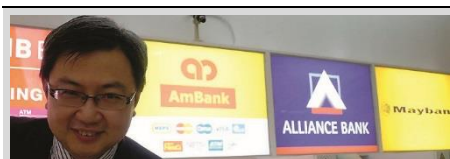
➤ No change.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-2.4	-3	-12.8
Relative (%)	2.5	2.6	0.2

Major shareholders	% held
Amanah Saham Bumiputera	35.1
Employees Provident Fund	11.3
Permodalan Nasional Berhad	6.9

**Analyst(s)**

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# Malayan Banking Bhd

## Positive surprise for FY19 DPS

- Malayan Banking's (Maybank) FY19 net profit was above our expectations, at 107% of our forecasts, due to lower-than-expected loan loss provisioning.
- The total net DPS of 64 sen for FY19 (dividend payout of 87.8%) was significantly higher than our projected 49 sen (dividend payout of 71%).
- Despite the attractive FY19 dividend yield of 6.1%, we retain our Hold call on Maybank due to the expected increase in credit costs in FY20F.

### FY19 net profit above CGS-CIMB's expectations

Maybank's FY19 net profit was above our expectations at 107% of our forecasts, due to lower-than-expected loan loss provisioning (LLP), and within market expectations at 104% of Bloomberg consensus' estimates.

### Positive surprise for dividend payment

The total DPS for FY19 of 64 sen (translating into a dividend payout of 87.8% and an attractive dividend yield of 7.7%) was way above our projected 49 sen (based on a dividend payout of 71%). The bank stated that the high FY19 dividend payout would not be sustainable and maintains its long-term dividend payout policy of 40-60%. We maintain our projected DPS of 51-54 sen for FY20-21F, based on a dividend payout of 70%, which translates into an attractive dividend yield of 6.1-6.5%.

### Strong 22.5% qoq net profit growth in 4QFY19

Maybank's net profit surged by 22.5% qoq in 4Q19, mainly driven by a 65.1% qoq slump in LLP. However, operating revenue was flattish qoq (-0.1% qoq), partly due to the 3bp qoq contraction in net interest margin. FY19 net profit rose by just 1% yoy, as the 4.6% growth in revenue (driven by an 11.5% increase in non-interest income) was largely offset by a 43.7% surge in LLP. The FY19 credit charge-off rate of 44bp was within the bank's guidance of 40-45bp.

### Maybank's guidance for FY20F

For FY20F, the bank is guiding for: 1) a 5bp contraction in net interest margin, mainly due to two rounds of cuts in the overnight policy rate (OPR) (close to our expected 4-5bp compression), 2) a higher credit charge-off rate of 45-50bp, due to the potential negative impact from the Covid-19 outbreak (vs. our projected 53bp and FY19's 44bp), and 3) a cost-to-income ratio of 46-47% (vs. our projected 48.4%).

### Reiterate Hold due to strong dividend support of 6.1%

We reiterate our Hold call on Maybank given the concerns over the increase in its LLP. However, we think its share price should be supported by an attractive dividend yield of 6.1% in FY20F. We retain our FY20-21F EPS forecasts and DDM-based target price of RM8.54. We prefer RHB Bank for exposure to Malaysian banks. Potential upside/downside risks to our call are a pick-up/deterioration in loan and fee income growth. Another potential risk would be more than two OPR cuts in 2020.

### Financial Summary

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Net Interest Income (RMm)	12,073	12,095	12,538	12,669	12,929
Total Non-Interest Income (RMm)	11,589	12,646	13,274	14,572	15,833
Operating Revenue (RMm)	23,662	24,741	25,812	27,241	28,762
Total Provision Charges (RMm)	(1,591)	(2,288)	(2,814)	(3,027)	(3,515)
Net Profit (RMm)	8,113	8,198	7,906	8,402	8,852
Core EPS (RM)	0.75	0.74	0.70	0.75	0.79
Core EPS Growth	6.24%	(1.46%)	(4.45%)	6.28%	5.35%
FD Core P/E (x)	11.15	11.32	11.84	11.14	10.58
DPS (RM)	0.58	0.64	0.51	0.54	0.57
Dividend Yield	6.96%	7.68%	6.07%	6.45%	6.80%
BVPS (RM)	6.83	7.26	6.94	7.03	7.12
P/BV (x)	1.22	1.15	1.20	1.19	1.17
ROE	10.9%	10.5%	9.9%	10.7%	11.1%
% Change In Core EPS Estimates			(0.000%)	(0.000%)	
CGS-CIMB/Consensus EPS (x)			0.97	0.98	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Positive surprise for FY19 DPS

**Figure 1: Maybank - Results Comparisons for 4QFY19**

FYE Dec (RM m)	4QFY19	4QFY18	yoy %	qoq %	4QFY19	4QFY18	yoy %	Prev.	
								chg	Comments
					Cum	Cum	chg	FY19F	
Net interest income	3,083.9	3,108.3	(0.8)	(2.4)	12,095.0	12,072.9	0.2	12,150.2	In line. Flattish yoy.
Non-interest income	1,823.6	1,724.5	5.7	(1.1)	6,666.2	5,977.1	11.5	6,492.9	In line. Stronger investment income.
Islamic income	1,585.5	1,499.9	5.7	6.1	5,979.6	5,611.7	6.6	6,060.6	In line.
Total income	6,493.0	6,332.7	2.5	(0.1)	24,740.8	23,661.7	4.6	24,703.7	In line. Driven by non-int.
Overhead expenses	(2,969.1)	(3,100.1)	(4.2)	0.2	(11,561.9)	(11,245.7)	2.8	(12,006.9)	In line. Tight cost control.
Pre-provision profit	3,523.9	3,232.6	9.0	(0.3)	13,178.9	12,416.0	6.1	12,696.8	In line. Wider jaws.
Loan loss provisions	(333.9)	(81.3)	310.7	(65.1)	(2,287.4)	(1,591.3)	43.7	(2,555.2)	Below. Lower LLP in 4Q19.
Associates and others	73.6	(55.6)	232.4	2.8	122.5	76.6	59.9	(70.1)	Above.
Pretax profit	<b>3,263.6</b>	<b>3,095.7</b>	5.4	23.2	<b>11,014.0</b>	<b>10,901.3</b>	1.0	<b>10,071.4</b>	Above. 109% of CGS-CIMB.
Tax	(695.7)	(644.8)	7.9	15.3	(2,538.3)	(2,545.4)	(0.3)	(2,316.4)	
Tax rate (%)	21.3	20.8	-	-	23.0	23.3	(1.3)	23.0	In line.
Minority interests	(118.8)	(124.5)	(4.6)	157.7	(277.6)	(242.6)	14.4	(116.3)	Above. Stronger subsidiary income.
Net profit	<b>2,449.1</b>	<b>2,326.4</b>	5.3	22.5	<b>8,198.1</b>	<b>8,113.3</b>	1.0	<b>7,638.7</b>	Above CGS-CIMB (107%). Within mkt (104%).
EPS (sen)	<b>21.8</b>	<b>21.1</b>	3.5	22.6	<b>73.5</b>	<b>74.2</b>	(1.0)	<b>68.6</b>	

SOURCES: CGS-CIMB, COMPANY REPORTS

### Key takeaways from 4QFY19 results conference call

On 27 Feb 20, Maybank hosted a conference call on the release of its 4QFY19 financial results. The key highlights from the conference call were: 1) the bank's views on the economy and the banking sector, as well as 2) guidance for its financial performance in FY20.

### The bank's views on the macro outlook for 2020 ►

The following are the bank's views on the outlook for the economy and banking industry in its key markets in 2020:

#### Malaysia:

- GDP growth of 4% in 2020F (vs. 4.3% in 2019)
- System loan growth of 4.3% in 2020F (close to our projected 4-4.5%; vs. 3.9% in 2019)
- OPR of 2.5-2.75% by end-2020F (vs. 3% as at end-2019)
- Average US\$/RM exchange rate of 4.11 in 2020F (vs. 4.14 in 2019)
- Inflation of 1-1.5% in 2020F (vs. 0.7% in 2019)

#### Singapore

- GDP growth of 1.1% in 2020F (vs. 0.7% in 2019)
- System loan growth of 5% in 2020F (vs. 4.2% in 2019)
- Average US\$/S\$ exchange rate of 1.36 in 2020F (vs. 1.36 in 2019)
- Inflation rate of 0.7% in 2020F (vs. 0.6% in 2019)

#### Indonesia

- GDP growth of 5.0% in 2020F (vs. 5% in 2019)
- System loan growth of 8.5% in 2020F (vs. 6.1% in 2019)
- Reference rate of 4.5% in 2020F (vs. 5% in 2019)

- Average US\$/Rp exchange rate of 13,620 (vs. 14,313 in 2019)
- Inflation rate of 2.9% in 2020F (3% in 2019)

### Potential impact from Covid-19 outbreak ➤

Maybank stated that prolonged Covid-19 outbreak would weigh on economic growth and impact several sectors, such as hospitality, transportation and food and beverages. The bank sees the risk from this to increase its credit charge-off rate by about 10bp, for a total guided charge-off rate of 45-50bp for FY20F. It stated that the Covid-19 outbreak would have impact on about 3% of its total loans.

### Potential upside and downside risks ➤

The potential upside/downside risks to our call are a pick-up/deterioration in loan and fee income growth. Another potential risk would be more than two OPR cuts in 2020.

Figure 2: Sector comparison

Company	Bbg Ticker	Recom.	Price (local)	Target Price (local)	Market Cap (US\$ m)	Core P/E (x)	CY2019	CY2020	3-year EPS CAGR (%)	P/BV (x)	CY2019	Recurr. ROE (%)	CY2019	P/PPOPS (x)	CY2019	Div Yield (%)	CY2019
DBS Group	DBS SP	Add	24.66	27.09	45,162	9.8	10.0	4.1%	1.29	13.2%	7.6	5.0%					
OCBC	OCBC SP	Hold	10.86	11.64	34,182	9.7	10.1	0.6%	1.10	11.5%	7.7	4.9%					
United Overseas Bank	UOB SP	Add	25.13	28.39	29,987	9.6	10.1	1.4%	1.06	11.1%	7.5	5.2%					
<b>Singapore average</b>						<b>9.7</b>	<b>10.1</b>	<b>2.7%</b>	<b>1.16</b>	<b>12.0%</b>	<b>7.6</b>	<b>5.0%</b>					
Agricultural Bank of China	1288 HK	Add	3.13	4.20	169,303	4.7	4.4	5.2%	0.57	12.6%	2.5	6.4%					
Bank of China	3988 HK	Add	3.11	4.30	141,501	4.5	4.3	5.6%	0.50	11.5%	2.4	7.1%					
Bank of Communications	3328 HK	Add	5.07	6.70	52,482	4.5	4.3	7.1%	0.49	11.3%	2.3	6.9%					
China CITIC Bank	998 HK	Add	4.08	7.00	34,774	3.8	3.4	11.5%	0.41	11.3%	1.4	6.9%					
China Construction Bank	939 HK	Add	6.32	8.10	204,087	5.4	5.1	6.0%	0.68	13.2%	2.9	5.6%					
China Merchants Bank	3968 HK	Add	37.20	52.90	124,308	9.3	7.9	17.9%	1.47	16.9%	4.6	3.2%					
China Minsheng Bank	1988 HK	Add	5.38	6.30	35,257	4.0	3.7	8.3%	0.47	12.4%	1.7	7.6%					
ICBC	1398 HK	Add	5.34	6.20	267,340	5.6	5.3	5.6%	0.70	13.1%	3.0	5.5%					
<b>Hong Kong average</b>						<b>5.3</b>	<b>5.0</b>	<b>7.2%</b>	<b>0.65</b>	<b>12.8%</b>	<b>2.7</b>	<b>5.8%</b>					
Bank Central Asia	BBCA IJ	Add	32,100	34,700	56,774	27.3	24.2	13.2%	4.59	17.7%	19.4	1.2%					
Bank Danamon	BDMN IJ	Hold	3,380	4,200	2,370	11.3	7.5	-	0.75	6.7%	4.5	3.1%					
Bank Rakyat Indonesia	BBRI IJ	Hold	4,480	4,200	39,641	15.9	14.2	10.9%	2.71	17.8%	9.7	2.8%					
Bank Tabungan Negara	BBTN IJ	Add	1,795	2,300	1,364	90.8	8.3	7.8%	0.80	0.9%	4.9	0.2%					
Bank Tabungan Pensiunan	BTPN IJ	Hold	2,850	3,200	1,666	8.2	9.4	-	0.69	9.3%	4.1	0.0%					
<b>Indonesia average</b>						<b>20.5</b>	<b>17.6</b>	<b>-</b>	<b>2.98</b>	<b>15.3%</b>	<b>12.5</b>	<b>1.8%</b>					
Affin Bank Berhad	ABANK MK	Hold	1.80	1.88	846	7.3	7.3	-1.5%	0.39	5.4%	5.0	2.7%					
Alliance Bank Malaysia Berhad	ABMB MK	Hold	2.28	2.53	835	8.0	7.5	-2.0%	0.59	7.6%	4.3	5.6%					
AMMB Holdings	AMM MK	Add	3.78	4.48	2,695	8.0	7.9	2.0%	0.62	8.1%	5.9	5.0%					
BIMB Holdings	BIMB MK	Hold	3.75	4.23	1,591	8.3	8.8	2.8%	1.15	14.4%	4.2	4.5%					
Hong Leong Bank	HLBK MK	Hold	15.18	16.10	7,787	12.1	11.6	4.1%	1.21	10.5%	11.8	3.3%					
Malayan Banking Bhd	MAY MK	Hold	8.33	8.54	22,161	11.3	11.8	-1.5%	1.15	10.3%	7.0	7.7%					
Public Bank Bhd	PBK MK	Add	17.20	22.60	15,802	12.1	12.0	-0.3%	1.53	12.9%	9.2	4.2%					
RHB Bank Bhd	RHBBANK MK	Add	5.58	6.42	5,295	8.9	8.8	4.9%	0.89	10.2%	6.0	3.9%					
<b>Malaysia average</b>						<b>11.1</b>	<b>10.9</b>	<b>1.3%</b>	<b>1.14</b>	<b>10.4%</b>	<b>7.6</b>	<b>4.8%</b>					
Bangkok Bank	BBL TB	Add	128.0	187.0	7,667	6.8	6.8	4.0%	0.57	8.2%	3.1	5.1%					
Bank of Ayudhya	BAY TB	Hold	25.0	41.0	5,770	6.9	6.3	9.5%	0.71	10.5%	2.9	4.8%					
Kasikornbank	KBANK TB	Add	115.5	178.0	8,609	7.1	7.6	3.5%	0.68	9.5%	3.1	3.5%					
Krung Thai Bank	KTB TB	Hold	14.3	18.2	6,271	6.7	6.5	6.5%	0.62	9.1%	3.0	5.7%					
Thanachart Capital	TCAP TB	Hold	53.5	56.6	1,905	8.4	7.9	4.7%	0.88	10.6%	2.7	4.9%					
Tisco Financial Group	TISCO TB	Hold	99.8	100.0	2,506	11.0	11.3	2.5%	2.04	18.1%	8.2	7.8%					
<b>Thailand average</b>						<b>7.2</b>	<b>7.1</b>	<b>5.3%</b>	<b>0.68</b>	<b>9.5%</b>	<b>3.2</b>	<b>4.9%</b>					

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Maybank's Quarterly profit and loss statements**

	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Remarks for 4QFY19
FYE June (RM m)	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY20	
Interest income	5,518.5	5,729.9	5,865.2	6,080.1	6,034.5	6,019.3	6,138.6	5,915.9	
Interest expense	(2,498.5)	(2,769.9)	(2,880.5)	(2,971.8)	(3,080.9)	(3,121.7)	(2,978.6)	(2,832.0)	
Net interest income	3,020.0	2,960.0	2,984.7	3,108.3	2,953.6	2,897.6	3,160.0	3,083.9	
Non-interest income	1,448.6	1,498.3	1,305.5	1,724.5	1,409.9	1,589.2	1,843.7	1,823.6	
Islamic banking income (IBI)	1,348.0	1,360.1	1,403.7	1,499.9	1,496.6	1,402.9	1,494.6	1,585.5	
Total income	5,816.6	5,818.4	5,693.9	6,332.7	5,860.1	5,889.7	6,498.3	6,493.0	
Overhead expenses	(2,767.5)	(2,678.8)	(2,698.8)	(3,100.1)	(2,807.6)	(2,821.7)	(2,963.6)	(2,969.1)	
Pre-provision profit	3,049.1	3,139.6	2,995.1	3,232.6	3,052.5	3,068.0	3,534.7	3,523.9	
Loan loss provisions (LLP)	(509.3)	(582.1)	(418.5)	(81.4)	(604.0)	(391.6)	(958.0)	(333.9)	
Associates' contrib and others	8.5	32.5	31.8	25.5	(33.3)	35.8	48.5	38.7	
Others	8.4	19.6	31.2	(81.0)	35.3	(60.6)	23.1	34.9	
Exceptional items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Pretax profit	2,556.7	2,609.6	2,639.6	3,095.7	2,450.5	2,651.6	2,648.3	3,263.6	
Tax	(657.2)	(614.6)	(628.8)	(644.8)	(575.6)	(663.5)	(603.4)	(695.7)	
Tax rate (%)	25.7	23.6	23.8	20.8	23.5	25.0	22.8	21.3	
Minority interests	(28.5)	(35.9)	(53.9)	(124.5)	(65.6)	(47.2)	(46.1)	(118.8)	
<b>Net profit</b>	<b>1,871.0</b>	<b>1,959.0</b>	<b>1,956.9</b>	<b>2,326.4</b>	<b>1,809.3</b>	<b>1,940.9</b>	<b>1,998.8</b>	<b>2,449.1</b>	
EPS (sen)	17.3	17.9	17.9	21.1	16.4	17.5	17.8	21.8	
<b>yoy growth (%)</b>									
Interest income	1.7%	4.0%	5.5%	9.4%	9.4%	5.1%	4.7%	-2.7%	
Interest expense	4.4%	12.1%	14.9%	17.1%	23.3%	12.7%	3.4%	-4.7%	
Net interest income	-0.5%	-2.5%	-2.3%	2.8%	-2.2%	-2.1%	5.9%	-0.8%	Flattish yoy due to margin contraction.
Non-interest income	13.1%	-3.5%	-17.4%	-3.6%	-2.7%	6.1%	41.2%	5.7%	Lower insurance income.
Islamic banking income (IBI)	11.0%	13.7%	11.9%	21.4%	11.0%	3.1%	6.5%	5.7%	
Total income	5.2%	0.6%	-3.3%	4.7%	0.7%	1.2%	14.1%	2.5%	A weak growth.
Overhead expenses	-0.4%	-3.2%	-6.2%	6.4%	1.4%	5.3%	9.8%	-4.2%	Tight cost control.
Pre-provision profit	10.8%	4.1%	-0.5%	3.2%	0.1%	-2.3%	18.0%	9.0%	Wider jaws due to lower overheads.
Loan loss provisions (LLP)	-6.1%	-29.9%	8.3%	-59.3%	18.6%	-32.7%	128.9%	310.2%	A yoy jump from a low base a year ago.
Associates' contrib and others	-79.4%	-49.5%	-58.5%	-20.8%	-491.8%	10.1%	52.5%	51.8%	
Others	-	-	-	-	-	-	-	-	
Exceptional items	-	-	-	-	-	-	-	-	
Pretax profit	13.7%	16.3%	-1.4%	5.8%	-4.2%	1.6%	0.3%	5.4%	
Tax	30.4%	18.1%	4.5%	-4.5%	-12.4%	7.9%	-4.0%	7.9%	
Tax rate (%)	14.7%	1.6%	6.0%	-9.7%	-8.6%	6.2%	-4.4%	2.3%	
Minority interests	-32.6%	-45.3%	9.6%	4.7%	130.2%	31.4%	-14.5%	-4.6%	
<b>Net profit</b>	<b>9.9%</b>	<b>18.1%</b>	<b>-3.5%</b>	<b>9.1%</b>	<b>-3.3%</b>	<b>-0.9%</b>	<b>2.1%</b>	<b>5.3%</b>	Driven by wider jaws.
EPS (sen)	3.4%	11.7%	-9.8%	5.8%	-5.4%	-2.7%	-0.6%	3.5%	
<b>Key ratios (%)</b>									
Annualised ROE	10.4%	10.9%	10.8%	12.5%	9.6%	10.3%	10.5%	12.5%	
Annualised ROA	1.0%	1.0%	1.0%	1.2%	0.9%	1.0%	1.0%	1.2%	
Annualised net interest margin	2.39%	2.27%	2.30%	2.38%	2.30%	2.19%	2.32%	2.29%	A 9bp yoy contraction.
Non-interest income ratio	24.9%	25.8%	22.9%	27.2%	24.1%	27.0%	28.4%	28.1%	
IBI over total revenue	23.2%	23.4%	24.7%	23.7%	25.5%	23.8%	23.0%	24.4%	
Cost-to-income ratio	47.6%	46.0%	47.4%	49.0%	47.9%	47.9%	45.6%	45.7%	A yoy improvement.
Annualised credit charge-off rate	0.42%	0.47%	0.34%	0.06%	0.48%	0.30%	0.74%	0.26%	Higher yoy.

SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 4: Maybank's Quarterly balance sheet**

(RM m)	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Remarks for Dec 19
Cash and short-term funds	40,933.5	55,025.1	49,289.8	40,381.6	48,450.0	46,469.1	
Deposits with other FI's	11,843.9	12,502.9	9,102.8	9,809.2	11,262.0	14,093.2	
Securities purchased under resale agreement	20,278.9	18,794.0	24,291.4	20,482.2	18,740.3	27,962.4	
Securities held-for-trading	12,246.5	15,205.2	15,904.1	18,134.8	22,877.3	20,370.9	
Securities available-for-sale (Dealing securities)	122,764.7	120,913.9	125,386.8	131,530.5	129,933.1	123,351.5	
Securities held-to-maturity (Investment securities)	27,368.5	27,069.3	28,654.5	29,198.1	35,455.2	34,784.5	
Loans, advances and financing	495,997.9	505,507.6	505,120.8	513,672.6	513,491.6	512,291.1	+1.3%
Other assets	23,980.0	18,413.0	21,647.4	21,996.7	29,985.9	22,491.5	
Intangible assets	6,488.6	6,718.3	6,704.6	6,843.2	6,898.3	6,836.5	
Statutory deposits	16,305.4	16,264.8	16,948.8	17,222.9	16,280.0	15,052.8	
Investment in associates	2,598.4	2,300.3	2,596.9	2,390.0	2,504.7	2,490.5	
Property and equipment	3,329.2	3,391.6	3,067.8	3,065.1	3,035.1	3,257.3	
Deferred tax assets	1,931.2	1,085.6	690.6	679.1	703.7	729.7	
Life , general takaful fund	3,706.0	3,800.1	3,826.2	4,256.2	4,333.3	4,232.1	
<b>TOTAL ASSETS</b>	<b>789,772.7</b>	<b>806,991.7</b>	<b>813,232.5</b>	<b>819,662.2</b>	<b>843,950.5</b>	<b>834,413.1</b>	
Deposits from customers	517,867.5	532,732.6	534,763.6	539,255.7	546,027.8	544,530.9	+2.2%
Investment account	18,769.0	23,565.1	22,800.3	21,652.8	20,138.5	20,737.7	
Deposits from other FI's	47,007.7	43,850.6	43,386.0	46,735.2	53,293.7	43,557.2	
Obligations on repurchase agreement securities	9,288.1	13,798.0	10,616.7	6,237.9	5,970.2	13,978.8	
Bill and acceptances payable	1,668.0	1,508.7	1,434.8	1,437.3	1,427.9	1,291.8	
Other liabilities	47,786.6	42,188.1	43,600.9	44,260.0	51,669.0	42,109.7	
Recourse obligations to loans sold to Cagamas	1,547.5	1,547.3	1,543.5	1,531.2	1,528.6	1,526.2	
Provision for taxation and zakat	1,102.2	395.8	302.1	109.7	111.5	187.1	
Deferred tax liabilities	778.7	498.0	614.2	919.8	1,153.5	878.3	
Subordinated obligations	42,056.6	42,317.1	45,681.8	46,129.2	50,066.4	50,660.5	
Life , general takaful fund liabilities	26,744.8	26,853.1	27,799.0	29,474.1	30,524.6	30,885.6	
Life , general takaful fund	0.0	0.0	0.0	0.0	0.0	0.0	
<b>TOTAL LIABILITIES</b>	<b>714,616.7</b>	<b>729,254.4</b>	<b>732,542.9</b>	<b>737,742.9</b>	<b>761,911.7</b>	<b>750,343.8</b>	
Share capital	45,828.4	46,747.5	46,747.4	48,280.9	48,280.4	48,280.4	
Reserves	27,044.5	28,582.7	31,453.5	31,154.7	31,020.6	33,290.6	
<b>Shareholders' funds</b>	<b>72,872.9</b>	<b>75,330.2</b>	<b>78,200.9</b>	<b>79,435.6</b>	<b>79,301.0</b>	<b>81,571.0</b>	
Minority Interest	2,283.0	2,407.1	2,488.7	2,483.7	2,737.9	2,498.3	
<b>TOTAL LIABILITIES AND SHF</b>	<b>789,772.6</b>	<b>806,991.7</b>	<b>813,232.5</b>	<b>819,662.2</b>	<b>843,950.6</b>	<b>834,413.1</b>	

SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 5: Maybank's breakdown of loans by purpose**

Loans (RM 'm)	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	Remarks for Dec 19
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	
Construction	15,834.1	16,078.4	15,733.3	16,857.5	17,296.0	17,381.2	
Residential mortgages	112,290.8	114,371.5	115,915.8	118,852.9	120,044.2	122,875.2	
Non-residential mortgages	39,217.1	39,220.9	39,561.7	40,516.6	40,412.8	40,553.3	
Purchase of securities	35,464.6	35,527.8	36,168.6	35,883.0	36,537.3	35,999.4	
Auto loans	66,422.5	66,604.9	66,848.0	67,850.8	67,982.7	68,239.6	
Purchase of fixed assets	5,463.0	4,818.8	4,710.8	4,492.7	4,281.0	4,163.7	
Personal use	10,769.8	10,820.0	10,650.2	10,727.6	10,732.5	10,889.9	
Credit card	9,240.9	9,534.1	9,249.7	9,323.3	9,431.3	9,745.4	
Purchase of consumer durables	9.8	10.9	10.6	10.0	9.9	9.9	
Working capital	163,753.8	170,484.2	167,884.6	172,124.0	170,140.1	168,019.6	
Others	49,252.4	49,862.3	50,154.6	48,940.1	48,165.1	45,610.3	
<b>TOTAL</b>	<b>507,718.8</b>	<b>517,333.8</b>	<b>516,887.9</b>	<b>525,578.5</b>	<b>525,032.9</b>	<b>523,487.5</b>	
<b>Sectoral breakdown of loans (%)</b>							
Construction	3.1%	3.1%	3.0%	3.2%	3.3%	3.3%	
Residential mortgages	22.1%	22.1%	22.4%	22.6%	22.9%	23.5%	
Non-residential mortgages	7.7%	7.6%	7.7%	7.7%	7.7%	7.7%	
Purchase of securities	7.0%	6.9%	7.0%	6.8%	7.0%	6.9%	
Auto loans	13.1%	12.9%	12.9%	12.9%	12.9%	13.0%	
Purchase of fixed assets	1.1%	0.9%	0.9%	0.9%	0.8%	0.8%	
Personal use	2.1%	2.1%	2.1%	2.0%	2.0%	2.1%	
Credit card	1.8%	1.8%	1.8%	1.8%	1.8%	1.9%	
Purchase of consumer durables	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Working capital	32.3%	33.0%	32.5%	32.7%	32.4%	32.1%	Biggest loan segment
Others	9.7%	9.6%	9.7%	9.3%	9.2%	8.7%	
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>yoy growth rate</b>							
Construction	-8.0%	-4.1%	-1.7%	2.3%	9.2%	8.1%	
Residential mortgages	7.1%	7.6%	7.6%	8.0%	6.9%	7.4%	A qoq improvement in growth.
Non-residential mortgages	-5.5%	-3.8%	-2.3%	4.3%	3.0%	3.4%	
Purchase of securities	5.6%	4.6%	4.8%	2.3%	3.0%	1.3%	
Auto loans	5.4%	3.8%	4.5%	4.3%	2.3%	2.5%	Stable growth.
Purchase of fixed assets	-12.9%	-18.1%	-18.7%	-16.9%	-21.6%	-13.6%	
Personal use	1.9%	4.3%	2.0%	1.3%	-0.3%	0.6%	
Credit card	8.2%	4.0%	3.5%	2.9%	2.1%	2.2%	
Purchase of consumer durables	75.0%	137.0%	8.2%	0.6%	1.0%	-9.2%	
Working capital	5.8%	6.4%	6.3%	4.9%	3.9%	-1.4%	A yoy contraction.
Others	8.3%	8.0%	5.3%	2.7%	-2.2%	-8.5%	
<b>TOTAL</b>	<b>4.5%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.6%</b>	<b>3.4%</b>	<b>1.2%</b>	Dragged down by lower working capital loans.

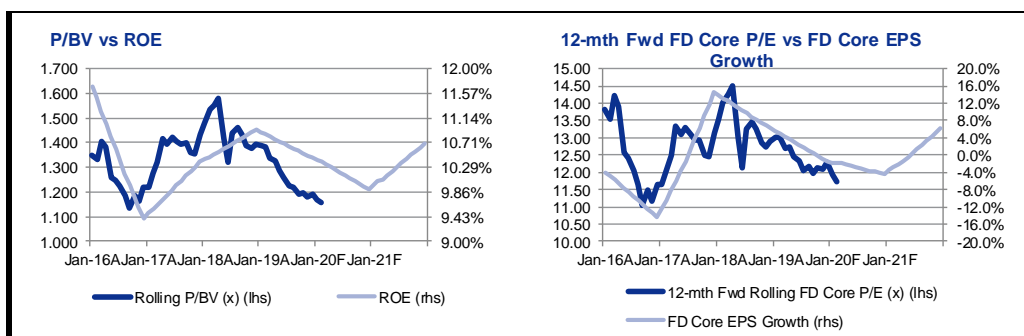
SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 6: Geographical breakdown of loans (by country)**

Loans (RM 'm)	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	Remarks for Dec 19
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	
Malaysia	295,742.5	301,734.8	302,052.9	305,662.6	310,802.5	316,953.2	
Singapore	128,686.0	130,263.2	130,206.9	132,700.6	128,251.2	125,228.0	
Labuan Offshore	17,640.0	17,829.1	17,058.5	17,587.5	16,581.2	14,843.0	
USA	926.9	888.9	905.0	1,156.3	1,250.7	1,291.2	
UK	1,776.4	1,627.2	991.1	997.8	944.8	940.4	
Hong Kong	8,026.2	8,824.2	8,760.6	10,116.0	10,663.2	10,027.8	
Brunei	637.9	624.8	613.4	618.6	587.5	583.4	
Vietnam	1,197.5	1,075.5	1,334.8	1,182.6	1,140.6	1,218.5	
Cambodia	2,515.7	2,436.4	2,513.7	2,586.8	2,823.6	2,826.6	
Papua New Guinea	0.0	0.0	0.0	0.0	0.0	0.0	
Philippines	6,112.1	6,143.1	5,808.6	6,089.1	6,070.7	5,903.1	
Indonesia	38,006.2	39,792.9	40,554.4	41,006.5	39,729.3	37,688.0	
Bahrain	0.0	0.0	0.0	0.0	0.0	0.0	
China	4,408.2	4,050.0	4,122.1	4,192.5	4,119.2	4,055.0	
Thailand	1,566.8	1,592.7	1,569.8	1,279.2	1,711.5	1,605.4	
Laos	145.1	149.4	148.5	139.3	103.0	82.1	
Myanmar	327.3	297.5	243.7	259.1	253.9	241.8	
Others	4.0	4.0	3.9	4.0	0.0	0.0	
<b>TOTAL</b>	<b>507,718.8</b>	<b>517,333.7</b>	<b>516,887.9</b>	<b>525,578.5</b>	<b>525,032.9</b>	<b>523,487.5</b>	
<b>Breakdown of loans (%) over total</b>							
Malaysia	58.2%	58.3%	58.4%	58.2%	59.2%	60.5%	Up yoy.
Singapore	25.3%	25.2%	25.2%	25.2%	24.4%	23.9%	Down yoy.
Labuan Offshore	3.5%	3.4%	3.3%	3.3%	3.2%	2.8%	
USA	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	
UK	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	
Hong Kong	1.6%	1.7%	1.7%	1.9%	2.0%	1.9%	
Brunei	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Vietnam	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%	
Cambodia	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
Papua New Guinea	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Philippines	1.2%	1.2%	1.1%	1.2%	1.2%	1.1%	
Indonesia	7.5%	7.7%	7.8%	7.8%	7.6%	7.2%	Down yoy.
Bahrain	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
China	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	
Thailand	0.3%	0.3%	0.3%	0.2%	0.3%	0.3%	
Laos	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Myanmar	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	
Others	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	
<b>% yoy growth</b>							
Malaysia	4.8%	4.4%	3.3%	4.0%	5.1%	5.0%	Above the industry's growth of 3.9%.
Singapore	4.6%	4.7%	5.7%	5.3%	-0.3%	-3.9%	A wider yoy contraction.
Labuan Offshore	26.0%	23.1%	2.1%	-0.3%	-6.0%	-16.7%	
USA	3.4%	9.3%	3.6%	36.7%	34.9%	45.3%	
UK	8.1%	-3.9%	-42.2%	-41.1%	-46.8%	-42.2%	
Hong Kong	-1.5%	2.9%	16.2%	14.5%	32.9%	13.6%	
Brunei	-4.1%	-5.4%	-1.8%	-1.7%	-7.9%	-6.6%	
Vietnam	35.3%	24.9%	66.2%	36.4%	-4.8%	13.3%	
Cambodia	5.5%	7.6%	16.5%	10.2%	12.2%	16.0%	
Papua New Guinea	-	-	-	-	-	-	
Philippines	8.3%	4.8%	4.8%	4.2%	-0.7%	-3.9%	
Indonesia	-4.3%	2.0%	13.5%	10.2%	4.5%	-5.3%	A yoy contraction.
Bahrain	-100.0%	-100.0%	-100.0%	-100.0%	-	-	
China	-5.1%	-1.2%	2.4%	-1.4%	-6.6%	0.1%	
Thailand	4.0%	5.1%	-4.5%	-22.5%	9.2%	0.8%	
Laos	1.8%	10.7%	15.1%	1.3%	-29.0%	-45.0%	
Myanmar	100.6%	500.0%	-16.5%	600.0%	-22.4%	700.0%	
Others	-90.2%	-89.8%	-4.9%	-6.6%	-100.0%	-100.0%	
<b>TOTAL</b>	<b>4.5%</b>	<b>4.8%</b>	<b>4.8%</b>	<b>4.6%</b>	<b>3.4%</b>	<b>1.2%</b>	A contraction in loans in Singapore and Indonesia.

SOURCES: CGS-CIMB, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Net Interest Income	12,073	12,095	12,538	12,669	12,929
Total Non-Interest Income	11,589	12,646	13,274	14,572	15,833
<b>Operating Revenue</b>	<b>23,662</b>	<b>24,741</b>	<b>25,812</b>	<b>27,241</b>	<b>28,762</b>
Total Non-Interest Expenses	(11,246)	(11,562)	(12,486)	(13,181)	(13,895)
<b>Pre-provision Operating Profit</b>	<b>12,416</b>	<b>13,179</b>	<b>13,326</b>	<b>14,060</b>	<b>14,867</b>
Total Provision Charges	(1,591)	(2,288)	(2,814)	(3,027)	(3,515)
<b>Operating Profit After Provisions</b>	<b>10,825</b>	<b>10,891</b>	<b>10,512</b>	<b>11,033</b>	<b>11,352</b>
Pretax Income/(Loss) from Assoc.	98	158	171	185	199
<b>Operating EBIT (incl Associates)</b>	<b>10,923</b>	<b>11,050</b>	<b>10,683</b>	<b>11,217</b>	<b>11,551</b>
Non-Operating Income/(Expense)	(22)	(36)	(259)	(139)	120
<b>Profit Before Tax (pre-EI)</b>	<b>10,901</b>	<b>11,014</b>	<b>10,424</b>	<b>11,078</b>	<b>11,671</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>10,901</b>	<b>11,014</b>	<b>10,424</b>	<b>11,078</b>	<b>11,671</b>
Taxation	(2,545)	(2,538)	(2,397)	(2,548)	(2,684)
Consolidation Adjustments & Others					
Exceptional Income - post-tax	0	0	0	0	0
<b>Profit After Tax</b>	<b>8,356</b>	<b>8,476</b>	<b>8,026</b>	<b>8,530</b>	<b>8,987</b>
Minority Interests	(243)	(278)	(120)	(128)	(135)
Pref. & Special Div	0	0	0	0	0
FX And Other Adj.	0	0	0	0	0
<b>Net Profit</b>	<b>8,113</b>	<b>8,198</b>	<b>7,906</b>	<b>8,402</b>	<b>8,852</b>
Recurring Net Profit	8,113	8,198	7,906	8,402	8,852

### Balance Sheet Employment

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Gross Loans/Cust Deposits	93.0%	92.6%	91.6%	91.5%	91.9%
Avg Loans/Avg Deposits	93.4%	92.8%	92.1%	91.6%	91.7%
Avg Liquid Assets/Avg Assets	31.4%	32.5%	33.5%	33.8%	33.5%
Avg Liquid Assets/Avg IEAs	33.2%	34.3%	35.4%	35.6%	35.4%
Net Cust Loans/Assets	62.8%	61.5%	60.9%	61.0%	61.5%
Net Cust Loans/Broad Deposits	83.4%	82.8%	81.2%	80.6%	80.6%
Equity & Provs/Gross Cust Loans	16.5%	17.5%	16.5%	16.2%	15.8%
Asset Risk Weighting	46.4%	47.9%	47.2%	47.6%	47.4%
Provision Charge/Avg Cust Loans	0.43%	0.70%	0.45%	0.46%	0.50%
Provision Charge/Avg Assets	0.278%	0.443%	0.282%	0.286%	0.315%
Total Write Offs/Average Assets	(0.013%)	0.340%	0.266%	0.220%	0.226%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Gross Loans	533,867	551,220	559,671	584,816	616,804
Liquid Assets & Invst. (Current)	184,916	203,166	213,404	220,532	228,486
Other Int. Earning Assets	0	0	0	0	0
<b>Total Gross Int. Earning Assets</b>	<b>718,783</b>	<b>754,386</b>	<b>773,076</b>	<b>805,348</b>	<b>845,290</b>
Total Provisions/Loan Loss Reserve	(10,240)	(10,056)	(10,910)	(12,306)	(14,047)
<b>Total Net Interest Earning Assets</b>	<b>708,543</b>	<b>744,330</b>	<b>762,166</b>	<b>793,042</b>	<b>831,243</b>
Intangible Assets	6,718	6,837	6,837	6,837	6,837
Other Non-Interest Earning Assets	36,716	36,790	39,248	40,601	42,105
<b>Total Non-Interest Earning Assets</b>	<b>43,434</b>	<b>43,626</b>	<b>46,084</b>	<b>47,437</b>	<b>48,942</b>
<b>Cash And Marketable Securities</b>	<b>55,025</b>	<b>46,469</b>	<b>58,864</b>	<b>63,086</b>	<b>62,936</b>
Long-term Investments	0	0	0	0	0
<b>Total Assets</b>	<b>807,002</b>	<b>834,425</b>	<b>867,114</b>	<b>903,565</b>	<b>943,120</b>
Customer Interest-Bearing Liabilities	556,298	565,269	588,501	615,539	646,791
Bank Deposits	51,826	54,740	62,171	67,992	73,101
Interest Bearing Liabilities: Others	59,646	67,466	67,869	68,534	69,342
<b>Total Interest-Bearing Liabilities</b>	<b>667,770</b>	<b>687,474</b>	<b>718,541</b>	<b>752,065</b>	<b>789,234</b>
Bank's Liabilities Under Acceptances	3,056	2,818	2,840	2,985	3,157
Total Non-Interest Bearing Liabilities	58,428	60,051	65,122	66,789	67,794
<b>Total Liabilities</b>	<b>729,254</b>	<b>750,344</b>	<b>786,503</b>	<b>821,839</b>	<b>860,185</b>
<b>Shareholders' Equity</b>	<b>75,330</b>	<b>81,571</b>	<b>77,988</b>	<b>78,971</b>	<b>80,043</b>
Minority Interests	2,407	2,498	2,623	2,754	2,892
<b>Total Equity</b>	<b>77,737</b>	<b>84,069</b>	<b>80,611</b>	<b>81,726</b>	<b>82,935</b>

### Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Income Growth	1.82%	4.56%	4.33%	5.54%	5.58%
Operating Profit Growth	4.24%	6.15%	1.12%	5.51%	5.74%
Pretax Profit Growth	7.95%	1.03%	(5.36%)	6.28%	5.35%
Net Interest To Total Income	51.0%	48.9%	48.6%	46.5%	45.0%
Cost Of Funds	1.11%	1.19%	0.84%	0.79%	0.79%
Return On Interest Earning Assets	3.12%	3.10%	2.79%	2.70%	2.67%
Net Interest Spread	2.01%	1.91%	1.95%	1.91%	1.88%
Net Interest Margin (Avg Deposits)	2.23%	2.16%	2.17%	2.10%	2.05%
Net Interest Margin (Avg RWA)	3.22%	3.13%	3.10%	3.02%	2.95%
Provisions to Pre Prov. Operating Profit	12.8%	17.4%	21.1%	21.5%	23.6%
Interest Return On Average Assets	1.54%	1.47%	1.47%	1.43%	1.40%
Effective Tax Rate	23.3%	23.0%	23.0%	23.0%	23.0%
Net Dividend Payout Ratio	77.7%	70.0%	70.0%	70.0%	70.0%
Return On Average Assets	1.03%	1.00%	0.93%	0.95%	0.96%

### Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Loan Growth (%)	4.8%	1.2%	3.0%	4.5%	5.5%
Net Interest Margin (%)	1.6%	1.6%	1.6%	1.5%	1.5%
Non Interest Income Growth (%)	4.5%	9.1%	5.0%	9.8%	8.7%
Cost-income Ratio (%)	47.5%	46.7%	48.4%	48.4%	48.3%
Net NPL Ratio (%)	2.4%	2.6%	3.1%	3.3%	3.5%
Loan Loss Reserve (%)	82.0%	72.6%	65.9%	65.9%	68.5%
GP Ratio (%)	0.8%	0.6%	0.7%	0.7%	0.7%
Tier 1 Ratio (%)	16.0%	18.5%	16.9%	16.6%	16.4%
Total CAR (%)	28.2%	31.9%	29.9%	29.0%	28.3%
Deposit Growth (%)	5.6%	1.6%	4.1%	4.6%	5.1%
Loan-deposit Ratio (%)	91.2%	90.8%	89.8%	89.5%	89.7%
Gross NPL Ratio (%)	2.4%	2.6%	3.1%	3.3%	3.5%
Fee Income Growth (%)	-5.8%	0.4%	15.3%	7.5%	6.8%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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<b>Description:</b>	Excellent	Very Good	Good	N/A	

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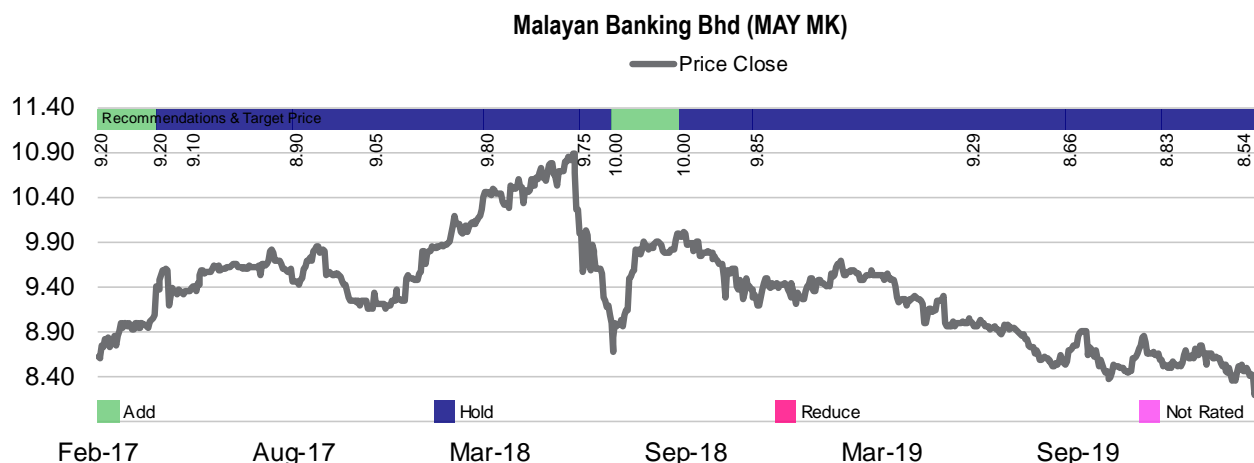
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2019		
798 companies under coverage for quarter ended on 31 December 2019		
	Rating Distribution (%)	Investment Banking clients (%)
Add	61.4%	0.0%
Hold	25.2%	0.0%
Reduce	13.4%	0.0%

Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2019, Anti-Corruption 2019**

**ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, n/a, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** – Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** – Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TNR** – Very Good, Certified, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)

**Recommendation Framework****Stock Ratings**

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

**Sector Ratings**

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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