RATING METHODOLOGY

SOVEREIGN RATINGS

INTRODUCTION

This rating methodology sets out MARC's approach to assigning ratings to sovereign governments. However, given MARC's focus on providing domestic credit ratings, it is envisaged that this methodology will be principally employed in assigning national-scale issuer and issue ratings to sovereign governments issuing debt securities in the local market. This methodology may also be used to establish country ceilings that will act as caps on MARC's issue ratings of other entities domiciled in those countries as warranted by circumstances.

MARC's national-scale sovereign issuer ratings provide an indication of the creditworthiness of sovereign governments relative to other domestic and foreign issuers in MARC's rating universe. Likewise, MARC's national-scale sovereign debt ratings reflect assessments of the likelihood of full and timely payment of specific obligations relative to other obligations in MARC's rating universe. Foreign-currency convertibility and transfer risk considerations will be embodied in the issuer and issue ratings assigned to foreign governments, as the assigned ratings are intended to represent the equivalent of foreign-currency ratings on a national scale.

Contacts:

Quah Boon Huat
Senior Economist
boonhuat@marc.com.my

Firdaos Rosli
Chief Economist
firdaos@marc.com.my

+603 2717 2900
www.marc.com.my

THE RATING APPROACH

The rating of sovereign governments involves an analysis of relevant quantitative and qualitative factors. The quantitative analysis is dominated by macroeconomic analysis, which includes an analysis of the country's economic strength and prospects, its fiscal sustainability and the sovereign's debt burden. Data for this analysis is often readily available from the relevant central bank and/or government entities such as the Ministry of Finance or the entity responsible for collating and disseminating official statistics. Where readily available, MARC also obtains data and information from credible international entities such as the International Monetary Fund, the World Bank and the Asian Development Bank.

Qualitative analysis, on the other hand, is far more complex. It requires an in-depth understanding of the sovereign's history, demographics, political and international environment and socio-economic trends. A sovereign credit rating is not only an assessment of the sovereign's ability to pay, which is covered by the quantitative analysis, but it is also an assessment of a sovereign government's willingness to repay in a full and timely manner. Ascertaining the willingness to pay would require drawing inferences to a sovereign government's motivations, which can be influenced by multiple factors that at times may not be readily determined.

Although the structure of the economy and its prospects, along with the sustainability of public finances, are the main drivers of the rating, no single quantitative or qualitative factor has an overriding effect on MARC's assessment of the sovereign's rating. Instead, the eventual rating is a result of an interaction of multiple factors, which, depending on the unique circumstances surrounding each sovereign, can gain prominence over other factors. MARC's analysis would typically focus on the following:

1. Economic Strength
2. Fiscal Sustainability
3. Debt and Contingent Liability Management
4. Monetary and Exchange Rate Management
5. Financial Sector Resilience
6. Political, Institutional and Social Stability

The policy responses of sovereign governments to counter the impact of economic cycles may at times result in weaker public and/or external finances. In assigning its sovereign credit ratings, MARC's main focus is on the structural issues impacting the credit fundamentals of a sovereign government rather than on transitory changes in creditworthiness brought about as a result of economic cycles. This focus on structural issues is consistent with MARC's approach of assigning credit ratings 'through the economic cycle' rather than 'at a point in time'. At the same time, MARC's sovereign rating attempts to measure the shock absorption capacity of a country, in particular its resilience to large external shocks.

ECONOMIC STRENGTH

The economic strength of a country is the primary determinant of a sovereign's ability to generate sufficient revenues to discharge its debt commitments. MARC's analysis would, among others, focus on the main drivers of economic activity and their prospects, economic integration at the regional and global levels as well as the economic policy planning and implementation framework in the country and its effectiveness.

Drivers of Economic Activity and Growth

The main drivers of economic activity and their general resilience to changes in local and global developments are a key determinant of economic growth. An open economy engenders a high dependence on global and regional markets. MARC would analyse the contribution of each type of economic activity towards national gross domestic product (GDP), their historical trends and future prospects.

Historical considerations aside, the future prospects of an economy are more crucial as they are strongly correlated with the future debt-servicing ability of the sovereign. In general, a diverse economy with a variety of economic activities is likely to be more resilient across economic cycles than an economy that is dependent on a few key sectors. This is especially true for countries that exhibit a high level of dependence on specific sectors such as commodity exports, which can be impacted by a price decline in global markets, or tourism, which can be impacted by fears of communicable diseases, terrorist attacks or natural disasters. MARC performs a review of the evolution of a country's economic structure and changes in GDP composition over time. For instance, a sustained high or increasing share of GDP accounted by the non-tradable interest rate-sensitive real estate and construction sectors and a loss of competitiveness in traditional economic sectors would warrant rating concern in the absence of mitigating measures to rebalance the economy.

At the same time, a sustainable competitive advantage in a particular sector can also be an important driver of economic activity for a country. A strong national competence, say in the supply of a scarce natural resource (e.g. crude oil and Abu Dhabi) or say the manufacturing of high-technology products (e.g. electronics and South Korea) are generally credit positives, especially when such competence is supplemented by fairly robust activities in other sectors that can mitigate any demand downswings in key sectors. MARC also examines the country's external competitiveness where this is believed to have meaningful long-term implications for its GDP growth. This could be an important consideration for open economies and/or economies which possess a large export sector.

External competitiveness is usually influenced by the quality of human capital, tax and the regulatory environment, infrastructure and the supportiveness of the financial sector. Structural reforms to boost productivity, increase flexibility in product and labour markets and promote competition would be an important rating consideration, where a loss of external competitiveness is judged to be an underlying reason for declining GDP growth.

The sustainability of economic growth is another key consideration. MARC is alert to factors which may limit growth such as low rates of domestic savings and investment, anaemic job creation, high inflation expectations, falling foreign investment and consumer and business confidence. MARC would focus on economic growth measured in nominal terms as well as in real terms. The measurement in real terms is essential in certain high-inflation countries, where the actual magnitude of underlying growth can be overstated if growth is measured only in nominal terms.

Apart from absolute GDP numbers, MARC would also look at per capita GDP numbers as an indicator of the country's economic development, living standards and productivity levels. In general, although not always, a high level of per capita income would indicate a focus on high value-added services and manufacturing. A growing economy with a more equitable distribution of income is likely to be able to better withstand shocks than a country with a weak or stagnant economy. The unemployment rate also provides an indication of economic strength.

Economic Policy Formulation and Consistency

MARC will also attempt to ascertain the coherence and consistency with which the authorities attempt to set economic policies and priorities. Greater coherence and policy consistency, along with proper implementation, are generally associated with brighter economic prospects. Economic policy formulation that is transparent and open to public debate, at the very least to legislative deliberation is also viewed positively. MARC also looks at the authorities' ability to anticipate and flexibly respond to external shocks and emerging domestic macroeconomic imbalances.

FISCAL SUSTAINABILITY

Fiscal Management Policy Priorities

MARC's analysis of a sovereign's public finances addresses fiscal sustainability rather than the sovereign's 'point in time' fiscal position which is heavily influenced by cyclical factors. Fiscal policy can play a countercyclical role in some economies. During the 2008-09 global economic recession, governments across the globe have been observed to use a combination of fiscal and monetary policies to lessen the severity of the global economic downturn. MARC's focus on fiscal sustainability derives from our observations that the improvement in public finances which takes place against benign economic conditions often has the effect of reducing the urgency to address longer-term fiscal challenges and diluting the sovereign's commitment to financial discipline.

Rising revenues from commodity exports, especially for oil-rich sovereigns, can fuel inflationary pro-cyclical fiscal spending in response to surging oil prices. Sound fiscal management is warranted, therefore, to ensure significant surpluses generated during periods of high oil prices are used to build a strong fiscal buffer to defend the sovereign against price volatility.

Part of MARC's analysis is to gain an understanding of the constraints on fiscal policy and how they affect the sovereign's fiscal policy stance going forward. Increased competition for human and financial capital is likely to have an effect on a sovereign's ability to sustain or raise tax revenues while ongoing and projected shifts in demographics and growing income disparities may contribute to expenditure pressures. MARC looks at the sovereign's medium-term fiscal targets in addition to its current targets. This provides the rating agency an indication of the sovereign's commitment to fiscal sustainability as well as the likely direction of debt levels going forward.

Budgetary Analysis

A strong and resilient revenue base is viewed as a credit positive. For most sovereigns, taxation is the key revenue source. Other typical sources of sovereign revenue would include custom duties and levies, royalties and income generated by public enterprises. In this regard, a country with a broader tax and revenue base is likely to be better positioned than a country that is dependent on a narrower tax and revenue base.

Government expenditure can take the form of current operating expenses, capital expenses and debt-servicing commitments. MARC analyses the composition of government expenditure, paying close attention to its discretionary and non-discretionary components. Over the short term, governments typically have limited flexibility to control operating expenses such as public-sector salaries, healthcare and age-related spending.

Such spending cuts are viewed unfavourably from the social as well as political perspectives. On the other hand, capital expenses may be used to lay foundations for future growth and to strengthen long-term competitiveness. The diminished investments in economic or social infrastructure may impact future economic output.

From an analytical standpoint, a key focus area would be the primary balance, which is computed by subtracting non-debt expenditure from revenue. The primary balance is a key indicator of fiscal flexibility as it is viewed as something which the government can control, if it has the political resolve to do so. The overall fiscal balance (budget surplus or deficit), which includes interest charges, better reflects the potential financing requirements for the year.

While a surplus budget is desirable from a creditor's standpoint, it is seldom achieved in practice, especially in emerging markets with high levels of developmental expenditure. Therefore, a well-controlled and manageable budget deficit is still viewed favourably, especially when coupled with solid economic prospects that can ensure successful debt servicing.

Sovereigns that meet current expenses through borrowings or non-recurrent revenue sources such as asset disposals (typically done via privatisation exercises) are often viewed more negatively than those sovereigns that are able to cover their current expenses with current revenue.

MARC sees the likelihood of a future major fiscal correction as significantly higher for sovereigns that continue to incur large fiscal deficits and exhibit growing debt ratios over an extended period. Delaying fiscal adjustment for too long can be harmful and may predispose the sovereign to a fiscal crisis. Debt-laden sovereigns facing a deteriorating fiscal position and are eager to avert a fiscal crisis have been observed to announce deficit-reduction plans. MARC believes that the success of a long-term deficit-reduction plan depends in large part on:

- A combination of 'defensive' and 'offensive' elements in the plan (spending cuts may have to be combined with raising private-sector investment in infrastructure to strengthen future economic development);
- the conservativeness of the economic forecasts on which the plan is based;
- the sovereign's fiscal discipline and transparency;

- current deficit and debt levels; and
- the extent to which the plan signals a decisive commitment to fiscal sustainability.

MARC will assess the sustainability of fiscal consolidation efforts by monitoring the level of political and social tensions within the sovereign.

DEBT MANAGEMENT AND CONTINGENT LIABILITIES

Debt Management

The analysis of the public debt profile is important as it would indicate the future debt-servicing commitments of the sovereign as well as its financial flexibility; the latter is more relevant for foreign currency-denominated funding as a sovereign is generally expected to display greater ability to raise domestic-currency financing compared with foreign-currency financing. A sovereign which does not benefit from deep domestic capital markets would usually be more dependent on confidence-sensitive external financing. This would increase the sovereign's vulnerability to global financial market volatility.

The analysis of a sovereign's debt profile would include an analysis of absolute size, its maturity and redemption and affordability. All else being equal, a sovereign with an established track record for making full and timely repayments is likely to be rated higher, even if its debt burden is comparably higher than its peers. Debt that is deployed for augmenting productive capacity in the economy is viewed more favourably than debt that is geared to meet operating deficits or towards projects with negligible economic benefits; the latter is often raised to meet political priorities rather than economic priorities.

A more even debt redemption schedule is viewed favourably over a debt maturity profile with large maturities. Similarly, a shorter debt maturity can exert immediate repayment pressures and can predispose the sovereign to possible shock.

Debt affordability is another important consideration. In instances where interest payments exceed a sizable portion of a sovereign's revenues, the debt is likely to be unsustainable and a default of interest commitments likely in the event of a revenue shock. High debt-servicing commitments would reduce expenditure and fiscal flexibility.

Contingent Liabilities

Contingent liabilities can be committed contingent liabilities (such as explicit guarantees) or implied contingent liabilities that are not committed but are generally expected by stakeholders to materialise in the event of need.

Of particular focus are a sovereign's contingent liabilities on account of government-related enterprises. In some countries, such as in Singapore, government-related enterprises are actively involved in commercial operations and in the provision of essential services such as power distribution, transportation and telecommunication. Given the importance of these entities to the national economy, it is essential for the government to ensure their continued healthy operations, even at times of distress.

Where possible, MARC will factor into its analysis the contingent quantum of financial support that needs to be extended for these public-sector enterprises by the sovereign. At the same time, it is acknowledged that a sovereign could limit the erosion of its balance sheet by not taking on the entire debt burden of the troubled enterprises, but by sharing the burden of debt restructuring with the lenders.

MONETARY AND EXCHANGE RATE MANAGEMENT

Monetary and exchange rate management is a key policy area that could influence the prospects of an economy through the determination of interest rates and exchange rates. Given the nature of the monetary and exchange rate function, it is reasonably expected that such functions are independent from mainstream political decisions and typically conducted by an independent monetary authority or a central bank. The absence of an independent authority is generally viewed as a credit negative.

MARC recognises that monetary and exchange rate management may not be within the sovereign's arsenal of levers especially where it is a member of a monetary union. The challenges are usually compounded when there are divergences in the competitiveness, growth and inflation prospects of members in the union.

Interest Rate Management and Inflation

MARC looks at the trend in the sovereign's long-term interest rates and interest rate policy and the demonstrated commitment of its authorities to maintain financial equilibrium. As witnessed in certain sovereigns, excess domestic liquidity raises the risk of destabilising asset price appreciation, making it necessary for authorities to drain liquidity from the system and to raise key policy rates over time. At times, monetary support may be required from the authorities in the form of open-market operations and the lowering of reserve requirements to prevent a contraction of the domestic credit market, as was the case during the global financial crisis. High real interest rates could, under such circumstances, increase banking system asset quality pressures and dampen economic activity.

A high and uncontrolled rate of inflation will not only bring misery to a country's population by reducing their purchasing power, it will also impact investor confidence and affect a country's long-term prospects. MARC looks at the effectiveness of the authorities' use of key interest rates to combat rising inflation expectations.

Balance of Payments

The balance of payment (BOP) analysis would focus on both the current account balance as well as the overall BOP balance. The current account balance would indicate the flow of funds as a result of a country's core trade and private transactions. While a current account surplus is a credit strength, a current account deficit need not necessarily be a credit weakness if a country can offer evidence of its ability to sustain such deficits without any significant adverse economic effects. However, a persistently widening current account deficit may indicate severe domestic imbalances, susceptibility to a drop in export revenues or rise in import costs, or other factors that can raise credit concerns.

On the capital account side, foreign direct and portfolio investments also influence the overall BOP balance. Both foreign direct investments and portfolio investments do not generally exhibit the same degree of predictability as current account transactions. Therefore, the trend in such transactions and the underlying causes need to be ascertained, even if the overall BOP balance is on a positive trajectory. For instance, in an open capital account regime, foreign direct investments or capital investments, although may generate BOP surpluses over the short term, could eventually result in current account deficits when there is repatriation of profits and dividends.

Exchange Rate Stability

The ability of a sovereign government to intervene to stabilise its domestic currency is influenced by the availability of foreign currency reserves as well as the government's philosophy towards formulating and managing an exchange rate regime. A government with a well articulated policy is likely to be viewed more favourably than a government without an articulated policy in this regard.

A country with a free-floating and volatile exchange rate regime is likely to be the target of profit-oriented speculative attacks on the currency. Furthermore, a volatile exchange rate regime is also likely to negatively impact business decision-making by introducing uncertainty and increasing the cost of doing business. On the other extreme, a pegged exchange rate regime is likely to limit the monetary policy options for the local central bank through the importation of the monetary policy of the country to which the former's currency is pegged.

External Reserves

The availability of sufficient liquidity to cover external debt is an important consideration with the focus remaining on external reserves, export receipts, and access to external financing, including possible contingent claims from external sources.

The external reserve position of a country would indicate its ability to repay future foreign currency-denominated commitments as well as its ability to intervene in the foreign exchange market to ensure the relative stability of the domestic currency. Therefore a country with an adequate level of external reserves is viewed more favourably from a credit standpoint than a country that has a low level of external reserves. In this context, the adequacy of a country's reserves is judged in relation to its gross external financing needs.

Although not a credit strength on its own, access to international sources of financing on a bilateral or multilateral basis (e.g. the International Monetary Fund) can alleviate downward pressure that may otherwise be exerted on a sovereign's credit rating.

FINANCIAL SECTOR RESILIENCE

MARC's analysis of a sovereign would also include an analysis of the resilience of the country's financial sector, taking into account the size of the financial sector relative to the sovereign government's balance sheet as well as the effectiveness of banking supervision and regulation.

A weak financial system will not only increase the cost of financial intermediation and thereby hamper economic activity, but it will also create a contingent liability on the sovereign's financial resources, as evident during the global financial crisis. In fact, the recent crisis has clearly highlighted the importance of financial sector stability for economic stability. At the same time, several sovereigns have provided financial support for financial institutions, often even in the absence of any firm commitments to do so. These actions have, of course, had an impact on the financial position of the sovereigns. Therefore the stability of the financial sector is important not only for the country's economic prospects, but also to avoid any potential pressure on the sovereign's own creditworthiness.

MARC will typically assess the stability of a country's financial system through the analysis of key financial sector ratios and trends, as well as through the analysis of financial stability indicators compiled by credible international institutions such as the International Monetary Fund.

POLITICAL, INSTITUTIONAL AND SOCIAL STABILITY

The analysis of political, institutional and social stability entails a study of the political process in policy formulation, involvement of stakeholders, the effectiveness of policy implementation and the general socio-economic stability of a country.

Political Structure

While a democratic form of government is socially desirable, it need not always be the most efficient form of government from a credit standpoint. For instance, India is perhaps a good example of a country with strong democratic principles and institutions. However, political decision-making in India is often fraught with challenges that include convincing and securing the support of multiple political parties with often polarised agendas. This slows down decision-making and inevitably impacts implementation.

On the contrary, the politburo-controlled China or a monarchy such as Saudi Arabia are good examples of political systems where decision-making can be expedient and implementation swift as the locus of power rests with a few. That said, all else being equal, a democratic form of government and a multiparty political system are likely to improve the likelihood of greater checks and balances.

Participation of elected representatives (based on a popular mandate) in the political processes and transparency in economic policy decisions are credit strengths as it would institutionalise good governance. Also of concern is the smoothness with which leadership transitions can take place. This is especially a concern for monarchies, centrally planned or tightly controlled governments as well as countries run by coalition governments.

Rule of Law

The operation of an effective and just legal system is important to instil and protect business confidence. The ability to attract foreign portfolio and direct investments is especially contingent on a sound legal system where the rule of law is upheld and justice dispensed without fear or favour.

International Relations and Geo-political Stability

Although not typically a major rating factor, the state of international relations and geo-political stability can be crucial for certain countries that are located in politically sensitive geographic locations or have considerable domestic challenges such as insurgencies. Strong relations with friendly countries are likely to result in support for a country at times of geo-political tensions as well as during times of economic need.

Institutional Stability

The stability and predictability of a country's political and economic institutions along with transparency in political and economic decision-making are important considerations. The existence of civil institutions for independent policy advocacy and media freedom supports intellectual thinking, which in turn can support the creation of a knowledge-driven economy.

Another crucial factor in MARC's analysis is the ease of doing business in a jurisdiction. MARC would typically look at the ease of doing business index compiled by the World Bank and the global competitiveness index compiled by the World Economic Forum. Typically, a highly competitive and business-friendly economy is likely to foster entrepreneurship and attract foreign direct investments, which in turn can be a credit positive.

Social Stability

The existence of a solid socio-economic environment and infrastructure is generally supportive of a productive workforce that can generate a high level of economic activity. A high level of investment in social infrastructure such as education or key economic infrastructure would generally be viewed positively over the long term, although they may result in a higher debt burden in the short term.

The analysis of employment trends is important from not only an economic point of view, as it would influence the general resilience of an economy, but also from a social point of view. Apart from unemployment levels, MARC would also focus on under-employment levels, where such data is available. Countries with persistently high levels of unemployment are characterised by social ills such as crime and civil disturbances, which can, in turn, impact economic activity and general business confidence.

A steady rate of population growth is also essential for an economy to ensure adequate supply of labour to meet expanding economic activity. A low population growth rate can hamper a country's economic prospects as ageing adults with low productivity would tend to dominate the workforce. Furthermore, an ageing population will result in higher pension and healthcare costs in the future. On the other hand, an extremely high population growth rate would create pressure on socio-economic infrastructure such as healthcare and education as well as economic infrastructure such as roads, thereby lowering the population's standard of living.

For its analysis, MARC would also focus on human development indicators such as rates of literacy, infant mortality and life expectancy to gauge the quality of life in a country. A low level of infant mortality and high level of life expectancy would generally indicate a more resilient population than one that is characterised by a high level of infant mortality and low life expectancy. Similarly, a high literacy level would indicate a population that is more laterally and upwardly mobile and in general, more productive.

SUPPORT IN SOVEREIGN RATINGS

MARC does not typically expect to incorporate support assumptions into sovereign ratings. However, a sovereign which is a member of a monetary union along with members of differing economic strength may receive support from stronger members for fear of potential contagion effects on the entire monetary union. This was indeed manifested during the European sovereign debt crisis. In such instances, MARC would clearly spell out its opinion as to the likely nature of support, including any limitations to such support.

Typically, the receipt of support from other sovereign entities would result in an uplift from the sovereign's standalone rating. However, in rare instances where the support is factored based on a legally enforceable guarantee or credit enhancement of comparable strength, MARC may choose to equalise the rating of the supported sovereign with that of the sovereign extending support.

RATING SYMBOLS & DEFINITIONS
SOVEREIGN ISSUER CREDIT RATINGS

LONG-TERM RATINGS

AAA A sovereign rated AAA has an exceptionally strong capacity to meet its financial commitments and exhibits a high degree of resilience to adverse domestic and external developments. These sovereign have strong economies and fiscal finances.

AA A sovereign rated AA has a very strong capacity to meet its financial commitments, and is generally in a position to withstand adverse domestic and external developments. These sovereign typically possess a good track record and have no readily apparent weaknesses.

A A sovereign rated A has a strong capacity to meet its financial commitments but is somewhat more susceptible to adverse domestic and external developments in the economy than sovereign in higher-rated categories. Some minor weaknesses may exist, but these are moderated by other positive factors.

BBB A sovereign rated BBB has adequate capacity to meet its financial commitments. While some shortcomings are apparent, the sovereign is generally in a position to resolve these within an acceptable timeframe. However, adverse domestic and external developments are likely to weaken its capacity to meet its financial commitments.

BB A sovereign rated BB exhibits some obvious weaknesses in its economy and fiscal management practices. The sovereign economy prospects or fiscal performance has typically fallen below peer-group standards. Although currently able to meet its financial commitments, the sovereign financial capacity over the medium and longer terms is vulnerable to adverse domestic and external developments.

B A sovereign rated B exhibits fundamental weaknesses in its economy and key fiscal management practices. Although currently able to meet its financial commitments, the sovereign future financial capacity is regarded as weak and more vulnerable to adverse domestic and external developments than that of sovereign rated BB.

C A sovereign rated C has several immediate problems of a serious nature. The sovereign ability to arrest further deterioration in its overall condition is doubtful and its capacity to meet its financial commitments is uncertain, without sufficient and immediate external assistance or a rescheduling of its liabilities.

D A sovereign rated D defaulted on one or more of its obligations.

Note: Ratings from AA to B may be modified by a plus (+) or minus (-) suffix to show its relative standing within the major rating categories.

SHORT-TERM RATINGS

MARC's Short-term Ratings reflect the sovereign's capacity to meet its financial commitments due within one year.

MARC-1 A sovereign rated MARC-1 has a superior capacity to meet its financial commitments in a timely manner. Adverse domestic and external developments are likely to have a negligible impact on the sovereign capacity to meet its financial obligations.

MARC- 2 A sovereign rated MARC-2 has a strong capacity to meet its financial commitments in a timely manner; however, it is somewhat susceptible to adverse domestic and external developments.

MARC- 3 A sovereign rated MARC-3 has an adequate capacity to meet its financial commitments in a timely manner. However, the sovereign capacity to meet its financial obligations is more likely to be weakened by adverse changes in the economy or its external environment than higher-rated sovereign.

MARC-4 An sovereign rated MARC-4 has an inadequate capacity to meet its financial commitments in a timely manner. The rating indicates that the sovereign is likely to default on its financial commitments without some form of strong external support. A default may have already occurred.

RATING OUTLOOK

MARC's Rating Outlook assesses the potential direction of the sovereign's rating over the intermediate term (typically over a one- to two-year period). The Rating Outlook may either be:

POSITIVE which indicates that a rating may be raised;
NEGATIVE which indicates that a rating may be lowered;
STABLE which indicates that a rating is likely to remain unchanged; or
DEVELOPING which indicates that a rating may be raised, lowered or remain unchanged

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19-07, Level 19, Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 KUALA LUMPUR
Tel: [603] 2717 2900 Fax: [603] 2717 2920
E-mail: ratings@marc.com.my Website: www.marc.com.my