



Maybank

54th Annual General Meeting Presentation to Shareholders

Becoming a Regional Financial Services Leader: Maybank's Journey

Datuk Abdul Farid Alias
Group President & CEO

7 April 2014

In 2010, we redefined our Vision and Mission.

Vision:

To be a Regional Financial Services Leader

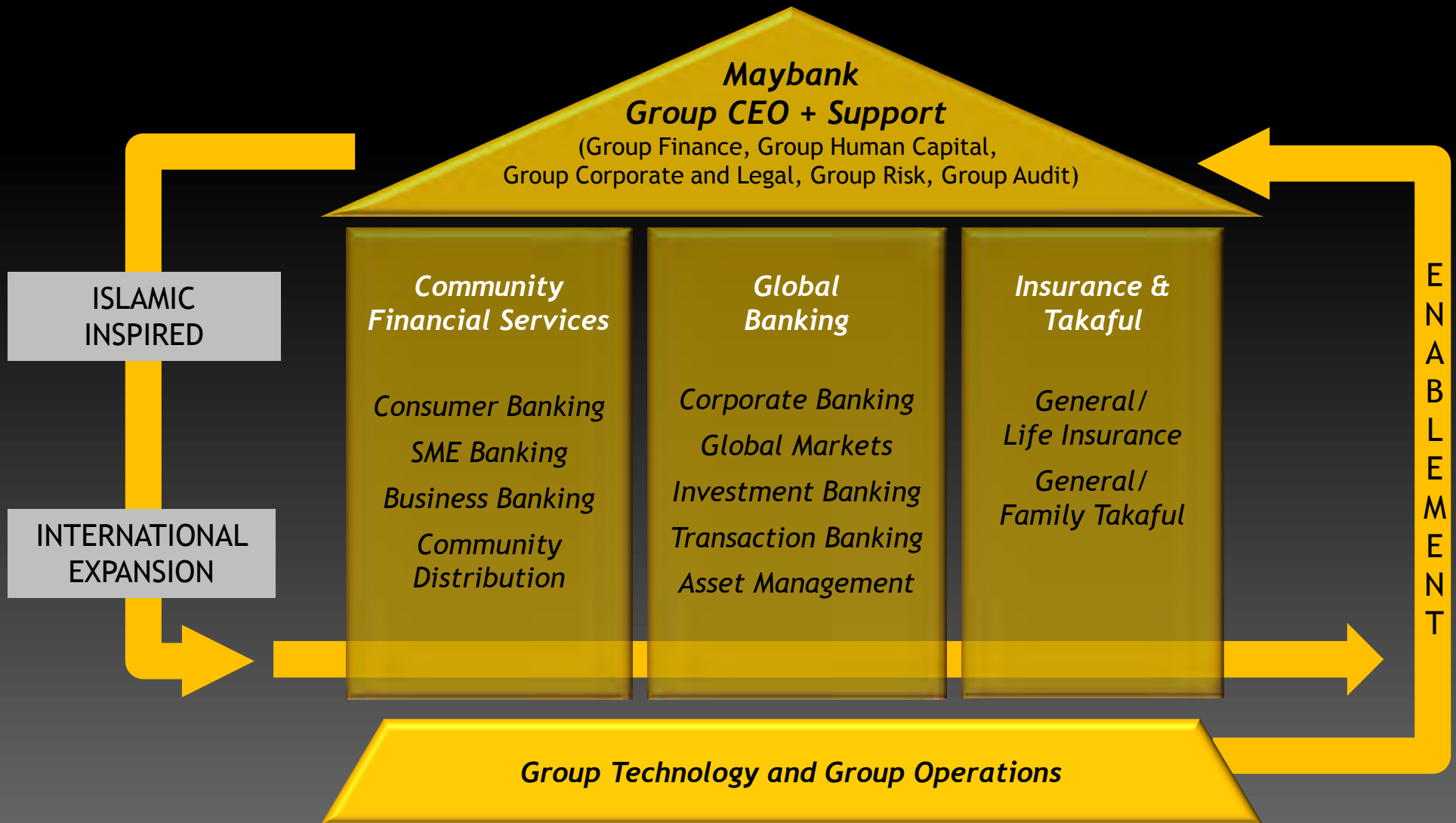
Mission:

Humanising Financial Services in the heart of ASEAN

was then refined to

Humanising Financial Services across Asia

... and introduced the “House of Maybank”, which is customer segment focused



Market leadership was a key focus of our 5-year strategic objectives...

- 1 Undisputed No. 1 Retail Financial Services provider in Malaysia
- 2 Leading ASEAN wholesale bank eventually expanding further to Middle East, China & India
- 3 Undisputed Insurance & Takaful Leader in Malaysia and Emerging Regional Player
- 4 Truly regional organisation, with about 40% of pre-tax profit derived from international operations
- 5 Global leader in Islamic Finance

To achieve this, we focused on our core capabilities...

Product Capabilities

Regional Cash Management, Trade Finance and ATM, Maybank Aspire, Islamic Asset Management, Wealth Management, Global Markets, Investment Banking & more



Processes & Delivery

Set up Maybank Shared Services, 4,520 Self Service Terminals, RWA Optimisation Programme, Reduce Turnaround Time, Risk Based Pricing

Maybank Shared Services will be Supporting All Your IT Needs!



You have reached Maybank Help Desk. This is Yan Ling speaking. How may I assist you?

As part of our IT Backsourcing transition initiative, please be informed that effective 29 September 2013, Help Desk will be supported internally by Maybank Shared Services.

The Help Desk toll-free numbers remain the same:

Malaysia: 1800-88-1008
Singapore: 800-6011-304

However, there will be changes to the fax number and email address.



Talent

Leading graduate employer, Global Maybank Apprentice Programme, Top Team Effectiveness Programme, Enhance Performance Culture



... which resulted in improved differentiation and enhanced competitive advantage

And as a result, we have gained ground on many fronts...

1 Community Financial Services

- Leading deposit franchise with rising market share
- Market share in consumer loans rose to 17.2% from 15.7% in 4 years.
- Top 2 position in consumer loans, mortgage, auto finance and credit cards

2 Global Banking

- Regional organisation implemented for Investment Banking, Global Markets, Transaction Banking and Client Coverage across 10 countries
- Captured landmark cross-border regional deals
- Strengthened regional capabilities in cash management and trade finance
- Expanded regional footprint in asset management

3 Insurance & Takaful

- No.1 ranking in general insurance and takaful market share and No. 2 in life & family
- Greater penetration into High Net Worth and Mass Affluent for Bancassurance

4 International operations

- Expanded branch network in Indonesia and Philippines
- International PBT contribution increased to 30% in FY2013 from 24% CY2011

5 Islamic Banking

- Largest Islamic Malaysian Commercial Bank with 31% market share
- Third largest Islamic Bank globally

Financial performance for 2013

1 Profitability

- ROE of 15.1%, meeting headline KPI target of 15.0%
- Record PATAMI of RM6.55 billion, up 14% YoY

2 Loans

- **Group loans grew 14.0%, exceeding target of 12.0%**
- Domestic loans 11.9% vs industry of 10.6%.
 - Community Financial Services: 12.2%
 - Global Banking: 11.2%
- International loans grew 17.6%.
 - Indonesia: 27.9%
 - Singapore: 13.6%

3 Deposits

- **Group deposit grew 14.0%, exceeding target of 12.0%**
 - Domestic deposits: 14.0%
 - Non-domestic deposits: 14.4%
- Loans-to-deposit ratio: 89.9%
- CASA ratio: 36.1%.

Financial performance for 2013 (cont.)

4 Asset Quality

- **Asset quality continues to improve.**
- Gross impaired loans ratio at 1.48% as at 31 Dec 2013, a 30 bps improvement from a year ago.
- Net charge-off rate maintained at 23 bps for FY2013 and loan loss coverage improved to 107.5%.

5 Capital

- **Capitalisation remains healthy**
- Group total capital ratio at 15.43% and CET1 at 11.02% (assuming 85% DRP reinvestment rate).

6 Dividends

- **Total dividend of 53.5 sen for 2013**
- Final net dividend of 31 sen per share amounting to RM2.75 billion.
- This brings total FY2013 net dividend to RM4.71 billion representing a net dividend payout ratio of 71.9%.

Our performance continues to be quite resilient against banking peers

	Maybank Group	Peers
Profitability & Efficiency (%)		
PATAMI Growth (YoY)	14.10%	-2.28%
Net ROE (annualised)	15.10%	14.02%
Cost to Income Ratio (CIR)	47.80%	44.78%
Net Interest Margin (NIM)	2.43%	2.08%
Revenue Growth (YoY)	10.50%	5.25%
Non-Interest Income Ratio	35.70%	35.22%
Non-interest Income Growth (YoY)	14.60%	20.42%
Net Interest Income Growth (YoY)	8.40%	5.66%
Asset Quality (%)		
Gross NPL / Impaired Loans Ratio	1.43%	1.60%
Loan Loss Coverage	111.20%	122.11%
Net Credit Charge Off Rate	23 bps	28 bps
Capital Adequacy/Liquidity		
Common Equity Tier 1 Ratio	11.02% *	11.42%
Total Capital Ratio	15.43% *	15.17%
Loans-to-Deposit Ratio	89.90%	87.18%
Business Growth		
Loans Growth (annualised)	14.00%	15.05%
Customer Deposits Growth (annualised)	14.00%	11.03%

* Capital ratios are based on 85% reinvestment rate

What our financial results means to you

Net Fund Based Income
RM11.9b, +8.4%

➔ Increased fund based income through higher loans growth and minimising margin compression by managing competition and ...

Net Fee Based Income
RM6.6b, +14.6%

➔ ... increased fee based income through higher commission and fees, including through investment banking and insurance, ...

Net Income
RM18.5b, +10.5%

➔ ... which led to double digit growth in net income.

Overhead expenses
RM8.9b, -8.4%

➔ Managed overheads better through Strategic Cost Management Programme to maintain positive JAWS, and ...

Impairment losses
RM0.88b, +10.4%

➔ ...despite slightly higher impairment losses from a few defaults,...

Profit after Tax and
Minority Interest
RM6.6b, +14.0%

➔ ... we delivered **profit to shareholders** which was 14% higher than the previous year.

Earnings per Share
75.8 sen, +4.3%

➔ Higher EPS even with expanded capital base.

Our priorities for the near term



We are confident in executing our strategy for 2014

1

Regionalisation

- Regional organisation structure
- Grow presence in overseas markets
- Deploy internal best practices across region
- Effective Collaboration

2

Productivity & Effectiveness

- Implement Group-wide productivity programme
- Manage cost efficiently
- Scale-up IT systems & improve on delivery

3

Business Portfolio

- Identify opportunities for businesses across region
- Embed customer segmentation
- Strengthen cross-selling

4

Yield

- Manage asset quality & funding profile
- Focus on total income growth
- Maintain sound capital management

The outlook in our home markets is mixed ...



Malaysia

- GDP growth of 5% on improved domestic investments and external trade.
- Moderating consumer lending due to prudential lending measures
- Non-consumer lending to drive loans growth.

Indonesia

- Commodities sector expected to remain tepid on reduced demand.
- Loan demand and asset quality impacted by high interest rates and inflation.
- Presidential election expected to impact banking outlook.

Singapore

- Consumer loans growth expected to moderate further due to prudential lending measures.

... but there are other considerations

- Competitive landscape putting pressure on loan pricing and funding costs
- Asset quality management arising from changing macroeconomic environment i.e. higher inflation, rising interest rates
- New regulatory requirements changing the operating landscape for banks
- Volatility in financial markets, currencies, capital flows

Our targets for 2014 are:

Return on Equity	15%
Group Loans Growth	13%
<ul style="list-style-type: none">• Malaysia• Singapore• Indonesia	12% 13% 17%-20%
Group Deposits Growth	13%

Overall, we target to grow faster than the industry growth rate to gain market share

Our promise to our stakeholders

- Humanising financial services **across Asia is our driving force**
- **Have the** right service solutions
- Provide convenience **to customers through technology**
- Progress through execution **of our strategic objectives**
- Deliver long-term growth **& sustainable value**
- Make a positive impact **to our society**



Reach



Opportunity



Market



Community



People

Being committed to your needs.

Being on this journey together.

Thank you.

To our customers, shareholders and business partners: thank you.

Thank you for choosing us as your preferred financial partner in Asia. Your support has made us the leading financial services group in Asia and one of the world's strongest banks*.

We are honoured to have taken this journey with you, one that has spanned over 53 years, across 2,200 offices in 20 countries, bearing over USD171 billion in assets.

As a global bank that has grown in Asia, we have seen a remarkable economic growth in the region and are proud to have fueled the transformation for over 53 years, as a participant and not just a witness.

With your encouragement and contribution, we are living our mission of Humanising Financial Services Across Asia.

We are bridging worlds in Asia by identifying the gaps in this complex and diverse, yet modern and ambitious market. Gaps between technology and people, progress and responsibility, values and growth, and ambition and possibilities.

And by closing these gaps, we're helping our customers constantly stay connected to opportunities across the region.

Because we believe that for everything that keeps us apart, there's always something that brings us together.

To us, this is humanising financial services. This is the future.



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THANK YOU