

Maybank expands network in Lao PDR with opening of 2nd branch

Maybank has expanded its network in Lao PDR with a second branch in the capital Vientiane, boosting its support for the local financial services sector as well as enabling it to tap into the potential of one of ASEAN's fastest expanding economies.

The branch, located in the commercial district of Nongduang, offers a full spectrum of banking services, and aims to serve the needs of the local community as well as customers from across the region having trade and investment links in the country.

The new branch was officially launched by the Deputy Governor of the Bank of Lao PDR, Mrs Vathana Dalaloyat at an event hosted by Maybank Chairman, Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor. Also present were Maybank International CEO Pollie Sim, Ambassador of Malaysia to Lao PDR, Dato' Than Tai Hing as well as local government officials, customers and business partners.

In his speech at the launching ceremony, Tan Sri Dato' Megat Zaharuddin said that the establishment of the ASEAN Economic Community (AEC) last year offers great potential for the development of Lao PDR.

"For us, we understand that our success in Lao PDR will be driven by the pace of growth of the nation's financial sector," he said. "We hope that as we continue to expand our operations here, we are also helping to build the country's talent through our employment and training opportunities."

Tan Sri Dato' Megat also noted that the majority of Laotians are still residing in the rural areas and lack access to the financial services offered.

"In this regard, we believe that we're in a unique position as this runs parallel to our mission of humanising financial services. By being in the heart of the community and providing convenience in addressing clients' needs, we will endeavour to promote Laotians to be economically independent."

Meanwhile, Pollie Sim said that the opening of the Nongduang branch will further strengthen Maybank's presence in the Indo-China region and enhance its ability to meet the banking needs of customers, particularly the growing investor base into the country.

"Lao PDR is among one of the strongest performing economies in the region, with steady economic growth of around 8.5% for the past 4 years and anticipated to achieve 7.5% real GDP growth on average from 2016 to 2020, according to the government's 8th development plan," she explained. "Last year, the economy saw strong inflows of foreign investment totalling some USD1.26 billion, mainly in hydropower and transportation projects."

Pollie added that the first Maybank branch in Vientiane, which was opened in 2012, had experienced encouraging growth with loans and deposits rising at an annual average of 46% and 78% respectively over the last 2 years.

“We anticipate that the opening of this second branch will further boost our franchise in the country and lift our loans and deposits growth to over 70% and 100% respectively by end of 2016.”

Pollie also said that the new branch will boost Maybank’s ability to support the increasing trade between ASEAN and Laos which stood at some USD2.48 billion in 2012 and which has risen by some 90% from 2006 to 2012.

“We anticipate significant potential especially in the trade finance and remittance segments given our unique position as the only bank with on-ground operations in all 10 ASEAN countries, which can connect clients to most major financial markets,” she added.

The services offered by the two Maybank branches in Lao PDR include retail and business banking, foreign exchange, remittances, treasury services as well as ATMs. Among the retail offerings include mortgages and personal loans while business banking services include term financing and trade financing.

The two Maybank branches in Lao PDR currently have a paid up capital of LAK200 billion (approximately USD24.53 million) in total and a combined staff strength of 30.
