

Maybank FY15 net profit rises to RM6.84 billion on 14.6% rise in operating income**- Declares final dividend of 30 sen per share****Highlights FY15**

- Profit before tax (PBT) rises to RM9.15 billion
- Return on equity of 12.2% within FY15 target
- Solid revenue increase of 14.6% outpacing 12.9% overheads growth
- Improved liquidity with 12.8% deposit growth ahead of 12.0% loan growth
- Stable net interest margin of 2.31%
- Robust capital position - 17.49% total capital ratio & 12.53% CET1 ratio
- Final single-tier dividend of 30 sen per share

Kuala Lumpur - Maybank, South East Asia's fourth largest bank by assets, today announced that Group net profit for the financial year ended 31 December 2015 rose 1.8% from RM6.72 billion a year earlier to RM6.84 billion, aided by a 14.6% rise in net operating income for the year. Profit before tax (PBT) came in at RM9.15 billion from RM9.11 billion a year earlier.

Net operating income for the year surged to RM21.24 billion from RM18.53 billion as key business divisions namely International Banking (+14.3%), Community Financial Services (+8.9%) and Global Banking (+3.3%) saw better performance.

Fund based income was 15.3% higher, driven by a 12.0% increase in Group loans as well as a stable net interest margin position. Group loans were lifted by a robust 20.8% rise from International operations and 5.3% from Malaysian operations. Singapore operations recorded a 6.0% increase in loans, Indonesia 5.0% and other international markets, 22.2%.

Fee income also rose strongly by 13.2%, on the back of higher net earned insurance premiums, foreign exchange profits, commissions, service charges and fees as well as higher fees from Islamic operations.

Group President & CEO, Datuk Abdul Farid Alias said that the second half of the financial year had seen increased volatility in the economic environment, and Maybank had adopted a strategy of improving its liquidity and capital positions to weather the situation.

"The increased headwinds that developed necessitated us taking pro-active measures including re-assessing our risk appetite to ensure we remained as unaffected as possible," he explained. "Apart from growing our business portfolios, intense focus was also placed on managing costs, asset quality and interest margins."

The Group had tapped on its well-diversified franchise to achieve a robust 12.8% rise in gross deposits, which came on the back of a 5.0% increase from Malaysian operations, 10.2% increase in Singapore and 12.8% increase in Indonesia. Growth in deposits which outpaced loans growth, helped to bring the Group's loan-to-deposit ratio to a comfortable level of 91.5%. The ratio of current account & savings account (CASA) deposits to total deposits was maintained at 33.7%. The liquidity coverage ratio (LCR) for Maybank, Maybank Islamic Bank and Maybank Indonesia remained healthy at above 100%.

Better liquidity and active management of assets and liabilities also enabled the Group to maintain its net interest margin at a stable level of 2.31% - unchanged from December 2014.

Datuk Farid further added that continued discipline in cost management resulted in net operating income growth outpacing overheads, resulting in the Group's cost-to-income ratio improving to 48.2% from 48.9% in FY14.

Asset quality was, however, impacted by the unstable global economic environment as well as the volatile commodity prices. The Group's net impaired loans (NIL) ratio stood at 1.38% from 1.04% in December 2014. Nonetheless, the asset quality for two key home markets of Malaysia and Singapore operations remained good with NIL ratios below respective industry levels. The Group continues to undertake close monitoring of credit portfolios to ensure sound asset quality.

Meanwhile, **Maybank Chairman Tan Sri Megat Zaharuddin Megat Mohd Nor** said that the Group will sustain its ability to be resilient amid the continuing challenging macro-economic environment.

"Our efforts to find revenue improvement opportunities across the portfolio of business segments in the various countries we are in, coupled with on-going cost re-structuring initiatives, should continue to improve personnel productivities," he said. "These include us making smart investments in IT."

Quarterly results

For the fourth quarter of FY15 the Group registered a profit before tax of RM2.38 billion, a marginal decline from the RM2.43 billion in the previous year. Net profit for the quarter came in at RM1.65 billion from RM1.93 billion from a year earlier due to higher allowances for impaired loans as well as lower recoveries compared to the fourth quarter of FY14.

Dividend

The Board of Directors has proposed a final single-tier dividend of 30 sen per share. The proposed final dividend, to be under the Group's Dividend Reinvestment Plan, consists of a cash portion of 6 sen per share and an electable portion of 24 sen per share.

Sectoral Review

Malaysian Operations

Community Financial Services (CFS) continued to see sustained growth benefiting from Maybank's strong consumer franchise and in line with its strategy to grow in targeted segments. Net operating income for CFS totalled RM8.18 billion, up 8.9% from a year earlier. This was boosted by an 8.2% increase in loans, led by Business Banking & SME loans which expanded 8.4% while Consumer loans grew 8.2%. Mortgages rose a healthy 13.7% while other retail loans grew 12.5%, followed by credit cards 9.6% and automobile financing at 5.7%.

The High Net Worth and Affluent Customer segment - another key area of focus - saw robust growth with total financial assets rising 12.8% from a year earlier to RM169.6 billion. Product cross-sell ratio for this segment maintained a rising trend, strengthening to 7.20 from 6.65 in December 2014.

Global Banking (GB) saw its net operating income rise 3.3% contributed by a 9.9% rise from Asset Management, 5.8% from Global Markets and 4.0% from Corporate Banking. Investment Banking, however, saw a mild 1.0% dip in net operating income driven by softer regional equity and capital markets. Total GB loans in Malaysia saw a marginal dip of 1.4% from a year earlier.

The Group's **Islamic Banking** business continued to perform strongly, with a 20.4% surge in total income compared to a year earlier. Within this business, **Maybank Islamic** maintained its solid growth trajectory, with gross financing surging 21% to RM131.1 billion on the back of a 19% growth in CFS financing and a 27% increase in GB financing. Islamic financing constituted 50.8% of Maybank's total domestic financing in FY15 from 44.3% in FY14.

Maybank Islamic also maintained its position as the top Islamic bank in Malaysia with a 28% market share of Islamic assets in the country. It ranked fourth in the Global Sukuk League Table for FY15 with a market share of 8.6% from 106 issues totalling US\$2.96 billion.

Etiqa Insurance & Takaful registered a 2.4% rise in gross premiums as Total General Insurance premiums rose 4.3% while Total Life Insurance/Family Takaful premiums increased 0.4%. Profit before tax, however, declined to RM601.7 million from RM767.6 million a year earlier owing to higher equity impairment. Nonetheless, Etiqa maintained its leadership in the General Insurance & Takaful segment with a 13.2% market share and was fourth placed in the Life/Family (New Business) segment with 9.5% market share.

Maybank's **International Banking** showed steady performance with net operating income rising 14.3% to RM6.49 billion lifted by stronger loans growth that boosted net fund based income by 29.9%. Apart from the home markets of Singapore and Indonesia, major markets which registered robust loans growth included Indo-China (+61.2%), the Philippines (+38.7%), and Greater China (+9.1%). The contribution from International Banking to total Group income stood at 35.8% while gross loans now make up 43.6% of Group loans.

Maybank Singapore saw net income rising 4.5% to S\$830.28 million on the back of a 13.4% rise in net fund based income, arising from an expanded loan base and improved margins. Loans growth far outpaced industry level of 0.05%, and was spurred by a strong uplift in consumer loans of 21.2% as a result of higher housing and other personal loans. Fee-based income, however, was impacted mainly by a decline in treasury and wealth management income, coming in 11.7% lower for the year. Consequently, PBT for the year dipped to S\$400.63 million from S\$432.73 million in FY14.

Deposits, however, grew a healthy 10% to S\$43.5 billion, also outpacing the industry growth of 4.6%. Business deposits increased 16.9% to S\$19.8 billion supported by a 26.6% rise in time deposits. Asset quality remained excellent with net impaired loans ratio at 0.35%.

PT Bank **Maybank Indonesia Tbk** recorded a net profit after tax and minority interest of Rp1.14 trillion for the financial year ended 31 December 2015, a sharp increase of 60.9% from the previous corresponding year.

The Bank's profit before tax surged 59% from Rp973 billion in December 2014 to Rp1.54 trillion in December 2015. The solid performance was achieved on the back of better net interest margin, strong growth in fee based income, outstanding achievement in Sharia Banking, and disciplined cost management efforts.

Maybank Philippines registered a robust 26.6% increase in PBT to PHP950.5 million. Revenue surged 17.9% to PHP4.96 billion, buoyed by increases in net interest income and fee income. Net interest income was boosted by higher yields as well as lower cost of funds while fee income expanded on the back of higher trading gain, loan related fees, credit card and trust fees.

Gross loans rose 18.8% driven mainly by higher retail loans from the automobile and mortgage segments while deposits rose by 20.8% on the back of higher current accounts and fixed deposits.

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 20 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, Mauritius, 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 45,000 employees serving more than 22 million customers worldwide. (www.maybank.com)