



**Maybank**



## **50<sup>th</sup> Annual General Meeting**

**Dato' Sri Abdul Wahid Omar**  
***President & CEO***

29 September 2010

## FY2010: Exceeding our targets



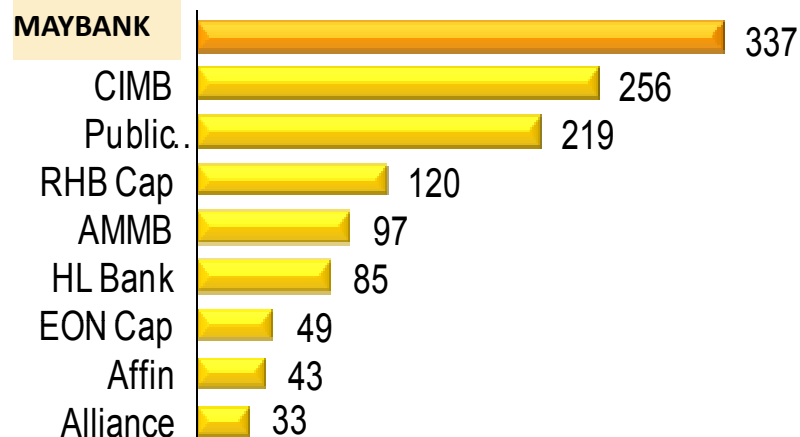
Headline KPIs	Targets	Achievements
Return on Equity	11% (revised to 13%)	13.6%
Revenue (net income) growth	8% (revised to 15% normalised)	22.4% (15.7% normalised)

Other targets	Targets	Achievements
Gross Loans growth	High single digit	10.3%
Net Interest Margin	Stable	+10 bp to 2.82%
Asset quality	Charge off rate: 70-75 bps	53 bps
Dividend	Dividend payout : 40-60%	76.5%

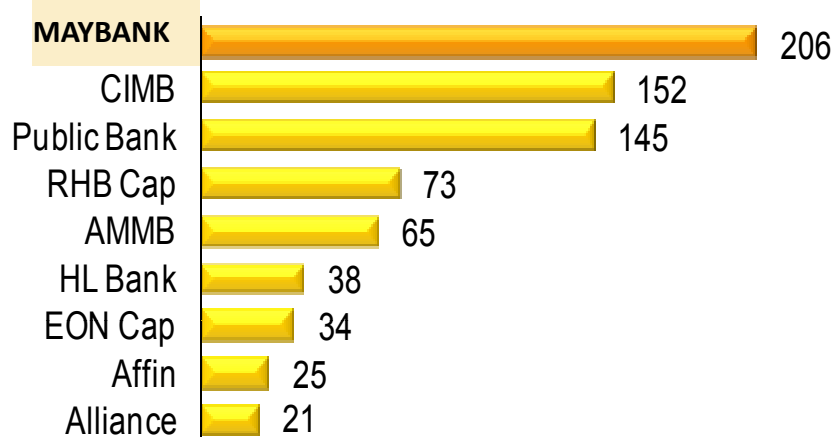
# We are the leading bank in Malaysia ...



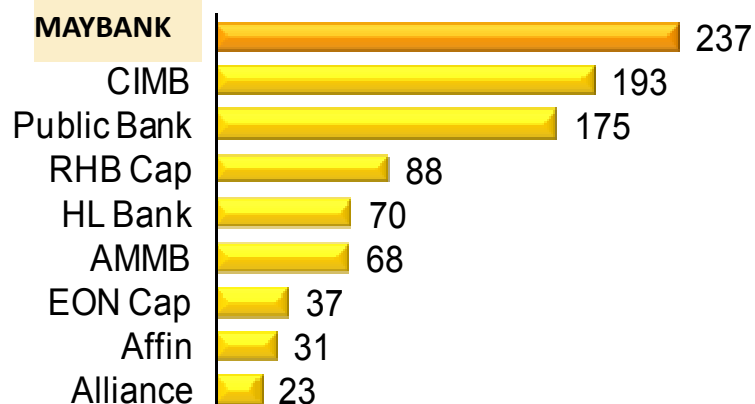
**Total Assets (RM bn): 30 June 2010**



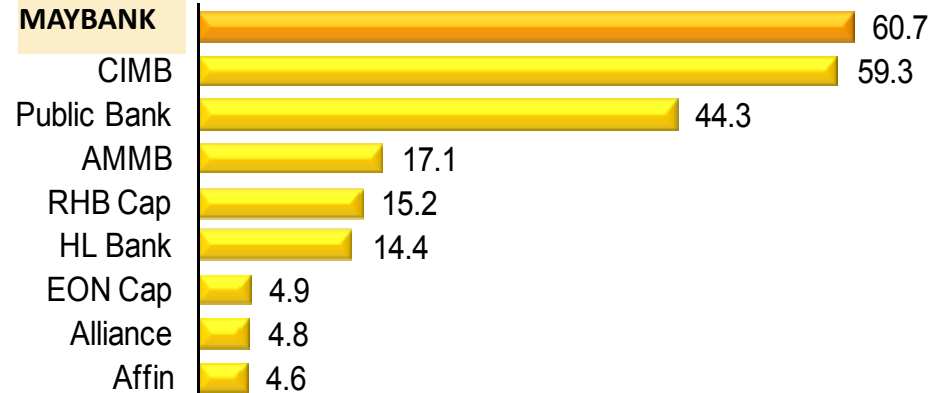
**Net Loans (RM bn): 30 June 2010**



**Deposits (RM bn): 30 June 2010**



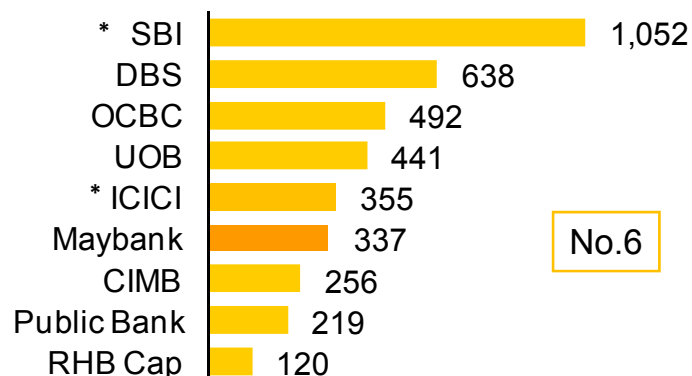
**Market Capitalisation (RM bn): 24 Sep 2010**



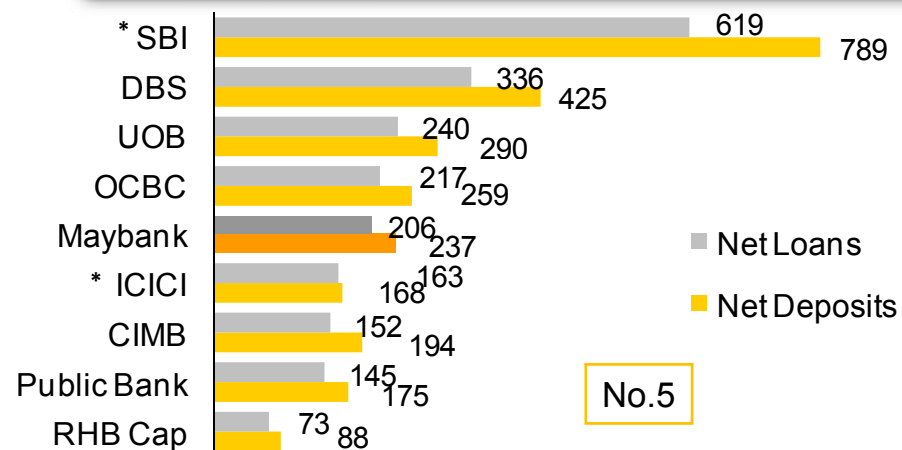
## ... and among the Top 10 Banks in the Region



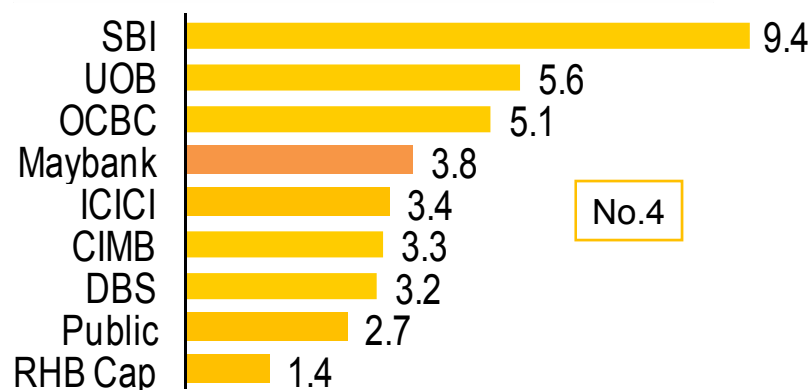
### Total Assets (RM bn): 30 June 2010



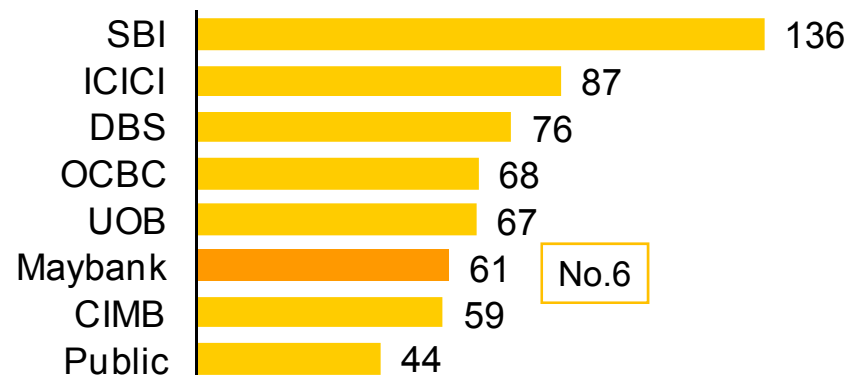
### Net Loans and Deposits (RM bn): 30 June 2010



### PATAMI (RM bn): (12 mths to June 2010)



### Market Capitalisation (RM bn): 24 Sep 2010

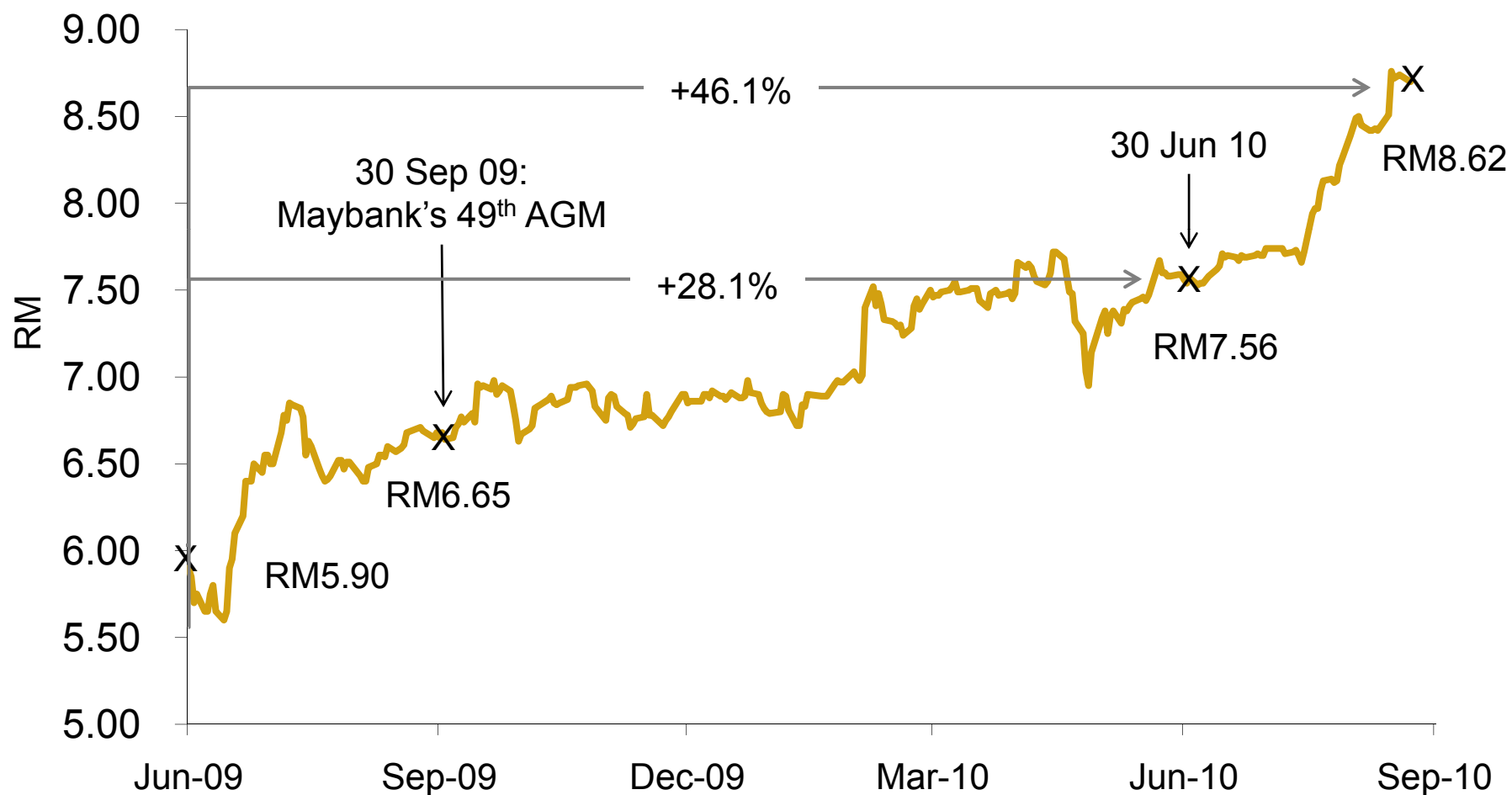


\* As at 31 Mar 10

## Share price rose 28% in FY2010



Maybank's share price rose **28.1%** during FY2010 and **46.1%** from 30 June 2009 to date.



**Introduction**

**Financial Performance**

**The Way Forward**

**Prospects**

# Record PATAMI of RM3.8 billion

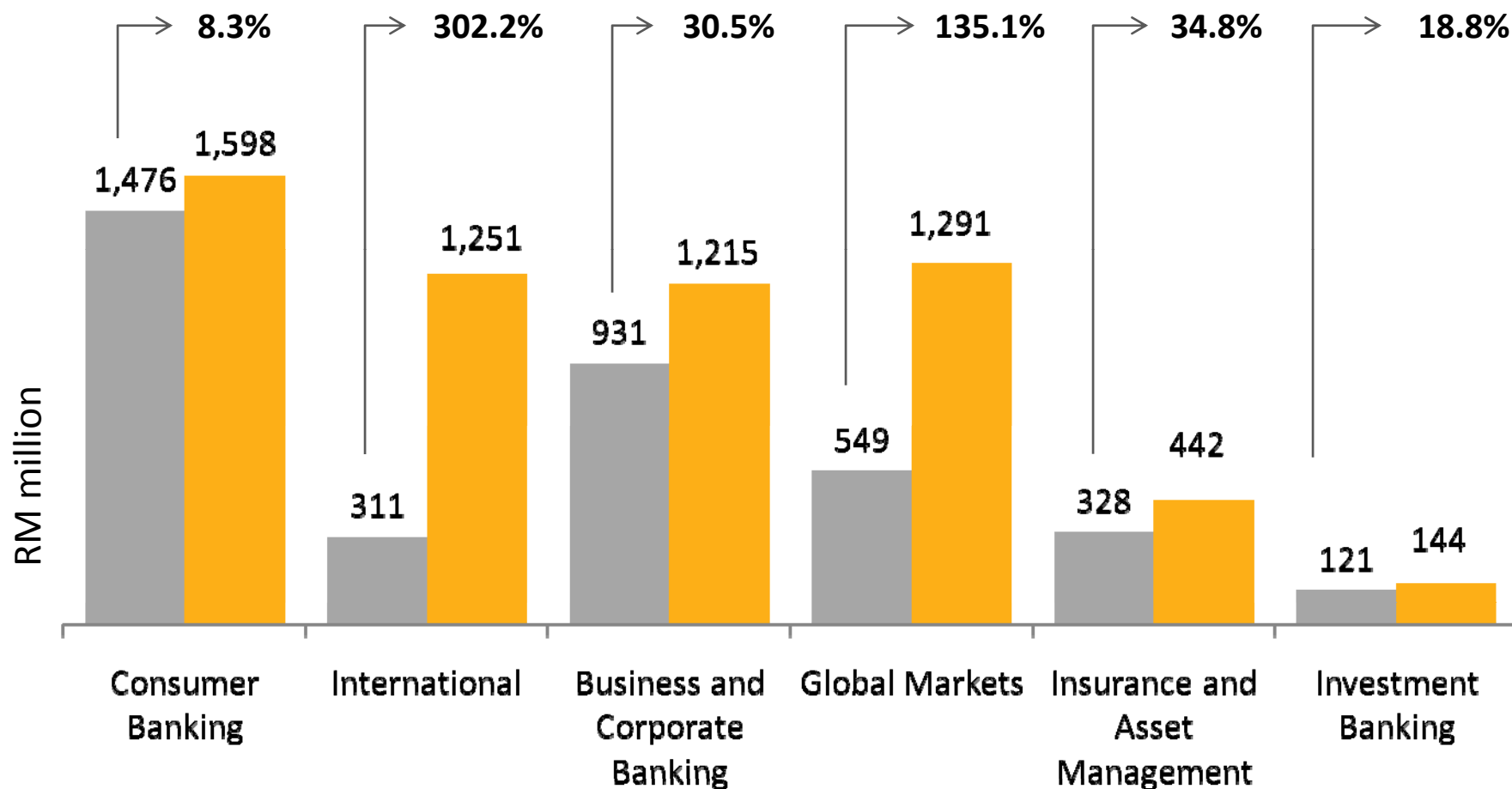


RM million	FY10 30 Jun 10	FY09 30 Jun 09	YoY change	4Q10 30 Jun 10	3Q10 31 Mar 10	QoQ change
Net interest income	6,770.9	5,919.5	14.4%	1,792.2	1,668.0	7.4%
Income from Islamic Banking	1,434.7	1,224.3	17.2%	355.8	341.5	4.2%
Non-interest income	4,666.0	3,375.2	38.2%	1,127.2	1,178.8	-4.4%
<b>Total net income</b>	<b>12,871.7</b>	<b>10,519.0</b>	<b>22.4%</b>	<b>3,275.1</b>	<b>3,188.3</b>	<b>2.7%</b>
Overhead expenses	(6,412.1)	(5,559.2)	15.3%	(1,616.4)	(1,586.1)	1.9%
Loan Loss Provision & Impairment on securities	(1,211.0)	(1,896.3)	-36.1%	(334.6)	(173.0)	93.4%
<b>Operating Profit</b>	<b>5,248.6</b>	<b>3,063.5</b>	<b>71.3.3%</b>	<b>1,324.1</b>	<b>1,429.1</b>	<b>-7.4%</b>
Write off and impairment losses on goodwill and investment	-	(1,972.6)	-	-	-	-
Share of profits in associates	121.8	99.5	22.4%	35.0	26.0	34.6%
<b>Profit Before Tax</b>	<b>5,370.4</b>	<b>1,674.3</b>	<b>220.8%</b>	<b>1,359.1</b>	<b>1,455.1</b>	<b>-6.6%</b>
<b>Profit After Tax and Minority Interest (PATAMI)</b>	<b>3,818.2</b>	<b>691.9</b>	<b>451.9%</b>	<b>912.5</b>	<b>1,030.4</b>	<b>-11.4%</b>
<b>Normalised PBT</b>	<b>5,012.0</b>	<b>3,806.9</b>	<b>31.7%</b>	<b>1,416.7.7</b>	<b>1,219.8</b>	<b>16.1%</b>

## Broad-based Growth

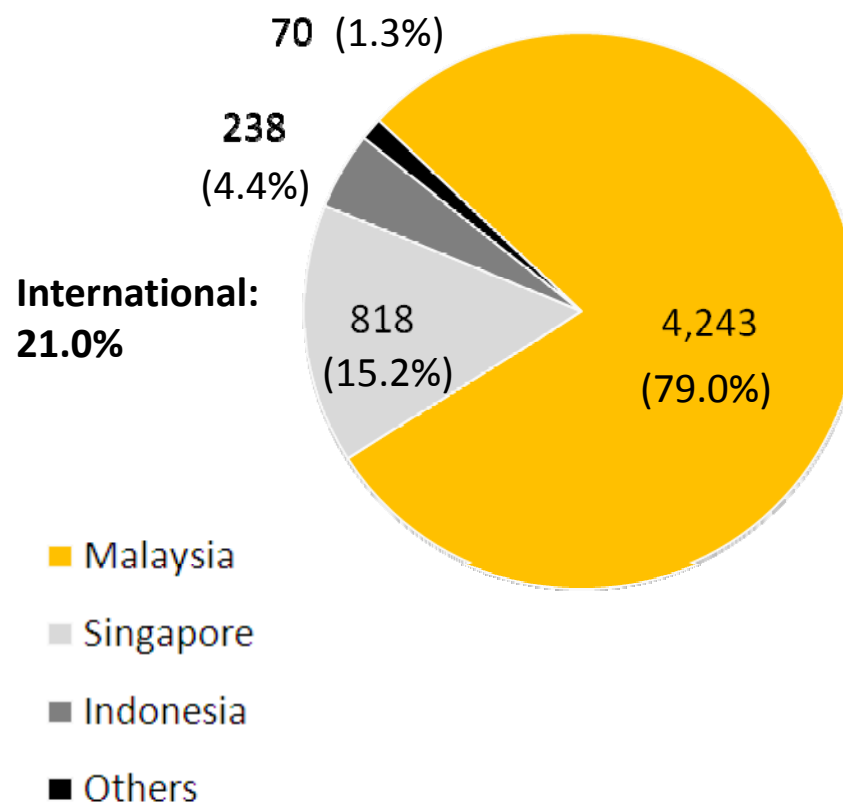
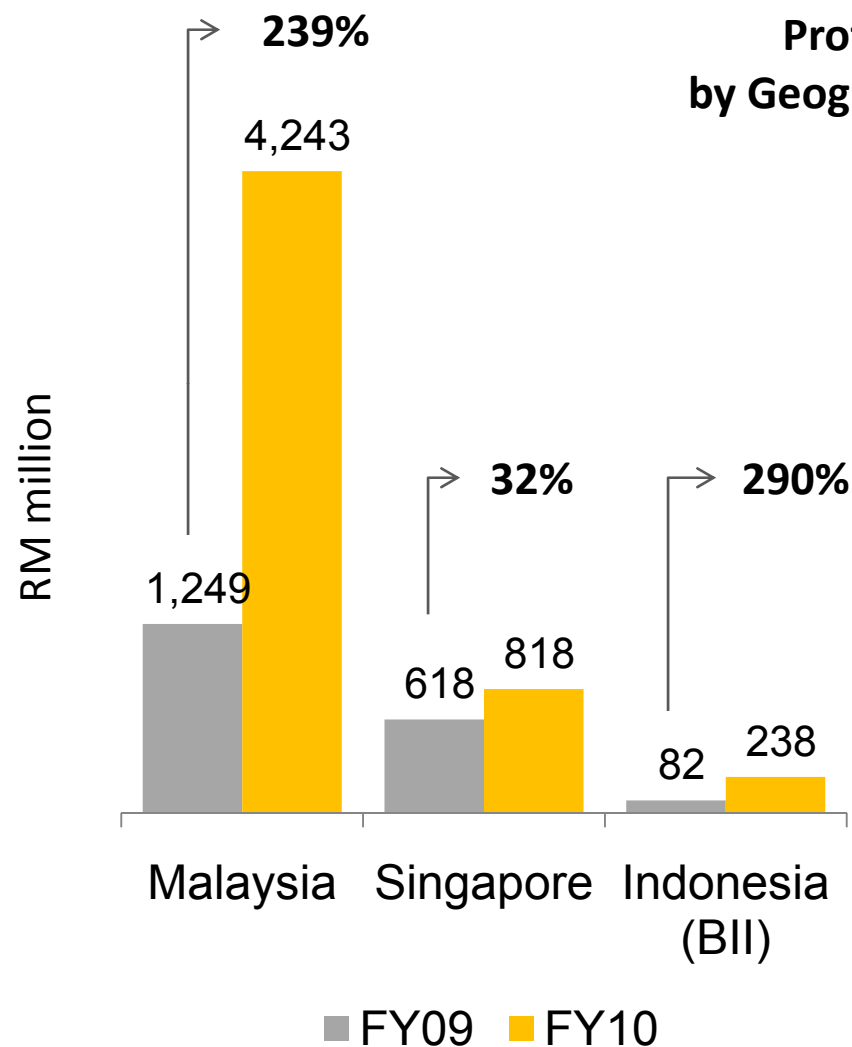


Record profits due to improved performance across all business segments





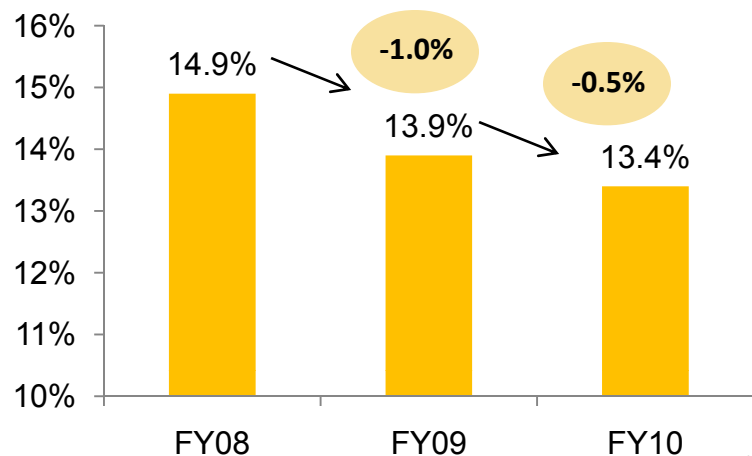
## Strong Profit growth from home markets



# Consumer Banking: Housing Loans and Auto Loans

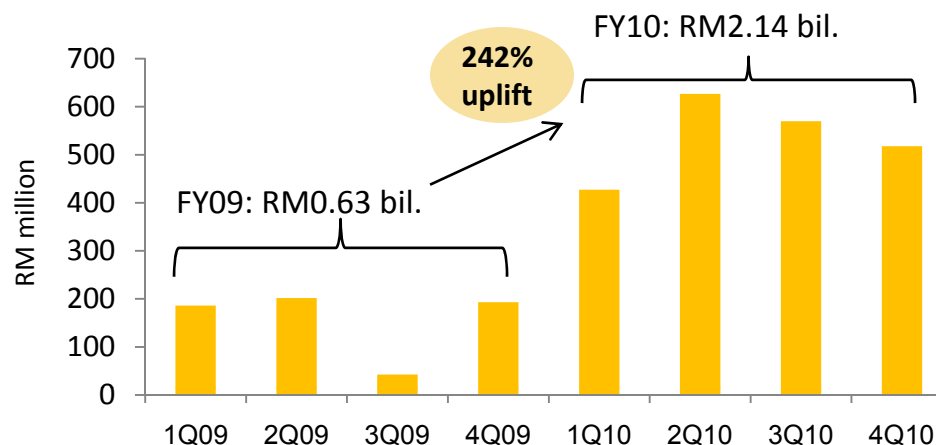


## Housing Loans market share stabilising

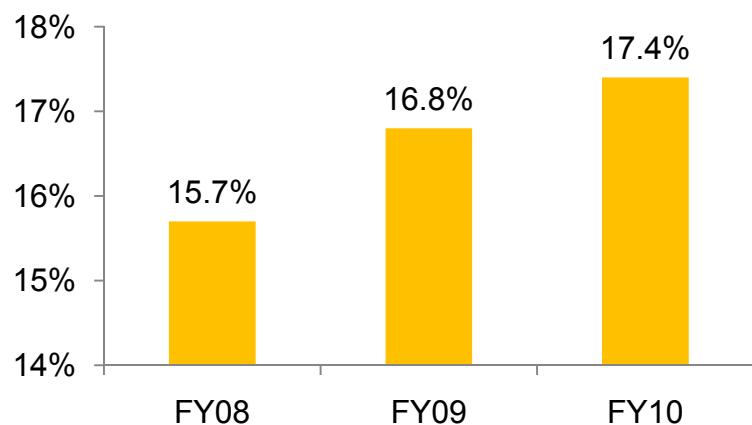


Housing includes other mortgage loans

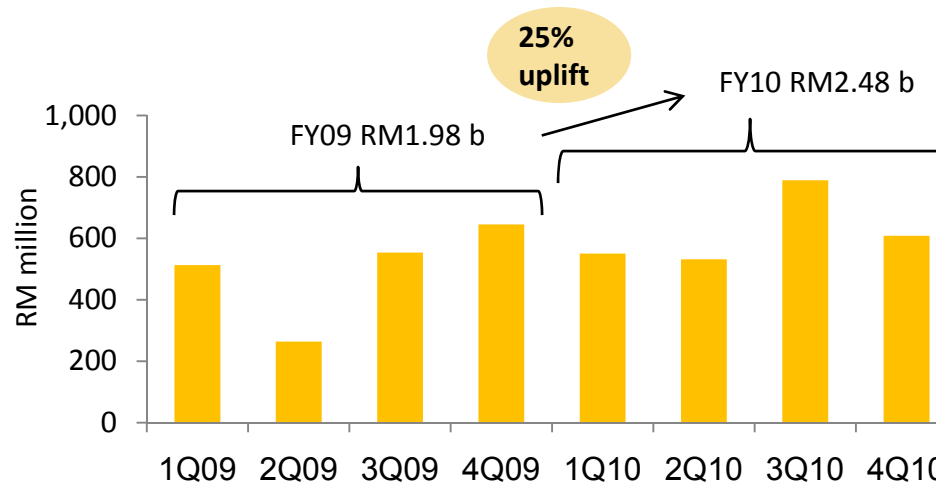
## Uplift in new housing loans



## Improving auto loans market share



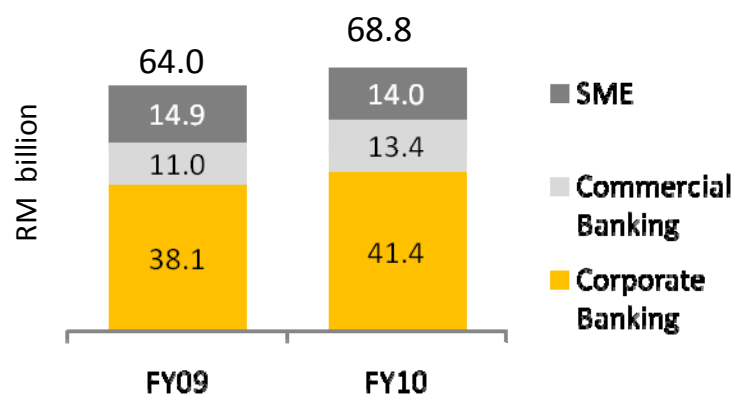
## Uplift in new auto Loans



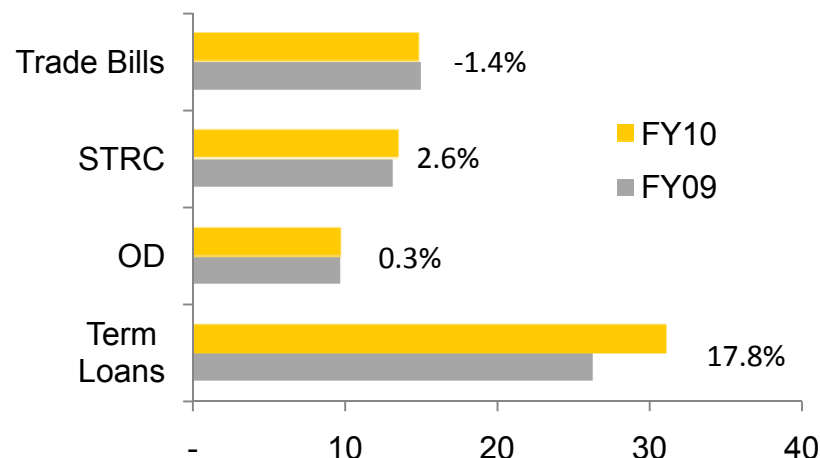
# Business and Corporate Banking



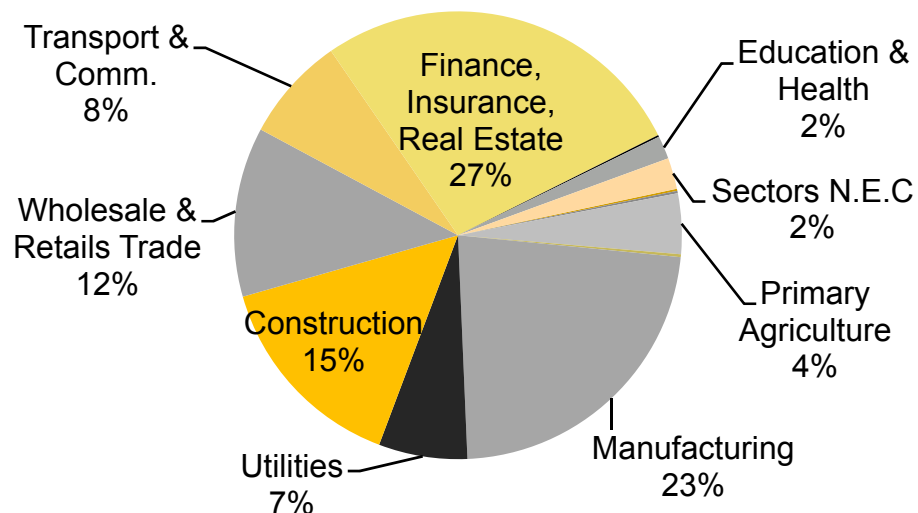
## Loans growth led by Commercial and Corporate Banking



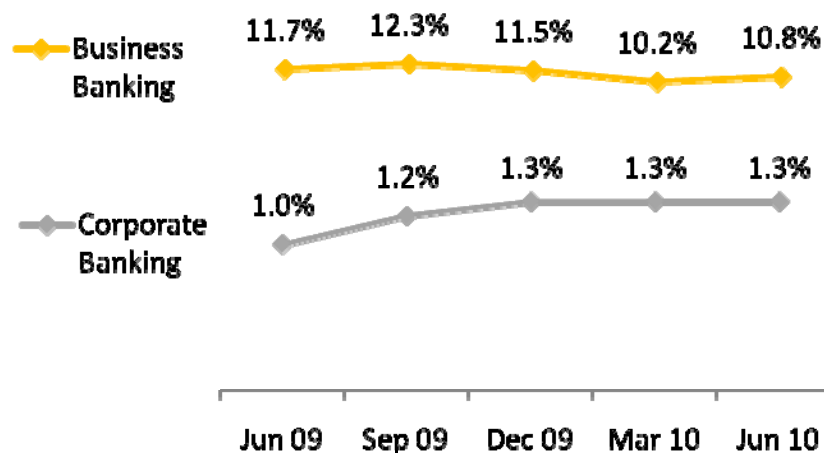
## Growth spearheaded by term loans



## Diversified loans by economic sector



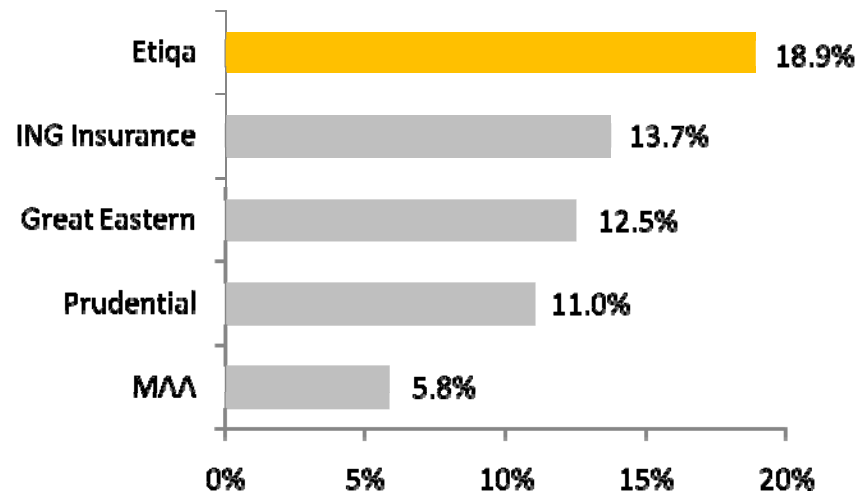
## Improvement in Asset Quality (Gross NPL ratio)



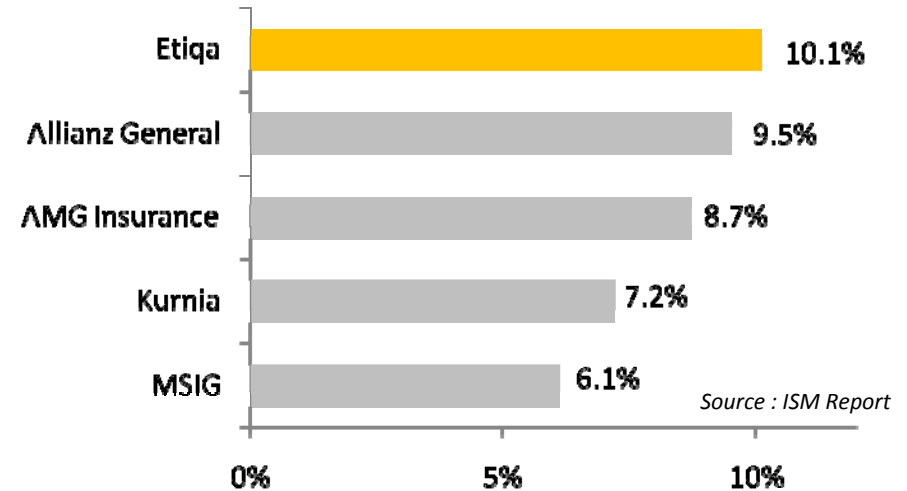
# Insurance and takaful



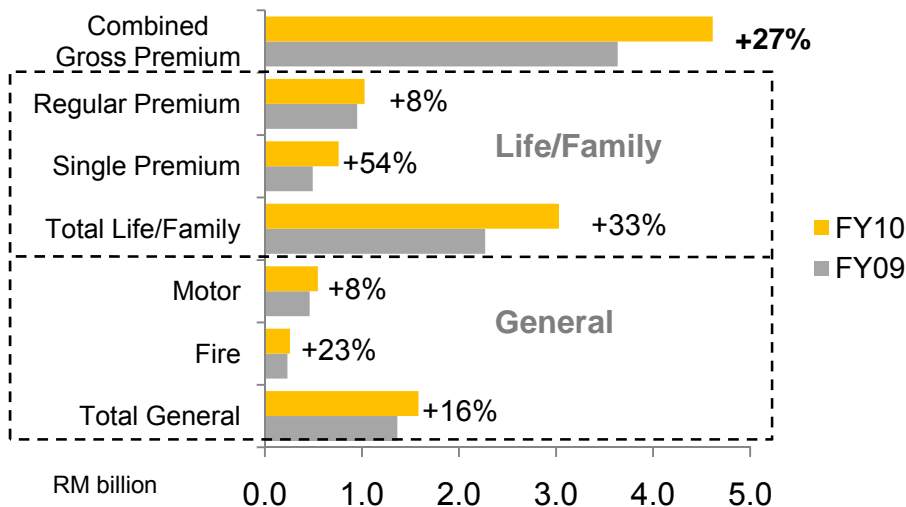
Market Share: No. 1 in Life/Family (new business)



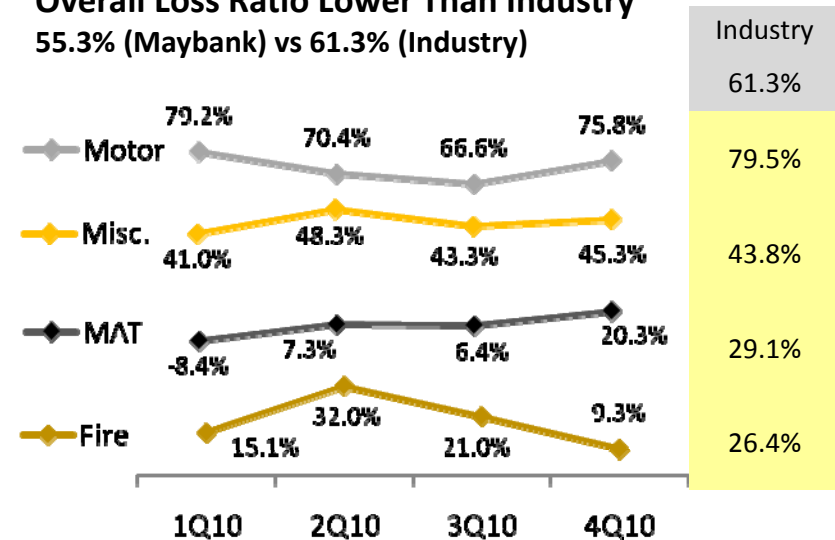
Market Share: No. 1 in General



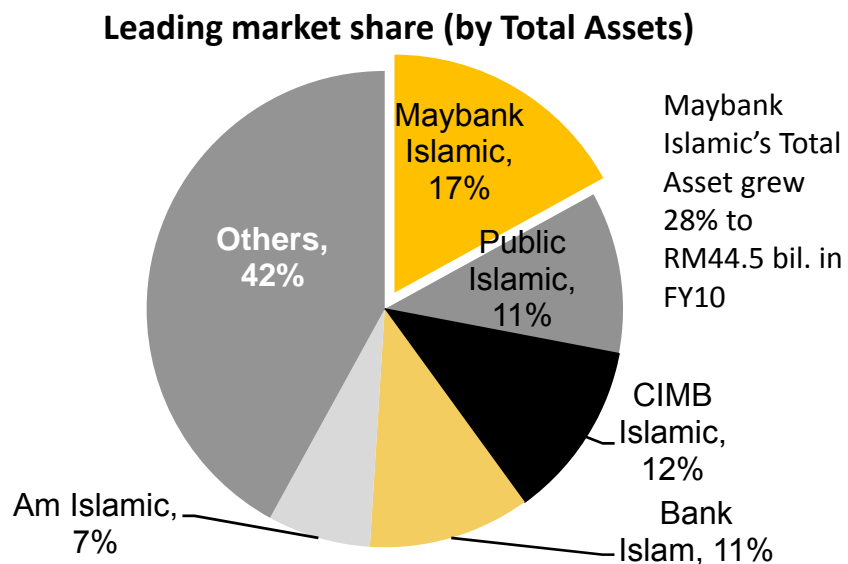
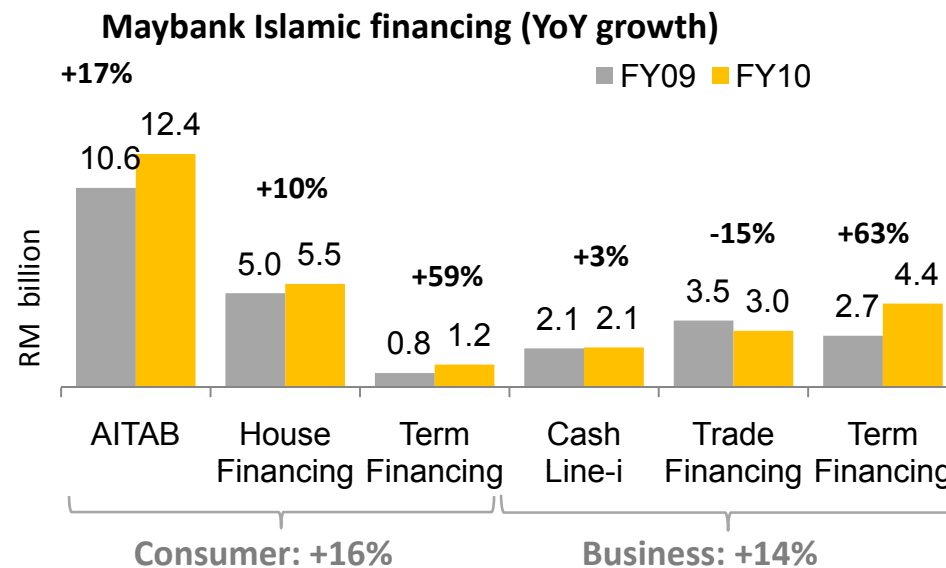
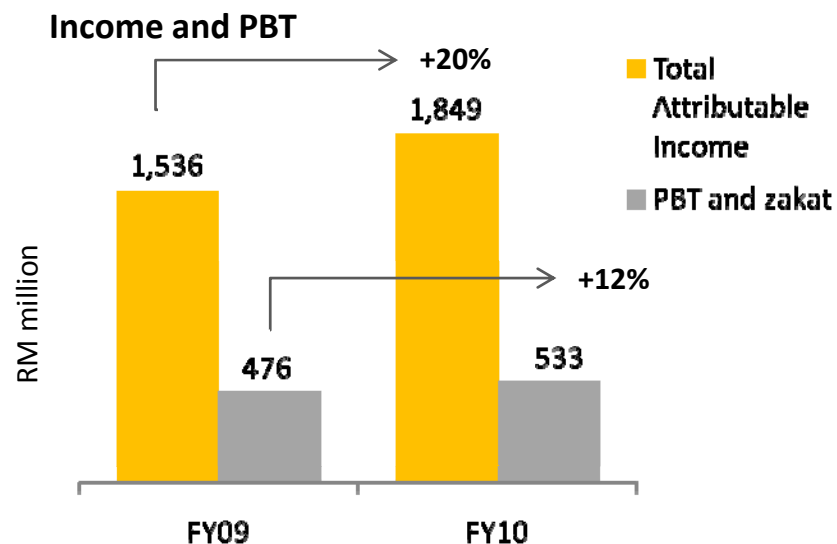
Combined Gross Premium grew 27% YoY



Overall Loss Ratio Lower Than Industry  
55.3% (Maybank) vs 61.3% (Industry)



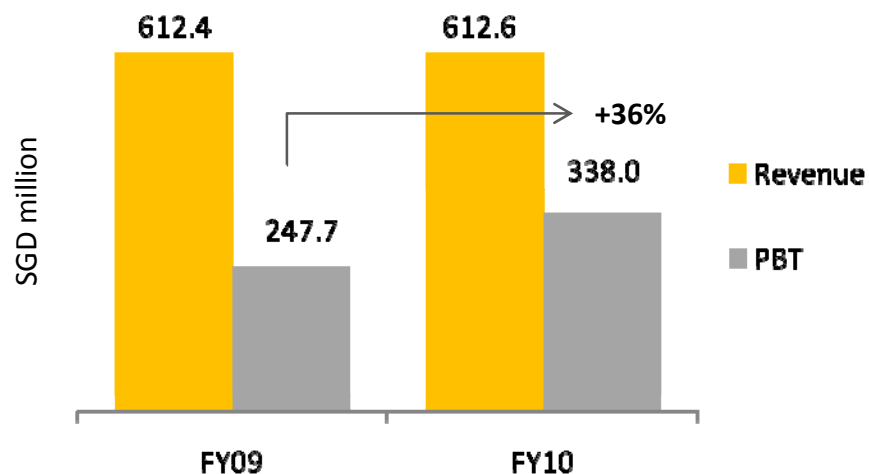
# Islamic Banking



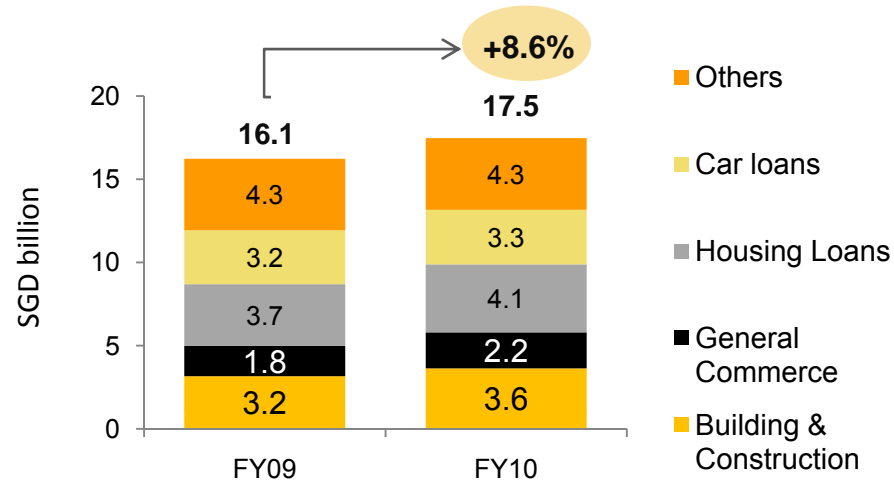
## Improving key ratios for Maybank Islamic

	FY10	FY09
Financing to Deposits Ratio	97.0%	105.0%
Islamic Financing to Total Domestic Loans	24.2%	20.5%

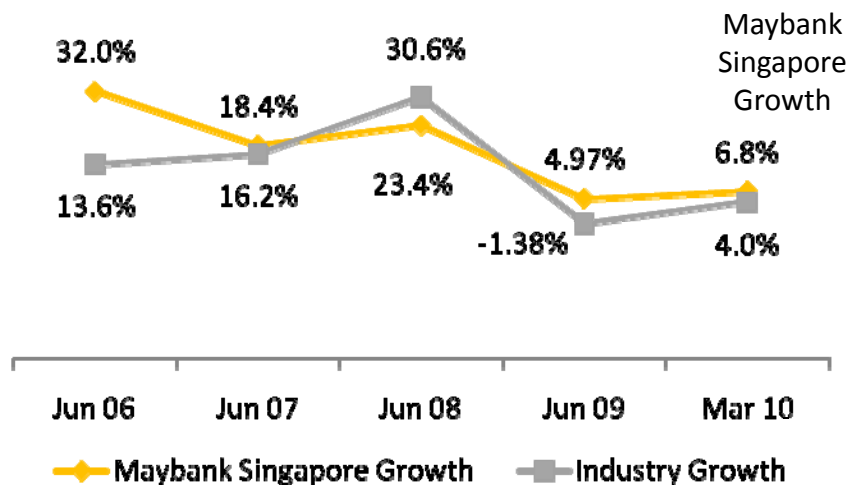
## PBT rose 36% yoy



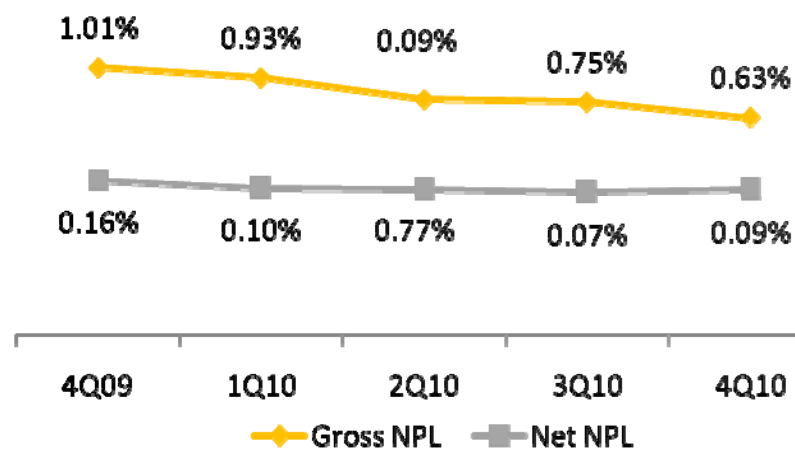
## Diversified Loan Portfolio



## Loans Growth exceeds Industry



## Asset Quality improving



## Income Statement

Rp Billion	Jul 09-Jun 10 Contribution	Jul 08-Jun 09 Contribution
Interest income	6,065	4,915
Interest expense	(2,753)	(2,727)
<b>Net interest income</b>	<b>3,312</b>	<b>2,188</b>
Non-interest income	1,762	1,187
<b>Gross Operating income</b>	<b>5,074</b>	<b>3,375</b>
Operating expenses (excluding prov.)	(3,419)	(2,147)
<b>Operating income before provision</b>	<b>1,655</b>	<b>1,228</b>
Provisions	(1,048)	(1,082)
<b>Profit before taxation and zakat</b>	<b>607</b>	<b>146</b>
<b>Net profit</b>	<b>498</b>	<b>14</b>

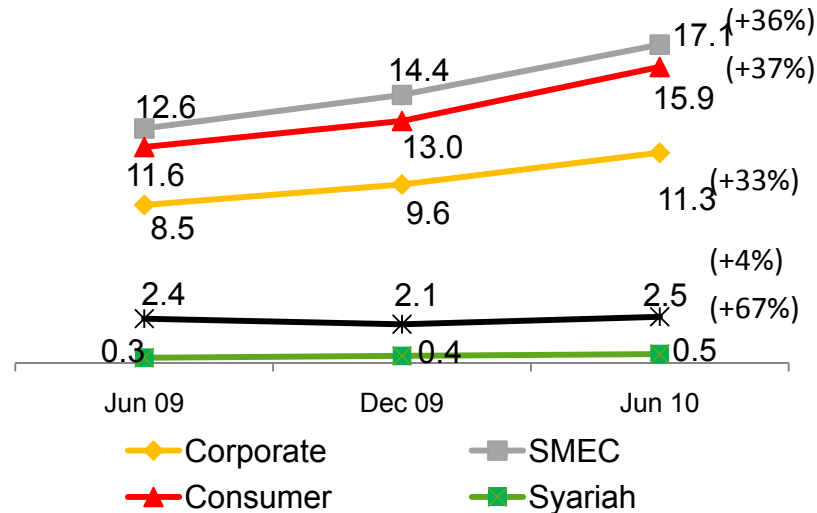
**Note:**

- Based on income statement consolidated into Group accounts.
- The accounts of BII were consolidated into Maybank Group beginning October 2008 after the acquisition of the 56% in BII was completed at the end of September 2008. In early December, Maybank completed the acquisition of 97.5% of BII.

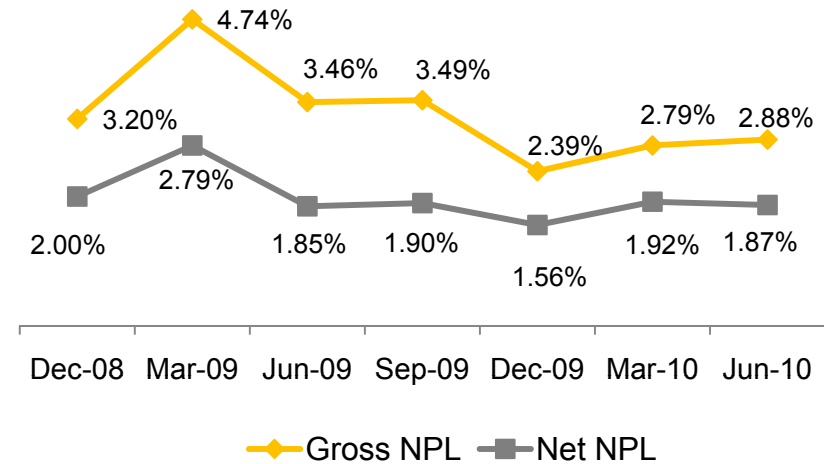
# Bank Internasional Indonesia



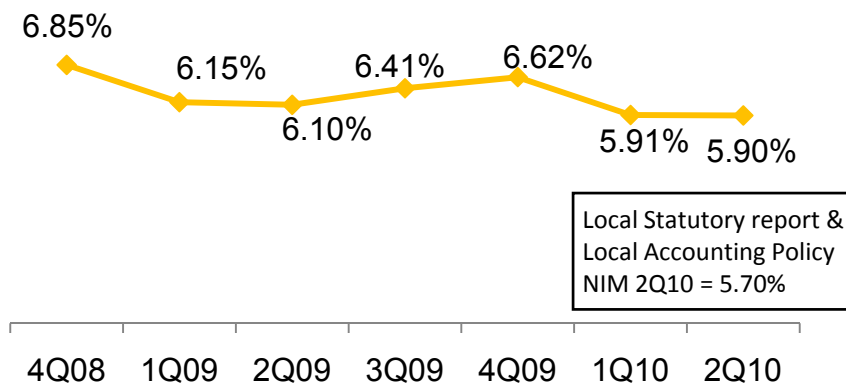
## Gross Loans: Composition (Rp trillion) and growth



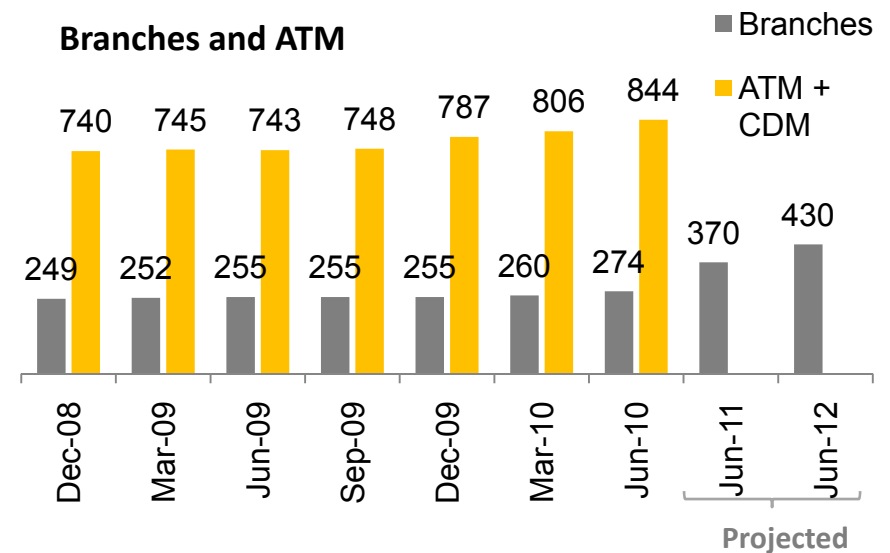
## Asset Quality



## Net Interest Margin



## Branches and ATM





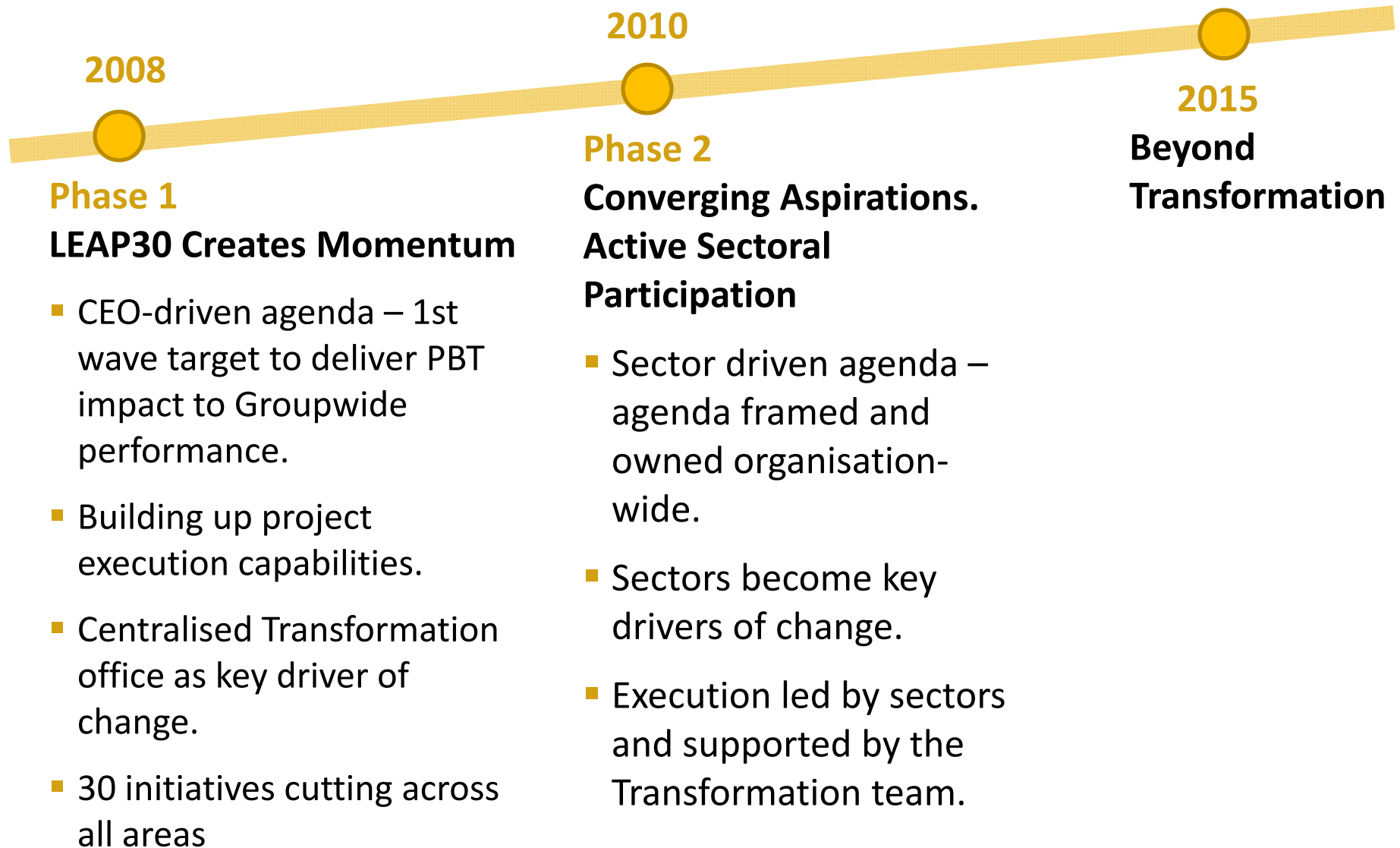
**Introduction**

**Financial Performance**

**The Way Forward**

**Prospects**

# Transformation Journey



# Reframing our Vision, Mission and Strategic Objectives



**By 2015**

**Our Vision**

To be a Regional Financial Services Leader



**Our Mission**

Humanising Financial Services from the Heart of ASEAN



**Strategic Objectives**

1. Undisputed No. 1 Retail Financial Services provider in Malaysia by 2015
2. Leading ASEAN wholesale bank eventually expanding to Middle East, China & India
3. Domestic Insurance Champion and emerging regional player
4. Truly regional organisation, with ~40% of pre-tax profit derived from international operations by 2015
5. Largest Islamic bank in ASEAN

## Humanising Financial Services from the Heart of ASEAN

- Providing the people with access to financing
- Fair terms and pricing
- Being at the heart of the community

## 1. Undisputed No. 1 Retail Financial Services provider in Malaysia by 2015

- Grow market share of individual and non-retail deposits domestically and leverage on shared distribution synergies
- Re-align SME market segment focus.

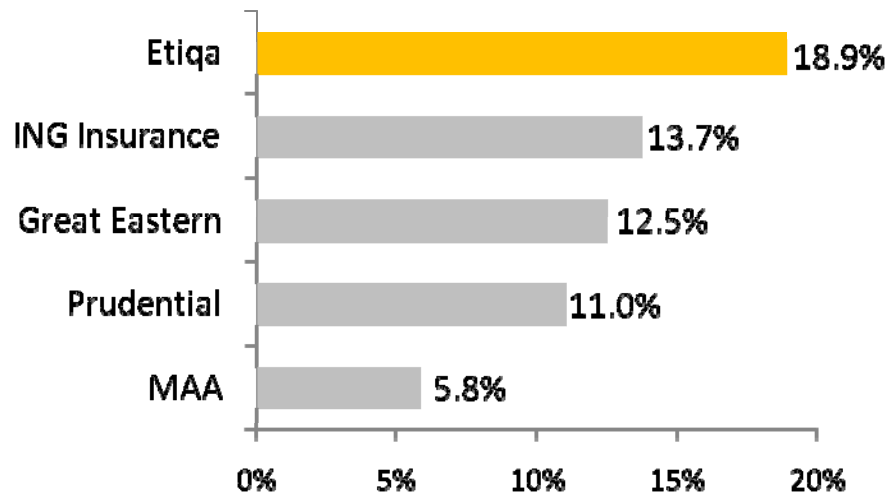
## 2. Leading ASEAN wholesale bank eventually expanding to Middle East, China & India

- Ramp up universal wholesale banking model growth in core ASEAN markets
- Strengthen transaction banking franchise
- Grow investment banking capabilities and deals

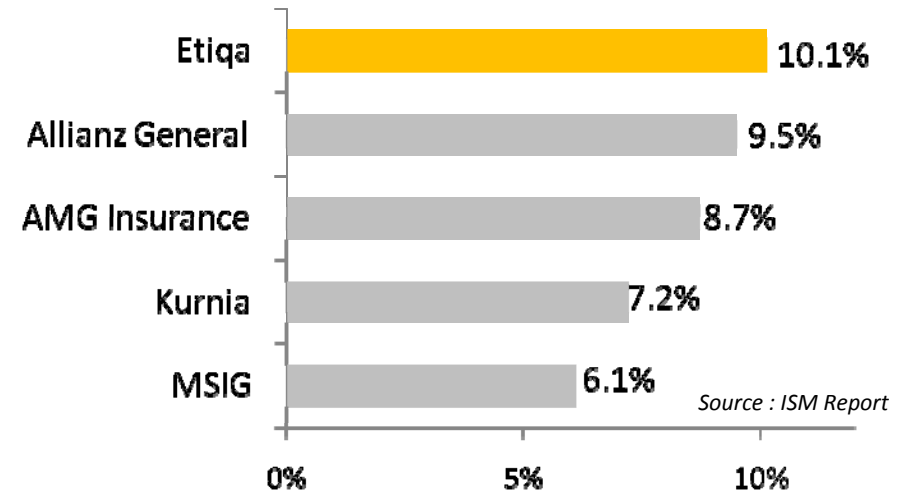
### 3. Domestic Insurance Champion and emerging regional player

- Gain leadership in domestic insurance business

Market Share: No. 1 in Life/Family (new business)



Market Share: No. 1 in General



Source : ISM Report

## Strategic Objectives: International Operations



4. Truly regional organisation, with ~40% of pre-tax profit derived from international operations by 2015

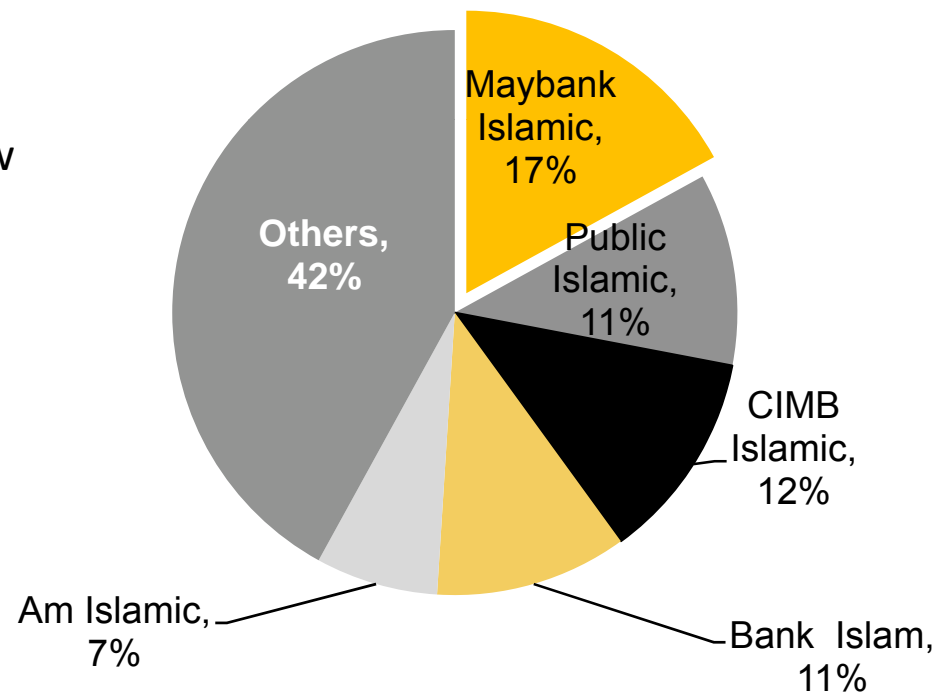


- For Indonesia, achieve leadership in 5 key business segments by 2015
- Plan to expand into Middle East, China and India at the right time and right opportunity.
- Ramping up Universal Wholesale Banking model in Singapore and Indonesia.
- Regional Center of Excellence to enhance global market trading activities
- Full integrated end-to-end regional trade finance and cash management platform
- Effective IT infrastructure and risk management systems.



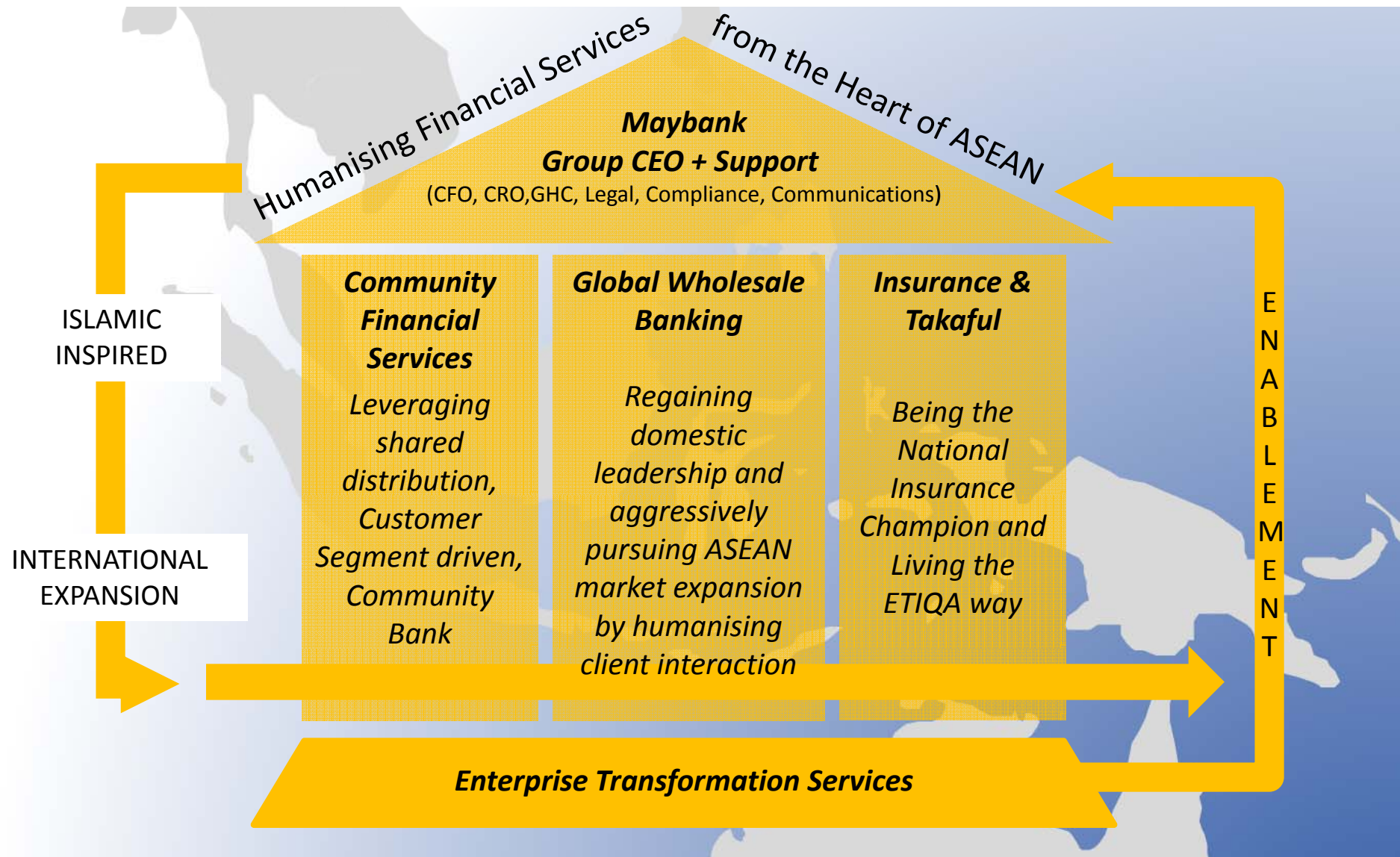
## 5. Largest Islamic bank in ASEAN

- Maybank Islamic is Malaysia's largest Islamic financial services provider.
- Maybank Islamic's Total Asset grew 28% to RM44.5 bil. in FY10.
- Conversion of Bank Maybank Indocorp into Maybank Syariah Indonesia.



Market share by Total Assets

# New Group Organisation Structure to support aspirations



# Expanded Group Executive Committee with key divisions represented



**Introduction**

**Financial Performance**

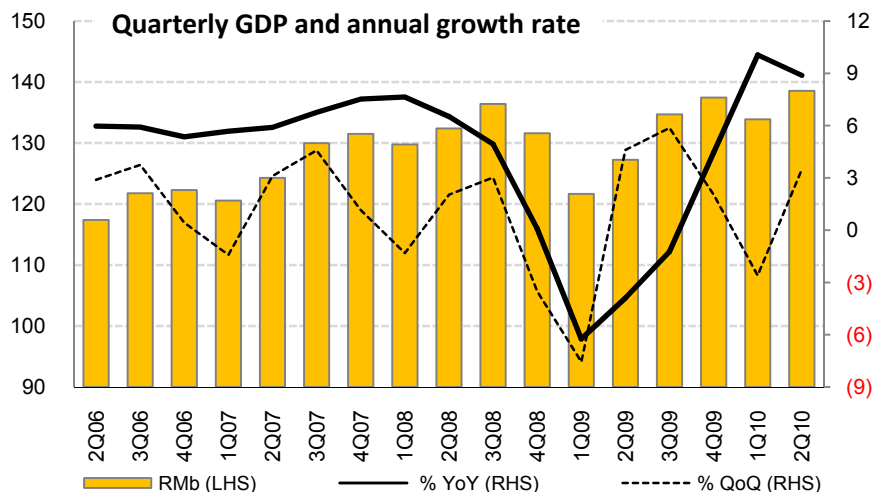
**The Way Forward**

**Prospects**

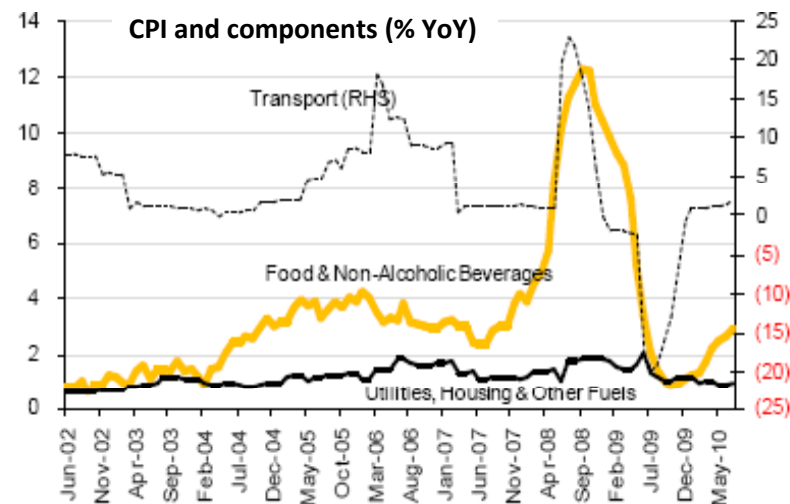
# Malaysia: Economic Rebound



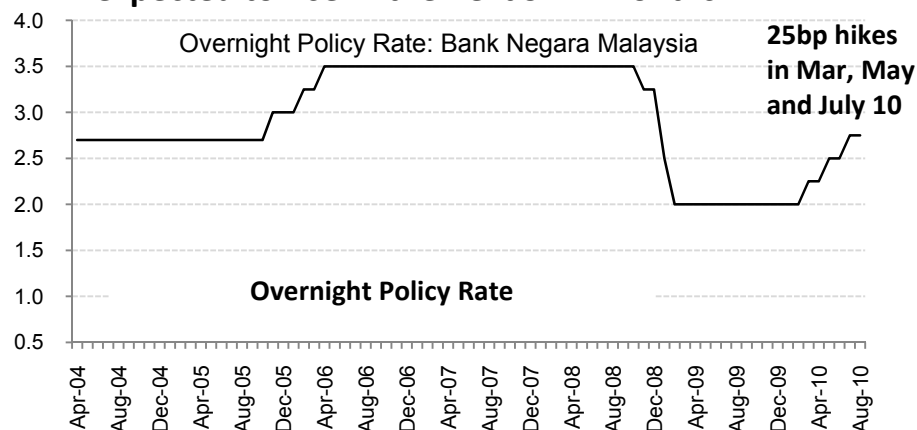
**GDP to rebound with 7.5% growth in 2010; 6.1% in 2011**



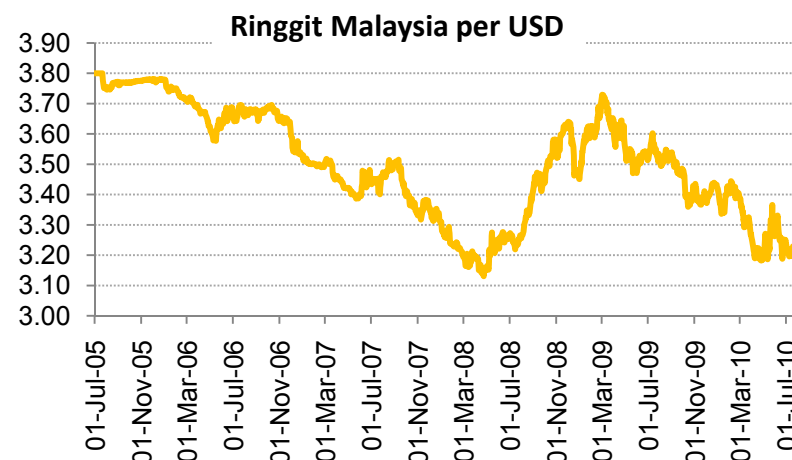
**Inflation expected to rise to 2.0% in 2010 (2009: 0.6%)**



**After July 8 hike to 2.75%, interest rate is not expected to rise in the next 9-12 months**



**Ringgit to expected to rise to RM3.10-3.15 by year end**

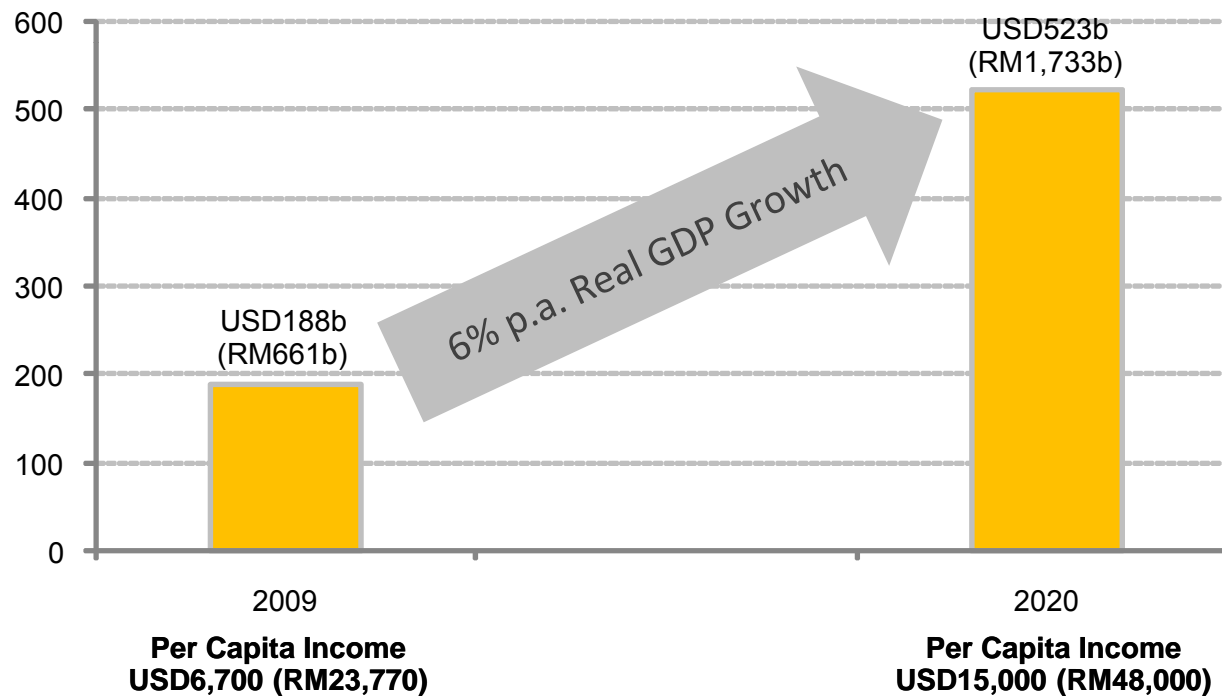


# Economic Transformation Plan (ETP): Economic targets



- Sets the key economic targets for the next 10 years
- Malaysia's real GDP needs to grow by 6% p.a.
- Lifting per capita income to USD15,000 (2020) from USD6,700 (2009)

**Malaysia: Increase in GNI Between 2009 and 2020 via 6% p.a. Real GDP Growth to Double Per Capita Income**





# Economic Transformation Plan (ETP): Banks to benefit



- Banks to benefit from the filtering down of a larger domestic economic activity base
  - Potential loan base of RM1.29 trillion
  - Based on RM1.4 trillion investment requirement under the ETP (2011-2020)
  - Of which 92% is targeted to come from the private sector (8% from public sector)
- Banks to also benefit indirectly from enlarged activities under the 10 Entry Point Projects (EPP) for Financial Services NKEA:
  - Revitalise equity markets
  - Deepen and broaden bond markets
  - Transform development financial institutions
  - Create integrated payment eco-system
  - Insuring our population
  - Accelerate private pensions
  - Spur growth of wealth management
  - Kick-start and sustain an asset management industry
  - Create regional champions
  - Global Islamic financial hub

## Prospects for FY2011



- **Recovering regional economies to spur demand** with loans growth of 12% in Malaysia, 24% at BII and 5% in Singapore.
- **International contribution is expected to increase** mainly from 2 key home markets of Singapore and Indonesia and leveraging on Global Wholesale Banking platform.
- **Islamic Banking** is identified as key differentiator with target financing growth of 25%.
- **Margins expected to be stable.**





# Prospects for FY2011



- **The reframed vision and mission supported by new organisation structure** is expected to drive growth.
- **Investment in people, technology and processes** to realise vision and strategic objectives, with efforts to reduce costs through synergies and centre of excellence.
- **Dividend Reinvestment Plan in place to ensure robust capital adequacy.**
- **Two Key Performance Indicators (KPIs)** for FY2011: Group's loans and debt securities growth of 12% and ROE of 14 %.



## Latest Proposals

1. Minimum Core Equity Ratio (CER) of 4.5% by 2015. Staggered implementation of capital conservation buffer up to 2.5% in 2019.  
  
Minimum Risk Weighted Capital Ratio (RWCR) to remain at 8%.
2. Minimum leverage ratio of 3%
3. Introduction of Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSF) in 2015 and 2018 respectively.

## Impact on Maybank (Bank level)

1. Proforma CER as at 30 June 2010 above 10%. Going forward, expect to meet minimum CER of 7% without any equity capital raising.  
  
Awaiting clarity of Basel III rules on capital securities and sub-debt.
2. Proforma leverage ratio of 4.8% (31 March 2010), well above min. 3% requirement.
3. LCR and NSF ratio at above 100%.

# Key Performance Indicators (KPI) for FY2011



Headline KPIs	
Return on Equity	14%
Loans and Debt Securities Growth	12%
Other targets	
Loans Growth	
• Malaysia	12%
• Singapore	5%
• BII	24%
Net Interest Margin	Stable
Dividend Payout Ratio	40%-60%

Note: Loans growth for Singapore and BII are in local currency

*As we celebrate our 50<sup>th</sup> anniversary in 2010, Maybank has proven its worth as a bank built on an unshakeable foundation capable of withstanding crises, and always delivering on its promise.*



50 Years  
of Growth

Total Assets

>USD 100 BILLION

Profit After Tax

>USD 1 BILLION

Human Capital

>40,000 MAYBANKERS  
WORLDWIDE

Global Network

>1,750 OFFICES  
IN 14 COUNTRIES

Customers

>18 MILLION CUSTOMERS



# Thank You

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