



FINANCIAL RESULTS

1st Quarter FY2011 ended 30 Sept 2010

Analyst Briefing

12 November 2010

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Key Highlights



- PATAMI for 1Q11 grew 16.6% YoY and 12.7% QoQ to RM1,028 million.
- YoY revenue growth was mainly driven by Corporate Banking (+14.0%), International Banking (+7.8%) and Insurance & Takaful (+27.2%).
- YoY profit growth mainly came from Community Financial Services and Corporate Banking which recorded 63.8% and 21.5% growth respectively.
- Sustained consumer loans growth of 10.0% and international loans growth at 7.0%, contributed by 30% growth at BII and 5% growth at Singapore. However, Group loans grew by 2.2% annualised due to large repayment of corporate loans.
- Full adoption of FRS 139. Minimal impact on equity of -0.8%. Higher impairment ratios in line with the industry.
- Lower allowances for loss on loans due to improved bad debt recovery and higher specific provisions in the previous corresponding period.
- With adoption of Basel II under RWCA Framework, capital remains robust with CAR* at 13.95% for the Bank and 14.15% for the Group.
- Normalised Return on Equity of 14.8% is on track to achieve full year target of 14%.

** Assuming full reinvestment of electable portion under the Dividend Reinvestment Plan*

YTD Key Performance Indicators (KPI) for FY2011



Headline KPIs	Target	1Q11 achievements
Return on Equity	14%	14.8% (normalised) ▲
Loans and Debt Securities Growth	12%	4.6% annualised ▼

Other targets	Target	1Q11 achievements
Loans Growth		
• Malaysia	12%	-0.1% ▼
• Singapore	5%	5.0% ▲
• BII	24%	30.0% ▲
Net Interest Margin	Stable	2.75% (-7 bps YoY) ▼
Dividend Payout Ratio	40%-60%	Dividend to be determined in 1H11

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

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PATAMI rose to RM1.03 billion or 16.6%



RM million	1Q11	1Q10	YoY Change	4Q10	QoQ Change
Net interest income	1,774.5	1,627.6	9.0%	1,792.2	-1.0%
Income from Islamic Banking	338.2	381.6	-11.4%	355.7	-4.9%
Net income from insurance business	86.7	72.0	20.5%	168.5	-48.5%
Non-interest income	1,008.2	990.1	1.8%	878.8	14.7%
Net income	3,207.6	3,071.3	4.4%	3,195.2	0.4%
Overhead expenses	(1,556.0)	(1,490.9)	4.4%	(1,536.5)	1.3%
Operating Profit before allowances for losses on loans	1,651.6	1,580.4	4.5%	1,658.7	-0.4%
Allowance for losses on loans	(264.7)	(417.7)	-36.6%	(311.2)	-14.9%
Impairment losses on securities	(13.9)	(32.3)	-56.8%	(23.4)	-40.6%
Operating Profit	1,373.0	1,130.4	21.5%	1,324.1	3.7%
Share of profits in associates	31.3	25.8	21.5%	35.0	-10.6%
Profit before taxation and zakat	1,404.3	1,156.2	21.5%	1,359.1	3.3%
Taxation & Zakat	(350.7)	249.4	40.6%	(384.1)	-8.7%
Minority Interest	(25.5)	(25.0)	2.3%	(62.5)	-59.2%
PATAMI	1,028.1	881.8	16.6%	912.5	12.7%
EPS	14.53 sen	12.46 sen	16.6%	12.89 sen	12.7%

Normalised PBT for 1Q11 grew 14.1% YoY



RM million	1Q11	1Q10	YoY
Profit before tax (PBT)	1,404.3	1,156.2	21.5%
Unrealised (Gains)/Losses on derivatives	(171.7)	(84.5)	
Forex Realised/MTM (Gains)/Losses	(37.8)	(29.3)	
Amortisation on Core Deposits (BII)	20.4	22.9	
Normalised PBT	1,215.2	1,065.3	14.1%

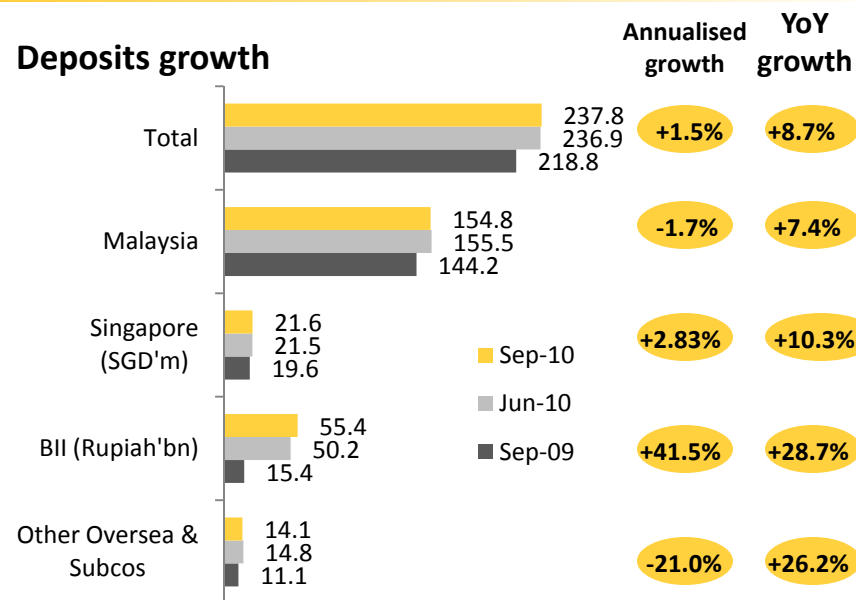
Loans grew in tandem with deposits growth



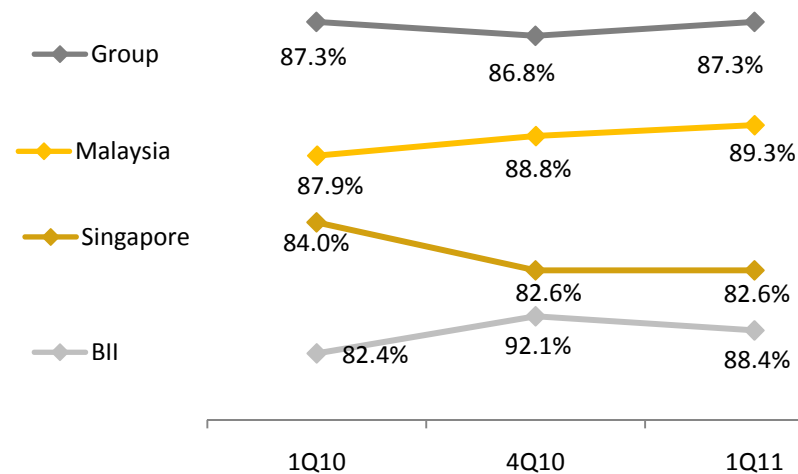
Loans growth driven by CFS and BII though domestically loans were affected by chunky repayments

RM billion	Sep-10	Jun-10	Sep-09	Annualised growth	YoY Growth
Community Financial Services	105.7	104.4	94.5	4.9%	11.8%
Consumer	78.4	76.5	68.6	10.0%	14.3%
Total Mortgage	35.2	34.6	32.0	7.7%	10.0%
Auto Finance	23.3	22.8	20.8	10.1%	12.0%
Credit Cards	4.2	4.1	3.7	4.5%	12.9%
Unit Trust	14.2	13.7	10.6	16.7%	34.4%
Other Retail Loan	1.5	1.4	1.5	16.7%	-2.1%
Commercial + SME	27.2	27.9	25.8	-9.2%	5.4%
GWB (M'sia Ops)	40.1	41.4	39.4	-12.9%	1.7%
Other Loans	0.2	0.2	0.1	25.7%	165.4%
Total Domestic	146.0	146.0	134.0	-0.1%	8.9%
International	70.3	69.1	65.8	7.0%	6.9%
Singapore (SGD mn)	17.8	17.5	16.6	5.0%	6.6%
BII (Rupiah bn)	50.8	47.3	36.5	30.0%	39.1%
Others	11.2	11.8	12.1	-17.9%	-7.4%
Gross Loans	216.4	215.2	200.1	2.2%	8.2%

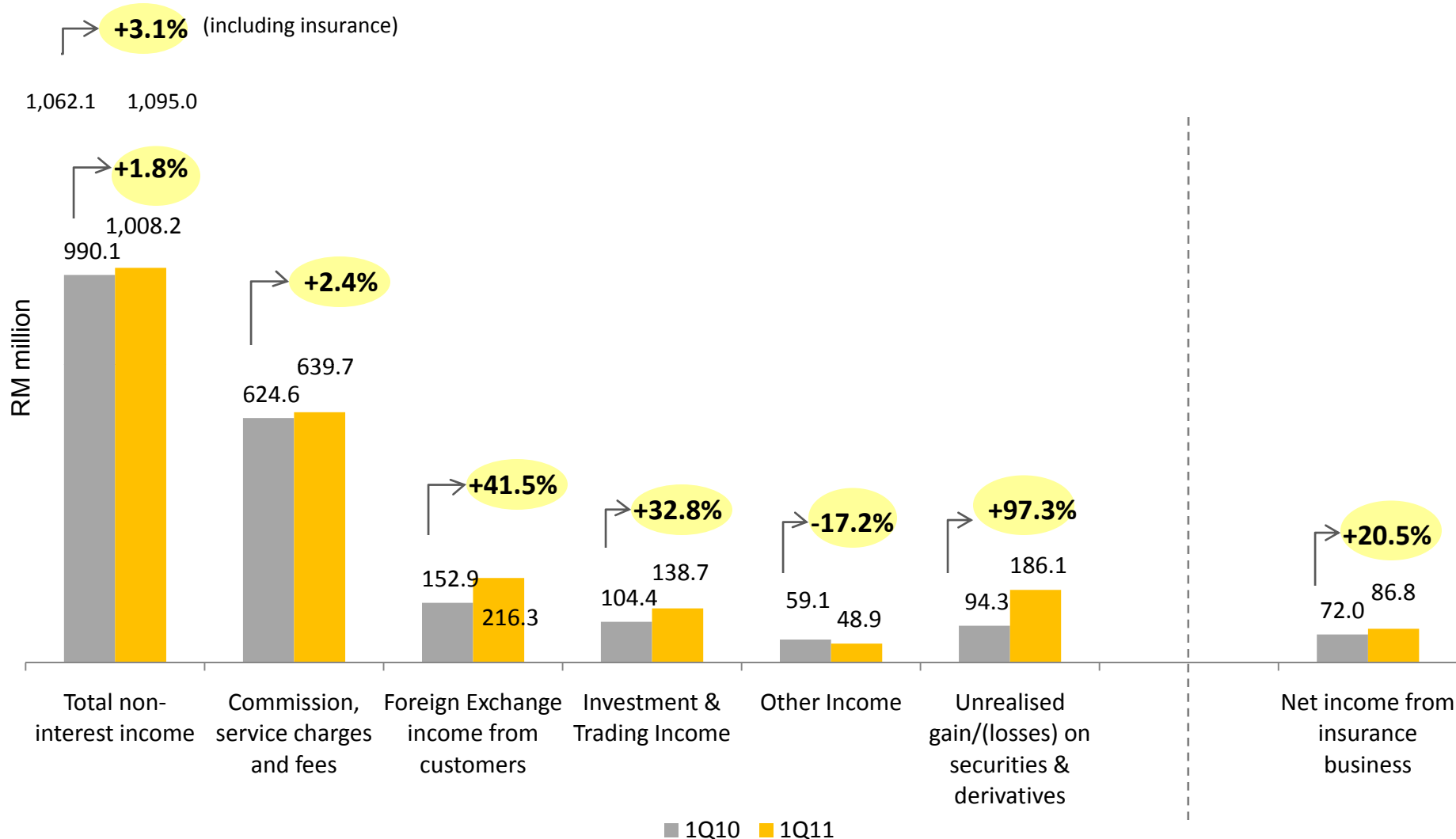
Deposits growth



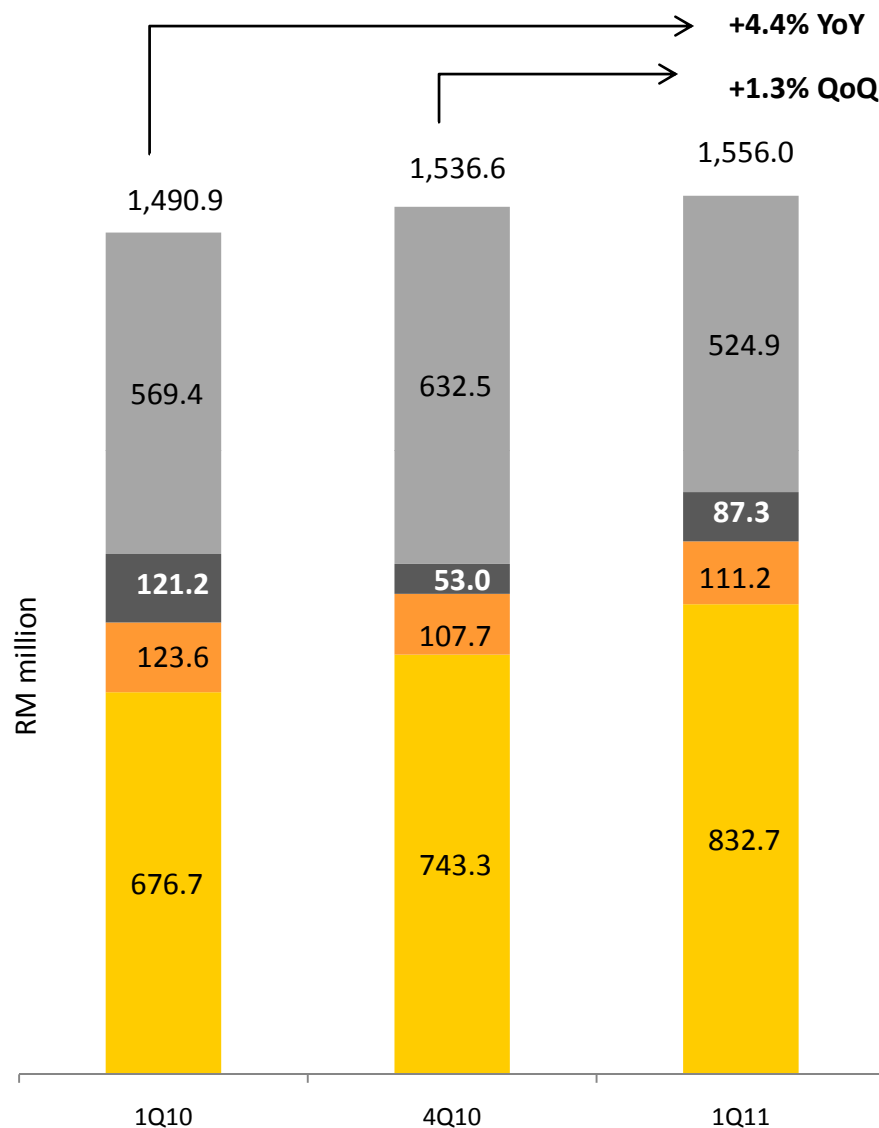
Loans-to-Deposit ratio



Non-Interest Income including insurance grew 3.1% YoY



Overheads was contained in line with income growth at 4.4% YoY



	QoQ	YoY
Personnel costs *	12.0%	23.1%
IT Expenses	3.2%	-10.1%
Marketing Expenses	64.6%	-28.0%
Admin, general expenses & fees & brokerage	-17.0%	-7.8%
Total	1.3%	4.4%

*Personnel cost rose 23.1 YoY due to increase in COLA, higher bonus provisions and earlier timing of salary increment.

- Admin, general expenses & fees & brokerage
- Marketing Expenses
- IT Expenses
- Personnel costs

Maybank Group: Key Ratios



	1Q11		4Q10	3Q10	2Q10	1Q10
Net Interest Margin	2.75%		2.88%	2.76%	2.77%	2.82%
Return on Equity (normalised)	14.8%		14.5%	13.8%	14.3%	13.4%
Fee to Income Ratio	32.9%		35.2%	37.5%	38.4%	35.6%
Cost to Income	48.5%		46.9%	47.8%	48.1%	48.5%
Adj. Cost to Income *	50.0%		45.5%	49.7%	48.8%	48.4%
Loan-to-Deposit Ratio	87.3%		86.8%	84.8%	84.5%	87.3%
Asset Quality	Post-FRS 139	Pre-FRS 139	← Pre-FRS 139 →			
	Gross NPL Ratio	4.70% 2.79%	2.90%	3.05%	3.26%	3.50%
	Net NPL Ratio	2.99% 1.20%	1.22%	1.36%	1.43%	1.60%
	Loan Loss Coverage	84.1% 125.6%	124.5%	120.5%	117.8%	113.2%
	SP / Impairment charge off rate (bps)	49 43	57	38	48	77
	SP / Impairment charge off rate (bps) (exc. BII)	37 31	31	33	36	65
	Capital Adequacy (Group)					
Core Capital Ratio	11.48%** 10.70%	11.06%	10.67%	10.76%	10.43%	
Risk Weighted Capital Ratio	14.15%** 13.64%	14.67%	14.50%	14.61%	14.28%	

* Adjusted Cost to Income ratio: Overhead Expenses is adjusted to exclude insurance claims

**After Basel II and full electable portion dividend to be reinvested

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Adoption of full FRS139: minimal impact to shareholders' funds



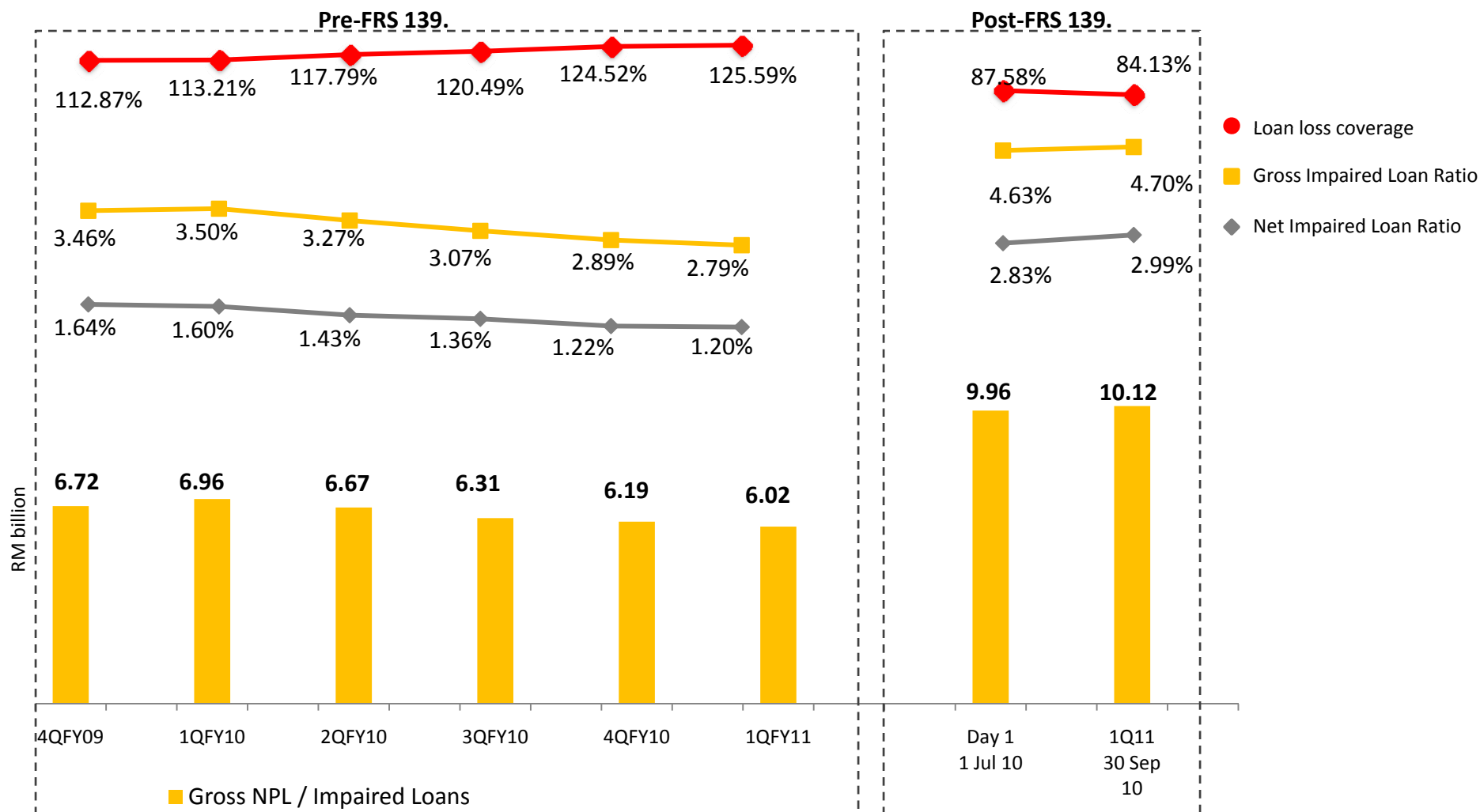
- Maybank aligns itself with international standards by adopting full FRS 139 with minimal impact to shareholders' funds.

1 July 2010	As previously stated	Effect of FRS 139	Effect of FRS 4	As restated
Share Capital	7,078			7,078
Reserves				-
Share Premium	5,903			5,903
Statutory Reserve	5,554			5,554
Capital Reserve	15			15
Unrealised Holding Reserve / (Deficit)	341	(48)		293
Exchange Fluctuation Reserve	(949)			(949)
Revaluation Reserve	9			9
Retained Profits	9,926	(172)	2	9,756
	27,877	(220)	2	27,659
Minority Interest	788	(6)	1	783
Total Equity	28,665	(226)	3	28,442

Asset Quality: More stringent methodology for FRS139



The more refined and stringent methodology under FRS139 resulted in higher impaired loan ratio though GP 3 provisioning continues to show improvement



Full adoption of Basel II RWCA Framework



- Maybank's adoption of Basel II Risk Weighted Capital Adequacy (RWCA) Framework brings it in line with regional peers.
- Under Basel II, Risk Weighted Assets (RWA) increased due to inclusion of Operational RWA of RM22.0 billion but mitigated by decrease in Credit RWA by RM38.9 billion.
- Reduction in capital was due to different treatment of capital computation and provision
- Capital Adequacy with Basel II adoption, though declined, remains promising when the transition period ends.

	Jun 10 Basel I	Group Sep 10 Basel I	Sep 10 Basel II	Jun 10 Basel I	Bank Sep 10 Basel I	Sep 10 Basel II
Core capital ratio, assuming:						
full electable portion paid in cash	10.10%	9.84%	10.56%	13.78%	12.90%	12.80%
full electable portion reinvested	10.97%	10.70%	11.48%	14.91%	14.01%	13.95%
Risk-weighted capital ratio, assuming:						
full electable portion paid in cash	13.71%	12.79%	13.23%	13.78%	12.90%	12.80%
full electable portion reinvested	14.58%	13.64%	14.15%	14.91%	14.01%	13.95%

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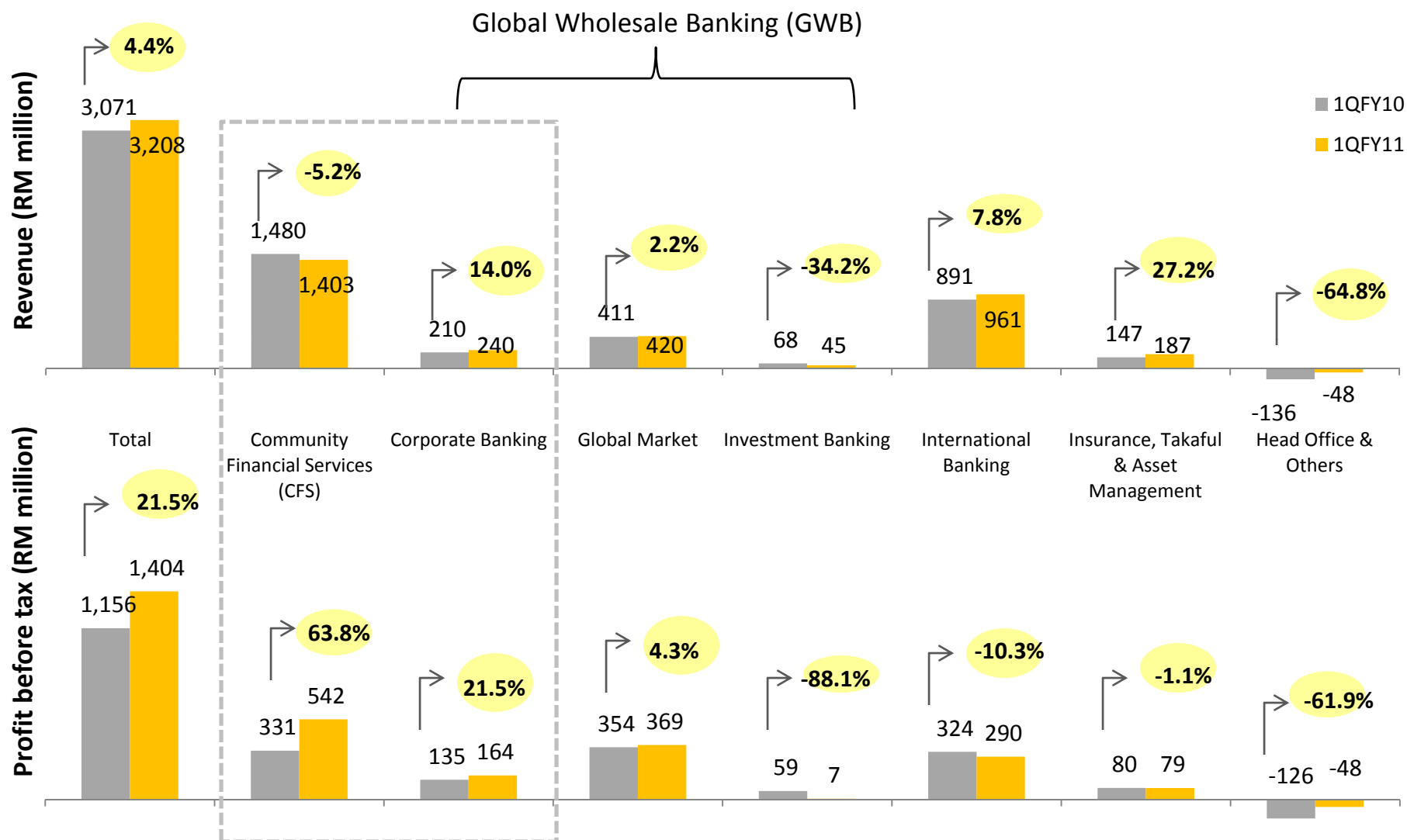
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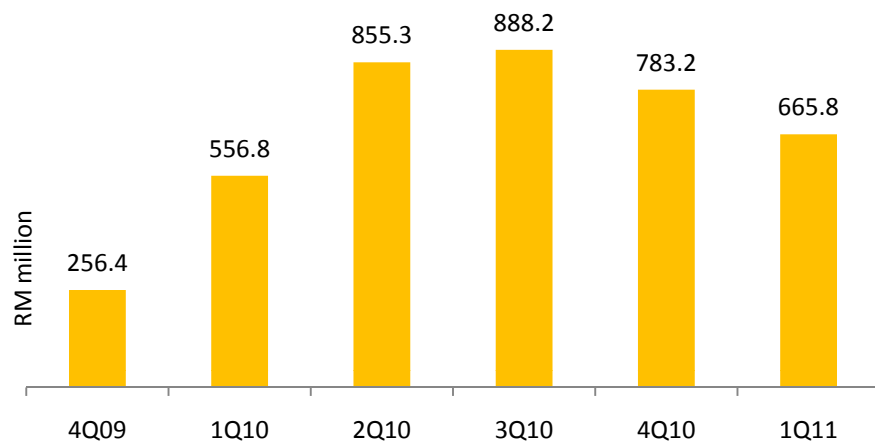
Strong performance in CFS and GWB's corporate banking segments



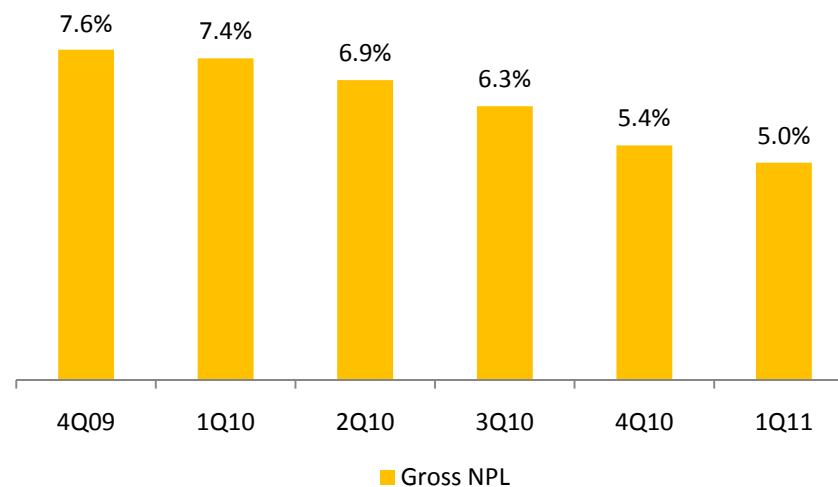
Community Financial Services: Mortgage Loans and Hire Purchase



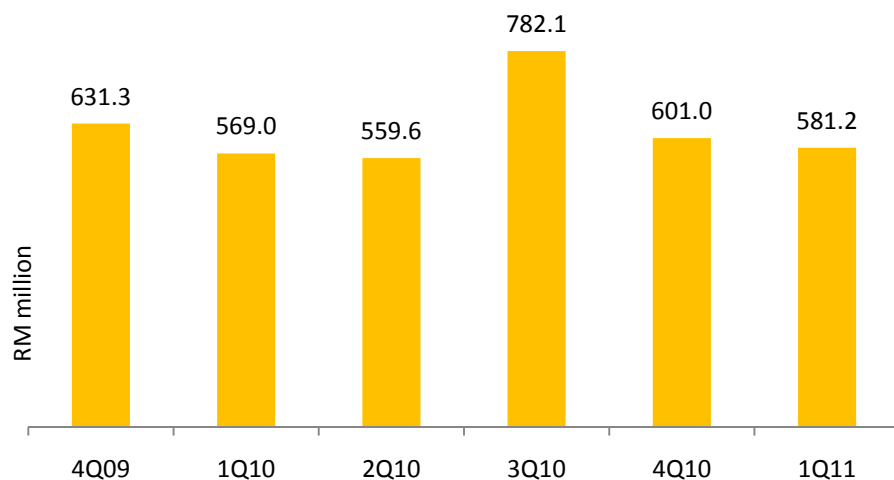
Growth in mortgage loans remains above RM500 million



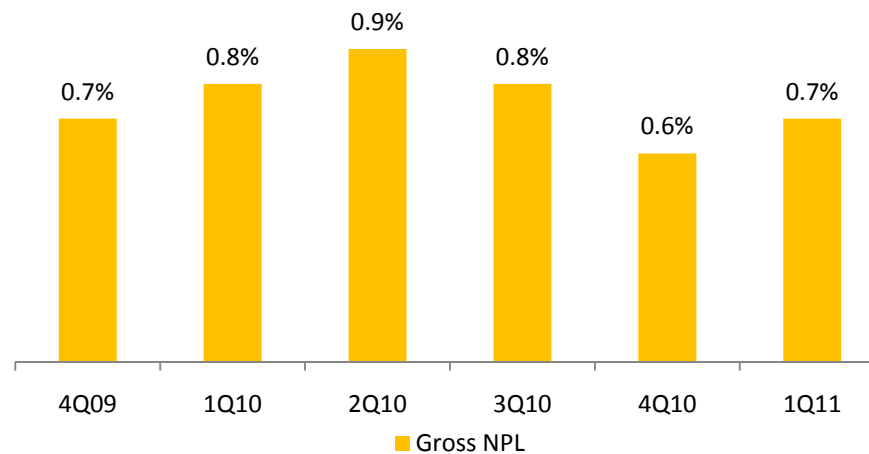
Mortgage Loans: Improving Asset Quality



Growth in HP loans remains above RM500 million



Hire Purchase : Asset Quality remains low



Community Financial Services: Cards continues to gain market share



Gaining Market Share

	Sep 10	Sep 09
Cardbase	16.6%	15.2%
Billings	22.3%	21.5%
Receivables	14.2%	14.2%
Merchant Sales	29.7%	28.6%

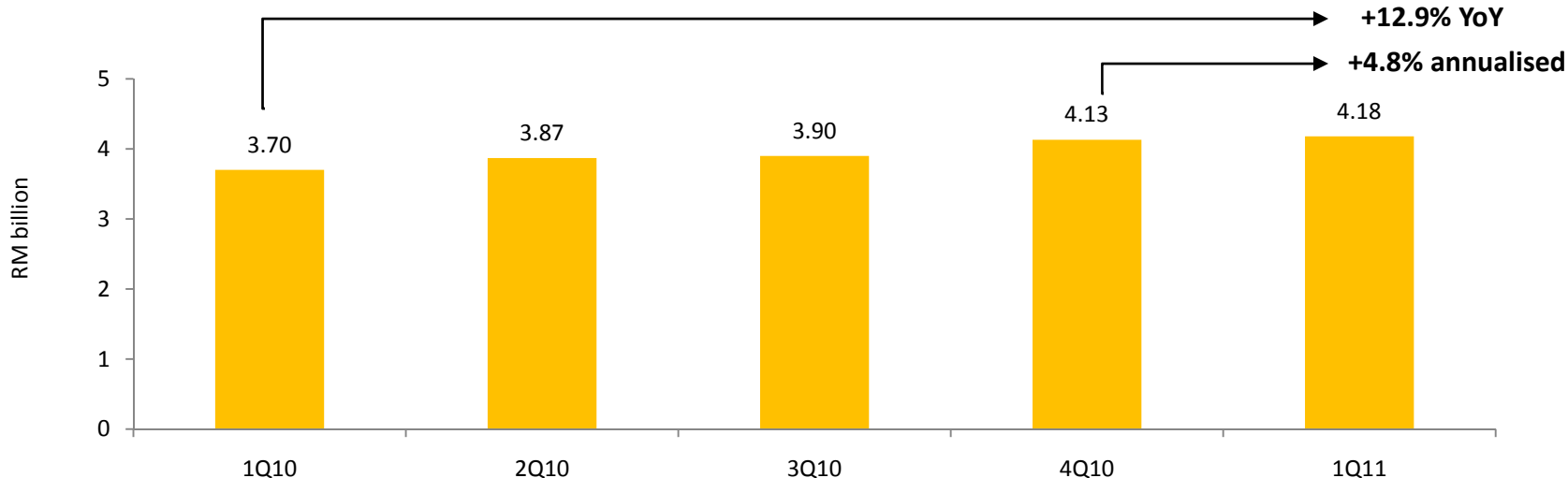
- Card base excludes Debit cards
- Merchant and Billings consist of transactions done through Credit, Charge and Debit cards

Card Growth above industry

YoY	Maybank	Industry*
Cardbase	-13.7%	-21.1%
Billings	18.0%	13.2%
Receivables	12.9%	12.8%
Merchant Sales	14.3%	9.9%

- Industry figures for cards includes commercial banks and non-FI players

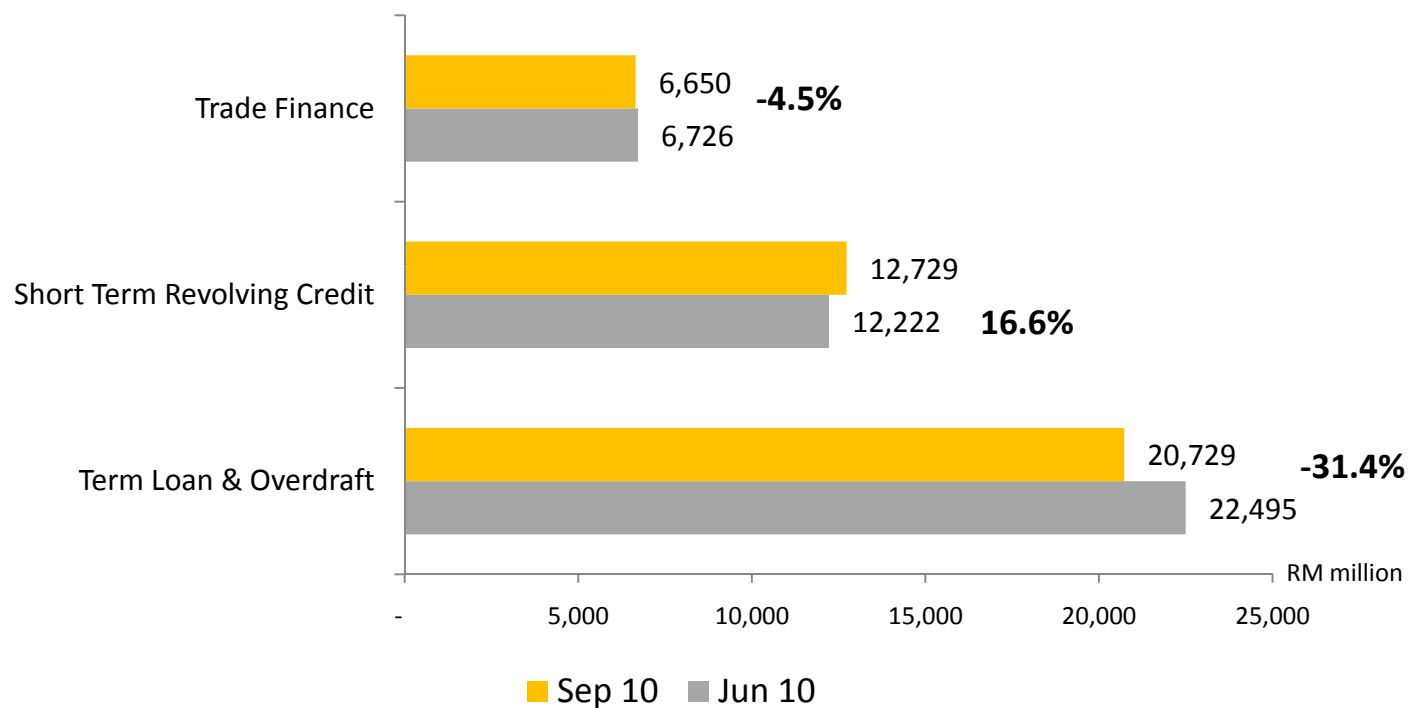
Cards Receivables



GWB gross loans affected by chunky repayments



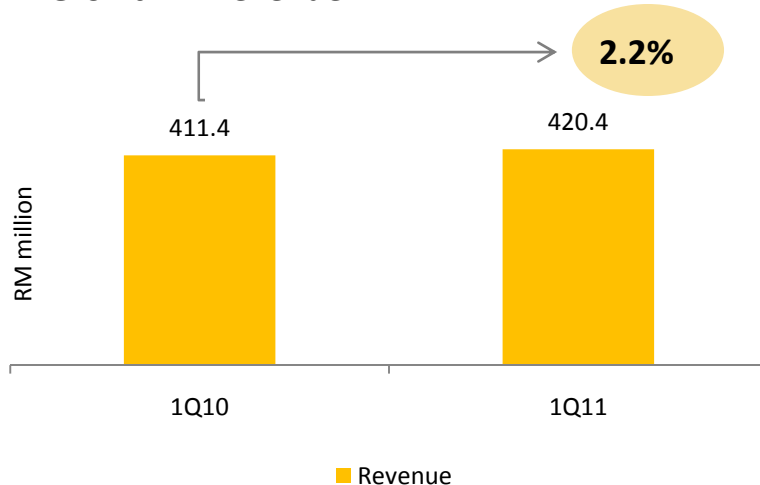
GWB gross loans declined by 12.9% annualised due to chunky repayments



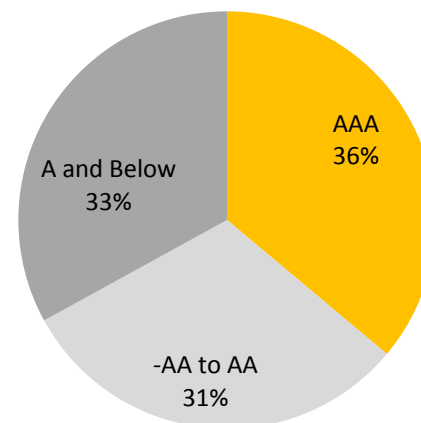
Global Markets performance boosted by trading activities



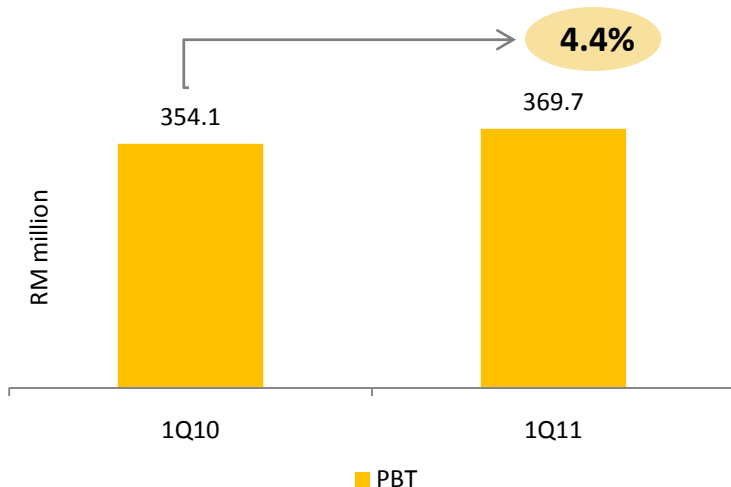
Growth in Revenue



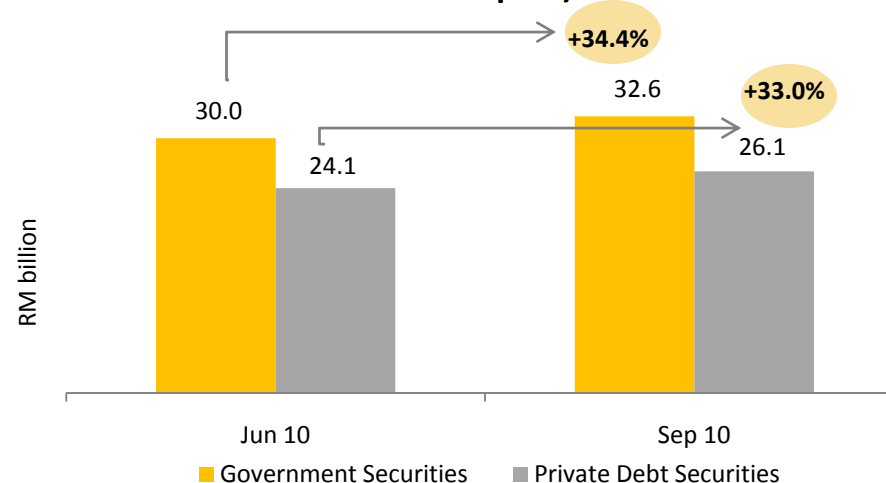
Credit Rating for Private Debt Securities in Malaysia



Growth in PBT

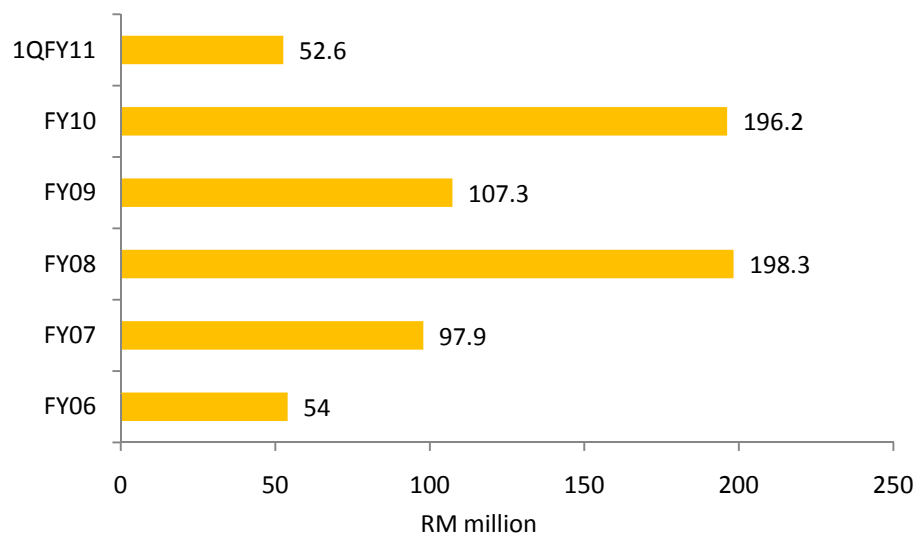


**Group Securities Portfolio grew 33.8% annualised
(Total = RM58.8 billion as at 30 Sep 10)**

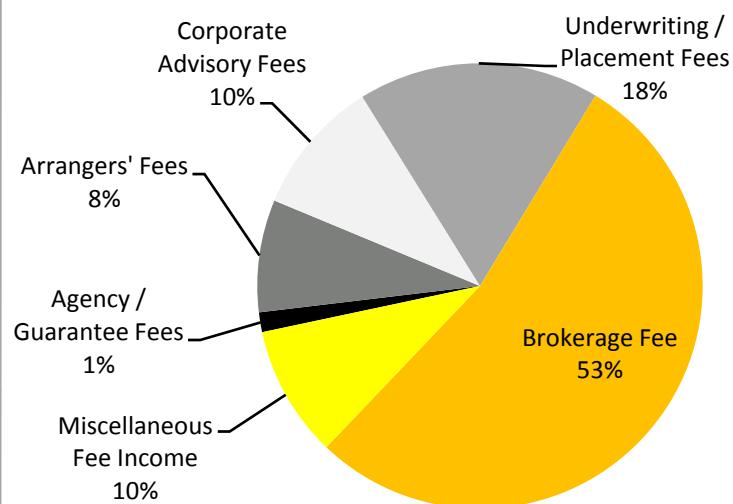


Brokerage activities contributed majority of IB income

Fee based Income



1Q11 Fee based Income Segmentation



Industry Position & Market Shares : July 10 – Sept 10

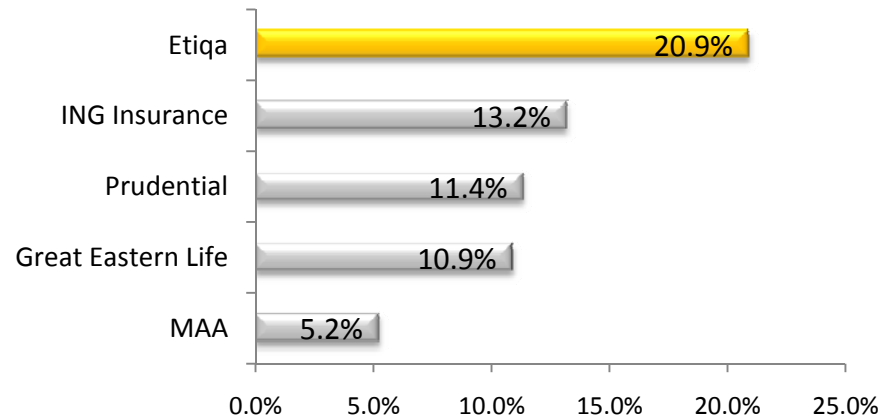
Source: Bloomberg

	Industry Rank	Total Value (bil)	Deals/Issues	Market Share
M&A	3	RM 12.28	6	25.1%
Equity & Rights Offerings	2	RM 2.16	8	20.6%
Debt Markets - Malaysia Domestic Bonds	2	RM 2.58	14	19.8%
Debt Markets - Malaysian Ringgit Islamic Bonds	2	RM 2.50	10	26.9%
Equity Brokerage	5	6.7% of Bursa Trading Value	n.a	6.7%

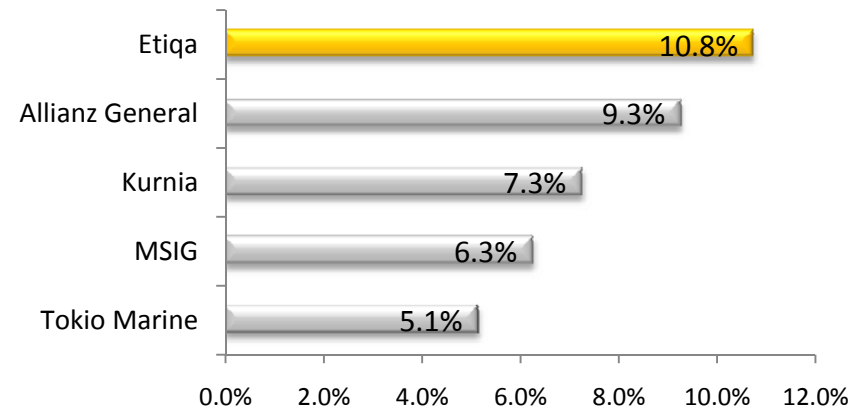
Etiqua maintains pole position in Life/Family and General



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

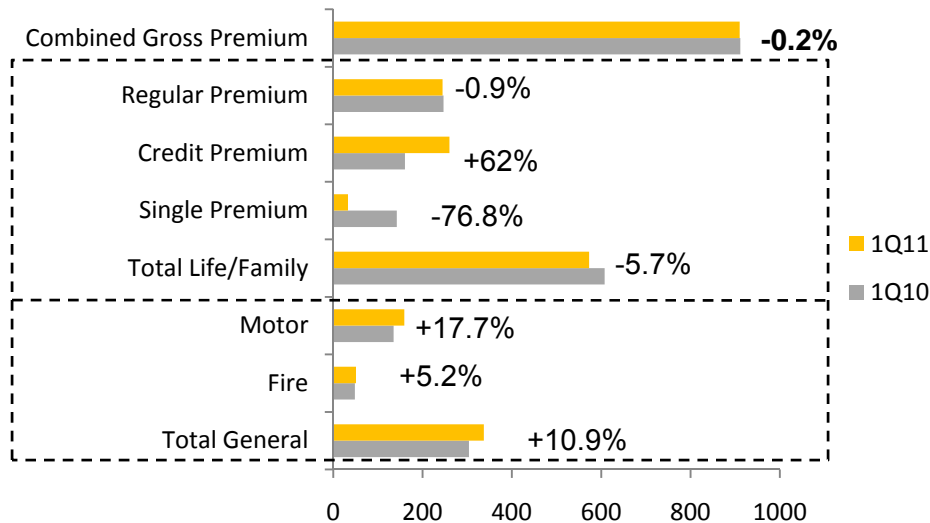


Market Share: No. 1 in General

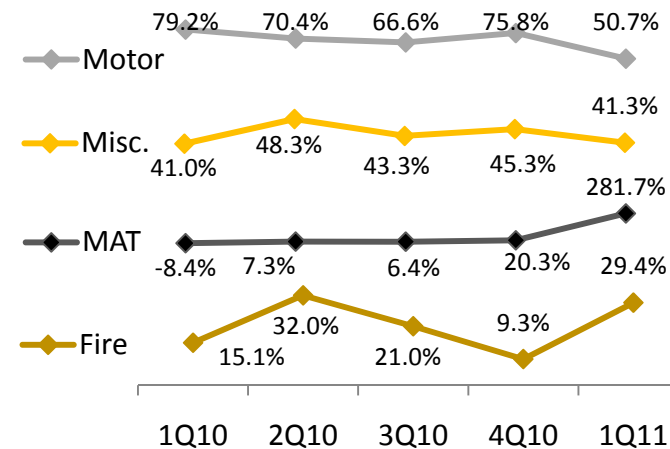


Source : ISM Report

Combined Gross Premium



Overall Loss Ratio Lower Than Industry 45.2% (Maybank) vs 60.5% (Industry)



Industry
60.5%

79.4%

45.0%

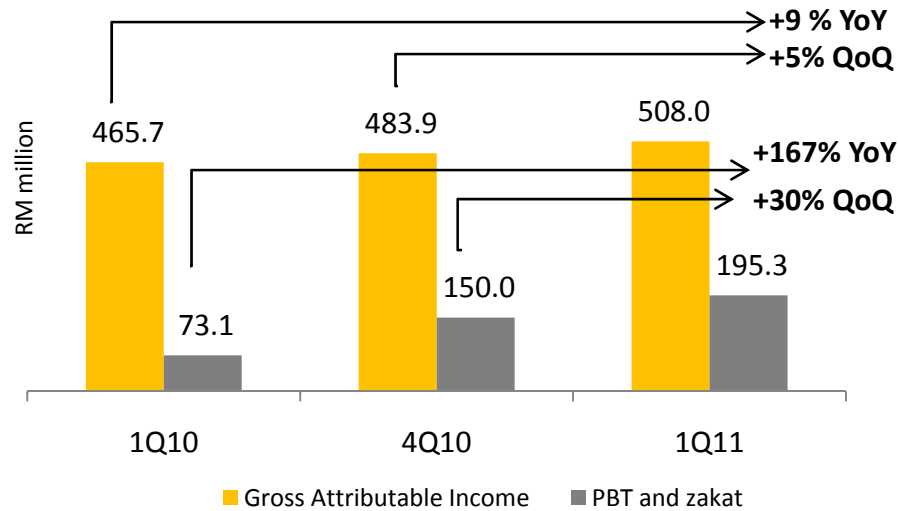
21.1%

26.6%

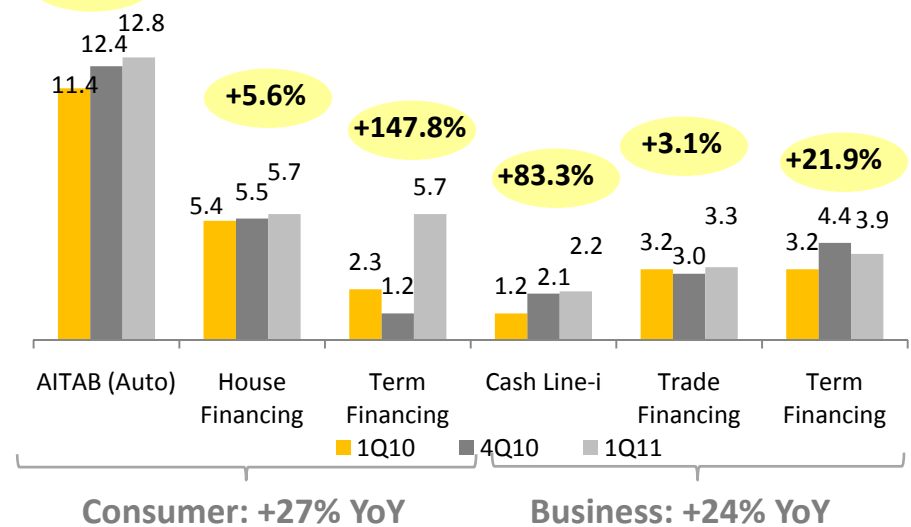
Maybank Islamic maintains strong financing growth of 25.8% YoY



Income and PBT



Maybank Islamic financing (25.8% YoY growth)

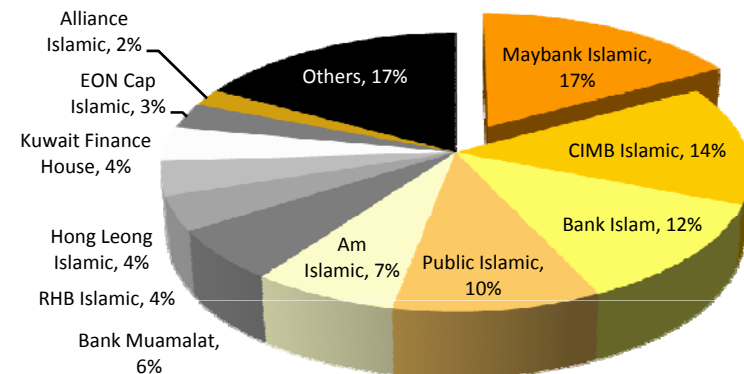


Improving key ratios for Maybank Islamic

	1Q11	4Q10	1Q10
Financing to Deposits Ratio	96.6%	96.6%	112.0%
Islamic Financing to Total Domestic Loans	24.7%	24.0%	21.8%

Leading market share (by Total Assets)

Total Assets as at Sep 10 RM45.4 billion (+8.2% annualised)



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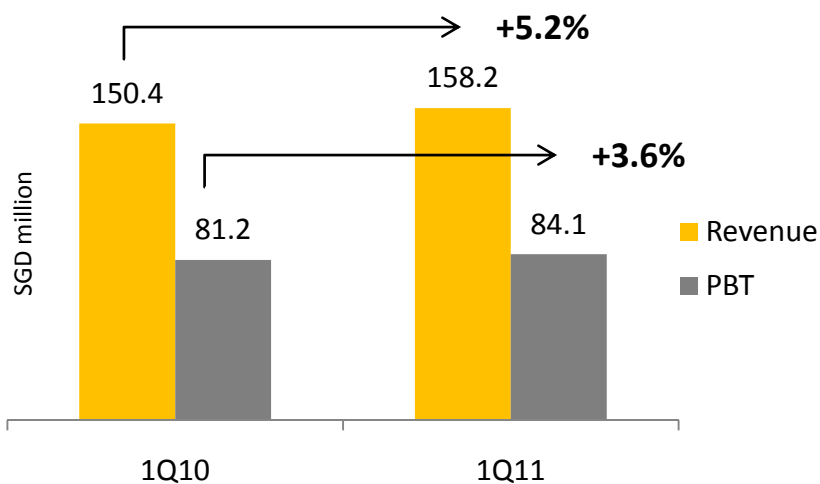
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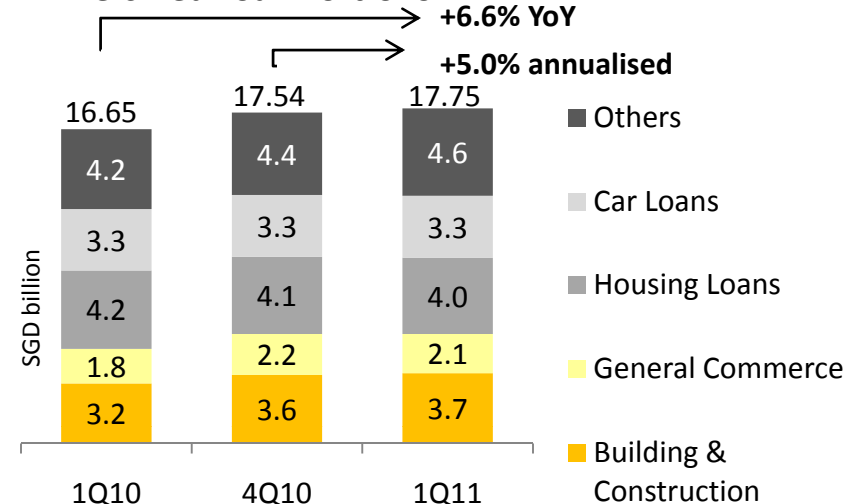
Singapore: PBT improved 3.6% on higher income and lower provision



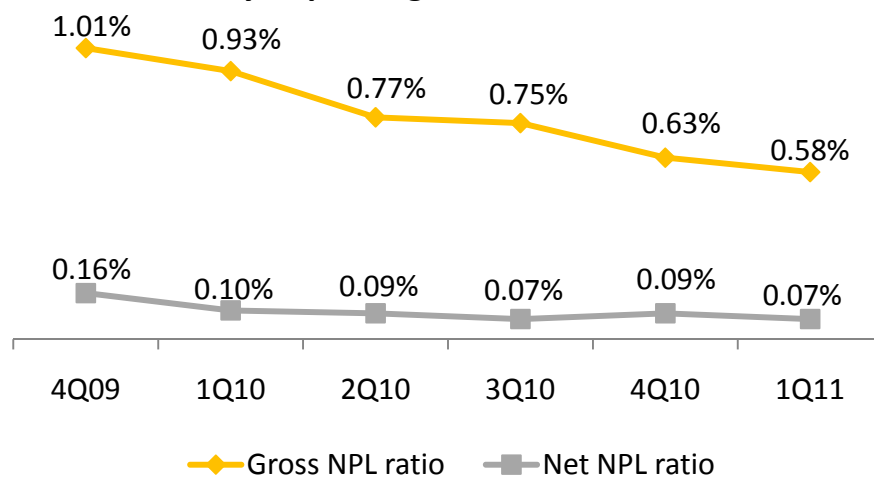
Revenue and PBT rose 5.2% and 9.4% YoY respectively



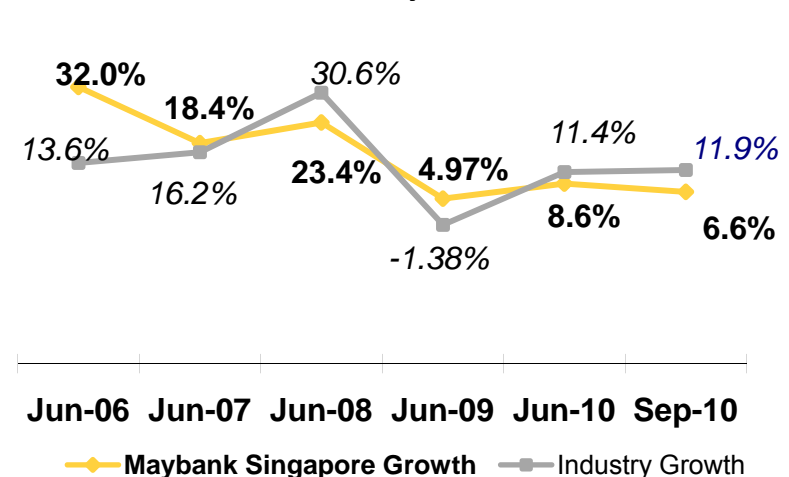
Diversified Loan Portfolio



Asset Quality improving



Loans Growth vs Industry



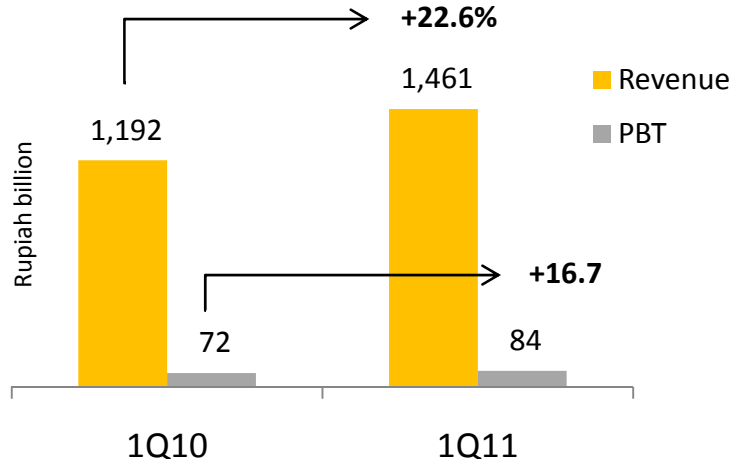
Income Statement

Rp Billion	Jul 10-Sept 10	Jul 09-Sept 09
Interest income	1,688	1,474
Interest expense	(739)	(721)
Net interest income	949	753
Non-interest income	512	439
Gross Operating income	1,461	1,192
Operating expenses (excluding prov.)	(984)	(869)
Operating income before provision	477	323
Provisions	(393)	(251)
Profit before taxation and zakat	84	72

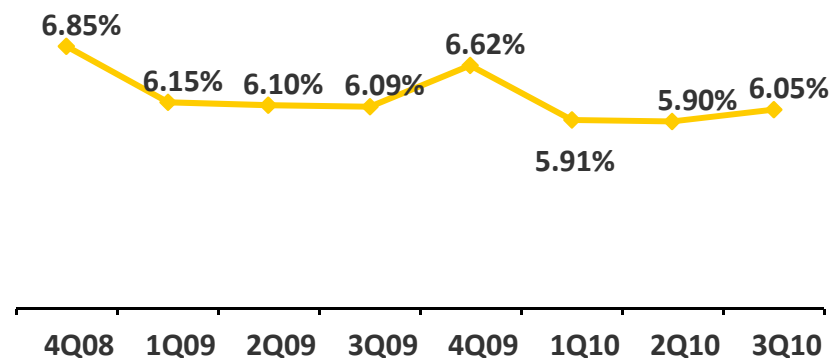
Note:

- Based on income statement consolidated into Group accounts.

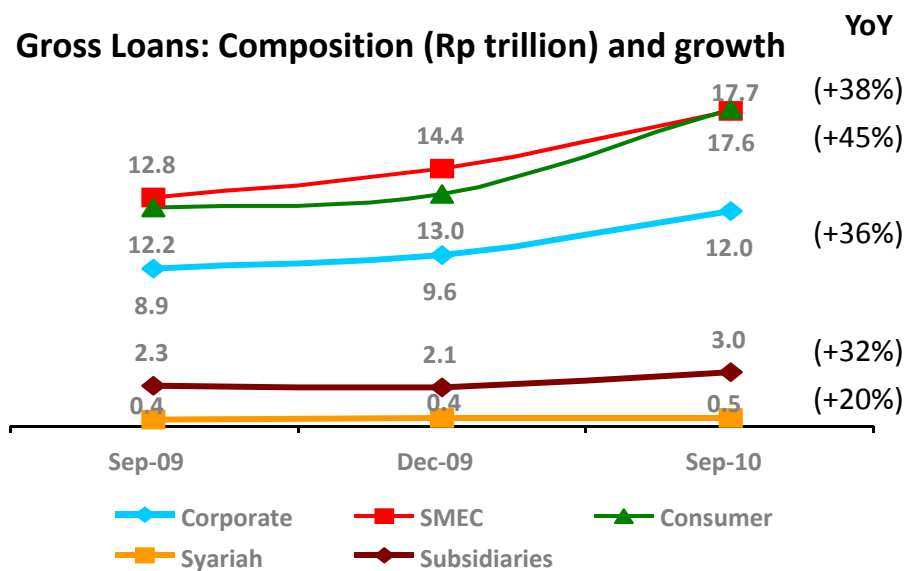
Revenue and PBT



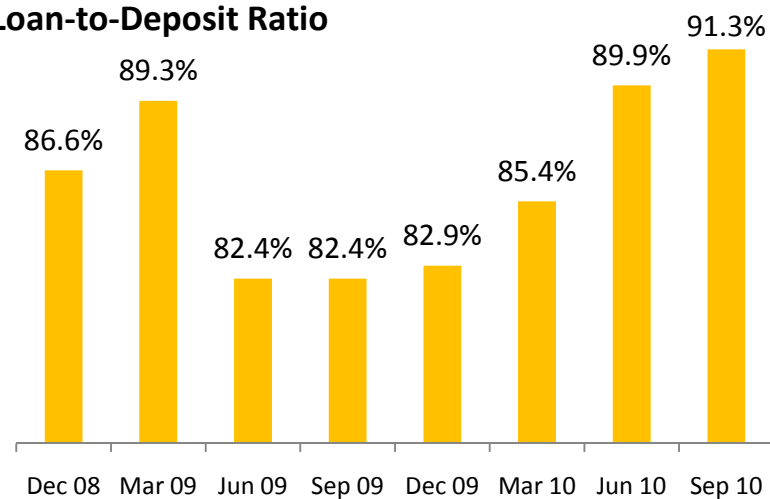
Net Interest Margin



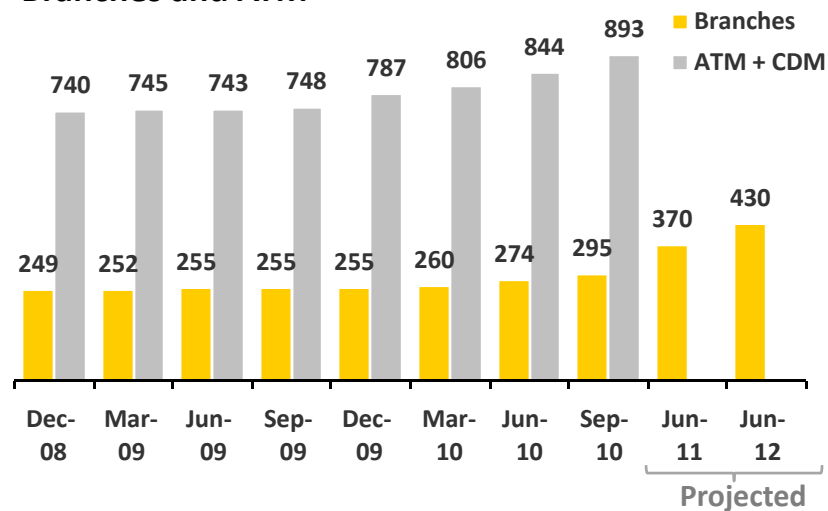
Gross Loans: Composition (Rp trillion) and growth



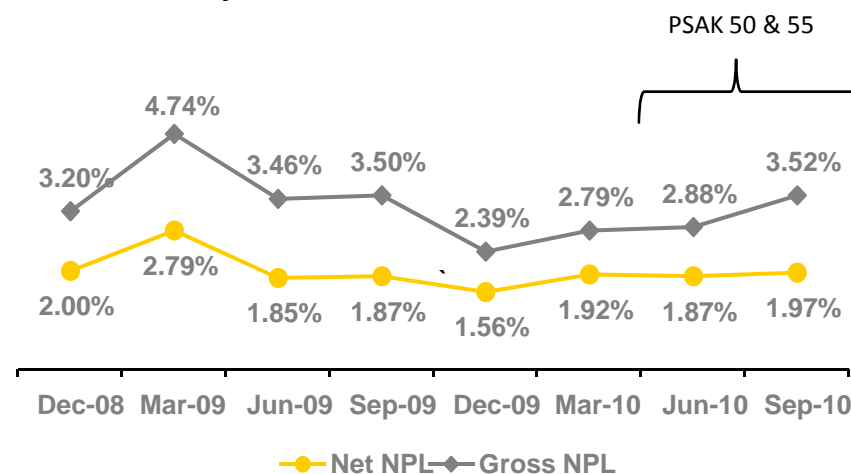
Loan-to-Deposit Ratio



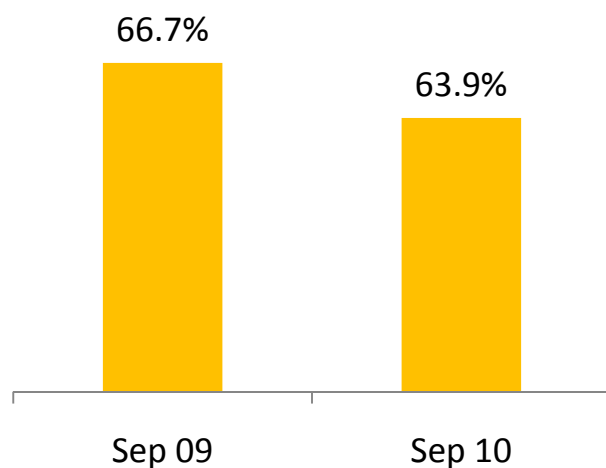
Branches and ATM



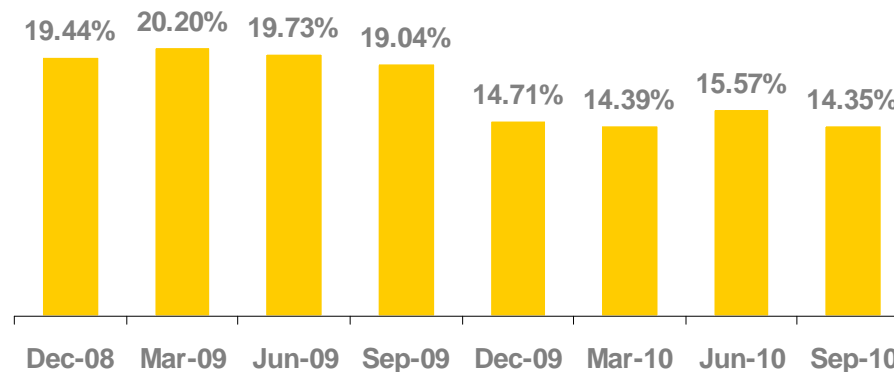
Asset Quality



Cost to Income Ratio

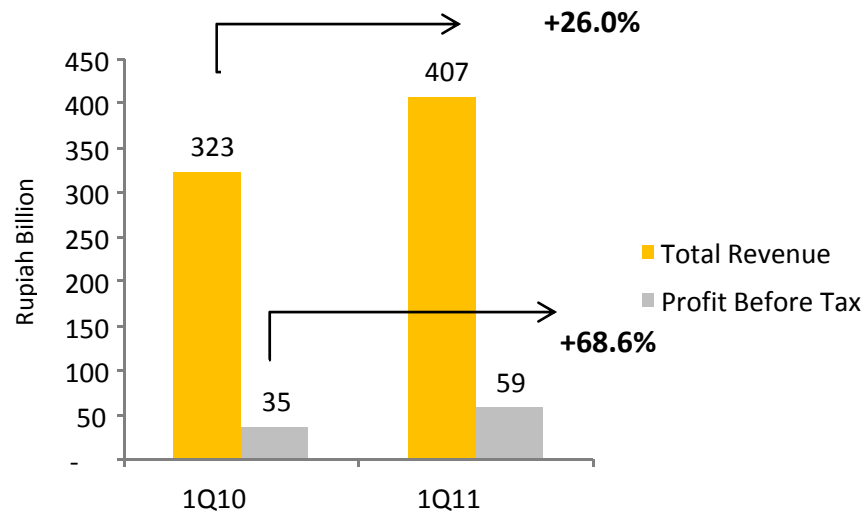


Capital Adequacy: bank only (credit & market risk)



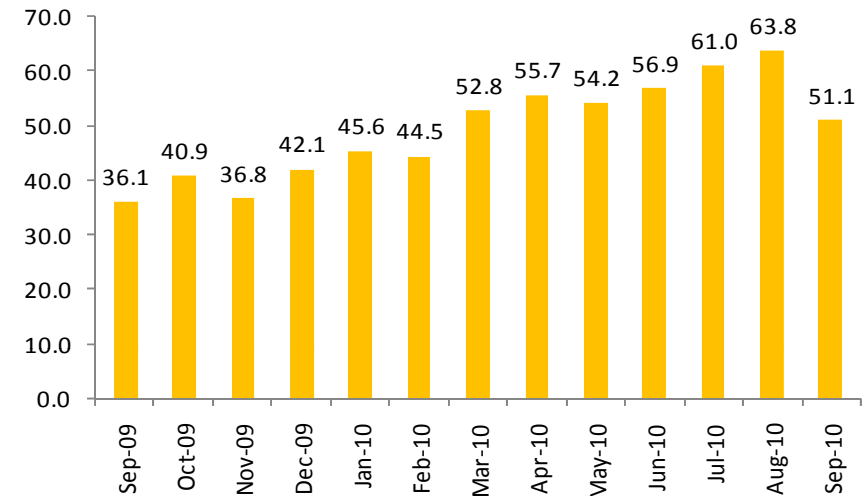
Bank Internasional Indonesia: WOM Finance

Revenue and PBT

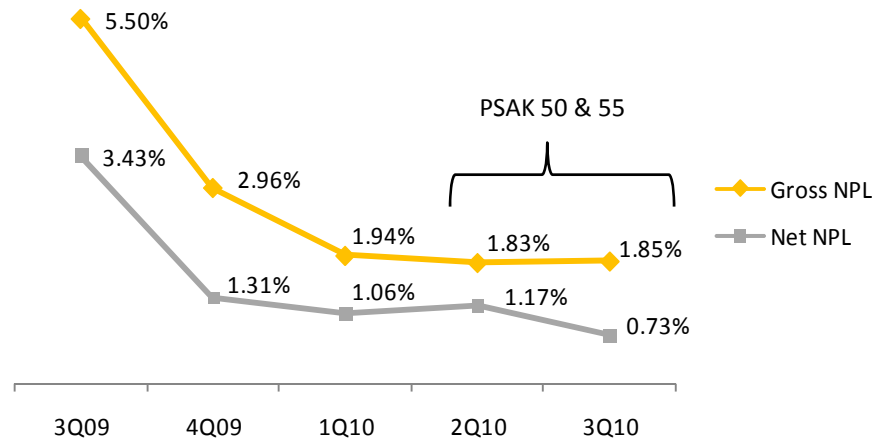


Monthly Sales Volume

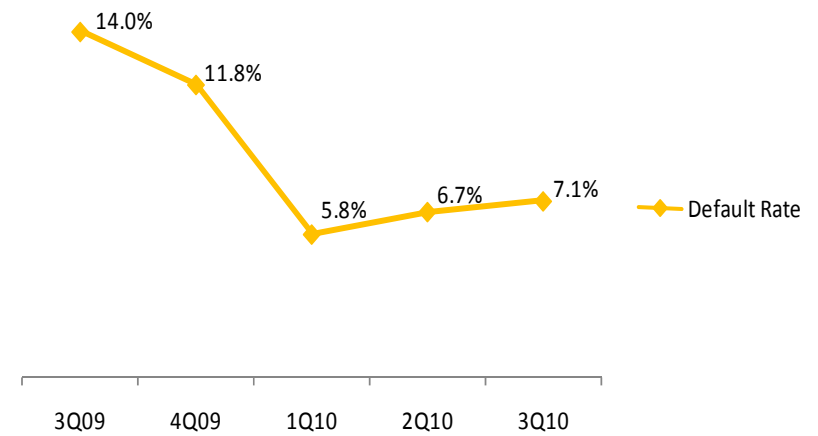
Thousands of units



Asset Quality



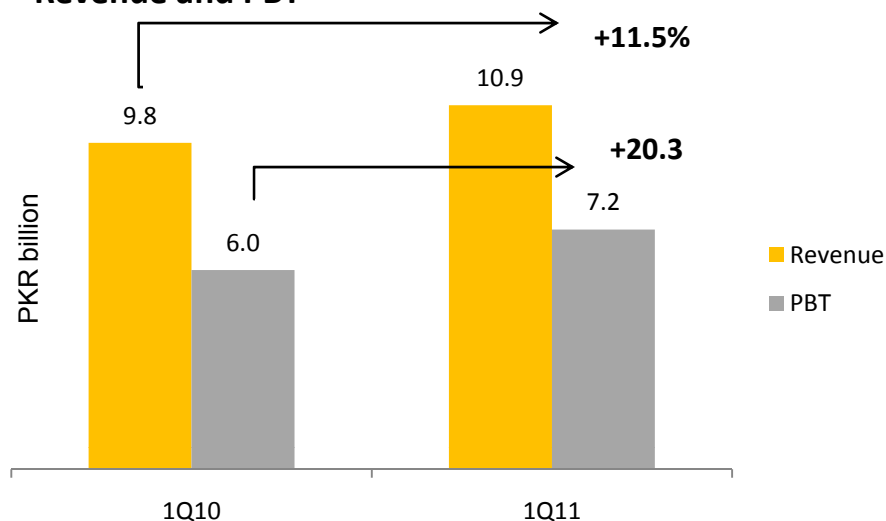
Default Rate (>90 days)



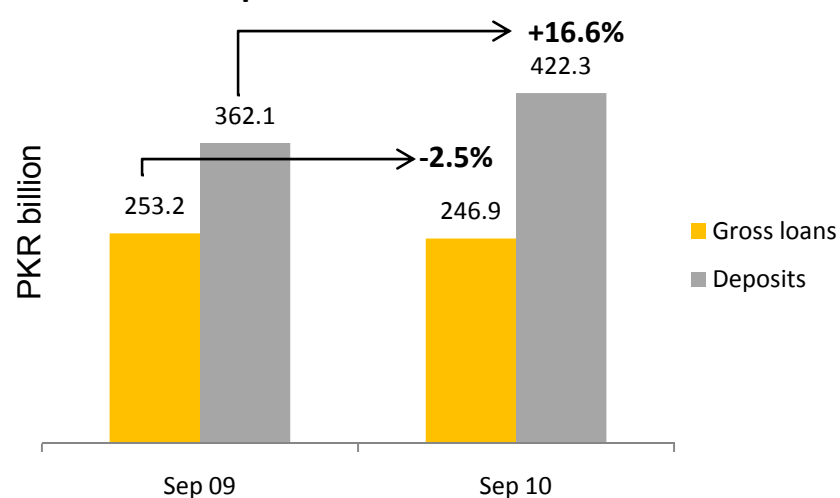
MCB Bank: Financial Highlights



Revenue and PBT



Loans and Deposits



Key Ratios	YTD Sept 10	YTD Sept 09
ROA	3.2%	3.5%
ROE	26.0%	28.3%
Cost to Income Ratio	56.1%	51.4%
Loan-Deposit Ratio	58.5%	69.9%
NPL Ratio	9.7%	8.6%
Net Interest Margin	7.7%	7.9%
Capital Adequacy Ratio	23.2%	20.6%

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Adoption of FRS 139 and Basel II

Business Review

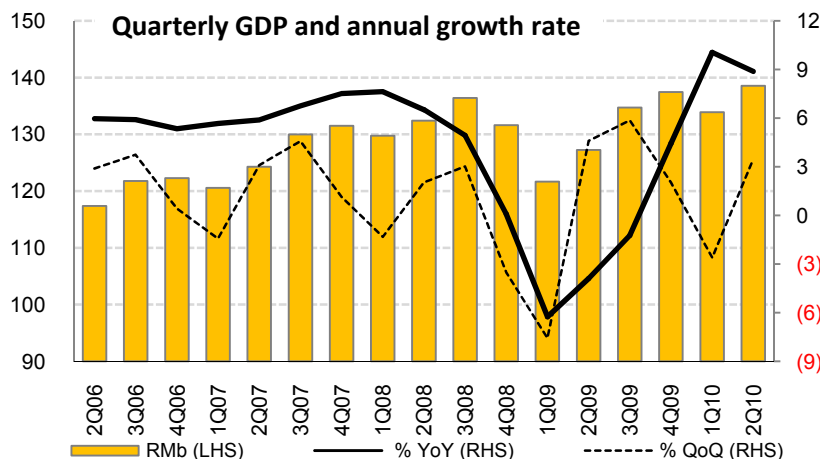
Country Review

Economics and Prospects

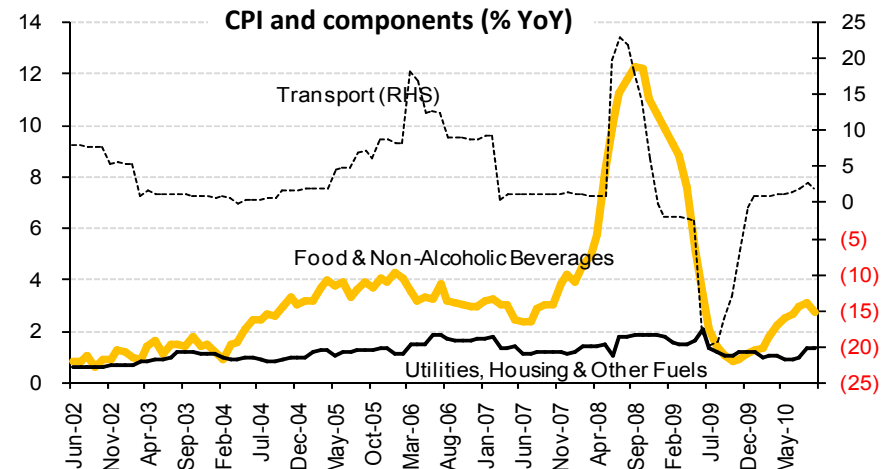
Malaysia: Economic Rebound



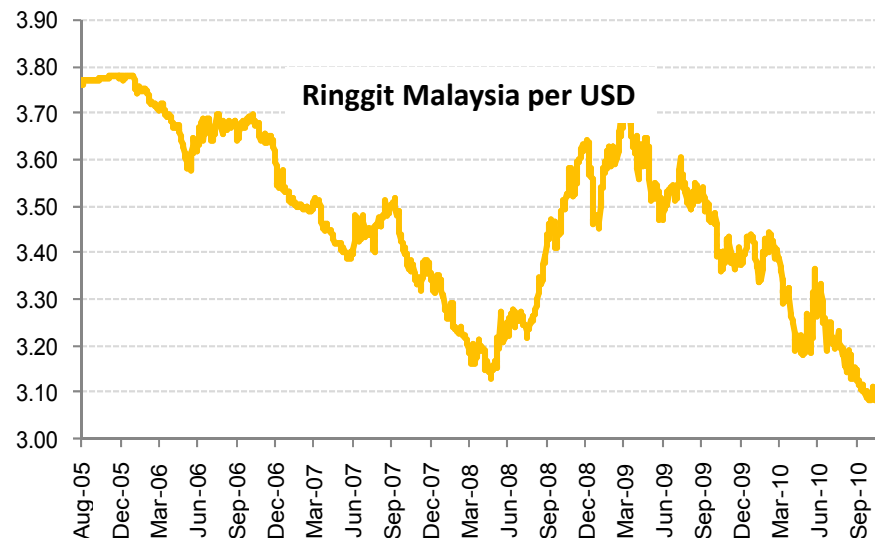
2010 GDP revised upward to 7.5%; 6.1% in 2011



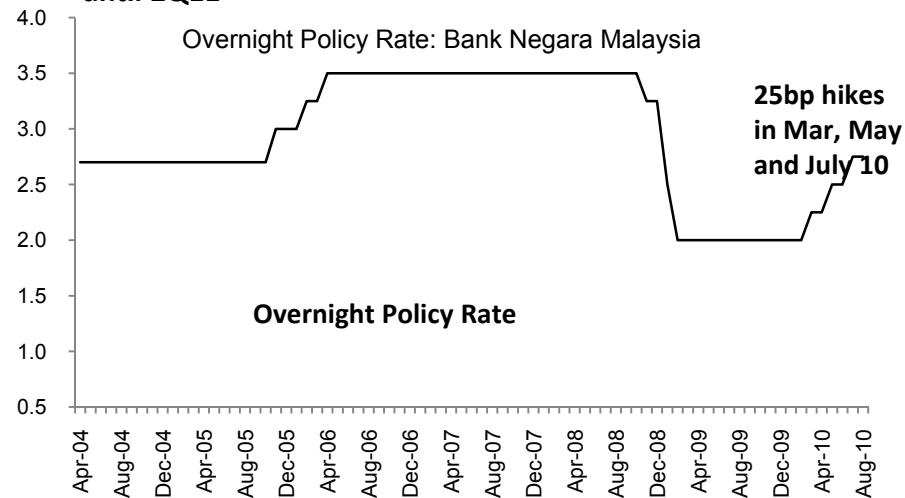
Inflation expected to rise to 1.7% in 2010 (2011: 2.5%)



Ringgit stabilising at RM3.10-3.15 by year end



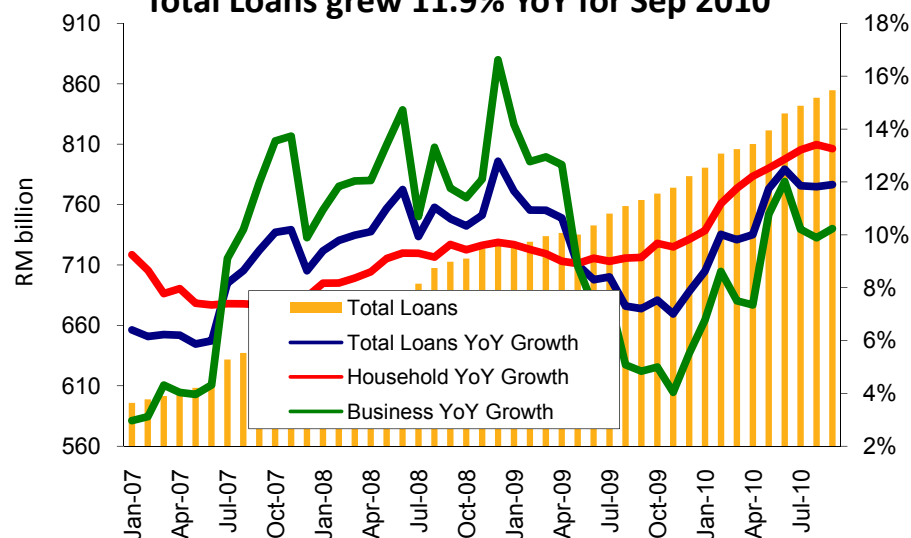
After July 8 hike to 2.75%, interest rate is not expected to rise until 2Q11



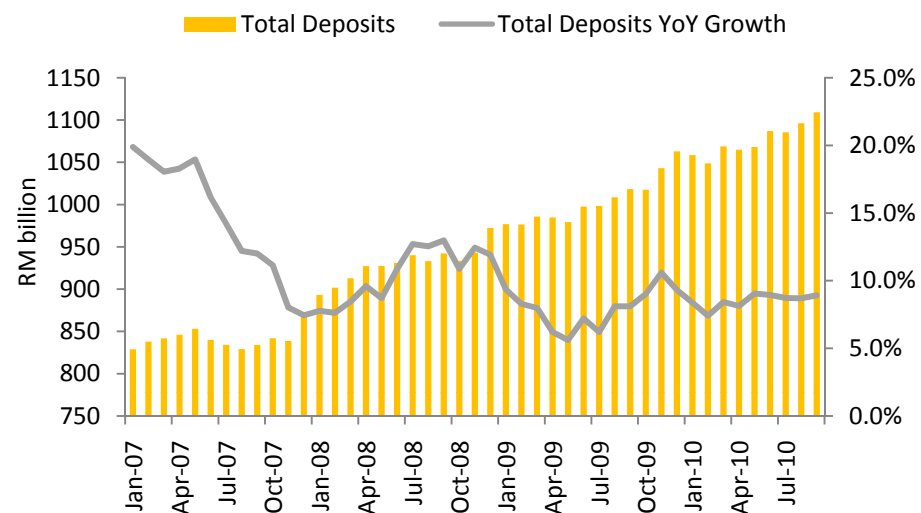
Malaysia: Banking Sector



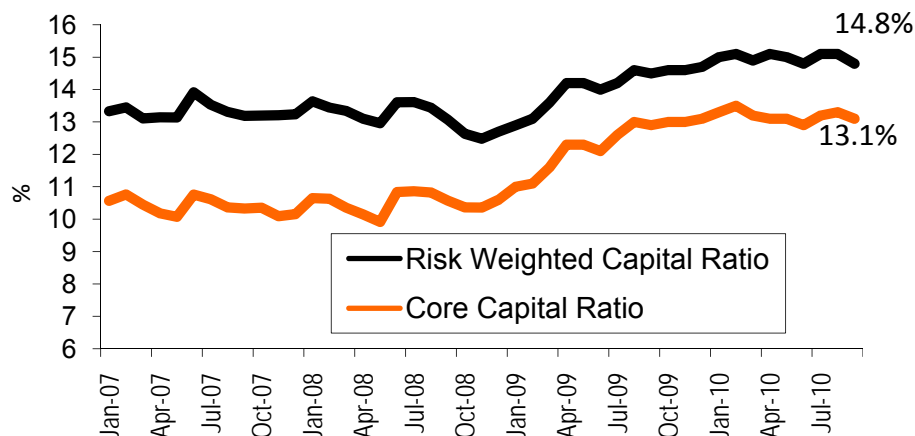
Total Loans grew 11.9% YoY for Sep 2010



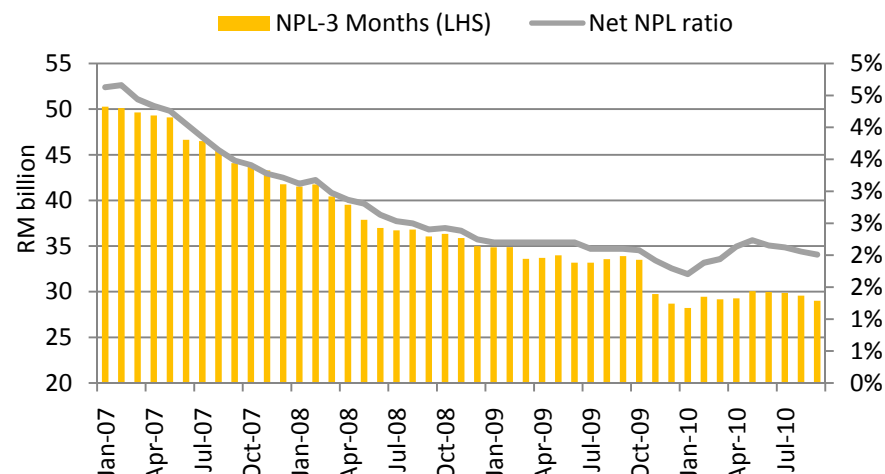
Total Deposits grew 8.9% YoY for Sep 2010



Capital Adequacy remains strong



Gross NPL RM29b, Gross NPL ratio: 2.0%



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



- Banking sector prospects remain positive, supported by improved consumer and business sentiment on the back of sustained economic growth, forecast at 7.5% in 2010 and 6.1% in 2011.
- Competition in the financial services industry is intensifying, driven by strong domestic players, new entries, and further liberalisation of the banking sector.
- With focus on its three key home markets of Malaysia, Singapore and Indonesia and through its realigned organisation structure, focusing on three key business pillars of Community Financial Services (CFS), Global Wholesale Banking (GWB) and Insurance and Takaful, growth in loans and debt securities is expected to gain momentum towards meeting the target of 12% for FY2011.
- No significant impact from new Bank Negara cap on Loan to Value for mortgages since Maybank's focus has been on first time home owners, up graders and for own occupation.
- Maybank will continue to focus on improving asset quality and lowering credit cost as well as invest in people, technology and processes
- Capital and risk management continuously being enhanced to meet more stringent Basel II requirements. Under the new Basel III capital requirements, Maybank would be able to meet the minimum Core Equity Ratio of 7.0% without the need to raise equity capital apart from the Dividend Reinvestment Plan.
- Barring unforeseen circumstances, the Group is expected to perform better than the previous financial year and is on track to meet its target Return on Equity (ROE) of 14%

Thank You

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MALAYAN BANKING BERHAD
14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia
Tel : (6)03-2070 8833
www.maybank.com

Khairussaleh Ramli
Chief Financial Officer
Contact: (6)03-2074 4288
Email: khairul@maybank.com.my

Hazimi Kassim
Head, Strategy and Corporate Finance
Contact: (6)03-2074 8101
Email: hazimik@maybank.com.my

Raja Indra Putra
Head, Investor Relations
Contact: (6)03-2074 8582
Email: rajaindra@maybank.com.my