



**Maybank**



## **FINANCIAL RESULTS**

### **FY2011 ended 30 June 2011**

**Analyst Briefing**

**22 August 2011**

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## **Executive Summary**

**Financial Performance**

**Business Review**

**Country Review**

**Kim Eng Update**

**Economic Update and Key Takeaways**

# Key Highlights: Financial performance continues to improve

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- **Another Record Profit for FY2011**
  - 4Q11 PATAMI grew **26.5% YoY** and 1.0% QoQ to RM1.15 billion.
  - FY11 PATAMI grew **16.6% YoY** to a record RM4.45 billion.
  - FY11 revenue grew **8.9% YoY** on the back 4.9% growth in fund based income and 15.3% growth in fee income.
- **Improvements seen across the board**
  - All business segments reported top line growth .
  - FY11 PBT rose 16.8% YoY mainly due to growth in Malaysia's Corporate Banking, International Banking and Community Financial Services.
  - Group loans grew 21.7% YoY the highest since FY01, driven by strong overseas loans growth of 29.4% and domestic loans growth at 16.8%. Singapore and Malaysia exceeded the industry growth.
  - Improved Asset Quality. Allowances for losses on loans for FY11 declined 59% YoY. Net Impaired Loan ratio declined to 2.25% in June 2011 from 2.99% in Sept 2010.
- **Strong Financial Position**
  - With Group shareholders' funds of RM31.5 billion, total assets of RM412 billion and CAR of 15.4%.
- **Met the KPIs set**
  - KPIs exceed targets for FY2011. ROE of 15.2% is ahead of full year target of 14% and Loans and Debt Securities growth of 22.6% exceeds target of 12%.
- **Proposed final dividend of 32 sen per share** less 25% tax.
  - The dividend consists of 4 sen cash portion and 28 sen electable portion for DRP.
    - Total FY2011 dividend: 60 sen per share.

## Key Corporate Developments

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- **Kim Eng Holdings Limited is now a wholly-owned subsidiary of Maybank.**
  - New organisation structure in place
  - Leveraging on Kim Eng's regional platform to score some early wins.
- **Strengthening capital base.**
  - **Implemented Dividend Reinvestment Plan** twice, for final dividend FY10 and interim dividend FY11 with reinvestment rate of 89% and 91% respectively.
  - **Established USD2 billion equivalent multicurrency MTN facility.** Issued subordinated notes of SGD1 billion with oversubscription of 1.7 times, the largest single tranche transaction for a Malaysian borrower in Singapore.
  - **Established RM3 billion Subordinated Note Programme.** Issued RM2 billion with over subscription by over 2.125 times.
  - **Maybank Islamic Berhad issued RM1.0 billion Tier 2 Capital Islamic Subordinated Sukuk in April 2011.**
- **Change of Financial Year End from 30 June to 31 December.**
  - New financial year will run from 1 July 2011 to 31 December 2011, covering a period of six (6) months.
  - Thereafter, the financial year shall revert to twelve (12) months ending 31 December.

## New House of Maybank has accelerated the pace for growth and regional reach

### Community Financial Services

- All branches converted to one-stop-shops, providing comprehensive range of financial services including serving Business Banking and SME customers.
- Extended network via Pos Malaysia offices.
- Improved domestic loans and deposits growth.

### Global Wholesale Banking

- Introduced Client Coverage Model to provide single touch point to fulfill all the financial needs of corporate customers.
- Restructured trade finance. Introduced TradeConnex.
- Maybank IB secured major M&A deals and IPOs.
- Regional investment banking/brokerage capability strengthened with acquisition of Kim Eng.

### International

- Regionalisation of products e.g. trade finance, cards, global markets.
- BII added 70 branches increasing the total to 344.
- Philippines expanded branch network to 50 with 5 new branches.
- Cambodia opened 1 new branch in Kg Cham to reach 10 branches.

## New House of Maybank has accelerated the pace for growth and regional reach (Cont'd)

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### Insurance and Takaful

- Expanded agency business.
  - Actively promoted single-premium investment-linked products through Bancassurance.
  - Completed key IT infrastructure rollout.
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### Islamic Banking





- New Head of Islamic Banking joined in April 2011
  - Enhanced collaboration with CFS and GWB
  - Converted Maybank Indocorp into Maybank Syariah Indonesia
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### Enterprise Transformation Services

- **Embarked on IT transformation programme** to deliver:
    - Consistent products and services across all sales channels
    - Convenience to meet customer needs
    - Customisation of product development and delivery
  - **Service Quality transformation introduced.** Service Quality Department set up to centralise all quality service units, maximising the strengths of service teams across the Bank.
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## Exceeding our KPIs for FY11

Headline KPIs	Target	FY11 achievements
Return on Equity	14%	15.2% 
Loans and Debt Securities Growth	12%	22.6% 

Other targets	Target	FY11 achievements
Loans Growth		
• Malaysia	12%	16.8% 
• Singapore	5%	25.8% 
• BII	24%	25.8% 
Net Interest Margin	Decrease	Normalised: 2.71% (-9 bps YoY)* 

\*Actual NIM is 2.59%, a decline of 21 bps YoY (see slide 16)

Note: Loans growth for Singapore and BII are in their local currencies

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**Economic Update and Key Takeaways**



## 4Q11 PATAMI rose 26.5% YoY to RM1.15 billion

RM million	Quarter				
	4Q11	3Q11	QoQ Change	4Q10	YoY Change
Net interest income	1,826.7	1,771.4	3.1%	1,792.2	1.9%
Income from Islamic Banking	443.0	387.8	14.2%	355.8	24.5%
Net income from insurance business*	345.4	84.1	310.8%	168.6	104.9%
Non-interest income	1,196.7	928.8	28.8%	826.2	44.8%
Net income	3,811.8	3,172.1	20.2%	3,142.7	21.3%
Overhead expenses	(1,962.1)	(1,554.0)	26.3%	(1,474.6)	33.1%
Operating Profit before allowances for losses on loans	1,849.7	1,618.2	14.3%	1,668.0	10.9%
Allowance for losses on loans	(47.7)	(72.2)	-33.9%	(320.5)	-85.1%
Impairment losses on securities, net	(114.0)	4.3	-2756.7%	(23.4)	386.5%
Operating Profit	1,688.0	1,550.3	8.9%	1,324.1	27.5%
Share of profits in associates	40.5	25.3	60.2%	35.0	15.7%
Profit before taxation and zakat	1,728.5	1,575.6	9.7%	1,359.1	27.2%
Taxation & Zakat	(475.3)	(389.3)	22.1%	(384.1)	23.8%
Minority Interest	(98.9)	(43.7)	126.5%	(62.6)	58.1%
<b>Profit after Tax and Minority Interest (PATAMI)</b>	<b>1,154.3</b>	<b>1,142.6</b>	<b>1.0%</b>	<b>912.5</b>	<b>26.5%</b>
EPS (sen)	15.54	15.60	-0.4%	12.89	20.6%

\*net of insurance claims

## FY11 PATAMI rose 16.6% YoY to RM4.45 billion

RM million	12 Months		
	FY11	FY10	YoY Change
Net interest income	7,185.9	6,770.9	6.1%
Income from Islamic Banking	1,561.9	1,434.7	8.9%
Net income from insurance business*	557.3	424.9	31.2%
Non-interest income	4,114.7	3,692.7	11.4%
Net income	13,419.8	12,323.2	8.9%
Overhead expenses	(6,652.2)	(5,825.5)	14.2%
Operating Profit before allowances for losses on loans	6,767.6	6,497.7	4.2%
Allowance for losses on loans	(502.2)	(1,226.1)	-59.0%
Impairment losses on securities, net	(130.0)	(23.0)	464.3%
Operating Profit	6,135.5	5,248.6	16.9%
Share of profits in associates	135.0	121.8	10.8%
Profit before taxation and zakat	6,270.5	5,370.4	16.8%
Taxation & Zakat	(1,650.7)	(1,402.0)	17.7%
Minority Interest	(169.5)	(150.3)	12.8%
<b>Profit after Tax and Minority Interest (PATAMI)</b>	<b>4,450.3</b>	<b>3,818.2</b>	<b>16.6%</b>
EPS (sen)	61.41	53.94	13.8%

\*net of insurance claims

## Balance Sheet: Total Assets grew 22.4% YoY

RM billion	Jun 11	Mar 11	Jun 10	YoY Growth	QoQ Growth
Cash and short-term funds	38.8	32.0	28.7	35.2%	21.3%
Deposits with Financial Institutions	10.3	8.5	8.9	15.4%	21.1%
Securities purchased under resale agreements	-	0.5	0.4	n.m.	n.m.
Securities Portfolio	61.0	64.2	54.2	12.7%	-5.0%
Loans and advances	254.0	234.1	205.6	23.6%	8.5%
Insurance & Takaful Business	19.2	19.0	18.0	6.9%	1.3%
Other assets	28.7	22.1	21.0	36.3%	29.7%
<b>Total Assets</b>	<b>412.0</b>	<b>380.3</b>	<b>336.7</b>	<b>22.4%</b>	<b>8.3%</b>
Deposits from customers	282.0	260.7	236.9	19.0%	8.1%
Deposits and placements of banks and FI	33.3	34.0	23.3	43.2%	-1.9%
Borrowings	5.4	4.8	2.8	92.8%	12.4%
Subordinated debts	10.8	8.0	8.1	33.6%	34.6%
Capital Securities	6.1	6.0	6.0	2.8%	1.9%
Insurance & Takaful liabilities & policyholders' funds	19.2	19.0	18.0	6.9%	1.3%
Other liabilities	22.6	17.1	13.0	73.7%	32.3%
<b>Total Liabilities</b>	<b>379.5</b>	<b>349.7</b>	<b>308.0</b>	<b>23.2%</b>	<b>8.5%</b>
Shareholders Funds	31.5	29.9	27.9	12.9%	5.3%
<b>Total Liabilities and Equity</b>	<b>412.0</b>	<b>380.3</b>	<b>336.7</b>	<b>22.4%</b>	<b>8.3%</b>
<b>Loan-to-deposit Ratio</b>	<b>90.1%</b>	<b>89.8%</b>	<b>86.8%</b>		

## Gross loans grew 21.7% YoY, highest since FY01

Overseas loans expanded by 29.4%. Domestic loans grew 16.8%, above industry growth of 13.5% on the back of Corporate loans growth of 25.6%

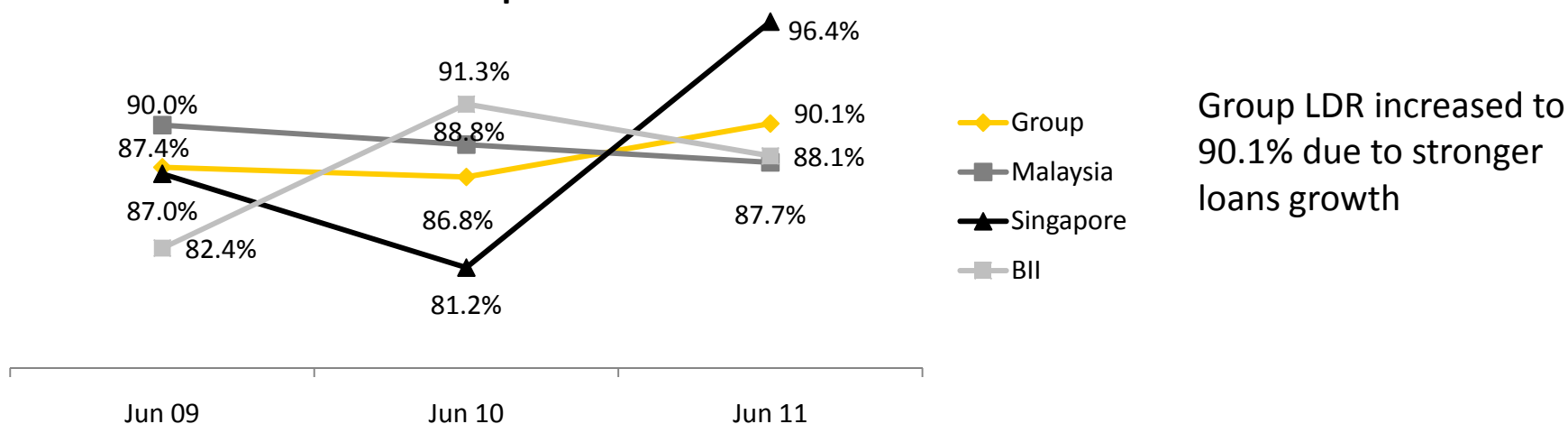
RM billion	Jun-11	Mar-11	Jun-10	QoQ Growth	YoY Growth	
					Variance	%
<b>Community Financial Services</b>	<b>114.3</b>	<b>110.3</b>	<b>101.2</b>	<b>3.6%</b>	<b>13.06</b>	<b>12.9%</b>
Consumer	88.3	85.2	76.4	3.5%	11.90	15.6%
Total Mortgage	38.6	37.2	34.6	3.8%	4.02	11.6%
Auto Finance	26.0	25.5	22.8	1.9%	3.25	14.3%
Credit Cards	4.8	4.5	4.1	6.3%	0.64	15.6%
Unit Trust	17.1	16.4	13.7	4.6%	3.44	25.2%
Other Retail Loan	1.8	1.7	1.3	4.0%	0.54	42.8%
Business Banking + SME	26.0	25.1	24.9	3.9%	1.16	4.7%
<b>GWB (Corporate)(Malaysia)</b>	<b>56.2</b>	<b>50.7</b>	<b>44.7</b>	<b>10.7%</b>	<b>11.46</b>	<b>25.6%</b>
<b>Total Domestic</b>	<b>170.5</b>	<b>161.1</b>	<b>146.0</b>	<b>5.9%</b>	<b>24.53</b>	<b>16.8%</b>
<b>International</b>	<b>89.4</b>	<b>81.5</b>	<b>69.1</b>	<b>9.7%</b>	<b>20.33</b>	<b>29.4%</b>
Singapore (SGD'bn)	22.1	20.1	17.5	9.9%	4.53	25.8%
BII (Rupiah'tril)	59.5	56.7	47.3	5.0%	10.84	25.8%
Others	16.3	13.8	11.8	18.6%	4.54	38.6%
<b>Gross Loans</b>	<b>262.0</b>	<b>242.8</b>	<b>215.2</b>	<b>7.9%</b>	<b>46.30</b>	<b>21.7%</b>

## Group deposits grew 19.0%, highest since FY07

Deposits saw double digit growth in Malaysia (20.8%) and Indonesia (31.3%) while Singapore deposits grew 6.4%.

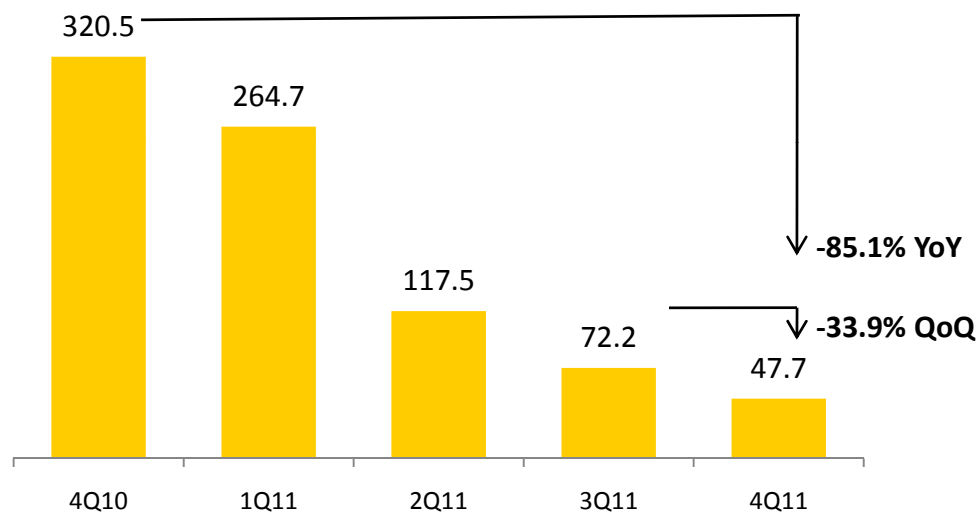
	Malaysia		Singapore		BII		Group	
	RM bil	YoY Growth	SGD bil	YoY Growth	Rupiah tril	YoY Growth	RM bil	YoY Growth
Savings Deposits	31.4	11.4%	2.8	9.9%	14.6	18.3%	44.0	13.7%
Current Accounts	46.7	16.8%	2.5	17.6%	12.1	34.2%	57.9	18.7%
Fixed Deposits	83.2	20.8%	17.1	4.2%	39.2	36.0%	152.5	17.1%
Others	26.6	44.3%	0.4	13.8%	-	0.0%	27.6	43.8%
<b>Total Deposits</b>	<b>187.8</b>	<b>20.8%</b>	<b>22.7</b>	<b>6.4%</b>	<b>65.8</b>	<b>31.3%</b>	<b>282.0</b>	<b>19.0%</b>
Low cost funds (CASA)	41.6%		23.2%		40.5%		36.2%	
LD Ratio	87.7%		96.4%		88.1%		90.1%	

Loans-to-Deposit ratio

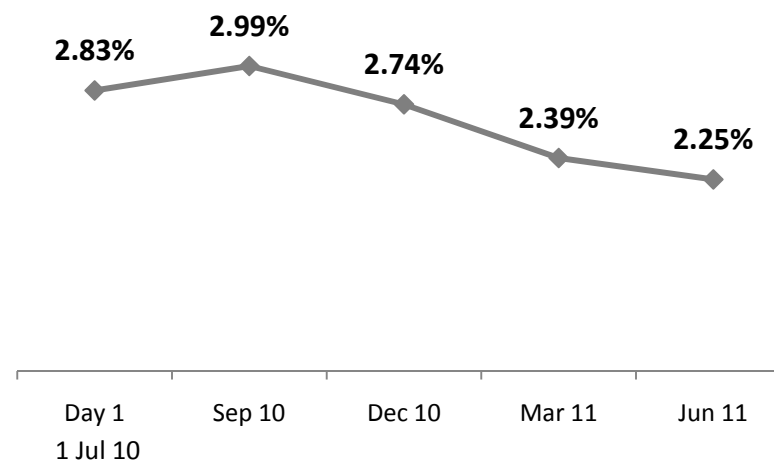


**Asset Quality continued to improve with loan loss declining by 59.0% to RM502.2 million and Net Impaired Loan ratio declining to 2.25%**

**Allowance for losses on loans**

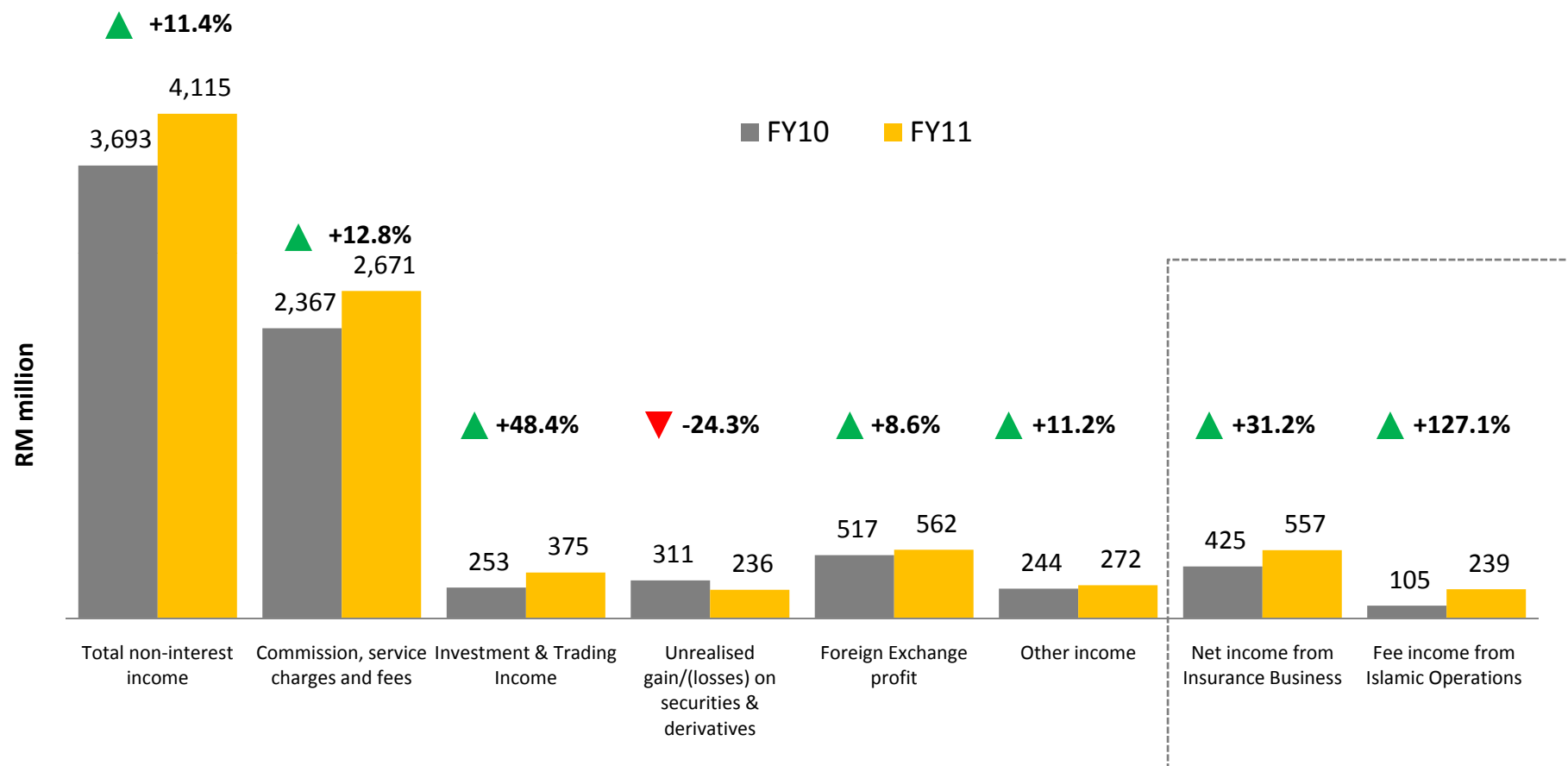


**Net Impaired Loan Ratio**

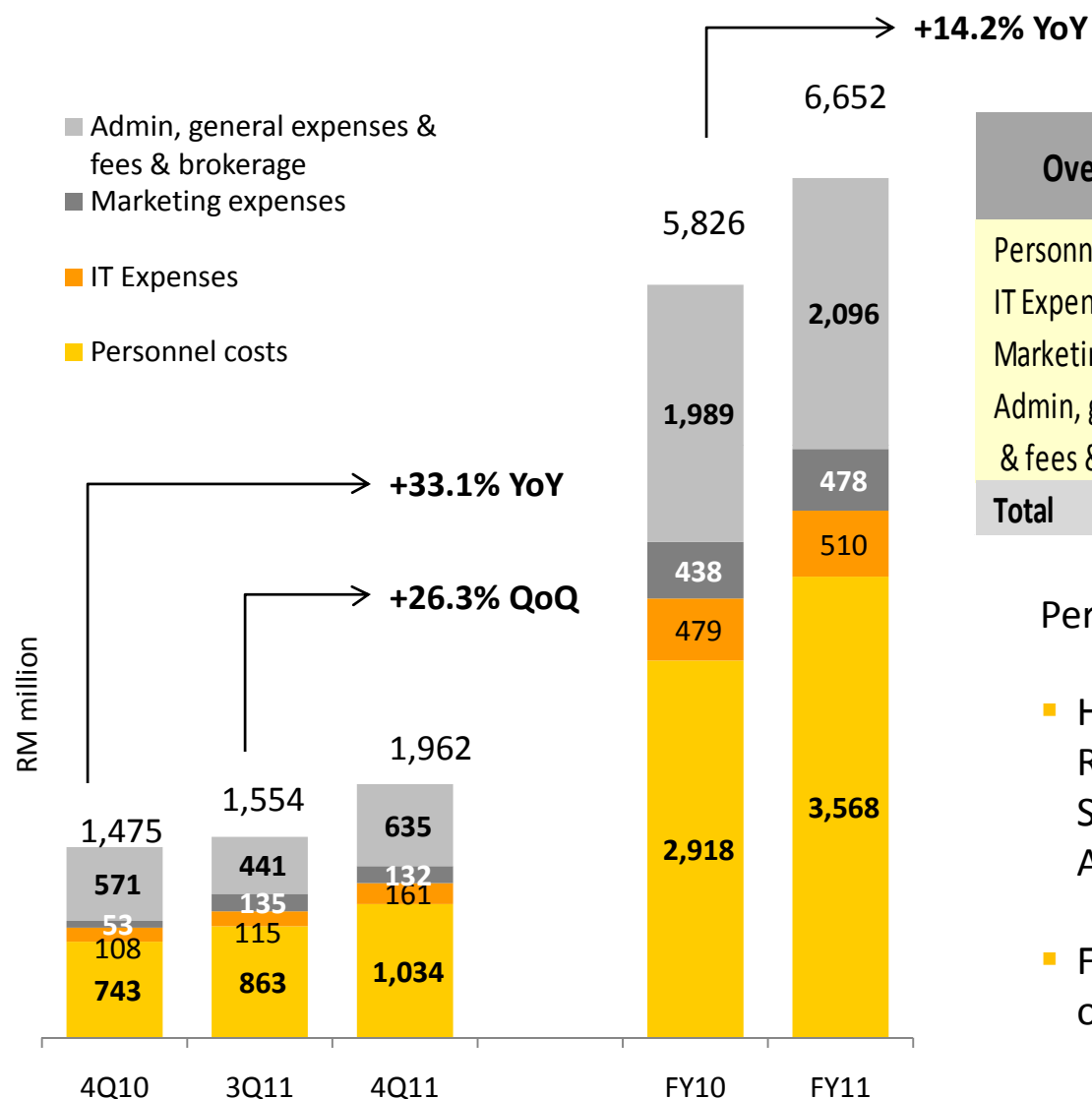


- Allowances declined mainly due to high bad debt recovery in Malaysia and BII and lower collective assessment for Corporate and Business Banking.

## Non-Interest Income including Net Income from Insurance Business and Fee Income from Islamic operations grew 16.3% YoY to RM4.91 billion



## Overheads grew 14.2% YoY



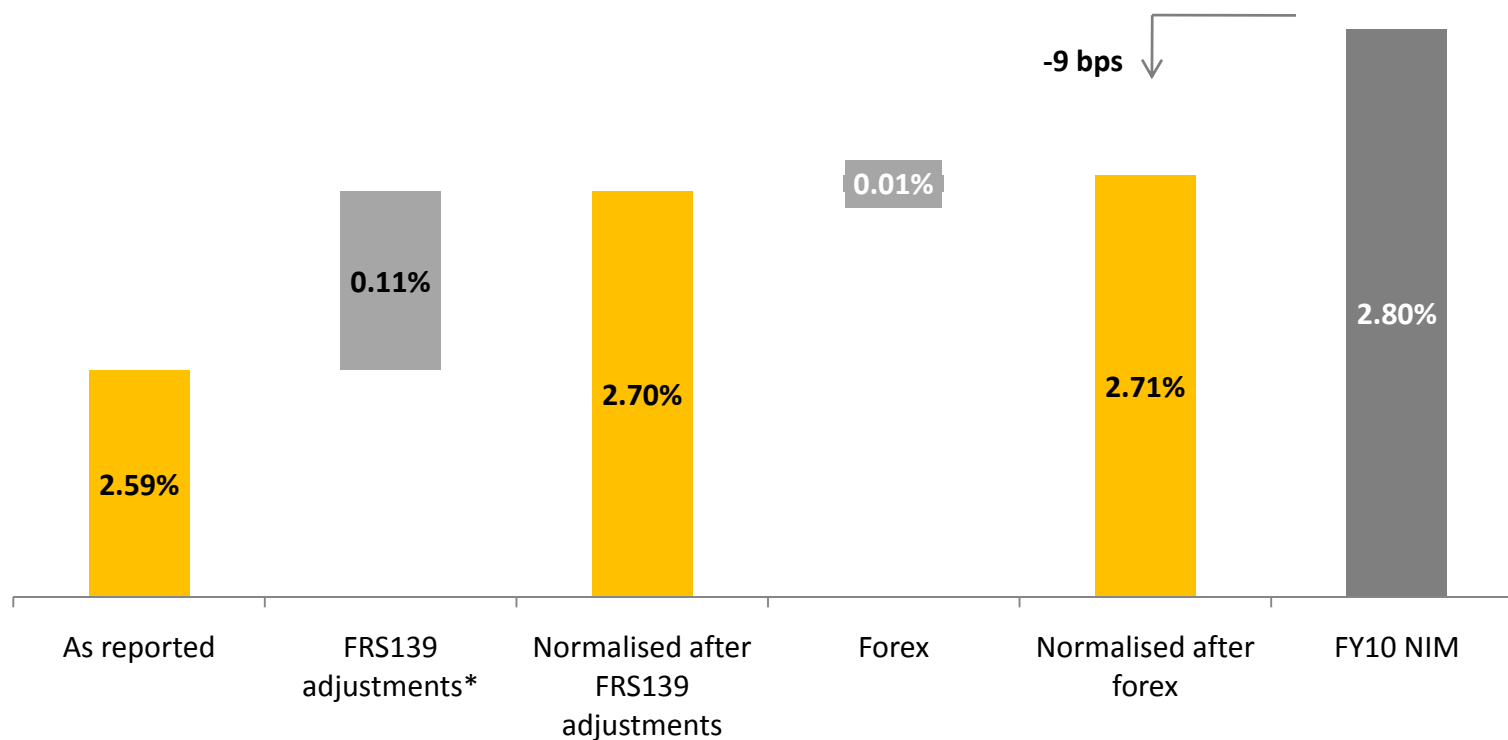
Overhead Expenses	4Q11		FY11
	YoY	QoQ	YoY
Personnel costs	39.1%	19.9%	22.2%
IT Expenses	49.7%	39.7%	6.4%
Marketing expenses	148.6%	-2.6%	9.0%
Admin, general expenses & fees & brokerage	11.3%	44.1%	5.4%
<b>Total</b>	<b>33.1%</b>	<b>26.3%</b>	<b>14.2%</b>

Personnel costs rose 22.2% due to:

- Higher personnel cost attributable to RM65m charge for Employee's Share Scheme and RM22m Cost-of-Living Allowances.
- First time consolidation of Kim Eng with overheads totaling RM149.8m.



## Net interest margin: 2.71% on normalised basis

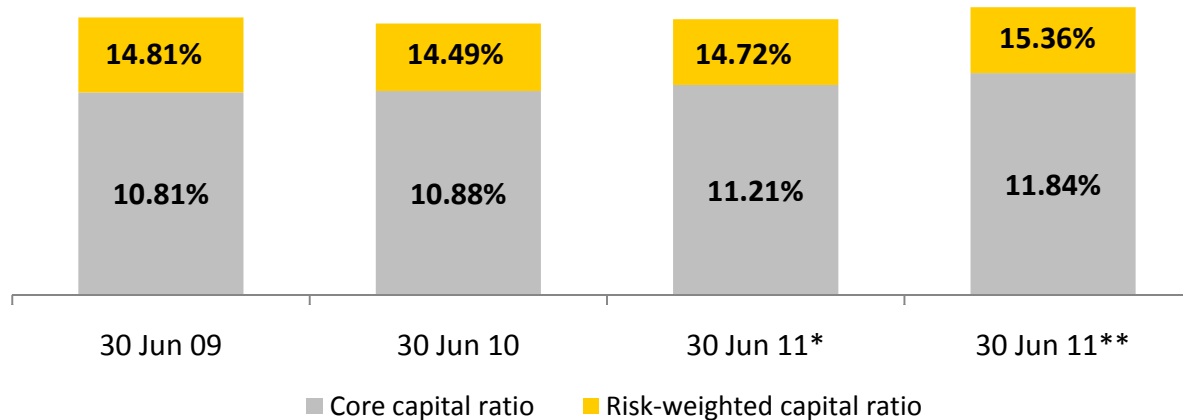


\*Adjustments for Effective Interest Rate and Unwinding of interest

# Capital Adequacy remained strong

## Capital Adequacy after Kim Eng acquisition and SGD1 billion sub-debt

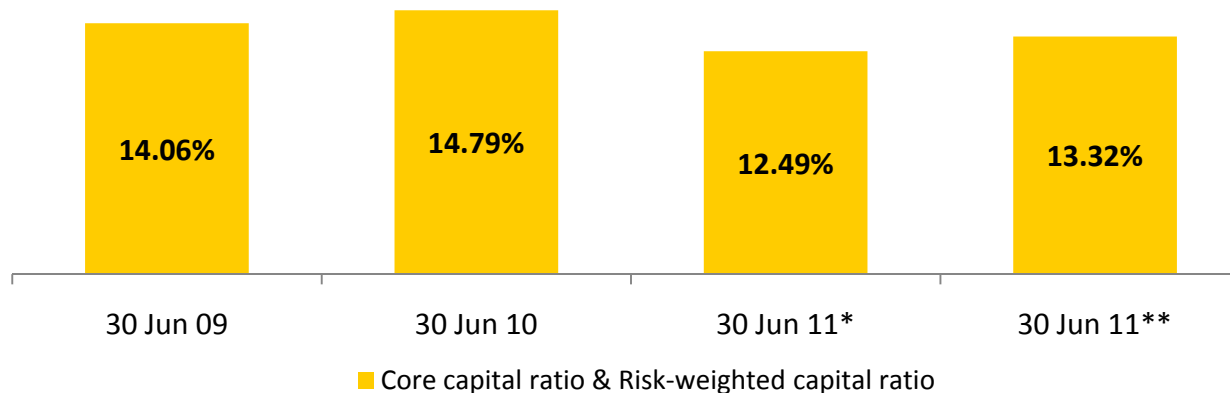
### Group



\* Full electable portion paid in cash

\*\* Full electable portion reinvested

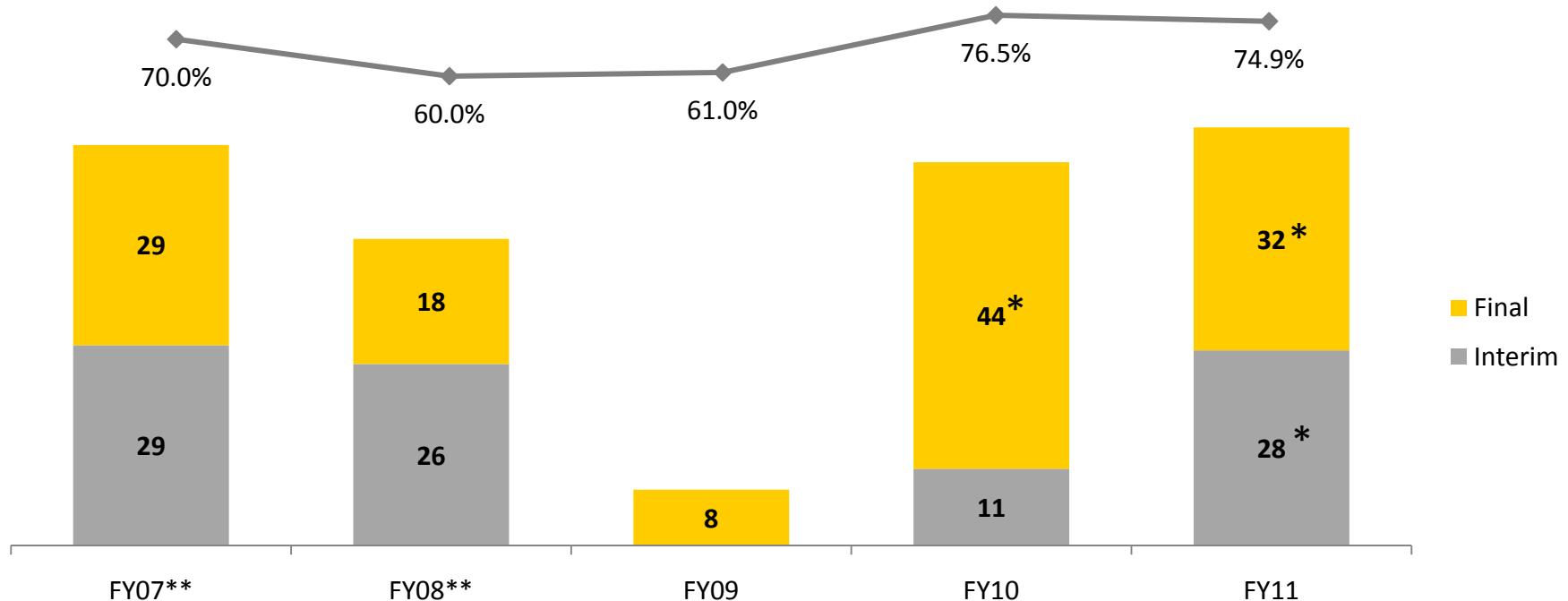
### Bank



## Consistently rewarding shareholders with high dividend payout ratio

- Final dividend payout of 32 sen
- Net dividend of 24 sen = 3 sen cash portion + 21 sen electable portion
- Dividend Payout Ratio of 74.9% exceeds policy of 40 – 60%

**Gross Dividend (sen) and Payout Ratio (%)**



\* subject to Dividend Reinvestment Plan

\*\* adjusted for 1:4 Bonus Issue in February 2008 and 9:20 Rights Issue at RM2.74 in March 2009

# Maybank Group: Key Ratios

	FY11	FY10	4Q11	3Q11	2Q11	1Q11		4Q10
Net Interest Margin	2.59% <sup>@</sup>	2.80%	2.50%	2.57%	2.70%	2.69%		2.88%
Return on Equity	15.2%	14.5%	15.1%	15.5%	15.7%	14.6%		13.3%
Fee to Income Ratio	36.6%	33.4%	42.3%	33.8%	33.5%	31.7%		35.2%
Cost to Income <sup>#</sup>	49.6%	47.3%	51.5%	49.0%	49.8%	47.6%		48.1%
Loan-to-Deposit Ratio	90.1%	86.8%	90.1%	89.4%	88.4%	87.3%		86.8%
						Post FRS 139	Pre FRS 139	
<b>Asset Quality</b>								
Gross NPL or Impaired Loan Ratio	3.20%	2.90%	3.20%	3.66%	4.20%	4.70%	2.79%	2.89%
Net NPL or Impaired Loan Ratio	2.25%	1.22%	2.25%	2.39%	2.74%	2.99%	1.20%	1.22%
Loan Loss Coverage	86.0%	124.5%	86.0%	86.9%	84.6%	84.1%	125.6%	124.5%
Charge off rate (bps)	23	53	8	13	22	49	43	57
<b>Capital Adequacy (Group)</b>								
Core Capital Ratio	11.84% <sup>^</sup>	10.88% <sup>**</sup>	11.84% <sup>^</sup>	11.5% <sup>*</sup>	11.84% <sup>*</sup>	11.18% <sup>*</sup>	10.70%	10.88% <sup>**</sup>
Risk Weighted Capital Ratio	15.36% <sup>^</sup>	14.49% <sup>**</sup>	15.36% <sup>^</sup>	14.03% <sup>*</sup>	14.21% <sup>*</sup>	14.25% <sup>*</sup>	13.64%	14.49% <sup>**</sup>

\* After Basel II and electable portion dividend reinvested

\*\* After electable portion dividend reinvested

<sup>#</sup> Total cost excludes amortisation of intangibles

<sup>^</sup> Assuming full reinvestment of DRP

<sup>@</sup> Note: Normalised NIM for FY11 is 2.71%

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**Executive Summary**

**Financial Performance**

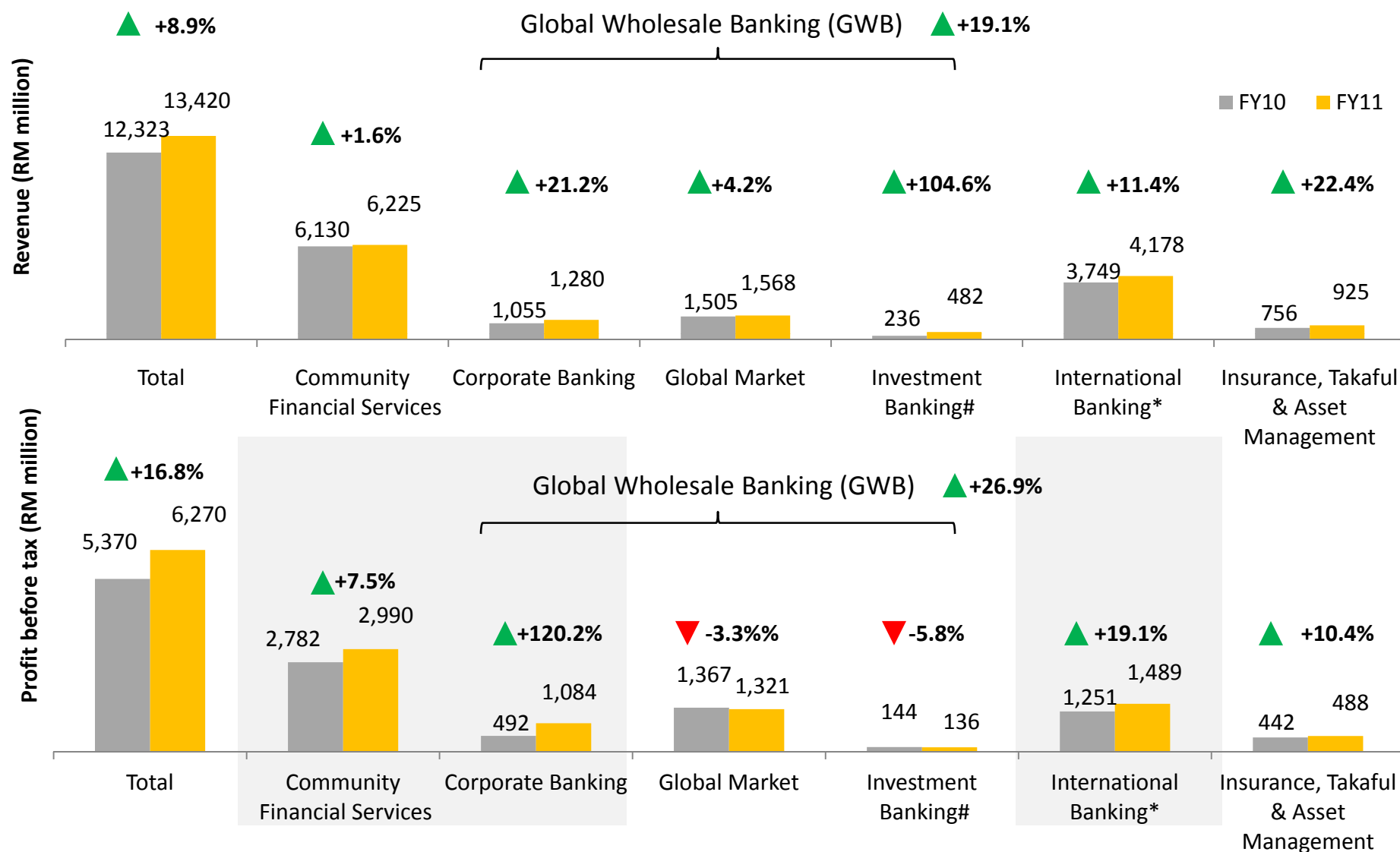
**Business Review**

**Country Review**

**Kim Eng Update**

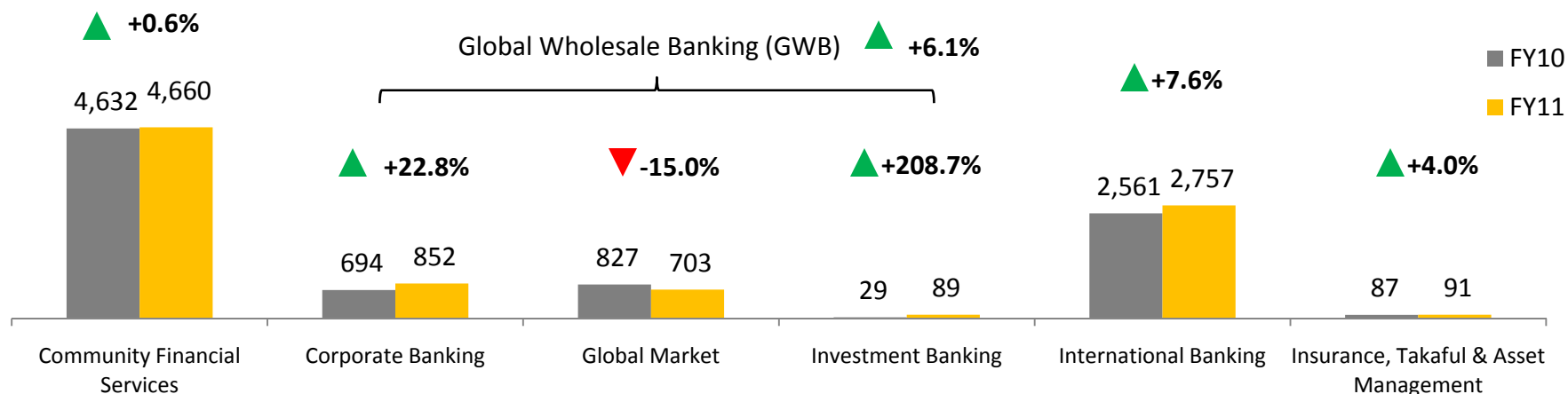
**Economic Update and Key Takeaways**

## Revenue growth seen in all segments: PBT growth led by CFS, GWB's corporate banking and International

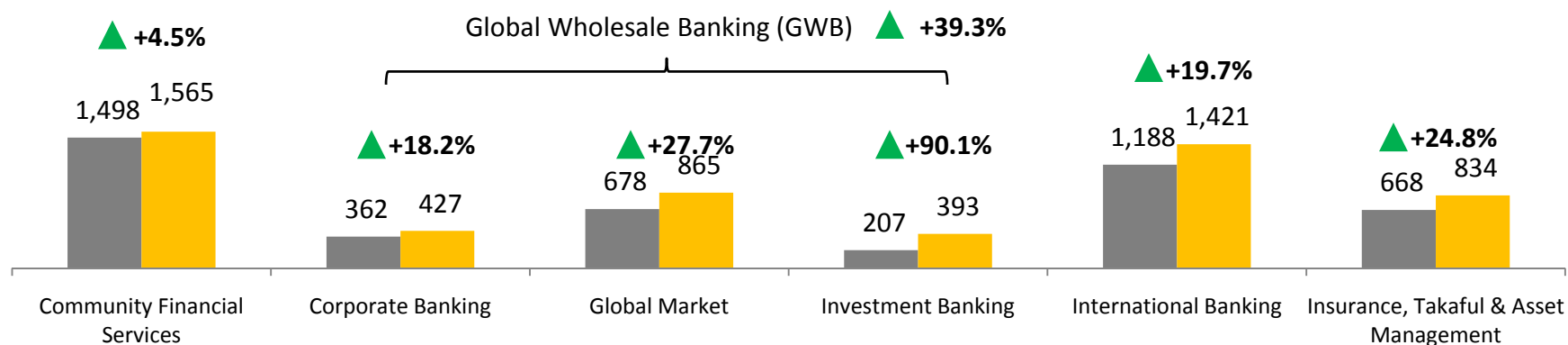


# Revenue Growth Contribution

## Net Financing Income (including Islamic Banking Income)

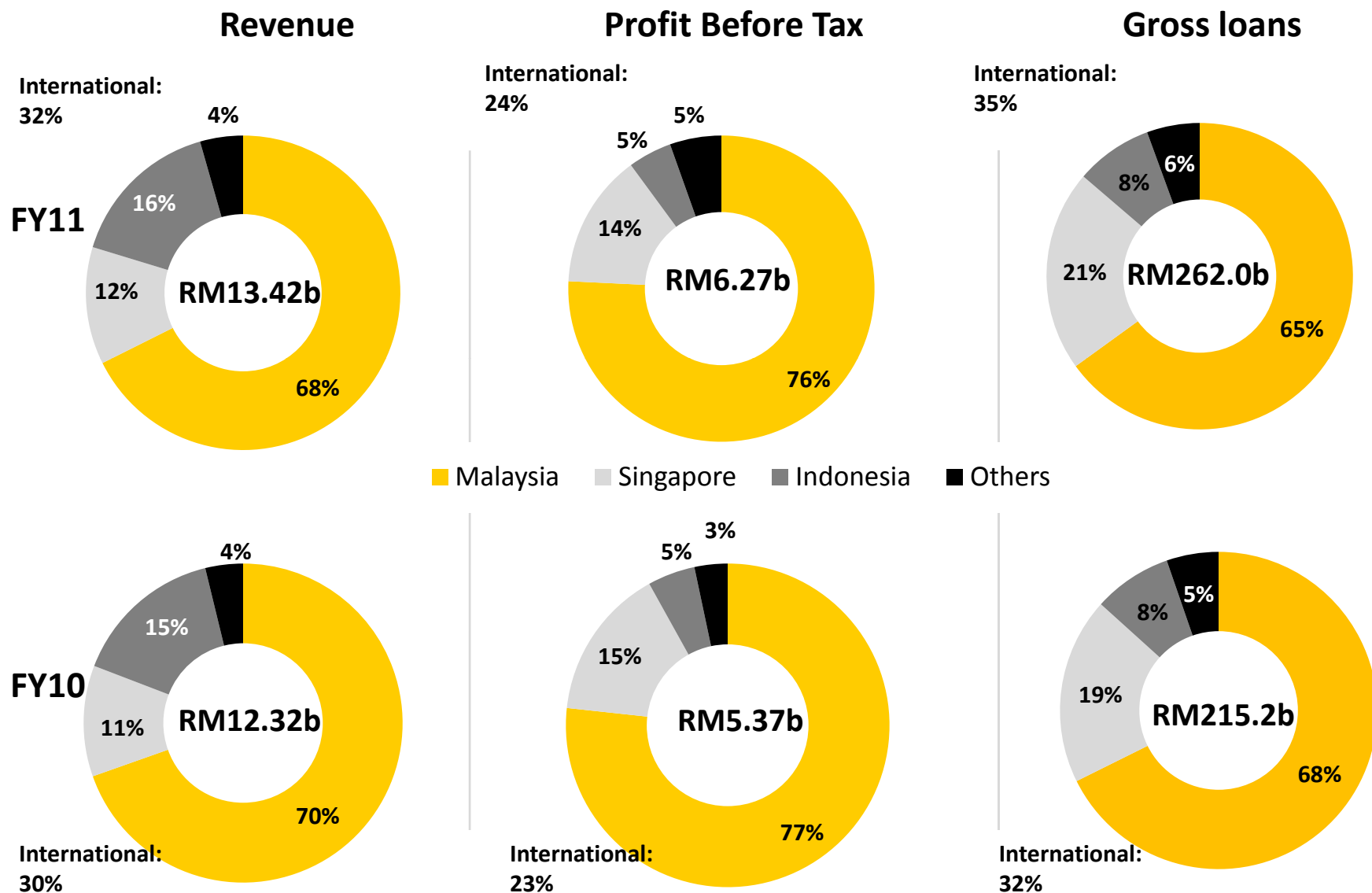


## Non-Interest Income



- Net interest income rose 6.6% YoY driven by Corporate Banking growth at 22.8% while International grew by 7.6%.
- Non-interest income grew by 13.5% due strong growth across the board except for CFS.

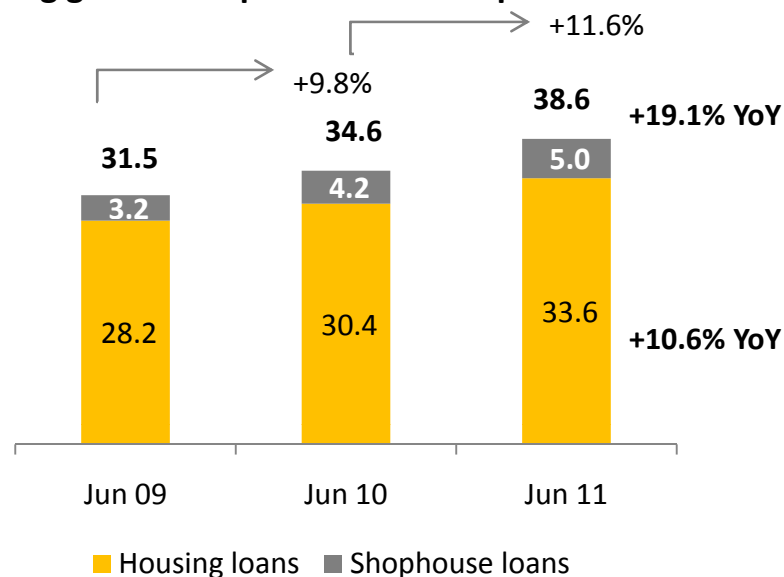
# Revenue and PBT by geography



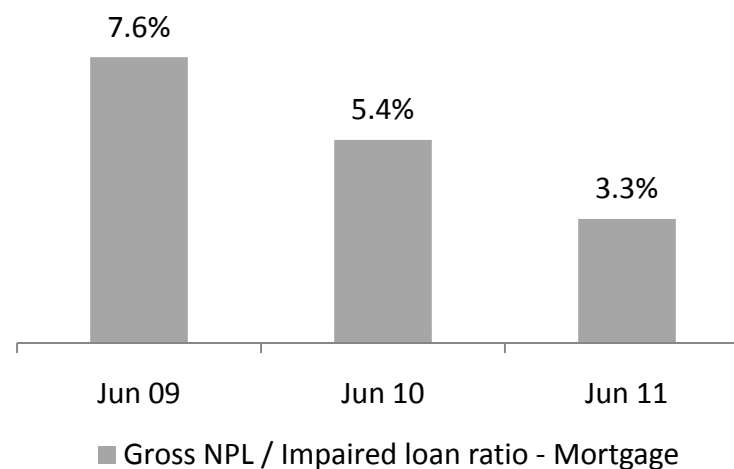


## Community Financial Services: Mortgage Loans grew 11.6% with strong growth in loan stock

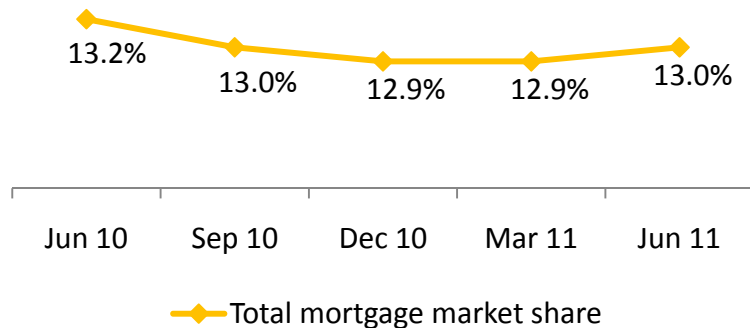
### Strong growth despite intense competition



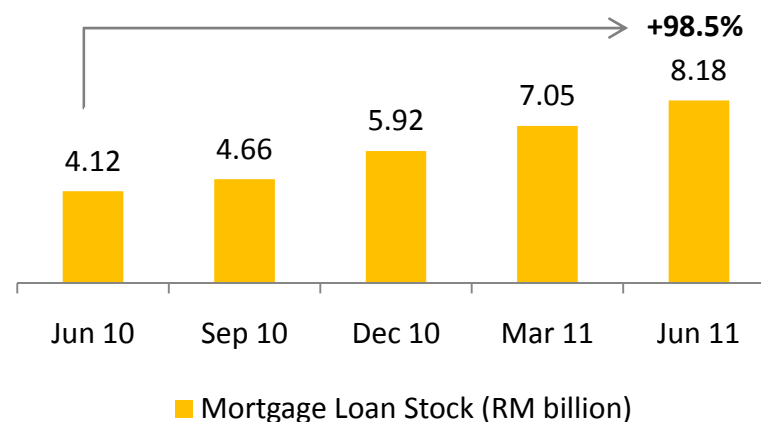
### Asset quality continued to improve



### Market share stabilised with reduction in mortgage attrition by 43%

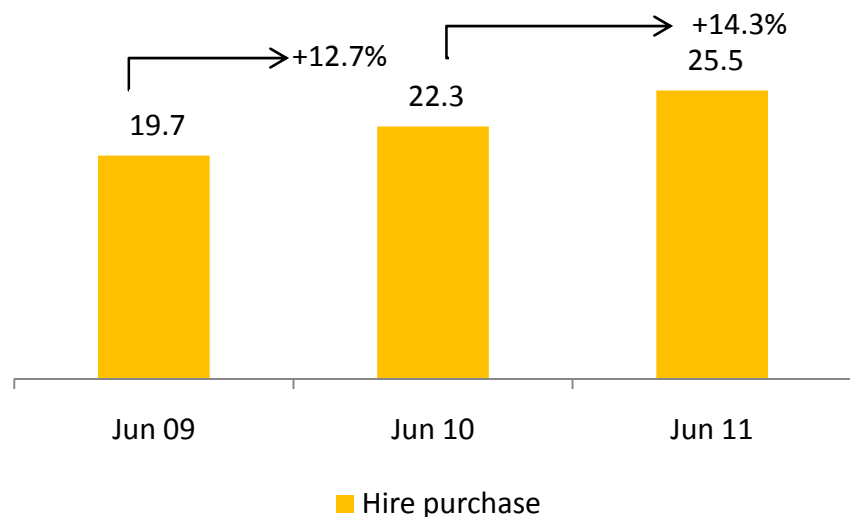


### Strong Growth in Mortgage Loan Stock

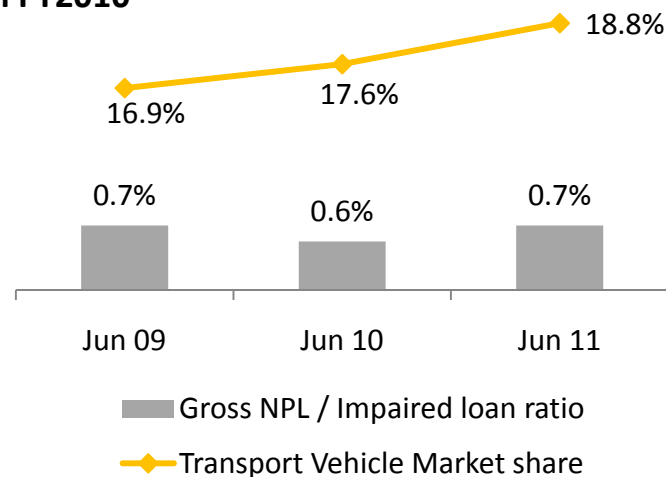


## Community Financial Services: Hire Purchase improved in loans growth and market share

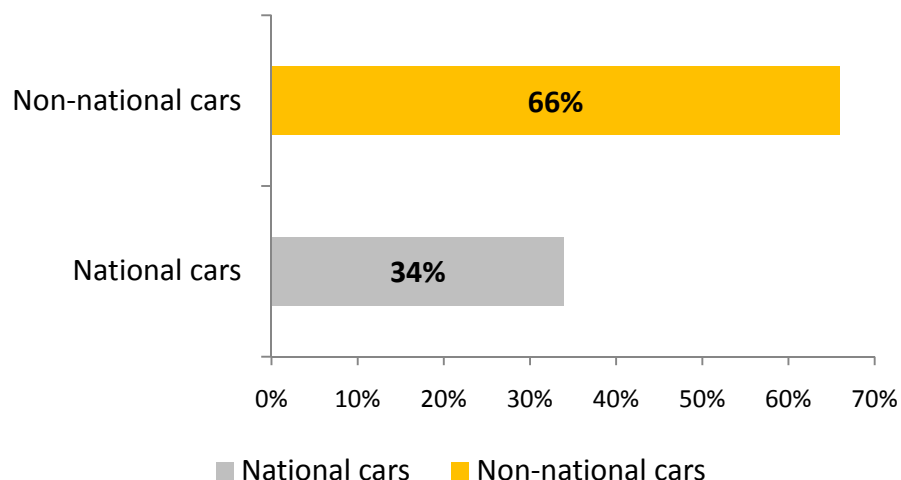
Hire purchase grew 14.3% in FY2011



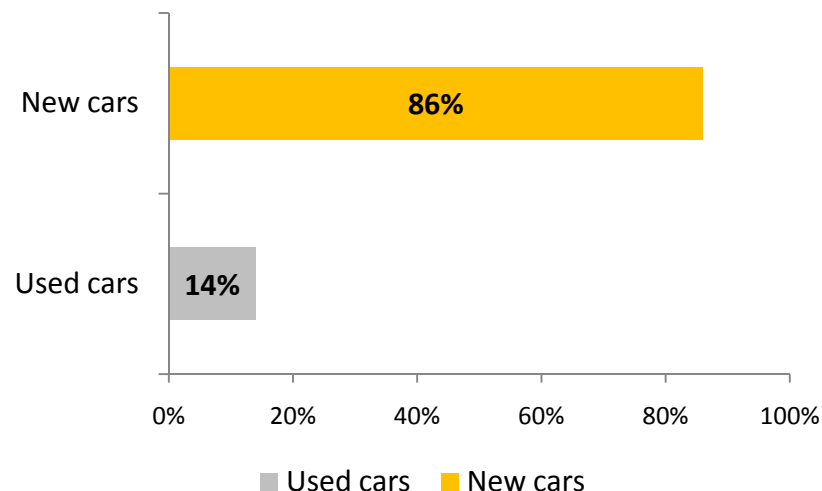
- Improved asset quality
- Market share improved to No. 2 in FY2011 from No. 3 in FY2010



Non-national cars form 66% of total Hire Purchase loans



New cars form 86% of total Hire Purchase loans



# Community Financial Services: Cards continued to grow above market growth

## Cards Market Share

	Jun 11	Jun 10
Cardbase	17.56%	16.64%
Billings	22.65%	21.78%
Receivables	14.93%	14.41%
Merchant Sales	29.20%	29.27%

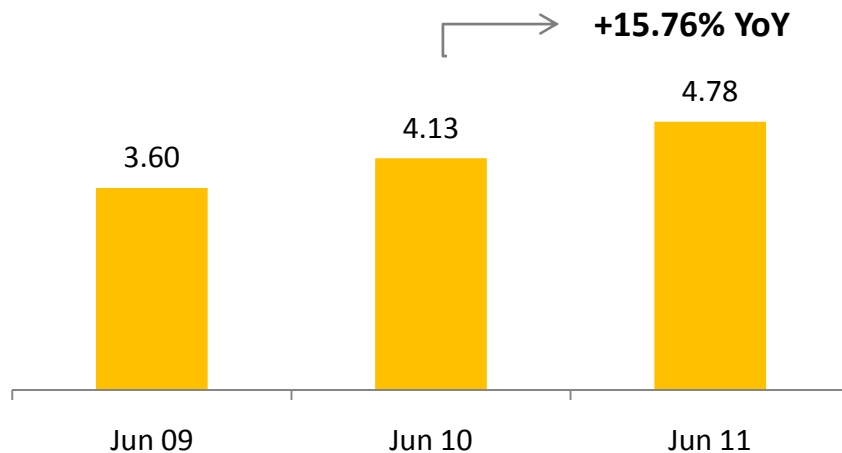
- Card base excludes Debit cards
- Merchant and Billings consist of transactions done through Credit, Charge and Debit cards

## Cards performance outperforming industry

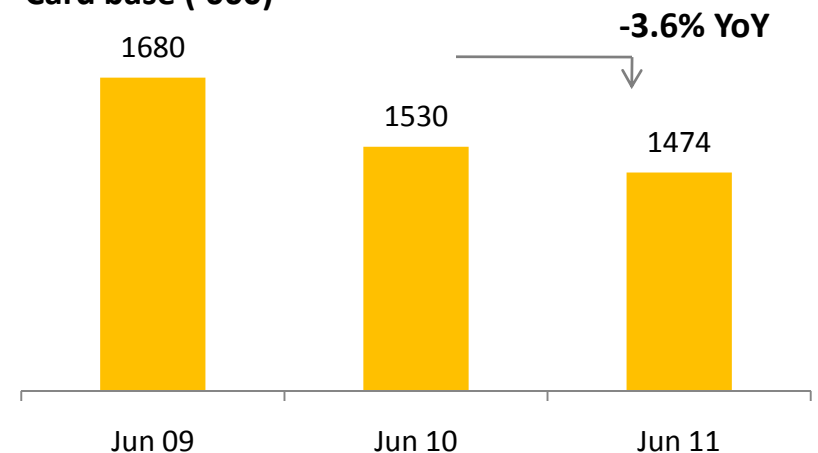
	YoY	Maybank	Industry*
Cardbase		-3.6%	-8.7%
Billings		19.0%	14.4%
Receivables		15.6%	12.4%
Merchant Sales		12.3%	12.6%

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

## Cards receivables

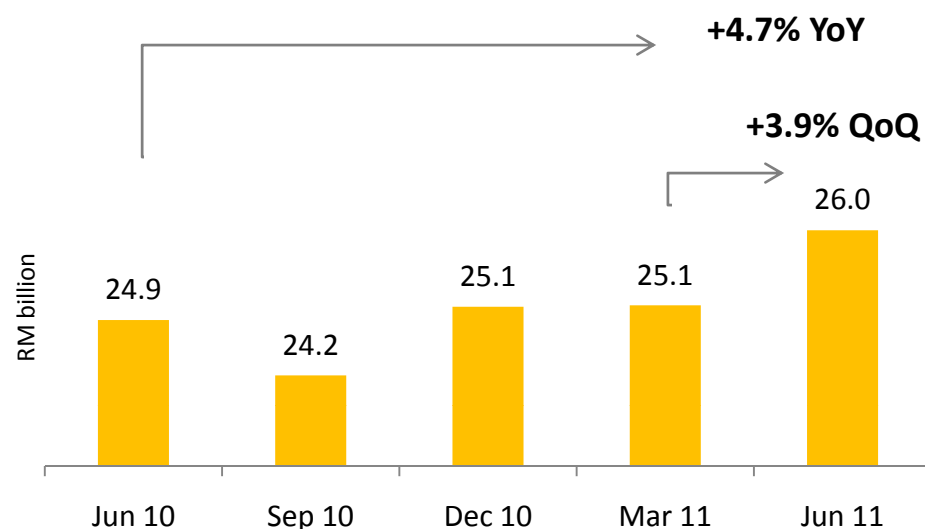


## Card base ('000)

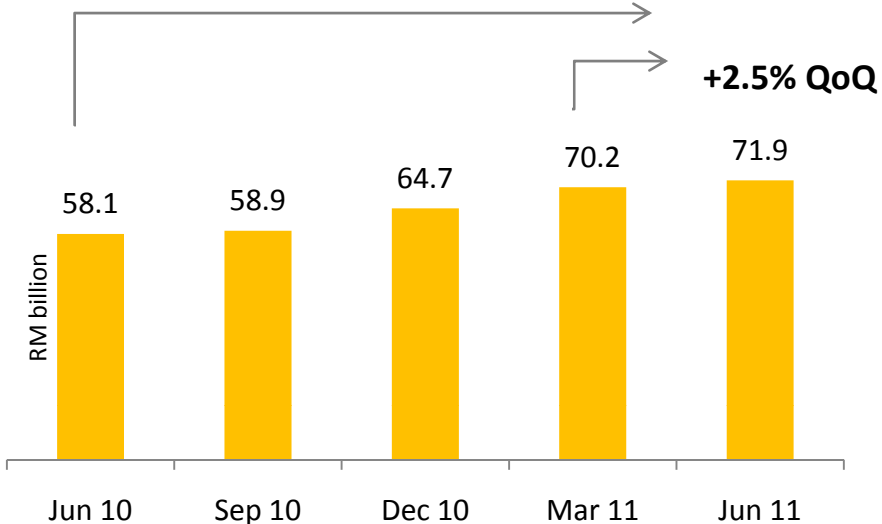


# Business Banking and SME: Loans growth recovered to 4.7%

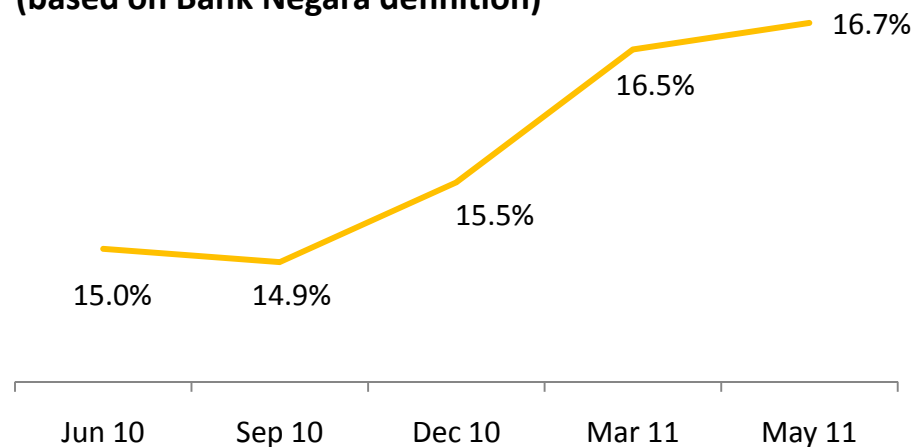
Loans trended higher since September 2010



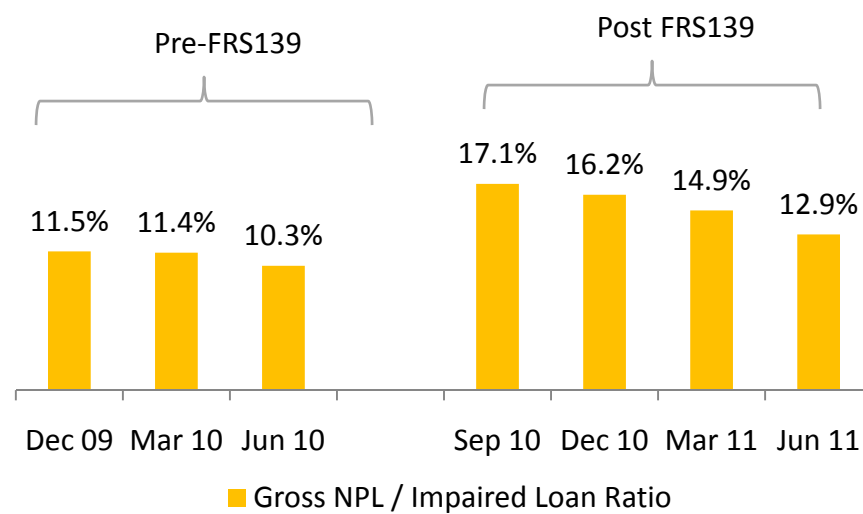
Strong deposits growth at 23.7%



SME loans market share recovering  
(based on Bank Negara definition)

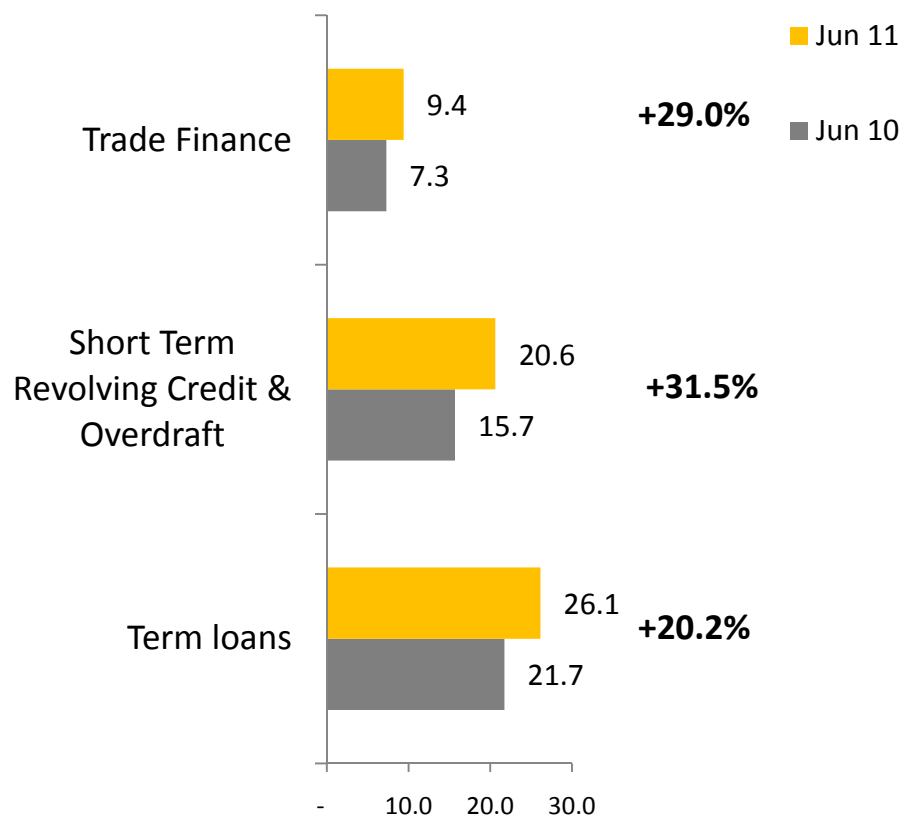


Business Banking and SME NPL declining



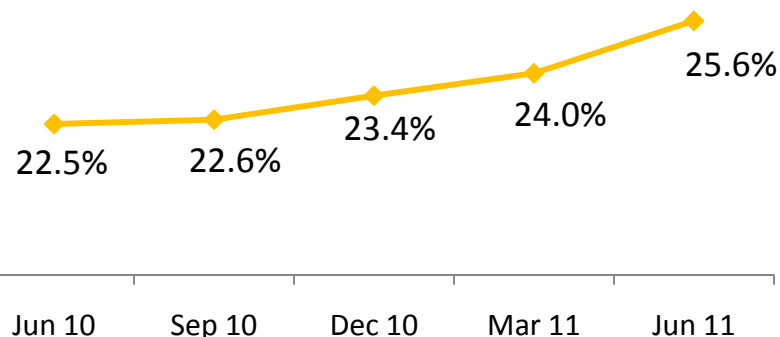
# Global Wholesale Banking: Loans growth improved to 25.6%

Total GWB loans (RM billion)

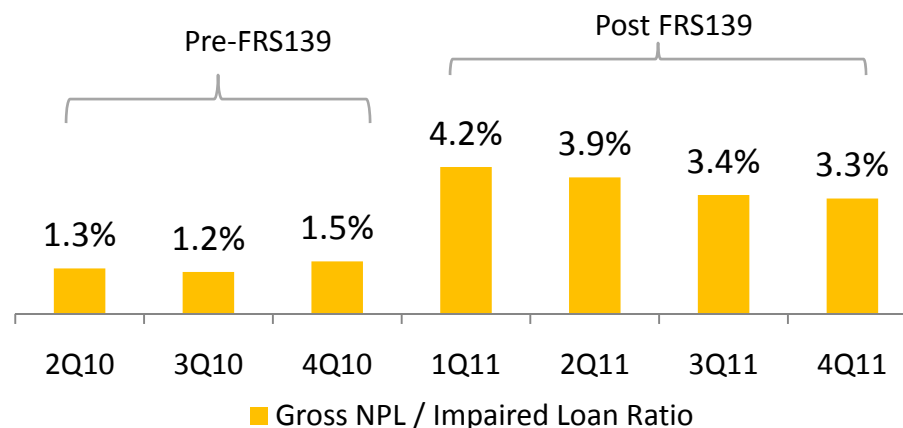


Total GWB loans grew 25.6% to RM56.2 billion as at 30 June 2011.

Increasing Trade Finance Market Share

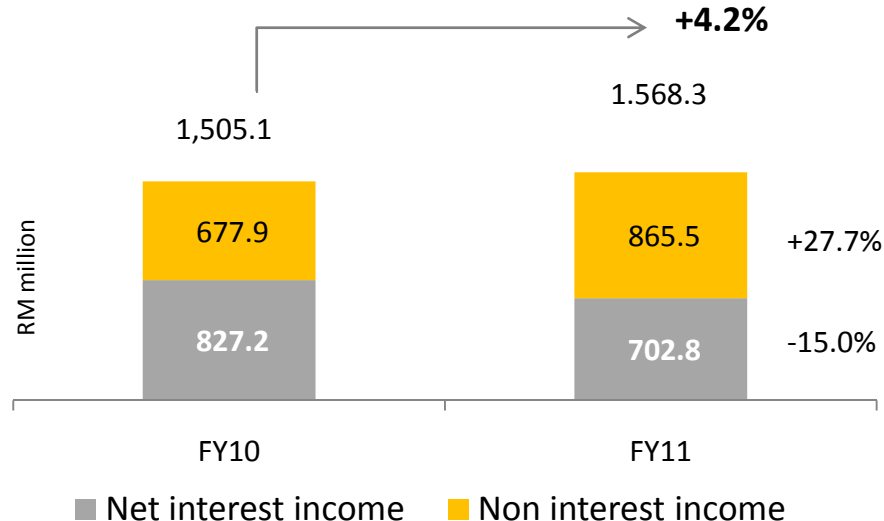


Corporate banking: Asset Quality improving

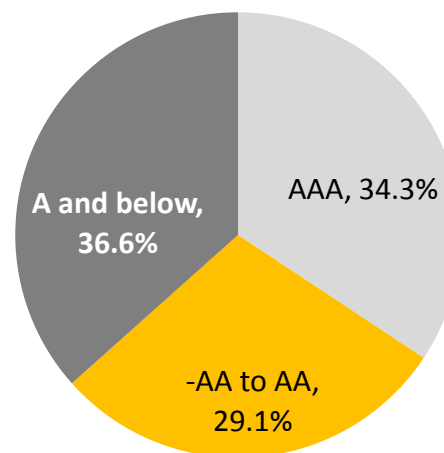


# Global Markets: Revenue growth supported by non interest income

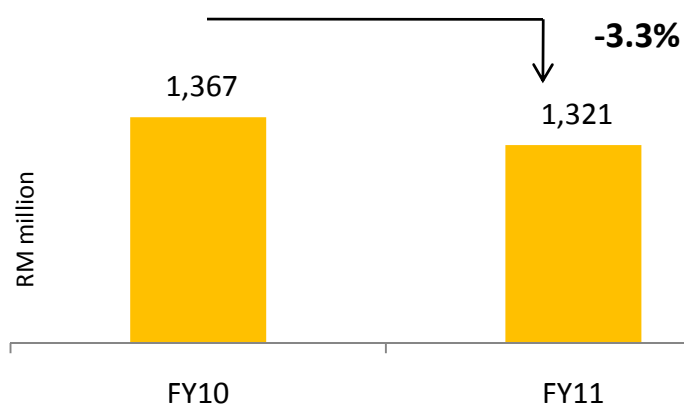
Growth in Revenue



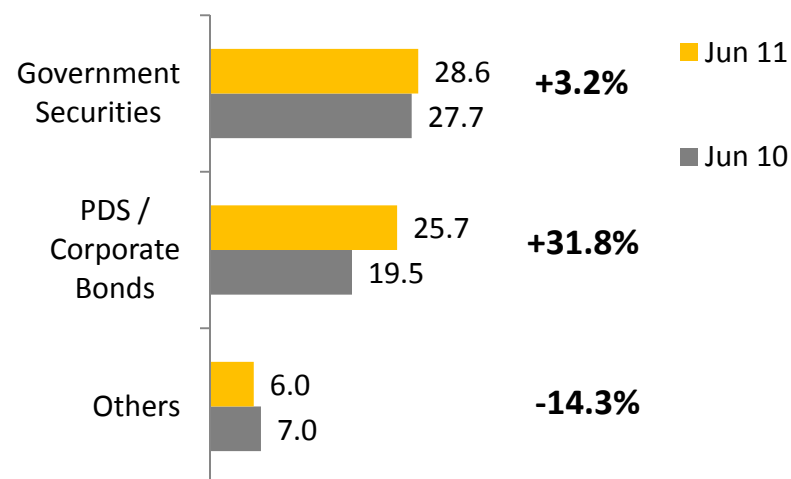
Credit Rating for Private Debt Securities in Malaysia



Decline in PBT from lower net interest income and higher impairment losses (+155%) and overhead expenses (+47%)

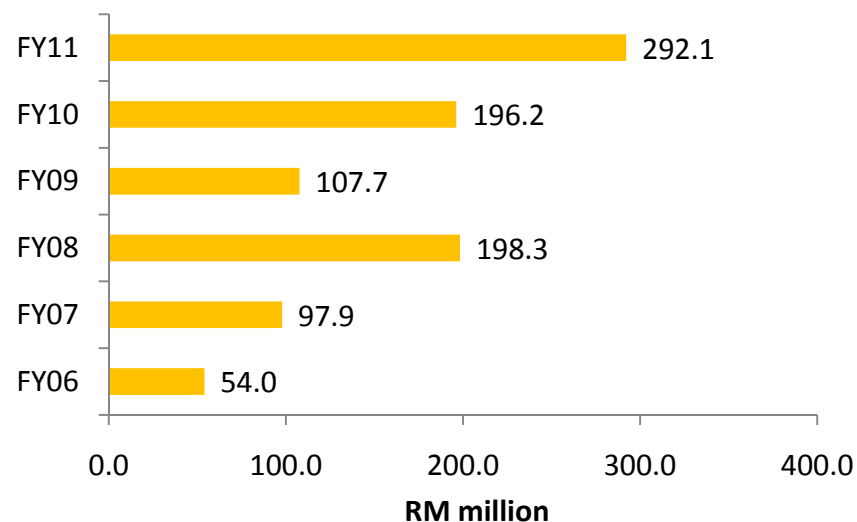


Group Securities Portfolio grew 11.3% to RM60.3 billion

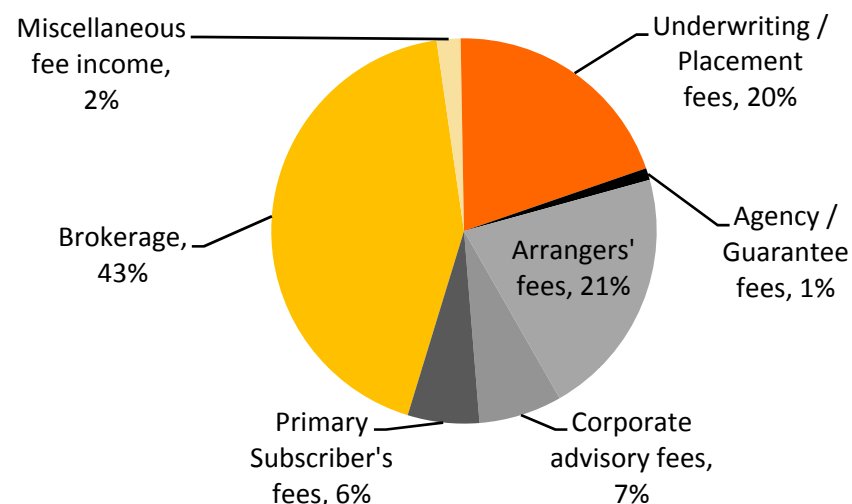


## Fee based income continued strong growth at 48.9%

### Fee based Income rose 48.9% YoY



### FY11 Fee-based Income Segmentation



### Industry Position & Market Shares Improved

Source: Bloomberg	Maybank IB (without Kim Eng)	Industry Rank FY2010	Industry Rank FY2011	Total Value (billion)	Deals/Issues	Market Share
	M&A	5	3	USD 9.3	31	25.7%
	Equity & Rights Offerings	3	2	USD 0.86	9	9.6%
	Debt Markets - Malaysia Domestic Bonds	4	2	RM 16.3	134	26.3%
	Debt Markets - Malaysian Ringgit Islamic Bonds	2	1	RM 16.0	121	35.4%
	Equity Brokerage	4	3	RM 63.5	n.a.	7.0%

# Investment Banking: Recent Notable Deals



## Equity Capital Market



Privatisation of Tanjong PLC via Voluntary Offer made by Tanjong Capital Sdn. Bhd. (RM8.79billion)



Privatisation of Titan Chemicals Corporation Berhad via Mandatory General Offer made by Honam Petrochemical Corporation (RM4.06billion)



Privatisation of MTD Capital via Unconditional Take Over Offer by Nikvest Sdn. Bhd., Alloy Concrete Engineering Sdn. Bhd, Alloy Consolidated Sdn. Bhd. And Alloy Capital Sdn. Bhd. To acquire all the remaining equity interest in MTD (RM1.28billion)



Malaysia Marine and Heavy Engineering Berhad's IPO (RM2.03billion) (Best IPO of the year 2010 by The Edge  
Sole Underwriter, Joint Global Co-ordinator and Joint Book runner



Establishment of Amanah Hartanah Bumiputera, world first shariah-compliant fixed-price real estate-backed unit trust fund.  
Principal Adviser.



Placement of 178.9 million shares in Telekom Malaysia Berhad, which raised RM516.3 million for Khazanah Nasional Berhad, (Second largest share placement in 2010)  
Joint Placement Manager



Placement of RM396 million for Kencana



Bumi Armada Berhad's IPO (RM2.7 billion)  
Initial Public Offering



MSM Malaysia Holdings Berhad (RM818 million)  
Initial Public Offering



# Investment Banking: Recent Notable Deals



## Debt Capital Markets



Government of Malaysia: Wakala Global Sukuk – Sovereign Sukuk Issuance (USD2.0 billion)  
Joint Book runner/Joint Lead Manager



Genting Hong Kong Limited: Dim Sum Bonds (RMB1.38 billion)  
Joint Book runner/Joint Lead Manager



Ranhill Power Sdn Bhd: Guaranteed Sukuk Musyarakah (RM800.0 million)  
Principal Adviser/Lead Arranger/Lead Manager



Westports Malaysia Sdn Bhd: Sukuk Musyarakah Islamic Medium Term Notes Programme (RM2.0 billion)  
Joint Principal Adviser/Joint Lead Arranger/ Joint Lead Manager



The Intermark Sdn Bhd: Syndicated Term Loan Facility (RM1.2 billion)  
Mandated Lead Arranger/Book runner



AuraBayu Sdn Bhd: Syndicated Islamic Financing Facilities (RM740.0 million)  
Mandated Lead Arranger

## Within Group Islamic Banking business, Maybank Islamic recorded strong financing growth of 35.1%

### Group Islamic Banking Income and PBT\*\*

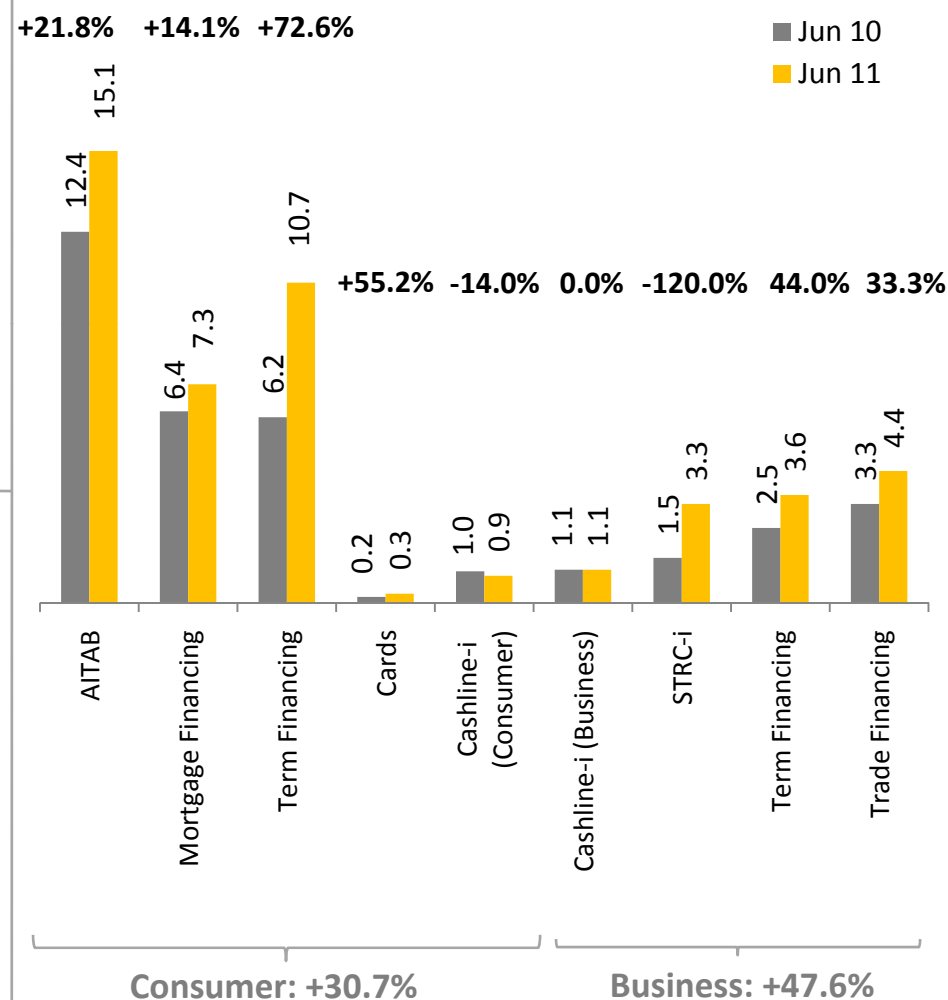
RM million	FY11	FY10	YoY Growth
Fund based income	1,357.1	826.7	64%
Fee based income	131.3	137.2	-4%
<b>Total income</b>	<b>1,488.3</b>	<b>963.9</b>	<b>54%</b>
Allowance for losses on financing	10.7	350.4	-97%
Profit before tax and zakat	904.2	535.0	69%

### Improving key ratios

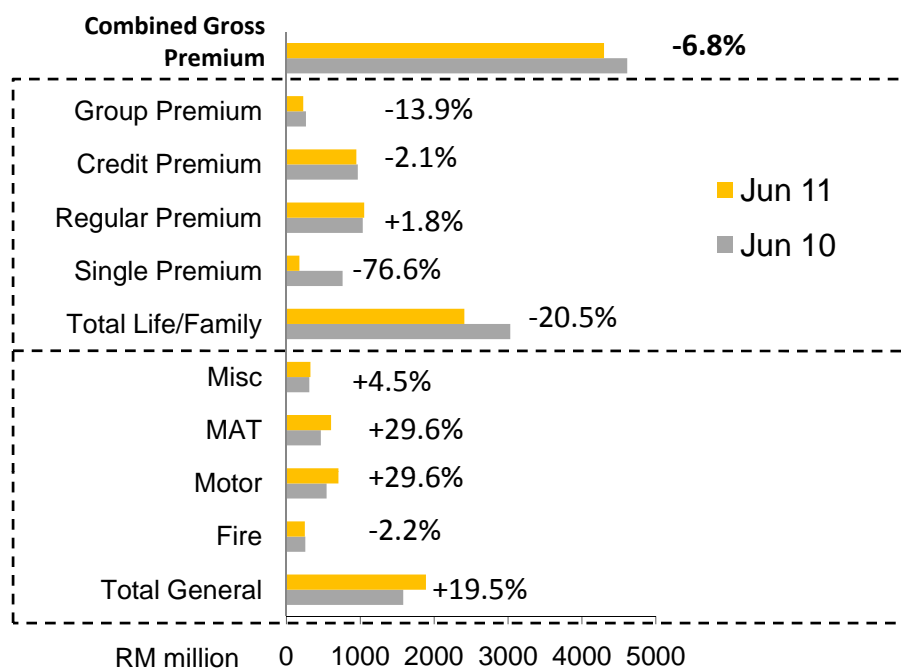
	Jun 11	Jun 10
Financing to Deposit Ratio*	87.8%	96.6%
Islamic Financing to Total Domestic Loans*	27.4%	24.0%
Net Impaired Financing Ratio**	1.2%	0.9%

### Maybank Islamic financing (35.1% growth)

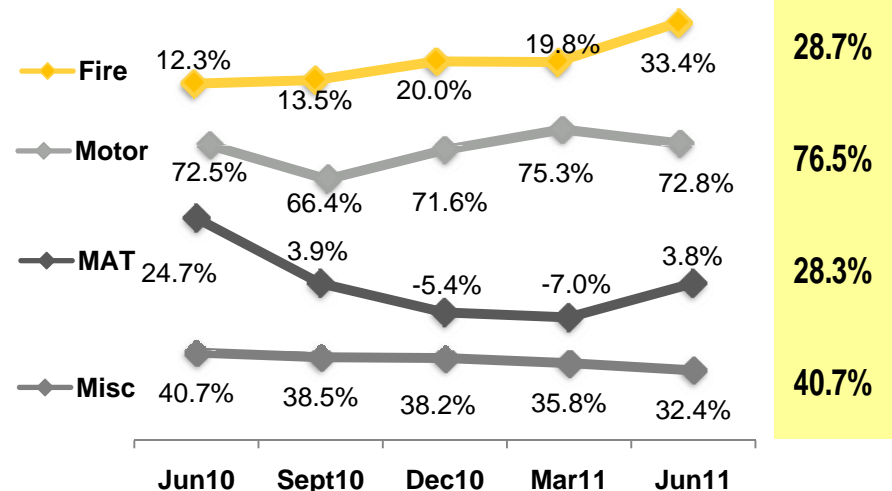
Total Gross Financing = RM46.8 billion as at Jun 11



# Etiqua: No. 1 Position in Life/Family (new business) and General Business



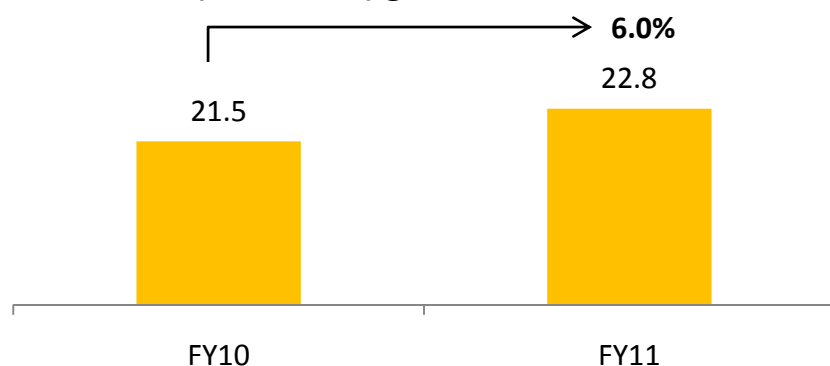
## Overall Loss Ratio Lower Than Industry 55.3% (Etiqua) vs. 59.5% (Industry)



Source : Rolling 12 months (Jun10-Jun11)

Note: Industry Loss Ratio is for conventional business only

## Total Assets (RM billion) grew 6.0% YoY



## Etiqua maintains top position

- No. 1 in Life/Family (new business) with market share of 18.3%.
- No. 1 in General with market share of 11.5%

Source: ISM Statistics (Apr10-Mar 11).

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**Kim Eng Update**

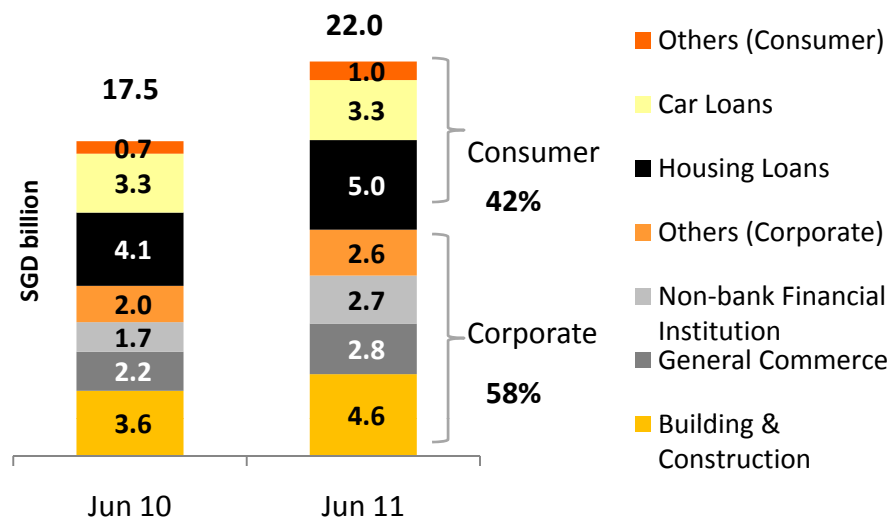
**Economic Update and Key Takeaways**

## Singapore: PBT improved 11.0% on higher fee income and lower provision

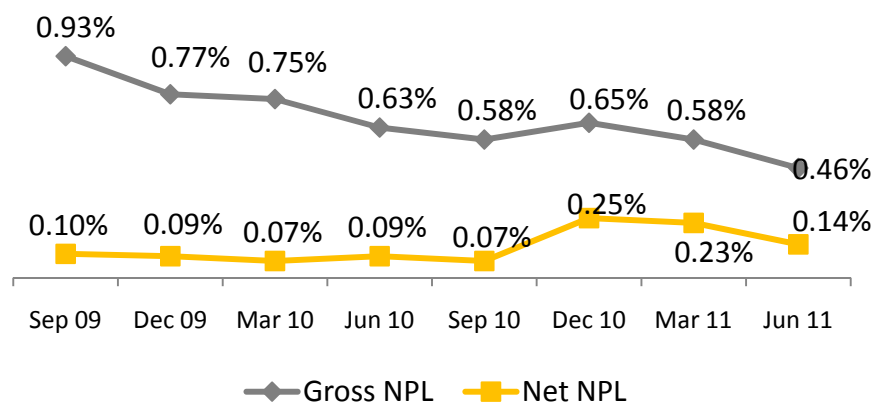
Revenue and PBT rose 8% and 11% YoY respectively

SGD million	FY11	FY10	YoY Growth
Net fund based income	454.5	468.6	-3.0%
Non interest income	207.8	144.0	44.3%
<b>Total income</b>	<b>662.3</b>	<b>612.6</b>	<b>8.1%</b>
Provision	(1.6)	6.2	-126.4%
<b>Profit before tax</b>	<b>375.0</b>	<b>338.0</b>	<b>11.0%</b>

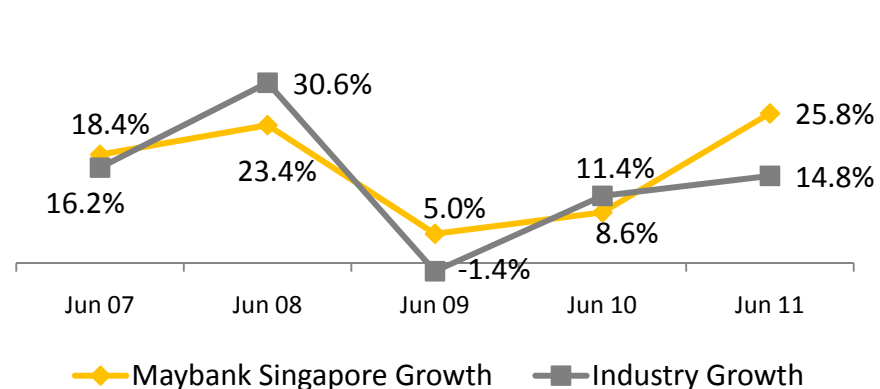
Diversified Loan Portfolio



Asset Quality continued to improve



Maybank Singapore loans growth outpaced industry's



## BII: Profit before tax grew 28.8% YoY

### Income Statement

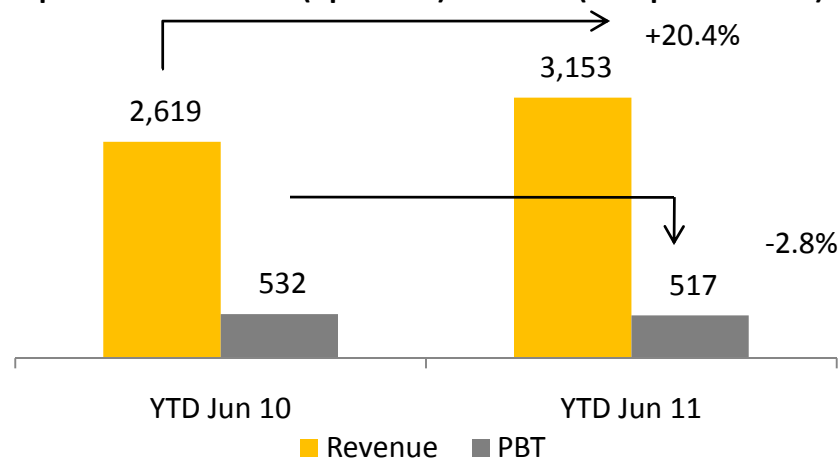
Rp Billion	Jul 10-Jun 11 Contribution	Jul 09-Jun 10 Contribution	YoY % Change	Apr 11-Jun 11 Contribution	Apr 10-Jun 10 Contribution	YoY % Change
Interest income	7,349	6,065	21.2%	1,943	1,583	22.7%
Interest expense	(3,316)	(2,753)	20.5%	(933)	(671)	39.0%
Net interest income	4,033	3,312	21.8%	1,010	912	10.7%
Non-interest income	2,006	1,762	13.8%	556	508	9.4%
Gross Operating income	6,039	5,074	19.0%	1,566	1,420	10.3%
Operating expenses (excluding prov.)	(3,998)	(3,419)	16.9%	(987)	(847)	16.5%
Operating income before provision	2,041	1,655	23.3%	579	573	1.0%
Provisions	(1,259)	(1,048)	20.1%	(261)	(476)	-45.2%
<b>Profit before taxation and zakat</b>	<b>782</b>	<b>607</b>	<b>28.8%</b>	<b>318</b>	<b>97</b>	<b>227.8%</b>

**Note:**

- Based on income statement consolidated into Group accounts.

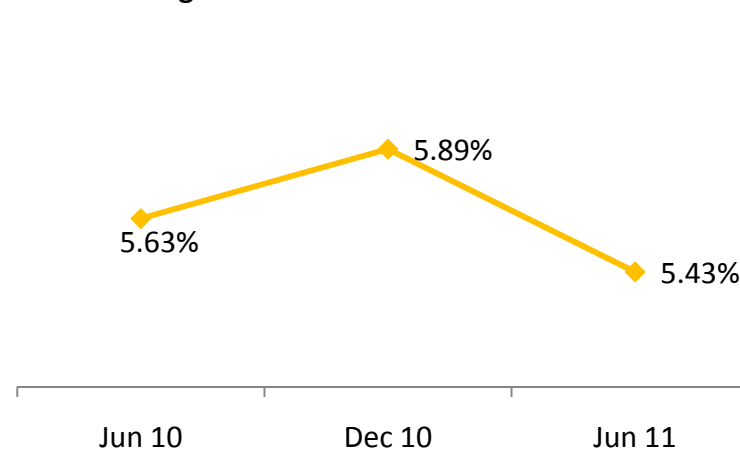
# BII: Revenue grew 20.4% on the back of 25.8% consolidated loans growth

Group Revenue and PBT (Rp billion) for 1H11 (as reported in BII)



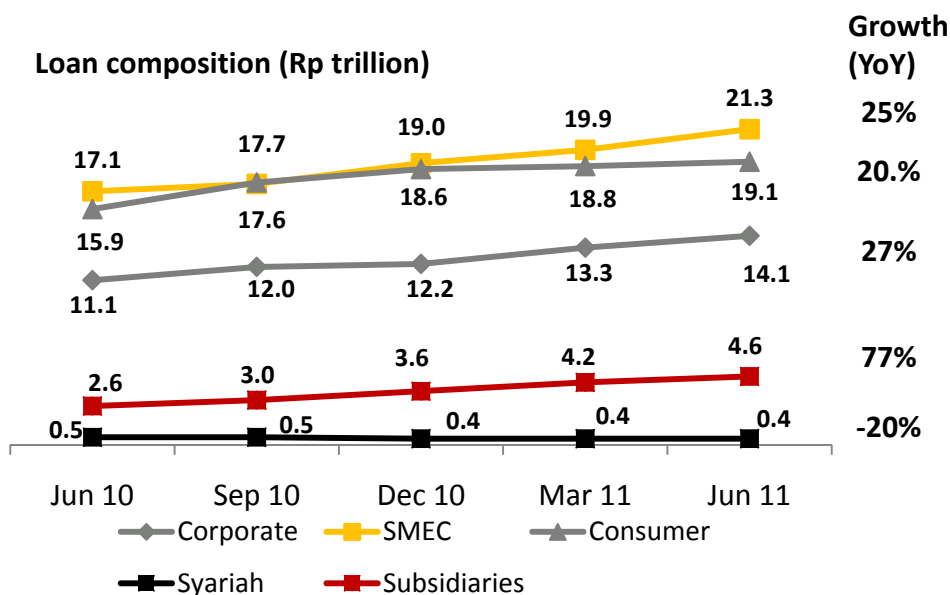
Jun'10 : before adoption SFAS No.50/55; Jun'11 after Adoption SFAS No.50/55

Net Interest Margin

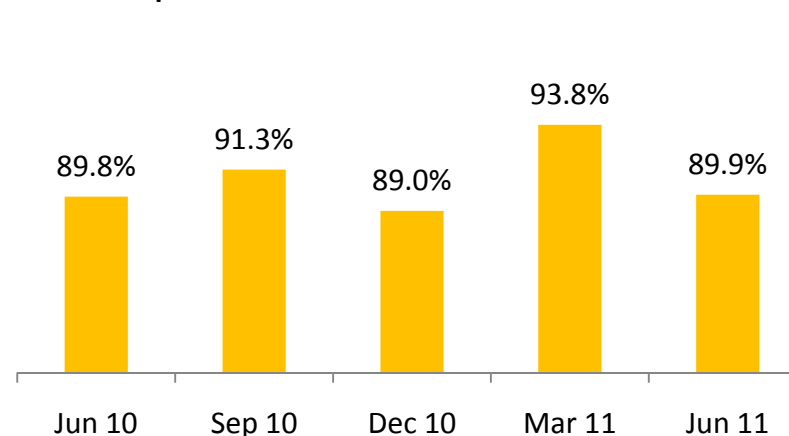


Jun'10 : before adoption SFAS No.50/55; Jun'11 after Adoption SFAS No.50/55

Loan composition (Rp trillion)



Loan-to-Deposit Ratio

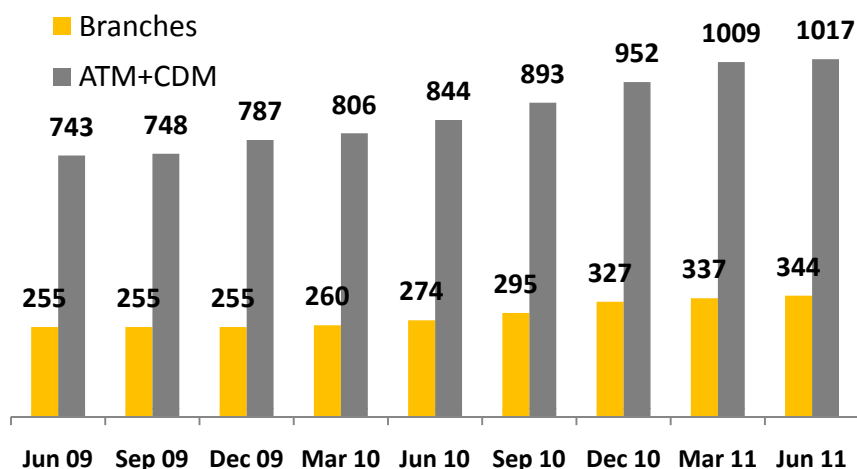


LDR Bank (only) as of June'11 : 82.98%

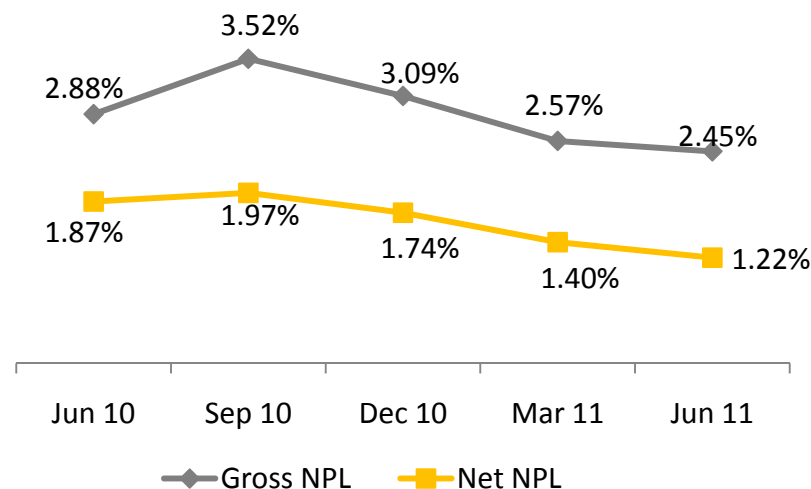
Modified LDR (consol) as of June'11 : 84.85%

# BII : Branches and touch points expansion on track, asset quality continues to improve

## Branches and ATM

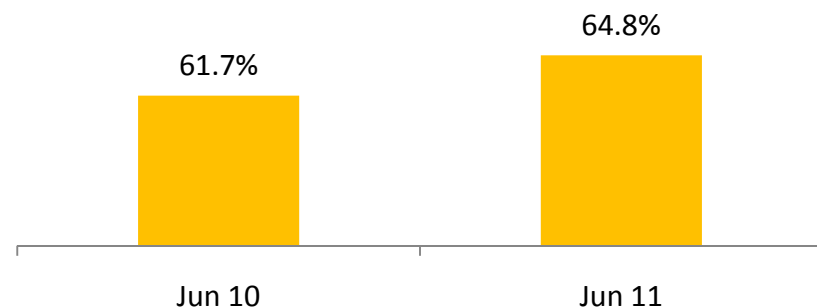


## Asset Quality



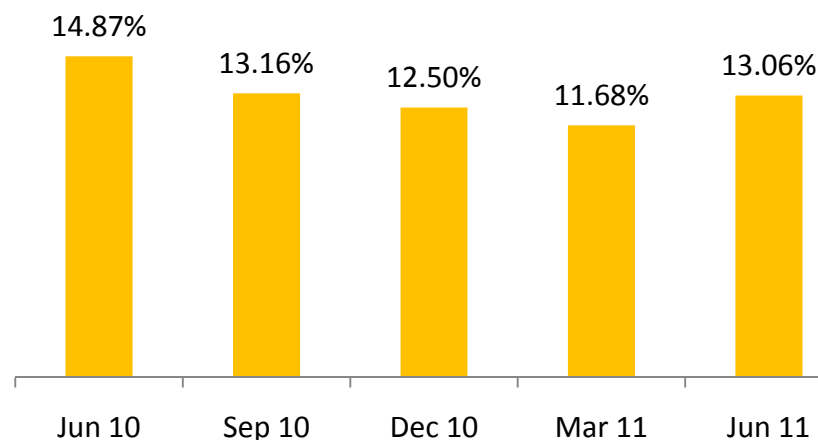
## Cost to Income Ratio

Jun'10 : before adoption SFAS No.50/55; Jun'11 after Adoption SFAS No.50/55



Cost to Income Ratio (Bank Only)  
as of : June'10 : 57.63%, June'11: 56.22%,

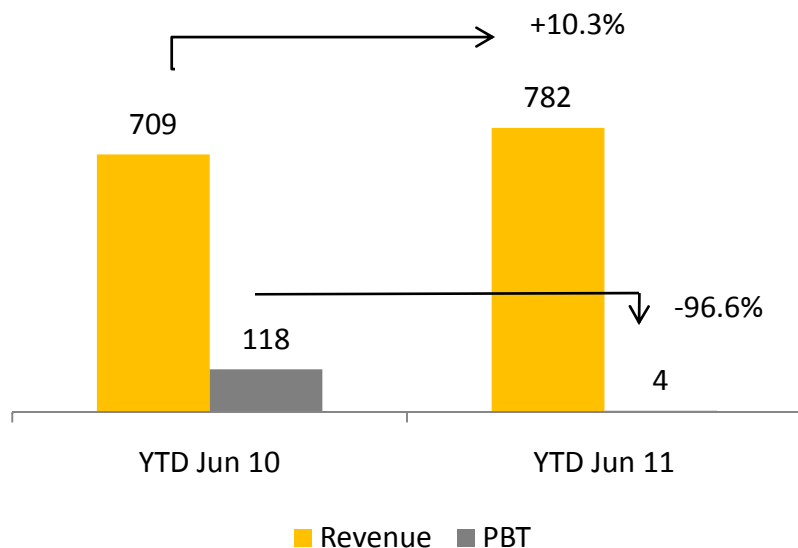
## Capital Adequacy : consolidated (credit, operational & market risk)



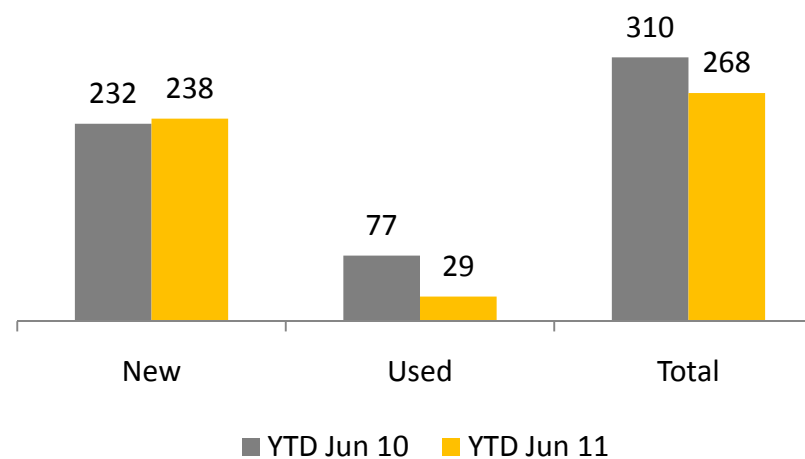


## WOM : 10.3% growth in revenue, whilst PBT impacted by provisions

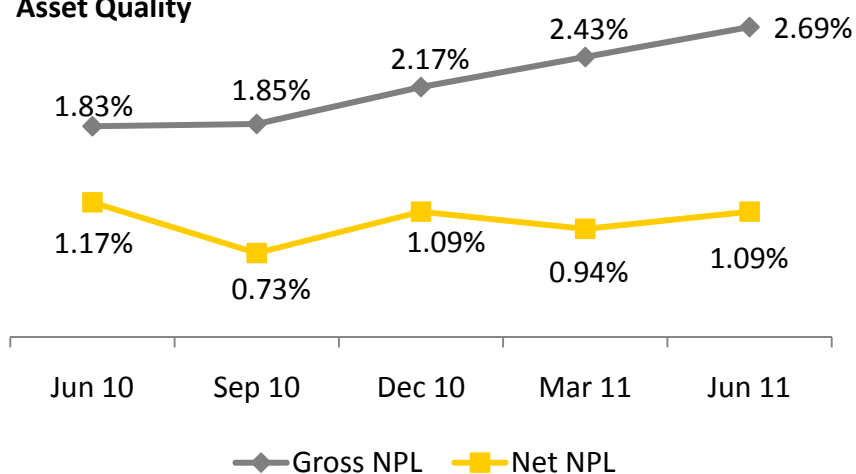
Revenue and PBT (Rp billion)



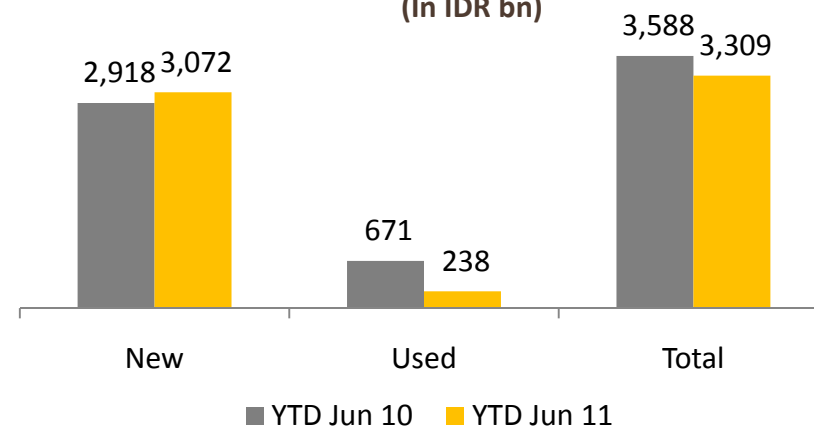
Unit Financing  
(In 000 unit)



Asset Quality



Financing Amount  
(In IDR bn)



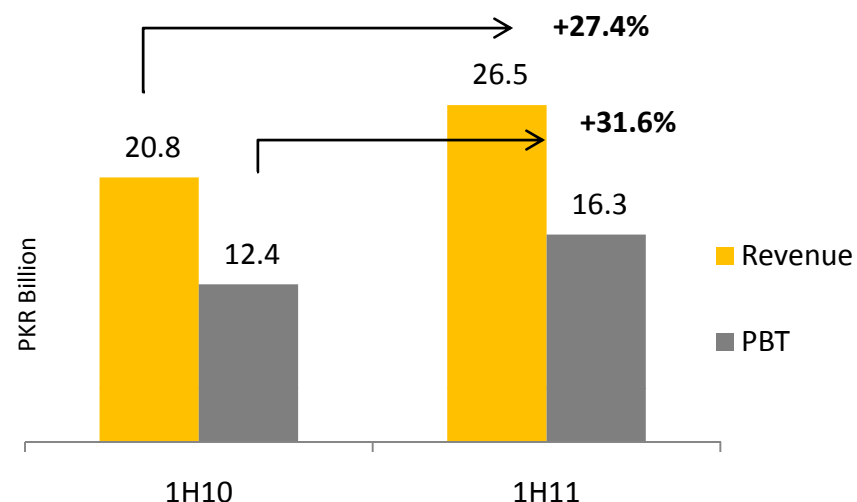
# MCB Bank: Financial Highlights



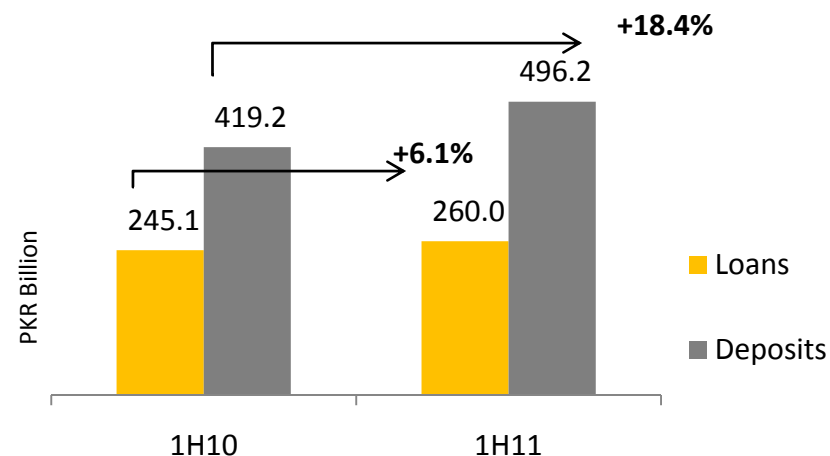
- PBT grew due to higher margins and 21% increase in average earning assets, while non interest income rose 37% mainly due to gain from investment income and increase in fee and commission income.
- Loans grew mainly due to commercial and Islamic loans.
- Deposits grew strongly, with low-cost CASA making 81% of total deposit portfolio. MCB maintains a 8.7% market share of total deposits.
- NPL is contained at 9% with provision expense grew at 19% YoY.

Key Ratios	1H11	1H10
Return on Assets	5.14%	4.63%
Return on Equity	42.84%	34.33%
Cost to Income Ratio	33.1%	34.84%
Loan-to-Deposit Ratio	52.40%	58.46%
Non Performing Loan Ratio	8.91%	8.97%
Net Interest Margin	8.48%	8.26%

Revenue and PBT



Loans and Deposits

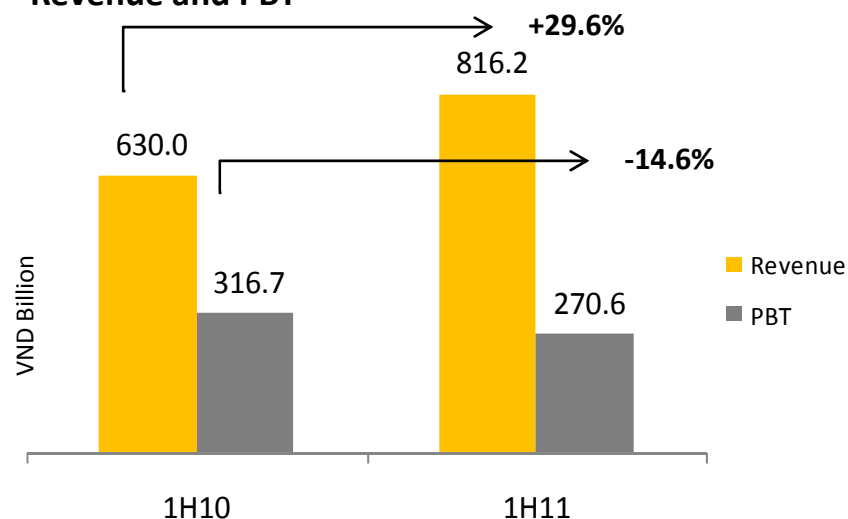


# An Binh Bank: Financial Highlights

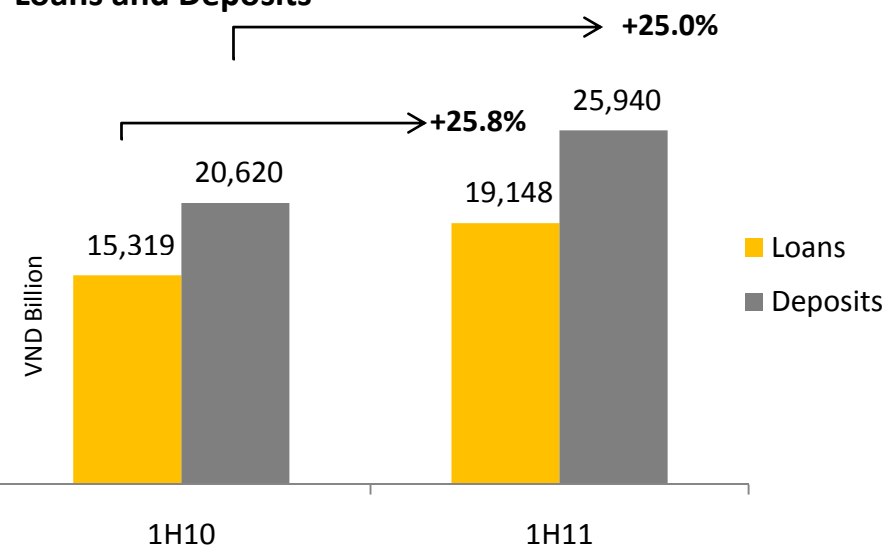
- PBT declined due to higher loan loss provisioning which has increased by 203% to VND 120.7 billion, on the back of higher NPL ratio.
- However revenue increased by 29.6%, contributed by the increase in net-interest income on the back of higher interest rate. Non-interest income declined due to lower fee income and investment income.
- NPL ratio increased from 1.50% to 4.51%. Two major accounts which defaulted during the period made up 57% of the total NPL balances as at 30 June 2011

Key Ratios	1H11	1H10
Return on Assets	1.39%	1.99%
Return on Equity	11.43%	13.67%
Cost to Income Ratio	47.53%	37.43%
Loan-to-Deposit Ratio	73.82%	74.29%
Non Performing Loan Ratio	4.51%	1.50%
Net Interest Margin	5.12%	3.87%

Revenue and PBT



Loans and Deposits



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**Kim Eng Update**

**Economic Update and Key Takeaways**

# Kim Eng is now wholly-owned subsidiary of Maybank



## 1 Maybank Shareholding in Kim Eng Holdings

- Completed compulsory acquisition and delisted Kim Eng in August 2011
- Maybank now owns 100% of Kim Eng

## 2 Downstream offer

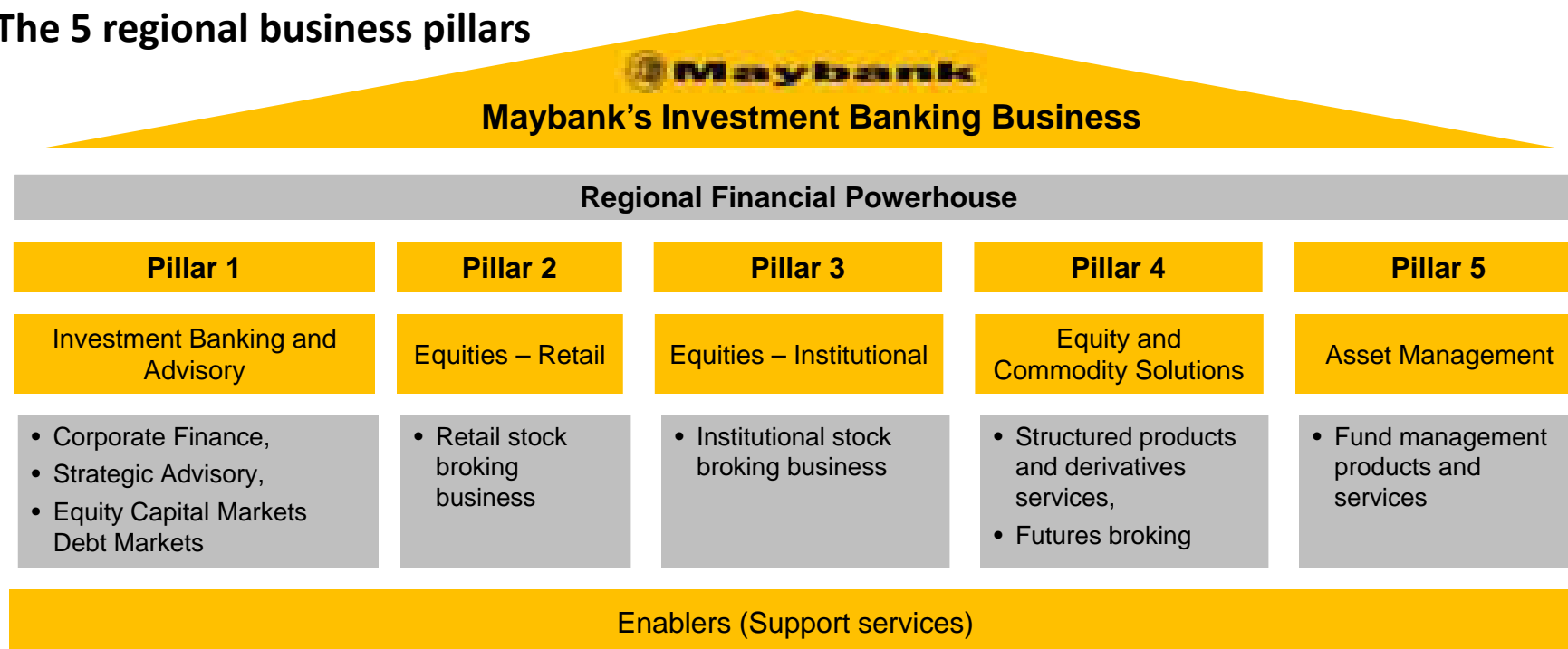
- **Thailand:** After the tender offer, Maybank now owns an aggregate 83.74% in Kim Eng Securities Thailand
- **Philippines:** After acquisition, the aggregate holding in KimEng Financial Corporation (“ATRKE”) is 74.64%. As such, Kim Eng triggered a mandatory tender offer for the remaining ATRKE shares

## 3 Integration and Strategy of Kim Eng

- New leadership has been defined: Tengku Dato’ Zafrul as the CEO of the investment banking business and Ronald Ooi as his Advisor.
- Post-Merger Integration exercise is led by a Steering Committee, which is co-chaired by Tengku Dato’ Zafrul and Ronald Ooi.
- Investment banking business realigned into 5 Business ‘Pillars’: Investment Banking and Advisory, Retail Equities, Institutional Equities, Equity and Commodity Solutions, and Asset Management.
- Overall total outlay for the entire acquisition is RM4.692 billion.

# Kim Eng: Strategy Moving Forward

## The 5 regional business pillars



## The 3-year roadmap



## High-level synergies

- Maybank-IB and Kim Eng have already worked on a number of deals together: Loan syndication in Philippines, IPOs for Bumi Armada, Eversendai and MSM and also begun offering Malaysian stocks to Kim Eng clients and ex-Malaysia stocks to Maybank IB clients

### Revenue synergies

- Leverage Maybank's Balance sheet to expand regional investment banking business
- Cross-sell expanded services – retail, corporate, institutional – through distribution network and client relationships

### Cost synergies

- Obtain cheaper sources of funding, undertake capital optimisation
- Implement best practices, review processes on a global basis to capture efficiencies
- Eliminate leakages and keep business within the Group's platform where possible
- Build integrated regional support functions, systems and platforms where reasonably justified

### Other synergies

- Build regional talent pool – develop talent and build regional know-how through knowledge sharing and talent mobility

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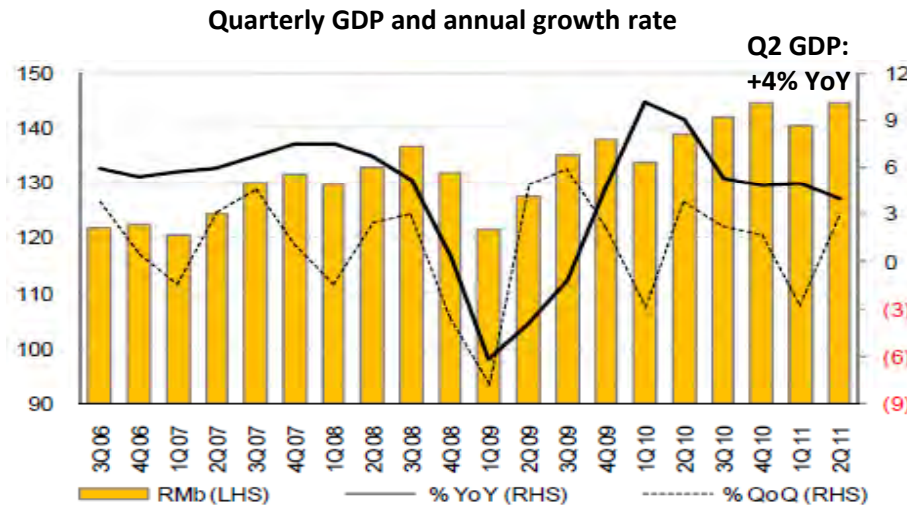
**Kim Eng Update**

**Economic Update and Key Takeaways**

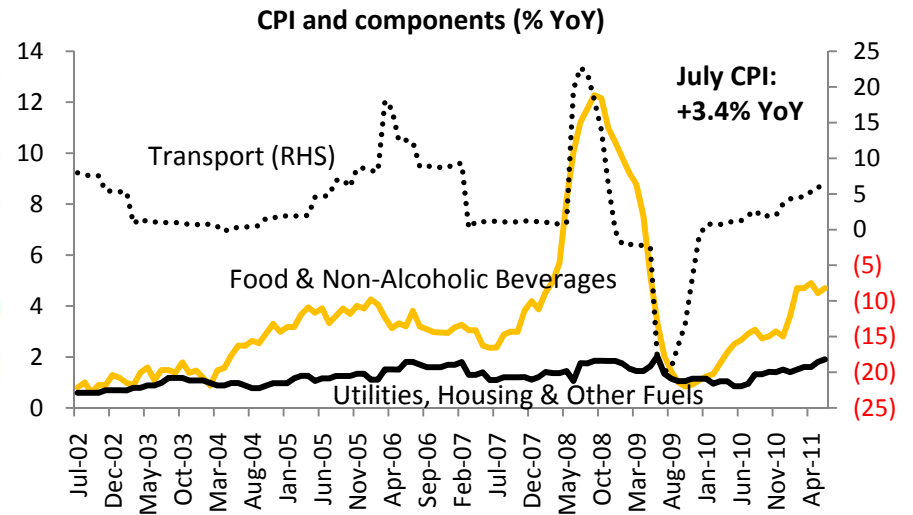


# Malaysia: Sustained growth for 2011

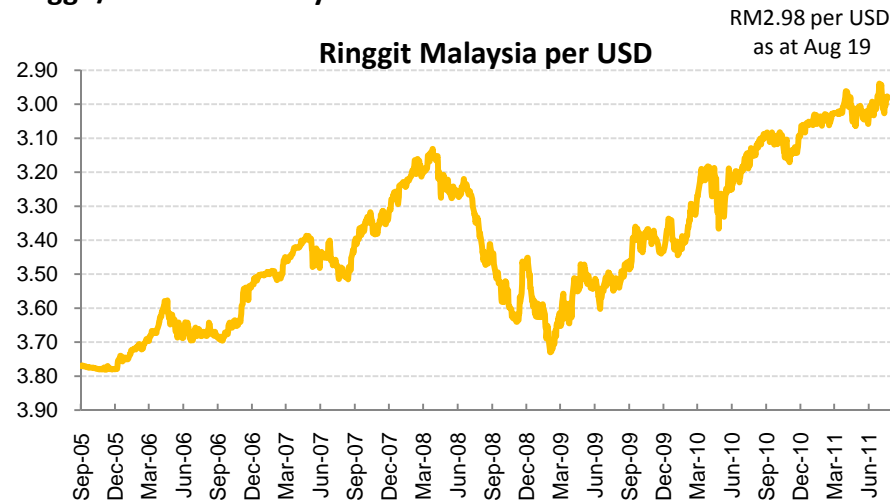
Growth to be sustained at 5.1% in 2011 & 5.5% in 2012 (2010: 7.2%)



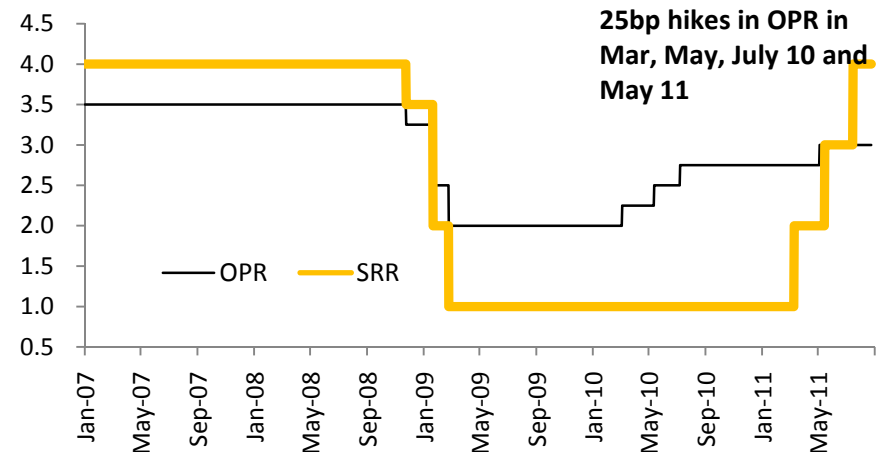
Inflation expected to rise to 3.4% in 2011 (2010: 1.7%)



Ringgit/USD: RM2.93 by end 2011

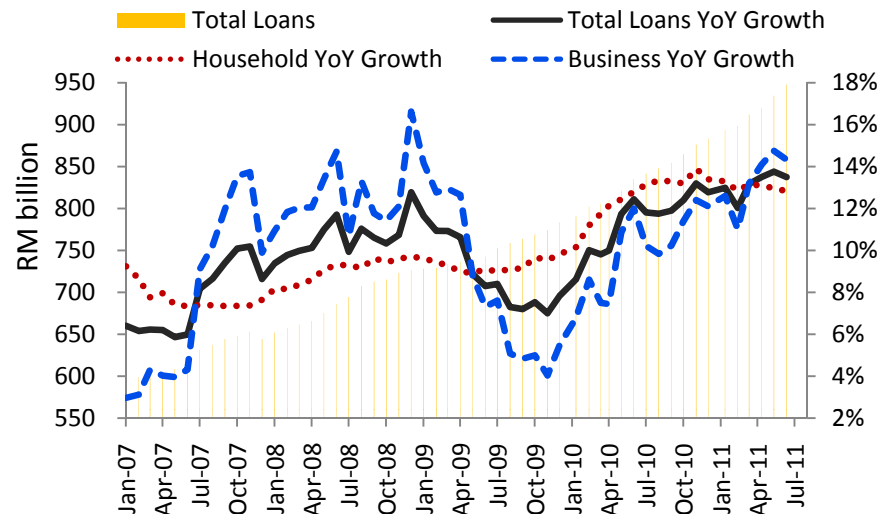


OPR to remain unchanged at 3% until end of 1H2012 & 100 bp hike in SRR expected in September 2011

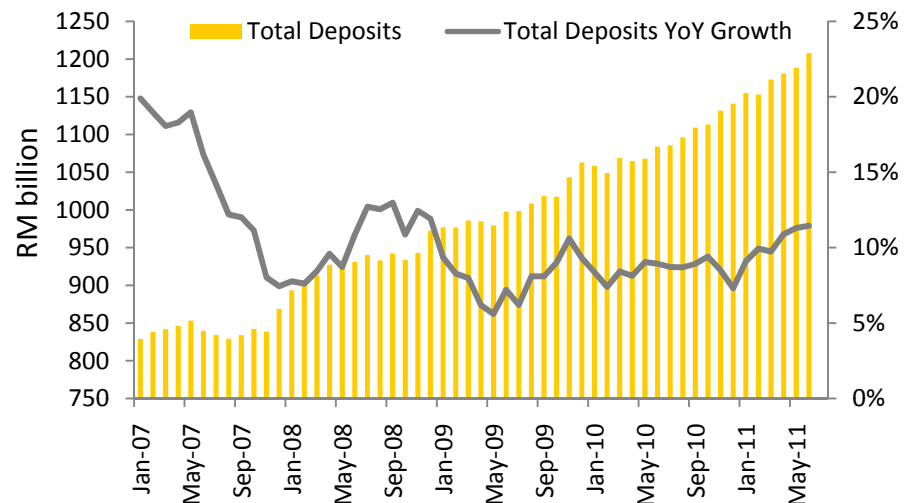


# Malaysia: Banking Sector

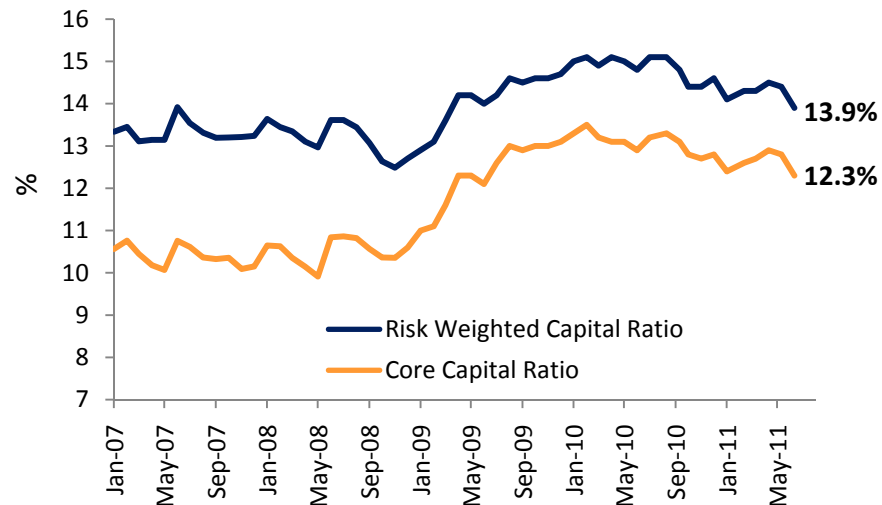
**Total Loans grew 13.5% YoY for June 2011**



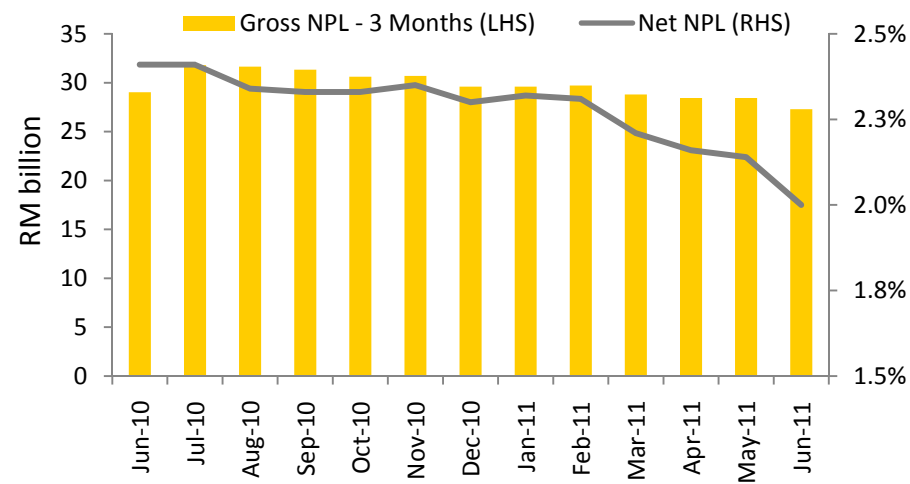
**Total Deposits grew 11.5% YoY for June 2011**



**Capital Adequacy remains strong**

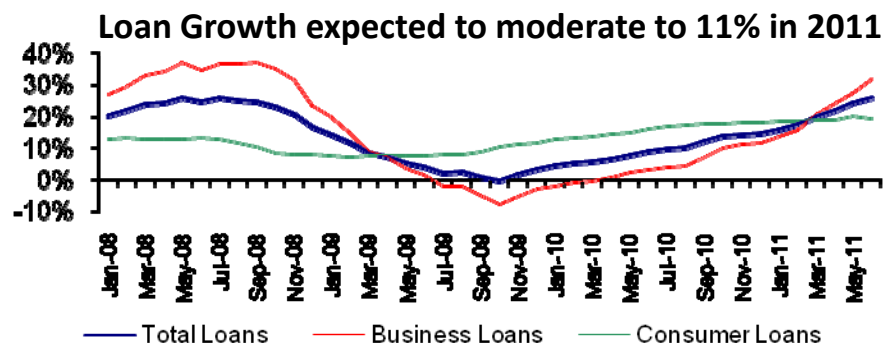


**Gross NPL RM27.3b, Net NPL ratio: 2.00%**

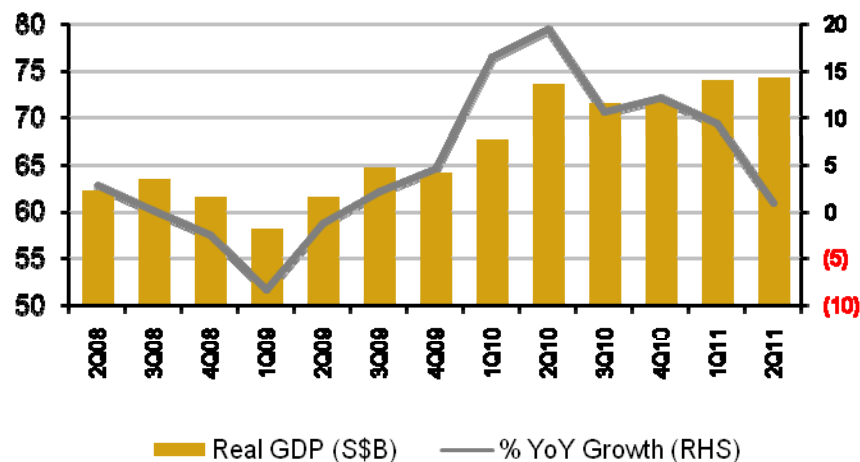


# Singapore: Economic Growth to Moderate

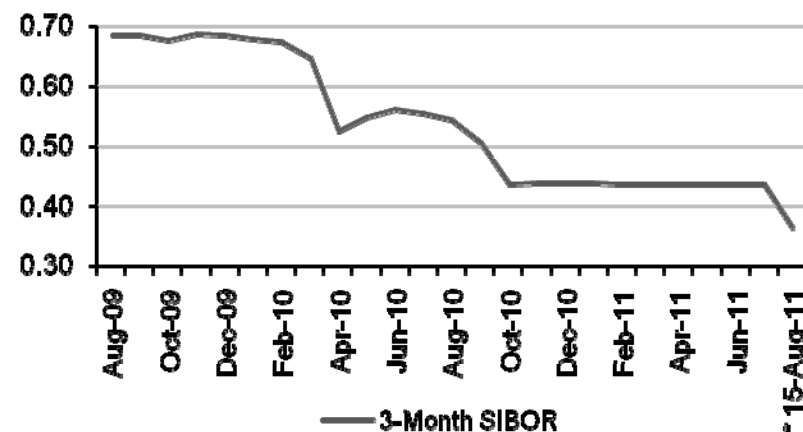
- GDP growth for 2011 is forecast to be between 5.0% – 6.0% as conditions across the region's supply chain normalise.
- Inflation rate for 2011 forecast at 4.0% – 5.0%. Core inflation, which excludes accommodation and private transport costs, will range between 2.0% – 3.0%.
- Unemployment rate is expected to fall from 2.2% in 2010 to 2.0% in 2011.
- DBU loan growth accelerated to 26.2% y-o-y, as at June 2011, led by stronger lending to General Commerce sector. However, full-year loan growth could moderate to 11% as uncertainties in the private property market weigh on mortgage demand.
- Net interest margin (NIM) could dip slightly to 1.7% – 2.0% in 2011, from the range of 1.8% – 2.1% in 2010.



**Real GDP growth for 2011 expected to be 5% – 6% (2010: 14.5%)**



**3-month SIBOR to range between 0.3%-0.5% in H2 2011**



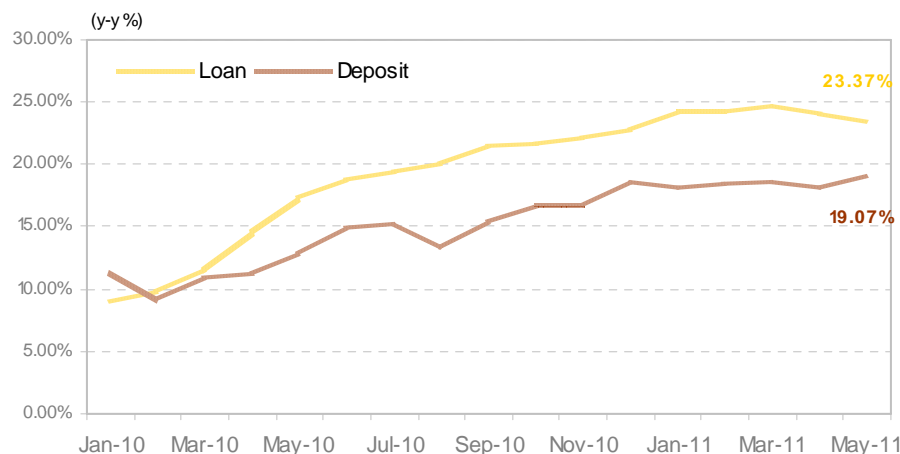
# Indonesia: Continued Growth

- 2011 GDP growth expected to reach 6.3%, higher than the growth of 6.1% in 2010
- Inflation rate for 2011 is expected to reach 5.5% due to easing food price pressure. Thus, BI Rate is expected to stay at 6.75%
- USD/IDR will hover 8,500 area due to strong capital inflow and better risk appetite. Yet with some volatility that might appear, we expect rupiah will most likely be at the range 8,500 – 8,800
- Loan growth is expected to reach 22% with the investment segment driving growth.
- NPL is expected to reach 3.8% for 2011.

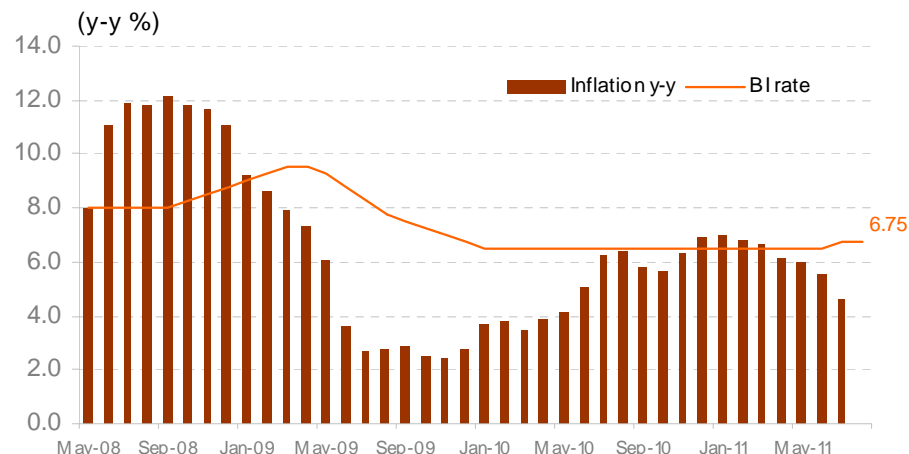
**Real GDP Growth: growing faster**



**Bank's loan growth: trending upwards**



**Bank Indonesia policy rate on hold at 6.75%**



## Priorities for the next 12 months

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1. Grow loans and deposits with pricing discipline.
2. Reinforce community banking focus for distribution channels. Address fundamentals for SME to gear-up for growth.
3. Intensify client coverage collaboration with product partners, with regional responsibility.
4. Realise investment banking synergies between Maybank IB and Kim Eng.
5. Continue asset and network expansion in BII, fix WOM and grow syariah banking business in Indonesia.
6. Grow insurance assets under management and build agency force.
7. Enhance service quality, customer experience and satisfaction.
8. Implement the Group IT Transformation.
9. Complete infrastructure and framework across multiple products and countries.
10. Gear-up for Basel III requirement.
11. Brand Refresh for the Group.

## Refreshing the Maybank brand

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- Existing Maybank corporate identity/logo has been in use since early 1990s. Timely to refresh to reinforce the significant progress made and impending rebranding of our newly acquired entities.
- Better leverage on Maybank's brand equity through more consistent interpretation and communication of our Brand proposition to all stakeholders across Asia.
- Maintain and celebrate the history and heritage of the brand and at the same time, rejuvenates the brand to strengthen its relevance to attract new segment of customers whilst strengthening its relationship with existing customers.
- With the brand refresh is a brand promise to deliver better products and customer experience.

To be launched on 9 September 2011



**Maybank**

## Key Performance Indicators (KPIs) for financial year ending 31 Dec 2011

Headline KPIs	
Return on Equity	16%
Loans and Debt Securities Growth	12%

Other KPIs	
Group Loans Growth	12%
Malaysia	12%
Singapore	8%
BII	24%
Group Deposits Growth	14%
RWCR	>12%

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

## Prospects

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- Economic growth supportive of loans growth in 3 home markets. Group's business momentum expected to remain robust despite challenging global economic conditions and outlook, rising interest rates, inflation, and stiffer competition.
- Loans growth in Malaysia to be led by corporate segment , with visibility of ETP impact. Moderate pace expected for retail segment, amid intense competition and the expectation of further introduction of measures to reign in household debt levels
- Loans growth in Indonesia expected to be strongest in the Group, Singapore remains broad based but with moderate growth.
- Interest margin pressure anticipated due to competition and benign interest rate outlook.
- Group target to grow fee based income, particularly from Global Wholesale Banking business and the regional investment banking platform of Maybank IB/Kim Eng.
- Credit costs expected to rise with loans growth and stabilization of FRS 139.
- Healthy capital levels to be maintained by DRP and raising of capital instruments whilst regularly monitoring the development and impact of Basel III.



## Key Takeaways and Conclusion

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- Another record earnings year, with broad based growth and profitability.
- New House of Maybank has accelerated the pace for growth and regional reach.
- High Dividend Payout Ratio of 74.9% with a DRP, whilst dividend policy is maintained between 40% to 60%.
- Financial year changed from 30 June to 31 December.
- We remain optimistic of continued growth and profitability with greater contribution from fee income.
- Two Headline Key Performance Indicators (KPIs) for current FY :
  - Return on Equity of 16% .
  - Growth in financial assets of 12%.

## Maybank: Where we are today

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*51* Years  
Of Growth

Total Assets

**RM412 BILLION**

Profit After Tax

**RM4.45 BILLION**

Human Capital

**42,000 MAYBANKERS**  
WORLDWIDE

Global Network

**2,100 OFFICES**  
IN 17 COUNTRIES

Customers

**> 21 MILLION CUSTOMERS**

Public Ownership

**> 10.5 MILLION UNITHOLDERS**

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# Thank You

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