



**Maybank**

**FULL YEAR RESULTS  
FY Ended 30 June 2009**

**Analyst Presentation**

25 August 2009

# Highlights

## FY09 Financial Performance

- Net Income for FY09 rose 10% with Net Interest Income rising 9.1% and boosted by Islamic Banking that grew 26.9%.
- Net Interest Margin for FY09 stable at 2.72% (2.54% excluding BII).
- Operating profit declined to RM3.06 billion mainly due to RM445m interest on capital securities, higher claims incurred and doubling of loans loss provisions of RM1.7 billion.
- Finalised impairment charge on investments in compliance with FRS 136; RM353m for MCB and 1,619m for BII. Notwithstanding the impairment charges, Maybank Group remains profitable with Profit After Tax Attributable to Equity Holders of RM692m.
- Adjusted Core Net Profit of RM2.18b represents ROE of 10.4% for FY09.
- Capital Adequacy Ratio strengthened to 14.81%, the highest among the top 3 banks in Malaysia.

## Business Performance

- Domestic commercial banking business resilient in the face of slowing economy but overall performance affected by decline in international banking, investment banking and insurance.
- Group loans recorded growth of 13% YoY while domestic loans grew 6.5% YoY.
- Asset quality continues to improve with Gross NPL declining from 3.76% to 3.46% and Net NPL from 1.92% to 1.64%
- Maybank Islamic maintains its No. 1 position with total assets growing 33.7% to RM37.7b.

## **Group Financial Performance**

**Sector Performance**

**International Operations**

**Impairment for MCB and BII**

**LEAP 30 Progress Report**

**Economics and Industry Update/Outlook**

**Conclusion**

# Excluding impairment charge, Group recorded net profit of RM2.18b

RM million	Quarter					Financial Year		
	4Q09	3Q09	QoQ change %	4Q08	YoY change %	2009	2008	YoY change %
Net Interest Income	1,563.6	1,543.5	1.3%	1,351.0	15.7%	5,919.5	5,426.8	9.1%
Islamic Banking Income	317.2	323.5	-2.0%	273.1	16.1%	1,224.3	964.6	26.9%
Non Interest Income	1,418.2	629.8	125.2%	1,296.8	9.4%	3,375.2	3,171.8	6.4%
<b>Net Income</b>	<b>3,298.9</b>	<b>2,496.9</b>	<b>32.1%</b>	<b>2,920.9</b>	<b>12.9%</b>	<b>10,519.0</b>	<b>9,563.2</b>	<b>10.0%</b>
Overhead Expenses	(1,524.4)	(1,409.8)	8.1%	(1,124.7)	35.5%	(5,559.2)	(4,248.6)	30.8%
<i>Overhead Expenses</i>	(1,461.8)	(1,332.3)	9.7%	(1,066.7)	37.0%	(5,250.5)	(3,997.9)	31.3%
<i>Claims Incurred</i>	(62.6)	(77.5)	-19.2%	(58.0)	7.9%	(308.6)	(250.7)	23.1%
<b>Operating Profit bef. LLP</b>	<b>1,774.5</b>	<b>1,087.0</b>	<b>63.2%</b>	<b>1,796.2</b>	<b>-1.2%</b>	<b>4,959.9</b>	<b>5,314.6</b>	<b>-6.7%</b>
• Loan Loss Provision (LLP)	(782.5)	(411.9)	90.0%	(353.6)	121.3%	(1,698.8)	(810.1)	109.7%
<i>Net Specific Provision</i>	(426.0)	(383.8)	11.0%	24.2	-1859.1%	(1,381.6)	(394.9)	249.9%
<i>General Provision</i>	(356.4)	(28.1)	1166.5%	(377.8)	-5.7%	(317.2)	(415.2)	-23.6%
• Impairment losses/(writeback) on securities	(109.0)	(49.7)	119.3%	60.2	-280.9%	(197.5)	66.2	-398.2%
<b>Operating Profit</b>	<b>883.0</b>	<b>625.4</b>	<b>41.2%</b>	<b>1,502.8</b>	<b>-41.2%</b>	<b>3,063.5</b>	<b>4,570.7</b>	<b>-33.0%</b>
• (Allowance)/write back of allowance for non-refundable deposit	-	-	-	(483.8)	-	483.8	(483.8)	-
• Impairment Loss (MCB)	(111.1)	-	-	-	-	(353.1)	-	n.m.
• Impairment Loss (BII)	(1,619.5)	-	-	-	-	(1,619.5)	-	n.m.
• Profit/(Loss) from associate	25.9	28.5	-9.1%	(0.3)	n.m.	99.5	(0.8)	n.m.
<b>Profit before tax</b>	<b>(821.7)</b>	<b>653.9</b>	<b>-225.7%</b>	<b>1,018.7</b>	<b>-180.7%</b>	<b>1,674.3</b>	<b>4,086.1</b>	<b>-59.0%</b>
Tax	(241.9)	(145.0)	66.8%	(262.0)	-7.7%	(923.6)	(1,083.7)	-14.8%
Minority Interest	(54.5)	(5.6)	871.2%	(53.5)	1.9%	(58.8)	(74.1)	-20.6%
<b>Profit after Tax and MI</b>	<b>(1,118.1)</b>	<b>503.3</b>	<b>-322.2%</b>	<b>703.2</b>	<b>-259.0%</b>	<b>691.9</b>	<b>2,928.2</b>	<b>-76.4%</b>
<b>EPS (sen)</b>	<b>(17.62)</b>	<b>10.31</b>	<b>-270.9%</b>	<b>14.41<sup>^</sup></b>	<b>-222.3%</b>	<b>12.00</b>	<b>53.32<sup>^</sup></b>	<b>-77.5%</b>
<b>Core Net Profit *</b>	<b>612.4</b>	<b>503.3</b>	<b>21.7%</b>	<b>1,187.0</b>	<b>-48.4%</b>	<b>2,180.6</b>	<b>3,412.0</b>	<b>-36.1%</b>

\* Core Net Profit excludes impairment loss for MCB and BII, and allowance for non-refundable deposit

<sup>^</sup>Adjusted for bonus issue of 1:4 on right issue on 30 April 2009 for current and prior year

# Normalised Profit

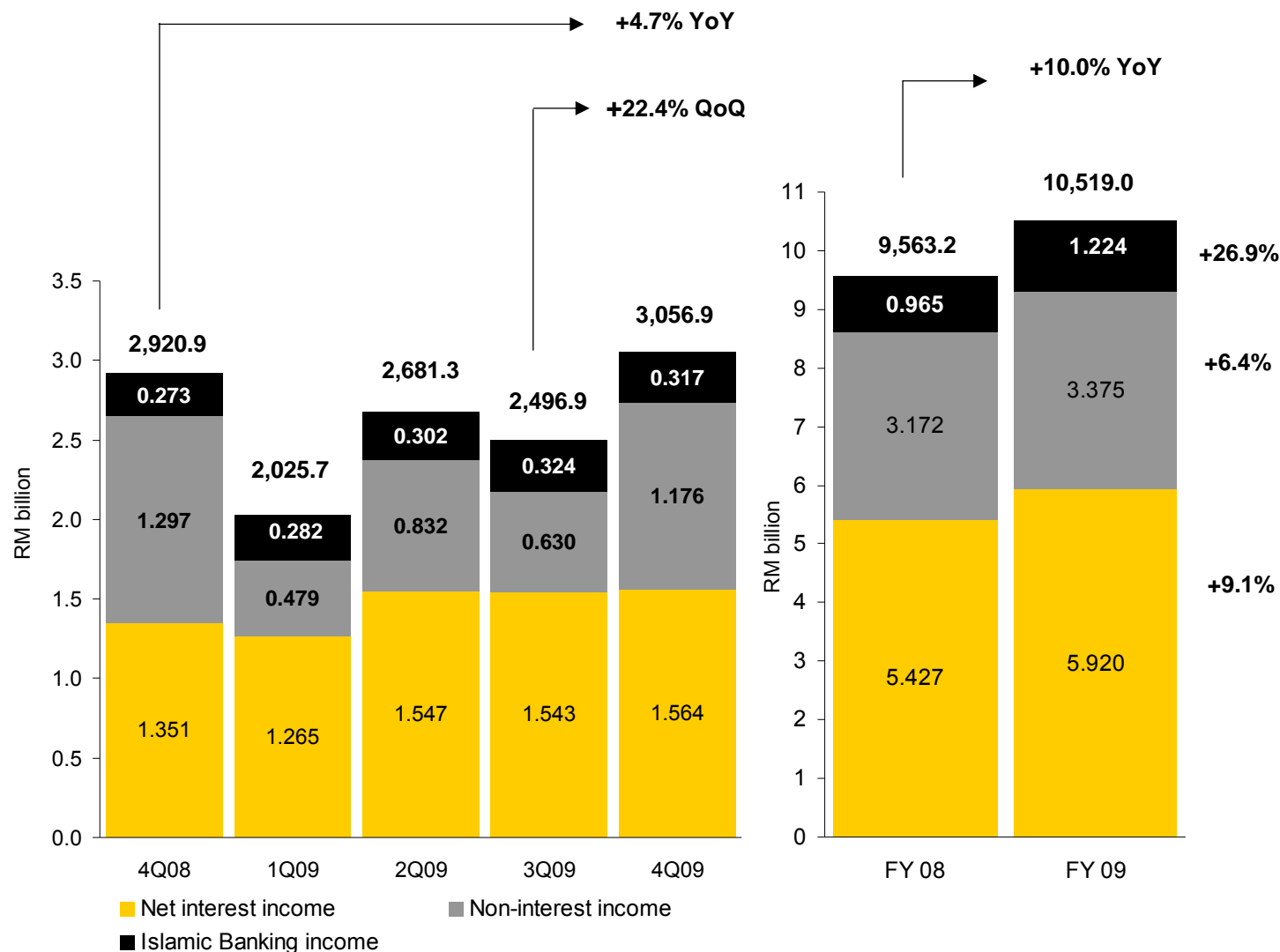
RM million	Financial Year		YoY change
	2009	2008	
<b>Actual Profit before tax</b>	<b>1,674.4</b>	<b>4,086.1</b>	<b>-59.0%</b>
<i>Less:</i>			
Unrealised gains/(losses) on Derivatives	(171.9)	(200.4)	-14.2%
FX gains on SGD position *	-	193.4	-
USD Exchange Gain/ (Loss) **	(130.3)	-	-
SP writeback from NPL sale	-	140.0	-
Writeback of allowance for non-redundable deposit	483.8	(483.8)	-
Impairment loss	(1,972.5)	-	-
Long term funding expenses	(445.3)	-	-
BII / MCB profits	148.8	-	-
<b>Normalised Organic PBT</b>	<b>3,761.8</b>	<b>4,436.9</b>	<b>-15.2%</b>

\* "FX gains on SGD position" was MTM losses on SGD position as at June 2008 arising from the Long Term funding, which was reversed out on Sep 08 Quarter when payment was made.

\*\* USD Exchange loss are MTM losses on USD519m open position arising from Long Term funding position (RM130.3m as at YTD June 2009)

# Net Income rose 10% on the back of 27% rise in Islamic Banking Income

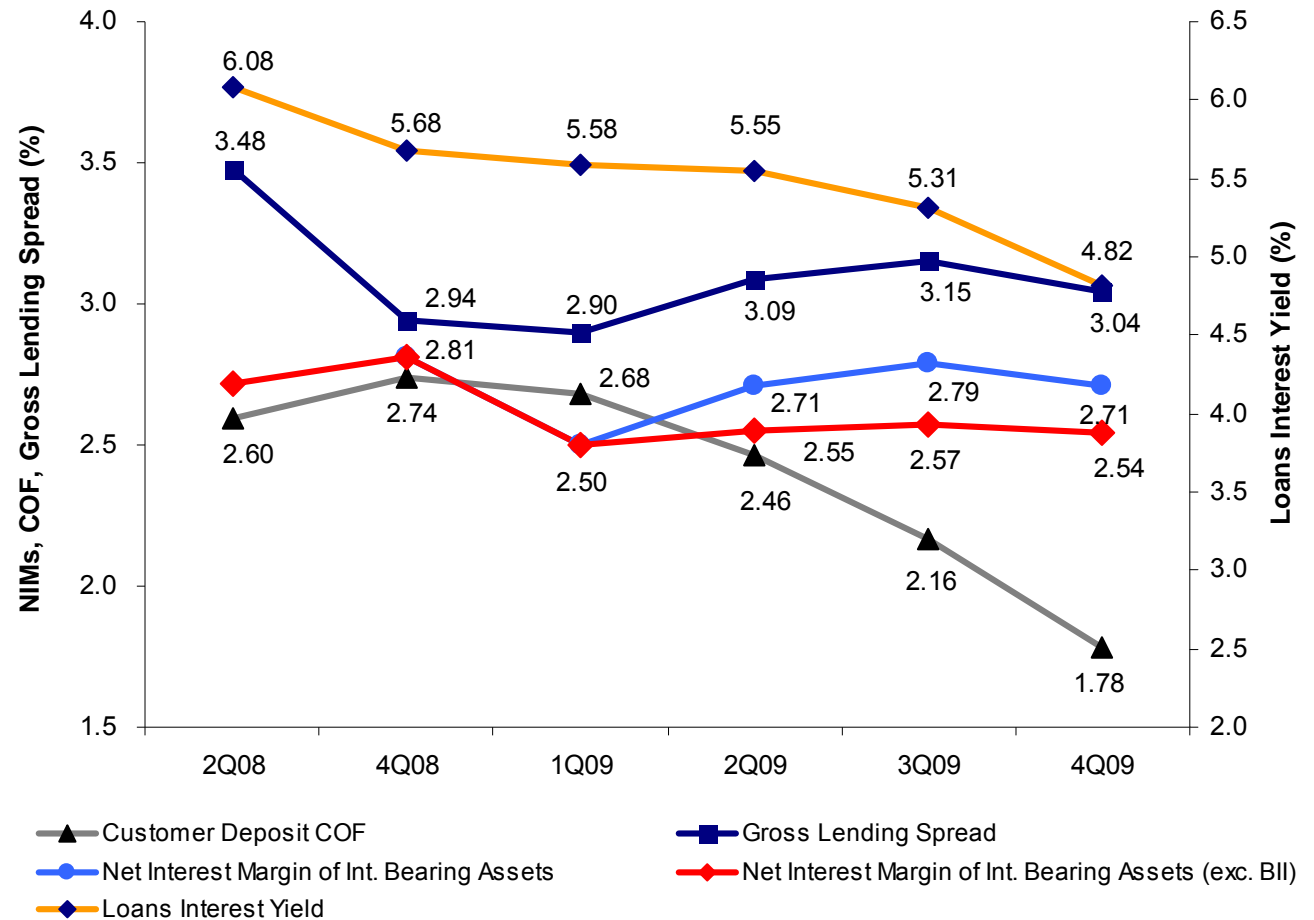
- FY09 Net Income grew by 10.0% YoY.
- Excluding BII, Net Income declined 1.9% due to additional RM445m interest expense.
- Net Interest Income grew 9.1% YoY due to loans growth and higher lending margins of BII.
- Income from Islamic Banking operations increased by a significant 26.9% YoY,
- Non-Interest Income rose 6.4% YoY mainly due to 4.2% growth in transactional income.



# Net Interest Margin remains stable

- Net Interest Margin for FY09 was stable at 2.72% (2.69% excluding BII) from 2.71% last year.
- NIM fell to 2.71% in 4Q09 from 2.81% previous corresponding period
- Excluding BII, 4Q09 NIM fell to 2.54% from 2.57% in 3Q09.

NIM, Loans Interest Yield and Customer Deposit COF



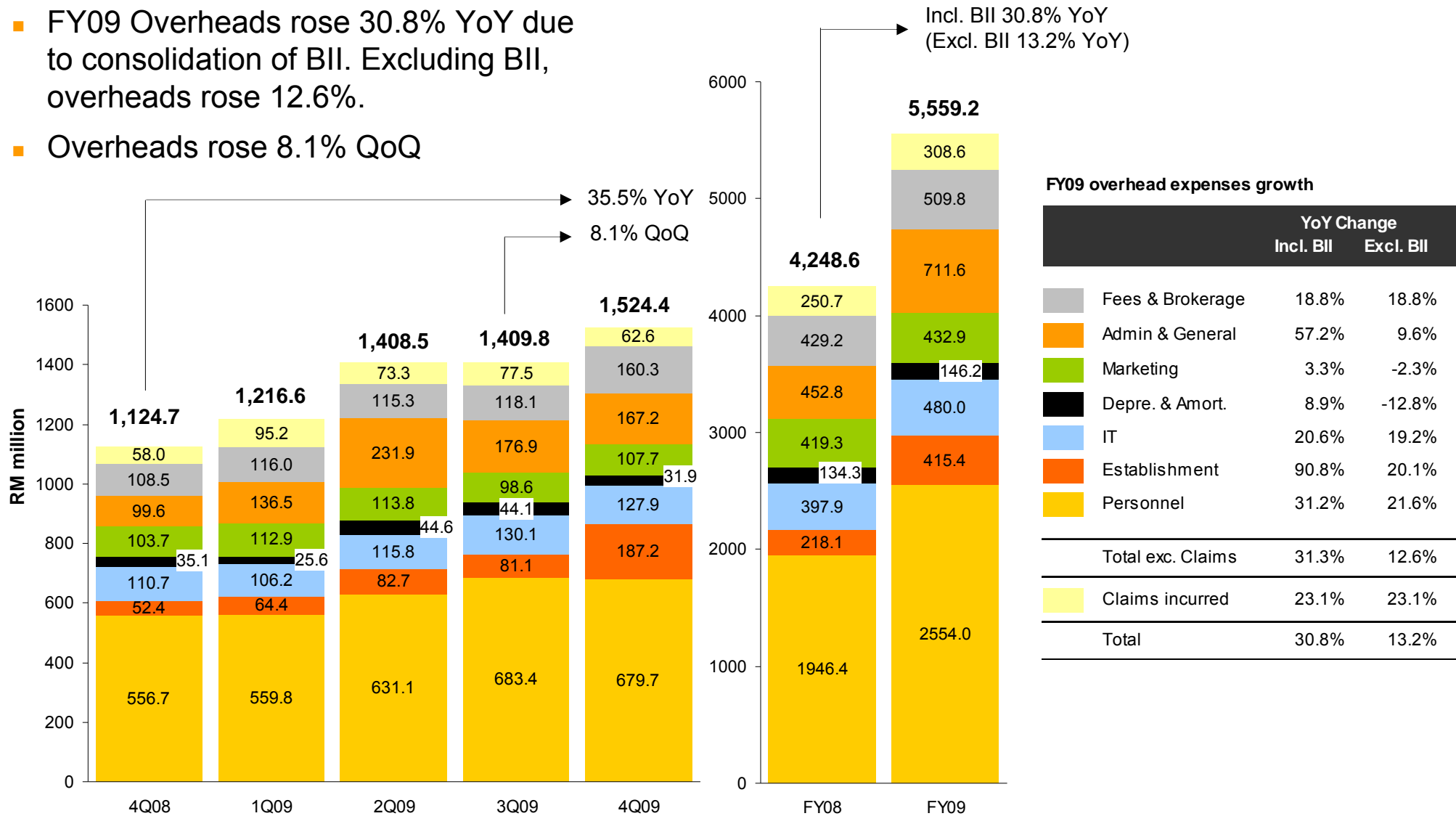
## Non-Interest Income rose 6.4% due consolidation of BII

- FY09 Non-interest Income rose 6.4% on the back of a 4.2% growth in transactional income and offset by 25.1% decline in Investment and Trading Income

RM million	Quarter					Financial Year		
	4Q09 June 09	3Q09 Mar 09	QoQ % Change	4Q08 June 08	YoY % Change	2009	2008	YoY% Change
Commission, service charges and fees	571.2	382.0	49.5%	442.0	29.2%	1,741.6	1,490.3	16.9%
Other fee income	131.3	52.8	148.8%	74.0	77.3%	315.9	285.1	10.8%
Foreign exchange profit/(loss)	283.2	64.8	337.0%	246.2	15.1%	437.1	623.2	-29.9%
Net premiums written	124.3	129.4	-3.9%	123.2	0.9%	505.3	479.6	5.4%
<b>Total</b>	<b>1,110.0</b>	<b>629.0</b>	<b>76.5%</b>	<b>885.4</b>	<b>25.4%</b>	<b>2,999.9</b>	<b>2,878.2</b>	<b>4.2%</b>
<b>Investment &amp; Trading</b>								
Gain/loss from disposal of securities	36.3	52.7	-31.2%	58.0	-37.4%	115.0	153.1	-24.9%
Gross Dividend from Securities portfolio	4.1	7.5	-45.1%	15.7	-73.8%	30.0	40.5	-26.0%
<b>Total Investment &amp; Trading</b>	<b>40.4</b>	<b>60.2</b>	<b>-32.9%</b>	<b>73.7</b>	<b>-45.2%</b>	<b>145.0</b>	<b>193.6</b>	<b>-25.1%</b>
Other income	175.6	94.7	85.4%	178.7	-1.7%	402.2	300.5	33.9%
Unrealised gain/(loss) on revaluation of securities held-for-trading and derivatives	92.1	(154.1)	n.m.	158.9	-42.0%	(171.9)	(200.4)	-14.2%
<b>Total non-interest income</b>	<b>1,418.2</b>	<b>629.8</b>	<b>125.2%</b>	<b>1,296.8</b>	<b>9.4%</b>	<b>3,375.2</b>	<b>3,171.8</b>	<b>6.4%</b>

# Overhead Expenses rose 13.2% YoY

- FY09 Overheads rose 30.8% YoY due to consolidation of BII. Excluding BII, overheads rose 12.6%.
- Overheads rose 8.1% QoQ



## Balance Sheet strengthened with Asset growth of 15.4%

- Total Assets rose 15.5% driven by 12.8% growth in net loans and 57.9% increase in securities portfolio.
- Excluding BII, securities portfolio grew 48.3% and loans grew 5.6%.
- Total Liabilities grew 14.4% with deposit from customer growing 13.5%
- Shareholders fund rose by RM5.6b mainly due to RM6b right issue.

RM billion	FY09	FY08	YoY growth
Cash and short-term funds	23.6	27.6	-14.6%
Deposits and placement with FI	6.3	9.0	-29.7%
Securities Portfolio	57.7	36.6	57.9%
Loans, advances and financing	185.8	164.7	12.8%
Insurance & Takaful Business	16.8	15.7	7.0%
Other Assets	20.5	15.5	31.9%
<b>Total Assets</b>	<b>310.7</b>	<b>269.1</b>	<b>15.5%</b>
Deposits from customers	212.6	187.1	13.6%
Deposits and placements of banks and FI	28.8	23.1	24.4%
Obligations on securities sold under Repo	-	0.3	n.m.
Bills and acceptances payable	1.5	4.8	-69.3%
Subordinated debts & Capital Securities	14.7	8.5	73.7%
Insurance & Takaful liabilities & policy holders' funds	16.8	15.7	7.0%
Other Liabilities	10.5	9.5	10.8%
<b>Total Liabilities</b>	<b>284.9</b>	<b>249.0</b>	<b>14.4%</b>
<b>Shareholders Funds</b>	<b>24.9</b>	<b>19.3</b>	<b>38.5%</b>
<b>Loan-to-Deposit Ratio</b>	<b>87.4%</b>	<b>88.0%</b>	

## Gross loans growth of 13.0% YoY

- Gross loans grew 13.0% YoY due to consolidation of BII.
- Excluding BII the Group recorded loans growth of 5.8% compared to 16.1% the previous year.
- Domestic loans growth slowed to 6.4% from 12.1% the previous financial year while Overseas loans growth dropped to 4.0% from 27.2% the previous year.
- Consumer loans grew 8.3% due to double digit growth in securities, hire purchase and credit cards.
- Business loans grew 5.0%, driven by strong Corporate loans growth of 30.5% which offset a 27% contraction in SME loans.
- Overseas loans grew 28.9% due to contribution from BII.

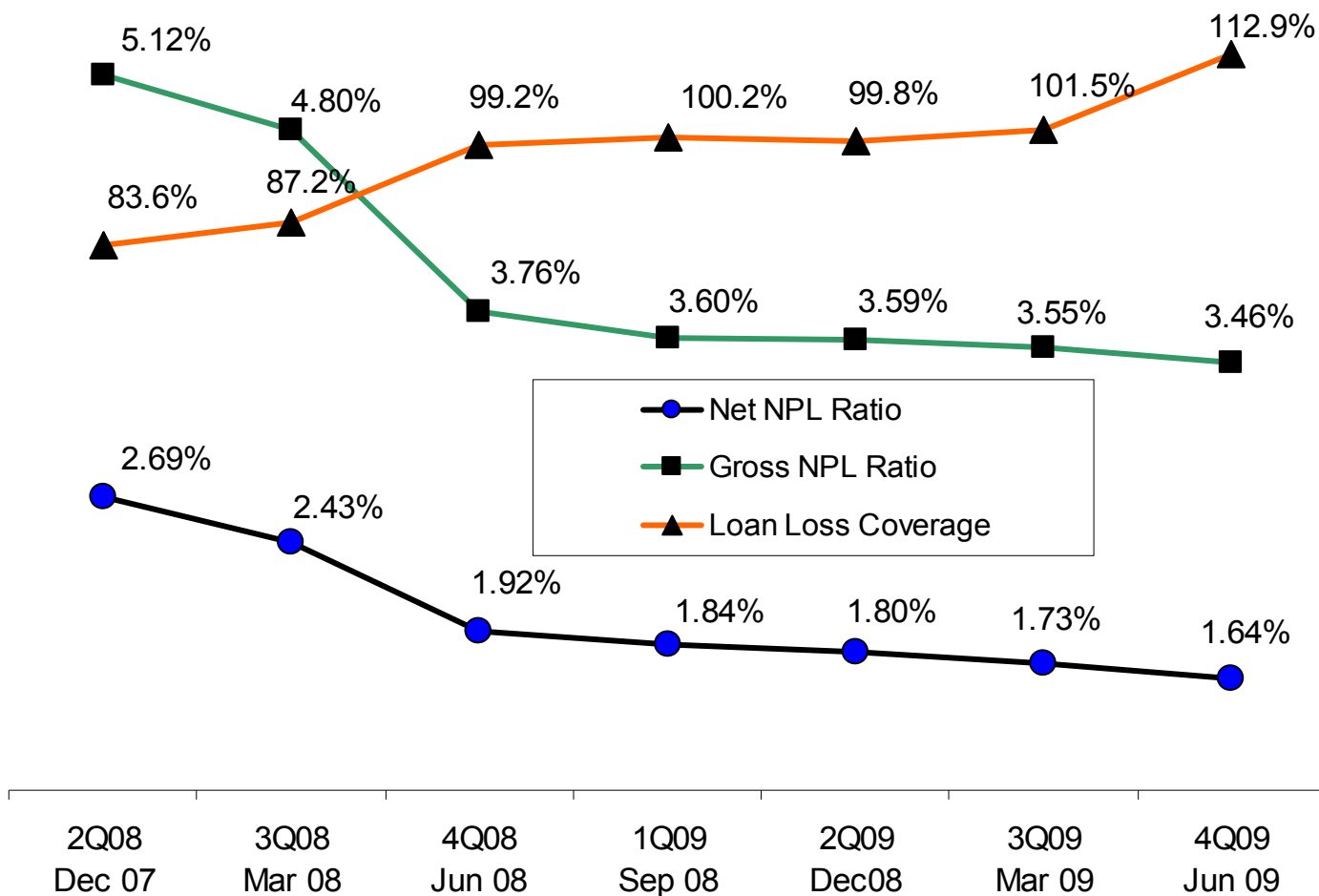
RM billion	Jun 09	Jun 08	YoY Growth	Mar 09	QoQ Growth
<b>Domestic</b>	<b>129.9</b>	<b>122.1</b>	<b>6.4%</b>	<b>129.4</b>	<b>0.4%</b>
<i>Consumer</i>	<b>62.8</b>	<b>58.0</b>	<b>8.3%</b>	<b>60.9</b>	<b>3.2%</b>
Securities	11.4	10.3	10.6%	10.5	9.0%
Vehicles	19.9	17.8	11.6%	19.1	4.1%
Residential	24.7	24.3	1.6%	24.6	0.4%
Credit Card	3.6	3.2	11.3%	3.6	-0.4%
<i>Business</i>	<b>67.1</b>	<b>64.1</b>	<b>4.8%</b>	<b>68.5</b>	<b>-2.0%</b>
Corporate	46.4	35.7	30.0%	47.2	-1.7%
SME	20.7	28.4	-27.0%	21.3	-2.8%
<b>Overseas</b>	<b>63.4</b>	<b>49.2</b>	<b>28.9%</b>	<b>63.5</b>	<b>-0.1%</b>
Excl. BII	51.2	49.2	4.0%	52.3	-2.2%
S'pore (SGD b)	16.2	15.4	5.0%	16.0	1.2%
BII (Rp trillion)	35.5	35.0	1.4%	37.2	-4.7%
Others	11.9	12.2	-2.5%	12.7	-6.2%
<b>Gross Loans</b>	<b>193.4</b>	<b>171.2</b>	<b>13.0%</b>	<b>192.9</b>	<b>0.3%</b>
Exc. BII	181.1	171.2	5.8%	181.7	-0.3%

Note: BII accounts not consolidated in Jun 08.

# Asset Quality continues to improve

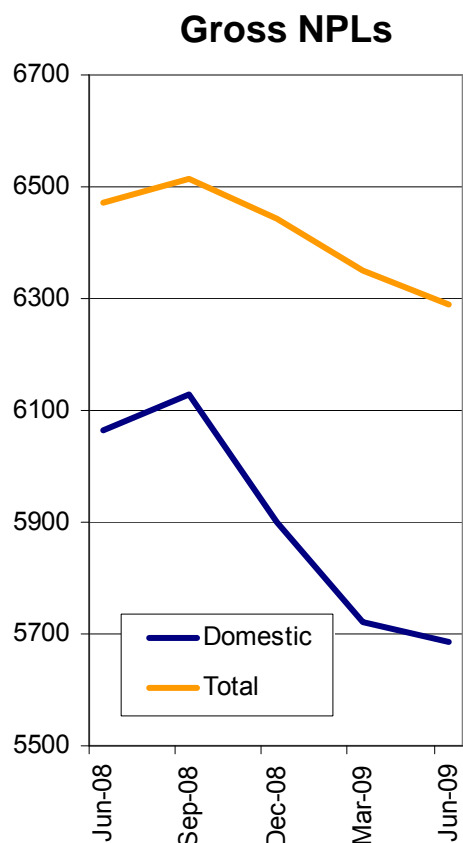
- Asset quality continues to improve with Gross NPL declining to 3.46% from 3.76% a year ago and Net NPL at 1.64% from 1.92% a year ago.
- Domestic Net NPL of 2.3% is in line with banking industry's 2.2%.

### Gross & Net NPL Ratio, Loan Loss Coverage



# Gross NPL trend

- Gross NPLs grew 3.8% from a year ago due to Overseas rising 153.3% on consolidation of BII and higher NPLs in Singapore. Excluding BII, gross NPLs fell by 2.8%.
- Domestic NPLs however fell by 6.3% from a year ago

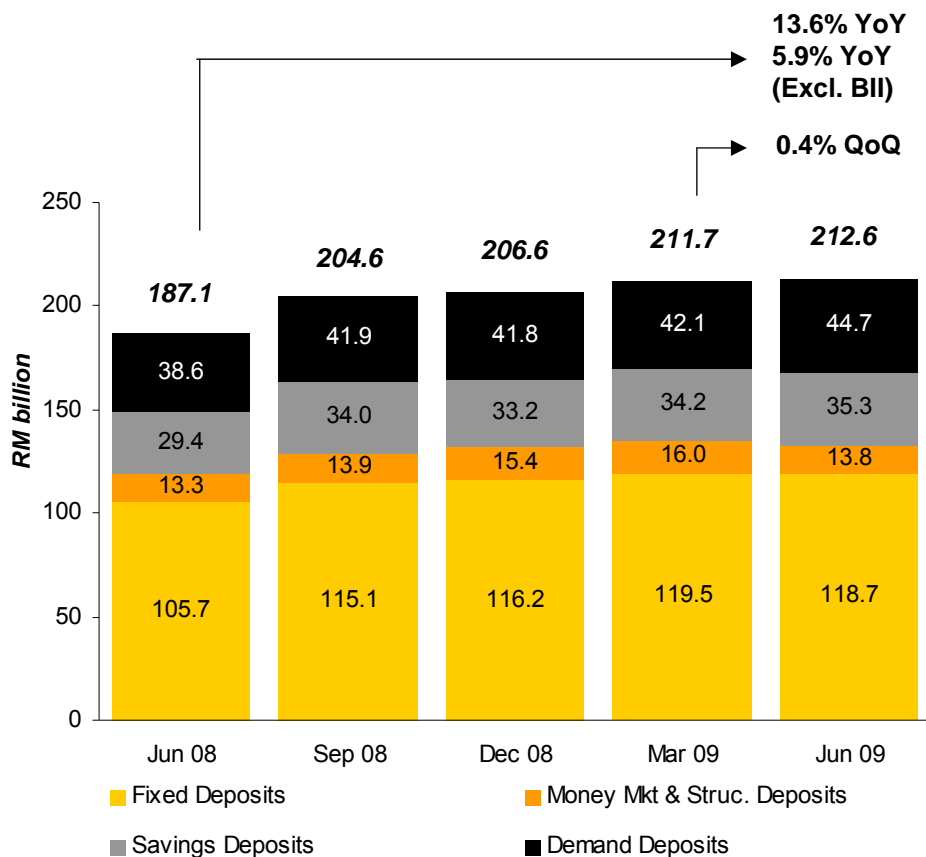


RM million	Mar 08	Jun 08	Sep 08	Dec 08	Mar 09	Jun 09	QoQ Growth	YoY Growth
		Gross NPL Gross NPL Ratio (%)				Gross NPL Gross NPL Ratio (%)		
<b>Domestic</b>	7,218.3	6,066.0 4.9	6,128.2	5,900.8	5,720.3	5,685.5 4.4	-0.6%	-6.3%
Securities	312.2	235.6 2.3	239.4	240.8	183.1	131.9 1.2	-27.9%	-44.0%
Vehicles	127.8	113.9 0.6	138.0	137.1	152.7	122.9 0.6	-19.5%	7.8%
Residential	2,355.3	2,054.3 8.5	2,027.8	2,032.2	2,020.0	1,957.1 7.9	-3.1%	-4.7%
Credit Card	41.1	39.5 1.7	40.7	43.1	49.7	53.3 1.8	7.3%	34.9%
Construction	504.9	413.7 7.6	363.3	410.8	452.6	462.5 7.3	2.2%	11.8%
Working capital	2,781.1	2,583.6 5.0	2,729.0	2,442.8	2,286.2	2,392.0 4.7	4.6%	-7.4%
<b>Overseas</b>	429.7	406.5 1.4	781.0	926.6	1,143.1	1,029.7 2.2	-9.9%	153.3%
<b>OS exc BII</b>		406.5 n.a	384.3	541.7	630.6	602.7 n.a	-4.4%	48.3%
Singapore	280.3	237.8 0.9	238.8	302.1	349.5	296.3 0.9	-15.2%	24.6%
Indonesia	0.2	- N/A	396.7	384.9	512.6	427.0 3.5	-16.7%	n.m.
Others	149.2	168.7 1.4	145.5	239.6	281.1	306.4 2.2	9.0%	81.6%
<b>Group</b>	7,648.1	6,472.4 4.3	6,909.2	6,827.4	6,863.5	6,715.2 3.8	-2.2%	3.8%
<b>Group ex. BII</b>	7,647.9	6,472.4 4.3	6,512.5	6,442.4	6,350.9	6,288.4 3.8	-1.0%	-2.8%

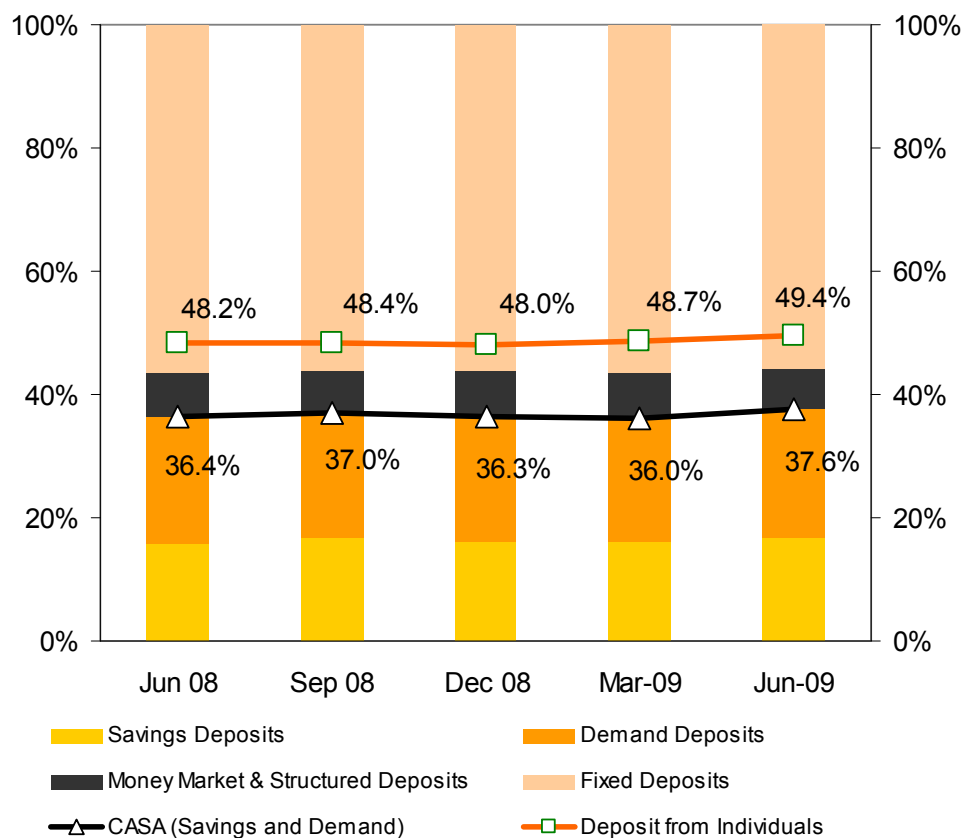
# Customer Deposits grew 13.6% YoY

- Customer deposits for the Group grew 13.6% YoY due to consolidation of BII
- Excluding BII, customer deposits grew 5.9% YoY

Customer deposits



Composition of customer deposits



## Customer Deposits by Sector

	Domestic		Singapore		BII		Other Overseas & Subcos		Group	
	RMb	YoY Chg	RMb	YoY Chg	RMb	YoY Chg	RMb	YoY Chg	RMb	YoY Chg
Savings Deposits	25.8	5.5%	5.2	14.6%	3.7	72.1%	0.5	26.1%	35.3	11.7%
Current Accounts	37.5	6.6%	4.0	34.3%	2.7	-25.4%	0.5	-28.5%	44.7	5.2%
Fixed Deposits	60.0	13.1%	34.9	7.5%	8.1	9.7%	13.7	-14.7%	116.7	7.1%
Others	15.1	-12.4%	0.7	17.5%	-	-	-	-	15.8	-11.4%
<b>Total Deposits</b>	<b>138.4</b>	<b>6.5%</b>	<b>44.9</b>	<b>10.4%</b>	<b>14.5</b>	<b>10.2%</b>	<b>14.7</b>	<b>-14.3%</b>	<b>212.6</b>	<b>5.8%</b>

- Group's Savings Deposits grew strongest at 11.7%
- Domestic Fixed Deposits grew 13.1%

# Dividend and Capital

- Maybank continues to maintain its dividend policy of long term dividend payout ratio of 40 - 60%.
- For FY09, the Board proposed gross final dividend of 8 sen (6 sen net), represents payout ratio of 61% of the current year's Group's profits.
- Maybank continues to exceed its target Core Capital Ratio of 7-8% and risk weighted capital ratio of 11-12%.
- The capital ratios as at 30 June (after deducting proposed dividend):

## The Bank

Core Capital Ratio 14.06%.

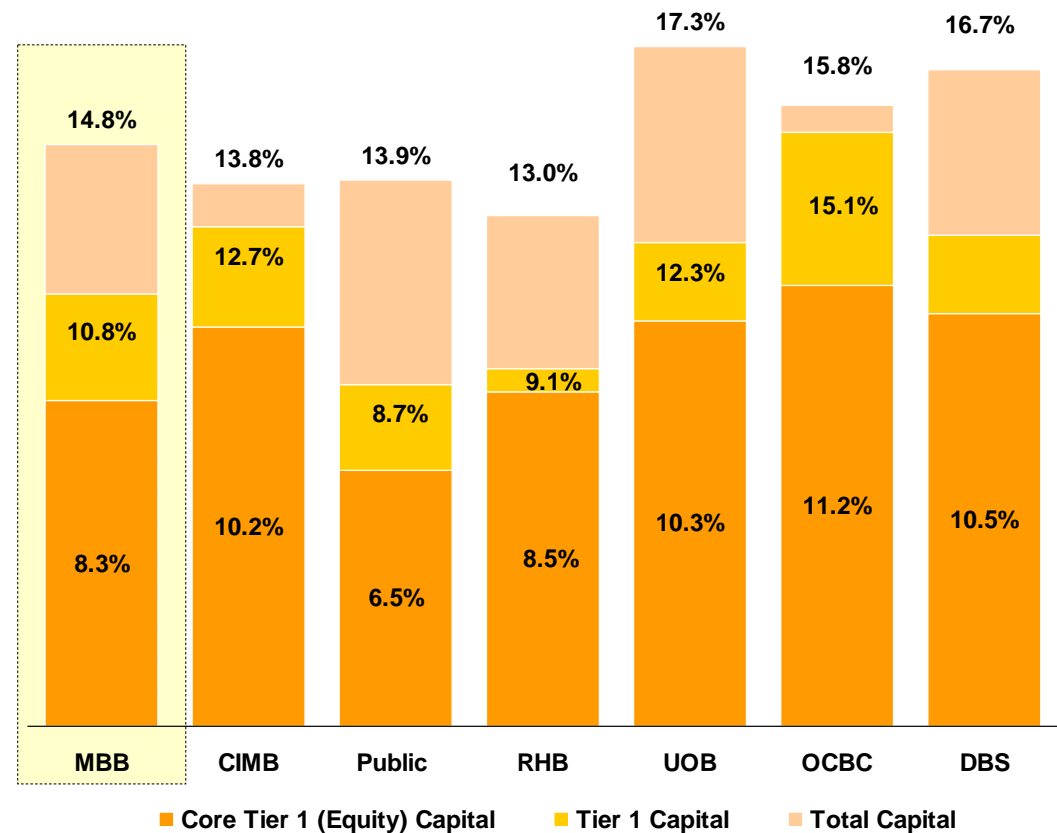
Risk Weighted Capital Ratio 14.06%.

## The Group

Core Capital Ratio 10.81%

Risk Weighted Capital Ratio 14.81%

**Capital Adequacy Ratios**  
Maybank and Peers



# Maybank Group: Key Ratios

	4Q09 Jun 09	3Q09 Mar 09	2Q09 Dec 08	1Q09 Sep 08	4Q08 Jun 08	FY 09	FY 08
• Net Interest Margin	2.71%	2.79%	2.71%	2.50%	2.81%	2.72%	2.70%
• Net Return on Equity @	18.4%	9.9%	14.6%	11.7%	14.4%	10.4%	15.2%
• Fee to Income Ratio +	44.0%	24.8%	32.0%	25.2%	41.0%	33.0%	33.8%
• Adj. Fee to Income Ratio *	42.4%	30.6%	34.7%	29.5%	37.5%	34.1%	35.2%
• Cost to Income ++	46.2%	57.6%	53.0%	60.0%	37.8%	52.8%	44.4%
• Adj. Cost to Income **	45.6%	50.3%	47.8%	51.8%	38.7%	49.1%	40.9%
• Loan-to-Deposit Ratio	87.4%	87.8%	88.4%	90.0%	88.1%	87.4%	88.0%
<b>Asset Quality</b>							
• Gross NPL Ratio	3.46%	3.55%	3.59%	3.60%	3.72%	3.46%	3.76%
• Net NPL Ratio	1.64%	1.73%	1.80%	1.84%	1.92%	1.64%	1.92%
• Loan Loss Coverage	112.9%	101.1%	99.8%	100.2%	99.2%	112.9%	101.1%
• SP charge off rate (bps)	51	68	78	40	6 #	64	26
• SP charge off rate (bps) (exc. BII)	40	40	50	40	6 #	42	26
<b>Capital Adequacy (Group)</b>							
• Core Capital Ratio	10.81%	11.10%	10.19%	10.76%	11.09%	10.81%	11.06%
• Risk Weighted Capital Ratio	14.81%	11.10%	10.19%	10.76%	12.32%	14.81%	12.30%

+ Include Islamic Banking income and impairment loss on securities.

# excluding NPL sale = 23bp

\* excluding unrealised loss on derivatives, impairment loss on securities and one-off items related to BII.

\*\* excluding insurance claims (cost), unrealised loss on derivatives, impairment loss on securities and one-off items related to BII.

++ Include unrealised loss on derivatives, impairment loss on securities and one-off items related to BII.

@ ROE for 4Q09 and FY09 normalised/adjusted for impairment charges

# FY2009 results: Analyst Presentation

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**Group Financial Performance**

**Sector Performance**

**International Operations**

**Impairment for MCB and BII**

**LEAP 30 Progress Report**

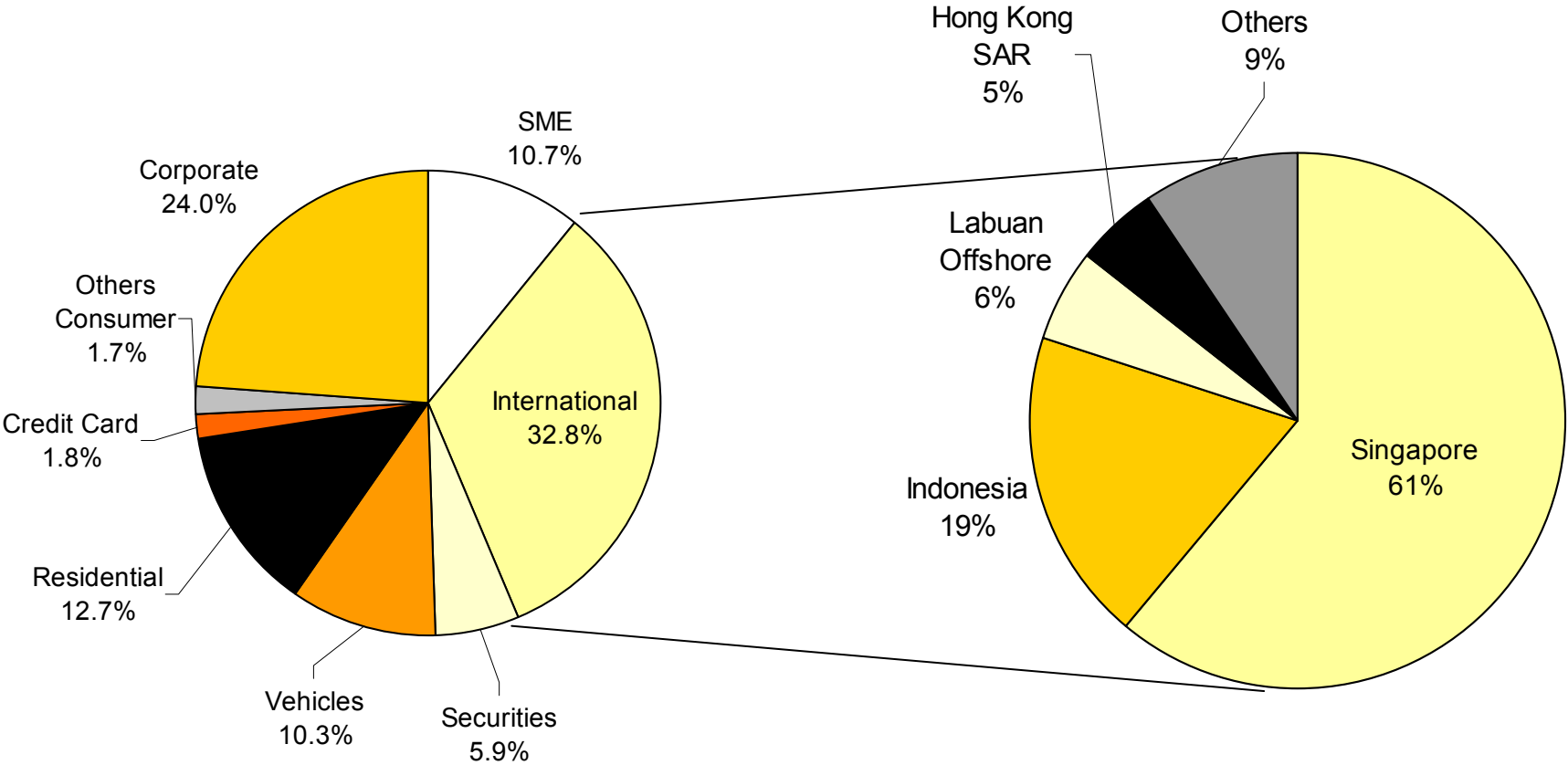
**Economics and Industry Update/Outlook**

**Conclusion**

## Estimated PBT by Segment

RM million	Profit Before Tax		
	FY2009	FY2008	YoY change
Consumer Banking	1,608.6	1,678.7	-4.2%
Corp & Bus. Banking	1,034.3	1,395.6	-25.9%
Treasury	1,053.8	620.3	69.9%
Management/Corp Support	(192.3)	(265.6)	27.6%
Long Term Funding	(623.6)	(102.6)	-507.8%
<b>Maybank Malaysian Ops.</b>	<b>2,880.8</b>	<b>3,326.4</b>	<b>-13.4%</b>
Investment Banking	120.1	170.8	-29.7%
Insurance & Takaful	476.7	515.8	-7.6%
International	383.6	716.4	-46.5%
Others	117.2	27.6	324.6%
Group Eliminations	(814.9)	(187.5)	-334.6%
<b>PBT (before Tax &amp; Impairments)</b>	<b>3,163.5</b>	<b>4,569.5</b>	<b>-30.8%</b>
Non Refundable Deposit	483.4	(483.4)	-200.0%
Impairment in Associate (MCB)	(353.1)	-	-
Impairment on Goodwill (BII)	(1,619.5)	-	-
<b>Profit Before Tax</b>	<b>1,674.3</b>	<b>4,086.1</b>	<b>-59.0%</b>

# Group Loan Portfolio



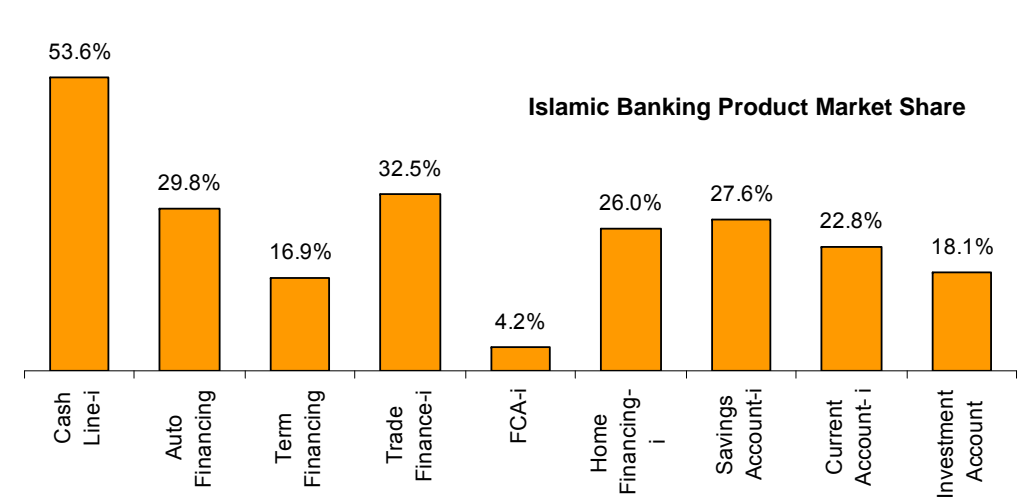
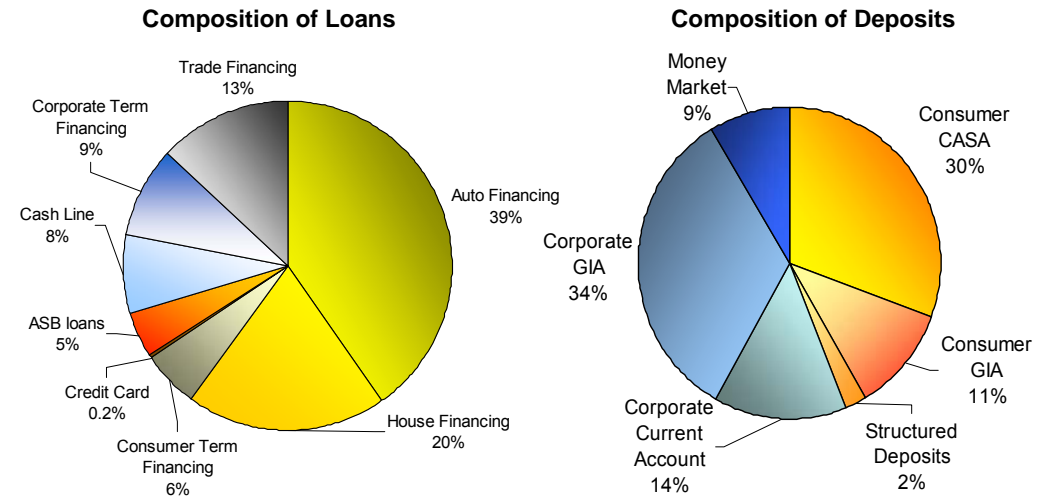
Group: RM193.4 billion

International: RM63.4 billion

# Islamic Banking

RM million	FY		YOY Change %
	2009	2008	
Gross Attributable Income	1,536.3	1,286.8	193%
Allowance for Loan Loss Financing and Advances	(198.7)	(222.1)	-10.5%
<b>Total Attributable Income</b>	<b>1,337.6</b>	<b>1,064.7</b>	<b>25.6</b>
Income Attributable to Depositors	655.3	485.1	13.1%
<b>Income attributable to Group</b>	<b>682.3</b>	<b>579.6</b>	<b>17.7%</b>
Income From Investments	131.0	64.9	101.8%
Overhead Expenses	331.2	371.3	-10.8%
<b>Profit Before Taxation and Zakat</b>	<b>482.1</b>	<b>273.2</b>	<b>76.4%</b>
Taxation and Zakat	121.0	74.4	62.6%
<b>Profit For the Period</b>	<b>361.1</b>	<b>198.8</b>	<b>81.6%</b>

- Continue to maintain No 1 position in terms of Islamic Banking Assets.
- Commendable profit after taxation and zakat amounting to RM361.1 mil.



Financing and Advances (RM bil)	25.4	21.0	20.9%
Total Assets	37.7	28.2	33.7%
Deposit from customers	24.8	19.8	25.2%

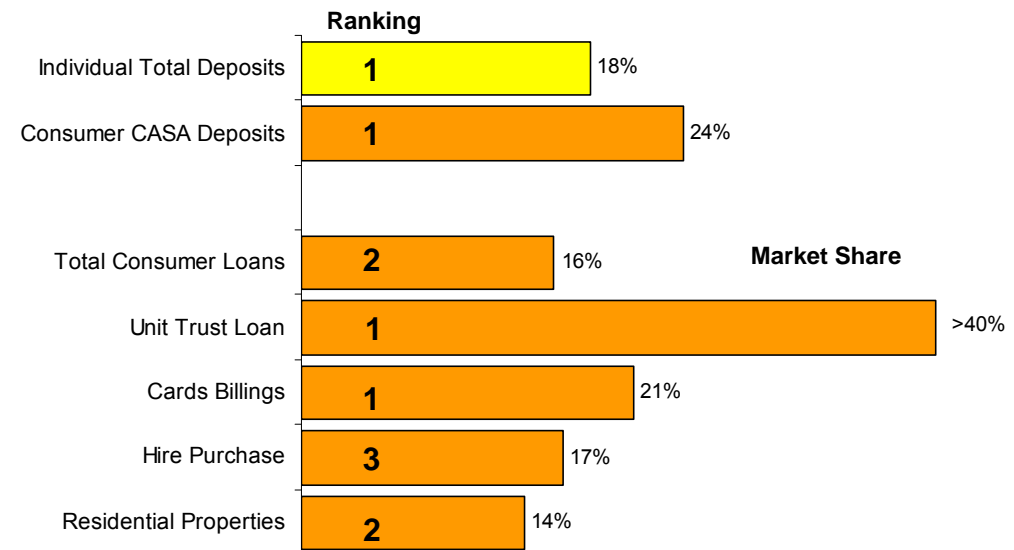
## Key Ratios for Maybank Islamic Berhad

Gross Non Performing Financing	3.98%	5.07%
Net Non Performing Financing	1.88%	2.62%
Financing to Deposits Ratio	105%	113%
Cost to Income Ratio	36.0%	43.0%
Core Capital Ratio	9.84%	8.07%
Risk Weighted Capital Ratio	11.55%	9.67%

# Consumer Banking

- Consumer Banking continues to remain resilient despite weakening business environment, heightened competition and increased operational costs.
- Consumer loans grew by 8%, led by Retail Lending which grew 14%, Cards by 11% and Automobile Financing by 19%, whilst deposits grew by 4% in 2009.
- Maybank remained the No. 1 card issuer in Malaysia and solidified its No. 1 position in card billings and merchant sales.

## Competitive Position Market Share and Ranking Position



\* Total Consumer loans excludes loans granted to Sdn Bhd entities / SMEs.

# Consumer Banking



- **Card Business.** Maybank's card business solidified its No.1 position in market share driven by a 29% growth in billings as compared to last year.
- The growth in cards billings is derived from 16% growth in credit cards portfolio, 60% growth from Amex portfolio and 100.3% growth in Debit cards.
- Merchant acquiring business registered overall growth of 30%.



## Outpaced Industry Growth

	Maybank	Industry
Card Base	7%	6%
Billings	29%	10%
Receivables	12%	6%
Merchant Sales	30%	11%

## Strengthen No.1 position in Cards, Billings & Merchant Sales - Improved Market Share

	Jun 2009	Jun 2008
Card Base	15%	15%
Billings	21%	17%
Receivables	14%	13%
Merchant Sales	26%	23%

### Awards and recognitions :

- The Brand Laureate - Best Brand for Premium Card Award
- Readers Digest Trusted Brand - Best Issuing Bank Gold Award
- Promotion Marketing Awards of Asia – Gold Dragon Award for Best Effective Long Term Marketing Campaign

- **Maybank2u.com** topped the list as the most visited local site, with more than 1 million visitors, reaching nearly 12 percent of all Malaysians online, making it the most engaging site of the top 10 Malaysian properties.
- 3.8 million registered users and a market share of 54.8%

### Top 10 sites in Malaysia

Top Malaysian Internet Properties in Malaysia Based on Unique Visitors  
June 2009

Total Malaysia Internet Audience\*, Age 15+ - Home & Work Locations  
Source: comScore World Metrix

	Total Unique Visitors (000)	% Reach	Average Minutes per Visitor
Total Internet : Total Audience	9,320	100.0	826.8
MAYBANK2U.COM	1,081	11.6	28.6
MUDAH.MY	1,068	11.5	45.9
AIRASIA.COM	834	9.0	33.2
Star Publications (M) Bhd	768	8.2	17.2
UTUSAN.COM.MY	562	6.0	22.0
BHARIAN.COM.MY	555	6.0	25.2
MALAYSIAKINI.COM	548	5.9	26.4
JOBSTREET.COM	546	5.9	20.0
701PANDUAN.COM	507	5.4	3.5
HMETRO.COM.MY	495	5.3	36.8



\*Excludes visitation from public computers such as Internet cafes or access from mobile phones or PDAs.

# Consumer Banking

- **Automobile Financing.** Fastest growing retail automobile financier in Malaysia: 11% YoY growth.
- Dominant market positions in selected non-national preferred makes:
  - Toyota: 40% market share
  - Honda: 47% market share
  - Nissan: 29% market share
  - Mercedes Benz: 20% market share
- Dominant market player in dealer financing services with 84% market share for Floor Stocking and 80% market share for Block Discounting.

## Outpaced Industry Growth

	Maybank	Industry
POTV	11%	5%
Hire Purchase	17%	6%

## Strengthening positions in major portfolios - improved market share

	Jun 2009	Jun 2008
POTV	17%	16%
Hire Purchase	17%	16%
Floor Stocking	84%	70%

No.1 Islamic Automobile Financier in Malaysia with a total market share of 30%.

**Wealth Management.** In recognition of the Bank's continuous drive to be the preferred Wealth Management partner, we were awarded with many prestigious awards and recognition during the year:

- Euromoney Private Banking & Wealth Management Poll 2009 - **Best Private Banking Services Overall in Malaysia and Best Local Bank in providing banking services.**
- The Asiamoney magazine - **Overall Best Domestic Private Bank in Malaysia.**
- FinanceAsia - **Best Islamic Product for 2008 (Maybank Al-Sayf Structured Deposit).**

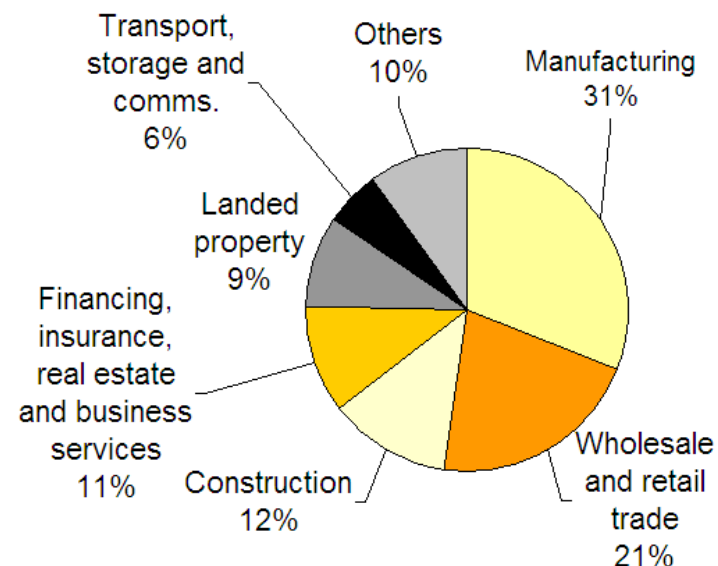
## Maybank Bancassurance

- One of the fastest growing financial solution providers in Malaysia
- No.1 in terms of total bancassurance new business, with a 25% market share.

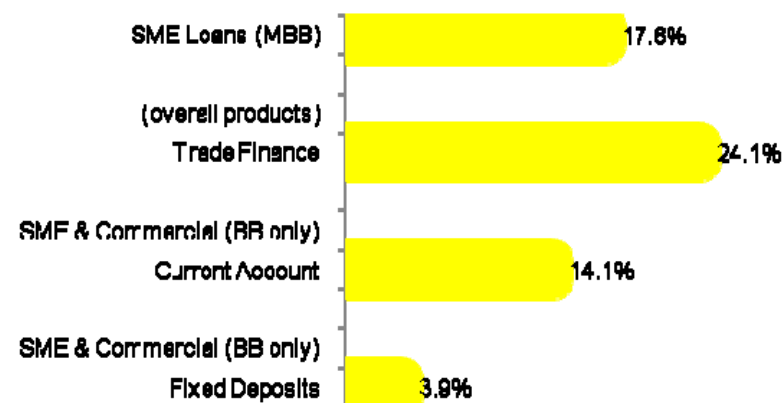
# Corporate and Business banking: One-stop financial-solution capability

- Corporate Banking (CB)** serves 3 sub-sectors: Government-linked companies, Public-listed Malaysian companies, Multinational corporations or MNCs.
- 18.3% loan growth YoY due to strong demand of large corporations and institutions to raise funds due to the low interest rates and weak capital market. Asset quality remained stable at 1.9% Net NPL ratio.
- Business Banking (BB)** has 2 segments: Commercial and SME, representing 8.2% and 21.1% respectively of the Bank's total loan portfolio.
- Commercial:** businesses not listed on Bursa Malaysia with turnover > RM25 million; **SME:** businesses with a turnover < RM25 million (except certain industries). SME: 71.9% of the BB loans portfolio.
- Commercial and SME loans portfolios declined 8.9% YoY due to reduced trade activities stemming from the economic landscape.
- Trade Finance** market share rose by 0.8% to 24.1%.
- Cash Management** is ranked No. 1 among local banks and No. 3 among foreign banks.

Business Banking Portfolio by Sector (June 09)



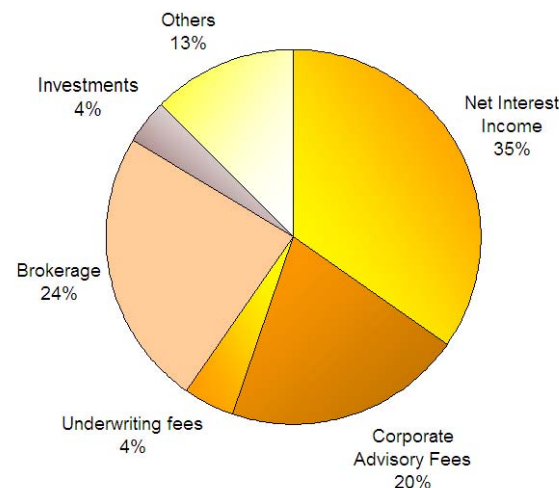
Market Share Analysis as at June 09



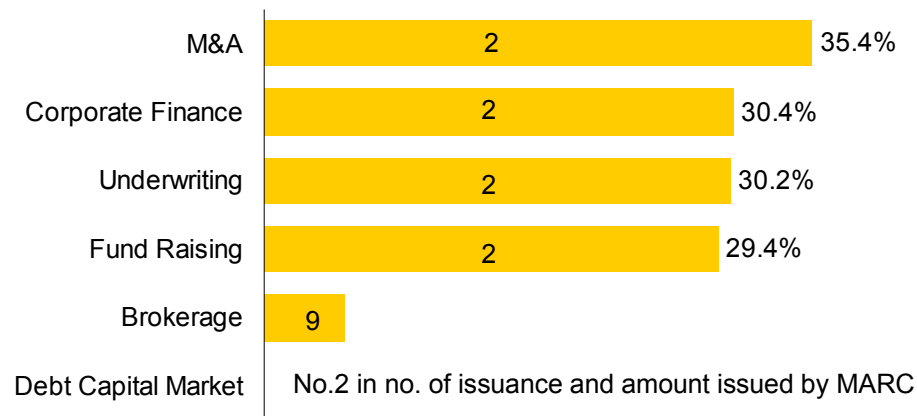
# Investment Banking

- Name changed from Aseambankers Malaysia Berhad to Maybank Investment Bank Berhad.
- Acquisition of Bina Fikir Sdn. Bhd. Further bolstered our expertise and capabilities to compete locally and globally.
- Investment Banking Group recorded lower pre-tax profit of RM120.1 million compared with RM170.8 million last year.
- Although net interest income was higher during the year and overhead expenses lower, the results were impacted by lower income in respect of Maybank Investment Bank's underwriting and brokerage fees which declined by RM14.4 million and RM30.6 million respectively.
- Profit was also affected by lower write-backs in loan loss and provision this year.
- CAR remained strong at 24%.

## Revenue Breakdown

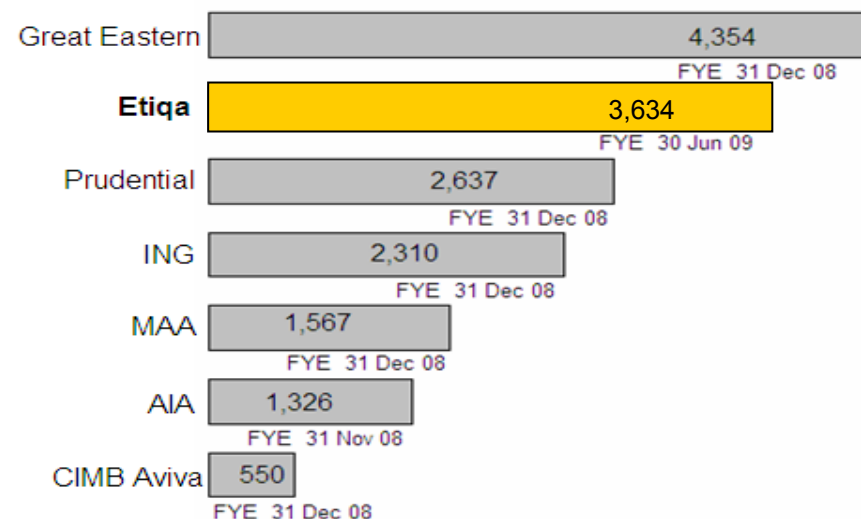


## Industry Position & Market Shares : July 08 - June 09



- **Turnover.** Total premium grew 12.4% in 2009 to RM3,634 million, with improvement in both Life/Family (14.5%) and General business (9.5%).
- **Profit.** PBT was affected by higher claims ratio incurred in addition to lower net investment income.
- **Assets.** Asset grew 5.4% in 2009 to RM19.9 billion.
- **Market Position**
  - No 2 Overall Insurer
  - No 1 General (Conventional + Takaful)
  - No 1 Life / Family New Business
  - No 1 Takaful Insurer
  - Family Takaful contribution exceed RM1 billion for 1st time
- **Achievements & Awards**
  - Best Takaful marketing award at the International Takaful Awards held in conjunction with the International Takaful Summit 2008 in London.
  - Most Outstanding Takaful Company award at the Kuala Lumpur Islamic Finance Forum.

## Total Gross Premiums and Contribution (RM m)



**Claims Ratio.** Claims ratio in all classes are below industry average.

CLAIMS RATIO	2009	*Industry 2009
Fire	16.0%	28.6%
MAT (Marine Aviation & Transit)	13.3%	48.1%
Motor	73.5%	83.3%
MISC	46.8%	48.8%

\*Industry as per PIAM April 08- March 09

# FY2009 results: Analyst Presentation

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**Group Financial Performance**

**Sector Performance**

**International Operations**

**Impairment for MCB and BII**

**LEAP 30 Progress Report**

**Economics and Industry Update/Outlook**

**Conclusion**

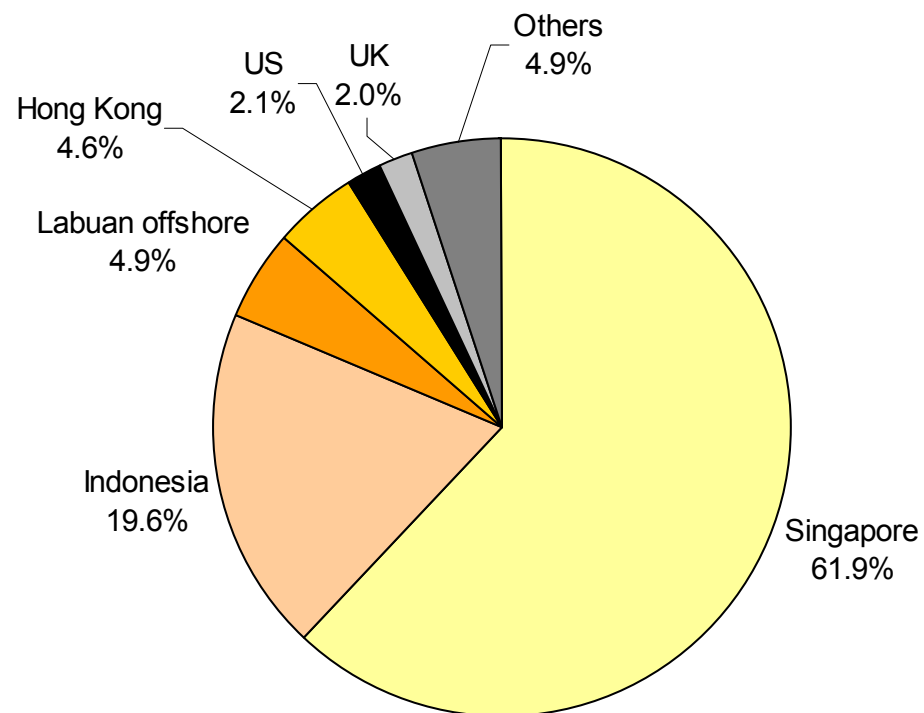
# International

International to contribute 40% of Group loans by 2015

## Loans growth by country

30 June 09	Curr.	Loans Base currency million	YoY Change
			%
<b>South East Asia</b>			
Singapore	SGD	16,149.7	5.1%
Indonesia	IDR	35,993,441	n.m.
Philippines	PESO	10,840.0	2.7%
Vietnam	USD	155.8	-7.0%
Cambodia	USD	86.0	60.7%
Labuan offshore	USD	889.3	-23.7%
Brunei	BND	53.7	-16.8%
<b>Financial Centres</b>			
Hong Kong	HKD	6,373.6	-2.1%
US	USD	380.8	1.0%
UK	GBP	218.8	10.3%
Bahrain	USD	79.8	-29.9%
<b>Others</b>			
China	USD	275.6	12.6%
PNG	PGK	49.7	21.0%

## Loans composition



International: RM63.4 billion

# Singapore Operations: PBT Grew 5.9% Despite Higher Provisions

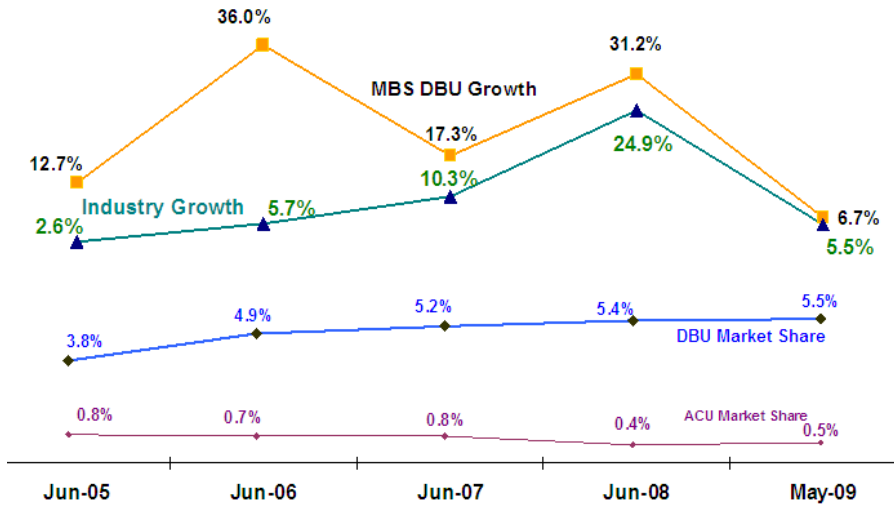
- Profit before tax for FY09 grew 5.9% YoY supported by strong increase in fund based income of 24.2% YoY.
- Total loans grew 5% YoY while total deposits grew 11.8%.
- Improved assets quality with NPL reducing to 1%.

	Gross Loans (SGD m)	Loans Growth (% YoY)
<b>Corporate Loans</b>	7,139	6.3%
Manufacturing	363	-25.2%
Building & Construction	3,081	14.4%
General Commerce	1,697	7.3%
Non-Bank Financial Inst	1,375	26.5%
Transport, Storage & Comm	333	4.1%
Others	291	-47.1%
<b>Consumer Loans</b>	7,694	3.4%
Housing Loans	3,706	-5.7%
Car Loans	3,238	8.7%
Credit Cards	116	-0.9%
Share Financing	49	-29.0%
Others	585	68.6%
<b>Total Loans</b>	14,834	4.8%

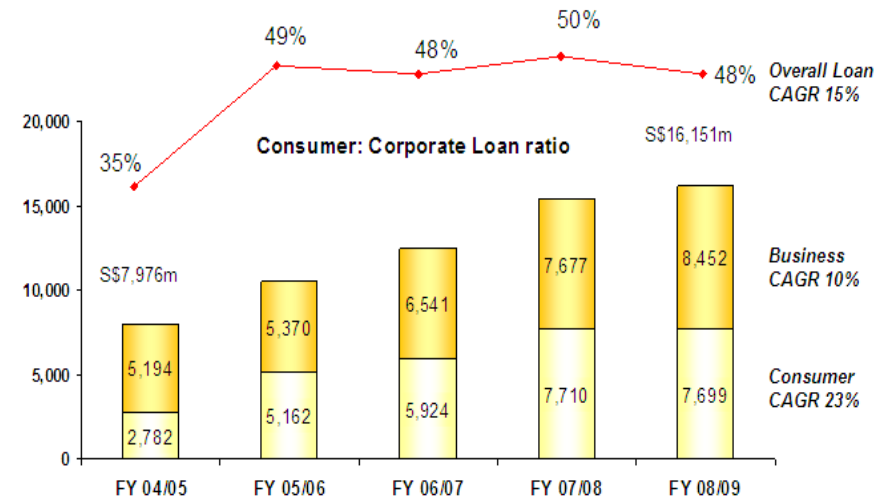
Singapore Dollar million	Quarter					FY		
	Q4 2009	Q3 2009	QoQ growth	Q4 2008	YoY growth	09	08	YoY growth
<b>Income Statement</b>								
Net Fund Based Income	117.2	112.4	4.3%	92.6	26.6%	435.8	350.8	24.2%
Non-Interest Income	35.9	32.4	10.8%	33.4	7.4%	176.7	142.2	24.2%
Total Income	153.1	144.7	5.8%	126.0	21.5%	612.4	493.0	24.2%
Less: Overheads	(57.3)	(65.5)	-12.6%	(67.2)	-14.8%	(258.5)	(231.9)	11.4%
<b>Total Operating Profits</b>	<b>95.9</b>	<b>79.3</b>	<b>20.9%</b>	<b>58.8</b>	<b>62.9%</b>	<b>354.0</b>	<b>261.1</b>	<b>35.6%</b>
Add: Write-backs/Recoveries	17.9	15.0	19.7%	11.1	61.8%	58.8	78.3	-24.9%
Less: Provisions	(31.3)	(42.4)	-26.3%	(24.4)	28.1%	(140.6)	(98.5)	42.7%
<b>Total Profit/(Loss) Before Tax and MTM gain/(loss) and Deferred Transaction Cost</b>	<b>82.5</b>	<b>51.8</b>	<b>59.2%</b>	<b>45.5</b>	<b>81.4%</b>	<b>272.17</b>	<b>240.9</b>	<b>13.0%</b>
MTM Investment gain/(loss)	6.4	8.4	-24.3%	26.7	-76.1%	(24.5)	(1.8)	n.m.
Deferred Transaction cost	-	-	-	(0.3)	n.m.	(5.3)	(5.3)	
<b>Total Profit/(Loss) Before Tax</b>	<b>88.9</b>	<b>60.3</b>	<b>47.5%</b>	<b>71.8</b>	<b>23.8%</b>	<b>247.7</b>	<b>233.8</b>	<b>5.9%</b>
<b>Loans &amp; Deposits</b>								
Domestic	14,834	14,752	0.6%	14,158	4.8%	14,834	14,158	4.8%
International	1,317	1,441	-8.6%	1,229	7.2%	1,317	1,229	7.2%
<b>Total Loans</b>	<b>16,151</b>	<b>16,193</b>	<b>-0.3%</b>	<b>15,387</b>	<b>5.0%</b>	<b>16,151</b>	<b>15,387</b>	<b>5.0%</b>
Domestic	16,196	16,093	0.6%	14,087	15.0%	16,196	14,087	15.0%
International	2,214	2,062	7.4%	2,375	-6.8%	2,214	2,375	-6.8%
<b>Total Deposits</b>	<b>18,410</b>	<b>18,155</b>	<b>1.4%</b>	<b>16,462</b>	<b>11.8%</b>	<b>18,410</b>	<b>16,462</b>	<b>11.8%</b>
<b>NPL</b>								
Gross NPL ratio	1.00%	1.31%	-0.31%	1.00%	0.00%	1.00%	1.00%	0.00%
Net NPL ratio	0.16%	0.20%	-0.04%	0.11%	0.05%	0.16%	0.11%	0.05%

# Singapore Operations: Growth Drivers

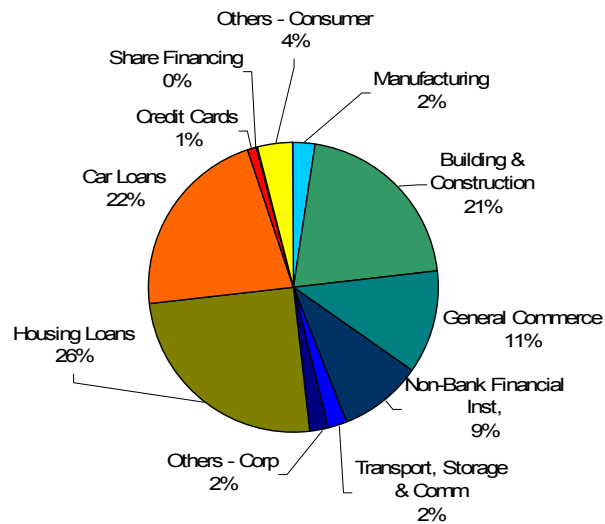
Singapore's Branch Loan Growth versus Industry Growth Trend



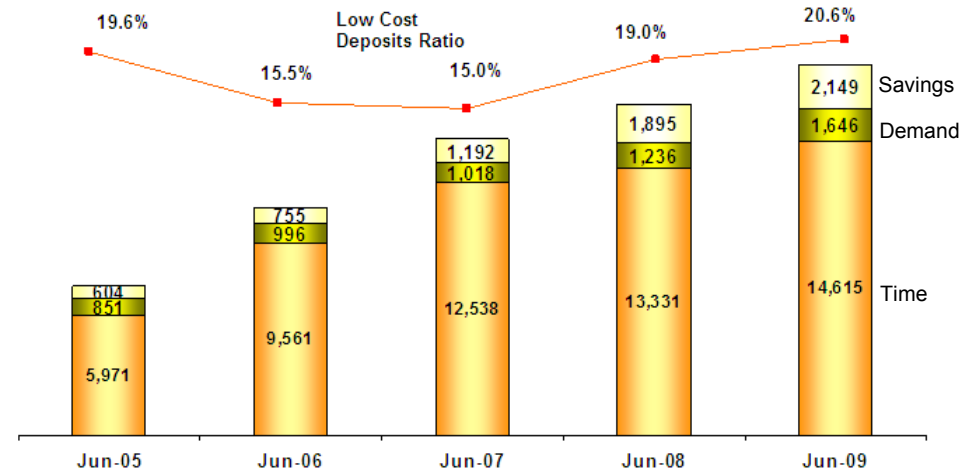
Outstanding Loan by Customer Type



Breakdown of Loans Exposure by Business Activity



Deposits Composition and Low cost Deposit Ratio Trend



## MCB Financial Highlights

- MCB contributed a pre-tax profit of RM92.4 mil to FY09 Group's profits.
- Net interest income grew 43.6% YoY due to increase in the yields and earning assets.
- However, it was offset by declined in non interest income of 13.0% YoY due to the decline in dividend income and capital gains on investments.
- Provisions grew 183.7% YoY due to weakened economic environment.
- Operating Profit after tax grew 0.6% YoY.
- Advances increased 13.0% despite the difficult operating environment









PKR million	1H 2009	1H 2008	YoY
<b>Income Statement</b>			
Net Interest Income	18,088	12,600	43.6%
Non Interest Income	2,810	2,934	-4.2%
<b>Total Income</b>	<b>20,898</b>	<b>15,534</b>	<b>34.5%</b>
Operating Expenses	(5,316)	(3,466)	53.4%
Provisions	(3,892)	(1,452)	168.0%
Profit/(Loss) from associate	220	838	-73.8%
<b>Profit Before Tax</b>	<b>11,910</b>	<b>11,455</b>	<b>4.0%</b>
Taxation	(3,989)	(2,941)	35.6%
<b>Profit After Tax</b>	<b>7,920</b>	<b>8,514</b>	<b>-7.0%</b>
<b>Balance Sheet items</b>			
Investment - net	117,778	102,131	15.3%
Advances - net	258,848	228,974	13.0%
Total Assets	469,524	453,192	3.6%
Deposits and other accounts	361,817	350,701	3.2%
Total Liabilities	402,893	394,405	2.2%
Equity	66,631	58,787	13.3%
<b>Key Ratio</b>			
	<b>Q1 2009</b>	<b>Q4 2008</b>	
ROA	3.62%	3.62%	
ROE	25.7%	27.3%	
Cost to Income Ratio	25.9%	19.4%	
LDR	71.5%	65.3%	
Deposit Growth %	13.4%	13.7%	
Gross NPL Ratio	7.6%	6.7%	
Net Interest Margin %	8.8%	8.0%	

# BII-Maybank : Vision, Mission & Strategy

Following Maybank's LEAP30 transformation program; Bii is embarking on a 3 phase transformation program aimed at making Bii a market leader



# BII - Our Target Customer Segments

Target customer segments	Delivering BII-Maybank			Leveraging and delivering the group				
				 Malaysia	 Singapore	 Maybank Islamic <small>Where everybody profits</small>	 Maybank Investment Bank	
Corporate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Commercial	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Small & Medium Enterprise	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Affluent individuals	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Mid market consumer	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Mass Market	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

# BII - Phase 1: Back to Basics

## Our Inherited Position

### Strengths

- Entrenched SME / Mass Affluent customer base
- Recognized customer service excellence
- Recognized brand name

### Weaknesses

- Silo organization (not customer-centric)
- Sub-scale and dated distribution channels
- No clear product winners
- Old and dated IT infrastructure
- Weak performance management systems
- Unbalanced staff force – too many back office and not enough sales personnel
- Inadequate operating and finance processes
- Flawed business operating models

**Need to fix fundamentals to capture the opportunities in the Indonesian economy**

## Strategic Initiatives in Phase 1, REBOUND

1. Reorganize the bank
2. Reintroduce the brand
3. Recharge the sales force
4. Recreate winning products
5. Rebuild distribution channels
6. Revitalize Human Capital function
7. Revamp IT infrastructure
8. Redesign operations
9. Reach out to customers

**Bii on the REBOUND ...**

# BII – Our REBOUND Program

## 1. Reorganize the bank



- Recruit new senior management team
- Reorganize to remove silos and flatten structure to remove layers
- Ensure new organization promotes customer centricity

## 2. Reinvigorate the brand



- Aggressively introduce the BII-Maybank brand with new marketing campaigns and better branch signage
- Capitalizing on Bii's 50<sup>th</sup> anniversary to gain extra leverage for Bii's new beginnings

## 3. Recharge the sales force



- Rotated and promoted senior branch managers
- Tighten activity and performance monitoring
- Explore new performance incentive structures to boost branch sales performance

## 4. Reintroduce winning products



- Intend to revive dormant products that have strong market presence e.g. Lion Air co-brand credit card; Bii SUKA (SME program)
- Launch targeted niche products e.g. Women One and Superkidz
- Launch new exciting loyalty programs e.g. Biingkisan

## 5. Rebuild Distribution Channels



- Aim to add 200 more branches by end of 2011
- Aim to double total number of ATMs from 740 to 1,500 by end of 2011
- Revamp and improve alternative electronic channels e.g internet banking, cash management and mobile banking
- Improve infrastructure of inbound and outbound call centers

# BII – Our REBOUND Program

## 6. Revitalize Human Capital function



- Change the performance management evaluation processes to weed out low performers and; reward and retain high performers
- Ramp up recruiting and training functions to support new growth
- Develop executive and management Training syllabus and Academy
- Rebuild the corporate culture and values system based on Maybank's

## 7. Revamp IT infrastructure



- Review BII's software and hardware architecture to meet changing needs base on aspirations
- Look to upgrade/replace core systems to improve reliability, stability and time to market for all core products and services
- Improve existing management information system to allow for single customer data repository and better financial management

## 8. Redesign operations



- Deep dive to improve efficiency and performance of core business operational processes in:
  - WOM subsidiary
  - Credit card processes
  - SME and Commercial credit processes
  - Branch back office operation
  - General and IT procurement etc

## 9. Reach out to customers



- Mandate all members of management and staff to make frequent customer calls
- Repair relationships with important corporate and commercial clients
- BOD to visit all 253 branches by year-end

## FY2009 results: Analyst Presentation

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**Economics and Industry Update/Outlook**

**Conclusion**

# Impairment of BII and MCB

- Completed the PPA exercise in accordance with **FRS3 – Business Combination** and **FRS 138 – Intangible Assets**.
- An assessment of impairment was conducted in accordance with **FRS 136 – Impairment of Assets**.
- The recoverable amount is computed based on the value-in use method, which apply discounted cash flow model using Free Cash Flow to Equity (“FCFE”) projections prepared and approved by management, covering 10 years period, with a certain compounded annual growth rate derived on historical data and economic outlook of the country which the subsidiaries or associates operate in.

	BII	MCB	ABB
<b>Assumptions</b>			
Discount Rate	16.5%	21.5%	17%
Terminal Growth Rate	6%	6%	6%
Period of Free Cash Flow to Equity	10 years	10 years	10 years
Free Cash Flow to Equity CAGR	21%	18%	22%
<b>Group Level</b>			
<b>Opening Cost (Total Purchase Price)</b>	<b>RM 7.90 bil</b>	<b>RM 2.87 bil</b>	<b>RM 0.33 bil</b>
Exchange Fluctuation Reserve	(RM 0.41 bil)	(RM0.29 bil)	-
Movement of BII net assets and amortisation of intangible assets,CDI	(RM0.11 bil)	RM 0.03 bil	RM0.01 bil
<b>Carrying Amount @ 30 Jun 2009</b>	<b>RM 7.38 bil</b>	<b>RM 2.60bil</b>	<b>RM 0.34 bil</b>
Impairment Loss @ 30 Sep 2008	-	(RM0.24bil)	-
Impairment Loss @ 30 Jun 2009	(RM1.62 bil)	(RM0.11 bil)	-
<b>Closing Carrying/Recoverable Amount @ 30 Jun 2009</b>	<b>RM 5.77bil</b>	<b>RM 2.55bil</b>	<b>RM 0.34 bil</b>

We would like to emphasize that the impairment charge is a non-cash charge and does not affect the capital position of Maybank because of the manner in which the Risk Weighted Capital Ratio is calculated, which has already negated any effect of impairment.

# FY2009 results: Analyst Presentation

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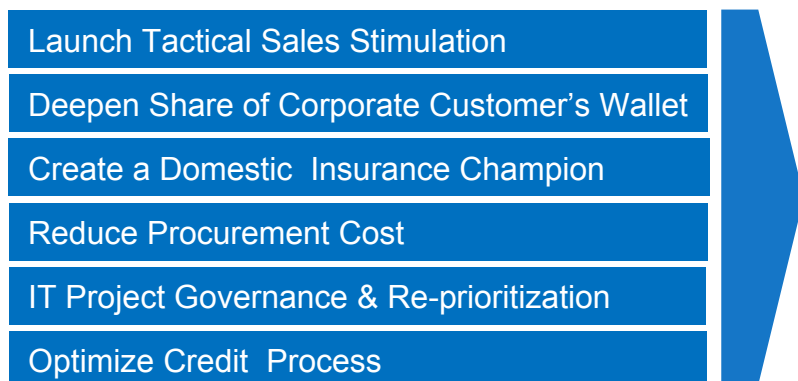
**Conclusion**

# LEAP30: Our Journey Since Inception

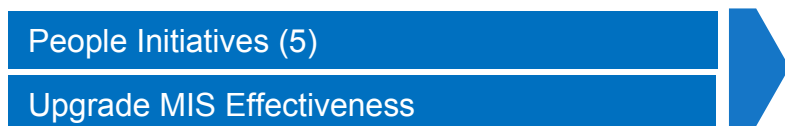
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**The LEAP30 transformation programme adopted a pragmatic approach and aligned with the Sectors to achieve the objective of re-establishing our leadership in the domestic market**

A series of tactical initiatives (Wave 1a) was launched in November 2008 to quickly generate financial impact and create momentum for business improvement throughout the bank.



At end June 2009, total financial benefits amount to **RM 40 Million in PBT** contribution, plus **RM 143 Million in cost savings / avoidance**.



Other Critical Enabling initiatives have also been launched, and are showing encouraging progress.

# LEAP30: 16 initiatives launched and gathering momentum

A sample of 5 of the initiatives, under Consumer and Cost Optimisation

	<b>Initiatives</b>	<b>Objective</b>	<b>Recent Progress</b>
<b>Consumer</b>	<b>1. Launch tactical sales stimulation</b>	<ul style="list-style-type: none"> <li>Enhance consumer sales with tangible sales uplift captured in the first year of launch</li> </ul>	<ul style="list-style-type: none"> <li>Rolled out Wave1 (FT &amp; Selangor: 127 branches)</li> <li>Achieve over 129% of sales uplift</li> <li>Rolled out Wave 2 (JB &amp; Penang 130 branches)</li> </ul>
	<b>2. Upgrade Consumer Finance Model</b>	<ul style="list-style-type: none"> <li>To create a clear value proposition for the consumer finance business in order to increase market share in selected segments.</li> </ul>	<ul style="list-style-type: none"> <li>Concept model established &amp; development underway</li> </ul>
	<b>3. Improve Customer Service Levels</b>	<ul style="list-style-type: none"> <li>To deliver a differentiated and best-in-class service experience for our different customer and business segments.</li> </ul>	<ul style="list-style-type: none"> <li>Initiative was launched in June 09</li> </ul>
<b>Cost Optimisation</b>	<b>4. Reduce procurement costs</b>	<ul style="list-style-type: none"> <li>Defining governance model and structuring central procurement unit</li> <li>Detailed spend analysis and quick win identification</li> <li>Category mapping of group spend</li> </ul>	<ul style="list-style-type: none"> <li>Wave 1 (Apr-June) actual annual savings of 13.5m exceeded target of 11.1m.</li> <li>Governance model rolled out</li> </ul>
	<b>5. IT Projects Reprioritisation</b>	<ul style="list-style-type: none"> <li>Embed mechanism IT projects resources are focused on delivering benefits</li> </ul>	<ul style="list-style-type: none"> <li>Cost avoidance of RM84.99 mil CAPEX from FY08/09</li> <li>Cost avoidance of RM55m from CAPEX and RM25m from OPEX from the FY09/10 IT budget</li> </ul>

# LEAP30: Next 4 initiatives

4 more initiatives to be launched before December 2009.

Initiatives	Objective
16. Upgrade Commercial Banking Model	<ul style="list-style-type: none"> <li>Strengthen market share among SME and Commercial segments via product bundling.</li> </ul>
17. Strengthen ECM, Brokerage and M&A Capabilities	<ul style="list-style-type: none"> <li>Raise Maybank-IB's profile as full-fledged investment bank.</li> <li>New teams in place; top 3 position in league tables.</li> <li>Be a leading player in the stockbroking industry.</li> </ul>
18. Establish governance and Operating Model for International	<ul style="list-style-type: none"> <li>Establish overall governance model to create and manage value from Maybank's International Business Units and to also improve coordination between various sectors in group headquarters and also overseas units.</li> </ul>
19. Capture Value from BII	<ul style="list-style-type: none"> <li>To launch an independent growth strategy through active management by focusing on strategic planning and talent injection. Already being pursued by BII management in Jakarta.</li> </ul>
<b>Groupwide Communications exercise</b>	<ul style="list-style-type: none"> <li>Groupwide PCEO video simulcast across networks (March 09)</li> <li>"Our Maybank, Our Future" workshops for over 10,000 Maybankers (April-May 09)</li> <li>Printed Bulletin – LEAP30 Express (3 issues published)</li> <li>Electronic news on key LEAP30 progress</li> </ul>

Re-prioritised Initiatives Wave 1b

# FY2009 results: Analyst Presentation

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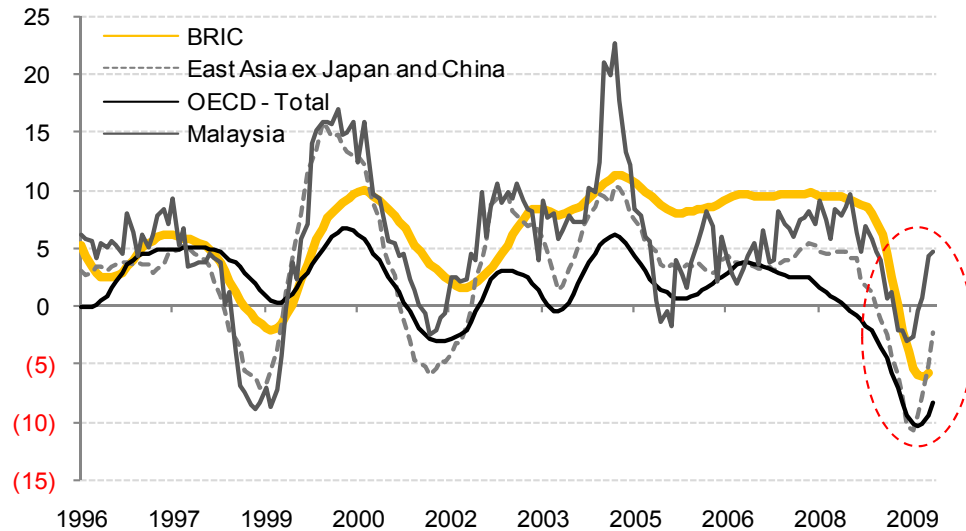
**LEAP 30 Progress Report**

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# Global economies bottoming in 3Q09 & turning around in 4Q09

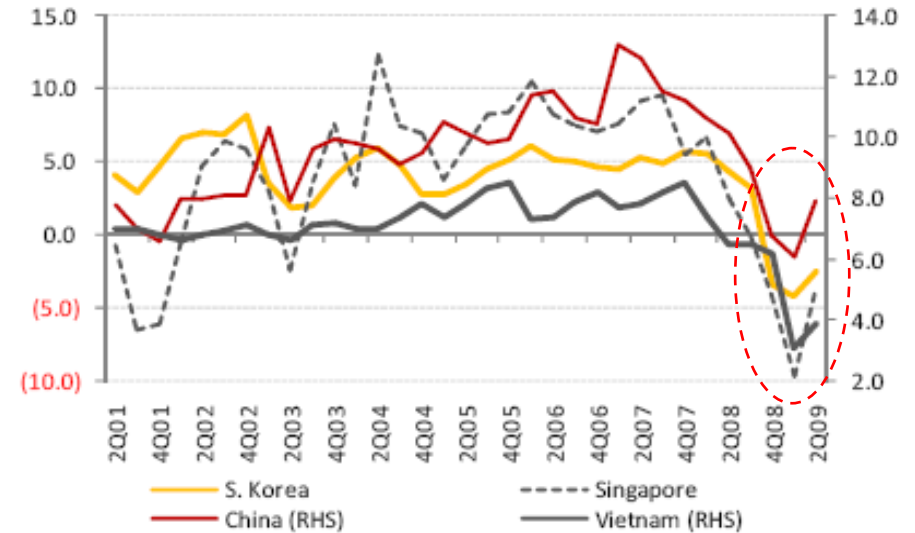
## Index of Leading Economic Indicators



Source: OECD

- Global & local economies bottoming in 3Q09 & turning around in 4Q09.
- OECD, BRIC and East Asia leading indicators have rebounded and Malaysia's leading indicator has turned positive.

## Quarterly Real GDP: Korea, China, Singapore, Vietnam (% YoY)

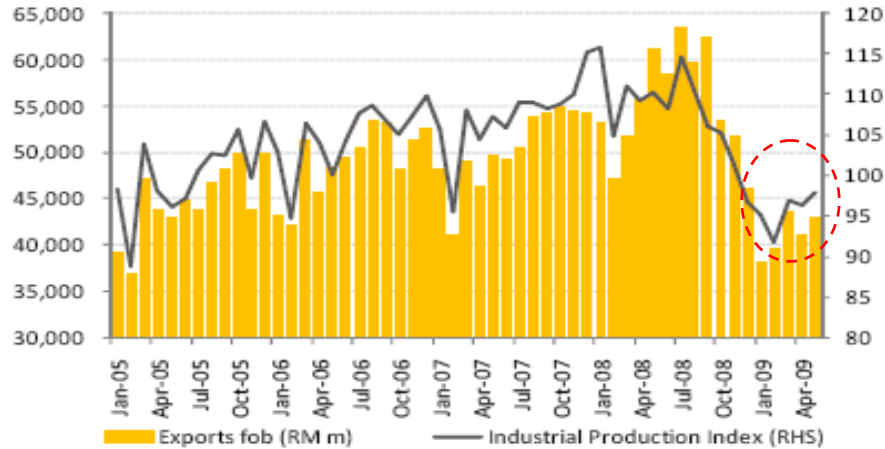


Source: Bloomberg

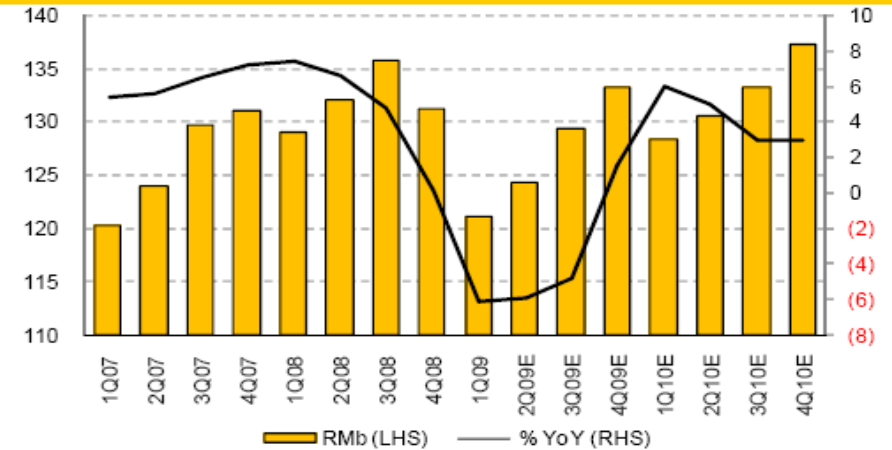
- Regional economies' 2Q09 real GDP are "off the lows".
- Malaysia's 2Q09 GDP to be announced on 26 August

# Malaysia: Positive growth in 2010

Malaysia: Industrial Production and Exports

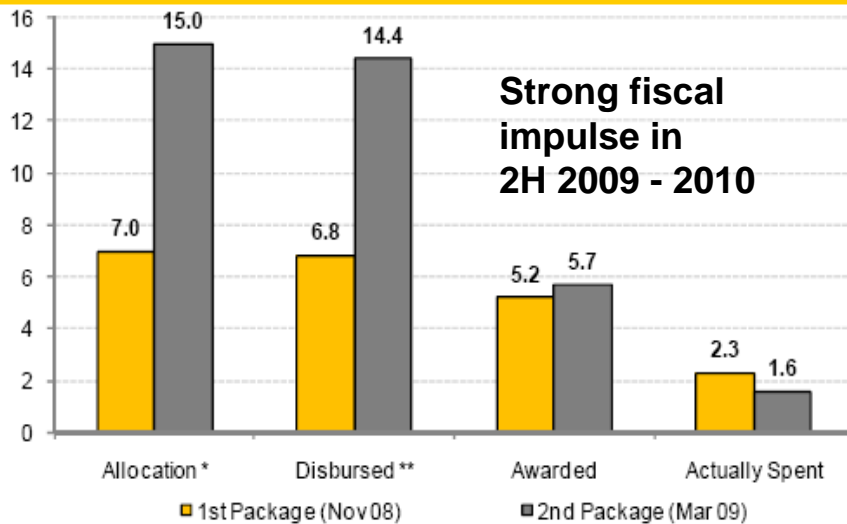


Malaysia: Quarterly Real GDP Growth (% YoY)



Source: BNM, Maybank-IB

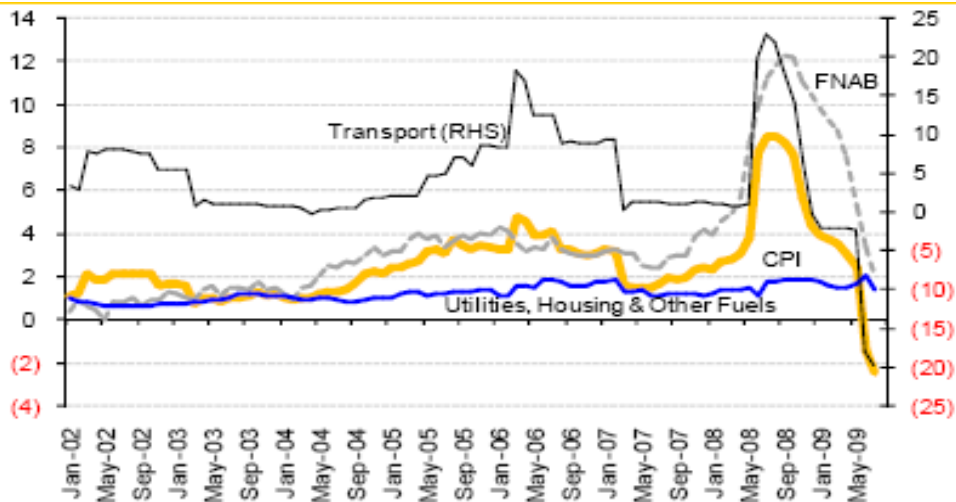
Malaysia: Economic Stimulus Packages' Implementation Status (Latest)



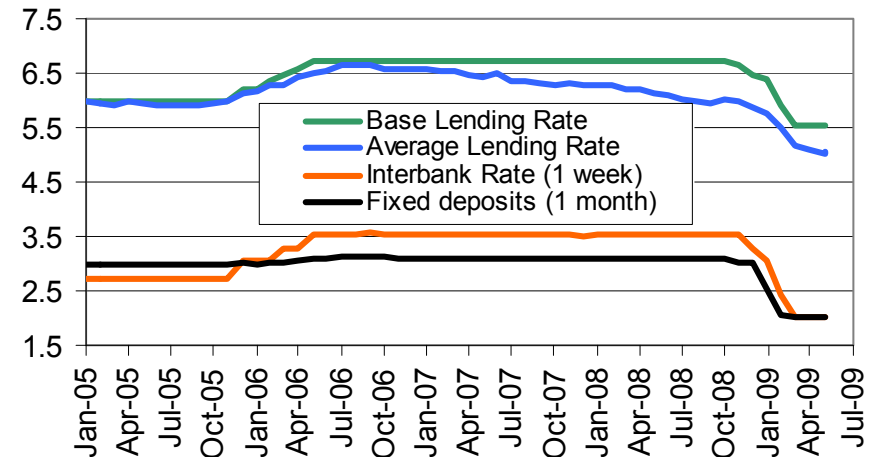
- IPI & exports have rebounded from lows
- Implementation of economic stimulus gathering momentum after slow start
- Expectation of GDP stabilising in and picking up from 2Q09 is "on track".
- Maintaining GDP forecasts: **2009: -3.8%; 2010: 4.2%**
- GDP 2009-2010 CAGR: 0.2% p.a.

# Inflation slides but OPR expected to remain stable

Consumer Price Index (CPI) (% YoY)



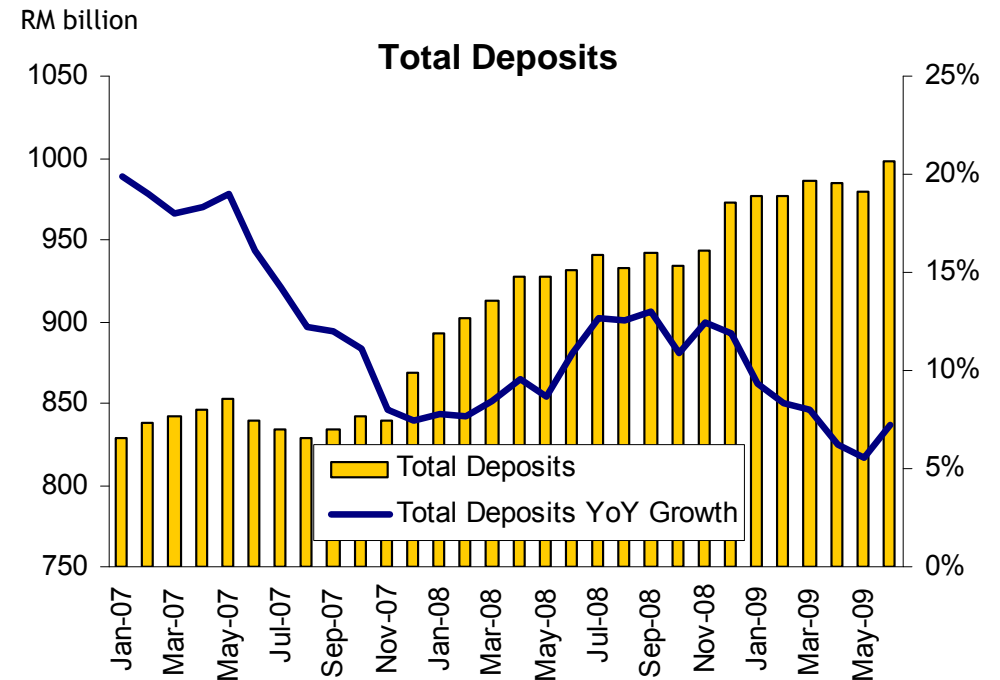
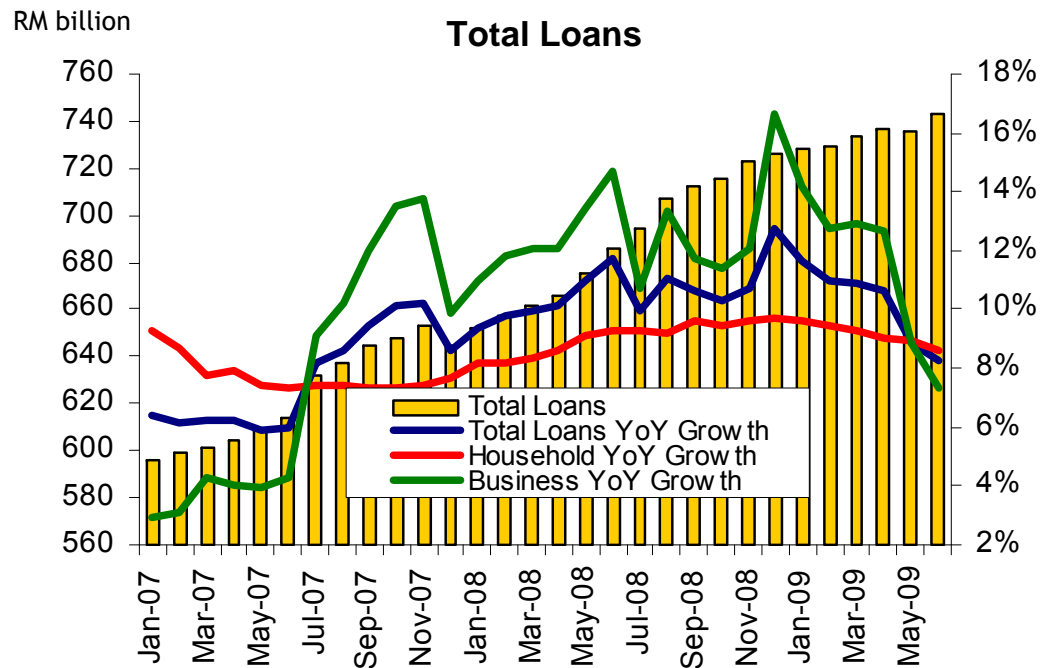
Interest Rates (%)



- Second month of technical deflation as CPI in June fell 2.4% (-1.4% in May) YoY due to high base effect from fuel price hike in June 2008.
- Globally, there are “disinflation/deflation” pressures amid rising joblessness, excess capacity, fragile banking sector
- Our inflation rate forecasts: 1% in 2009 (2008: 5.4%) and 1.5% (with upside risk) in 2010.

- We expect the benchmark Overnight Policy Rate (OPR) to be maintained at 2.0% for 2009 and 2010.
- Exchange rate forecast: RM/USD at 3.50 end 2009, 3.40 end-2010

# Banking Industry: Loans and Deposits

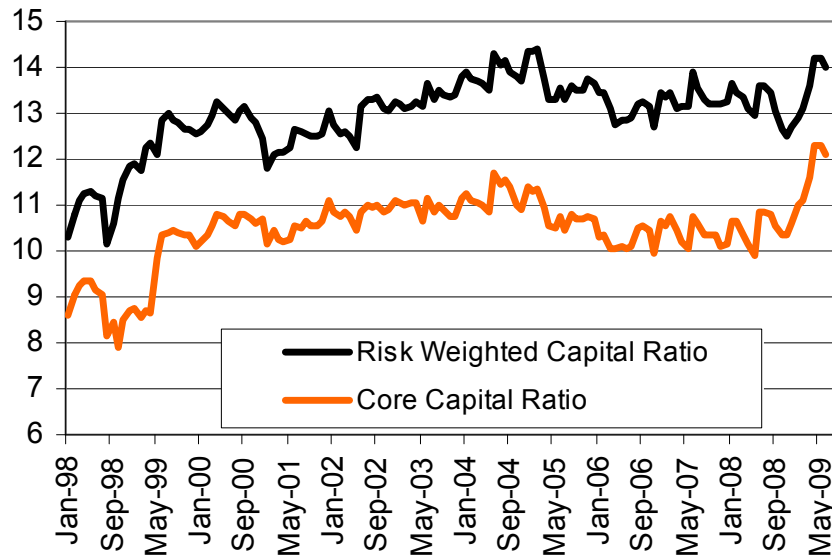


- Total loans growth fell to 8.3% YoY in June 2009 compared to 11.7% last year.
- Household loans growth remained resilient, slowing to 8.6% in June from 8.9% last year but business loans growth fell to 3.7% YoY from 14.4% last year as SME loans contracted 2.9% from 12.0% growth last year.

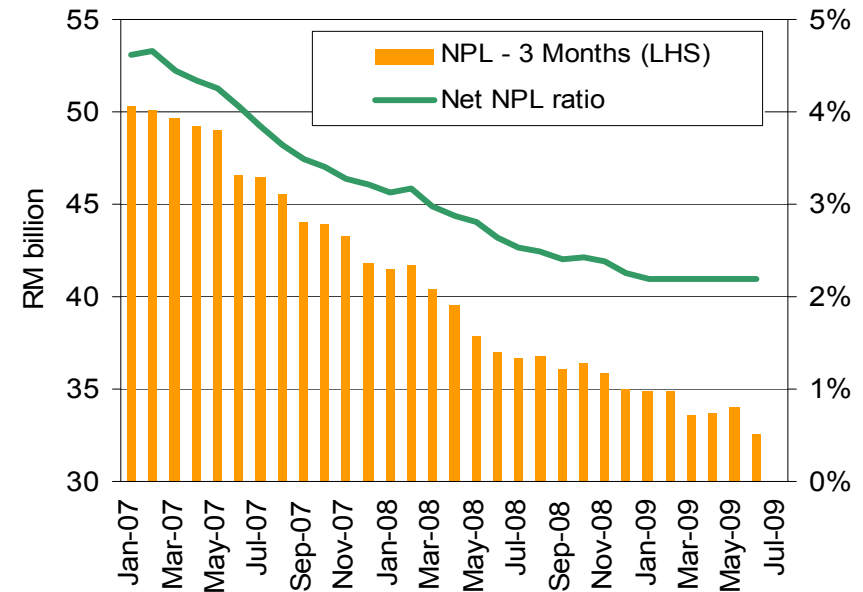
- Total deposits grew 7.2% YoY to RM997.7b in June 2009 compared to 10.9% last year.
- Loan-to-Deposit ratio was at 78.2% in June from 72.2% a year ago.

# Banking Industry: Capital Ratio and Asset Quality

### Capital Adequacy Ratios (%)



### Asset Quality



- Capital ratios have risen due to capital raising exercise to weather the economic downturn but dipped in June compared to May
- Very healthy capitalisation.  
Risk Weighted Capital Ratio: 14.0%  
Core Capital ratio: 12.1%

- Sound asset quality with Net NPL ratio remaining flat at 2.2% for 7<sup>th</sup> straight month.

# FY2009 results: Analyst Presentation

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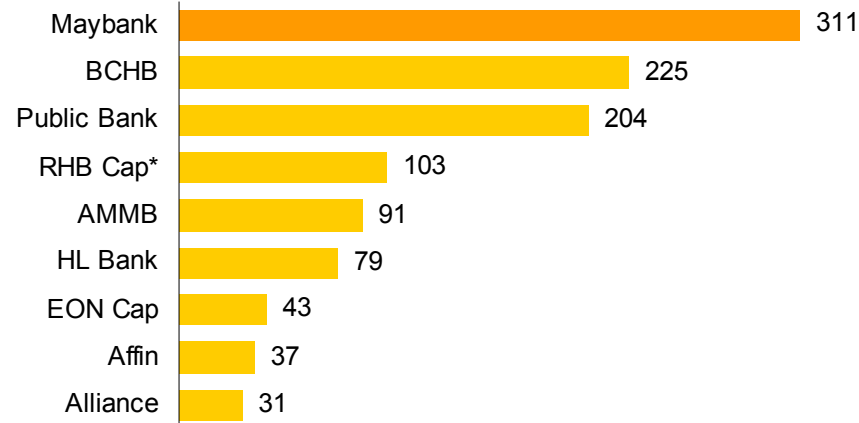
# Conclusion

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- Group operational performance affected by higher provisions and interest cost as well as lower performance by investment banking and insurance.
- Lower net profit caused by significant impairment for full year. Excluding impairment, adjusted core profit of RM2.18b still reasonable.
- Dividend of 8 sen gross (6 sen net) translates to 61% payout ratio.
- Asset quality continues to improve and margins relatively stable.
- Solid financial strength with high Capital Adequacy Ratio of 14.8%
- Management confident of significantly improved performance in FY2010 upon economic recovery and broad based growth.
- Beyond domestic operations, significant management attention will be on driving performance at BII with particular emphasis on loans growth in the fast growing Indonesian economy.
- LEAP30 on track to further improve revenue and optimise costs
- We look forward to much improved financial performance for FY ending 30 June 2010.
- Headline KPI: Revenue growth of 8% and ROE of 11% on enlarged capital base.

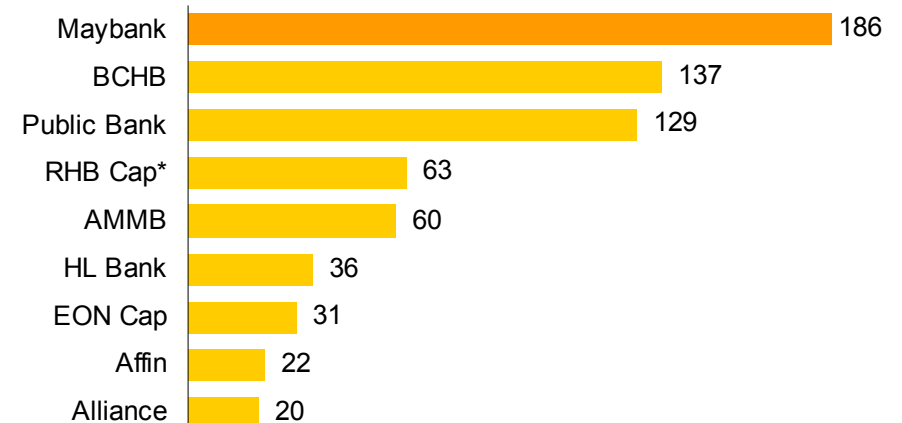
# Maybank still the leader

## Total Assets (RM bn): June 2009



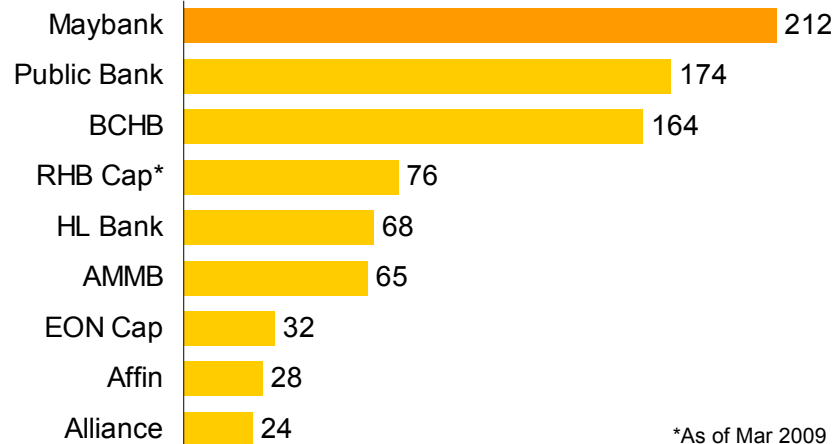
\*As of Mar 2009

## Loans (RM bn): June 2009



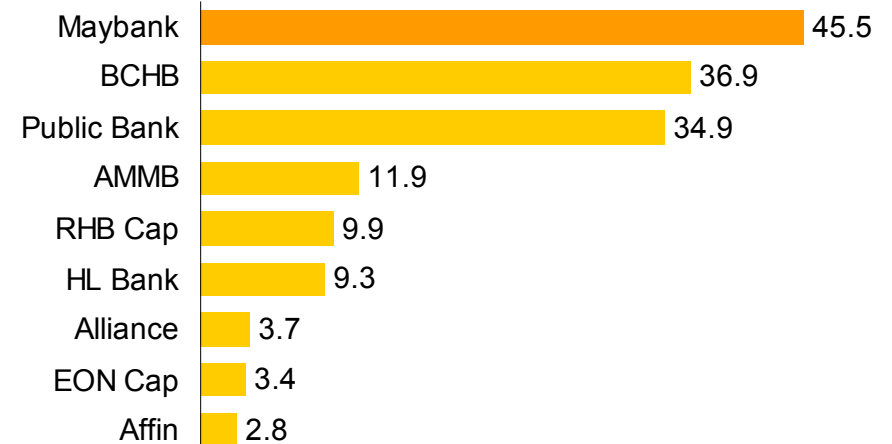
\*As of Mar 2009

## Deposits (RM bn): June 2009



\*As of Mar 2009

## Market Capitalisation (RM bn): 21 August 09



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# Q&A Session