



**Maybank** Islamic

# **WIEF-AFF Roundtable**

**Tokyo**

**26 May 2015**

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By definition in the Islamic Banking Act, 1983 -

“Islamic banking” means banking business whose aims and operations do not involve any element which is not approved by the Religion of Islam.

For us in Malaysia, we are guided by the clear regulation of the Islamic Banking Act 1983. Governed by both key regulators i.e. Bank Negara Malaysia (BNM) and Security Commissions (SC).

Key elements in Islamic Banking :

1. Prohibition of Usury - interest (*Riba*);
2. Prohibition of Ambiguity (*Gharar*);
3. Prohibition of impermissible activities such as gambling, selling of liquor, etc.

# Milestones of Islamic Banking in Malaysia

Stage of  
Development



Rapid growth - accounting for almost [29]% of domestic banking assets; products offering at par with conventional; growing number of domestic and foreign players

As an alternative banking, offering of plain-vanilla deposit and financing products

❖ Pilgrimage Fund Board / Tabung Haji was formed

❖ Establishment of Bank Islam (1<sup>st</sup> Islamic Bank)

❖ Parliament passed IBA, 1983

❖ **Maybank the first to offer Islamic window**

❖ BNM allowed the provision of Islamic banking through “window” operations

❖ Banks with Islamic banking windows allowed to convert to Islamic bank

❖ Issuance of 3 foreign Islamic bank licenses

❖ BNM launched Malaysia International Islamic Financial Centre (MIFC) and released new guidelines, including incentives

❖ **Maybank Islamic commenced operations as Islamic subsidiary**

❖ BNM further liberalised the Financial Sector (issuance of 2 new Islamic banking licenses; increase foreign ownership to 70%; and creation of *Mega* Islamic bank

❖ BNM’s Financial Sector Blueprint 2011-2020 - “Internationalisation of Islamic Finance”

❖ Islamic Financial Services Act 2013 came into force.

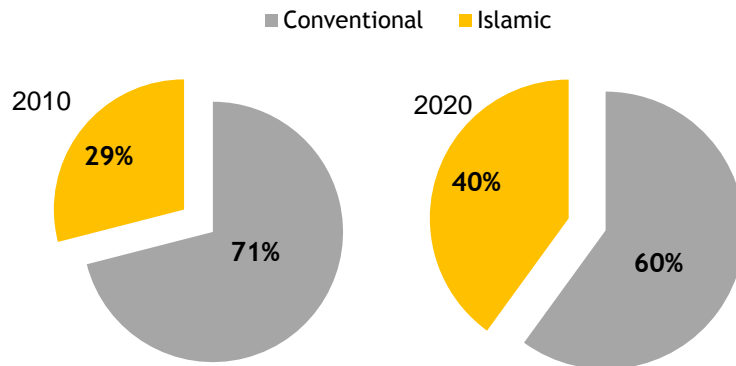
❖ SC launched the Sustainable and Responsible Investment (SRI) Sukuk framework

- Sound legal and regulatory framework
- Strong vision and support from the central bank and government
- Wide range of products & services with certain key added advantage in tax and liquidity
- Conducive and clear Shariah framework
- Large number and diversified Islamic Finance players (local & foreign)
- Human capital development

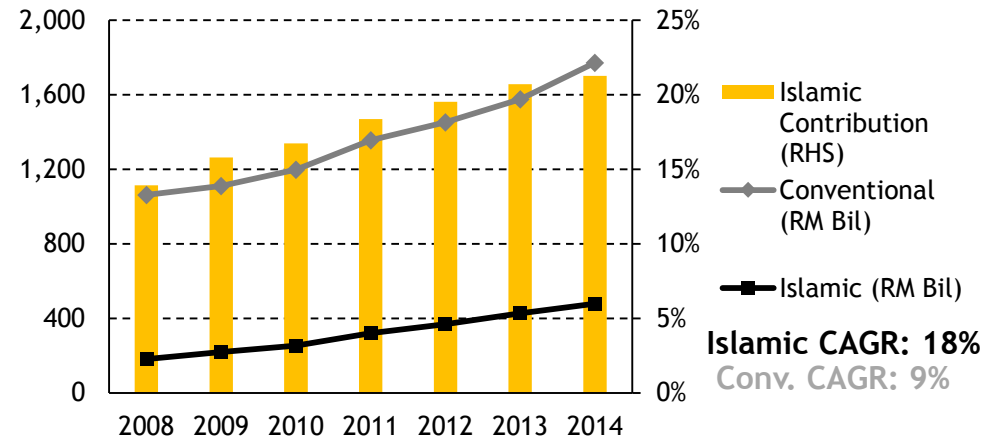
# Malaysia's Banking Industry: Islamic Banking Growth Outstripping Conventional Banking

Islamic financing will account for 40% of total financing in 2020 according to Bank Negara Malaysia

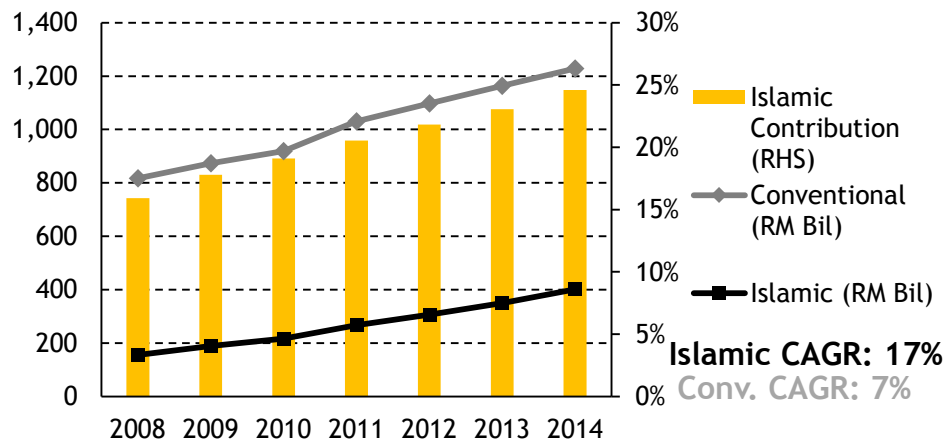
Share of Islamic finance of total financing (2010 vs. 2020)



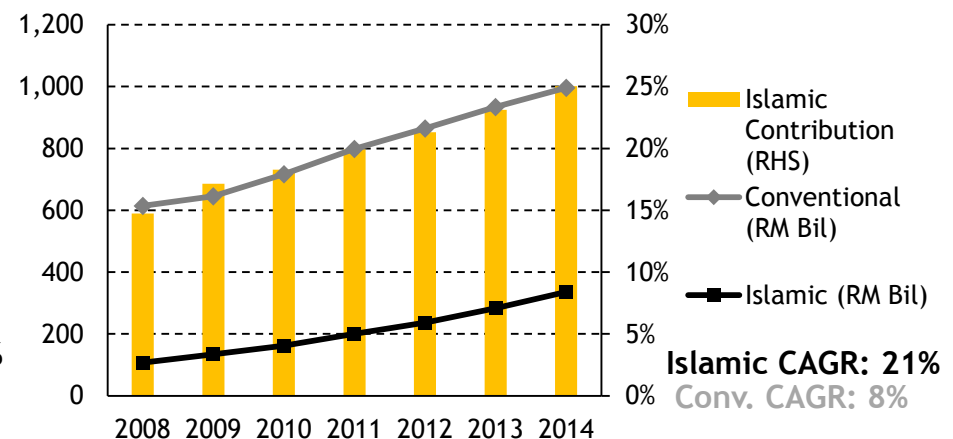
## ASSETS



## DEPOSITS



## LOAN & FINANCING



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# The Maybank Group: In Summary

## A Globally Recognized Financial Services Group



### About the Maybank Group

- Malayan Banking Berhad (“**Maybank**”) and its subsidiaries (“**Maybank Group**”) is the biggest financial services group in Malaysia and the 4<sup>th</sup> largest in South East Asia.
- With over 54 years of growth, the Maybank Group offers various innovative financial services from commercial banking to investment banking (including stock broking), from global markets (treasury) to insurance and offshore banking.

### Selected International Awards & Recognitions

**Bloomberg  
Markets**

Ranked 17<sup>th</sup> strongest in the world for 2014, evaluated based on capital strength, asset quality, strong reserves as well as deposit and funding strength. **Maybank is the first and only Malaysian bank in the list, for 2 consecutive years (2013 and 2014).**



**Maybank is ranked #103 in the world by The Banker Top 1000 World Banks 2014, first among all Malaysian banks.**

**Forbes**

**Maybank is ranked #326 in the world by Forbes Global 2000 Leading Companies 2014, the highest among all Malaysian banks.**

### Our Leadership Position

#### Islamic Finance Leadership

- Led by Maybank Islamic Berhad, the Islamic banking subsidiary of Maybank:
  - ✓ **Largest Islamic finance provider** in Malaysia and Asia-Pacific.
  - ✓ **3<sup>rd</sup> largest** Islamic bank globally by assets (approximately USD38.0 billion).
- “**Islamic first**” philosophy drives Maybank’s strategy to deliver Shariah-compliant financial solutions.

#### Largest Financial Service Provider in Malaysia

- Largest bank in Malaysia: Both conventional and Islamic
- Most valuable company with largest market cap on Malaysia’s stock exchange, Bursa Malaysia with MYR87.3 bil (USD24.5 bil) (27 April 2015)
- 402 branches and 2,604 ATMs serving more than 12 million customers
- #1 Internet banking with 35% market share

#### An Emerging Regional Leader with Global Presence

- One of the **Top 5 Banks in ASEAN**
- Presence in: 10 ASEAN countries and 5 international financial centres
- Over 2,400 branches and offices in 20 countries serving more than 22 million customers worldwide

#### Strong Financial Position

Total Assets	: USD182.9 bil (MYR 675.4 bil) (31 December 2014)
Shareholders’ Funds	: USD15.6 bil (MYR57.6 bil) (31 December 2014)
PATAMI	: USD2.05 bil (MYR7.6 bil) (31 December 2014)
Market Capitalisation	: USD24.5 bil (MYR87.3 bil) (27 April 2015)

#### Strong Shareholder Support and Credit Ratings

- 48% owned by Permodalan Nasional Berhad (Malaysia’s largest fund management company) and its funds and 12% by Employees Provident Fund (Malaysia’s largest retirement fund)
- Foreign shareholding: 23.0%
- Strong credit ratings, on par with sovereign  
S&P : A-                      Moody’s: A3                      Fitch : A-

### Maybank Global Banking



Client Coverage



Investment Banking



Global Markets



Corporate Banking



Transaction Banking



International Strategy and Operations



# The Maybank Group: Regional Presence

## Our regional presence is anchored in ASEAN



### PT Bank Internasional Indonesia

- Established in 1959, with a market capitalisation of IDR18.5 trillion (USD1.45 billion) and total assets of IDR140.7 trillion (USD11.05 billion), BII serves 4.2 million customers
- One of Indonesia's largest banks with a branch network of 413 branches and 1,459 ATMs
- AsiaMoney Award Best Domestic FX provider for innovative FX products and structured ideas in Indonesia, Best Domestic FX provider of Single-Bank Electronic Trading Platform in Indonesia, Best Domestic FX Provider of FX Prime



### Maybank Hong Kong & Greater China

- Maybank Hong Kong has been in operation since 1962 and providing comprehensive wholesale banking solutions
- Maybank Shanghai is a full-service branch providing wholesale banking solutions denominated in both Renminbi and foreign currency (mainly USD)
- Third branch in HK & GC was set up in Beijing in 2012

### Maybank Singapore



- Established in 1960 as a fully-licensed commercial bank, with over 1,400 employees and 22 branches
- Achieved Qualifying Full Bank (QFB) status in 2001
- Over SGD26.3 billion (USD20.18 billion) in assets, and SGD17.5 billion (USD13.43 billion) in loans
- 32 strategically located ATMs and 140 over QFB shared ATMs
- 1<sup>st</sup> and only bank to receive all four business excellence certifications at an enterprise level from SPRING Singapore

### Maybank Philippines Inc (MPI)

- Set up in 1997 when Maybank acquired Republic Planters Bank. Full-service commercial bank offering a wide array of financial solutions geared towards the upscale consumer and selected segments of top-tier corporations
- In August 2000, Maybank successfully acquired up to 99.96% of MPI and became the first foreign bank to have almost 100% ownership stake in a Philippine commercial bank under the new Philippine banking law. At the time of its inception, MPI was the first foreign bank to have established an extensive network of branches all over the country
- Today, Maybank maintains an extensive network of 79 branches strategically located in key cities nationwide

### Maybank in Indochina

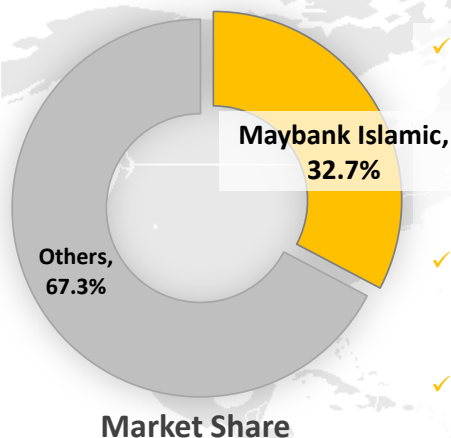
- Cambodia - 16 branches. Achieved local incorporation in April 2012 to expand network
- Vietnam - 2 branches; and 20% stake in An Binh Bank (145 branches)
- Laos - Retail and commercial banking license granted in October 2012, first branch in Laos
- Myanmar - A representative office, and first Malaysian bank to be awarded banking license, in October 2014

# Maybank Islamic: ASEAN's Largest Islamic Finance Provider

## Harnessing the Maybank Group's "Islamic First" Strategy



- The Maybank Islamic Banking Group is the Islamic banking arm of the Maybank Group
- Driven by the Maybank Group's "Islamic First" philosophy to deliver Shariah-compliant solutions



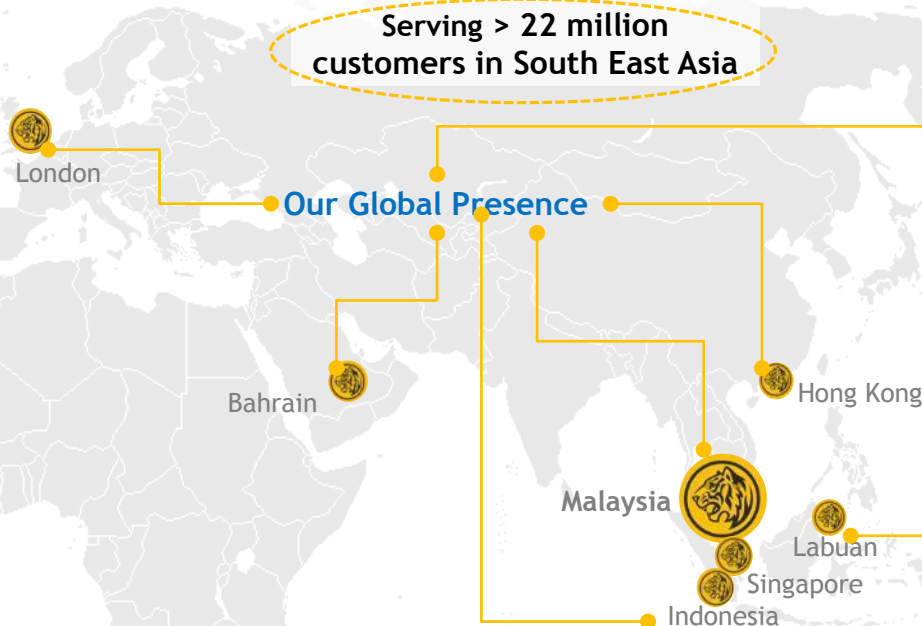
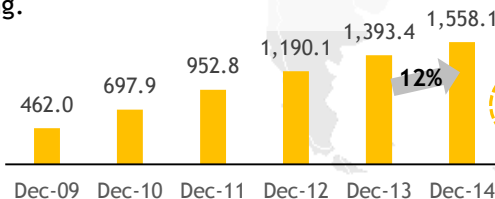
Source: Bank Negara Malaysia  
Monthly Statistical Bulletin  
December 2014

### Our Market Leadership

- ✓ Market share dominance in Malaysia: 32.7% (as at December 2014) leading more than 20 local & foreign-based financial institutions
- ✓ Largest Islamic finance provider in Malaysia and Asia-Pacific
- ✓ 3<sup>rd</sup> largest Islamic bank globally by asset size
- ✓ Total assets recorded at RM146 billion (USD42 billion) (as at December 2014). 17% total assets growth y-o-y

### Wide Presence & Strong Fundamentals

- ✓ **Malaysia:** 16 dedicated branches and co-located across all 399 Maybank branches
- ✓ **Region:** 28 dedicated branches and 273 windows across Singapore, Indonesia, London, Labuan, Bahrain and Hong Kong.



### Awards & Accolades



#### The Banker's Islamic Bank of the Year Awards 2014

- Global Islamic Bank of the Year
- Islamic Bank of the Year (Asia Pacific)
- Islamic Bank of the Year (Indonesia)



#### The Asset Triple A Awards

- Best Islamic Bank of the Year 2014
- Best Islamic Retail Bank & Trade Finance 2012, 2013 & 2014
- Best Islamic Project Finance House 2013 & 2014
- Industry Leadership Award - Islamic Banker of the Year 2013



#### Reader's Digest Trusted Brand Awards 2014

- Islamic Financial Services Category (Gold Award)



#### Global Finance Magazine Awards

- World's Best Islamic Financial Institutions (Asia, Malaysia & Singapore) 2013 & 2014
- World's Best Islamic Financial Institutions (Asia & Malaysia) 2012



#### Alpha South East Asia Awards 2013

- Best Islamic Finance Bank (Malaysia)

## Total Shariah-Compliant Assets (Dec 2014)

	USD bil	MYR bil	Maybank Islamic's Market Share (%)
Maybank Islamic	42	146	-
Malaysia <sup>2</sup>	139	487	30% (2013: 28%)
Global <sup>1</sup>	1,391	4,865	3% (2013: 3%)

## FY2014 Global Sukuk League<sup>3</sup>

Underwriter	Rank	Mkt Share(%)	Amount (USD Mln)	Issues
Maybank	#3	9.9	4,593.58	98

## FY2014 MYR Sukuk League<sup>3</sup>

Underwriter	Rank	Mkt Share(%)	Amount (MYR Mln)	Issues
Maybank	#2	22.7	14,047.88	94

## Total Assets

- As at end December 2014, Maybank Islamic is the **leading ASEAN Islamic bank with total assets recorded at RM146 billion (USD42 billion)**, a y-o-y increase of 10.3% in USD term and 17.1% in MYR term.
- The growth supersedes the global Islamic finance growth rate of 9.8% during the same period resulting in healthy expansion of market share domestically and globally.
- In the domestic market, Maybank Islamic contributed 30% to the local Islamic banking industry, leading more than 20 local & foreign-based financial institutions that offers Shariah-compliant banking.

## Sukuk

- In the Sukuk space, Maybank Group has consistently remained the **top 3 underwriter** on the Bloomberg Sukuk League Table.
- For the financial year ending 2014, Maybank captured **9.9% of the global market share** for Sukuk issuances amounting to over US\$ 4.6 billion through 98 issuances.
- For the Malaysian Ringgit Sukuk Market, Maybank strengthened its position as the **top two underwriters in FY14 with 22.7% of the market share** amounting to almost MYR 14 billion through 94 issuances.

### 2014

#### Global Finance Magazine Awards 2014

- Best Islamic Financial Institution in Asia, Malaysia and Singapore

#### The Asset Triple A Awards 2014

- Islamic Bank of the Year
- Best Islamic Bank - Malaysia
- Best Islamic Retail Bank - Malaysia
- Best Islamic Trade Finance Bank - Malaysia
- Islamic Deal of the Year, for International Islamic Liquidity Management Corporation US\$490 million sukuk (US\$2 billion programme), in which Maybank Islamic has acted as the primary dealer.
- Best Islamic Structured Financing / Best Local Currency Sukuk - Highly Commended, for Lembaga Tabung Haji Property Holdings £225 million Islamic commodity murabaha term financing facility, in which Maybank Islamic has acted as the shariah adviser and arranger

#### The Banker's Islamic Bank of the Year Awards

- Islamic Bank of the Year in Indonesia
- Islamic Bank of the Year in Asia-Pacific
- Global Islamic Bank of the Year

#### Asiamoney Best Islamic Bank Awards 2014

- Best Islamic Bank in Malaysia

#### Reader's Digest Trusted Brand Awards 2014

- Islamic Financial Services Category (Gold Award)

#### Financial Times Global Private Banking Awards 2014

- Best Private Bank for Islamic Services (Global)

### 2014

#### Anugerah Pilihan Pengguna- Persatuan Pengguna Islam Malaysia

- Perbankan Islam Mesra Pengguna

#### Kuala Lumpur Islamic Finance Forum 2014 Awards

- Most Outstanding Islamic Investment Banking

#### PNB Corporate Excellence Awards 2014

- PNB Islamic Initiative Award

### 2013

#### Islamic Business & Finance 2013

- Best Commercial Bank (Asia)

#### The Asset Triple A Awards 2013

- Industry Leadership Award - Islamic Banker of the Year, Best Islamic Retail Bank & Trade Finance, Malaysia, Best Islamic Project Finance House

#### Global Finance Magazine Awards 2013

- World's Best Islamic Financial Institutions 2013 (Asia, Malaysia & Singapore)

#### Alpha Southeast Asia Award 2013

- Best Islamic Finance Bank (Malaysia)

#### International Finance Magazine 2013

- Best Islamic Bank (Malaysia)

#### Financial Times Global Private Banking Awards 2013

- Best Private Bank for Islamic Services (Global)

#### Islamic Finance News Awards 2013

- UK Deals of The Year

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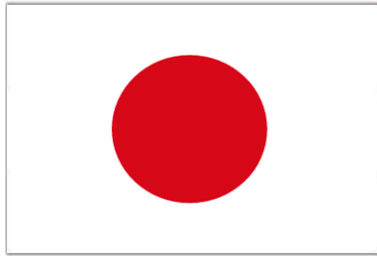
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# How Maybank Islamic Sees the Future: Cross-Border and ASEAN-Japan Connectivity

Private & Confidential



**Maybank** Islamic



Improving G-to-G economic coordination. Great potential for business opportunities



- Improving investments and trade between Japan and Malaysia/ASEAN. Japanese corporates seeking new geographies for capital growth



- Corporates looking for a trusted link to investment opportunities in ASEAN
- Sovereigns/investors seeking to diversify their portfolio which presents an opportunity to invest in Shariah-compliant assets



## THE MAYBANK ISLAMIC PROPOSITION

### 1. DISTRIBUTION NETWORK

Excellent distribution capabilities in ALL ASEAN. We are the leading Islamic Bank in ASEAN (Malaysia, Singapore, Indonesia, Philippines...)

### 2. GATEWAY FOR JAPANESE CORPORATES TO INVEST IN ASEAN

Linking Japanese investors/corporates to invest in ASEAN assets or build business in ASEAN/Malaysia



**THANK YOU**