

TABLE OF CONTENTS

<i>Title</i>	<i>Page</i>
1) The article	1
2) Summary of article	2
3) Related theory	3
4) Appendix/References	
i. Ansoff's Product/Market Matrix	4
ii. Original copy of the article – Page 1/2	5
iii. Original copy of the article – Page 2/2	6

1) The Article

Maybank H1 profit rises 4.4%

It is scouting around for banks in Malaysia and region

By HANIM ADNAN
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KUALA LUMPUR: Malayan Banking Bhd (Maybank) posted a 4.4% increase in net profit to RM1.37bil for the half year ended Dec 31, 2006 from RM1.31bil in the previous corresponding period.

Its revenue for the period grew 8.8% to RM7.03bil, well within the annual 10% growth target. Pre-tax profit also rose by 7.6% to RM2.01bil from RM1.87bil previously.

For the second quarter, pre-tax profit rose 22.7% to RM1.13bil while net profit was 24.5% higher at RM789.1mil compared with a year earlier.

Maybank declared an interim dividend of 40 sen per share less tax, payable on April 26.

President and chief executive officer Datuk Amirsham A.Aziz said after announcing the results of country's largest banking group yesterday that the improved performance was due to higher net interest income, increased contribution from overseas operations, positive contribution from the acquisition of Malaysia National Insurance Bhd and American Express' card business in Malaysia as well as lower loan loss provision for the period.

He said the group's performance translated to a net return on equity of 16.8% after adjusting for deferred taxes, higher than 16.7% achieved in the previous corresponding quarter.

He added that the good results were achieved despite a challenging period, which saw higher oil and commodity prices putting pressure on inflation as well as moderating consumer consumption and increasing competition in the industry.

"Maybank's three-pronged growth strategy



Amirsham A. Aziz (left) and deputy president Datuk Mohammed Hussein

– to diversify income streams to include other non-banking sectors, improve revenue from overseas operations and grow non-interest income – continues to bear fruit and will be further pursued," Amirsham said.

The group continued to see growth in loans to the consumer and the small and medium enterprises (SME) sectors, he said.

»Three-pronged strategy bears fruit«

AMIRSHAM A. AZIZ

> TURN TO B3

(The real newspaper copy is attached at the appendix section of this assignment)

Article adopted from : StarBiz (The Star newspaper's Business section)

Article written by : Hanim Adnan

Article published date : Thursday, 22 February 2007

Article related to industry : Banking

2) Summary of Article

Malayan Banking Berhad (Maybank) announced their net profit increased 4.4% touching the profit as RM 1.37 billion. Maybank also informed the media that they will provide dividend of 40 cents per share and payable on 26th April this year. According to the text, the higher profit was earned by their acquisition of Malaysia National Insurance Berhad. In the form of business the American Express' card and interest from loan and mortgage adding additional advantage for them to gain higher profit. The most mentioned issue in this article is the drastic and unexpected growth of SME loans with growth as 8.8%. Maybank also expressed their interest of acquiring small bank to increase their business strength in the industry.

(Word count: 112 words)

3) Related Theory

The article had mentioned that Malayan Banking Berhad (Maybank) is looking into idea of acquiring other small bank. They also suggested that the bank should be one of the top 10 banks listed in Malaysia. Therefore, they are not just looking for a bank to acquire but also they are actually trying to increase their strength in this banking industry. Strength is being on part of SWOT analysis. SWOT analysis refers to strength, weakness, opportunity, and treats. The article did not touch any other SWOT analysis part else than meaning indirectly to mention about the strength of Maybank. Current Maybank is the largest Banking service provider in Malaysia with their ATM machines widely available all over Malaysia. But yet they are trying to acquire other bank which will also be one of top ten banks. This shows they have their strength well established in Malaysia but they are not stopping at that stage for any reason. They want to increase their strength continuously to keep on defending themselves as the strongest banking firm in the banking industry. This proves that most firms in any industry are trying their best not only be the top of the industry but also keep in struggling to maintain their position as the top provider or top choice for that industry. This statement applies similarly to the Maybank based on their article. When Maybank managed to acquire the other bank, they will be stronger and their strength will be promised compared to previous stage. Therefore their new strength will help them to retain as number one choice for banking services in Malaysia.

(Word count: 267 words)

4) Appendix or Reference attachments

i) SWOT Matrix



SWOT Matrix

	Current State	Proposed Future State	Need for Change
Strengths/ Opportunities	What are the strengths of our current processes/operations? What business opportunities does this state offer?	What are the strengths of the proposed state? What business opportunities does this state offer?	Are the strengths and opportunities of the future state significantly more compelling than those in the current state?
Weaknesses/ Threats	What weaknesses exist in our current processes/operations? What other threats are present in this state?	What weaknesses do we predict will exist in the proposed state? What other threats are possible in this state?	Are the weaknesses and threats in the current state much more significant than in the future state?

ii) Original copy of the article – Page 1 of 2

iii) Original copy of the article – Page 2 of 2