

Maybank posts lower Q3 net profit

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MALAYAN Banking Bhd (Maybank) (1155), the country's largest lender, said yesterday that its third quarter net profit fell more than a third and warned that business conditions would remain challenging for the rest of the year.

"We are seeing lower profit performance impacted largely by higher provisioning for our international operations and impairment costs resulting from our recent regional acquisitions, Maybank chief executive officer Datuk Seri Abdul Wahid Omar said in a statement.

Maybank, which made a string of overseas acquisitions last year, said January-March net profit slipped to RM503.3 million from RM758.6 million a year ago. Revenue, however, grew 14 per cent to RM4.265 billion.

Analysts in Malaysia do not provide quarterly forecasts, but said that there had not been a significant deterioration in the asset quality of Malaysian banks.

Maybank said it expects to finalise a goodwill impairment analysis on Indonesian unit Bank Internasional Indonesia by next month.

The lender expects to make a smaller profit for the full year compared with the previous year's as recent acquisitions have yet to be earnings accretive and there are potential impairment charges.

"The highly competitive banking landscape together with an environment of lower interest rates and more challenging business and employment prospects could lead to pressure on margins and rising non-performing loans," it said. - Reuters